



FIRM CAPITAL PROPERTY TRUST

FIRM CAPITAL PROPERTY TRUST ANNOUNCES STRONG FINISH TO 2017

Toronto, Ontario, March 21, 2018. Firm Capital Property Trust (“**FCPT**” or the “**Trust**”), (TSXV: FCD.UN) is pleased to report its financial results for the three and twelve months ended December 31, 2017.

PROPERTY PORTFOLIO HIGHLIGHTS

The portfolio consists of 61 commercial properties with a total GLA of 2,528,214 square feet (1,502,454 square feet on an owned interest basis) and a 50% interest in one apartment complex comprised of 135 apartment units. The portfolio is well diversified in terms of geographies and property asset types.

TENANT DIVERSIFICATION

The portfolio is well diversified by tenant profile with no tenant accounting for more than 5.3% of total net rent. Further, the top 10 tenants are largely comprised of creditworthy and large national tenants and account for 24.9% of total net rent.

FOURTH QUARTER AND 2017 HIGHLIGHTS

- Net income for the three months ended December 31, 2017 was approximately \$5.1 million, a 38% increase over the \$3.7 million reported for the three months ended September 30, 2017 and a 56% increase over the \$3.3 million reported for the three months ended December 31, 2016. Net income for the twelve months ended December 31, 2017 was approximately \$16.2 million, a 104% increase in comparison to the \$8.0 million reported for the twelve months ended December 31, 2016;
- On an IFRS basis, NOI for the three months ended December 31, 2017 was approximately \$3.1 million which is a 9% increase compared to the \$2.9 million reported September 30, 2017 and a 19% increase in comparison to the \$2.6 million reported for the three months ended December 31, 2016. NOI for the twelve months ended December 31, 2017 was approximately \$11.5 million, a 22% increase in comparison to the \$9.4 million reported for the twelve months ended December 31, 2016;
- On a cash basis (“**Cash NOI**”), for the three months ended December 31, 2017 was approximately \$3.1 million, which is a 11% increase compared to the \$2.8 million reported for the three months ended September 30, 2017 and a 21% increase over the \$2.6 million reported for the three months ended December 31, 2016. Cash NOI for the twelve months ended December 31, 2017 was \$11.3 million, a 22% increase in comparison to the \$9.3 million reported for the twelve months ended December 31, 2016;

- Funds From Operations (“**FFO**”) for the three months ended December 31, 2017 was approximately \$1.9 million, which is a 30% increase over the \$1.5 million reported for the three months ended September 30, 2017 and a 24% increase over the \$1.5 million reported for the three months ended December 31, 2016. Adjusted Funds From Operations (“**AFFO**”) for the three months ended December 31, 2017 was approximately \$1.7 million, 17% increase over the \$1.4 million reported for the three months ended September 30, 2017 and a 25% increase in comparison to the \$1.3 million reported for the three months ended December 31, 2016;
- FFO for the twelve months ended December 31, 2017 was approximately \$6.5 million, a 23% increase in comparison to the \$5.3 million reported for the twelve months ended December 31, 2016. AFFO for the twelve months ended December 31, 2017 was \$6.0 million, a 21% increase in over the \$5.0 million reported for the twelve months ended December 31, 2016;
- Including Gains on Sale of Investment Properties, Adjusted FFO was \$7.3 million for the twelve months ended December 31, 2017 which is a 19% increase over the \$6.1 million reported for the twelve months ended December 31, 2016. Adjusted AFFO was \$6.8 million for the twelve months ended December 31, 2017 which is a 17% increase over the \$5.8 reported for the twelve months ended December 31, 2016;
- FFO per Unit for the three months ended December 31, 2017 was \$0.145 which was a 27% increase over the \$0.114 reported for the three month ending September 30, 2017 and a 19% increase over the \$0.122 reported for the three month ended December 31, 2016. AFFO per Unit was \$0.127 for the three months ended December 31, 2017 which was a 14% increase over the \$0.111 reported for the three months ended September 30, 2017 and a 20% increase over the \$0.105 reported for the three months ended December 31, 2016;
- FFO per Unit for the twelve months ended December 31, 2017 was \$0.505 which was a 15% increase over the \$0.439 reported for the twelve months ended December 31, 2016. AFFO per Unit was \$0.467 for the twelve months ended December 31, 2017 which was a 13% increase over the \$0.415 reported for the twelve months ended December 31, 2016;
- For the three months ended December 31, 2017, FFO and AFFO payout ratios are 76% and 87% respectively. For the twelve months ended December 31, 2017, FFO and AFFO payout ratios are 87% and 94%. For the twelve months ended December 31, 2017 the Adjusted FFO and Adjusted AFFO payout ratios are 78% and 84% respectively;
- Commercial occupancy was 92.6%; and
- Conservative leverage profile with Debt / Gross Book Value (“**GBV**”) at 51.7%.

