



# Firm Capital Property Trust

Investor Presentation

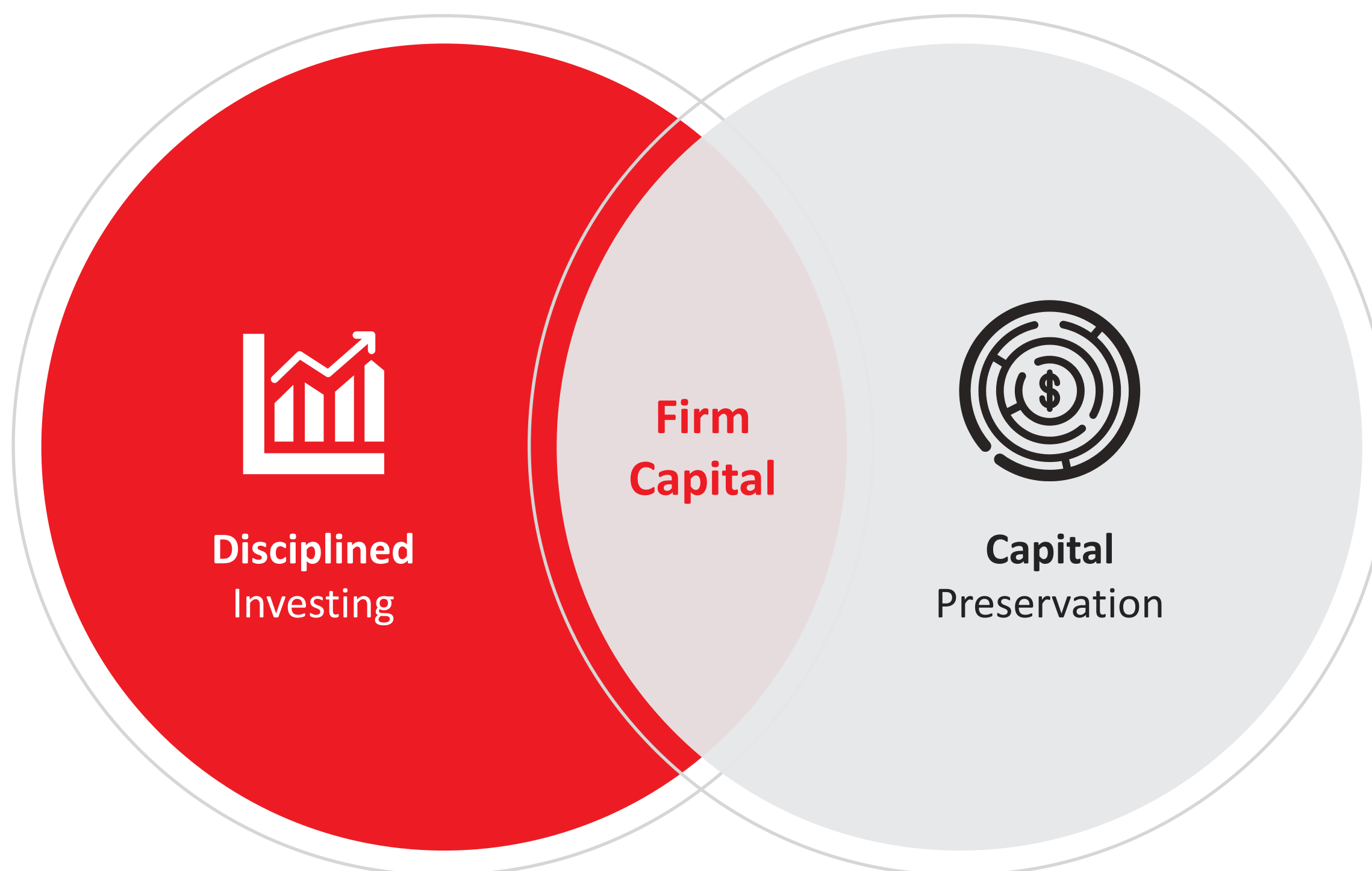
Q1 2021

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Firm Capital, with approximately \$4.0 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 the U.S.

Operating in the same industry for over **33 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

**33+ 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> <i>(Pro-Forma May 2021)</i>	<ul style="list-style-type: none"> <li>The Trust's portfolio is comprised of 72 commercial properties with a total GLA of 4.2 million square feet (2.3 million square feet on an owned interest basis), interests in 4 apartment complexes comprised of 464 apartment units located across Canada and one Manufactured Housing Community containing 181 units</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 8.5% of Trust Units currently held by insiders</li> <li>Senior management of the Trust and its trustees own, in partnership with the Trust, approximately 16% 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 \$7.83/Unit (a 61.8% increase)</li> <li>The Trust has increased distributions eight times over the last eight years, rising from \$0.35/Unit per annum to \$0.51/Unit per annum (a 46% increase)</li> <li>A \$100 investment in Trust Units in November 2012, assuming reinvested distributions, would be worth \$255 as of May 25, 2021</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>2020 distribution qualified as 100% return of capital</li> </ul>
<b>Traded on TSX Venture Exchange (as of May 25, 2021)</b>	<ul style="list-style-type: none"> <li>TSXV: FCD.UN</li> <li>\$7.16/Unit</li> <li>Market Capitalization \$210 Million</li> <li>Shares Issued 29,389,874</li> <li>7.1% Distribution Yield</li> </ul>

