



# **Firm Capital Property Trust**

**INVESTOR PRESENTATION - Q2 2020**

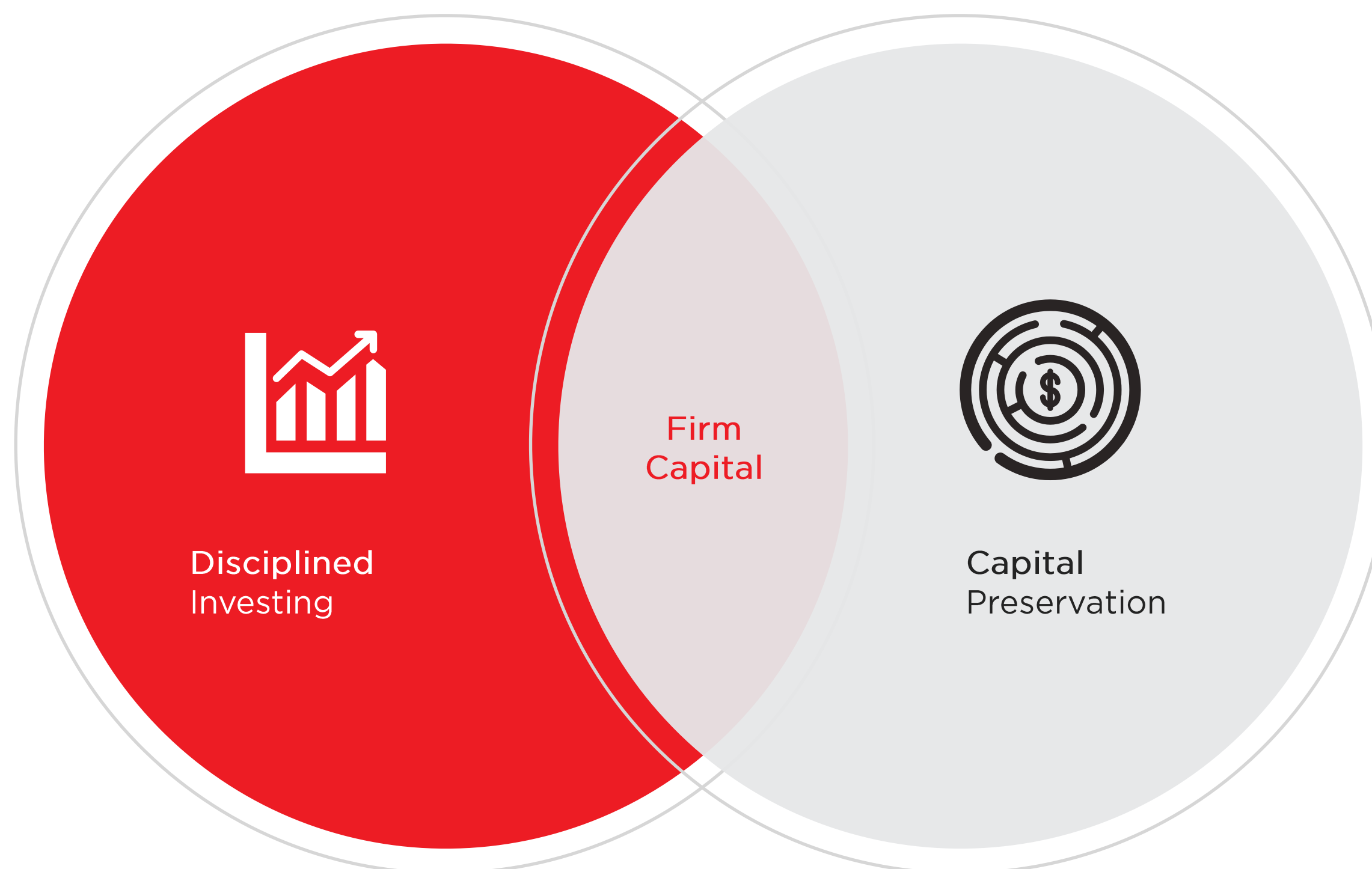
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**Firm Capital** with approximately \$3.5 Billion of assets under management, operates as a boutique real estate and financial services equity investment company deploying capital opportunistically between debt and equity in the real estate private and public markets across Canada and parts of the U.S.

Operating in the same industry for over **32 years**







# Since inception in 1988,

Firm Capital has established an exceptional track record demonstrated by past performance and prides itself on its risk management abilities to protect and preserve capital, while acting as a disciplined investor.

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### PROFICIENT SERVICES PROVIDED BY FIRM CAPITAL:

- Mortgage Lender
- Principal Investor
- Capital Partner
- Activist and Innovative Investor
- Property and Asset Manager

### EXPERIENCE MATTERS

Experienced team managing debt and real estate throughout a real estate cycle

30+ year track record with combined of over 100 years industry experience

### DIRECT INVESTMENTS

Strong alignment of interest through direct investment in assets by management team and board members

### PUBLIC ENTITIES

Public entities provide transparency, safety & liquidity and are governed by rigid investment & operating policies



### DISCIPLINED INVESTING

Disciplined investing focused on capital preservation & consistent returns

### PROVEN TRACK RECORD

Long term track record creating value with attractive yields for investors

## Investment Highlights

|   |  |
|---|--|
| <b>Enhanced Scale Through Accretive Acquisitions</b>          | <ul style="list-style-type: none"> <li>The Trust's portfolio is comprised of 76 commercial properties with 2,350,625 square feet of GLA and 204 residential units (at the Trust's share) located across Canada</li> </ul>  |
| <b>Strategic Diversification &amp; Acquisitions</b>           | <ul style="list-style-type: none"> <li>Acquiring diversified asset classes (Net Lease and Stand-Alone Convenience Retail, Industrial &amp; Flex Industrial, Multi-Residential, Core Service Provider Professional &amp; Healthcare Office)</li> <li>Strategic accretive acquisitions: <ul style="list-style-type: none"> <li>Partner with strong industry leaders who retain property and asset management</li> <li>Co-ownerships with existing owner groups through partial acquisitions</li> <li>Stand-Alone acquisitions</li> </ul> </li> </ul> |
| <b>Alignment of Interests</b>                                 | <ul style="list-style-type: none"> <li>Approximately 7.0% of Trust Units currently held by insiders</li> <li>Senior management of the Trust and its trustees own, in partnership with the Trust, approximately 15% of the real estate in which the Trust has a co-ownership interest</li> </ul>  |
| <b>Fundamental Growth</b>                                     | <ul style="list-style-type: none"> <li>Since inception, Net Asset Value per Trust Unit has increased from \$4.84/Unit in 2012 to \$7.28/Unit as of June 30, 2020 (a 50% increase)</li> <li>The Trust has increased distributions seven times over the last seven years, rising from \$0.35/Unit per annum to \$0.50/Unit per annum</li> <li>A \$100 investment in Trust Units in November 2012, assuming reinvested distributions, would be worth \$175 as of June 30, 2020</li> </ul>   |
| <b>Compelling Investment Metrics</b>                          | <ul style="list-style-type: none"> <li>Distribution yield is attractive relative to comparable REITs/REOCs</li> <li>2019 distribution qualified as 100% return of capital</li> </ul>   |
| <b>Traded on TSX Venture Exchange (as at August 12, 2020)</b> | <ul style="list-style-type: none"> <li>TSXV: FCD.UN</li> <li>CAD\$5.16/Unit</li> <li>Market Capitalization CAD\$154.0 Million</li> <li>Shares Issued 29,814,913</li> <li>Yield of 9.90%</li> </ul>   |

