



FIRM CAPITAL PROPERTY TRUST

FIRM CAPITAL PROPERTY TRUST ANNOUNCES STRONG THIRD QUARTER RESULTS, NINTH DISTRIBUTION INCREASE IN NINE YEARS AND \$8.21/UNIT NAV

+2% Increase in Monthly Distributions Commencing in 2022
+8% NAV Growth since the Beginning of 2021
\$28 Million of YTD Capital Recycling
\$124 Million in YTD Acquisitions

Toronto, Ontario, November 11, 2021. Firm Capital Property Trust (“**FCPT**” or the “**Trust**”), (TSXV: FCD.UN) is pleased to report its financial results for the period ended September 30, 2021, a 2% distribution increase (48.6% cumulative distribution increases in nine years or since inception) and 8% NAV growth since the beginning of 2021:

TENANT DIVERSIFICATION

The portfolio is well diversified by tenant profile with no tenant currently accounting for more than 11.7% of total net rent. Further, the top 10 tenants are comprised of large national tenants and account for 30.7% of total net rent.

PROPERTY PORTFOLIO HIGHLIGHTS

The portfolio consists of 62 commercial properties with a total gross leasable area (“GLA”) of 2,241,013 square feet, four multi-residential complexes comprised of 464 units and two Manufactured Home Communities comprised of 423 units.

The portfolio is well diversified and defensive in terms of geographies and property asset types. Proforma acquisitions announced subsequent to quarter end, 40% of asset value is comprised of grocery anchored retail properties, followed by 27% for industrial and 17% for multi-residential.

THIRD QUARTER HIGHLIGHTS

- Net income for the three months ended September 30, 2021 was approximately \$9.8 million, in comparison to the \$31.8 million net income for the three months ended June 30, 2021, but a significant increase over the \$3.9 million in net income reported for the three months ended September 30, 2020;
- Net income for the nine months ended September 30, 2021 was approximately \$51.8 million, compared to the \$2.4 million reported for the nine months ended September 30, 2020;
- \$8.21 Net Asset Value (“**NAV**”) per Unit, a 1% increase in comparison to the \$8.15 NAV per unit reported in Q2/2021;

- On a cash basis (“**Cash NOI**”), for the three months ended September 30, 2021 was approximately \$8.0 million, a 12% increase compared to the \$7.2 million reported for the three months ended June 30, 2021 and a 6% increase over the \$7.5 million reported for the three months ended September 30, 2020. Cash NOI for the nine months ended September 30, 2021 was approximately \$22.1 million, a 5% increase over the \$21.1 million for the nine months ended September 30, 2020;
- Adjusted Funds From Operations (“**AFFO**”) for the three months ended September 30, 2021 was approximately \$4.3 million, a 21% increase over the \$3.6 million reported for the three months ended June 30, 2021, and a 5% increase over the \$4.1 million reported for the three months ended September 30, 2020. AFFO for the nine months ended September 30, 2021 was approximately \$11.4 million, a 5% increase over the \$11.2 million reported for the nine months ended September 30, 2020. Including gains on sales, AFFO was \$7.5 million for the three months ended September 30, 2021, in comparison to the \$7.1 million and \$4.1 million for the three months ended June 30, 2021 and September 30, 2020, respectively;
- AFFO per Unit was \$0.128 for the three months ended September 30, 2021 compared to the \$0.116 per Unit reported for the three months ended June 30, 2021 and the \$0.139 per Unit reported for the three months ended September 30, 2020. Including gains on sales, AFFO per Unit was \$0.219;
- AFFO Payout Ratio was 100% for the three months ended September 30, 2021, compared to the 110% for the three months ended June 30, 2021 and the 90% reported for the three months ended September 30, 2020. AFFO Payout Ratio for the nine months ended September 30, 2021 was 106% compared to the 101% for the nine months ended September 30, 2020. Including gains on sales, AFFO Payout Ratio was 58% for the three months ended September 30, 2021 in comparison to the 56% and the 90% for the three months ended June 30, 2021 and September 30, 2020, respectively;
- Commercial occupancy was a solid 92.8%, while residential occupancy was 94.9% and Manufactured Homes Communities was 99.4%; and
- Conservative leverage profile with Debt / Gross Book Value (“**GBV**”) at 44.8%.

	Three Months			Nine Months		Three Months		Nine Months
	Sept 30, 2021	June 30, 2021	Sept 30, 2020	Sept 30, 2021	Sept 30, 2020	June 30, 2021	Sept 30, 2020	Sept 30, 2020
Rental Revenue	\$ 11,861,170	\$ 11,277,357	\$ 11,313,104	\$ 34,476,108	\$ 33,545,755	5%	5%	3%
NOI								
- IFRS Basis	\$ 8,055,672	\$ 7,210,383	\$ 7,558,421	\$ 22,317,145	\$ 21,418,169	12%	7%	4%
- Cash Basis	\$ 8,012,051	\$ 7,156,346	\$ 7,543,038	\$ 22,117,166	\$ 21,111,087	12%	6%	5%
Net Income / (Loss)	\$ 9,826,281	\$ 31,835,791	\$ 3,933,363	\$ 51,821,589	\$ 2,411,949	(69%)	150%	NM
FFO	\$ 5,162,097	\$ 2,995,157	\$ 4,278,263	\$ 11,632,698	\$ 13,144,713	72%	21%	(12%)
AFFO	\$ 4,331,519	\$ 3,584,444	\$ 4,118,534	\$ 11,355,522	\$ 11,225,537	21%	5%	1%
Including Gain on Sale from Real Estate Properties:								
FFO	\$ 8,281,285	\$ 6,487,356	\$ 4,278,266	\$ 21,539,459	\$ 13,144,713	28%	94%	64%
AFFO	\$ 7,450,708	\$ 7,076,643	\$ 4,118,536	\$ 21,262,287	\$ 11,225,537	5%	81%	89%
FFO Per Unit	\$ 0.152	\$ 0.097	\$ 0.145	\$ 0.370	\$ 0.435	57%	5%	(15%)
AFFO Per Unit	\$ 0.128	\$ 0.116	\$ 0.139	\$ 0.362	\$ 0.371	10%	(8%)	(3%)
Including Gain on Sale from Real Estate Properties:								
FFO/Unit	\$ 0.244	\$ 0.211	\$ 0.145	\$ 0.686	\$ 0.435	16%	68%	58%
AFFO/Unit	\$ 0.219	\$ 0.230	\$ 0.139	\$ 0.677	\$ 0.371	(5%)	58%	82%
Distributions Per Unit	\$ 0.128	\$ 0.128	\$ 0.125	\$ 0.383	\$ 0.375	(0%)	2%	2%
Payout Ratios								
- FFO	84%	131%	86%	103%	86%			
- AFFO	100%	110%	90%	106%	101%			
Including Gain on Sale from Real Estate Properties:								
- FFO	52%	61%	86%	56%	86%			
- AFFO	58%	56%	90%	57%	101%			

