



FIRM CAPITAL PROPERTY TRUST

FIRM CAPITAL PROPERTY TRUST REPORTS Q1/2023 RESULTS

**Accretive Acquisition of Trust Units via NCIB
Acquisition of two Manufactured Housing Communities for \$5.9 MM
Secured \$35.9 MM, 4.77% fixed rate mortgage on Industrial Portfolio
No Floating Rate Mortgage Debt**

Toronto, Ontario, May 11, 2023. 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, 2023.

PROPERTY PORTFOLIO HIGHLIGHTS

The portfolio consists of 66 commercial properties with a total gross leasable area (“**GLA**”) of 2,555,185 square feet, five multi-residential complexes comprised of 599 units and four Manufactured Home Communities comprised of 536 units. The portfolio is well diversified and defensive in terms of geographies and property asset types, with 50% of NOI (37% of asset value) comprised of grocery anchored retail followed by industrial at 27% of NOI (32% of asset value). In addition, the portfolio is well diversified in terms of geographies with 38% of NOI (40% of asset value) comprised of assets located in Ontario, followed by Quebec at 36% of NOI (33% of asset value).

TENANT DIVERSIFICATION

The portfolio is well diversified by tenant profile with no tenant currently accounting for more than 10.5% of total net rent. Further, the top 10 tenants are comprised of large national tenants and account for 30.3% of total net rent.

NORMAL COURSE ISSUER BID (“NCIB”) GENERATES 9.1% RETURN ON INVESTMENT

For the three months ended March 31, 2023, the Trust repurchased 89,200 Trust Units for net proceeds of approximately \$0.5 million. The Trust Units were purchased under the NCIB at a Weighted Average Price of \$5.72/Trust Unit for an implied distribution buy-back yield of 9.1%.

\$35.9 MILLION MORTGAGE REFINANCING

On January 16, 2023, the Trust closed on an early renewal of a \$35.9 million mortgage on our Waterloo Industrial Portfolio. The terms of the loan are at a 4.77% fixed interest rate, 7 year term and a 30 year amortization. The Trusts 70% portion of the loan was \$25.1 million.

\$5.9 MILLION MANUFACTURED HOUSING COMMUNITY ACQUISITION

On January 31, 2023, the Trust closed on the acquisition of a 50% interest in a 56 site Manufactured Housing Community called SunPark Parkhill Estates located in Peterborough, Ontario and a 58 site Manufactured Housing Community called SunPark Skyview Estates located in Trenton, Ontario. The acquisition price for the Trust’s portion was \$3.0 million (including transaction costs).

\$38 MILLION REFINANCING ELIMINATES ALL FLOATING RATE MORTGAGE DEBT

On April 26, 2023, the Trust locked in a fixed rate mortgage for \$38 million on a multi-residential building in Pointe-Claire, Quebec at an interest rate of 3.69% for 10 years which is expected to close by the end of Q2 2023. The closing of this transaction eliminates all floating term mortgage debt for

the Trust, with a remaining weighted average repayment term of approximately four years. Furthermore, the annual forecasted decrease in interest expense that is expected under this new renewal would be approximately \$1.1 million or \$0.03/unit.

Q1/2023 HIGHLIGHTS

Key highlights for the three months ended March 31, 2023 are as follows:

- Net income was approximately \$5.4 million which was comparable to the same period in 2022;
- \$7.65 Net Asset Value (“NAV”) per Unit;
- Net Operating Income (“NOI”) was approximately \$9.2 million, 11% increase over Q1/2022;
- Same Property NOI increased 7% over Q1/2022;
- Adjusted Funds From Operations (“AFFO”) was approximately \$4.0 million which was comparable to the same period in 2022;
- Commercial occupancy was 97.1%, Multi-Residential occupancy was 91.9% while Manufactured Homes Communities was 99.8%;
- Conservative leverage profile with Debt / Gross Book Value (“GBV”) at 52%; and
- The Trust declared and approved monthly distributions in the amount of \$0.04333 per Trust Unit for Unitholders of record on July 31, 2023, August 31, 2023 and September 29, 2023, payable on or about August 15, 2023, September 15, 2023 and October 16, 2023, respectively.

See chart below for additional information:

	Three Months Ended		
	Mar 31, 2023	Mar 31, 2022	Change
Rental Revenue	\$ 14,209,208	\$ 13,040,687	9%
NOI - IFRS Basis	9,223,016	8,303,824	11%
NOI - Cash Basis	9,153,083	8,135,362	13%
Same-Property NOI	15,910,978	14,905,385	7%
Net Income	5,396,789	5,338,017	1%
FFO	4,486,037	4,198,168	7%
AFFO	3,999,237	4,042,035	(1%)
Total Assets	\$ 638,658,302	\$ 642,158,461	(1%)
Total Mortgages	305,337,204	294,716,199	4%
Bank Indebtedness	19,972,386	35,130,111	(43%)
Credit Facility	6,300,000	-	100%
Unitholders' Equity	296,584,638	296,818,578	(0%)
Units Outstanding (000s)	37,011	34,011	9%
FFO Per Unit	\$0.121	\$0.123	(2%)
AFFO Per Unit	\$0.108	\$0.119	(9%)
Distributions Per Unit	\$0.130	\$0.130	(0%)
FFO Payout Ratio	107%	105%	245 bps
AFFO Payout Ratio	121%	109%	1,153 bps
Wtd. Avg. Int. Rate - Mort. Debt	4.1%	3.2%	86 bps
Debt to GBV	52%	51%	72 bps
GLA - Commercial, SF	2,555,185	2,453,963	4%
Units - Multi-Res	599	599	0%
Units - MHCs	536	423	27%

Occupancy - Commercial	97.1%	95.7%	140 bps
Occupancy - Multi-Res	91.9%	95.6%	(370) bps
Occupancy MHCs	99.8%	99.5%	30 bps
Rent PSF - Retail	\$19.06	\$17.88	7%
Rent PSF - Industrial	\$7.86	\$6.66	18%
Rent per month - Multi-Res	\$1,249	\$1,319	(5%)
Rent per month - MHCs	\$611	\$524	17%

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 or control approximately 9% 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 and three month ended March 31, 2023, as filed on www.sedar.com.

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