



**FIRM CAPITAL PROPERTY TRUST**

**FIRM CAPITAL PROPERTY TRUST REPORTS HIGHEST QUARTERLY ASSET GROWTH SINCE INCEPTION**

Toronto, Ontario, August 9, 2019. Firm Capital Property Trust (“**FCPT**” or the “**Trust**”), (TSXV: FCD.UN) is pleased to report today its financial results for the three and six months ended June 30, 2019.

**PROPERTY PORTFOLIO HIGHLIGHTS**

The portfolio consists of 73 commercial properties with a total GLA of 3,974,354 square feet (2,218,596 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 12% of total net rent. Further, the top 10 tenants are comprised of large national tenants and account for 29% of total net rent.

**SECOND QUARTER AND YEAR TO DATE HIGHLIGHTS 2019**

- Net income for the three months ended June 30, 2019 was approximately \$9.2 million, a 302% increase over the \$2.3 million reported for the three months ended March 31, 2019 and a 147% increase over the \$3.7 million reported for the three months ended June 30, 2018. The increase is largely due to increased income from acquisitions and a \$5.7 million fair value adjustment to investment properties;
- Net income for the six months ended June 30, 2019 was approximately \$11.5 million, a 15% increase compared to the \$9.9 million reported for the six months ended June 30, 2018. The increase is largely due to increased income from acquisitions;
- \$7.00 Net Asset Value (“**NAV**”) per Unit based on a IFRS book value of equity of approximately \$183.7 million;
- On an IFRS basis, NOI for the three months ended June 30, 2019 was approximately \$5.6 million, which is a 46% increase over the \$3.8 million reported for the three months ended March 31, 2019 and a 65% increase in comparison to the \$3.4 million reported for the three months ended June 30, 2018. NOI for the six months ended June 30, 2019 was approximately \$9.4 million which is a 46% increase over the \$6.5 million reported for the six months ended June 30, 2018;

- On a cash basis (“**Cash NOI**”), for the three months ended June 30, 2019 was approximately \$5.5 million, which is a 44% increase over the \$3.8 million reported for the three months ended March 31, 2019 and a 60% increase over the \$3.4 million reported for the three months ended June 30, 2018. Cash NOI for the six months ended June 30, 2019 was approximately \$9.3 million, which is a 43% increase over the \$6.5 million reported for the six months ended June 30, 2018;
- Funds From Operations (“**FFO**”) for the three months ended June 30, 2019 was approximately \$3.4 million, a 94% increase over the \$1.8 million reported for the three months ended March 31, 2019 and a 76% increase over the \$2.0 million reported for the three months ended June 30, 2018;
- Adjusted Funds From Operations (“**AFFO**”) for the three months ended June 30, 2019 was approximately \$2.7 million, a 40% increase over the \$1.9 million reported for the three months ended March 31, 2019 and a 42% increase over the \$1.9 million reported for the three months ended June 30, 2018;
- FFO for the six months ended June 30, 2019 was approximately \$5.2 million, a 36% increase over the \$3.8 million reported for the six months ended June 30, 2018. AFFO for the six months ended June 30, 2019 was approximately \$4.6 million, a 31% increase over the \$3.5 million reported for the six months ended June 30, 2019;
- FFO per Unit was \$0.140 for the three months ended June 30, 2019, a 40% increase over the \$0.100 for the three months ended March 31, 2019 and a 19% increase over the \$0.118 for the three months ended June 30, 2018. FFO per Unit was \$0.248 for the six months ended June 30, 2019, a 3% increase over the \$0.240 for the six months ended June 30, 2018;
- AFFO per Unit was \$0.111 for the three months ended June 30, 2019, a 1% increase compared to the \$0.110 per Unit reported for the three months ended March 31, 2019. AFFO per unit was \$0.221 for the six months ended June 30, 2019, largely in line with the \$0.223 for the six months ended June 30, 2018;
- Average net rents increased 1.6% - 3.4% across all asset classes since March 31, 2019;
- Commercial occupancy improved to 96.1% while residential occupancy was 98.5%; and
- Conservative leverage profile with Debt / Gross Book Value (“**GBV**”) at 54.3%.