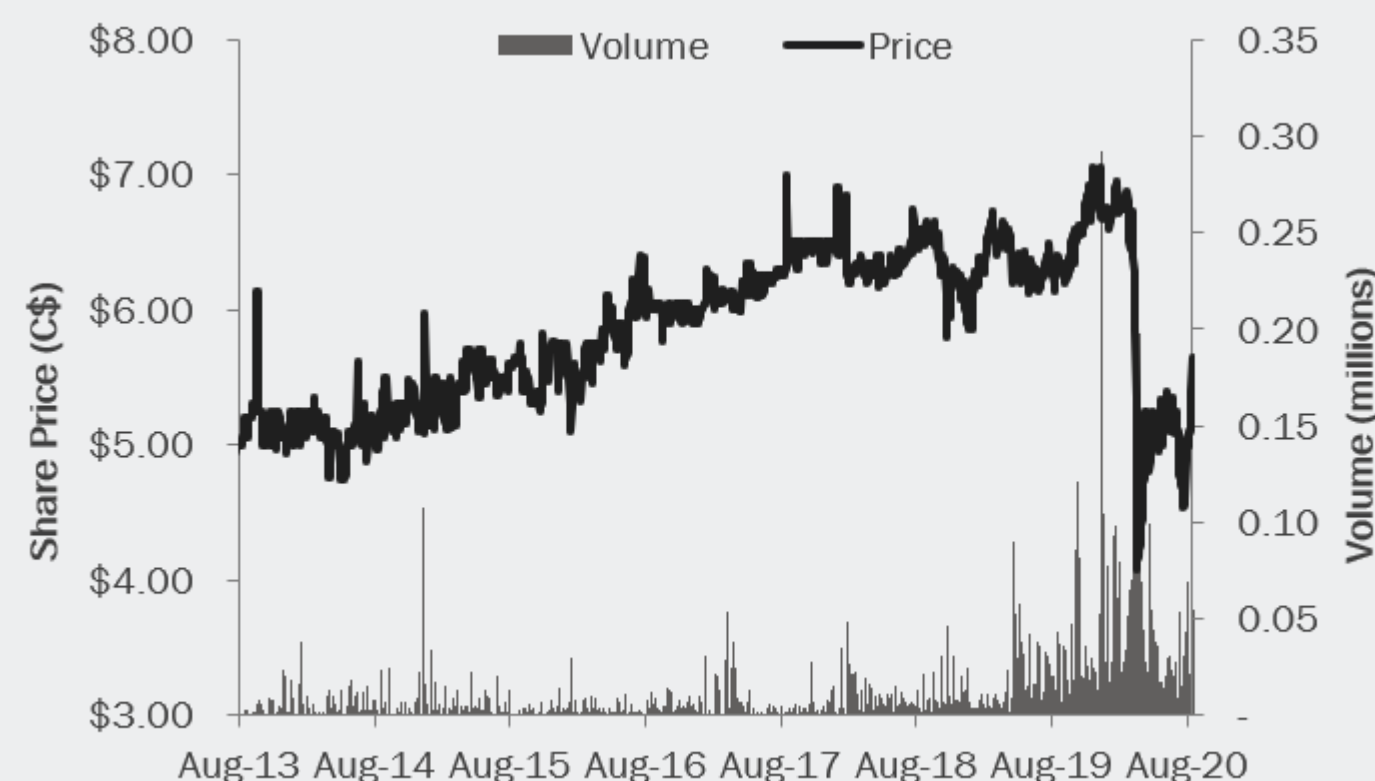
### Benefits to Unitholders

- Liquidity
- Strong Balance Sheet
- Strong Tenant Quality
- Compensation Based on Performance

### Investment Highlights

- NAV Growth
- Distribution Increases
- Experienced Management Team
- Strong Alignment of Interests
- Responsible Leverage
- Track Record of Accretive Acquisitions