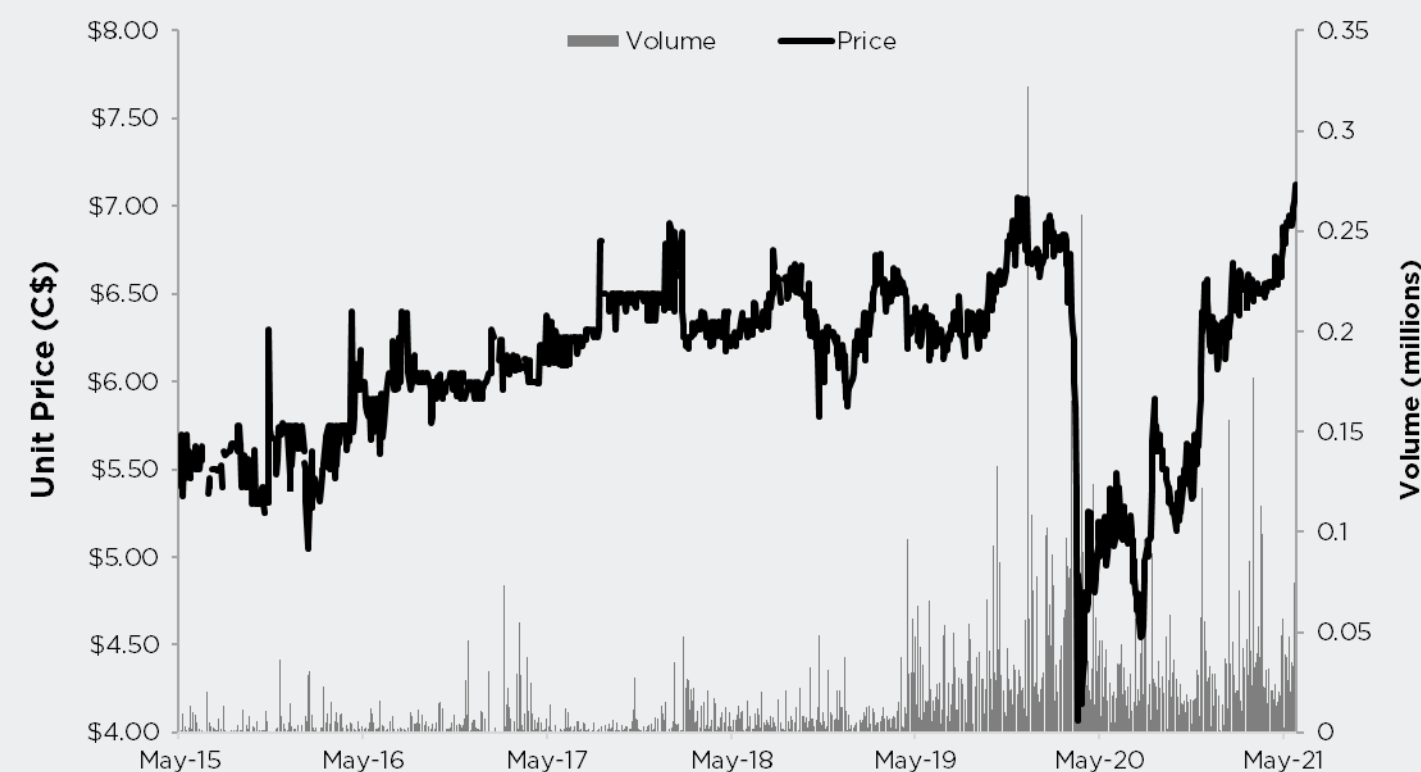
### Benefits to Unitholders

- 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





### FCPT Owns and Targets the Following Asset Classes:



**Net Lease and Standalone  
Convenience Retail**



**Industrial & Flex Industrial**



**Multi-Family &  
Manufactured Home  
Communities**



**Core Service Provider  
Professional & Healthcare  
Office**

