



FIRM CAPITAL PROPERTY TRUST

FIRM CAPITAL PROPERTY TRUST REPORTS Q2/2023 RESULTS

Q2 NCIB yields 9.7% return
\$10 million mortgage increase on the Montreal Industrial Portfolio at 4.84% for seven years

Toronto, Ontario, August 3, 2023. Firm Capital Property Trust (“**FCPT**” or the “**Trust**”), (TSX: FCD.UN) is pleased to report its financial results for the three and six months ended June 30, 2023.

PROPERTY PORTFOLIO HIGHLIGHTS

The portfolio consists of 66 commercial properties with a total gross leasable area (“**GLA**”) of 2,557,010 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 49% of NOI (41% of asset value) comprised of grocery anchored retail followed by industrial at 28% 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 10.6% of total net rent. Further, the top 10 tenants are comprised of large national tenants and account for 30.5% of total net rent.

NORMAL COURSE ISSUER BID (“NCIB”) GENERATES 9.7% RETURN ON INVESTMENT

For the three months ended June 30, 2023, the Trust repurchased 85,700 Trust Units for net proceeds of approximately \$0.5 million. The Trust Units were purchased under the NCIB at a Weighted Average Price of \$5.36/Trust Unit for an implied distribution buy-back yield of 9.7% or a 30% discount to NAV.

\$10 MILLION MORTGAGE REFINANCING

On April 13, 2023, the Trust increased the size of the Montreal Industrial Portfolio mortgage by \$10 million increasing the outstanding balance to \$53.9 million. The blended interest rate on the loan was 4.84%, 7 year term and a 30 year amortization. The Trust has a 50% interest in the mortgage.

Q2/2023 HIGHLIGHTS

Key highlights for the three months ended June 30, 2023 are as follows:

- Net income was approximately \$5.6 million, compared to \$20.3 million loss recorded for the same period in 2022;
- \$7.62 Net Asset Value (“**NAV**”) per Unit;
- Net Operating Income (“**NOI**”) was approximately \$9.1 million, 1% increase over Q2/2022;
- Same Property NOI increased 7% over Q2/2022;
- Adjusted Funds From Operations (“**AFFO**”) was approximately \$3.8 million;

- Commercial occupancy was 96.0%, Multi-Residential occupancy was 97.1% 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 October 31, 2023, November 30, 2023 and December 29, 2023, payable on or about November 15, 2023, December 15, 2023, and January 15, 2024, respectively.

See chart below for additional information:

	Three Months			Six Months Ended		
	Jun 30, 2023	Jun 30, 2022	Change	Jun 30, 2023	Jun 30, 2022	Change
Rental Revenue	\$ 14,094,375	\$ 13,454,489	5%	\$ 28,303,583	\$ 26,495,176	7%
NOI - IFRS Basis	9,079,864	9,002,396	1%	18,302,880	17,306,220	6%
NOI - Cash Basis	9,051,925	8,838,746	2%	18,205,008	16,974,108	7%
Same-Property NOI	7,705,548	7,222,330	7%	15,783,042	14,784,420	7%
Net Income	5,571,495	(20,318,925)	(127%)	10,968,284	(14,980,908)	(173%)
FFO	4,330,951	5,511,940	(21%)	8,816,988	9,710,108	(9%)
AFFO	3,756,800	4,025,800	(7%)	7,756,037	8,067,837	(4%)
Total Assets				\$ 641,277,417	\$ 631,587,165	2%
Total Mortgages				310,792,107	304,957,905	2%
Bank Indebtedness				-	17,952,967	(100%)
Credit Facility				23,499,985	-	100%
Unitholders' Equity				296,890,636	295,122,294	1%
Units Outstanding (000s)				36,925	37,549	(2%)
FFO Per Unit	\$0.117	\$0.156		\$0.238	\$0.280	(15%)
AFFO Per Unit	\$0.102	\$0.114		\$0.210	\$0.233	(10%)
Distributions Per Unit	\$0.130	\$0.130		\$0.260	\$0.255	2%
FFO Payout Ratio	111%	83%		109%	91%	1,811 bps
AFFO Payout Ratio	128%	114%		124%	110%	1,403 bps
Wtd. Avg. Rate - Mort. Debt				4.1%	3.5%	58 bps
Debt to GBV				52%	51%	93 bps
GLA - Commercial, SF				2,557,010	2,567,977	0%
Units - Multi-Res				599	599	0%
Units - MHCs				536	423	27%
Occupancy - Commercial				96.0%	96.2%	(20) bps
Occupancy - Multi-Res				97.1%	95.0%	210 bps
Occupancy MHCs				99.8%	99.8%	0 bps
Rent PSF - Retail				\$19.24	\$18.43	4%
Rent PSF - Industrial				\$8.07	\$6.81	19%
Rent per month - Multi-Res				\$1,331	\$1,327	0%
Rent per month - MHCs				\$587	\$565	4%

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 the three and six months ended June 30, 2023, as filed on www.sedar.com.

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