### Unit Price Performance





## Targeted Asset Classes

**FCPT targets and owns the following diversified asset classes:**



**Net Lease and Standalone  
Convenience Retail**



**Industrial & Flex Industrial**



**Multi-Residential**



**Core Service Provider  
Professional & Healthcare  
Office**

**% of NOI**

**71%**

**24%**

**4%**

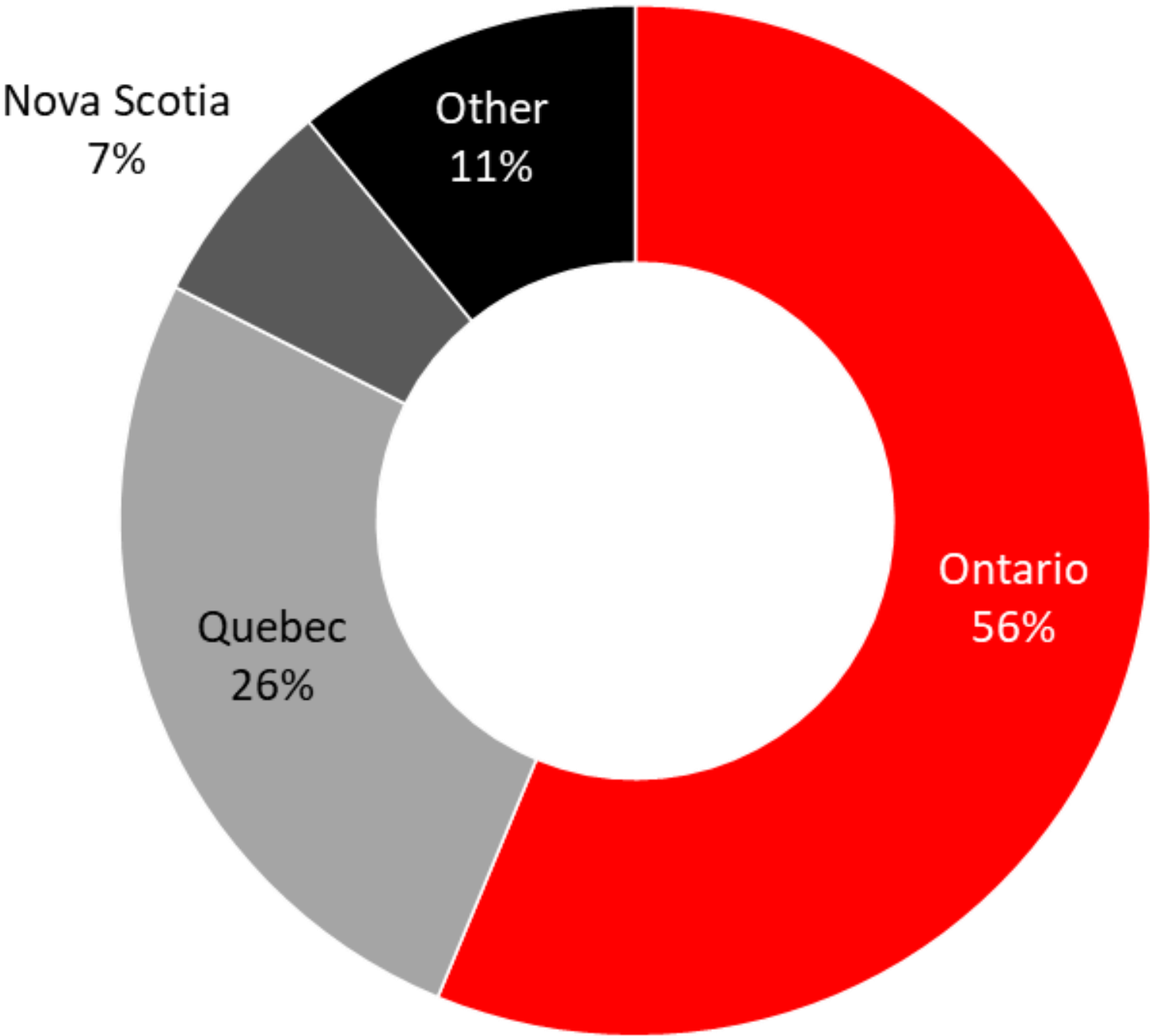
**< 1%**



Portfolio Overview

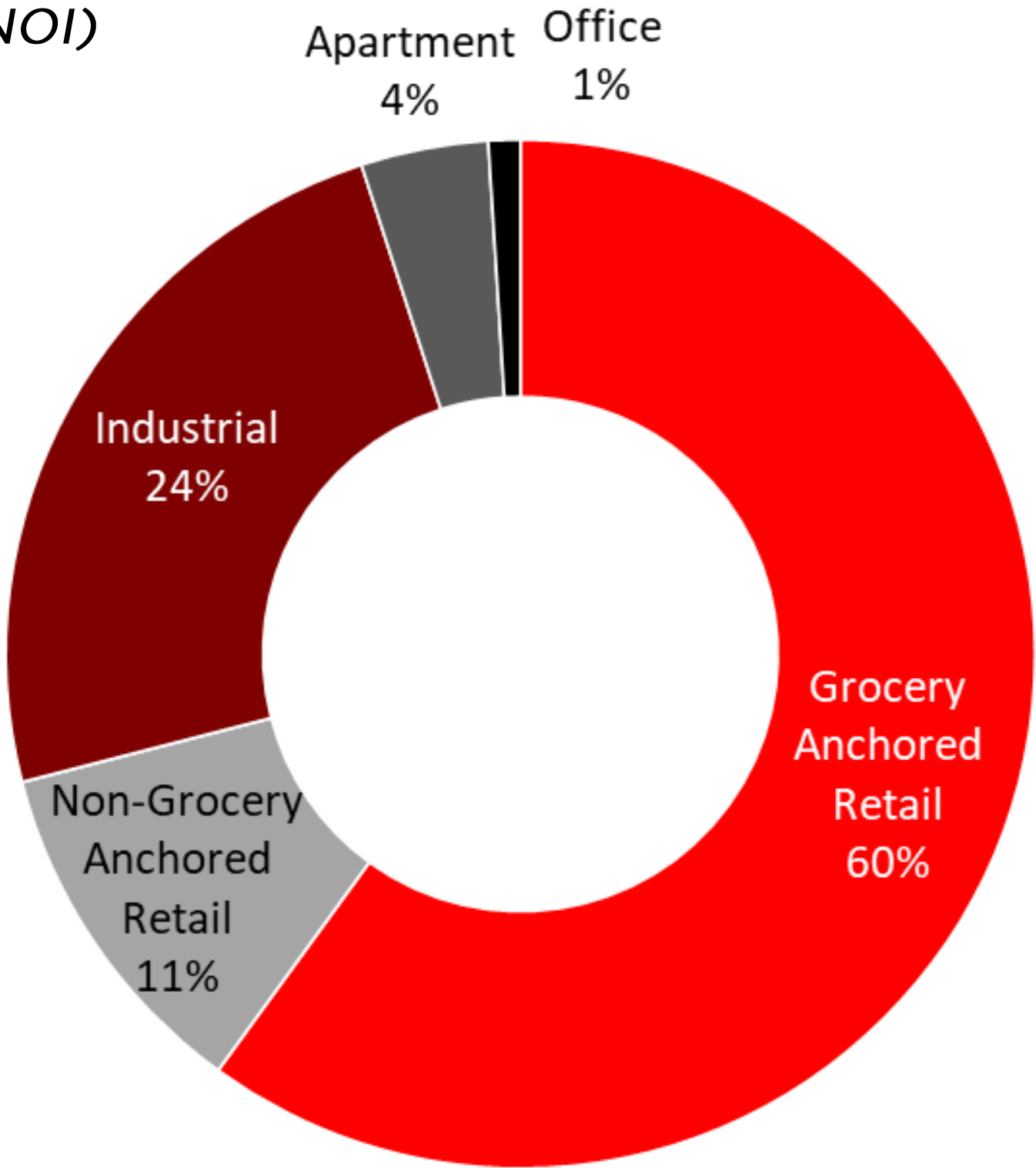
Portfolio by Province

(by NOI)



Portfolio by Asset Class

(by NOI)



