



FIRM CAPITAL PROPERTY TRUST

FIRM CAPITAL PROPERTY TRUST ANNOUNCES STRONG SECOND QUARTER RESULTS AND \$8.15/UNIT NAV

Toronto, Ontario, August 16, 2021. Firm Capital Property Trust (“**FCPT**” or the “**Trust**”), (TSXV: FCD.UN) is pleased to report its financial results for the period ended June 30, 2021.

PROPERTY PORTFOLIO HIGHLIGHTS

The portfolio consists of 63 commercial properties with a total gross leasable area (“GLA”) of 2,266,676 square feet, four multi-residential complexes comprised of 464 units and one Manufactured Home Community comprised of 181 units. The portfolio is well diversified and defensive in terms of geographies and property asset types, with 60% 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 currently accounting for more than 11.6% of total net rent. Further, the top 10 tenants are comprised of large national tenants and account for 30.4% of total net rent.

Q2/2021 FINANCIAL HIGHLIGHTS

- Net income for the three months ended June 30, 2021, was approximately \$31.8 million, a significant increase in comparison to the \$10.2 million net income for the three months ended March 31, 2021, and the \$3.8 million in net income reported for the three months ended June 30, 2020;
- Excluding fair value adjustments, net income for the three months ended June 30, 2021, was approximately \$3.2 million, in line with the \$3.2 million reported for the three months ended March 31, 2021, and the \$3.8 million reported for the three months ended June 30, 2020;
- Net income for the six months ended June 30, 2021, was approximately \$42.0 million, compared to \$1.5 million net loss reported for the six months ended June 30, 2020;
- \$8.15 Net Asset Value (“**NAV**”) per Unit, a 4% increase in comparison to the \$7.83 NAV per unit reported in Q1/2021;
- On an IFRS basis, NOI for the three months ended June 30, 2021, was approximately \$7.2 million, a 2% increase in comparison to the \$7.1 million reported for the three months ended March 31, 2021, and a 6% increase in comparison to the \$6.8 million reported for the three months ended June 30,

2020. NOI for the six months ended June 30, 2021, was approximately \$14.3 million, a 3% increase over the \$13.9 million reported for the six months ended June 30, 2020;

- On a cash basis (“**Cash NOI**”), for the three months ended June 30, 2021, was approximately \$7.2 million, a 3% increase compared to the \$6.9 million reported for the three months ended March 31, 2021, and a 6% increase over the \$6.7 million reported for the three months ended June 30, 2020. Cash NOI for the six months ended June 30, 2021, was approximately \$14.1 million, a 4% increase over the \$13.6 million for the six months ended June 30, 2020;
- Funds From Operations (“**FFO**”) for the three months ended June 30, 2021, was approximately \$3.0 million, in comparison to the \$3.5 million reported for the three months ended March 31, 2021, and the \$6.4 million reported for the three months ended June 30, 2020. FFO for the six months ended June 30, 2021, was \$6.5 million, in comparison to the \$8.7 million reported for the six months ended June 30, 2020. Including gains on sales, FFO was \$6.5 million for the three months ended June 30, 2021, in comparison to the \$6.7 million and \$6.4 million for the three months ended March 31, 2021, and June 30, 2020, respectively;
- Adjusted Funds From Operations (“**AFFO**”) for the three months ended June 30, 2021, was approximately \$3.6 million, a 4% increase over the \$3.4 million reported for the three months ended March 31, 2021, and the \$3.5 million reported for the three months ended June 30, 2020. AFFO for the six months ended June 30, 2021, was approximately \$7.0 million, a 1% decrease over the \$7.1 million reported for the six months ended June 30, 2020. Including gains on sales, AFFO was \$7.1 million for the three months ended June 30, 2021, in comparison to the \$6.7 million and \$3.5 million for the three months ended March 31, 2021, and June 30, 2020, respectively;
- FFO per Unit was \$0.097 for the three months ended June 30, 2021, compared to the \$0.118 per Unit reported for the three months ended March 31, 2021, and the \$0.21 per Unit reported for the three months ended June 30, 2020. Including gains on sales, FFO per Unit was \$0.211;
- AFFO per Unit was \$0.116 for the three months ended June 30, 2021, compared to the \$0.117 per Unit reported for the three months ended March 31, 2021, and the \$0.115 per Unit reported for the three months ended June 30, 2020. Including gains on sales, AFFO per Unit was \$0.230;
- FFO Payout Ratio was 131% for the three months ended June 30, 2021, compared to the 108% for the three months ended March 31, 2021, and the 60% reported for the three months ended June 30, 2020. FFO Payout Ratio for the six months ended June 30, 2021, was 119%, compared to the 86% for the six months ended June 30, 2020. Including gains on sales, FFO Payout Ratio was 61% for the three months ended June 30, 2021, in comparison to the 55% and the 60% for the three months ended March 31, 2021, and June 30, 2020, respectively;

