



FIRM CAPITAL PROPERTY TRUST

FIRM CAPITAL PROPERTY TRUST REPORTS SOLID Q4/2022 RESULTS

**Accretive Acquisition of Trust Units via NCIB
Acquisition of two multi-tenant industrial properties
Sale of Retail and Office Properties generating gains on sale of \$5.2MM**

Toronto, Ontario, March 20, 2022. Firm Capital Property Trust (“**FCPT**” or the “**Trust**”), (TSX: FCD.UN) is pleased to report its financial results for the three and twelve months ended December 31, 2022.

Q4/2022 HIGHLIGHTS

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

- Net income was approximately \$8.7 million, a 32% increase over Q4/2021;
- \$7.64 Net Asset Value (“**NAV**”) per Unit;
- Net Operating Income (“**NOI**”) was approximately \$9.2 million, 16% increase over Q4/2021;
- Same Store NOI decreased 1% over Q4/2021 but was up 1% over 4Q/2021;
- Adjusted Funds From Operations (“**AFFO**”) was approximately \$4.3 million, 12% increase over Q4/2021;
- Commercial occupancy was 95.9%, Multi-Residential occupancy was 90.3% while Manufactured Homes Communities was 99.8%;
- Conservative leverage profile with Debt / Gross Book Value (“**GBV**”) at 51%; and
- The Trust declared and approved monthly distributions in the amount of \$0.04333 per Trust Unit for Unitholders of record on April 28, 2023, May 31, 2023 and June 30, 2023, payable on or about May 15, 2023, June 15, 2023 and July 17, 2023, respectively.

PROPERTY PORTFOLIO HIGHLIGHTS

The portfolio consists of 66 commercial properties with a total gross leasable area (“**GLA**”) of 2,552,214 square feet, five multi-residential complexes comprised of 599 units and two Manufactured Home Communities comprised of 422 units. The portfolio is well diversified and defensive in terms of geographies and property asset types, with 51% of NOI (37% of asset value) comprised of grocery anchored retail followed by industrial at 26% of NOI (32% of asset value). In addition, the portfolio is well diversified in terms of geographies with 39% of NOI (40% of asset value) comprised of assets located in Ontario, followed by Quebec at 37% of NOI (33% of asset value).

TENANT DIVERSIFICATION

The portfolio is well diversified by tenant profile with no tenant currently accounting for more than 11.0% of total net rent. Further, the top 10 tenants are comprised of large national tenants and account for 31.8% of total net rent.

NORMAL COURSE ISSUER BID GENERATES 9.2% RETURN ON INVESTMENT

On July 14, 2022, the Trust announced that the Toronto Stock Exchange ("TSX") accepted a notice for Normal Course Issuer Bid ("NCIB") with respect to its outstanding Trust Units. For the three months ended December 31, 2022, the Trust repurchased 302,200 units for net proceeds of approximately \$1.7 million. The Trust Units were purchased under the NCIB at a Weighted Average Price of \$5.64/Trust Unit for an implied distribution buy-back yield of 9.2%.

\$44 MILLION MORTGAGE REFINANCING

On December 13, 2022, the Trust closed on an early renewal of the mortgage on the Montreal Industrial Portfolio for proceeds of \$44.0 million at a 4.88% interest rate, amortizing and for a term of seven years. The previous mortgage was at a 3.98% interest rate and was set to mature in August 2023. As part of the early repayment of the mortgage the lender paid out an early break fee of approximately \$0.6 million to the property partnership. The Trust's portion of the mortgage refinancing was \$22.0 million.

\$3.2 MILLION MULTI-TENANT INDUSTRIAL PROPERTIES

On December 21, 2022, the Trust closed on a 50% interest in two multi-tenant industrial properties located in Edmonton, Alberta. The acquisition price of the portfolio was \$3.2 million (including transaction costs). The acquisition of the Edmonton Industrial Portfolio was financed through the assumption of a \$1.2 million mortgage and a new \$0.9 million mortgage.

\$5.2 MILLION GAIN ON SALE ON THE SALE OF INVESTMENT PROPERTIES

On December 21, 2022, the Trust completed the sale of retail property in Pembroke, Ontario for gross proceeds of \$2.7 million. The Trust recognized a gain on sale of approximately \$0.2 million.

On December 29, 2022, the Trust completed the sale of an office property in Barrie, Ontario for gross proceeds of \$10.5 million. As part of the transaction, the Trust provided a first priority vendor take back mortgage of approximately \$6.8 million for a one year term at an interest rate of 4.0% and a second priority vendor takeback mortgage of approximately \$1.6 million for a five year term at an interest rate of 5.0% for the first two years, 6.0% for the third and fourth year and 7.0% for the final year. The Trust recognized a gain on sale of approximately \$5.0 million.

See chart below for additional information:

	Three Months			Twelve Months		
	Dec 31, 2022	Dec 31, 2021	Change	Dec 31, 2022	Dec 31, 2021	Change
	\$	\$				
Rental Revenue	14,245,157	11,954,312	19%	\$ 54,018,887	\$ 46,430,420	16%
NOI - IFRS Basis	9,165,483	7,898,791	16%	35,457,372	30,215,936	17%
NOI - Cash Basis	9,163,698	7,756,945	18%	35,074,668	29,874,111	17%
Same-Property NOI	7,985,853	8,096,318	(1%)	30,225,946	29,848,218	1%
Net Income	8,663,638	6,566,305	32%	(1,184,280)	58,387,894	(102%)
FFO	4,586,850	3,134,372	46%	19,524,208	14,767,066	32%
AFFO	4,327,687	3,869,233	12%	16,445,149	15,224,751	8%
Total Assets				\$ 633,898,464	\$ 576,355,914	10%
Total Mortgages				306,781,314	239,912,757	28%
Bank Indebtedness				18,726,067	24,797,881	(24%)
Unitholders' Equity				296,513,896	295,915,326	0%
Units Outstanding (000s)				37,100	34,011	9%
FFO Per Unit	\$0.123	\$0.092	34%	\$0.541	\$0.462	17%
AFFO Per Unit	\$0.116	\$0.114	2%	\$0.456	\$0.477	(4%)
Distributions Per Unit	\$0.130	\$0.128	2%	\$0.520	\$0.510	2%

FFO Payout Ratio	106%	138%	(3,221) bps	96%	110%	(1,392) bps
AFFO Payout Ratio	112%	112%	13 bps	114%	107%	707 bps
Wtd. Avg. Int. Rate - Mort.						
Debt				3.8%	3.3%	50 bps
Debt to GBV				51%	46%	535 bps
GLA - Commercial, SF				2,552,214	2,420,168	6%
Units - Multi-Res				599	464	29%
Units - MHCs				422	423	(0%)
Occupancy - Commercial				95.9%	95.9%	2 bps
Occupancy - Multi-Res				90.3%	93.6%	(335) bps
Occupancy MHCs				99.8%	99.1%	66 bps
Rent PSF - Retail				\$18.43	\$17.90	3%
Rent PSF - Industrial				\$7.60	\$6.67	14%
Rent per month - Multi-Res				\$1,198	\$1,175	2%
Rent per month - MHCs				\$603	\$519	16%

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, Same Store 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, 2022 as filed on www.sedar.com.

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