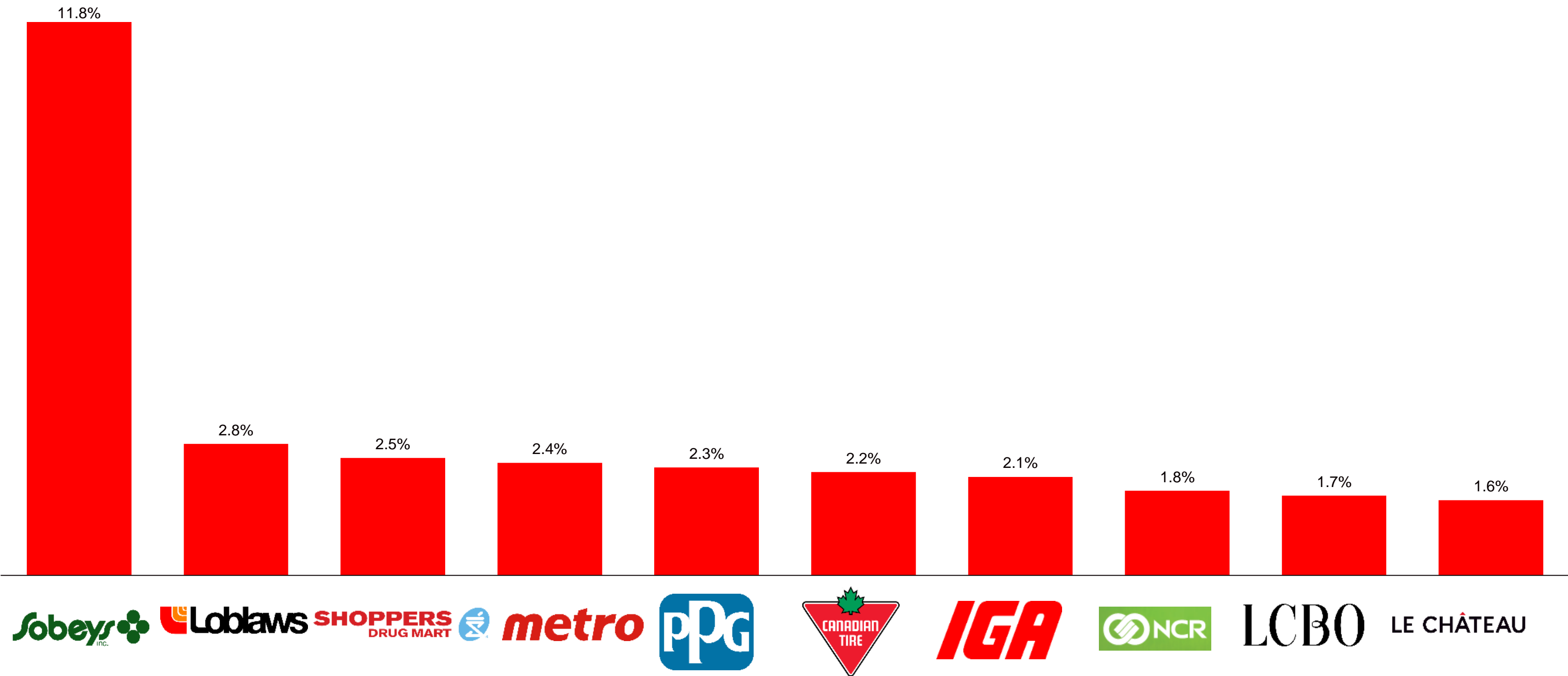
Portfolio is Diversified Across Geographies, Asset Classes and Tenants

