



FIRM CAPITAL PROPERTY TRUST

FIRM CAPITAL PROPERTY TRUST CONTINUES TO GROW PORTFOLIO THROUGH ACQUISITIONS IN Q2/2022 WHILE ALSO RAISING CAPITAL

**\$36 Million of Closed Acquisitions in Q2 of 2022
\$25 Million of Capital Raising Activities**

Toronto, Ontario, August 11, 2022. Firm Capital Property Trust ("FCPT" or the "Trust"), (TSX: FCD.UN) is pleased to report its financial results for the six months ended June 30, 2022.

PROPERTY PORTFOLIO HIGHLIGHTS

The portfolio consists of 66 commercial properties with a total gross leasable area ("GLA") of 2,567,977 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 (41% of asset value) comprised of grocery anchored retail followed by industrial at 28% of NOI (31% of asset value).

TENANT DIVERSIFICATION

The portfolio is well diversified by tenant profile with no tenant currently accounting for more than 14.1% of total net rent. Further, the top 10 tenants are comprised of large national tenants and account for 34.3% of total net rent.

\$36.3 MILLION OF ACQUISITIONS AND \$25 MILLION OF CAPITAL RAISING ACTIVITIES

Trust has announced the following acquisitions and capital raising initiatives:

- **\$36.3 Million Edmonton Industrial Portfolio Acquisition:** On April 12, 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;
- **\$25.0 Million of Capital Raising Activity:** On May 25, 2022 and May 31 2022, the Trust completed a public equity offering of 3,243,000 Trust Units at a price of \$7.10 per Trust Unit for gross proceeds of approximately \$23.0 million (\$21.5 million, net of closing costs). On May 26, 2022, 295,000 Trust Unit options at a weighted average price of \$6.25 per Trust Unit were exercised for gross proceeds of approximately \$1.8 million.
- **Normal Course Issuer Bid:** On July 14, 2022, the Trust announced that the Toronto Stock Exchange ("TSX") accepted a notice of its intention to make a normal course issuer bid with respect to its outstanding trust units. The notice allows the Trust during the twelve month period commencing July 18, 2022 and ending no later than July 17, 2023, to purchase through the facilities of the TSX and/or alternative Canadian Trading Systems up to 3,439,640 Trust Units in total, being 10% of the "public float" of Trust Units.

\$12.5 MILLION IN MORTGAGE REFINANCING ACTIVITY

- On July 5, 2022, The Trust closed on the refinancing of a first mortgage with a Canadian Chartered Bank on a multi-tenant residential property located in Ottawa, Ontario for \$5 million. Terms of the mortgage are at a fixed interest rate of 4.75% and a 30 year amortization with a 2 year term.
- On August 8, 2022, the Trust closed on the refinancing of a first mortgage with a Canadian Chartered Bank on a manufactured homes community located in Calgary, Alberta for \$7.5 million. Terms of the mortgage are fixed at 4.42%, 7 year term, 30 year amortization and with a maturity date of July 9, 2029.

SECOND QUARTER HIGHLIGHTS

Key highlights for the three months ended June 30, 2022 are as follows:

- Net income (ex. fair value adjustments) was approximately \$4.5 million;
- \$7.52 Net Asset Value (“NAV”) per Unit;
- Net Operating Income (“NOI”) was approximately \$9.0 million, 25% increase over June 30, 2021;
- Adjusted Funds From Operations (“AFFO”) was approximately \$4.0 million;
- AFFO per Unit was \$0.114;
- AFFO Payout Ratio was 114%;
- Commercial occupancy was 96.2%, Multi-Residential occupancy was 95.0% while Manufactured Homes Communities was 99.8%;
- Debt / Gross Book Value (“GBV”) at 51.1%; and
- The Trust declared and approved monthly distributions in the amount of \$0.04333 per Trust Unit for Unitholders of record on October 28, 2022, November 30, 2022, and December 30, 2022, payable on or about November 15, 2022, December 15, 2022 and January 16, 2023, respectively.

See chart below for additional information:

| | Three Months | | | Six Months | | Three Months | Six Months |
|------------------------|---------------|--------------|---------------|--------------|---------------|--------------|--------------|
| | Jun 30, 2022 | Mar 31, 2022 | Jun 30, 2021 | Jun 30, 2022 | Jun 30, 2021 | Mar 31, 2022 | Jun 30, 2021 |
| Rental Revenue | \$ 13,454,489 | \$13,040,687 | \$ 11,277,357 | \$26,495,176 | \$ 22,614,937 | 3% | 19% |
| NOI | | | | | | | |
| - IFRS Basis | 9,002,396 | 8,303,824 | 7,210,383 | 17,306,220 | 14,261,472 | 8% | 25% |
| - Cash Basis | 8,838,746 | 8,135,362 | 7,156,346 | 16,974,108 | 14,105,113 | 9% | 24% |
| Net Income | (20,318,925) | 5,338,017 | 31,835,794 | (14,980,908) | 41,995,308 | (481%) | (164%) |
| FFO | 5,511,940 | 4,198,168 | 2,995,157 | 9,710,108 | 6,470,605 | 31% | 84% |
| AFFO | 4,025,800 | 4,042,035 | 3,584,444 | 8,067,837 | 7,024,003 | (0%) | 12% |
| FFO Per Unit | 0.156 | 0.123 | 0.097 | 0.280 | 0.215 | 27% | 61% |
| AFFO Per Unit | 0.114 | 0.119 | 0.116 | 0.233 | 0.233 | (4%) | (2%) |
| Distributions Per Unit | 0.130 | 0.130 | 0.128 | 0.255 | 0.255 | - | 2% |
| FFO Payout Ratio | 83% | 105% | 131% | 91% | 119% | | |
| AFFO Payout Ratio | 114% | 109% | 110% | 110% | 109% | | |

| Including Gain on Sale from Real Estate Properties: | | | | | | | % Change Over | |
|--|--------------|--------------|--------------|--------------|---------------|-----------------|-----------------|-----------------|
| | Three Months | | | Six Months | | | Three Months | Six Months |
| | Jun 30, 2022 | Mar 31, 2022 | Jun 30, 2021 | Jun 30, 2022 | Jun 30, 2021 | Mar 31, 2022 | Jun 30, 2021 | Jun 30, 2021 |
| FFO | \$ 5,511,940 | \$ 4,198,168 | \$ 6,487,356 | \$ 9,710,108 | \$ 13,258,173 | 31% | (15%) | (27%) |
| AFFO | 4,025,800 | 4,042,035 | 7,076,643 | 8,067,837 | 13,811,575 | (0%) | (43%) | (42%) |
| FFO/Unit | 0.156 | 0.123 | 0.211 | 0.280 | 0.440 | 27% | (26%) | (36%) |
| AFFO/Unit | 0.114 | 0.119 | 0.230 | 0.233 | 0.459 | (4%) | (51%) | (49%) |
| FFO Payout Ratio | 83% | 105% | 61% | 91% | 58% | | | |
| AFFO Payout Ratio | 114% | 109% | 56% | 110% | 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

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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