**% of NOI**

**73%**

**21%**

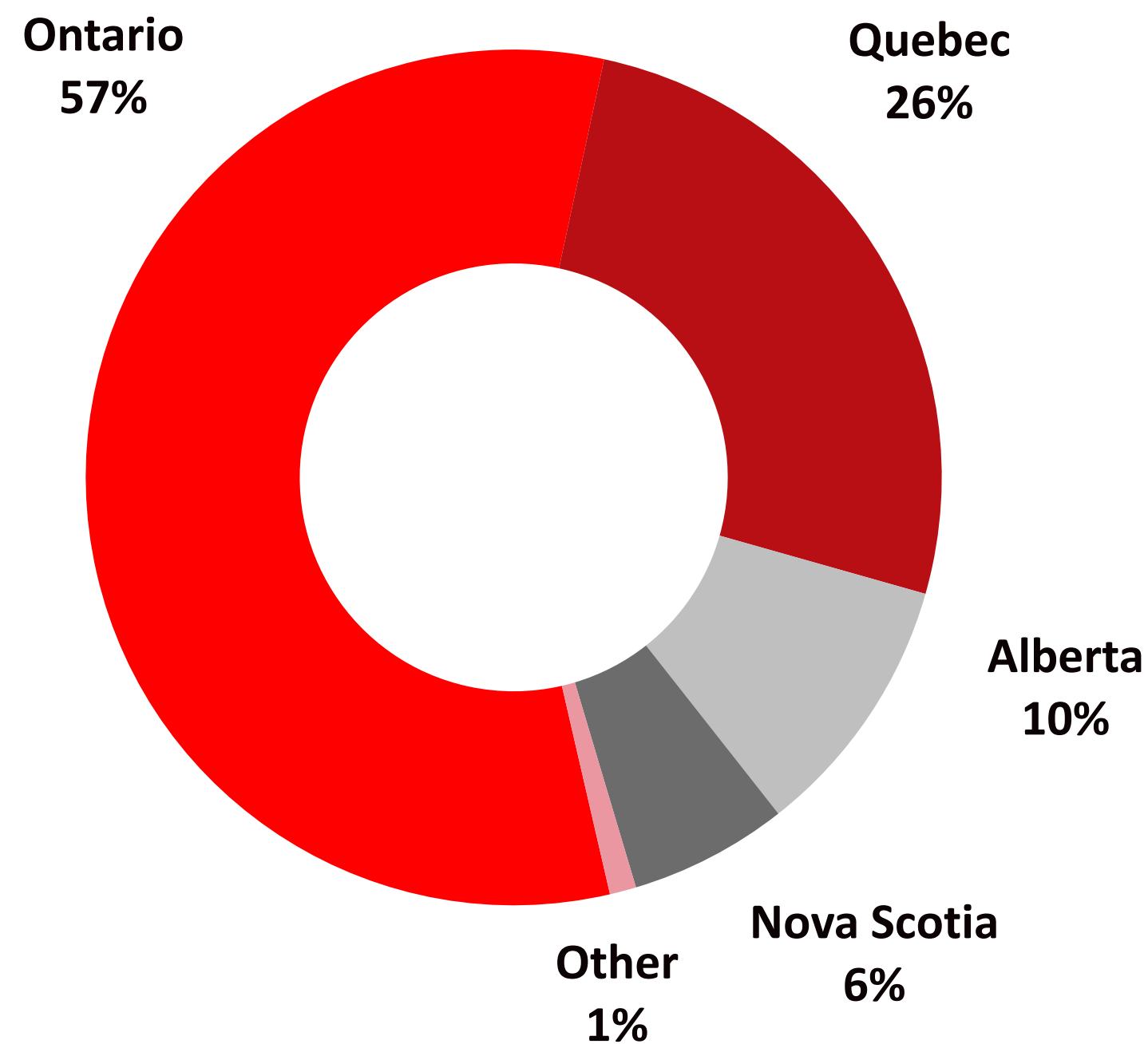
**6%**

**< 1%**



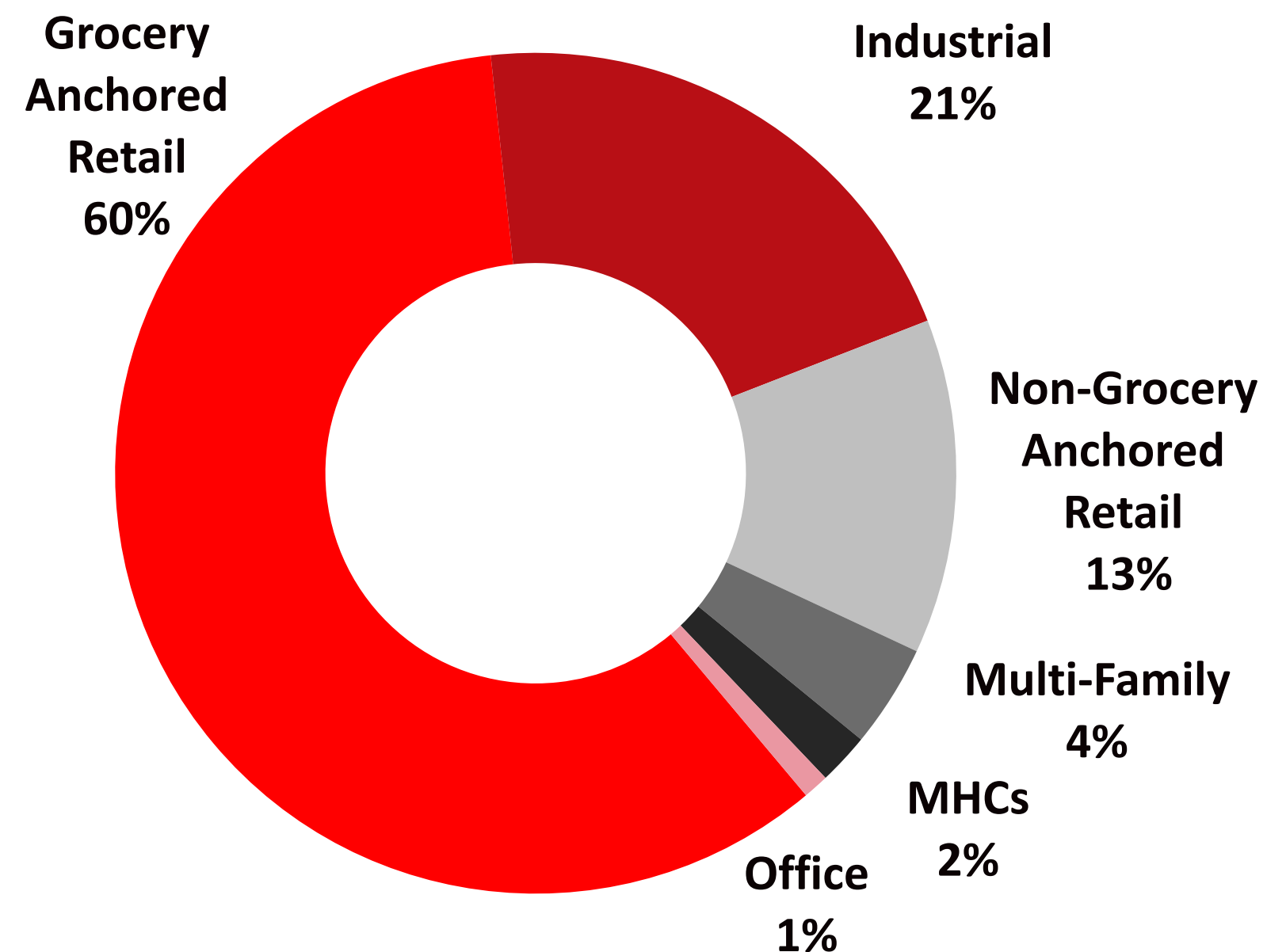
### Portfolio by Province

*(by NOI)*



### Portfolio by Asset Class

*(by NOI)*



Portfolio is Diversified Across Geographies, Asset Classes and Tenants

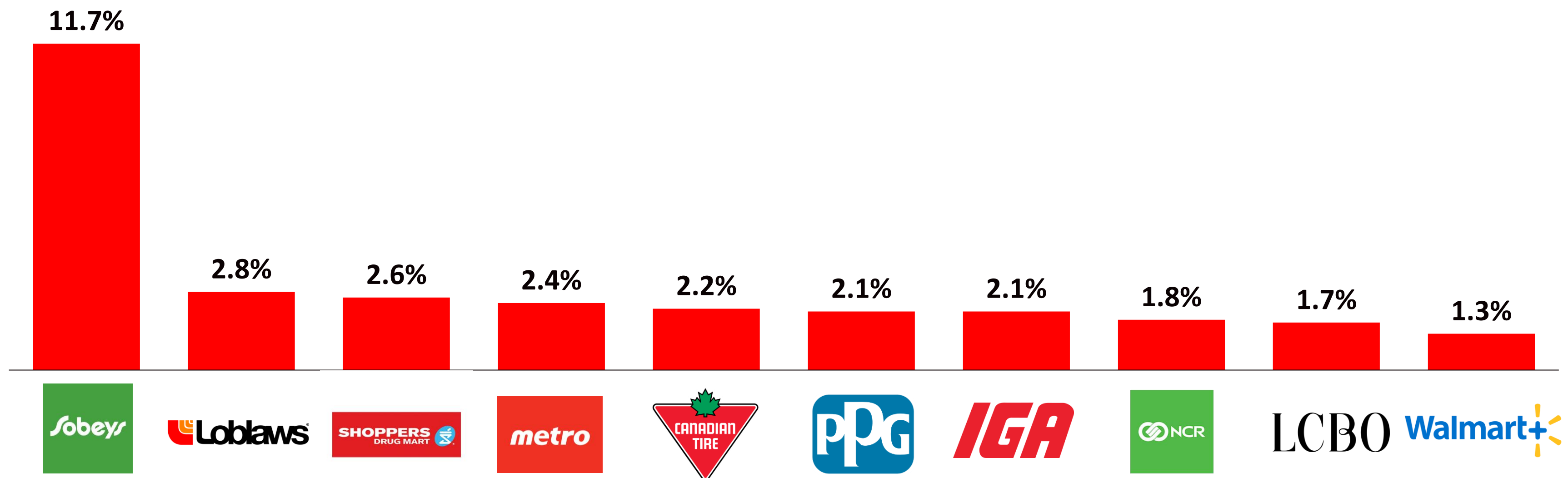
## Tenant Summary

### Top Ten Commercial Tenants

(by % of net rent)

