



**FIRM CAPITAL PROPERTY TRUST**

**FIRM CAPITAL PROPERTY TRUST ANNOUNCES FOURTH QUARTER RESULTS AND  
\$8.24/UNIT NAV**

**+2% Increase in Monthly Distributions Commencing in 2022**  
**+8% NAV Growth since the Beginning of 2021**  
**\$28 Million of YTD Capital Recycling**  
**\$157 Million in YTD Acquisitions**  
**Graduation to TSX**

Toronto, Ontario, March 10, 2022. Firm Capital Property Trust (“**FCPT**” or the “**Trust**”), (TSX: FCD.UN) is pleased to report its financial results for the year ended December 31, 2021.

**PROPERTY PORTFOLIO HIGHLIGHTS**

The portfolio consists of 65 commercial properties with a total gross leasable area (“GLA”) of 2,420,168 square feet, four multi-residential complexes comprised of 464 units and two Manufactured Home Community comprised of 423 units. The portfolio is well diversified and defensive in terms of geographies and property asset types, with 57% of NOI (43% of asset value) comprised of grocery anchored retail followed by industrial at 23% of NOI (30% of asset value).

**TENANT DIVERSIFICATION**

The portfolio is well diversified by tenant profile with no tenant currently accounting for more than 12.2% of total net rent. Further, the top 10 tenants are comprised of large national tenants and account for 32.6% of total net rent.

**FOURTH QUARTER AND 2021 HIGHLIGHTS**

- Net income for the three months ended December 31, 2021 was approximately \$6.6 million, in comparison to the \$13.4 million net income for the three months ended December 31, 2020. Excluding fair value adjustments, net income for the three months ended December 31, 2021 was approximately \$4.3 million, a 10% increase over the \$3.9 million reported for the three months ended December 31, 2020.
- Net income for the year ended December 31, 2021 was approximately \$58.4 million, a 269% increase in comparison to the \$15.8 million in net income reported for the year ended December 31, 2020. Excluding fair value adjustments, net income was approximately \$14.8 million, a 7% decrease over the \$16.0 million reported for the year ended December 31, 2020;
- \$8.24 Net Asset Value (“**NAV**”) per Unit, a 0.4% increase in comparison to the \$8.21 NAV per unit reported in Q3/2021;
- Net Operating Income (“**NOI**”) for the three months ended December 31, 2021 was approximately \$7.9 million, an 11% increase in comparison to the \$7.1 million reported for the three months ended December 31, 2020. NOI for the year ended December 31, 2021 was

approximately \$30.2 million, a 6% increase over the \$28.5 million reported for the year ended December 31, 2020;

- On a cash basis (“**Cash NOI**”) for the three months ended December 31, 2021 was approximately \$7.8 million, a 11% increase compared to the \$7.0 million reported for the three months ended December 31, 2020. Cash NOI for the year ended December 31, 2021 was approximately \$29.9 million, a 6% increase over the \$28.1 million for the year ended December 31, 2020;
- Adjusted Funds From Operations (“**AFFO**”) for the three months ended December 31, 2021 was approximately \$3.9 million, a 15% increase over the \$3.4 million reported for the three months ended December 31, 2020. AFFO for the year ended December 31, 2021 was approximately \$15.2 million, a 4% increase over the \$14.6 million reported for the year ended December 31, 2020. Including gains on sales, AFFO was \$24.8 million for the year ended December 31, 2021;
- AFFO per Unit was \$0.114 for the three months ended December 31, 2021 and \$0.477 for the year ended December 31, 2021, in comparison to the \$0.115 per Unit reported for the three months ended December 31, 2020 and the \$0.486 per Unit reported for the year ended December 31, 2020. Including gains on sales, AFFO per Unit was \$0.776 for the year ended December 31, 2021;
- AFFO Payout Ratio was 112% for the three months ended December 31, 2021 and 107% for the year ended December 31, 2021, compared to the 109% for the three months ended December 31, 2020 and 103% for the year ended December 31, 2020. Including gains on sales, AFFO Payout Ratio was 66% for the year ended December 31, 2021;
- Commercial occupancy was 95.9%, Multi-Residential occupancy was 93.6% while Manufactured Homes Communities was 99.1%; and
- Conservative leverage profile with Debt / Gross Book Value (“**GBV**”) at 45.9%.

	% Change Over								
	Three Months			Twelve Months Ended		Three Months			Twelve Months Ended
	Dec 31, 2021	Sep 30, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020	Sep 30, 2021	Dec 31, 2020	Dec 31, 2020	
<b>Rental Revenue</b>	\$ 11,954,312	\$ 11,861,170	\$ 10,990,587	\$ 46,430,420	\$ 44,536,342	1%	9%	4%	
<b>NOI</b>									
- IFRS Basis	7,898,791	8,055,672	7,087,092	30,215,936	28,536,608	(2%)	11%	6%	
- Cash Basis	7,756,945	8,012,051	7,000,818	29,874,111	28,143,252	(3%)	11%	6%	
<b>Net Income</b>	6,566,305	9,826,281	13,419,177	58,387,894	15,831,127	(33%)	(51%)	269%	
<b>FFO</b>	3,134,372	5,162,097	3,268,721	14,767,066	16,413,435	(39%)	(4%)	(10%)	
<b>AFFO</b>	3,869,233	4,331,519	3,375,880	15,224,751	14,601,418	(11%)	15%	4%	
<b>FFO Per Unit</b>	0.092	0.152	0.111	0.462	0.547	(39%)	(17%)	(15%)	
<b>AFFO Per Unit</b>	0.114	0.128	0.115	0.477	0.486	(11%)	(1%)	(2%)	