NM = Not Meaningful

YTD FINANCIAL HIGHLIGHTS

- Ninth Consecutive Distribution Increase. +2% Increase in Monthly Distributions Commencing in 2022:** The Trust is pleased to announce that its Board of Trustees have approved a 2% increase in its monthly distributions to \$0.0433 per Trust Unit from \$0.0425 per Trust Unit commencing in 2022. On an annualized basis this equates to annual distributions of \$0.52 per Unit, up from \$0.51 per Unit. This is the Trust's ninth distribution increase in nine years and represents a cumulative increase of 48.6% since the Trust's inception in 2012. As such, the Trust is pleased to announce that it has declared and approved monthly distributions in the amount of \$0.0433 (\$0.52 per annum) per Trust Unit for Unitholders of record on January 31, 2022, February 28, 2022 and March 31, 2022 payable on or about February 15, 2022, March 15, 2022 and April 15, 2022, respectively;
- +8% NAV Growth since the Beginning of 2021:** The Trust is pleased to report another quarter of NAV growth, with NAV at \$8.21 per Unit, a 1% increase in comparison to the \$8.15 NAV per unit reported in Q2/2021 and a 8% increase since the beginning of 2021;
- \$28 Million of Capital Recycling:** 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 two retail properties from the Centre Ice Retail Portfolio during the quarter with gross proceeds of approximately \$2.9 million. For the nine months ended September 30, 2021 the Trust has completed the sale of twelve retail properties from the Centre Ice Portfolio with gross proceeds of approximately \$21.9 million. In addition, on September 9, 2021, the Trust completed the sale of its 100% whole owed commercial retail centre in Hanover, Ontario for gross proceeds of approximately \$6.0 million;
- \$124 Million in Acquisitions:**

- On March 16, 2021, the Trust closed the acquisition of a 50% interest in a 181 site Manufactured Housing Community named Mountview Mobile Home Park (“**Mountview**”) located in Calgary, Alberta. The acquisition price for 100% of Mountview was \$16.9 million (excluding transaction costs). The acquisition price for the Trust’s portion was \$8.5 million. 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 was approximately \$5.7 million;
- 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% of the Edmonton Properties was \$25.0 million (excluding transaction costs). The acquisition price for the Trust’s portion was \$17.5 million (excluding transaction costs). The Edmonton Properties were financed with a new \$17.0 million mortgage (the Trust’s pro-rata share was approximately \$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% of the Lower Sackville Properties was \$18.0 million (excluding transaction costs). The acquisition price for the Trust’s portion was \$12.6 million (excluding transaction costs). The Lower Sackville Properties were financed with a new \$13.7 million mortgage (the Trust’s pro-rata share was approximately \$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;
- On August 4, 2021, the Trust closed the acquisition of a 50% interest in a 242 condominium unit Manufactured Housing Community named Hidden Creek Condominium (“**Hidden Creek**”) located in McGregor, Ontario. The acquisition price for 100% of Hidden Creek was approximately \$10.7 million (excluding transaction costs). The acquisition price for the Trust’s portion was \$5.4 million;
- On September 28, 2021, the Trust completed the acquisition of a 40% interest in a 11,246 square foot single tenant retail property located in Toronto, Ontario. The acquisition price for the property is approximately \$23.8 million (excluding transaction costs). The Trust’s portion of the acquisition price is approximately \$9.5 million. The property is 100% occupied by Rexall;
- On October 28, 2021, the Trust announced the acquisition of three industrial properties. One of the properties is located in Woodstock, Ontario and two are located in Stratford, Ontario (the “**Portfolio**”). The acquisition price for the Portfolio is \$15.0 million, (excluding transaction costs). The Portfolio is 100% occupied and is being acquired from the tenant as part of a sale leaseback. Closing of the Portfolio is anticipated during the period ending December 31, 2021; and

- On November 3, 2021, the Trust announced the acquisition of a multi-residential building consisting of 135 units located in Pointe Claire, Quebec (the “**Montreal Property**”). The acquisition price for the Montreal Property is approximately \$55.0 million (excluding transaction costs). The Montreal Property will be financed with a new first mortgage and the Trust’s existing cash resources (including the Trust’s credit facilities). Closing of the Montreal Property is anticipated during the period ending March 31, 2022.
- **\$29 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);

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 September 30, 2021, as filed on www.sedar.com.

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