



FIRM CAPITAL PROPERTY TRUST

FIRM CAPITAL PROPERTY TRUST ANNOUNCES A STRONG FIRST QUARTER AND SIGNIFICANT GROWTH INITIATIVES

Toronto, Ontario, May 9, 2019. Firm Capital Property Trust (“**FCPT**” or the “**Trust**”), (TSXV: FCD.UN) is pleased to report today its financial results for the three months ended March 31, 2019.

PROPERTY PORTFOLIO HIGHLIGHTS

The portfolio consists of 68 commercial properties with a total GLA of 2,964,159 square feet (1,715,989 square feet on an owned interest basis) and interests in two apartment complexes comprised of 204 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 16% of total net rent. Further, the top 10 tenants are largely comprised of creditworthy and large national tenants and account for 35% of total net rent. Subsequent to the completion of the First Capital Realty Inc. acquisition, no tenant accounts for more than 10% of total net rent with the top 10 tenants accounting for 29% of total net rent.

FIRST QUARTER HIGHLIGHTS 2019

- Net income for the three months ended March 31, 2019 was approximately \$2.3 million in comparison to the \$2.8 million reported for the three months ended December 31, 2018 and the \$6.2 million reported for the three months ended March 31, 2018;
- \$7.04 Net Asset Value (“**NAV**”) per Unit based on a IFRS book value of equity of approximately \$133.1 million;
- On an IFRS basis, NOI for the three months ended March 31, 2019 was approximately \$3.8 million, which is a 14% increase over the \$3.4 million reported for the three months ended December 31, 2018 and a 25% increase in comparison to the \$3.1 million reported for the three months ended March 31, 2018.
- On a cash basis (“**Cash NOI**”), for the three months ended March 31, 2019 was approximately \$3.8 million, which is a 13% increase over the \$3.4 million reported for the three months ended December 31, 2018 and a 24% increase over the \$3.1 million reported for the three months ended March 31, 2018.

- Funds From Operations (“**FFO**”) for the three months ended March 31, 2019 was approximately \$1.8 million compared to the \$2.1 million reported for the three months ended December 31, 2018 and the \$1.9 million reported for the three months ended March 31, 2018;
- Adjusted Funds From Operations (“**AFFO**”) for the three months ended March 31, 2019 was approximately \$1.9 million, a 9% increase over the \$1.8 million reported for the three months ended December 31, 2018 and a 19% increase over the \$1.6 million reported for the three months ended March 31, 2018;
- AFFO per Unit was \$0.110 for the three months ended March 31, 2019 a 9% increase compared to the \$0.101 the three months ended December 31, 2018 and a 4% increase over the \$0.106 for the three months ended March 31, 2018.
- FFO per Unit was \$0.100 for the three months ended March 31, 2019 compared to \$0.119 for the three months ended December 31, 2018 and \$0.122 for the three months ended March 31, 2018.
- Commercial occupancy improved to 95.5% while residential occupancy improved to 99.0%; and
- Conservative leverage profile with Debt / Gross Book Value (“**GBV**”) at 49.1%.

	Three Months			Three Months	
	Mar 31, 2019	Dec 31, 2018	Mar 31, 2018	Dec 31, 2018	Mar 31, 2018
Rental Revenue	\$ 6,443,690	\$ 5,626,549	\$ 5,463,490	15%	18%
NOI					
- IFRS Basis	\$ 3,835,465	\$ 3,370,036	\$ 3,069,874	14%	25%
- Cash Basis	\$ 3,795,287	\$ 3,369,792	\$ 3,059,174	13%	24%
Net Income	\$ 2,287,088	\$ 2,764,360	\$ 6,231,326	(17%)	(63%)
FFO	\$ 1,765,500	\$ 2,088,395	\$ 1,860,165	(15%)	(5%)
AFFO	\$ 1,929,209	\$ 1,769,007	\$ 1,624,880	9%	19%
FFO Per Unit	\$ 0.100	\$ 0.119	\$ 0.122	(16%)	(18%)
AFFO Per Unit	\$ 0.110	\$ 0.101	\$ 0.106	9%	4%
Distributions Per Unit	\$ 0.120	\$ 0.115	\$ 0.115		4%
Payout Ratios					
- FFO	119%	97%	94%		
- AFFO	109%	114%	108%		