Diversified Tenant Roster Largely Comprised of Necessity-Based Retailers

High Quality, National Tenants

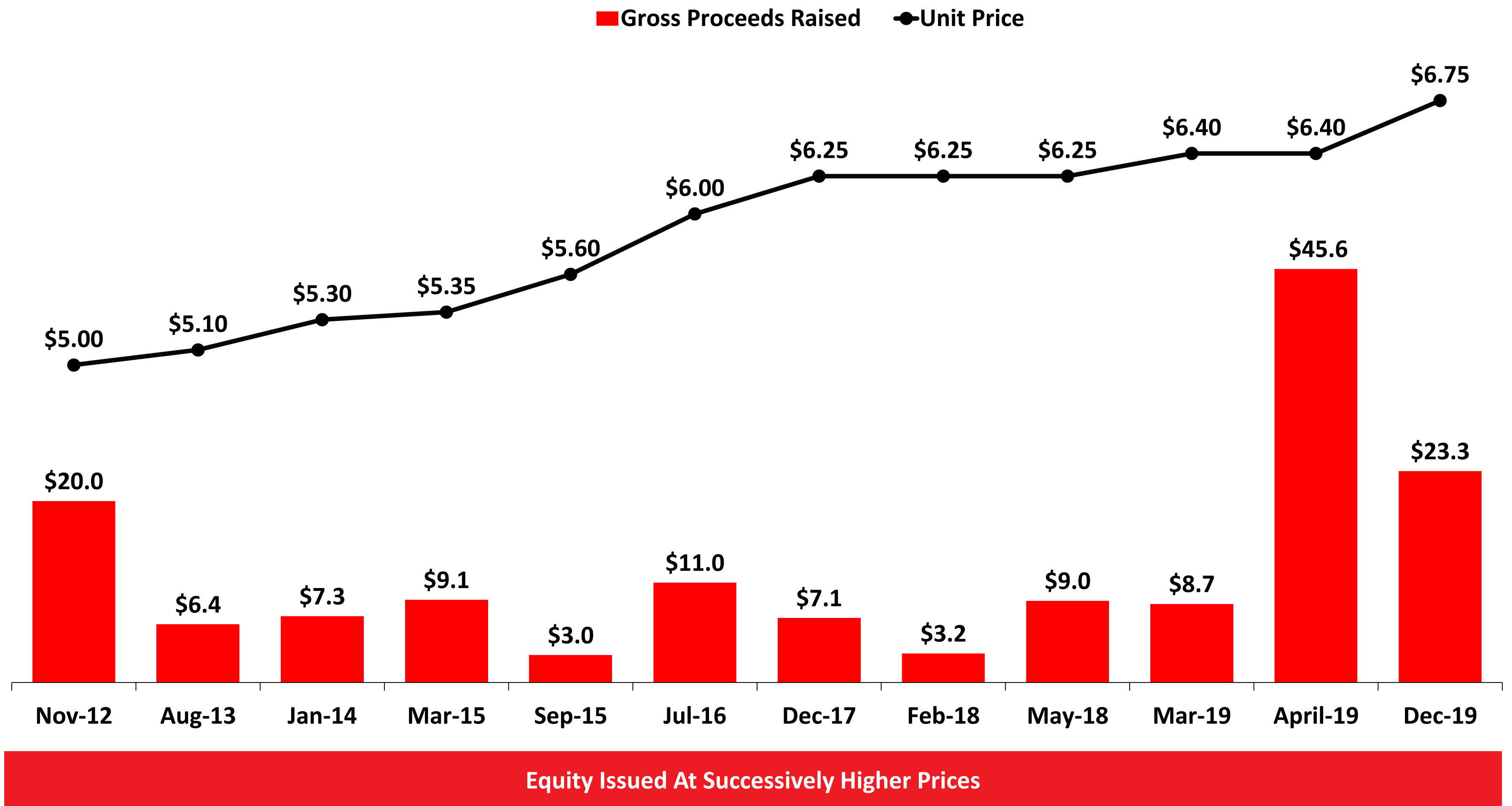


Largest Tenant Contributes 11.7% of Net Rent and Top 10 Tenants Comprise 30.7% of Net Rent

