

News Release

April 9, 2020



Adventus Realty Trust Provides COVID-19 Update, Temporary Suspension of Distributions and Termination of Proposed Dallas Property Acquisition

Adventus Realty Trust by its Trustee, Adventus Realty Services Inc. (the “Trust” or the “Company”) announces an update on the impact of the novel coronavirus (COVID-19) pandemic on its business.

The Trust is carefully considering its capital allocation strategy, with a focus on liquidity and cash flow management; reducing portfolio risk; and meeting current obligations with respect to previously committed reinvestment initiatives.

To date, we have collected approximately 86% of April 2020 rents. We are constantly monitoring these collections and are carrying out a comprehensive review of tenant rents to estimate the amount collectable. We currently believe that between 5% and 14% of monthly rents for April may not be collected due to either requests for deferral or relief. Management is currently working with each affected tenant on a case by case basis to determine if rent deferral or relief is appropriate or whether rent obligations under the current circumstances represent a significant challenge to the tenant’s ongoing viability. While it is encouraging that we have received approximately 86% of April rent obligations to date, the immediate future is quite uncertain. We do not expect April rent collections to be indicative of subsequent rent collections throughout the term of this pandemic environment. Management continues with its comprehensive review of tenant rents to evaluate how changes in market conditions could adversely impact the Trust.

As previously announced, over the past year the Trust completed three significant early lease renewals, totaling over 500,000 square feet, representing approximately 18% of the portfolio by net operating income. The Trust is committed to meeting its obligations under these early lease renewals, which include significant tenant improvements, payment of broker commissions and capital upgrades in 2020. These lease renewals are very accretive; however, they require significant cash outlays in the near future which had been included in our budgeting process. It is essential to the Trust’s business that these major leases remain secured and that the Trust fulfil its obligations in respect thereof. At the same time, all non-essential capital projects will be deferred.

Temporary Suspension of Distributions

The Board of the Trustee (the “Board”) has authorized the suspension of the Trust’s monthly distributions until further notice, effective immediately (this includes suspension of the March distribution which was previously announced as being payable in April 2020). In considering this change to our distribution policy, the Board took into consideration the Trust’s financial condition, liquidity, potential impacts of COVID-19 on our business, preservation of our assets and securing the long-term viability of the Trust.

The Board will continue to evaluate the Trust’s performance and expects to assess the Trust’s distribution policy on a monthly basis.

Termination of Purchase and Sale Agreement for Dallas Target

Furthermore, in consideration of the current economic environment and unknown effects of COVID-19, the Board has determined that the prudent course of action is to not complete the previously announced Purchase and Sale Agreement (“PSA”) to acquire the Trust’s first property in Dallas, Texas. Under the terms of the PSA, deposits of US\$6.0 million will be forfeited. The Trust was positioned to close on the acquisition of the property by the original closing date of March 17, 2020, but delays on the part of our Project Lender resulted in an extension of the closing date to April 16, 2020. The continuing impacts of COVID-19 in April 2020 then led to the decision to not complete the purchase.

When economic conditions improve and markets have become more stable, the Trust will re-evaluate property acquisitions to ensure continued accretive portfolio growth, subject to the availability of capital.

Adventus will continue to provide enhanced regular investor communications during this period. We would like to assure our unitholders that we are doing our best to minimize the impact on our business.

We want to thank all our investors, stakeholders and partners for your support through this unprecedented time.

About Adventus

Adventus is a Canadian based private Real Estate Investment Trust (REIT) and is focused on US income producing commercial real estate, in the suburban office markets of Chicago, Illinois and Atlanta, Georgia. For more information on Adventus, including our team, corporate strategy, photo gallery, details of our portfolio and press releases, we invite you to visit our website at www.adventusrealty.com.

Cautionary Statements Regarding Forward-Looking Statements

This press release may contain forward-looking statements with respect to the REIT and its operations, strategy, financial performance and financial condition, as well as with respect to the previously disclosed acquisitions and future acquisitions of properties. These statements generally can be identified by the use of forward-looking terminology such as “anticipate”, “believe”, “plan”, “forecast”, “expect”, “intend”, “would”, “could”, “if”, “may” and similar expressions. The actual results and performance of the REIT and the acquisitions discussed herein could differ materially from those expressed or implied by such statements. Accordingly, readers should not place undue reliance on forward-looking statements. These cautionary statements qualify all forward-looking statements attributable to the REIT and persons acting on its behalf. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Some important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, changes in interest rates, competition and changes in securities or other laws or regulations or the application thereof. The cautionary statements qualify all forward-looking statements attributable to the REIT and persons acting on its behalf.

Unless otherwise stated, all forward-looking statements speak only as of the date of this press release. Except as required by applicable law, the REIT specifically disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.

ADVENTUS REALTY TRUST

By its Trustee: ADVENTUS REALTY SERVICES INC.

Per: Rodney B. Johnston, FCPA, FCA
President and Chief Executive Officer