- AFFO Payout Ratio was 110% for the three months ended June 30, 2021, compared to the 109% for the three months ended March 31, 2021, and the 108% reported for the three months ended June 30, 2020. AFFO Payout Ratio for the six months ended June 30, 2021, was 109% compared to the 108% for the six months ended June 30, 2020. Including gains on sales, AFFO Payout Ratio was 56% for the three months ended June 30, 2021, in comparison to the 56% and the 108% for the three months ended March 31, 2021, and June 30, 2020, respectively;
- Commercial occupancy was a solid 92.8%, while residential occupancy was 95.6% and Manufactured Homes Communities was 99.4%; and
- Conservative leverage profile with Debt / Gross Book Value (“GBV”) at 44.5%.

	% Change Over								
	Three Months			Six Months			Three Months		Six Months
	Jun 30, 2021	March 31, 2021	Jun 30, 2020	Jun 30, 2021	Jun 30, 2020	March 31, 2021	Jun 30, 2020	Jun 30, 2020	
Rental Revenue	\$ 11,277,357	\$ 11,337,581	\$ 10,978,178	\$ 22,614,937	\$ 22,232,652	(1%)	3%	2%	
NOI									
- IFRS Basis	\$ 7,210,383	\$ 7,051,088	\$ 6,832,758	\$ 14,261,472	\$ 13,859,749	2%	6%	3%	
- Cash Basis	\$ 7,156,344	\$ 6,948,767	\$ 6,719,928	\$ 14,105,113	\$ 13,568,051	3%	6%	4%	
Net Income / (Loss)	\$ 31,835,791	\$ 10,159,514	\$ 3,843,611	\$ 41,995,308	\$ (1,521,413)	213%	728%	NM	
FFO	\$ 2,995,157	\$ 3,475,457	\$ 6,398,617	\$ 6,470,605	\$ 8,866,455	(14%)	(53%)	(27%)	
AFFO	\$ 3,584,444	\$ 3,439,569	\$ 3,510,644	\$ 7,024,003	\$ 7,107,015	4%	2%	(1%)	
Including Gain on Sale from Real Estate Properties:									
FFO	\$ 6,487,356	\$ 6,770,826	\$ 6,407,717	\$ 13,258,173	\$ 8,875,552	(4%)	1%	49%	
AFFO	\$ 7,076,643	\$ 6,734,938	\$ 3,519,743	\$ 13,811,575	\$ 7,116,112	5%	101%	94%	
FFO Per Unit	\$ 0.097	\$ 0.118	\$ 0.210	\$ 0.215	\$ 0.290	(18%)	(54%)	(26%)	
AFFO Per Unit	\$ 0.116	\$ 0.117	\$ 0.115	\$ 0.233	\$ 0.232	(1%)	1%	1%	
Including Gain on Sale from Real Estate Properties:									
FFO/Unit	\$ 0.211	\$ 0.230	\$ 0.210	\$ 0.440	\$ 0.290	(8%)	0%	52%	
AFFO/Unit	\$ 0.230	\$ 0.229	\$ 0.115	\$ 0.459	\$ 0.232	0%	100%	98%	
Distributions Per Unit	\$ 0.128	\$ 0.128	\$ 0.125	\$ 0.255	\$ 0.250	(0%)	2%	2%	
Payout Ratios									
- FFO	131%	108%	60%	119%	86%				
- AFFO	110%	109%	108%	109%	108%				
Including Gain on Sale from Real Estate Properties:									
- FFO	61%	55%	60%	58%	86%				
- AFFO	56%	56%	108%	56%	108%				