## Disciplined Equity Strategy

### Equity Financings & Unit Issue Price

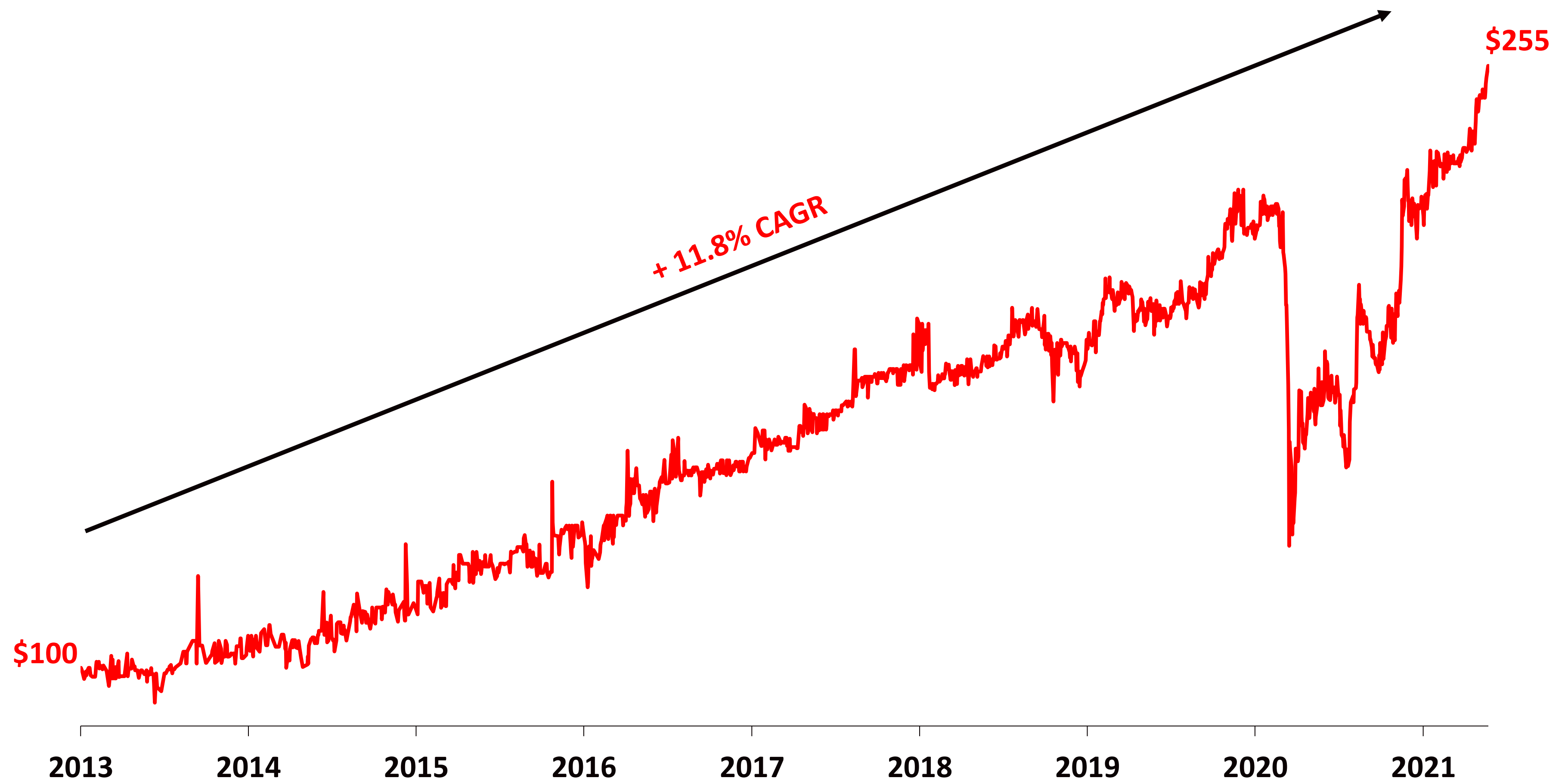
(\$ millions, except unit price data)





## Total Return on Investment

Since Inception, a \$100 Investment in FCPT Would be Worth \$255 Today! <sup>(1)</sup>

