



FIRM CAPITAL PROPERTY TRUST

FIRM CAPITAL PROPERTY TRUST ANNOUNCES FIRST QUARTER RESULTS AND APRIL/ MAY RENT COLLECTIONS

Toronto, Ontario, May 12, 2020. Firm Capital Property Trust (“**FCPT**” or the “**Trust**”), (TSXV: FCD.UN) is pleased to report its financial results for the three months ended March 31, 2020 as well as April and May rent collections.

PROPERTY PORTFOLIO HIGHLIGHTS

The portfolio consists of 76 commercial properties with a total GLA of 4,244,242 square feet (2,350,448 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.

APRIL AND MAY RENT COLLECTIONS

The Trust is pleased to report that it has collected approximately 90% and 80% of April and May’s expected gross rents from all of its tenants.

TENANT DIVERSIFICATION

The portfolio is well diversified by tenant profile with no tenant accounting for more than 11.5% of total net rent. Further, the top 10 tenants are comprised of large national tenants and account for 30.7% of total net rent.

FIRST QUARTER HIGHLIGHTS

The Trust is pleased to report the following results as a result of its accretive acquisition activity and internal growth initiatives:

- Net loss for the three months ended March 31, 2020 was approximately \$5.4 million, compared to the \$20.4 million net income reported for the three months ended December 31, 2019, and the \$2.3 million net income reported for the three months ended March 31, 2019. Excluding fair value and mark to market interest rate adjustments related to the Trust’s various interest rate SWAP arrangements which are non-cash items (but are required to be recorded under IFRS), net income for the three months ended March 31, 2020 was approximately \$5.1 million compared to the \$3.1 million and \$1.8 million reported for the three months ended December 31, 2019 and March 31, 2019, respectively;
- \$7.17 Net Asset Value (“**NAV**”) per Unit based on a IFRS book value of equity of approximately \$219.6 million. This is a 4.0% decrease over the \$7.47 NAV reported at December 31, 2019;
- On an IFRS basis, NOI for the three months ended March 31, 2020 was approximately \$7.0 million, a 4% increase compared to the \$6.8 million reported

for the three months ended December 31, 2019 and an 83% increase in comparison to the \$3.8 million reported for the three months ended March 31, 2019;

- On a cash basis (“**Cash NOI**”), for the three months ended March 31, 2020 was approximately \$6.8 million, a 3% increase compared to the \$6.7 million reported for the three months ended December 31, 2019 and an 80% increase over the \$3.8 million reported for the three months ended March 31, 2019;
- Funds From Operations (“**FFO**”) for the three months ended March 31, 2020 was approximately \$2.5 million, a 28% decrease in comparison to the \$3.4 million reported for the three months ended December 31, 2019, but a 39% increase over the \$1.8 million reported for the three months ended March 31, 2019;
- Adjusted Funds From Operations (“**AFFO**”) for the three months ended March 31, 2020 was approximately \$3.6 million, a 6% increase over the \$3.4 million reported for the three months ended December 31, 2019 and an 86% increase over the \$1.9 million reported for the three months ended March 31, 2019;
- AFFO per Unit was \$0.117 for the three months ended March 31, 2020, a 6% decrease in comparison to the \$0.125 per Unit reported for the three months ended December 31, 2019, but a 6% increase over the \$0.110 per Unit reported for the three months ended March 31, 2019;
- Commercial occupancy was 95.8% while residential occupancy was 98.2%. Further, average net rents increased 0.3% - 4.5% across all asset classes; and
- Conservative leverage profile with Debt / Gross Book Value (“**GBV**”) at 51.0%.

	% Change Over					
	Three Months			Three Months		
	Mar 31, 2020	Dec 31, 2019	Mar 31, 2019	Dec 31, 2019	Mar 31, 2019	
Rental Revenue	\$ 11,254,472	\$ 10,614,406	\$ 6,443,690	6%	75%	
NOI						
- IFRS Basis	\$ 7,026,986	\$ 6,754,443	\$ 3,835,465	4%	83%	
- Cash Basis	\$ 6,848,118	\$ 6,662,922	\$ 3,795,287	3%	80%	
Net Income	\$ (5,365,029)	\$ 20,435,016	\$ 2,287,088	(126%)	(335%)	
FFO	\$ 2,458,737	\$ 3,415,584	\$ 1,765,500	(28%)	39%	
AFFO	\$ 3,587,261	\$ 3,399,387	\$ 1,929,209	6%	86%	
FFO Per Unit	\$ 0.080	\$ 0.125	\$ 0.100	(36%)	(20%)	
AFFO Per Unit	\$ 0.117	\$ 0.125	\$ 0.110	(6%)	6%	
Distributions Per Unit	\$ 0.125	\$ 0.120	\$ 0.120		4%	
Payout Ratios						
- FFO	156%	96%	119%			
- AFFO	107%	96%	109%			

FINANCIAL HIGHLIGHTS

- **Acquisition of Two Industrial Buildings Located in Edmonton and Leduc, Alberta:** On March 18, 2020, the Trust closed on an acquisition of a 50% interest in two industrial properties located in Edmonton and Leduc, Alberta. The acquisition price for the Trust's portion of the portfolio was \$5.4 million (including transaction costs);
- **Mortgage Repayment Activity:** On February 1, 2020, the Trust repaid \$11.1 million of its existing mortgage, which represents the Trust's 50% interest in a mortgage fully secured against the Merivale Mall Property;
- **Mortgage Refinancings Generate \$14.4 Million of Net Cash Flow:** On April 30, 2020, the Trust completed two upward financings of its Waterloo Industrial Portfolio and Whitby Mall Property. The result of these upward financings is an additional \$14.4 million of net cash flow;
- **Normal Course Issuer Bid ("NCIB") Activity:** As at May 12, 2020, the Trust purchased through its NCIB 150,700 of its Trust Units for gross proceeds of approximately \$0.7 million; and
- **Declaration of Monthly Distributions:** The Trust is pleased to announce declared and approved monthly distributions in the amount of \$0.041667 per Trust Unit for Unitholders of record on May 29, 2020, June 30, 2020 and July 31, 2020 payable on or about June 15, 2020, July 15, 2020 and August 17, 2020, 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 (including the current and future impact of COVID-19) 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 months ended March 31, 2020 as filed on www.sedar.com.

Neither the 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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