FINANCIAL HIGHLIGHTS

- **\$187 Million in Acquisitions:** Since the beginning of 2019, the Trust has completed the following acquisitions:
 - On January 4, 2019, the Trust closed on an acquisition of a 100% interest in a 69 unit multi-residential property located in Dartmouth, Nova Scotia. The acquisition price for the property was approximately \$11.2 million (including transaction costs);

- On February 5, 2019, the Trust closed on an acquisition of a 50% interest in a seven retail property portfolio totaling 296,376 square feet. The properties are located in Alberta, Nova Scotia, Saskatchewan, Ontario and Quebec. The acquisition price for 100% of the portfolio was approximately \$84.8 million (including transaction costs). The Trust's portion of the purchase price was approximately \$42.4 million; and
- On May 9, 2019, the Trust closed on an acquisition from First Capital Realty Inc. and an affiliate thereof a 50% non-managing interest in six net-leased primarily grocery anchored shopping centres located in Ontario and Quebec. The acquisition price for 100% of the portfolio is approximately \$266 million, excluding transaction costs. The Trust's portion of the acquisition price is approximately \$133 million;
- **\$54 Million of Equity Issued:** Since the beginning of 2019, the Trust has completed the following equity raising activity:
 - On March 26, 2019, the Trust issued \$8.7 million of Trust Units through a non-brokered private placement;
 - On April 24, 2019, the Trust issued \$16.3 million of Trust Units through a non-brokered private placement and \$26.2 million of Trust Units through a marketed offering;
 - On April 30, 2019, the Trust issued an additional \$2.1 million of Trust Units as part of the marketed offering as described above; and
 - On May 1, 2019, the Trust issued an additional \$1.0 million of Trust Units as part of the non-brokered private placement as described above.
- **\$95 Million of New Mortgage Financing:** Since the beginning of 2019, the Trust has completed the following new mortgage financing:
 - On January 14, 2019, the Trust completed an upward financing of its Montreal Portfolio with a Canadian Chartered Bank. The new principal balance is \$49.0 million in comparison to the previous balance of \$41.7 million. The Trust's portion of this financing is \$24.5 million. The terms are unchanged from the original loan at an interest rate of 4.0% with a 25 year amortization;
 - On February 5, 2019, the Trust financed five new mortgages totaling \$21.0 million and supplemented one assumed mortgage by \$1.0 million as part of the Crombie Retail portfolio acquisition as described above. The mortgages have interest rates with a weighted average of 3.72% with ranges of between 3.29% and 4.41%, amortizes and mature between December 1, 2023 and February 5, 2024;
 - On February 28, 2019, the Trust refinanced its existing mortgage on its Portland property. The principal balance is \$7.0 million which is 100% the

trust's portion. The new mortgage is fixed at a 2.65% interest rate with a 25 year amortization; and

- On May 9, 2019, the Trust financed two new mortgages totaling \$52.8 million and supplemented one assumed mortgage by \$9.6 million as part of the First Capital Realty portfolio acquisition as described above. The mortgages have interest rates with a weighted average of 3.30% with ranges of between 3.26% and 3.50% with a 25 year amortization;
- **Declaration of Monthly Distributions:** On May 9, 2019, the Trust announced that it has declared and approved monthly distributions in the amount of \$0.04 per Trust Unit for Unitholders of record on July 31, 2019, August 30, 2019 and September 30, 2019 payable on or about August 15, 2019, September 16, 2019 and October 15, 2019.

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 March 31, 2019 as filed on www.sedar.com.

For further information, please contact:

Robert McKee
President & Chief Executive Officer
(416) 635-0221

Sandy Poklar
Chief Financial Officer
(416) 635-0221