FIRM CAPITAL PROPERTY TRUST

CAPITAL PRESERVATION • DISCIPLINED INVESTING

REPORT TO UNITHOLDERS

THIRD QUARTER 2023
SEPTEMBER 30, 2023

FIRM CAPITAL PROPERTY TRUST

CAPITAL PRESERVATION • DISCIPLINED INVESTING

MD&A

MANAGEMENT DISCUSSION AND ANALYSIS

THIRD QUARTER 2023
SEPTEMBER 30, 2023

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PART I

*The following management's discussion and analysis ("**MD&A**") of the financial condition and results of operations of Firm Capital Property Trust ("**FCPT**" or the "**Trust**") should be read in conjunction with the Trust's unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2023 and September 30, 2022. This MD&A has been prepared taking into account material transactions and events up to and including November 9, 2023. Additional information about the Trust has been filed with applicable Canadian securities regulatory authorities and is available at www.sedar.com or on our web site at www.firmcapital.com.*

FORWARD-LOOKING DISCLAIMER

Certain information included in this MD&A contains forward-looking statements within the meaning of applicable securities laws including, among others, statements concerning our 2023 objectives and our strategies to achieve those objectives, as well as statements with respect to management's beliefs, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "expect", "intent", "estimate", "anticipate", "believe", "should", "plans" or "continue" or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management.

These statements are not guarantees of future performance and are based on our estimates and assumptions that are subject to risks and uncertainties, including those described below in this MD&A under Risks and Uncertainties, which could cause our actual results to differ materially from the forward-looking statements contained in this MD&A. Such risk factors include, but are not limited to, risks associated with real property ownership, availability of cash flow, general uninsured losses, future property acquisitions, environmental matters, tax related matters, debt financing, unitholder liability, potential conflicts of interest, potential dilution, reliance on key personnel, changes in legislation and changes in the tax treatment of trusts. The Trust cannot assure investors that actual results will be consistent with any forward-looking statements and the Trust assumes no obligation to update or revise such forward-looking statements to reflect actual events or new circumstances. All forward-looking statements contained in this MD&A are qualified by this cautionary statement. Although the forward-looking information contained in this MD&A is based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements.

Except as required by applicable law, the Trust undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

BASIS OF PRESENTATION

FCPT has adopted International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board as its basis of financial reporting. The Trust's reporting currency is the Canadian dollar.

*Certain financial information presented in this MD&A reflects certain non-IFRS financial measures, which include Net Operating Income ("**NOI**"), Earnings Before Interest, Taxes, Depreciation & Amortization ("**EBITDA**"), Funds From Operations ("**FFO**") and Adjusted Funds From Operations ("**AFFO**"), AFFO Payout Ratio, Net Operating Income on a cash basis ("**Cash NOI**"), Same-Property Net Operating Income ("**SP-NOI**") and Debt/Gross Book Value ("**GBV**") (each as defined below). These measures are commonly used by real estate investment trusts as useful metrics for measuring performance and/or cash flows, however, they do not have any standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other real estate investment trusts. The Trust believes that FFO is an important measure to* *evaluate operating performance, AFFO is an important measure of cash available for distribution and, NOI is an important measure of operating performance. "GAAP" means generally accepted accounting principles described by the Chartered Professional Accountants Canada ("**CPA**") Handbook - Accounting, which are applicable as at the date on which any calculation using GAAP is to be made. As a public entity, the Trust applies IFRS as described in Part I of the CPA Handbook - Accounting.*

Occupancy rate represents the total square footage leased as a percentage of the total amount of square footage owned. Leased properties consist solely of those units that are occupied by a tenant at the given date.

NOI is a term used by industry analysts, investors, trusts, and management to measure operating performance of Canadian real estate investment trusts. NOI represents rental revenue from properties less repairs and maintenance, insurance, utilities, property management, property taxes, bad debt, and other property operating costs. NOI excludes certain expenses included in the determination of net income such as interest, amortization, corporate overhead and taxes.

Same-Property NOI is a term used by industry analysts, investors, trusts, and management to measure operating performance of Canadian real estate investment trusts. Same-Property NOI represents rental revenue from properties less repairs and maintenance, insurance, utilities, property management, property taxes, bad debt, and other property operating costs on properties owned for at least one full year. Same-Property NOI excludes certain expenses included in the determination of net income such as interest, amortization, corporate overhead and taxes.

Net income (loss) before other income (expenses) is a measure that the Trust uses in order to present the key operations and administration of the Trust, excluding special items. Items that are excluded from this total and are presented in other income include transaction costs, fair value adjustments of investment properties, and gain (loss) on dispositions.

*Funds From Operations ("**FFO**") is a term used to evaluate operating performance, but is not indicative of funds available to meet the Trust's cash requirements. The Trust calculates FFO in accordance with the guidelines set out by the Real Property Association of Canada ("**RealPAC**"), as issued in January 2022 for entities adopting IFRS. FFO is defined as net income before fair value gains/losses on real estate properties, gains/losses on the disposition of real estate properties, deferred income taxes, performance fee attributed to gains and certain other non-cash adjustments.*

*Adjusted Funds from Operations ("**AFFO**") is a term used as a non-IFRS financial measure by most Canadian real estate investment trusts but should not be considered as an alternative to net income, cash flows from operations, or any other measure prescribed under IFRS. Unlike RealPac, who considers AFFO to be a useful measure of net income, the Trust considers AFFO to be a useful measure of cash available for distributions. AFFO is calculated largely in accordance with the guidelines set out by RealPAC and is defined as FFO less adjustments for non-cash items such as straight-line rent, free rent and noncash interest expense as well as normalized capital expenditures, tenant inducements and leasing charges. However, under RealPAC guidance, unit-based compensation expense (recovery) is included as part of AFFO, but the Trust excludes this amount and the Trust includes gains and losses on the sale of real estate properties calculated as gross proceeds less the actual cost of real estate including capitalized additions ("**Gain on Sales**").*

FFO Payout Ratio is defined as Distributions Declared divided by FFO. AFFO Payout Ratio is defined as Distributions Declared divided by AFFO.

NOI, EBITDA, FFO, AFFO, FFO Payout Ratio, AFFO Payout Ratio and Debt/GBV should not be construed as alternatives to net income or cash flows from operating activities determined in accordance with IFRS. NOI, FFO and AFFO are not intended to represent operating profits for the period, or from a property, nor should any of these measures be viewed as an alternative to net income, cash flow from operating activities or other measures of financial performance calculated in accordance with IFRS. Readers should be further cautioned that NOI, EBITDA, FFO, AFFO, FFO Payout Ratio, AFFO Payout Ratio and Debt/GBV as calculated by the Trust may not be comparable to similar measures presented by other issuers.