	Three Months			Six Months		Three Months		Six Months
	Jun 30, 2019	Mar 31, 2019	Jun 30, 2018	Jun 30, 2019	Jun 30, 2018	Mar 31, 2019	Jun 30, 2018	Jun 30, 2018
Rental Revenue	\$ 8,664,867	\$ 6,443,690	\$ 5,546,678	\$ 15,108,559	\$ 11,010,170	34%	56%	37%
NOI								
- IFRS Basis	\$ 5,612,287	\$ 3,835,465	\$ 3,411,330	\$ 9,447,756	\$ 6,481,206	46%	65%	46%
- Cash Basis	\$ 5,481,879	\$ 3,795,287	\$ 3,420,534	\$ 9,277,166	\$ 6,479,710	44%	60%	43%
Net Income	\$ 9,183,443	\$ 2,287,088	\$ 3,715,744	\$ 11,470,534	\$ 9,947,070	302%	147%	15%
FFO	\$ 3,429,815	\$ 1,765,500	\$ 1,950,304	\$ 5,195,319	\$ 3,810,469	94%	76%	36%
AFFO	\$ 2,706,154	\$ 1,929,209	\$ 1,904,121	\$ 4,635,366	\$ 3,529,002	40%	42%	31%
FFO Per Unit	\$ 0.140	\$ 0.100	\$ 0.118	\$ 0.248	\$ 0.240	40%	19%	3%
AFFO Per Unit	\$ 0.111	\$ 0.110	\$ 0.116	\$ 0.221	\$ 0.223	1%	(4%)	(1%)
Distributions Per Unit	\$ 0.120	\$ 0.120	\$ 0.115	\$ 0.240	\$ 0.230		4%	4%
Payout Ratios								
- FFO	85%	119%	97%	97%	96%			
- AFFO	108%	109%	99%	109%	103%			

## FINANCIAL HIGHLIGHTS

- **\$213 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 from Crombie REIT 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;
  - 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 was approximately \$272 million (including transaction costs). The Trust's portion of the acquisition price was approximately \$136 million; and
  - On July 9, 2019, the Trust closed on an acquisition from First Capital Realty Inc. a 50% non-managing interest in a grocery anchored shopping centre located in St. Albert, Alberta. The acquisition price for 100% of the asset was approximately \$46.9 million (including transaction costs). The Trust's portion of the acquisition price was approximately \$23.5 million.
- **\$56 Million of Equity Issued:** Since the beginning of 2019, the Trust has completed the following equity raising activity:
  - On March 28, 2019, the Trust issued \$8.7 million of Trust Units through a non-brokered private placement;

- On April 18, 2019, the Trust issued \$1.2 million of Trust Units through the exercising of Trust unit options;
  - 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 through an over allotment option; and
  - On May 1, 2019, the Trust issued an additional \$1.5 million of Trust Units as part of the non-brokered private placement as described above.
- **\$170 Million of New and Assumed Mortgage Financings:** Since the beginning of 2019, the Trust has completed the following new mortgage financings:
    - On January 4, 2019, the Trust assumed an existing mortgage as part of its multi-residential acquisition in Dartmouth, Nova Scotia. The principal balance at acquisition was \$7.1 million, which matured February 28, 2019;
    - 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;;
    - 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. The Trust's portion of this financing is \$24.5 million. The terms are unchanged from the previous loan at a 4.0% interest rate and a 25 year amortization;
    - On February 5, 2019, the Trust assumed \$6.4 million of first mortgages on two of the properties as part of the Crombie Retail Portfolio acquisition. The mortgages have a 4.14% weighted average interest rate, amortizes and mature between December 1, 2023 and February 5, 2024 with a weighted average term to maturity of 4.8 years. The Trust also financed five new mortgages totaling \$21.0 million and supplemented one assumed mortgage by \$1.0 million as part of this acquisition. The new mortgages have a 3.55% weighted average interest rate with interest rate ranges of 3.29% to 3.59%, amortize and mature on February 5, 2024;
    - On May 9, 2019, the Trust assumed \$30.4 million of first mortgages on four of the properties as part of the FCR Retail Portfolio acquisition. The mortgages have a 3.99% weighted average interest rate, amortizes and mature between February 1, 2020 and January 1, 2031 with a weighted average term to maturity of 12.1 years. The Trust also financed two new mortgages totaling \$62.5 million as part of this acquisition. The new mortgages have a 3.30% weighted average interest rate, amortize and

mature between February 1, 2020 and May 9, 2024 with a weighted average term to maturity of 4.2 years; and

- On July 9, 2019, the Trust financed one new mortgage totaling \$15.5 million as part of the First Capital Realty acquisition as described above. The new mortgage is fixed at a 3.3% interest rate with a 25 year amortization.
- **Declaration of Monthly Distributions:** On August 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 October 31, 2019, November 29, 2019 and December 31, 2019 payable on or about November 15, 2019, December 16, 2019 and January 15, 2020.

For the complete financial statements, Management's Discussion & Analysis and supplementary information, please visit [www.sedar.com](http://www.sedar.com) or the Trust's website at [www.firmcapital.com](http://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 three and six months ended June 30, 2019 as filed on [www.sedar.com](http://www.sedar.com).

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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