NM = Not Meaningful

Q2/2021 TRANSACTIONAL HIGHLIGHTS

- **Capital Recycling into Industrial and Multi Residential Sectors:** The Trust continues to 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, the Trust completed the sales of six retail properties from the Centre Ice Retail Portfolio during the quarter with gross proceeds of approximately \$11.3 million. For the six months ended June 30, 2021, the Trust has completed the sale of ten retail properties from the Centre Ice Portfolio with gross proceeds of approximately \$19.0 million. In addition, the Trust completed the sale of two additional Centre Ice Retail Portfolio assets after the quarter for gross proceeds of approximately \$2.9 million (excluding closing costs).
- **\$43.0 Million in Acquisitions of Multi-Residential Buildings in Edmonton, Alberta and Lower Sackville, Nova Scotia:**
 - On May 3, 2021, the Trust closed the acquisition of a 70% interest in 128 units in two multi-residential buildings (the Edmonton Properties). The

- acquisition price for 100% was \$25.0 million (excluding transaction costs). The acquisition price for the Trust's portion of the portfolio was \$17.5 million (excluding transaction costs). The Edmonton Property was financed with a new \$17.0 million mortgage (the Trust's pro-rata share was \$11.9 million) with a Canadian Chartered Bank for an interest rate of approximately 2.5%, term of five years and a 30 year amortization.
- On May 5, 2021, the Trust closed the acquisition of a 70% interest in 132 units in three multi-residential buildings (the Lower Sackville Properties). The acquisition price for 100% was \$18.0 million (excluding transaction costs). The acquisition price for the Trust's portion of the portfolio was \$12.6 million (excluding transaction costs). The Lower Sackville Property was financed with a new \$13.7 million mortgage (the Trust's pro-rata share was \$9.6 million) with a Canadian Chartered Bank for an interest rate of approximately 2.4%, term of five years and a 30 year amortization;
 - **\$11.3 Million Mortgage Financing:** On April 30, 2021, Mountview was financed with a \$11.3 million first mortgage with a Canadian Chartered Bank. The interest only mortgage carries a 2.5% interest rate and a 1 year term. The Trust's portion of the mortgage is approximately \$5.7 million;
 - **\$28.8 Million Public Equity Offering:** On June 8, 2021, the Trust completed a public equity offering of Trust Units. 4,107,800 Trust Units were issued at a price of \$7.00 per Trust Unit for gross proceeds of approximately \$28.8 million (\$27.1 million, net of closing costs);
 - **Asset Management & Property Management Agreement Extensions and Disposition Fee:** The Trustees of the Trust approved amendments to the Asset Management Agreement with FCRPI and the Property Management Agreement with FCPMC (collectively the "Contracts"). Both contracts had their terms extended from November 29, 2022, to November 29, 2032. With respect to any disposition of a Property by the Trust at a price that is in excess of the average IFRS carrying value of the Property over the four quarters preceding the quarter in which the sale occurred, the Trust shall pay to the Asset Manager a fee (the "Disposition Fee") equal to 0.5% of the sale price. The Disposition Fee is payable upon closing of the applicable sale; and
 - **Declaration of Monthly Distributions:** The Trust is pleased to announce that it has declared and approved monthly distributions in the amount of \$0.0425 per Trust Unit for Unitholders of record on October 31, 2021, November 30, 2021, and December 31, 2021, payable on or about November 15, 2021, December 15, 2021 and January 17, 2022, 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 period ended June 30, 2021, as filed on www.sedar.com.

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