*(“**TIs/LCs**”) are defined as Tenant Inducements, Leasing Charges and Capital Expenditures. The Trust bases its calculation of TIs/LCs reserve at an estimated 2.5% of Net Operating Income or NOI, which is senior managements’ best estimate in operating real estate of the type that the Trust owns and operates.*

PART II

THIRD QUARTER HIGHLIGHTS

The following table outlines the changes in a few key operating and financial metrics on a three and nine month basis.

	Three Months			Nine Months Ended		
	Sep 30, 2023	Sep 30, 2022	Change	Sep 30, 2023	Sep 30, 2022	Change
Rental Revenue	$ 14,660,059	$ 13,278,554	10%	$ 42,963,642	$ 39,773,730	8%
NOI - IFRS Basis	8,973,397	8,985,669	(0%)	27,276,277	26,291,889	4%
NOI - Cash Basis	8,932,919	8,936,862	(0%)	27,137,927	25,910,970	5%
Same-Property NOI	8,693,427	8,526,582	2%	25,474,072	24,360,627	5%
Net Income	(2,410,181)	5,132,990	(147%)	8,558,103	(9,847,918)	(187%)
FFO	4,557,150	5,227,250	(13%)	13,374,138	14,937,358	(10%)
AFFO	4,204,994	4,049,626	4%	11,961,032	12,117,463	(1%)
Total Assets				$ 636,559,566	$ 631,587,165	1%
Total Mortgages				307,944,797	306,310,058	1%
Credit Facility				28,500,000	18,325,621	56%
Unitholders' Equity				289,681,777	294,428,855	(2%)
Units Outstanding (000s)				36,925	37,402	(1%)
FFO Per Unit	$0.123	$0.139		$0.361	$0.419	(14%)
AFFO Per Unit	$0.114	$0.108		$0.323	$0.340	(5%)
Distributions Per Unit	$0.130	$0.130		$0.390	$0.383	2%
FFO Payout Ratio	105%	93%		108%	91%	1,689 bps
AFFO Payout Ratio	114%	121%		121%	113%	764 bps
Wtd. Avg. Int. Rate - Mort. Debt				3.7%	3.5%	22 bps
Debt to GBV				53%	51%	165 bps
GLA - Commercial, SF				2,558,146	2,572,736	(1%)
Units - Multi-Res				599	599	0%
Units - MHCs				537	423	27%
Occupancy - Commercial				95.9%	95.1%	80 bps
Occupancy - Multi-Res				96.0%	92.7%	330 bps
Occupancy MHCs				99.6%	99.5%	10 bps
Rent PSF - Retail				$18.54	$18.54	0%
Rent PSF - Industrial				$8.12	$7.37	10%
Rent per month - Multi-Res				$1,368	$1,310	4%
Rent per month - MHCs				$591	$599	(1%)

Significant highlights for the third quarter include:

- Net income for the three months ended September 30, 2023 and 2022 was a loss of $2.4 million and income of $5.1 million respectively. Income before fair value adjustments for the three months ended September 30, 2023 and 2022 was $4.5 million and $4.4 million respectively.
- $7.46 NAV/unit, a 2% decrease over Q2/2023.
- NOI for the three months ended September 30, 2023 was $9.0 million, which is line with the NOI reported in the same period in 2022. On YoY basis, NOI increased by 4%.
- Same property NOI increased 2% over Q3/2022 and 5% YTD.
- AFFO for Q3/2023 increased by 4% to $4.2 million over Q3/2022.
- AFFO Payout Ratio improved to 114% for Q3/2023, compared to the 121% for Q3/2022.
- Commercial occupancy was 95.9%, Multi-Residential occupancy was 96.0%, while Manufactured Homes Communities was 99.6%.
- Conservative leverage profile with Debt / GBV at 53% at September 30, 2023 compared to 51% at September 30, 2022.

Same-Property Performance

Same-Property NOI increased 2% and 5% for the three and nine months ended September 30, 2023 over the three months and nine months ended September 30, 2022 respectively.

	Three Months			Nine Months Ended		
	Sep 30, 2023	**Sep 30, 2022**	**Change**	**Sep 30, 2023**	**Sep 30, 2022**	**Change**
Rental Revenue	14,010,603	12,632,346	11%	40,247,348	37,509,575	7%
Property Operating Expenses	(5,317,176)	(4,105,764)	30%	(14,773,276)	(13,148,948)	12%
NOI - IFRS Basis	**8,693,427**	**8,526,582**	2%	**25,474,072**	**24,360,627**	5%

Portfolio Occupancy

The Trust portfolio continues to maintain high occupancy across all asset classes.

	Occupancy			
Period ended	**Retail**	**Industrial**	**Mult-Res**	**MHCs**
September 30, 2022	95.5%	95.9%	92.7%	99.5%
June 30, 2023	97.2%	95.4%	97.1%	99.8%
September 30, 2023	97.4%	95.2%	96.0%	99.6%

Distributions Declared

On November 9th, 2023, the Trust declared and approved monthly distributions in the amount of $0.04333 per Trust Unit for Unitholders of record on January 31, 2024, February 29, 2024 and March 29, 2024, payable on or about February 15, 2024, March 15, 2024, and April 15, 2024, respectively.

OUTLOOK & CURRENT BUSINESS ENVIRONMENT

Moving forward, we will continue to monitor and assess the impacts of the economy that affect our portfolio performance. The current inflationary environment, which has shown some signs of cooling is still expected to remain above the central bank's target interest rate going into 2024. While the Bank of Canada has currently paused, they are nonetheless still signaling that interest rates may still need to be increased. While the current interest rate environment is creating some short-term impacts to our cash flow, we believe this to be offset over time by increased revenues through rising rental rates across most of our portfolio. We continue to see strong demand and rising rental rates across our Ontario and Quebec industrial portfolios. Our current rental rates are still significantly discounted over prevailing market rates across these portfolios. Also, we continue to see strong demand for space across our convenience retail portfolio that is generating increasing cash flow. Even in the current interest rate environment, mortgage rates are still extremely attractive and only slightly above our average mortgage face rates across the portfolio. In addition, we have proactively adjusted our capitalization rates to reflect higher financing costs.

Although the current inflationary macro environment has shown signs of reversing, the rapid rise in interest rates that began in 2022 continues to present a challenging environment for the Trust. This has led to a decrease in the Trust's IFRS real estate valuations from Q1/2022. The Trust increased cap rates in Q3/2023 across our retail portfolio to reflect expected market conditions although actual cap rates in the asset market have been slow to adjust. As a comparison, Net Asset Value or NAV has decreased to $7.46/Unit from $7.64/Unit at the end of Q4/2022, which is a far lower decrease than the increase in interest rates over the same period.

The Trust has sufficient liquidity to meet our operational needs through 2024, as well as fund potential acquisitions and development projects. Maintaining a leverage ratio that is appropriate for the Trust is an essential part of our long-term strategy. At the end of Q3/2023, the Trust had an overall conservative leverage ratio of 53%, slightly below our desired range of 55% to 65%. As always, we are focused on proactively managing the Trust's finance costs. The Trust has completed all of its required 2023 refinancings for all but $2 million of debt maturing in December 2023 and is working diligently to be in position to take advantage of any and all interest rate moves for our 2024 maturities.