# Pro Forma Tenant Summary

Diversified Tenant Roster Largely Comprised of Necessity-Based Retailers

## Top Ten Commercial Tenants (by % of net rent)

High Quality National Tenants

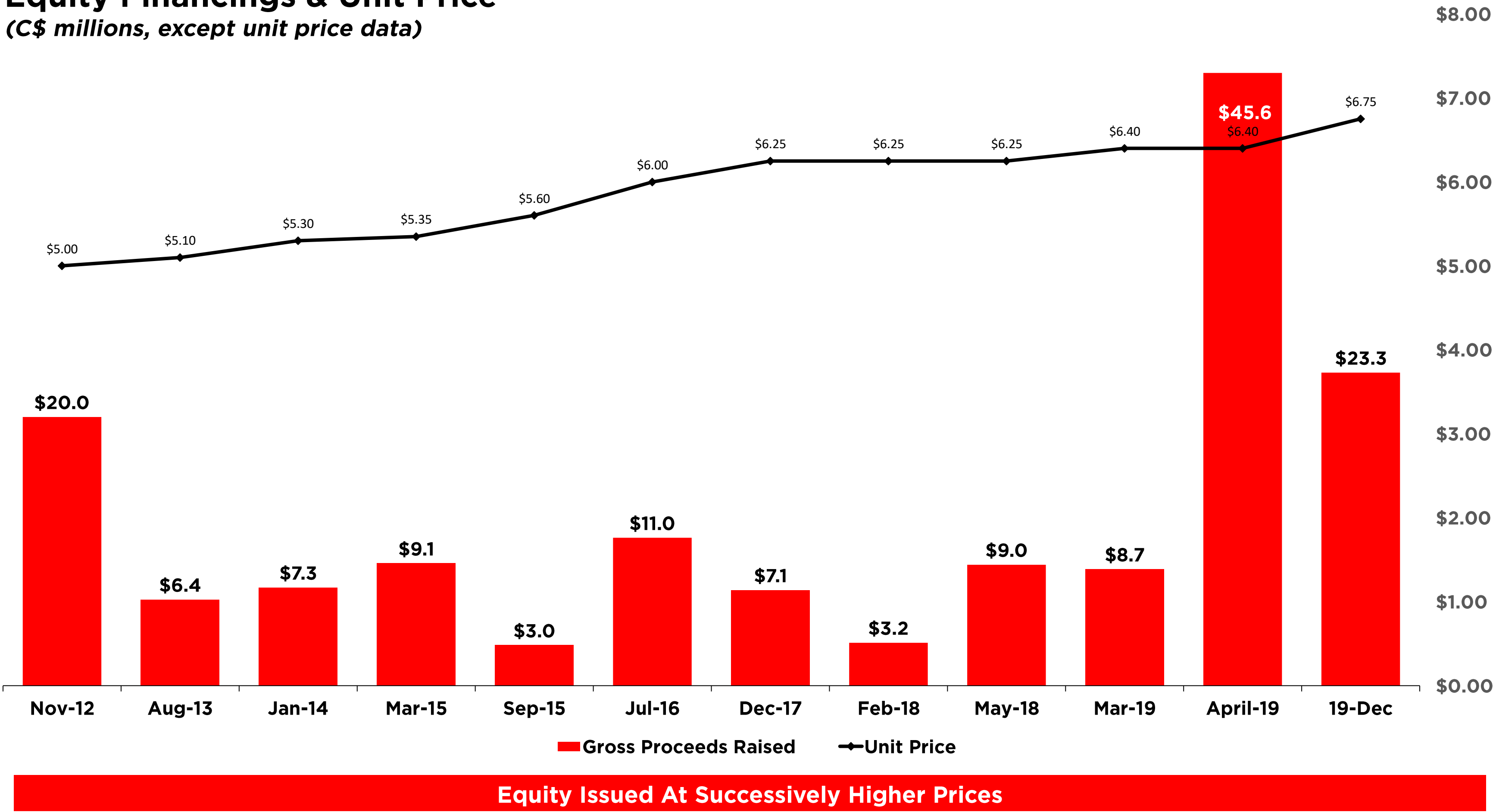


Largest Tenant Contributes 11.8% of Net Rent

Top 10 Tenants Comprise 31.2% of Net Rent

# Disciplined Equity Strategy

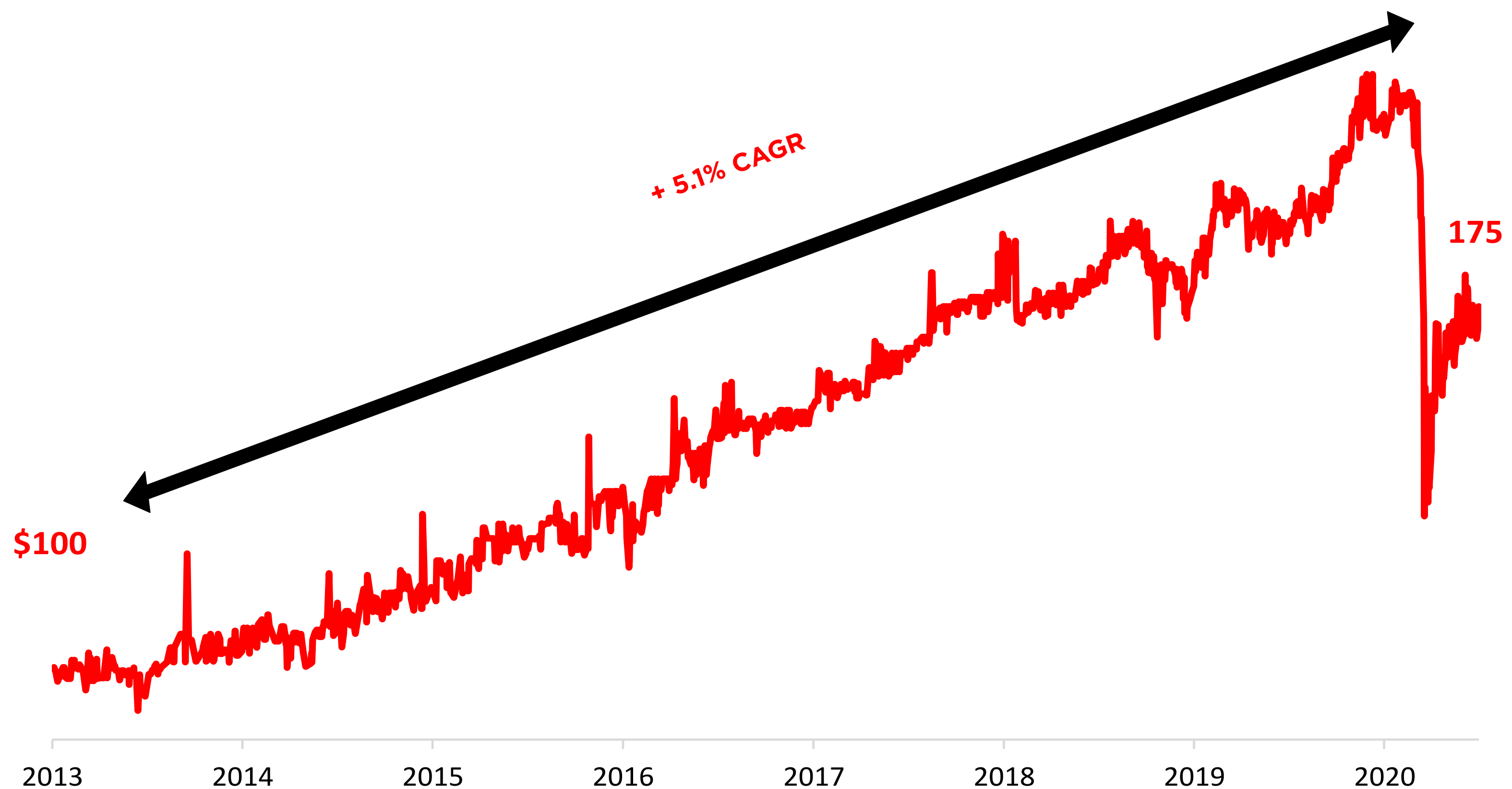
## Equity Financings & Unit Price (C\$ millions, except unit price data)