	Three Months			Twelve Months		Three Months		Twelve Months
	Dec 31, 2017	Sept 30, 2017	Dec 31, 2016	Dec 31, 2017	Dec 31, 2016	Sept 30, 2017	Dec 31, 2016	Dec 31, 2016
Rental Revenue	\$ 5,025,013	\$ 4,835,094	\$ 4,601,110	\$ 19,318,609	\$ 16,272,929	4%	9%	19%
NOI								
- IFRS Basis	\$ 3,124,641	\$ 2,867,718	\$ 2,619,801	\$ 11,540,767	\$ 9,439,730	9%	19%	22%
- Cash Basis	\$ 3,112,045	\$ 2,809,432	\$ 2,566,717	\$ 11,319,591	\$ 9,260,979	11%	21%	22%
Net Income	\$ 5,125,746	\$ 3,704,461	\$ 3,276,096	\$ 16,229,452	\$ 7,966,119	38%	56%	104%
FFO	\$ 1,904,860	\$ 1,460,941	\$ 1,539,054	\$ 6,496,422	\$ 5,279,875	30%	24%	23%
AFFO	\$ 1,671,250	\$ 1,426,579	\$ 1,334,369	\$ 6,013,327	\$ 4,989,610	17%	25%	21%
Adjusted FFO*	\$ 1,904,860	\$ 1,909,101	\$ 1,539,054	\$ 7,251,241	\$ 6,080,567	(0%)	24%	19%
Adjusted AFFO*	\$ 1,671,250	\$ 1,874,739	\$ 1,334,369	\$ 6,768,146	\$ 5,790,302	(11%)	25%	17%
FFO Per Unit	\$ 0.145	\$ 0.114	\$ 0.122	\$ 0.505	\$ 0.439	27%	19%	15%
AFFO Per Unit	\$ 0.127	\$ 0.111	\$ 0.105	\$ 0.467	\$ 0.415	14%	20%	13%
Adjusted FFO/Unit*	\$ 0.145	\$ 0.149	\$ 0.122	\$ 0.564	\$ 0.506	(3%)	19%	12%
Adjusted AFFO/Unit*	\$ 0.127	\$ 0.146	\$ 0.105	\$ 0.526	\$ 0.481	(13%)	20%	9%
Distributions Per Unit	\$ 0.110	\$ 0.110	\$ 0.108	\$ 0.440	\$ 0.423		2%	4%
Payout Ratios								
- FFO	76%	96%	89%	87%	96%			
- AFFO	87%	99%	103%	94%	102%			
- Adjusted FFO	76%	74%	89%	78%	84%			
- Adjusted AFFO	87%	75%	103%	84%	88%			