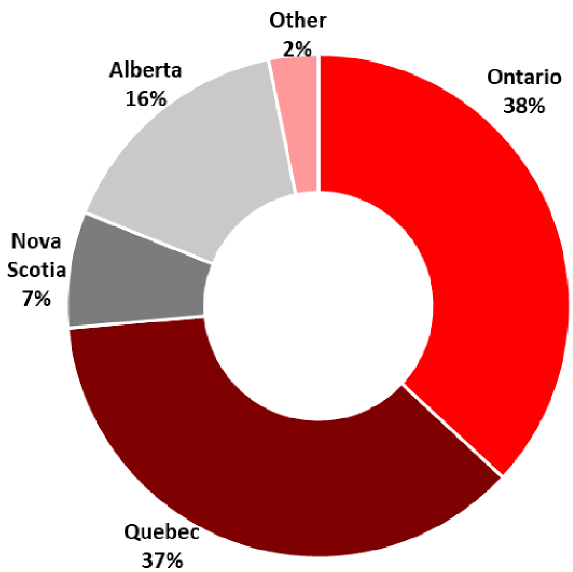
Management always assesses and evolves its asset portfolio. The Trust will focus its near-term acquisition efforts on the industrial and multi-residential sectors across Canada as well as continue to slowly reduce its exposure to its non-core retail assets when opportunities exist to create a more balanced property portfolio as demonstrated by the sales and acquisitions completed in 2022. The Trust expects to grow its asset base predominantly through acquisitions during 2024, albeit at a slower rate than has historically been the case.

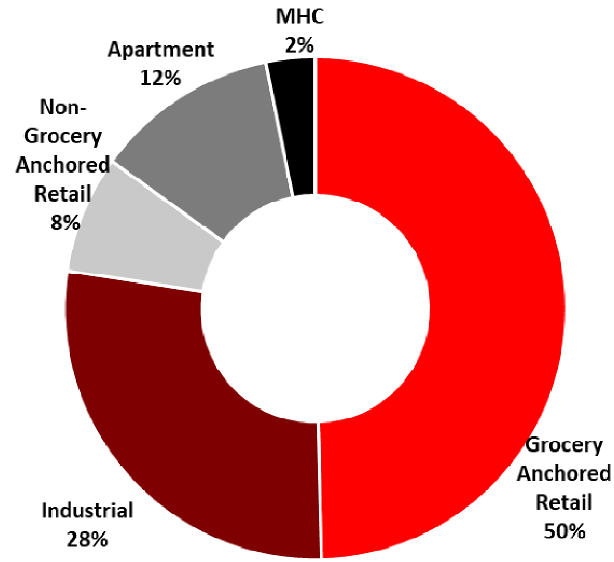
PART III

OVERVIEW OF FCPT

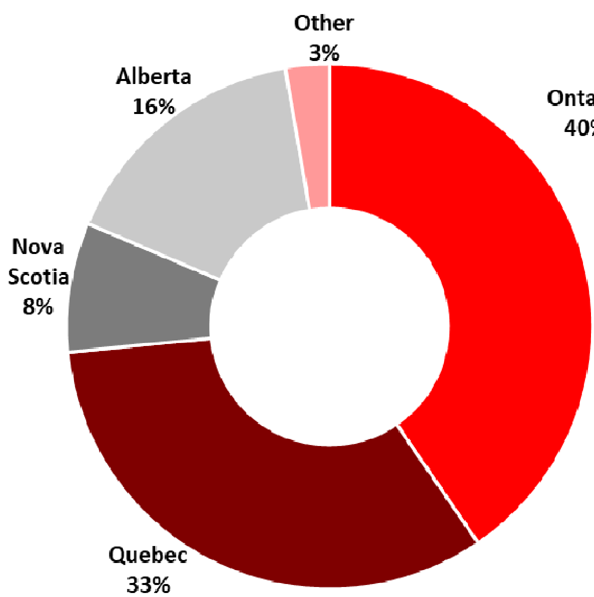
As at September 30, 2023, FCPT's portfolio consists of 66 commercial properties with a total GLA of 2,558,146 square feet, five Multi-Residential complexes comprised of 599 units and four Manufactured Homes Communities comprised of 537 units.

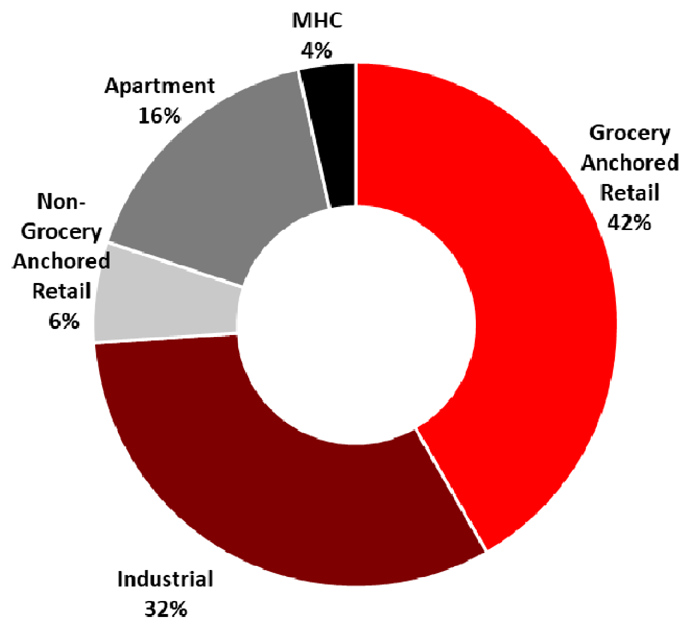
Geographical and Asset Class Portfolio Diversification based on NOI



