

**76**  
Properties

**\$226M**  
Adj. Inv. Properties<sup>(1)</sup>

**\$0.30**  
Annual Dist.

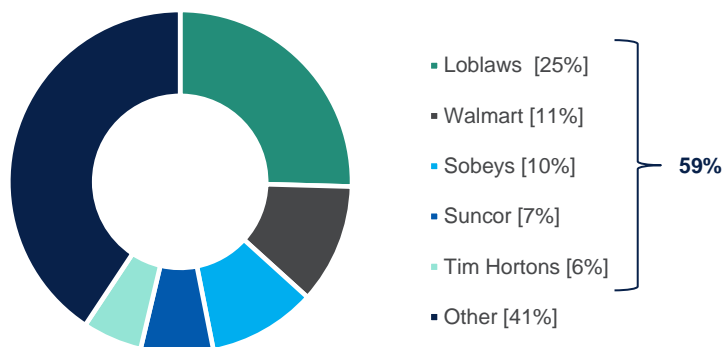
**54%**  
Dist. / Recurring FFO

### CORPORATE PROFILE

Fronsac is an open-ended real estate investment trust that has a mission to acquire and retain high quality commercial real estate leased on a long-term, management-free, net basis.

- Holds interests in 76 properties in Eastern Canada;
- 99% occupancy rate;
- Tenants composed of (1) major retailers, (2) fast food chains, (3) major oil/gas companies, (4) convenience store chains and (5) others;
- **Insiders own ~15% of the Trust.**

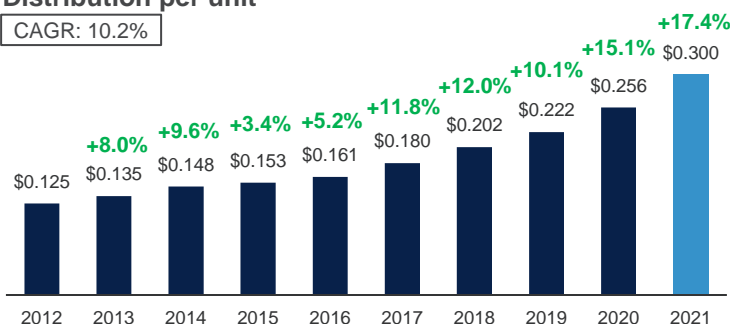
### MAIN TENANTS (based on NOI) – Q1 2021



### PER UNIT HIGHLIGHTS

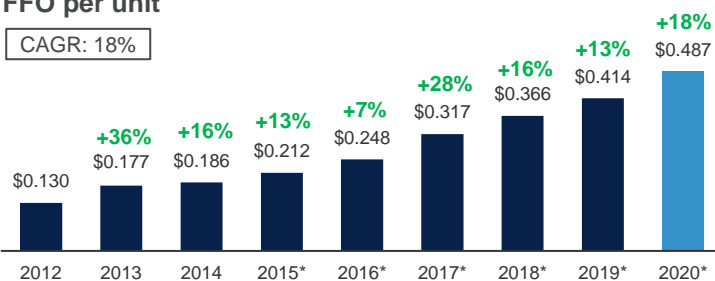
#### Distribution per unit

CAGR: 10.2%



#### FFO per unit

CAGR: 18%



\*Recurring FFO

### BUSINESS MODEL

#### 1. TRIPLE NET AND MANAGEMENT-FREE LEASES

##### Triple Net

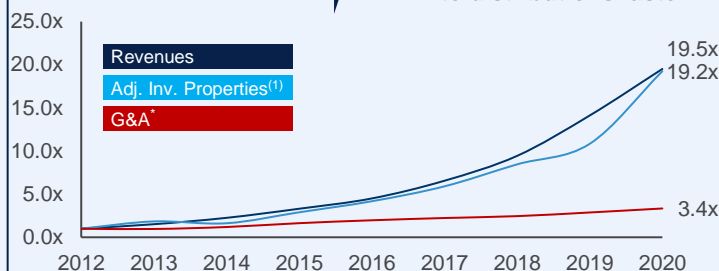
Variable costs (insurance, taxes, maintenance, etc.) are assumed by tenants

- **More stable & predictable cash flows for Fronsac**

##### Management-free

Tenants are responsible for the management of the property (maintenance, minor renovations, etc.)

- **Overhead does not increase with new acquisitions**
- **New revenues translated into distributions faster**



\*Excluding unit-based compensation

#### 2. PROPERTY TYPE

- Leased to **credit rated national tenants**
- Choice of location for tenant is **revenue-driven** (need good access, visibility & high traffic) unlike other segments that are expense-driven (need to cut costs, not related to the success of the business)
- **Higher probabilities of renewal**
- **Less tenant improvements** needed to keep the tenant as location is crucial for the business, hence **smoother cash flow** for Fronsac

#### 3. ACQUISITION STRATEGY

- Properties are being acquired from various sources as well as retailers under sale and leaseback agreements
- Fronsac also participates in select developments
- Typical transaction is too large for individual investors but not large enough for larger firms