FINANCIAL HIGHLIGHTS

- +22.3% Total Return for 2017 which include Highly Efficient Tax Deferred Cash Distributions:** The Trust had a total return (including distributions for 2017) of +22.3%, well ahead of the TSX Capped REIT Index of +9.0%. Further, 89.7% of distributions were tax deferred in the form of return of capital;
- +4.5% Increase in Monthly Distributions:** On November 10, 2017, the trust announced that its Board of Trustees has approved a 4.5% increase in its monthly distributions to \$0.038333 per Trust Unit from \$0.036666 per Trust Unit commencing in 2018. On an annualized basis this equates to annual distributions of \$0.46 per unit up from \$0.44 per unit. This is the Trust's fifth distribution increase in five years and represents a cumulative increase of 31.4% since the Trust's inception in 2012;
- \$26.0 Million Acquisition:** On November 30, 2017, the Trust closed the purchase of a 100% interest of a 115,838 square foot grocery anchored retail property located in Guelph, Ontario. The acquisition price of the property was approximately \$26.0 million, excluding transaction costs. The property was acquired at a 6.9% capitalization rate. The acquisition was financed through the assumption of a \$14.3 million, 4.40% first mortgage that matures in 2024;
- \$18.6 Million of Equity Raised:** During and subsequent to the end of the quarter, the Trust issued \$18.6 million of trust units through non-brokered private placement and an overnight marketing public offering;
- Declaration of Monthly Distributions:** On March 21, 2018, the Trust

announced that it has declared and approved monthly distributions in the amount of \$0.038333 per Trust Unit for unitholders of record on April 30, 2018, May 31, 2018 and June 29, 2018 payable on or about May 15, 2018, June 15, 2018 and July 16, 2018.

For the complete financial statements, Management's Discussion & Analysis and supplementary information, please visit www.sedar.com or the Trust's website at www.firmcapital.com

DISTRIBUTION REINVESTMENT PLAN & UNIT PURCHASE PLAN

The Trust has in place a Distribution Reinvestment Plan ("DRIP") and Unit Purchase Plan (the "Plan"). Under the terms of the DRIP, FCPT's Unitholders may elect to automatically reinvest all or a portion of their regular monthly distributions in additional Units, without incurring brokerage fees or commissions. Under the terms of the Plan, FCPT's Unitholders may purchase a minimum of \$1,000 of Units per month and maximum purchases of up to \$12,000 per annum. Management and trustees have not participated in the DRIP or Plan to date and own approximately 7% of the issued and outstanding trust units of the Trust.

ABOUT FIRM CAPITAL PROPERTY TRUST

Firm Capital Property Trust is focused on creating long-term value for Unitholders, through capital preservation and disciplined investing to achieve stable distributable income. In partnership with management and industry leaders, The Trust's plan is to co-own a diversified property portfolio of multi-residential, flex industrial, net lease convenience retail, and core service provider professional space. In addition to stand alone accretive acquisitions, the Trust will make joint acquisitions with strong financial partners and acquisitions of partial interests from existing ownership groups, in a manner that provides liquidity to those selling owners and professional management for those remaining as partners. Firm Capital Realty Partners Inc., through a structure focused on an alignment of interests with the Trust sources, syndicates and property and asset manages investments on behalf of the Trust.

FORWARD LOOKING INFORMATION

This press release may contain forward-looking statements. In some cases, forward-looking statements can be identified by the use of words such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", and by discussions of strategies that involve risks and uncertainties. The forward-looking statements are based on certain key expectations and assumptions made by the Trust. By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. Although management of the Trust believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that future results, levels of activity, performance or achievements will occur as anticipated. Neither the Trust nor any other person assumes responsibility for the accuracy and completeness of any forward-looking statements, and no one has any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or such other factors which affect this information, except as required by law.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, which may be made only by means of a prospectus, nor shall there be any sale of

the Units in any state, province or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under securities laws of any such state, province or other jurisdiction. The Units of the Firm Capital Property Trust have not been, and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered, sold or delivered in the United States absent registration or an application for exemption from the registration requirements of U.S. securities laws.

Certain financial information presented in this press release reflect certain non-International Financial Reporting Standards (“IFRS”) financial measures, which include NOI, FFO and AFFO. These measures are commonly used by real estate investment entities as useful metrics for measuring performance and cash flows, however, they do not have standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other real estate investment entities. These terms are defined in the Trust’s Management Discussion and Analysis (“MD&A”) for the quarter and year ended December 31, 2017 as filed on www.sedar.com.

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