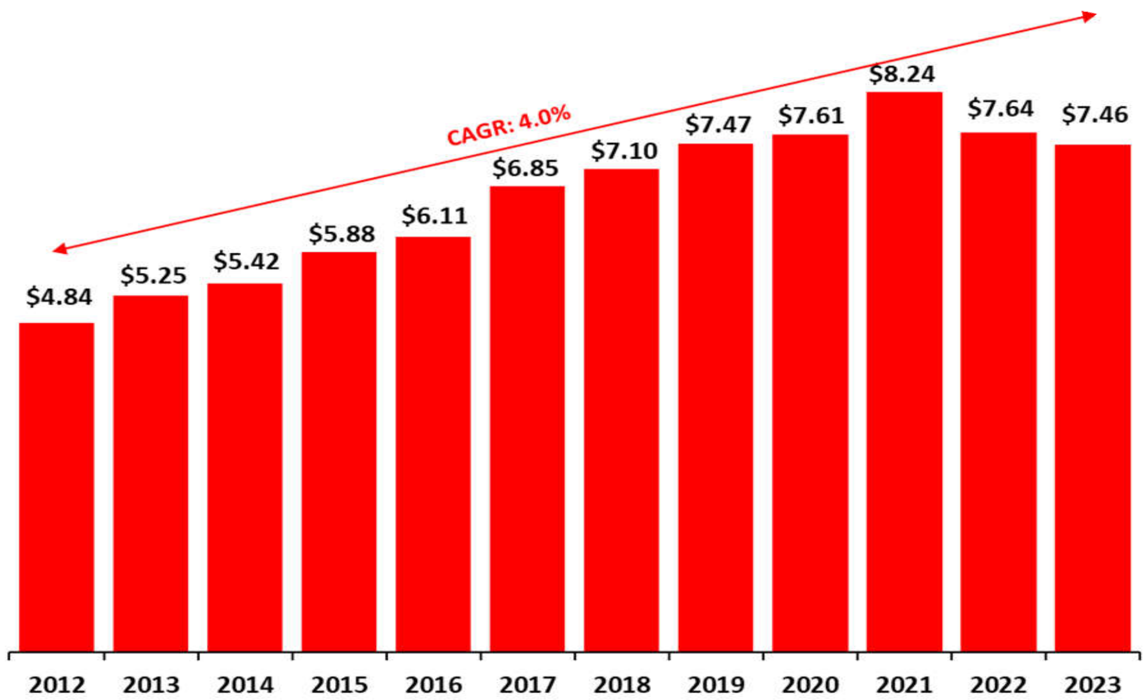


Geographical and Asset Class Portfolio Diversification based on Investment Property Value