### SUMMARY OF FINANCIAL INFORMATION

Periods ended March 31	2021	2020	Δ	%
<b>Financial info</b>				
Property rental income	4,453,791	2,863,606	1,590,185	56%
Total revenue	4,453,791	2,863,606	1,590,185	56%
Net income (loss) and comprehensive income (loss)	223,673	4,118,476	(3,894,803)	(95%)
NOI <sup>(1)</sup>	3,279,414	2,198,785	1,080,629	49%
FFO <sup>(1)</sup>	2,433,267	1,462,713	970,554	66%
Recurring FFO <sup>(1)(2)</sup>	2,433,267	1,462,713	970,554	66%
AFFO <sup>(1)</sup>	2,236,544	1,349,626	886,918	66%
Adjusted EBITDA <sup>(1)</sup>	3,132,047	2,020,860	1,111,187	55%
Investment properties	187,591,316	137,321,331	50,269,985	37%
Adjusted investment properties <sup>(3)</sup>	225,561,827	160,828,581	64,733,246	40%
Total assets	208,549,407	155,220,627	53,328,780	34%
Total mortgage/loans/long term debt <sup>(4)</sup> (including revolving line of credit)	106,859,491	71,064,054	35,795,437	50%
Total convertible debentures	107,909,491	76,887,604	31,021,887	40%
Total equity	8,128,852	2,985,538	5,143,314	172%
Total equity	89,408,345	71,358,784	18,049,561	25%
Weighted average units o/s - basic	17,420,614	13,296,639	4,123,975	31%
<b>Amounts on a per unit basis</b>				
FFO	0.140	0.110	0.030	27%
Recurring FFO	0.140	0.110	0.030	27%
AFFO	0.128	0.102	0.027	26%
Distributions	0.075	0.064	0.011	17%
<b>Financial ratios</b>				
Weighted avg. interest rate - fixed loans/mortgages	3.4%	3.8%	(0.5%)	
Debt to total assets - including converts	56%	51%	5%	
Debt to total assets - excluding converts	52%	50%	2%	
Interest coverage ratio	2.9x	2.5x	0.4x	
Debt service coverage ratio	1.7x	1.7x	-	
Distributions as a % of FFO per unit	54%	58%	(4%)	
Distributions as a % of Recurring FFO per unit	54%	58%	(4%)	
Distributions as a % of AFFO per unit	58%	63%	(5%)	

<sup>(1)</sup> See appropriate sections for reconciliation to the closest IFRS measure and section "Explanation of non-IFRS financial measures"

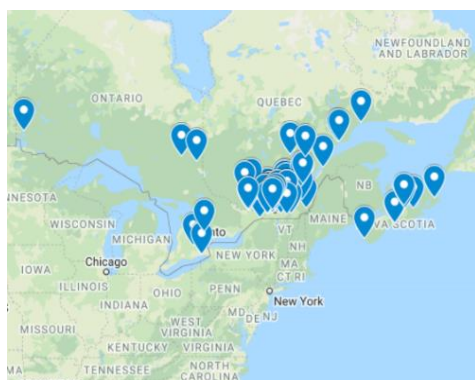
<sup>(2)</sup> Recurring FFO excludes "Other income" items as presented on the Consolidated Financial Statements

<sup>(3)</sup> Includes value of investment properties owned through joint ventures; Refer to Note 4 (Investment Properties) and Note 5 ([1] value of developed properties, [2] leased properties and [3] properties under development) in Fronsac's financial statements

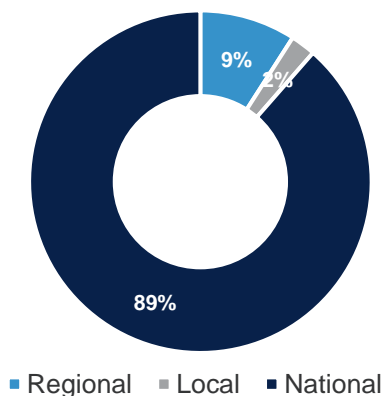
<sup>(4)</sup> Excludes convertible debentures

### PORTFOLIO OVERVIEW

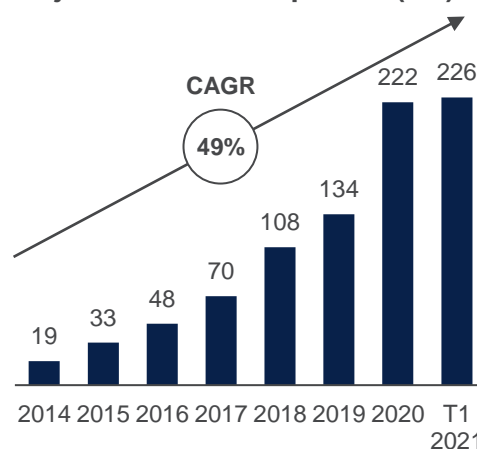
#### Locations



#### Q1 2021 Tenants Mix (by NOI)



#### Adj. Investment Properties (\$M)



**FRONSAC REAL ESTATE INVESTMENT TRUST**

106 Gun Avenue

Pointe Claire, Qc, Canada, H9R 3X3

(450) 536-5328