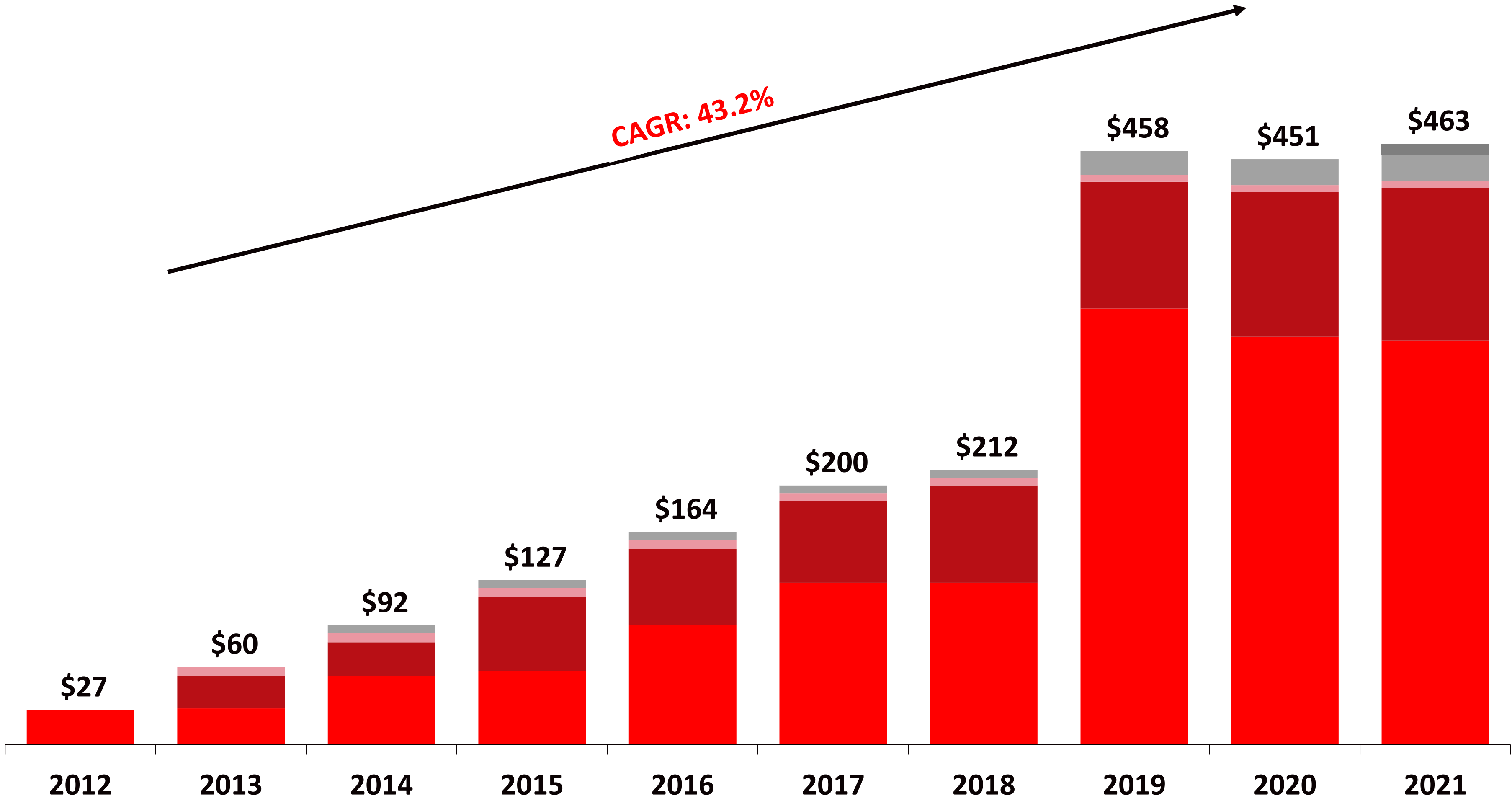


1. As of May 25, 2021

Disciplined Investing • Capital Preservation

Portfolio Growth

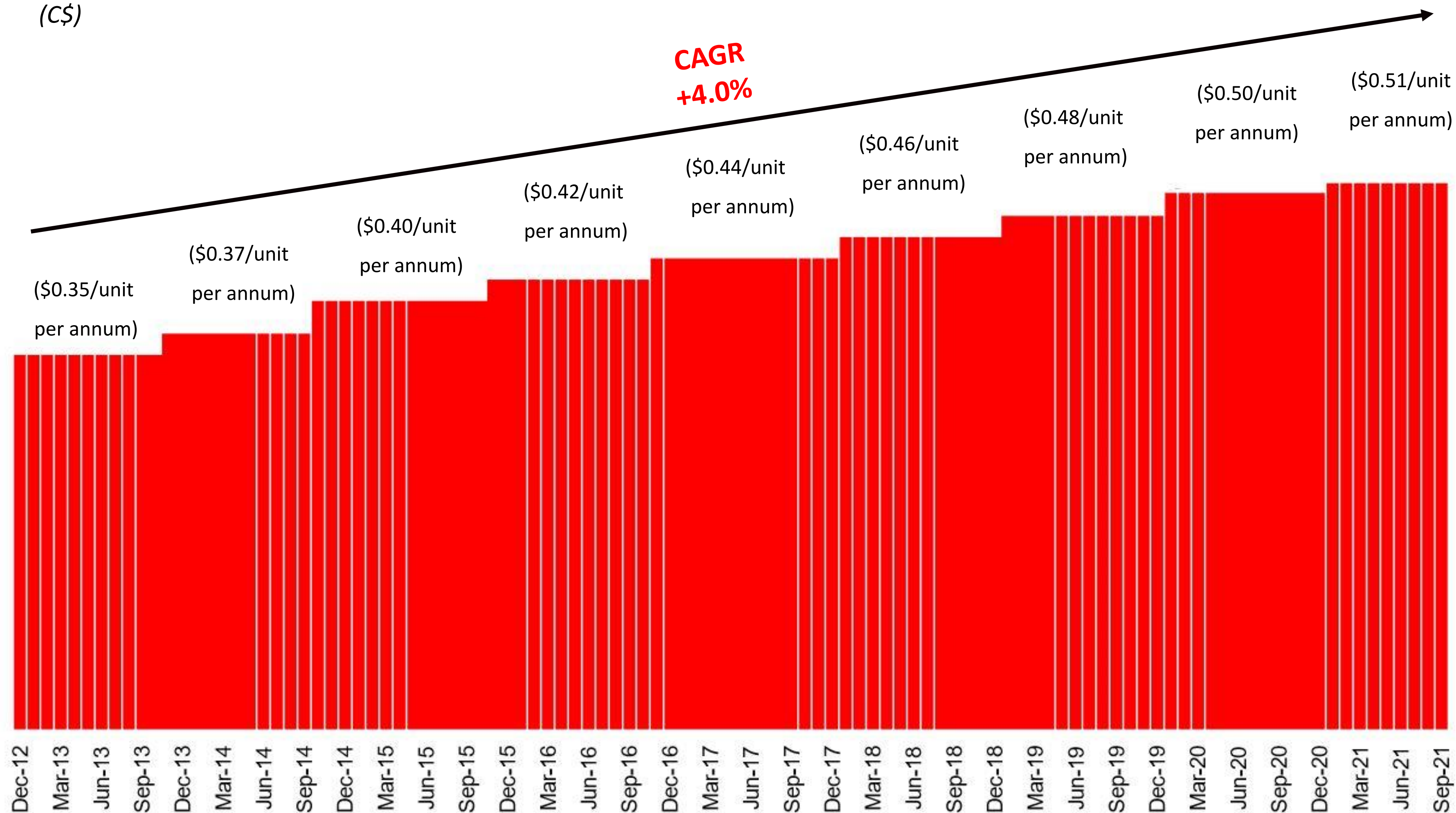
Retail Industrial Office Multi-Family MHCs



