



FIRM CAPITAL PROPERTY TRUST

FIRM CAPITAL PROPERTY TRUST ANNOUNCES SOLID 2020 RESULTS

Toronto, Ontario, March 11, 2021. Firm Capital Property Trust (“**FCPT**” or the “**Trust**”), (TSXV: FCD.UN) is pleased to report today its financial results for the year ended December 31, 2020.

PROPERTY PORTFOLIO HIGHLIGHTS

The portfolio consists of 76 commercial properties with a total GLA of 4,246,121 square feet (2,351,657 square feet on an owned interest basis) and interests in two apartment complexes comprised of 204 apartment units. The portfolio is well diversified and defensive in terms of geographies and property asset types, with 59% of NOI comprised of grocery anchored retail followed by industrial at 22% of NOI.

TENANT DIVERSIFICATION

The portfolio is well diversified by tenant profile with no tenant accounting for more than 11.4% of total net rent. Further, the top 10 tenants are comprised of large national tenants and account for 29.9% of total net rent.

2020 HIGHLIGHTS

- Net income for the three months ended December 31, 2020 was approximately \$13.4 million compared to the \$20.4 million reported for the three months ended December 31, 2019. Net income for the year ended December 31, 2020 was approximately \$15.8 million, compared to \$35.7 million net income reported for the year ended December 31, 2019;
- Excluding fair value adjustments and non cash items, net income for the year ended December 31, 2020 was \$16.0 million, a 35% increase compared to the \$11.8 million reported for the year ended December 31, 2019;
- \$7.61 Net Asset Value (“**NAV**”) per Unit based on a IFRS book value of equity of approximately \$223.5 million;
- On an IFRS basis, NOI for the three months ended December 31, 2020 was approximately \$7.1 million, a 5% increase over the \$6.8 million reported for the three months ended December 31, 2019. NOI for the year ended December 31, 2020 was approximately \$28.5 million, a 24% increase over the \$23.0 million reported for the year ended December 31, 2019;
- On a cash basis (“**Cash NOI**”), for the three months ended December 31, 2020 was approximately \$7.0 million a 5% increase over the \$6.7 million reported for the three months ended December 31, 2019. Cash NOI for the year ended

December 31, 2020 was approximately \$28.1 million, a 25% increase over the \$22.6 million for the year ended December 31, 2019;

- Adjusted Funds From Operations (“**AFFO**”) for the three months ended December 31, 2020 was approximately \$3.4 million in line with the \$3.4 million reported for the three months ended December 31, 2019. AFFO for the year ended December 31, 2020 was approximately \$14.6 million, a 31% increase over the \$11.2 million reported for the year ended December 31, 2019;
- AFFO per Unit was \$0.115 for the three months ended December 31, 2020 compared to the \$0.125 per Unit reported for the three months ended December 31, 2019. AFFO per Unit was \$0.486 for the year ended December 31, 2020, a 4% increase over the \$0.468 per Unit reported for the year ended December 31, 2019. Prior to bad debts as a result of the Canada Emergency Commercial Rent Assistance Program (“**CECRA**”), which is a one-time item, AFFO per Unit was \$0.505 per Unit for the year ended December 31, 2020;
- AFFO payout ratio was 109% for the three months ended December 31, 2020, compared to the 96% for the three months ended December 31, 2019. AFFO payout ratio was 103% for the year ended December 31, 2020, compared to the 103% for the year ended December 31, 2019. Prior to bad debts as a result of CECRA, the AFFO payout ratio was 99% for the year ended December 31, 2020;
- Commercial occupancy was a solid 94.5% while residential occupancy was 95.6%;
- Conservative leverage profile with Debt / Gross Book Value (“**GBV**”) at 51.7%; and
- 5.1% Commercial rent increase over December 31, 2019.

% Change Over

	Three Months			Twelve Months		Three Months		Twelve Months
	Dec 31, 2020	Sep 30, 2020	Dec 31, 2019	Dec 31, 2020	Dec 31, 2019	Sep 30, 2020	Dec 31, 2019	Dec 31, 2019
Rental Revenue	\$ 10,990,587	\$ 11,313,104	\$ 10,614,406	\$ 44,536,342	\$ 36,155,762	(3%)	4%	23%
NOI								
- IFRS Basis	\$ 7,087,092	\$ 7,558,421	\$ 6,754,443	\$ 28,536,608	\$ 22,990,801	(6%)	5%	24%
- Cash Basis	\$ 7,000,818	\$ 7,543,038	\$ 6,662,922	\$ 28,143,252	\$ 22,597,544	(7%)	5%	25%
Net Income / (Loss)	\$ 13,419,177	\$ 3,933,363	\$ 20,435,016	\$ 15,831,127	\$ 35,721,396	241%	(34%)	(56%)
FFO	\$ 3,268,721	\$ 4,278,263	\$ 3,415,584	\$ 16,413,435	\$ 11,442,688	(24%)	(4%)	43%
AFFO	\$ 3,375,880	\$ 4,118,534	\$ 3,399,387	\$ 14,601,418	\$ 11,164,054	(18%)	(1%)	31%
FFO Per Unit	\$ 0.111	\$ 0.145	\$ 0.125	\$ 0.547	\$ 0.480	(23%)	(11%)	14%
AFFO Per Unit	\$ 0.115	\$ 0.139	\$ 0.125	\$ 0.486	\$ 0.468	(17%)	(8%)	4%
Distributions Per Unit	\$ 0.125	\$ 0.125	\$ 0.120	\$ 0.500	\$ 0.480		4%	4%
Payout Ratios								
- FFO	112%	86%	96%	91%	100%			
- AFFO	109%	90%	96%	103%	103%			