## Total Return on Investment

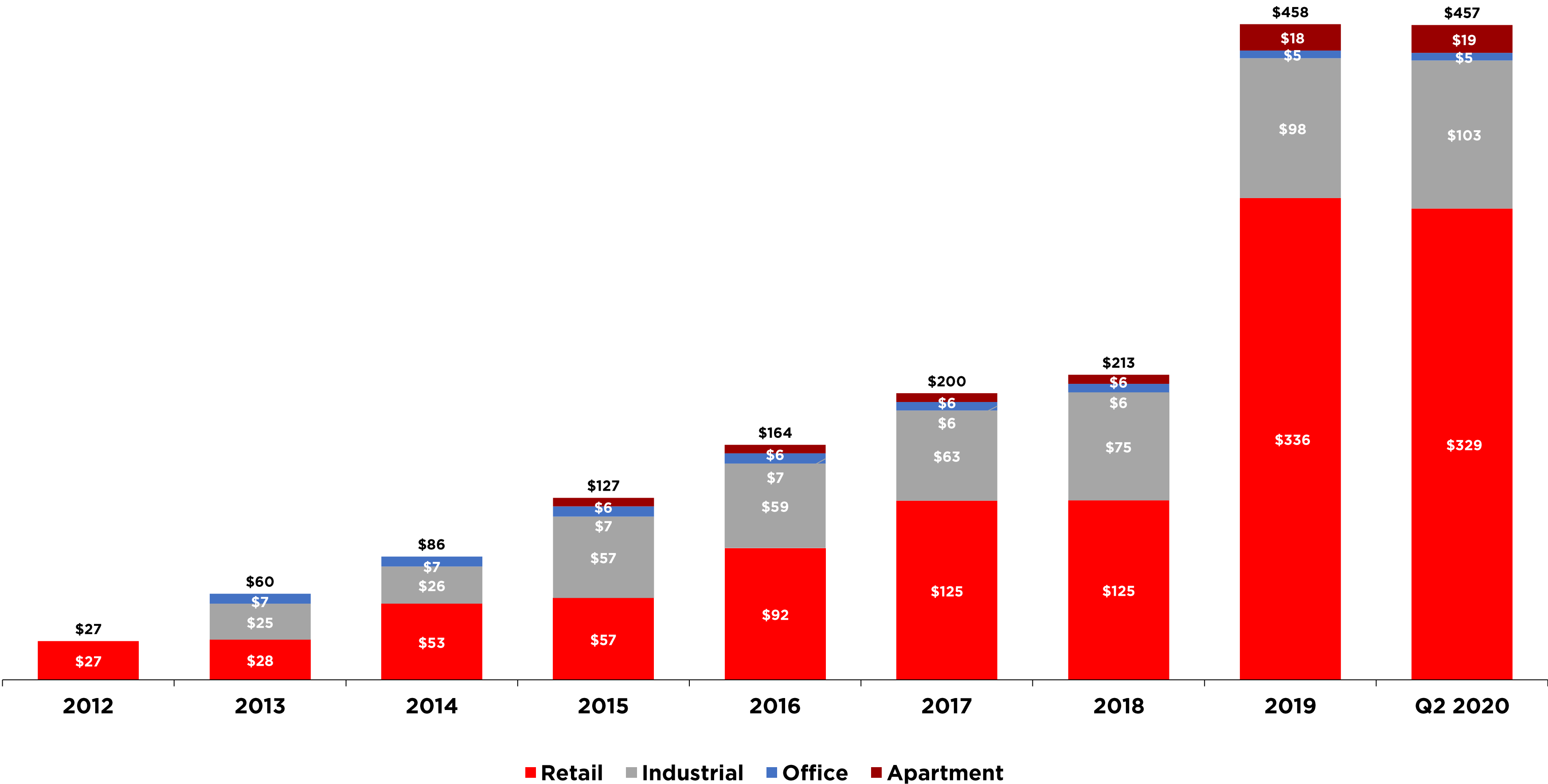
Since Inception, a \$100 Investment in FCPT Would be Worth \$175 Today! <sup>(1)</sup>



