



FIRM CAPITAL PROPERTY TRUST

FIRM CAPITAL PROPERTY TRUST STARTS 2022 WITH STRONG QUARTERLY ACQUISITIONS, EARNINGS AND FINANCING GROWTH AND \$8.27/UNIT NAV

\$99 Million of Announced Acquisitions since the Beginning of 2022
\$82 Million of Capital Raising Activities
\$8.27/Unit NAV
TSX Graduation

Toronto, Ontario, May 16, 2022. Firm Capital Property Trust (“**FCPT**” or the “**Trust**”), (TSX: FCD.UN) is pleased to report its financial results for the three months ended March 31, 2022.

PROPERTY PORTFOLIO HIGHLIGHTS

The portfolio consists of 66 commercial properties with a total gross leasable area (“**GLA**”) of 2,453,963 square feet, five multi-residential complexes comprised of 599 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, with 55% of NOI (43% of asset value) comprised of grocery anchored retail followed by industrial at 28% of NOI (21% of asset value).

TENANT DIVERSIFICATION

The portfolio is well diversified by tenant profile with no tenant currently accounting for more than 12.1% of total net rent. Further, the top 10 tenants are comprised of large national tenants and account for 32.2% of total net rent.

\$99 MILLION OF ACQUISITIONS AND \$82 MILLION OF CAPITAL RAISING ACTIVITIES

Since the beginning of 2022, the Trust has announced the following acquisitions and capital raising initiatives:

- **\$9.8 Million Industrial Portfolio Mortgage Financing:** On January 20, 2022, the Trust closed a \$9.8 million first mortgage with a Canadian Chartered Bank for the three industrial properties located in Woodstock and Stratford, Ontario acquired on December 7, 2021. Terms of the mortgage are a 3.95% interest rate with a 10 year amortization due June 10, 2032;
- **\$56.3 Million Quebec Apartment Acquisition:** On February 14, 2022, the Trust closed the acquisition of a multi-residential building located in Pointe Claire, Quebec for \$56.3 million (including transaction costs). The transaction was financed with a new \$39.5 million mortgage with a Canadian Chartered Bank. Terms of the mortgage are a 2.93% interest rate, interest only for one year due February 14, 2023;
- **\$6.3 Million Quebec Industrial Acquisition:** On March 17, 2022, the Trust closed the acquisition of a 50% interest in a multi-tenant industrial property located in Saint Laurent, Quebec. The acquisition price for the Trust’s portion of the portfolio was \$3.15 million (including transaction costs);

- **\$36.3 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 was approximately \$36.3 million, excluding transaction costs. The acquisition of the Edmonton Industrial Portfolio was financed, in part, with a new \$23.7 million first mortgage from a Canadian Chartered Bank. Terms of the mortgage are a 4.4% interest rate, five year term, amortizing due April 12, 2027. The Edmonton Industrial Portfolio acquisition closed on April 12, 2022; and
- **\$8.9 Million Industrial Portfolio Mortgage Financing:** On March 15, 2022, the Trust closed an \$8.9 million first mortgage with a Canadian Chartered Bank for the Core Toronto Retail Property located in Toronto, Ontario acquired on September 28, 2021. Terms of the mortgage are a 3.24% interest rate, interest only for the first two years, 28 year amortization due March 15, 2027.

FIRST QUARTER HIGHLIGHTS

Key highlights for the three months ended March 31, 2022 are as follows:

- Net income was approximately \$5.3 million;
- Net income (ex. fair value adjustments) was approximately \$4.5 million;
- \$8.27 Net Asset Value (“**NAV**”) per Unit;
- Net Operating Income (“**NOI**”) was approximately \$8.3 million;
- Adjusted Funds From Operations (“**AFFO**”) was approximately \$4.0 million;
- AFFO per Unit was \$0.119;
- AFFO Payout Ratio was 109%;
- Commercial occupancy was 95.7%, Multi-Residential occupancy was 95.6% while Manufactured Homes Communities was 99.5%;
- Debt / Gross Book Value (“**GBV**”) at 51.2%; and
- **Declaration of Monthly Distributions:** The Trust is pleased to announce that it has declared and approved monthly distributions in the amount of \$0.04333 per Trust Unit for Unitholders of record on July 29, 2022, August 31, 2022, and September 30, 2022, payable on or about August 15, 2022, September 15, 2022 and October 17, 2022, respectively.

See chart below for additional information:

	% Change Over				
	Three Months			Three Months	
	Mar 31, 2022	Dec 31, 2021	Mar 31, 2021	Dec 31, 2021	Mar 31, 2021
Rental Revenue	\$ 13,040,687	\$ 11,954,312	\$ 11,337,581	9%	15%
NOI					
- IFRS Basis	8,303,824	7,898,791	7,051,088	5%	18%
- Cash Basis	8,135,362	7,756,945	6,948,767	5%	17%
Net Income	5,338,017	6,566,305	10,159,514	(19%)	(47%)
FFO	4,198,168	3,134,372	3,475,457	34%	21%
AFFO	4,042,035	3,869,233	3,439,568	4%	18%
FFO Per Unit	0.123	0.092	0.118	34%	

					5%
AFFO Per Unit	0.119	0.114	0.117	4%	2%
Distributions Per Unit	0.130	0.128	0.128	2%	2%
FFO Payout Ratio	105%	138%	108%		
AFFO Payout Ratio	109%	112%	109%		

Including Gain on Sale from Real Estate Properties:	% Change Over				
	Three Months			Three Months	
	Mar 31, 2022	Dec 31, 2021	Mar 31, 2021	Dec 31, 2021	Mar 31, 2021
FFO	\$ 4,198,168	\$ 2,783,212	\$ 6,770,826	51%	(38%)
AFFO	4,042,035	3,518,073	6,734,937	15%	(40%)
FFO/Unit	0.123	0.082	0.230	51%	(46%)
AFFO/Unit	0.119	0.103	0.229	15%	(48%)
FFO Payout Ratio	105%	156%	55%		
AFFO Payout Ratio	109%	123%	56%		

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

BOARD OF TRUSTEE COMPENSATION

The Board of Trustees, at the recommendation of Senior Management, approved, effective Q2/2022 that the Independent Trustees receive an increase to their annual board compensation of \$10,000 from \$27,000 to \$37,000 per annum. At \$27,000 per annum, board compensation earned by the Independent Trustees was amongst the lowest of TSX-listed REITs.

However, the Trustees alignment of interests is not driven by board compensation, but rather that the Trustees are in certain cases significant co-owners in various properties with the REIT, and or are large Unitholders in the REIT. The value of the Independent Trustees holdings of Trust Units alone is approximately \$11.6 million at the current Unit Price, averaging \$1.9 million per Independent Trustee. In addition, certain of the Independent Trustees will be taking all or a part of their compensation in Deferred Trust Units or DTU's.

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 (TSX : FCD.UN)

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 and period ended March 31, 2022, as filed on www.sedar.com.

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