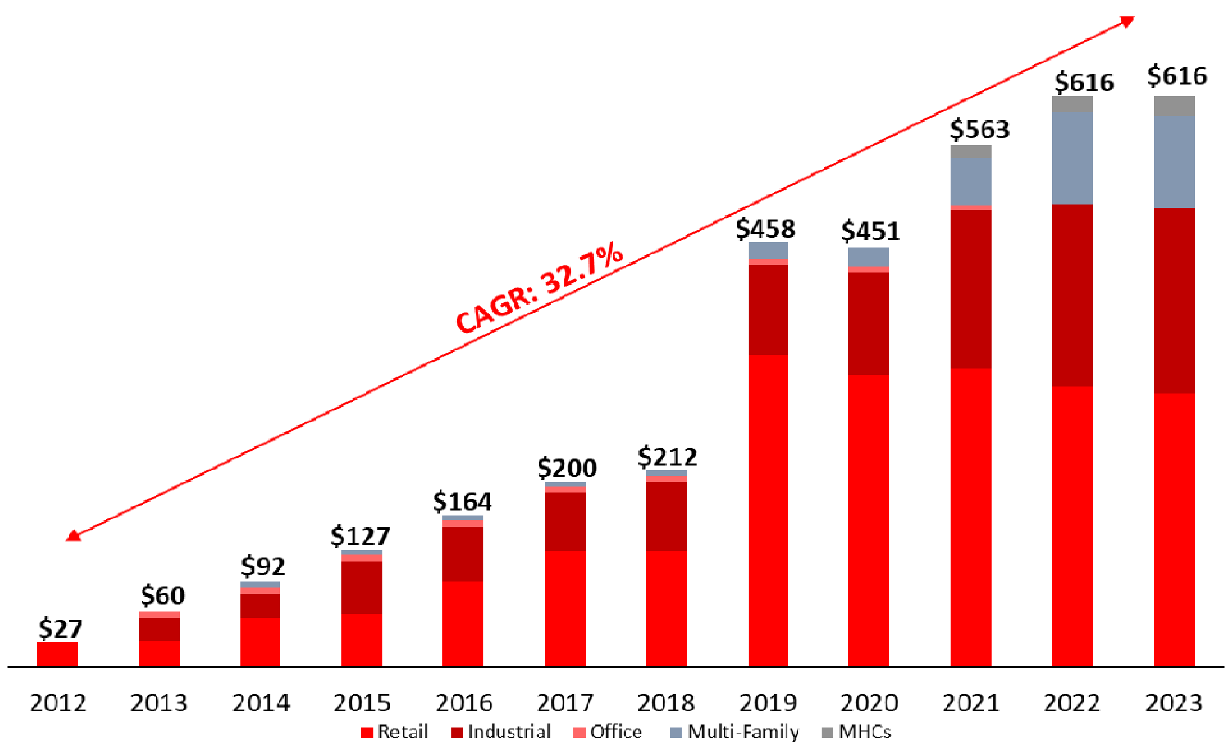




Net Asset Value Growth



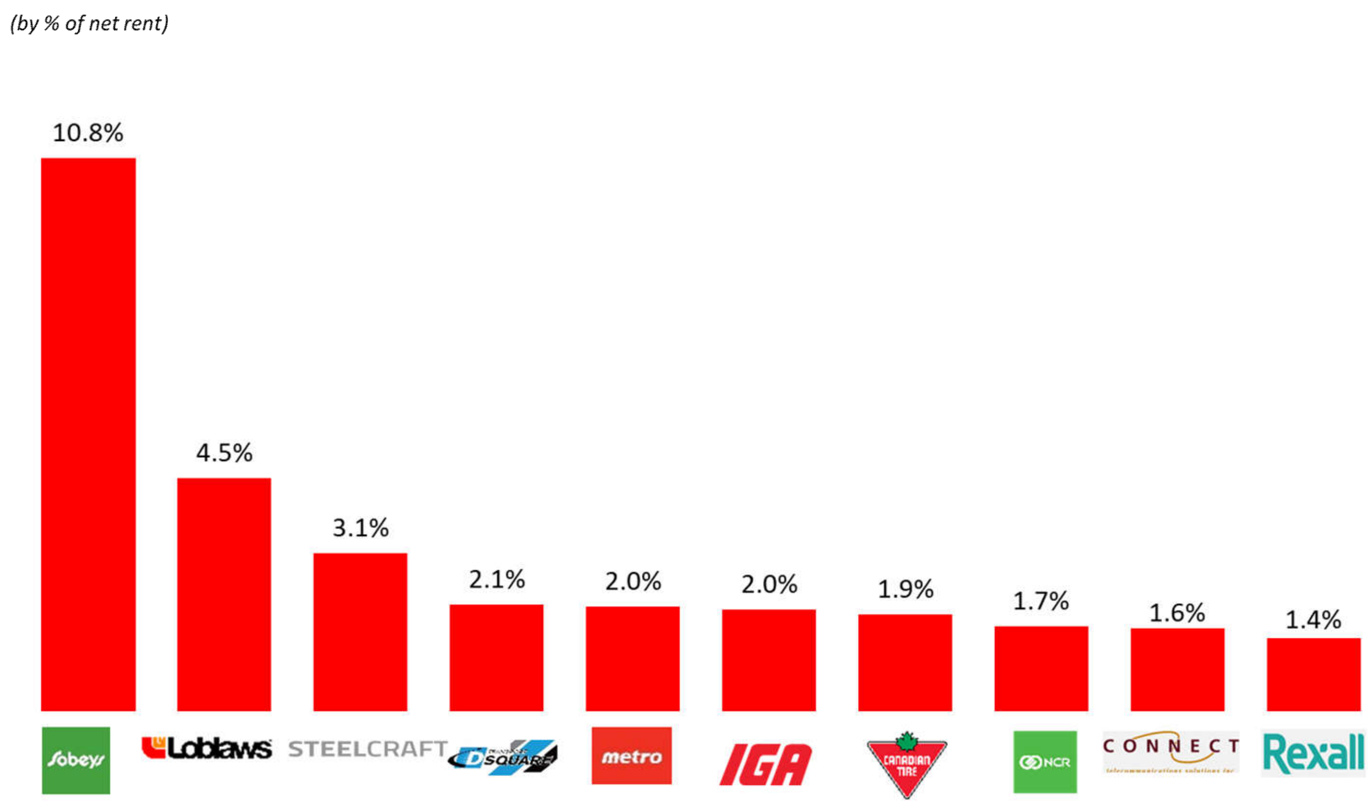
Real Estate Portfolio Growth



Top 10 Tenants

FCPT's tenant base includes a diverse and established group of companies that represent many of Canada's established businesses. The Trust strives for stability in its revenue stream, while diversifying its revenue sources and avoiding dependence on any single tenant. The portfolio is well diversified by tenant profile with no tenant currently accounting for more than 10.8% of total net rent. Further, the top 10 tenants account for 31.1% of total net rent.

Top Tenants



Strategy

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 co-own a diversified property portfolio of multi-residential, flex industrial, net lease convenience retail and manufactured home communities.

In addition to stand alone accretive acquisitions, the Trust will make joint acquisitions with strong financial 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.

PROPERTY PORTFOLIO

Property	Gross Leasable Area	Occupancy Q3/2023	Occupancy Q2/2023	Occupancy Q1/2023	Occupancy Q4/2022
Retail					
Bridgewater, Nova Scotia	46,903	100.0%	96.8%	94.9%	94.9%
Brampton, Ontario	36,137	100.0%	100.0%	95.8%	95.8%
Moncton, New Brunswick	16,372	87.4%	87.4%	100.0%	100.0%
Guelph, Ontario	115,742	100.0%	99.0%	99.0%	92.0%
Centre Ice Retail Portfolio	16,583	89.8%	100.0%	100.0%	100.0%
Crombie Joint Venture Properties					
8118 - 188 Ave NE, Edmonton, Alberta	22,154	100.0%	100.0%	100.0%	100.0%
Forest Hills, Cole Harbour, Dartmouth, Nova Scotia	21,793	100.0%	100.0%	100.0%	100.0%
Russell Lake, Dartmouth, Nova Scotia	33,725	100.0%	100.0%	100.0%	100.0%
2915 - 13th Ave, Regina, Saskatchewan	20,359	100.0%	100.0%	100.0%	100.0%
University Park, Regina, Saskatchewan	18,610	100.0%	100.0%	100.0%	100.0%
409 Bayfield Street, Barrie, Ontario	23,871	100.0%	100.0%	100.0%	100.0%
1 Westminster Ave N, Montreal, Quebec	10,480	100.0%	100.0%	100.0%	100.0%
First Capital Joint Venture Properties					
The Whitby Mall, Whitby, Ontario	149,154	91.3%	91.1%	87.6%	85.2%
Thickson Place, Whitby, Ontario	41,926	100.0%	100.0%	100.0%	100.0%
901 Eglington Ave, Toronto, Ontario	9,034	100.0%	100.0%	100.0%	100.0%
Gloucester City Centre, Ottawa, Ontario	184,654	96.4%	96.3%	95.0%	95.0%
Merivale Mall, Ottawa, Ontario	109,399	94.7%	94.7%	94.6%	94.6%
Galeries de Repentigny, Repentigny, Quebec	65,370	100.0%	100.0%	100.0%	100.0%
Galeries Brien East, Repentigny, Quebec	4,435	84.0%	84.0%	100.0%	100.0%
Galeries Brien West, Repentigny, Quebec	26,166	100.0%	100.0%	100.0%	100.0%
Carrefour du Plateau, Gatineau, Quebec	121,070	100.0%	100.0%	100.0%	100.0%
Gateway Village, St. Albert, Alberta	52,688	100.0%	98.0%	98.9%	98.9%
Total / Weighted Average	**1,146,622**	**97.4%**	**97.2%**	**96.6%**	**95.5%**
Industrial					
Montreal, Quebec	612,400	96.0%	96.0%	97.8%	97.6%
Waterloo, Ontario	362,202	100.0%	100.0%	99.6%	98.3%
Edmonton, Alberta	245,049	87.5%	83.5%	91.8%	86.5%
Woodstock, Ontario	66,381	100.0%	100.0%	100.0%	100.0%
Stratford, Ontario	125,493	100.0%	100.0%	100.0%	100.0%
Total / Weighted Average	**1,411,524**	**95.2%**	**95.4%**	**97.5%**	**96.1%**
Commercial Total / Weighted Average	**2,558,146**	**95.9%**	**96.0%**	**97.0%**	**95.9%**
Multi-Residential	**Units**				
Ottawa, Ontario	135	89.6%	91.1%	94.8%	94.1%
Dartmouth, Nova Scotia	69	100.0%	100.0%	98.5%	95.7%
Lower Sackville, Nova Scotia	132	99.2%	100.0%	99.2%	97.0%
Edmonton, Alberta	128	96.1%	98.4%	95.3%	90.6%
Pointe-Claire, Quebec	135	95.0%	95.6%	80.0%	80.7%
Total / Weighted Average	**599**	**96.0%**	**97.1%**	**91.9%**	**90.3%**
Manufactured Homes Communities					
Calgary, Alberta	181	100.0%	100.0%	100.0%	99.4%
McGregor, Ontario	242	99.6%	99.6%	99.6%	100.0%
Peterborough, Ontario	56	100.0%	100.0%	100.0%	n.a.
Trenton, Ontario	58	98.3%	100.0%	100.0%	n.a.
Total / Weighted Average	**537**	**99.6%**	**99.8%**	**99.8%**	**99.8%**

Commercial: As at September 30, 2023 commercial occupancy was of 95.9%, which is in line with Q2 2023.

Multi-Residential: As a September 30, 2023 multi-residential occupancy was 96.0% or 110 bps lower than Q2/2023. The decrease was primarily seen across the entire portfolio but most notably within our Ottawa and Edmonton locations.

MHCs: The occupancy rate of the MHC portfolio remained strong above 99%.