(1) As of June 30, 2020

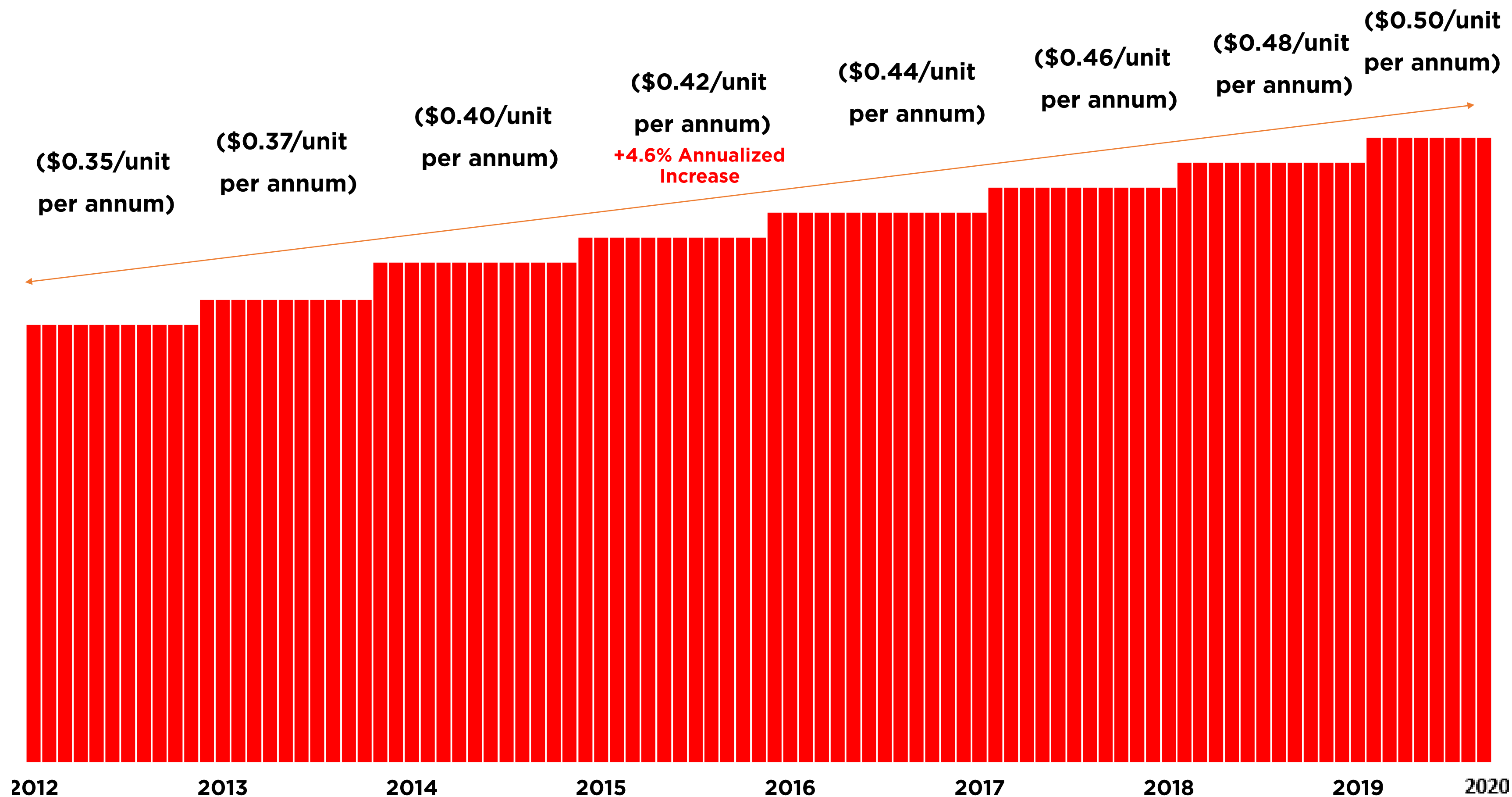
**Portfolio Growth**

**Fair Value of Investment Portfolio**  
*(C\$ millions)*



## Distribution Growth

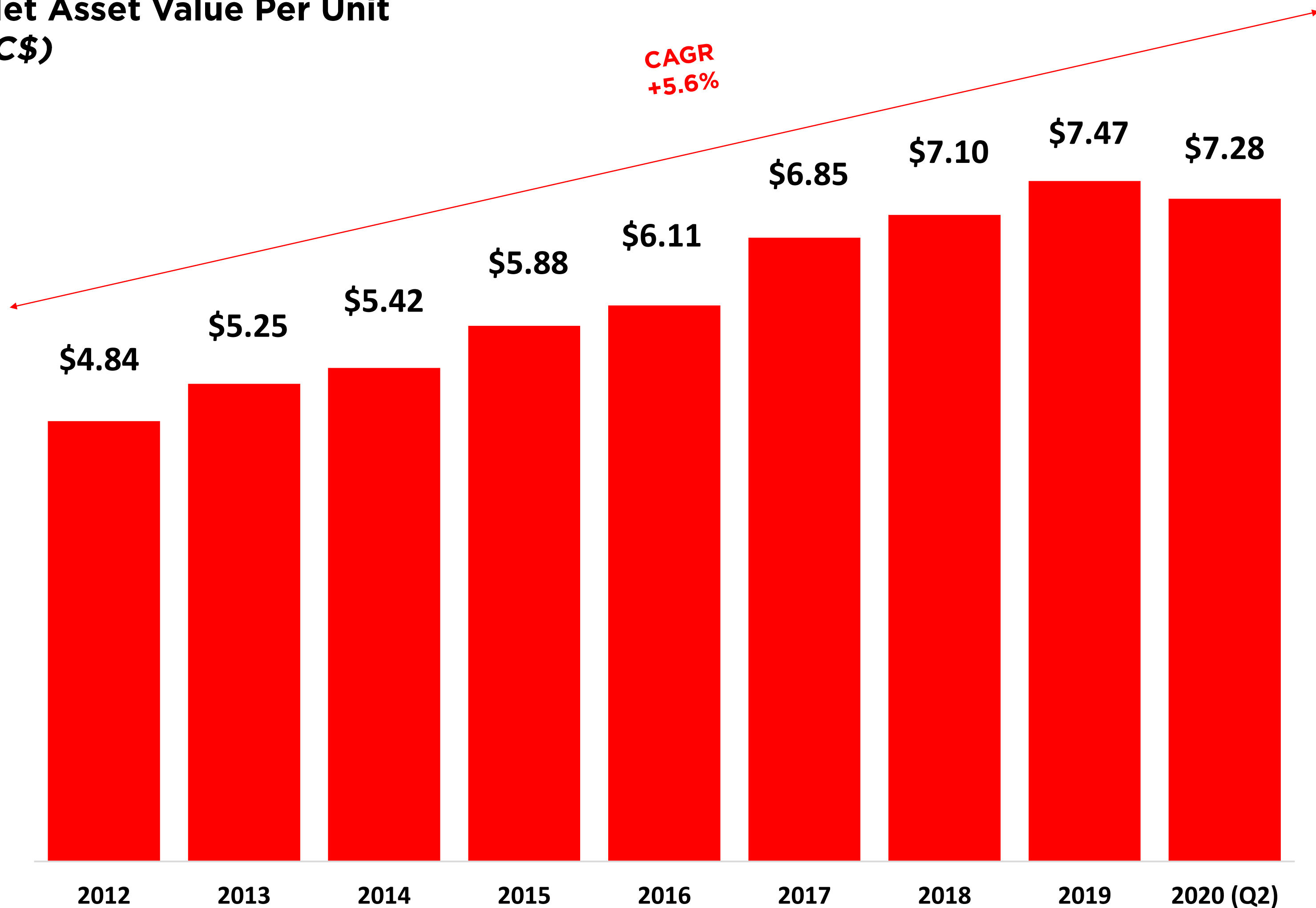
### Distribution History (C\$)





## Net Asset Value Growth

### Net Asset Value Per Unit (C\$)



## 2020 Q2 Financial Highlights

| <b>In \$ millions, unless per unit or % amounts</b> | <b>Quarter Ended<br/>June 30, 2020</b> | <b>Quarter Ended<br/>March 31, 2020</b> |
|---|--|---|
| <b>NOI</b>  | <b>\$6.8</b>                           | <b>\$7.0</b>                            |
| <b>AFFO/Unit</b>                                    | <b>\$0.115</b>                         | <b>\$0.117</b>                          |
| <b>NAV / Unit</b>                                   | <b>\$7.28</b>                          | <b>\$7.17</b>                           |
| <b>Distributions/Unit</b>                           | <b>\$0.125</b>                         | <b>\$0.125</b>                          |
| <b>Quarterly AFFO payout ratio</b>                  | <b>108%</b>                            | <b>107%</b>                             |

# Acquisition History

| Portfolio Name              | Type              | Acquisition Date | GLA<br>Sq. Ft. (@ Trust Share)       | FCPT % Interest | Acq. Purchase Price<br>(@100%) |
|-----------------------------|-------------------|------------------|--------------------------------------|-----------------|--------------------------------|
| Bridgewater                 | Retail            | Nov 29, 2012     | 46,707                               | 100%            | \$9,140,000                    |
| Brampton                    | Retail            | Nov 29, 2012     | 36,137                               | 100%            | \$11,400,000                   |
| Hanover                     | Retail            | Nov 29, 2012     | 19,874                               | 100%            | \$3,975,000                    |
| Pembroke                    | Retail            | Nov 29, 2012     | 11,247                               | 100%            | \$1,700,000                    |
| Centre Ice                  | Retail            | Jun 25, 2014     | 111,740                              | 70%             | \$32,175,000                   |
| Whitby Mall                 | Retail / Office   | Jun 9, 2016      | 152,946                              | 40%             | \$35,750,000                   |
| Thickson Place              | Retail            | Sep 29, 2016     | 41,942                               | 40%             | \$39,500,000                   |
| Moncton                     | Retail            | Nov 1, 2016      | 16,372                               | 100%            | \$4,700,000                    |
| Guelph                      | Retail            | Nov 30, 2017     | 115,744                              | 100%            | \$26,025,000                   |
| Crombie                     | Retail            | Feb 6, 2019      | 148,188                              | 50%             | \$83,200,000                   |
| First Capital JV            | Retail            | May 9, 2019      | 511,248                              | 50%             | \$266,000,000                  |
| Gateway Village             | Retail            | July 9, 2019     | 52,748                               | 50%             | \$46,400,000                   |
| Montreal                    | Industrial        | Aug 1, 2013      | 515,048                              | 50%             | \$48,200,000                   |
| Waterloo                    | Industrial        | Jul 27, 2015     | 358,174                              | 70%             | \$43,250,000                   |
| Ferrier                     | Industrial        | Oct 15, 2018     | 79,582                               | 50%             | \$11,000,000                   |
| Barrie                      | Office            | Mar 19, 2013     | 39,495                               | 100%            | \$6,700,000                    |
| Ottawa                      | Multi-Residential | Nov 11, 2014     | 135 units                            | 50%             | \$11,200,000                   |
| Portland                    | Multi-Residential | Jan 7, 2019      | 69 units                             | 100%            | \$10,700,000                   |
| Edmonton Industrial         | Industrial        | Oct 29, 2019     | 48,259                               | 50%             | \$11,400,000                   |
| Edmonton & Leduc Industrial | Industrial        | Mar 18, 2020     | 45,174                               | 50%             | \$10,725,000                   |
| <b>Total / Wtd. Avg.</b>    |                   |                  | <b>2,350,625 Sq. Ft. / 204 units</b> |                 | <b>\$713,140,000</b>           |