FINANCIAL HIGHLIGHTS

- **Capital Recycling into Industrial and Multi Residential Sectors:** The Trust has decided that it would strategically focus its near-term acquisition efforts on the industrial and multi-residential sectors across Canada by reducing its exposure to its non-core retail assets. In this regard, we have initially identified 13

non-core retail assets for disposition and have transferred approximately \$20 million from our core portfolio to “Assets Held for Sale”. To date three properties have been sold and the remaining 10 are under contract and are expected to close through 2021. The program is ongoing and we expect the identification of further non-core retail assets for sale and redeployment into the industrial and multi-residential sectors as the year continues.

- **\$25 Million of Financial Resources Represents \$70 Million of Acquisitions:** Based on \$25 million of cash and credit facility availability, the Trust has the ability to acquire up to approximately \$70 million of real estate;
- **Accretive Cancellation and Redemption of Trust Units:** During 2020, the Trust purchased for cancellation 1,295,200 Trust Units for gross proceeds of approximately \$6.3 million consisting of 795,200 Trust Units acquired through the Normal Course Issuer Bid (“NCIB”) and a 500,000 Trust Unit redemption from a significant unitholder. The weighted average repurchase price was approximately \$4.83 per Trust Unit versus NAV of \$7.52 per Trust Unit. The result of these cancellations was an annual increase of \$0.6 million net cash due to a lower distribution payout and an increase to NAV of \$0.03 per Trust Unit;
- **\$10.7 Million Acquisition of Two Industrial Properties in Edmonton and Leduc, Alberta:** On March 18, 2020, the Trust announced the closing of a 50% interest in two industrial properties located in Edmonton and Leduc, Alberta with total square footage of 90,420. The acquisition price \$10.7 million for 100% of the property (excluding transaction costs). The property is part of the current Edmonton portfolio with the existing partner participating in their pro rata share;
- **\$18.7 Million in Cash Generating Refinancing Activity:** During 2020, the Trust refinanced its existing debt throughout the portfolio as follows:
 - On April 30, 2020, the Trust refinanced its existing mortgage on its Waterloo Industrial Portfolio with a Canadian Chartered Bank. The principal balance of the mortgage at maturity was \$24.8 million, while the Trust’s portion was \$17.3 million. The new mortgage is a \$39.0 million first mortgage with an interest rate of prime plus 25 basis points with a 21.5 year amortization. The Trust’s portion of this new mortgage is \$27.3 million;
 - On April 30, 2020, the Trust refinanced its existing mortgage on its Whitby Mall Property with a Canadian Chartered Bank. The principal balance of the mortgage at maturity was \$23.8 million, while the Trust’s portion was \$9.5 million. The new mortgage is an \$18.0 million first mortgage fixed at an interest rate of 2.1% with a 25 year amortization. The Trust’s portion of this new mortgage is \$14.4 million;
 - On November 9, 2020, the Trust financed two new mortgages totaling \$5.1 million on its Edmonton Industrial Portfolio. The Trust’s portion of these financings are \$2.5 million. The mortgages have a 3.45% interest rate, amortizes and matures on December 5, 2022; and

- The Trust refinanced its loans on its Merivale Mall Property. The principal balances of the two existing mortgages were \$20.7 million. The new line of credit has up to \$22.0 million of availability with a 2.9% interest rate, amortizes and matures on November 30, 2025;
- **1.9% Increase in NAV in 2020:** In 2020, the Trust was able to increase the value of their NAV by 1.9% to \$7.61 per Unit at December 31, 2020 from \$7.47 per Unit at December 31, 2019;
- **96.5% of 2020 Gross Rent Collected:** The Trust is pleased to report that it has collected 96.5% of gross rents during 2020;
- **2% Increase in Monthly Distributions:** On November 16, 2020, the Trust announced that its Board of Trustees had approved a 2% increase in its monthly distributions to \$0.0425 per Trust Unit from \$0.041667 per Trust Unit commencing in 2021. On an annualized basis this equates to annual distributions of \$0.51 per Unit, up from \$0.50 per Unit. This is the Trust eighth distribution increase in eight years and represents a cumulative increase of 45.7% since the Trust's inception in 2012; and
- **Declaration of Monthly Distributions:** The Trust is pleased to announce declared and approved monthly distributions in the amount of \$0.0425 per Trust Unit for Unitholders of record on April 30, 2021, May 31, 2021 and June 30, 2021, payable on or about May 17, 2021, June 15, 2021 and July 15, 2021, respectively.

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 “**UPP**”). 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 UPP, 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 UPP 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 own as well as 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 year ended December 31, 2020 as filed on www.sedar.com.

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