Distributions Per Unit	0.128	0.128	0.125	0.510	0.500	(0%)	2%	2%
FFO Payout Ratio	138%	84%	112%	110%	91%			
AFFO Payout Ratio	112%	100%	109%	107%	103%			

Including Gain on Sale from Real Estate Properties:	% Change Over							
	Three Months			Twelve Months Ended		Three Months		Twelve Months Ended
	Dec 31, 2021	Sep 30, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020	Sep 30, 2021	Dec 31, 2020	Dec 31, 2020
FFO	\$ 2,783,212	\$ 8,281,285	\$ 3,268,721	\$ 24,322,675	\$ 16,413,435	(66%)	(15%)	48%
AFFO	3,518,073	7,450,708	3,375,880	24,780,360	14,601,418	(53%)	4%	70%
FFO/Unit	0.082	0.244	0.111	0.761	0.547	(66%)	(26%)	39%
AFFO/Unit	0.103	0.219	0.115	0.776	0.486	(53%)	(10%)	59%
FFO Payout Ratio	156%	52%	112%	67%	91%			
AFFO Payout Ratio	123%	58%	109%	66%	103%			

## 2021 FINANCIAL AND TRANSACTIONAL HIGHLIGHTS

- Ninth Consecutive Distribution Increase. +2% Increase in Monthly Distributions Commencing in 2022:** The Trust announced that its Board of Trustees 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 was the Trust's ninth distribution increase in nine years and represents a cumulative increase of 48.6% since the Trust's inception in 2012;
- 75% Return of Capital for 2021 Distributions:** The Trust is pleased to report that distributions for 2021 were 75% Return of Capital;
- +8% NAV Growth since the Beginning of 2021:** The Trust is pleased to report another quarter of NAV growth, with NAV at \$8.24 per Unit, a 0.4% increase over Q3/2021 and a 8% increase since the beginning of 2021;
- \$28 Million of Capital Recycling:** For the year ended December 31, 2021 the Trust completed the sale of twelve retail properties from the Centre Ice Portfolio with gross proceeds of approximately \$21.9 million. In addition, the Trust also completed the sale of its 100% whole owned commercial retail centre in Hanover, Ontario for gross proceeds of approximately \$6.0 million;
- \$164 Million in Acquisitions:** During the year the Trust was involved with \$164 million of acquisitions or \$124 million on a pro-rata basis:
  - 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 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 occurred on February 14, 2022.
- On December 7, 2021, the Trust completed 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 was \$15.0 million, (excluding transaction costs). The Portfolio is 100% occupied and is being acquired from the tenant as part of a sale leaseback. Subsequently, on January 20, 2022, the Trust closed a \$9.8 million first mortgage with a Canadian Chartered Bank for the Portfolio. Terms of the mortgage are a 3.95% interest rate and a 10 year amortization due June 10, 2032.

- **\$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).

## 2022 FINANCIAL AND TRANSACTIONAL HIGHLIGHTS

- **\$250 Million Short Form Base Shelf Prospectus Filing:** On January 11, 2022, the Trust filed a final short form base shelf prospectus with the securities regulatory authorities in all provinces and territories of Canada that allows the Trust to offer and issue up to \$250 million of trust units, debt securities, subscription receipts, warrants or units, or any combination of such securities, over a 25-month period;
- **\$6.3 Million Quebec Industrial Acquisition:** On February 7, 2022, the Trust entered into an agreement to acquire a 50% interest in a multi-tenant industrial property located in Saint Laurent, QC. The acquisition price for 100% of the property is approximately \$6.3 million, excluding transaction costs. The Trust's pro-rata portion of the transaction is \$3.2 million, excluding transaction costs;
- **\$36.5 Million Edmonton Industrial Portfolio Acquisition:** On March 8, 2022, the Trust announced the acquisition of a 50% interest in six multi-tenant industrial properties located in Edmonton, Alberta (the "**Edmonton Industrial Portfolio**"). The acquisition price for 100% of the Edmonton Industrial Portfolio is approximately \$36.5 million, excluding transaction costs. The acquisition of the Edmonton Industrial Portfolio will be financed, in part, with a new \$23.7 million first mortgage from a Canadian Chartered Bank. Closing of the Edmonton Industrial Portfolio is anticipated during the second quarter of 2022;
- **Toronto Stock Exchange ("TSX") Graduation and Listed:** On March 10, 2022, the Trust graduated to the TSX its Trust Units under the trading symbol "FCD.UN"; and
- **Distribution Declaration:** On March 10, 2022, the Trust declared and approved monthly distributions in the amount of \$0.0433 per Trust Unit for Unitholders of record on April 28, 2022, May 31, 2022 and June 30, 2022, payable on or about May 16, 2022, June 15, 2022 and July 15, 2022, 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 8% 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 year ended December 31, 2021, as filed on [www.sedar.com](http://www.sedar.com).

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