# Board of Trustees

|                      |  |  |
|----------------------|--|--|
| Independent Trustees | <b>Stanley Goldfarb</b><br>Chairman, Independent Trustee | <ul style="list-style-type: none"> <li>• CEO of Goldfarb Management Services Limited</li> <li>• Chairman &amp; Director of Firm Capital Mortgage Investment Corporation (TSX: FC)</li> </ul>   |
|                      | <b>Larry Shulman</b><br>Independent Trustee              | <ul style="list-style-type: none"> <li>• Retired Senior Partner of Goldfarb, Shulman, Patel &amp; Co.</li> </ul>   |
|                      | <b>Howard Smuschkowitz</b><br>Independent Trustee        | <ul style="list-style-type: none"> <li>• Corporate Director</li> <li>• President of Total Body Care Inc. &amp; JRS Capital Management</li> <li>• Former President of Homeland Self Storage</li> </ul>  |
|                      | <b>Manfred Walt</b><br>Independent Trustee               | <ul style="list-style-type: none"> <li>• CEO of Walt &amp; Co. Inc., a consultant to the Reichmann Family</li> <li>• Trustee of Killam Apartment REIT (TSX:KMP.U)</li> </ul>   |
|                      | <b>Geoffrey Bledin</b><br>Independent Trustee            | <ul style="list-style-type: none"> <li>• Corporate Director</li> <li>• Past President and CEO of Equitable Trust Company</li> <li>• Former Partner with Price Waterhouse</li> </ul>  |
|                      | <b>Jeff Goldfarb</b><br>Independent Trustee              | <ul style="list-style-type: none"> <li>• Retired Partner of PricewaterhouseCoopers</li> </ul>  |
| Executive Trustees   | <b>Eli Dadouch</b><br>Vice Chairman                      | <ul style="list-style-type: none"> <li>• Founder, President &amp; CEO of Firm Capital organization</li> <li>• President &amp; CEO of Firm Capital Mortgage Investment Corporation (TSX:FC)</li> <li>• Vice Chairman, President &amp; CEO of Firm Capital American Realty Partners Trust (TSXV: FCA.U)</li> </ul>   |
|                      | <b>Jonathan Mair</b><br>Trustee                          | <ul style="list-style-type: none"> <li>• Vice President, Mortgage Banking of Firm Capital Corporation</li> <li>• CFO, Senior VP and Director of Mortgage Investment Corporation (TSX:FC)</li> </ul>  |
|                      | <b>Robert McKee</b><br>Trustee                           | <ul style="list-style-type: none"> <li>• President &amp; CEO of Firm Capital Property Trust (TSXV: FCD.UN)</li> <li>• Past Trustee of True North Apartment REIT (TSX:TN.UN)</li> </ul>   |
|                      | <b>Sandy Poklar</b><br>Trustee                           | <ul style="list-style-type: none"> <li>• CFO and Trustee of Firm Capital Property Trust (TSXV: FCD.UN)</li> <li>• EVP, Finance of Firm Capital Mortgage Investment Corporation (TSX:FC)</li> <li>• CFO and Director of Firm Capital American Realty Partners Trust (TSXV:FCA.U)</li> <li>• Trustee of True North Commercial REIT (TSX:TNT.UN)</li> </ul> |
|                      | <b>Victoria Granovski</b><br>Trustee                     | <ul style="list-style-type: none"> <li>• Director &amp; VP, Credit &amp; Equity Capital of Firm Capital Mortgage Investment Corporation (TSX:FC)</li> </ul>  |

Substantial Experience in Real Estate Management, Acquisitions, Lending and Finance

## Management Team

### **Robert McKee**

President & CEO

- Managing Director - Firm Capital Realty Partners Inc. since October 2008
- Former Trustee of True North Apartment REIT (TSX:TN.UN)
- Formerly with TD Securities - Real Estate Investment Banking Group

### **Sandy Poklar**

Chief Financial Officer

- Chief Operating Officer and Managing Director, Capital Markets & Strategic Developments for Firm Capital Corporation
- Trustee of True North Commercial REIT (TSX: TNT.UN)
- Former investment banking and equity research roles with Macquarie Capital, TD Securities, and Canaccord Genuity

### **Eli Dadouch**

Vice Chairman & Co-Chief  
Investment Officer

- Founder, President & CEO of Firm Capital organization
- President, CEO and Director of Firm Capital Mortgage Investment Corporation (TSX:FC)
- Vice Chairman, President & CEO of Firm Capital American Realty Partners Trust (TSXV: FCA.U)
- President and CEO of FCPT's Asset and Property Manager
- Director, Global Risk Institute in Financial Services

### **Jonathan Mair, CA**

Co-Chief Investment Officer

- Vice President, Mortgage Banking of Firm Capital Corporation
- CFO, SVP and Director of Firm Capital Mortgage Investment Corporation (TSX: FC)
- Trustee of Firm Capital Property Trust (TSXV: FCD.UN)
- Former Vice-President of KPMG Inc. from 1993 to 1997

### **Julio Perrotta**

Vice President, Investments  
& Asset Management

- VP & Group Head, Real Estate Investments - Firm Capital Realty Partners Inc.
- Former Vice President Canadian Urban Limited
- Former Senior Director Corporate Development GWL Realty Advisors

## OUR **CORE** PRINCIPLES



### TRUST

Our partners, investors and clients can trust FirmCapital to execute on our commitment.



### INNOVATION

Firm Capital brings an innovative approach to structuring a transaction.



### RELATIONSHIPS

Firm Capital builds strong, long term relationships with its partners, investors and clients.

Firm Capital is a real estate private equity investment firm and alternative investment manager based in Toronto, Canada. Since 1988, Firm Capital has focused on deploying proprietary and managed capital opportunistically between debt and equity investments in the private and public real estate markets. The organization has established an exceptional track record of successfully lending, financing, owning, investing, joint venturing and managing real estate all across Canada and parts of the US. Firm Capital focuses on a simple culture and goal: to be a client driven organization with impeccable integrity focused on preservation of capital through disciplined tactical investing at the same time as building long term relationships.

## FOR ADDITIONAL INFORMATION, PLEASE CONTACT:

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President & CEO

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### **Sandy Poklar**

Chief Financial Officer

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### **Eli Dadouch**

Vice Chairman, Co-CIO

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