## Distribution Growth

### Distribution History

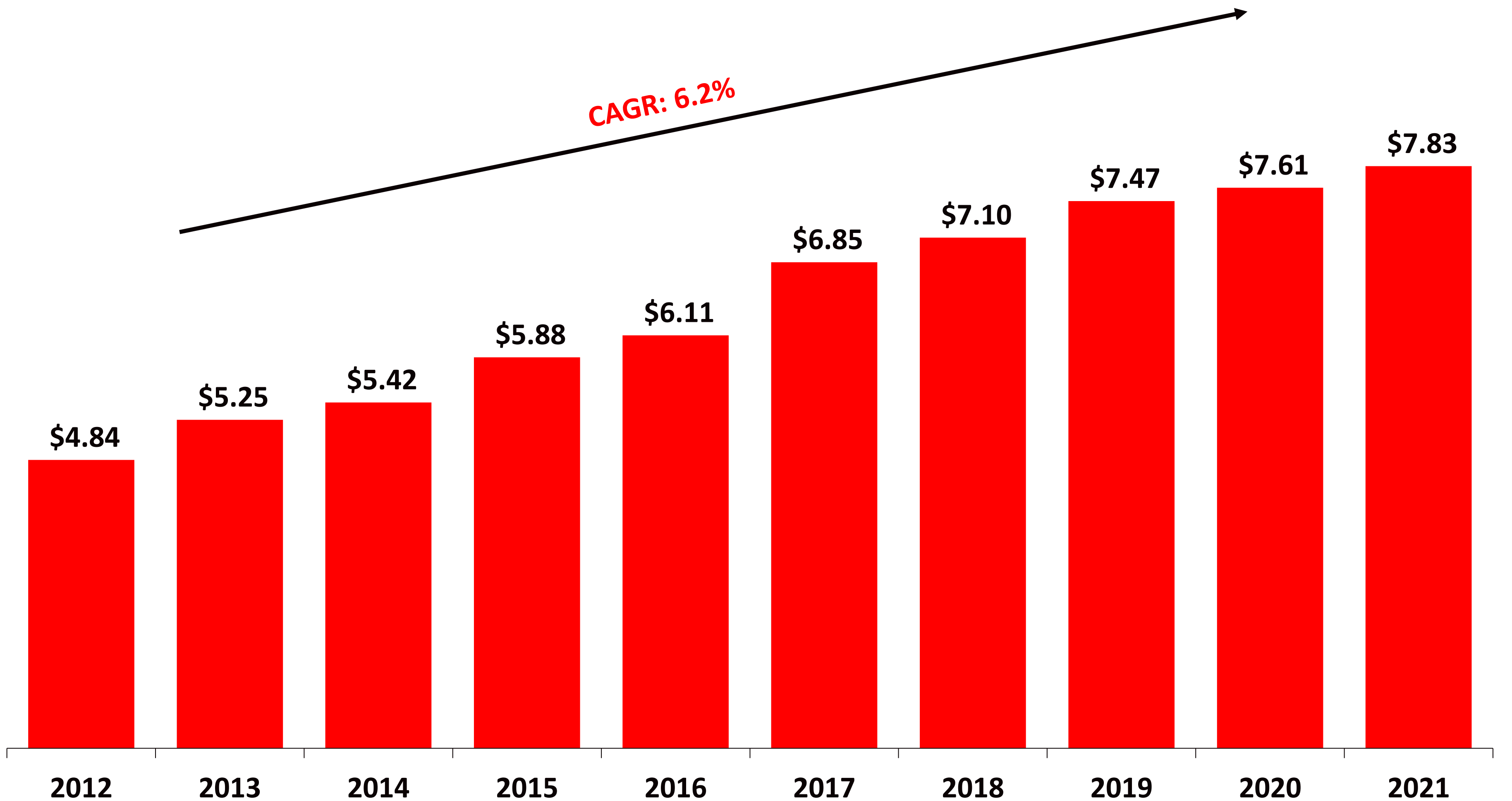
(C\$)





**Net Asset Value Growth**

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



## 2021 Q1 Financial Highlights

(\$ millions, unless per unit or % amounts)

<b>Metric</b>	<b>Quarter Ended March 31, 2021</b>	<b>Quarter Ended December 31, 2020</b>
<b>NOI</b>	<b>\$7.1</b>	<b>\$7.1</b>
<b>AFFO/Unit</b>	<b>\$0.117</b>	<b>\$0.115</b>
<b>NAV/Unit</b>	<b>\$7.83</b>	<b>\$7.61</b>
<b>Distributions/Unit</b>	<b>\$0.128</b>	<b>\$0.125</b>
<b>Quarterly AFFO payout ratio</b>	<b>109%</b>	<b>109%</b>
<b>Leverage</b>	<b>51.2%</b>	<b>51.7%</b>
<b>Portfolio Size</b>	<b>\$463</b>	<b>\$449</b>

# Acquisition History

Acquisition	Asset Class	Acquisition Date	GLA Sq. Ft. (FCPT % Interest)	FCPT % Interest	Acquisition Price (@100%)
Bridgewater	Retail	Nov-2012	46,903	100%	\$9,140,000
Brampton	Retail	Nov-2012	36,137	100%	\$11,400,000
Hanover	Retail	Nov-2012	19,874	100%	\$3,975,000
Pembroke	Retail	Nov-2012	11,247	100%	\$1,700,000
Centre Ice Portfolio	Retail	Jun-2014	111,740	70%	\$32,175,000
Whitby Mall	Retail / Office	Jun-2016	152,946	40%	\$35,750,000
Thickson Place	Retail	Sep-2016	41,942	40%	\$39,500,000
Moncton	Retail	Nov-2016	16,372	100%	\$4,700,000
Guelph	Retail	Nov-2017	115,744	100%	\$26,025,000
Crombie Portfolio JV	Retail	Feb-2019	148,188	50%	\$83,200,000
First Capital Portfolio JV	Retail	May-2019	511,248	50%	\$266,000,000
Gateway Village	Retail	Jul-2019	52,748	50%	\$46,400,000
Barrie	Office	Mar-2013	39,495	100%	\$6,700,000
Montreal Portfolio	Industrial	Aug-2013	515,048	50%	\$48,200,000
Waterloo Portfolio	Industrial	Jul-2015	358,174	70%	\$43,250,000
Montreal	Industrial	Oct-2018	79,582	50%	\$11,000,000
Edmonton	Industrial	Oct-2019	48,259	50%	\$11,400,000
Edmonton & Leduc	Industrial	Mar-2020	45,174	50%	\$10,725,000
Ottawa	Multi-Family	Nov-2014	135 units	50%	\$11,200,000
Dartmouth	Multi-Family	Jan-2019	69 units	100%	\$10,700,000
Edmonton	Multi-Family	May-2021	128 units	70%	\$24,960,000
Lower Sackville	Multi-Family	May-2021	132 units	70%	\$18,200,000
Calgary	MHC	Mar-2021	181 units	50%	\$17,300,000
<b>Total<sup>1</sup></b>			<b>2,350,821 Sq. Ft. / 645 units</b>		<b>\$773,600,000</b>