SUMMARY OF SELECTED QUARTERLY INFORMATION

This table highlights the changes in various operating and financial metrics over the most recently completed eight quarters, and is reflective of the timing of acquisitions, divestitures, re-development, leasing and maintenance expenditures and the effect of measuring investment properties at fair value under IFRS. Similarly, mortgages, debentures, construction loans and bank debt reflect financing activities relating to asset additions and debt retirement using surplus cash, which serve to increase FFO in the future. Property rental revenue, FFO, and AFFO are reflective of changes in the underlying income-producing asset base and changing leverage. These measures demonstrate sequential volatility from time to time due to non-recurring items, lease termination income, and expense reimbursement or recovery limitations for anchor or major tenants in the retail portfolio.

Selected quarterly information	**Q3/23**	**Q2/23**	**Q1/23**	**Q4/22**	**Q3/22**	**Q2/22**	**Q1/22**	**Q4/21**
Property rental revenue	$14,660,059	$14,094,375	$14,209,208	$14,245,157	$13,278,554	$13,454,489	$13,040,687	$11,954,312
Net operating income	8,973,397	9,079,864	9,223,016	9,165,483	8,985,669	9,002,396	8,303,824	7,898,791
Net income	(2,410,181)	5,571,495	5,396,789	8,663,638	5,132,990	(20,318,925)	5,338,017	6,566,305
Funds from operations	4,557,150	4,330,951	4,486,037	4,539,705	5,227,250	5,511,940	4,198,168	3,134,372
Adjusted funds from operations	4,204,994	3,756,802	3,999,237	4,280,543	4,049,626	4,025,800	4,042,035	3,869,233
Total assets	636,559,566	641,277,417	638,658,302	633,898,464	631,403,138	631,587,165	642,158,461	576,355,914
Total mortgages	307,944,797	310,792,107	305,337,204	306,781,314	306,310,058	304,957,905	294,716,199	239,912,757
Unitholders' equity (net book value)	289,681,777	296,890,636	296,584,638	296,513,896	294,428,855	295,122,294	296,819,578	295,915,326
Units o/s at period end (000s)	36,925	36,925	37,011	37,100	37,402	37,549	34,011	34,011
Per unit amounts								
Funds from operations	$0.123	$0.117	$0.121	$0.122	$0.139	$0.156	$0.123	$0.092
Adjusted funds from operations	$0.114	$0.102	$0.108	$0.115	$0.108	$0.114	$0.119	$0.114
Financial ratios								
FFO Payout Ratio	105%	111%	107%	107%	93%	83%	105%	138%
AFFO Payout Ratio	114%	128%	121%	113%	121%	114%	109%	112%
Wtd. avg. interest rate - mortgage debt	3.7%	4.1%	4.1%	3.8%	3.5%	3.5%	3.2%	3.3%
Debt to GBV	53%	52%	52%	51%	51%	51%	51%	46%
Operating stats								
GLA - commercial, SF	2,558,146	2,557,010	2,545,397	2,563,461	2,572,736	2,567,977	2,453,963	2,420,168
Units - Multi-Res	599	599	599	599	599	599	599	464
Units - MHCs	537	536	536	423	423	423	423	423
Occupancy - commercial (period-end)	95.9%	96.0%	97.1%	95.9%	95.1%	96.2%	95.7%	95.9%
Occupancy - Multi-Res (period-end)	96.0%	97.1%	91.9%	90.3%	92.7%	95.0%	95.6%	93.6%
Occupancy - MHCs (period-end)	99.6%	99.8%	99.8%	99.8%	99.5%	99.8%	99.5%	99.1%
Rent PSF - Retail	$18.54	$18.45	$18.30	$18.43	$18.54	$18.43	$17.88	$17.90
Rent PSF - Industrial	$8.12	$8.07	$7.86	$7.60	$7.37	$6.81	$6.66	$6.67
Rent per month - Multi-Res	$1,368	$1,331	$1,249	$1,198	$1,310	$1,327	$1,319	$1,175
Rent per month - MHCs	$591	$587	$580	$603	$599	$565	$524	$519

PART IV

RESULTS OF OPERATIONS

Included in the following sections is a discussion of the various components of net income, followed by discussions and reconciliations of FFO and AFFO from comparable IFRS measures.

	Three Months Ended September 30, 2023			
	Trust Wholly Owned	Co-Owned at Proportionate Ownership	Total	Co-Owned at 100%
Net Operating Income				
Rental Revenue	$ 2,794,950	$ 11,865,109	$ 14,660,059	$ 25,761,243
Property Operating Expenses	(1,098,509)	(4,588,153)	(5,686,662)	(9,825,121)
	1,696,441	7,276,956	8,973,397	15,936,122
Interest and Other Income	54,695	46,848	101,543	152,380
Expenses:				
Finance Costs	854,044	2,526,010	3,380,054	5,934,669
General and Administrative	253,967	933,752	1,187,719	1,774,286
	1,108,011	3,459,762	4,567,773	7,708,955
Income Before Fair Value Adjustments	643,125	3,864,042	4,507,167	8,379,547
Fair Value Adjustments:				
Investment Properties	(1,962,393)	(5,004,938)	(6,967,331)	(11,925,056)
Unit-based Compensation Recovery	49,983	-	49,983	148,933
Net Loss and Comprehensive Loss	$ (1,269,285)	$ (1,140,896)	$ (2,410,181)	$ (3,396,576)

	Three Months Ended September 30, 2022			
	Trust Wholly Owned	Co-Owned at Proportionate Ownership	Total	Co-Owned at 100%
Net Operating Income				
Rental Revenue	$ 2,875,131	$ 10,403,423	$ 13,278,554	$ 20,416,995
Property Operating Expenses	(912,648)	(3,380,237)	(4,292,885)	(6,652,998)
	1,962,483	7,023,186	8,985,669	13,763,997
Interest and Other Income	351	21,298	21,649	34,766
Expenses:				
Finance Costs	967,895	2,415,253	3,383,148	4,647,646
General and Administrative	865,005	398,731	1,263,736	703,448
	1,832,900	2,813,984	4,646,884	5,351,094
Income Before Fair Value Adjustments	129,934	4,230,500	4,360,434	8,447,669
Fair Value Adjustments:				
Investment Properties	3,274822	(3,369,082)	(94,260)	(7,607,009)
Unit-based Compensation (Expense)	866,816	-	866,816	866,816
Net Income and Comprehensive Income	$ 4,271,572	$ 861,418	$ 5,132,990	$ 1,707,476

Rental Revenue

Property rental revenue includes rent paid by tenants for their leased premises plus reimbursements or recoveries from tenants for property operating costs, realty taxes and other recoverable costs ("recoveries") relating to their leased premises and the common property areas. For the three and nine months ended September 30, 2023, property rental revenue increased primarily due to the impact of income from acquisition activity, and same-property growth across all asset classes.

Many of FCPT's expenses are recoverable from tenants in accordance with their respective lease agreements, with the Trust absorbing these expenses to the extent of vacancies.

