



**FIRM CAPITAL PROPERTY TRUST**

**FIRM CAPITAL PROPERTY TRUST ANNOUNCES SOLID THIRD QUARTER RESULTS**

Toronto, Ontario, November 12, 2020. Firm Capital Property Trust (“**FCPT**” or the “**Trust**”), (TSXV: FCD.UN) is pleased to report today its financial results for the three and nine months ended September 30, 2020.

**PROPERTY PORTFOLIO HIGHLIGHTS**

The portfolio consists of 76 commercial properties with a total GLA of 4,244,849 square feet (2,350,850 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 11.6% of total net rent. Further, the top 10 tenants are comprised of large national tenants and account for 30.4% of total net rent.

**THIRD QUARTER AND YEAR TO DATE HIGHLIGHTS**

- Net income for the three months ended September 30, 2020 was approximately \$3.9 million, a 2% increase over the \$3.8 million reported for the three months ended June 30, 2020 and September 30, 2019, respectively;
- Excluding fair value adjustments, net income for the three months ended September 30, 2020 was approximately \$4.3 million compared to the \$3.8 million reported for the three months ended June 30, 2020 and the \$3.4 million reported for the three months ended September 30, 2019;
- Net income for the nine months ended September 30, 2020 was approximately \$2.4 million, compared to \$15.3 million net income reported for the nine months ended September 30, 2019;
- Excluding fair value adjustments, net income for the nine months ended September 30, 2020 was \$12.1 million compared to the \$8.5 million reported for the nine months ended September 30, 2019;
- \$7.28 Net Asset Value (“**NAV**”) per Unit based on a IFRS book value of equity of approximately \$213.7 million;

- On an IFRS basis, NOI for the three months ended September 30, 2020 was approximately \$7.6 million, an 11% increase compared to the \$6.8 million reported for the three months ended June 30, 2020 and the three months ended September 30, 2019. NOI for the nine months ended September 30, 2020 was approximately \$21.4 million, a 32% increase over the \$16.2 million reported for the nine months ended September 30, 2019;
- Adjusted Funds From Operations (“**AFFO**”) for the three months ended September 30, 2020 was approximately \$4.1 million, a 17% increase over the \$3.5 million reported for the three months ended June 30, 2020 and a 34% increase over the \$3.1 million reported for the three months ended September 30, 2019. AFFO for the nine months ended September 30, 2020 was approximately \$11.2 million, a 46% increase over the \$7.7 million reported for the nine months ended September 30, 2019;
- AFFO per Unit was \$0.139 for the three months ended September 30, 2020, a 21% increase over the \$0.115 per Unit reported for the three months ended June 30, 2020 and a 19% increase over the \$0.117 per Unit reported for the three months ended September 30, 2019. AFFO per Unit was \$0.371 for the nine months ended September 30, 2020, a 9% increase over the \$0.339 per Unit reported for the nine months ended September 30, 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 \$0.142 and \$0.388 per Unit for the three and nine months ended September 30, 2020, respectively;
- AFFO payout ratio was 90% for the three months ended September 30, 2020, compared to the 108% for the three months ended June 30, 2020 and the 103% for the three months ended September 30, 2019. AFFO payout ratio was 101% for the nine months ended September 30, 2020, compared to the 106% for the nine months ended September 30, 2019. Prior to bad debts as a result of CECRA, the AFFO payout ratio was 88% and 97% for the three and nine months ended September 30, 2020, respectively;
- Commercial occupancy was a solid 95.0% while residential occupancy was 96.0%; and
- Conservative leverage profile with Debt / Gross Book Value (“**GBV**”) at 52.2%.

% Change Over

	Three Months			Nine Months		Three Months		Nine Months
	Sep 30, 2020	Jun 30, 2020	Sep 30, 2019	Sep 30, 2020	Sep 30, 2019	Jun 30, 2020	Sep 30, 2019	Sep 30, 2019
Rental Revenue	\$ 11,313,104	\$ 10,978,178	\$ 10,432,798	\$ 33,545,755	\$ 25,541,357	3%	8%	31%
NOI								
- IFRS Basis	\$ 7,558,421	\$ 6,832,758	\$ 6,788,600	\$ 21,418,169	\$ 16,236,357	11%	11%	32%
- Cash Basis	\$ 7,543,038	\$ 6,719,928	\$ 6,657,450	\$ 21,111,087	\$ 15,934,621	12%	13%	32%
Net Income / (Loss)	\$ 3,933,363	\$ 3,843,611	\$ 3,815,843	\$ 2,411,949	\$ 15,286,378	2%	3%	(84%)
FFO	\$ 4,278,263	\$ 6,407,711	\$ 2,765,130	\$ 13,144,715	\$ 7,960,452	(33%)	55%	65%
AFFO	\$ 4,118,534	\$ 3,519,738	\$ 3,062,646	\$ 11,225,539	\$ 7,698,015	17%	34%	46%
FFO Per Unit	\$ 0.145	\$ 0.210	\$ 0.105	\$ 0.435	\$ 0.350	(31%)	38%	24%
AFFO Per Unit	\$ 0.139	\$ 0.115	\$ 0.117	\$ 0.371	\$ 0.339	21%	19%	9%
Distributions Per Unit	\$ 0.125	\$ 0.125	\$ 0.120	\$ 0.375	\$ 0.360		4%	4%
Payout Ratios								
- FFO	86%	60%	114%	86%	103%			
- AFFO	90%	108%	103%	101%	106%			

## FINANCIAL HIGHLIGHTS

- **\$11 Million of Financial Resources Represents \$35 Million of Acquisitions:** Based on \$11 million of cash and credit facility availability, the Trust has the ability to acquire up to approximately \$35 million of real estate;
- **Accretive Cancellation of Trust Units:** Since the beginning of Q2, the Trust has purchased for cancellation 1,288,600 Trust Units for gross proceeds of approximately \$6.3 million consisting of 788,600 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 is approximately \$4.83 per Trust Unit versus NAV of \$7.28 per Trust 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;
- **99% of Q3 Gross Rent Collected:** The Trust is pleased to report that it has collected 99% of gross rents during Q3;
- **Leasing Activity:** Since the beginning of Q3, the Trust has completed 8 new leases on currently vacant space totalling over 77,000 square feet at rates over 139% above prior rents. In addition, over this period, the Trust completed over 111,000 square feet of renewals at rates approximately 9% above prior rents; 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 November 30, 2020 and December 31, 2020 payable on or about December 15, 2020 and January 15, 2021, respectively.

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 nine months ended September 30, 2020 as filed on [www.sedar.com](http://www.sedar.com).

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