1. Does not reflect current portfolio due to dispositions



## 2021 Outlook – Canadian REIT

- Moving forward, it will be difficult to fully evaluate the economic impact on our tenants, because of the COVID-19 pandemic, until the economy has stabilized, and the government stimulus measures have ceased.
- During Q1 2021 we collected approximately 98% of gross rents.
- We have seen an improvement in the leasing market with strong demand and increasing rental rates across most of our industrial portfolio and higher than expected demand across our convenience retail portfolio that has allowed us to increase our occupancy levels over Q2.
- We expect interest rates to remain low into 2022 and are monitoring the economy for signs of weakness to be prepared to take advantage of investment opportunities.
- The Trust has sufficient liquidity not only to meet our operational needs through 2021, but to fund our acquisition and development projects through the second quarter of 2021 with no significant debt maturities in 2021. We believe that the Trust is well positioned for growth with our leverage below our target range of 55% to 65%.
- To date, the Trust has purchased for cancellation 1,288,600 Trust Units for gross proceeds of approx. \$6.3M consisting of 788,600 Trust Units acquired through the NCIB and a 500,000 Trust Unit redemption from a significant unitholder. The weighted average repurchase price was approx. \$4.84/Unit versus current NAV of \$7.61/Unit. The result of these cancellations is 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 to the benefit of the Trust's Unitholders.
- The Trust has announced its eighth consecutive annual distribution increase in eight years with an increase of 2% commencing in 2021.
- 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 30/21, May 31/21, June 30/21, July 30/21, August 31/21, and September 30/21 payable on or about May 17/21, June 15/21 and July 15/21, August 16/21, September 15/21, and October 15/21 respectively.
- Management is always looking to assess and evolve its portfolio of assets. The Trust will focus its near-term acquisition efforts on the industrial and multi-residential sectors across Canada as well as reducing its exposure to its non-core retail assets to create a more balanced property portfolio. On March 16, 2021, the Trust closed the acquisition of a 50% interest in a 181 site Manufactured Housing Community located in Calgary, Alberta for \$16.9M. As of March 22, 2021 the Trust completed sales of four retail properties from the Centre Ice Retail Portfolio during the quarter the proceeds of approximately \$7.7 million. In addition, the Trust completed the sale of four additional Centre Ice Retail Portfolio assets after the quarter for approximately \$6.2 million. In total, the Trust has identified and has remaining \$15.8 million in Assets Held for Sale as at March 31, 2021. In May 2021, the Trust closed on two additional independent acquisitions (Trust's interest will be 70%) comprised of 132 units in three multi-residential buildings located in Lower Sackville, Nova Scotia and 128 units in two multi-residential buildings located in Edmonton, Alberta for a combined total of \$43.2 million (excluding transaction costs). The Trust expects to grow predominately through acquisitions during 2021 with residential intensification efforts beginning to generate income in 2022. As always, we will continue to assess each acquisition to ensure they meet our disciplined investment objectives but will not grow the portfolio only for the sake of growth.

## Board of Trustees

Independent Trustees	<b>Stanley Goldfarb</b> 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>Geoffrey Bledin</b> 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>Howard Smuschkowitz</b> 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>Jeff Goldfarb</b> Independent Trustee	<ul style="list-style-type: none"> <li>• Retired Partner of PricewaterhouseCoopers</li> </ul>
	<b>Larry Shulman</b> Independent Trustee	<ul style="list-style-type: none"> <li>• Retired Senior Partner of Goldfarb, Shulman, Patel &amp; Co.</li> </ul>
	<b>Manfred Walt</b> 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>
Executive Trustees	<b>Eli Dadouch</b> 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 of Firm Capital Apartment REIT (TSXV: FCA.U/FCA.UN)</li> </ul>
	<b>Jonathan Mair</b> Trustee	<ul style="list-style-type: none"> <li>• Vice President, Mortgage Banking of Firm Capital Corporation</li> <li>• COO, Senior VP and Director of Mortgage Investment Corporation (TSX:FC)</li> </ul>
	<b>Robert McKee</b> 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> 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>• President, CEO &amp; Trustee of Firm Capital Apartment REIT (TSXV: FCA.U/FCA.UN)</li> <li>• Trustee of True North Commercial REIT (TSX: TNT.UN)</li> </ul>
	<b>Victoria Granovski</b> 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



## 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:

**Robert McKee**

President & CEO

T: 416.635.0221 X 250

E: [rmckee@firmcapital.com](mailto:rmckee@firmcapital.com)

**Sandy Poklar**

Chief Financial Officer

T: 416.635.0221 X 235

E: [spoklar@firmcapital.com](mailto:spoklar@firmcapital.com)

**Eli Dadouch**

Vice Chairman, Co-CIO

T: 416.635.0221 X 231

E: [edadouch@firmcapital.com](mailto:edadouch@firmcapital.com)

**Victoria Moayed**

Director, Investor Relations

T: 416.635.0221 X 270

E: [vmoayed@firmcapital.com](mailto:vmoayed@firmcapital.com)

163 Cartwright Avenue, Toronto, Ontario, Canada M6A 1V5

T: 416.635.0221 F: 416.635.1713 [www.FirmCapital.com](http://www.FirmCapital.com)

## Disclaimer

This presentation is for informational purposes only and not intended to solicit Firm Capital Property Trust (“FCD”, “FCPT” or the “**Trust**”). This presentation may not provide full disclosure of all material facts relating to the securities offered. Investors should read the most recent Annual Report and Quarterly Financial Statements and Management Discussion & Analysis for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision. A final base shelf prospectus containing important information relating to the securities described in this presentation has been filed with the securities regulatory authorities in each of the provinces of Canada, other than Quebec.

This presentation contains forward-looking statements within the meaning of applicable securities laws. These statements include, but are not limited to, statements made in this presentation, and other statements concerning the FCA’s objectives, its strategies to achieve those objectives, as well as statements with respect to management’s beliefs, plans, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “outlook”, “objective”, “may”, “will”, “would”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “should”, “plan”, “continue”, or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect management’s current beliefs and are based on information currently available to management. All forward-looking statements in this presentation are qualified by these cautionary statements. These statements are not guarantees of future events or performance and, by their nature, are based on FCA’s estimates and assumptions, which are subject to risks and uncertainties, which could cause actual events or results to differ materially from the forward-looking statements contained in this presentation. Those risks and uncertainties include, but are not limited to, those related to: liquidity in the global marketplace associated with current economic conditions, occupancy levels, access to debt and equity capital, interest rates, the relative illiquidity of real property, unexpected costs or liabilities related to acquisitions or dispositions, construction, environmental matters, legal matters, reliance on key personnel, income taxes, the conditions to the transactions not being satisfied resulting in the failure to complete some or all of the proposed transactions described herein, the trading price of the securities of FCA, lack of availability of acquisition or disposition opportunities for the Trust and exposure to economic, real estate and capital market conditions in North America. Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking information may include, but are not limited to: that the general economy remains stable, interest rates are relatively stable, acquisition/disposition capitalization rates are stable, competition for acquisition or disposition of residential apartments remains intense, and equity and debt markets continue to provide access to capital. These assumptions, although considered reasonable by the Trust at the time of preparation, may prove to be incorrect. Although the forward-looking information contained in this presentation is based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Certain statements included in this presentation may be considered “financial outlook” for purposes of applicable securities laws, and such financial outlook may not be appropriate for purposes other than this presentation. You should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While we may elect to, we are under no obligation and do not undertake to update this information at any particular time.