	Three Months Ended			Nine Months Ended		
	Sep 30, 2023	**Sep 30, 2022**	**Change**	**Sep 30, 2023**	**Sep 30, 2022**	**Change**
Base Rent	$ 10,548,356	$ 9,735,907	8%	$ 30,963,567	$ 28,561,412	8%
Operating Cost Recoveries	1,810,668	1,516,918	19%	5,452,507	4,977,097	10%
Tax Recoveries	2,260,557	1,976,922	14%	6,409,218	5,854,302	9%
Straight Line Rent	73,161	91,803	(20%)	216,815	492,749	(56%)
Free Rent	(32,683)	(42,996)	(24%)	(78,465)	(111,830)	(30%)
Rental Revenue	**$ 14,660,059**	**$ 13,278,554**	**10%**	**$ 42,963,642**	**$ 39,773,730**	**8%**

The variance in comparing the three and nine months ended September 30, 2023 over the three and nine months ended September 30, 2022 is largely due to increased base rental income from the Trust's various acquisitions along with the net rent increases as outlined in the same-property NOI analysis.

Free rent relates to rent free periods provided to certain new and renewal tenants at the Trust's properties. Under IFRS, the Trust is required to adjust rental revenue by the value of the rent free period and amortize this adjustment over the life of the individual lease as a reduction to income.

Property Operating Expenses

Property operating expenses include realty taxes as well as other costs related to maintenance, HVAC, insurance, utilities and property management fees. Property operating expenses consist of the following:

	Three Months Ended			Nine Months Ended		
	Sep 30, 2023	**Sep 30, 2022**	**Change**	**Sep 30, 2023**	**Sep 30, 2022**	**Change**
Realty Taxes	$ 2,499,658	$ 2,347,847	6%	$ 7,362,331	$ 6,773,598	9%
Property Management	525,607	559,755	(6%)	1,663,023	1,618,040	3%
Operating Expenses	2,661,397	1,385,283	92%	6,662,011	5,090,203	31%
Property Operating Expenses	**$ 5,686,662**	**$ 4,292,885**	**32%**	**$ 15,687,365**	**$ 13,481,841**	**16%**

The variance in comparing the three and nine months ended September 30, 2023 over the three and nine months ended September 30, 2022 is primarily due to the impact of FCPT's various acquisitions.

Net Operating Income ("NOI")

NOI on a cash basis excludes non-cash items such as straight-line and free rent.

	Three Months Ended			Nine Months Ended		
	Sep 30, 2023	**Sep 30, 2022**	**Change**	**Sep 30, 2023**	**Sep 30, 2022**	**Change**
Rental Revenue	**$ 14,660,059**	**$ 13,278,554**	10%	**$ 42,963,642**	**$ 39,773,730**	8%
Property Operating Expenses	(5,686,662)	(4,292,885)	32%	(15,687,365)	(13,481,841)	16%
NOI - IFRS Basis	**$ 8,973,397**	**$ 8,985,669**	(0%)	**$ 27,276,277**	**$ 26,291,889**	4%
Less: Straight-Line Rent	(73,161)	(91,803)	(20%)	(216,815)	(492,749)	(56%)
Less: Free Rent	32,683	42,996	(24%)	78,465	111,830	(30%)
NOI - Cash Basis	**$ 8,932,919**	**$ 8,936,862**	**(0%)**	**$ 27,137,927**	**$ 25,910,970**	**5%**

The variance in comparing the three and nine months ended September 30, 2023 over the three and nine months ended September 30, 2022 are primarily due to the impact of the FCPT's various acquisitions, offset by higher property operating costs.

Same-Property NOI Analysis

The following tables summarize FCPT's same-property performance segmented by asset class.

Q3/2023 versus Q3/2022 for same-property NOI changed across various asset classes are as follows:

- **Retail:** Property NOI was relatively flat year over year with in place rents also remaining flat at approximately $18.54 per square foot despite a 1.9% increase in occupancy, offset by elevated operating costs.
- **Industrial:** Increased 7% primarily due to a 10% increase in in place rent, offset by a slight decrease in overall occupancy.
- **Multi-Residential:** Decreased by 2% due to an increase in operating expenses, offset by increasing rents.
- **MHCs:** Increased by 15% primarily due to increased rental rates and lower operating expenses.

RETAIL	Three Months			Nine Months Ended		
	Sep 30, 2023	**Sep 30, 2022**	**Change**	**Sep 30, 2023**	**Sep 30, 2022**	**Change**
Rental Revenue	$ 7,743,448	$ 7,460,131	4%	$ 23,155,995	$ 22,541,928	3%
Property Operating Expenses	(2,728,768)	(2,445,836)	12%	(8,335,667)	(7,850,572)	6%
NOI - IFRS Basis	**$ 5,014,680**	**$ 5,014,295**	0%	**$ 14,820,328**	**$ 14,691,356**	1%

INDUSTRIAL	Three Months			Nine Months Ended		
	Sep 30, 2023	**Sep 30, 2022**	**Change**	**Sep 30, 2023**	**Sep 30, 2022**	**Change**
Rental Revenue	$ 3,809,387	$ 3,142,302	21%	$ 10,199,307	$ 8,918,874	14%
Property Operating Expenses	(1,350,484)	(840,667)	61%	(3,540,462)	(2,980,635)	19%
NOI - IFRS Basis	**$ 2,458,903**	**$ 2,301,635**	7%	**$ 6,658,845**	**$ 5,938,239**	12%

MULTI-RESIDENTIAL	Three Months			Nine Months Ended		
	Sep 30, 2023	**Sep 30, 2022**	**Change**	**Sep 30, 2023**	**Sep 30, 2022**	**Change**
Rental Revenue	$ 2,061,359	$ 1,659,534	24%	$ 5,719,187	$ 4,964,043	15%
Property Operating Expenses	(1,100,464)	(674,652)	63%	(2,462,492)	(1,910,435)	29%
NOI - IFRS Basis	**$ 960,895**	**$ 984,882**	(2%)	**$ 3,256,695**	**$ 3,053,608**	7%

MHCs	Three Months			Nine Months Ended		
	Sep 30, 2023	Sep 30, 2022	Change	Sep 30, 2023	Sep 30, 2022	Change
Rental Revenue	$ 396,409	$ 370,379	7%	$ 1,172,859	$ 1,084,730	8%
Property Operating Expenses	(137,460)	(144,609)	(5%)	(434,655)	(407,306)	7%
NOI - IFRS Basis	**$ 258,949**	**$ 225,770**	15%	**$ 738,204**	**$ 677,424**	9%

Finance Costs

Finance fee amortization relates to fees paid on securing the Facility as defined below on the FCPT's various mortgages. Non-cash interest expense relates to the fair value adjustment to interest expense required under IFRS as a result of the assumed mortgages from the FCPT's various acquisitions.

	Three Months Ended			Nine Months Ended		
	Sep 30, 2023	Sep 30, 2022	Change	Sep 30, 2023	Sep 30, 2022	Change
Mortgage Interest	$ 2,366,665	$ 2,913,854	(19%)	$ 9,192,181	$ 7,637,931	20%
Credit facility Interest	869,090	263,200	230%	1,390,989	838,496	66%
Finance Fee Amortization	181,658	243,453	(25%)	630,374	725,509	(13%)
Non-cash Interest Expense	(37,359)	(37,359)	0%	(112,076)	(112,903)	(1%)
Finance Costs	**$ 3,380,054**	**$ 3,383,148**	**(0%)**	**$ 11,101,468**	**$ 9,089,033**	**22%**

Finance costs for the three months ended September 30, 2023 are comparable to same period in 2022, due to a reduction in overall mortgage interest offset by a rise in borrowing on the Trust's line of credit.

The variance in comparing the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 is related to acquisitions and mortgage refinancings.

General and Administrative Expenses

	Three Months Ended			Nine Months Ended		
	Sep 30, 2023	Sep 30, 2022	Change	Sep 30, 2023	Sep 30, 2022	Change
Asset Management Fees	$ 848,379	$ 956,344	(11%)	$ 2,543,842	$ 2,679,615	(5%)
Performance Incentive Fees	90,457	58,424	55%	151,815	250,706	(39%)
Public Company Expenses	115,366	114,666	1%	394,882	310,901	27%
Office & General	133,517	134,302	(1%)	555,611	747,745	(26%)
General & Administrative	**$ 1,187,719**	**$ 1,263,736**	**(6%)**	**$ 3,646,150**	**$ 3,988,967**	**(9%)**

The YoY variance is largely due to a decrease in the performance incentive fees and asset management fees due to dispositions, offset by an increase in public company expenses.

Fair Value Gains (Losses)

	Three Months Ended			Nine Months Ended		
	Sep 30, 2023	Sep 30, 2022	Change	Sep 30, 2023	Sep 30, 2022	Change
Investment Properties	$ (6,967,331)	$ (94,260)	7292%	$ (4,816,035)	$(24,785,276)	(81%)
Unit-based Compensation	49,983	866,816	(94%)	480,773	1,668,777	(71%)
Fair Value Gains (Losses)	**$ (6,917,348)**	**$ 772,556**	**(995%)**	**$ (4,335,262)**	**$(23,116,499)**	**(81%)**

Sequential Quarterly Results

The following table shows the sequential changes from June 30, 2023 for a few key metrics:

	Three Months Ended		
	Sep 30, 2023	**June 30, 2023**	**Sequential Change**
Rental Revenue	**$ 14,660,059**	$ 14,094,375	4%
Property Operating Expenses	**5,686,662**	5,014,511	13%
NOI - IFRS Basis	**8,973,397**	9,079,864	(1%)
Finance Costs	**3,380,054**	3,951,554	(14%)
General & Admin Costs	**1,187,719**	1,207,702	(2%)

For the three months ended September 30, 2023, NOI decreased 1% due to higher allowances for bad debt. In addition, finance costs decreased by 14% versus Q2/2023 as a result of the refinancing of $38.2 million 100% owned Multi-Residential Property located in Pointe-Claire, QC. The CMHC insured mortgage interest rate was approximately 300 bps lower than previous rate.

Co-Ownership Interests

The Trust's Properties has the following property interests and includes its proportionate share of the related assets, liabilities, revenue and expenses of these properties:

			As at September 30, 2023	
	Trust Wholly Owned	**Co-Owned at Proportionate Ownership**	**Total**	**Co-Owned at 100%**
Current Assets	$ 9,220,315	$ 14,914,656	$ 24,134,971	$ 45,814,787
Non-Current Assets	135,192,705	477,231,890	612,424,595	1,065,526,971
Total Assets	**$ 144,413,020**	**$ 492,146,546**	**$ 636,559,566**	**$ 1,111,341,758**
Current Liabilities	15,637,589	105,412,269	121,049,858	235,835,499
Non-Current Liabilities	60,293,384	165,534,547	225,827,931	295,775,917
Total Liabilities	**$ 75,930,973**	**$ 270,946,816**	**$ 346,877,789**	**$ 531,611,416**
Total Owners' Equity	**$ 68,482,047**	**$ 221,199,730**	**$ 289,681,777**	**$ 579,730,342**

				As at December 31, 2022
	Trust Wholly Owned	**Co-Owned at Proportionate Ownership**	**Total**	**Co-Owned at 100%**
Current Assets	$ 8,720,978	$ 7,296,776	$ 16,017,754	$ 13,912,586
Non-Current Assets	137,287,469	480,593,241	617,880,710	936,025,467
Total Assets	**$ 146,008,447**	**$ 487,890,017**	**$ 633,898,464**	**$ 949,938,053**
Current Liabilities	48,679,740	52,514,396	101,194,136	89,420,786
Non-Current Liabilities	28,227,572	207,962,860	236,190,432	393,737,920
Total Liabilities	**$ 76,907,312**	**$ 260,477,256**	**$ 337,384,568**	**$ 483,158,706**
Total Owners' Equity	**$ 69,101,135**	**$ 227,412,761**	**$ 296,513,896**	**$ 466,779,347**

FFO and AFFO

	Three Months Ended			Nine Months Ended	
	Sep 30, 2023	**Jun 30, 2023**	**Sep 30, 2022**	**Sep 30, 2023**	**Sep 30, 2022**
Cash Flows from Operating Activities	**$ 8,394,305**	**$ 6,572,789**	**$ 8,380,889**	**$ 20,831,046**	**$ 21,549,989**
Add (deduct):					
Tenant Rental Deposits	(4,180)	(75,176)	(29,046)	(135,043)	(246,536)
Accounts Payable and Accrued Liabilities	(391,650)	91,840	328,693	808,293	2,236,327
Restricted Cash	(24,293)	(165,110)	(319,887)	(44,960)	8,827
Prepaid Expenses, Deposits & Other Assets	(955,591)	888,798	(517,277)	(107,565)	(728,809)
Accounts Receivable	(132,997)	314,127	(166,919)	976,238	(937,837)
Finance Fee Amortization	(181,658)	(193,412)	(243,453)	(630,374)	(725,509)
Land Lease Amortization	(2,719)	47,802	(3,327)	41,641	40,042
Finance Costs, Net of Interest & Dividends	(2,271,887)	(3,497,861)	(3,155,405)	(9,096,337)	(8,421,735)
Unit Based Compensation Expense/ (Recovery)	49,983	281,857	866,816	480,773	1,668,777
Straight-Line and Free Rent Adjustments	40,478	27,939	48,807	138,350	380,919
Non-Cash Interest Expense	37,359	37,358	37,359	112,076	112,903
FFO	**$ 4,557,150**	**$ 4,330,951**	**$ 5,227,250**	**$ 13,374,138**	**$ 14,937,358**
Straight Line Rent and Free Rent Adjustments	(40,478)	(27,939)	(48,807)	(138,350)	(380,919)
Tenant Inducements, Leasing Costs & Capex	(224,335)	(226,997)	(224,642)	(681,907)	(657,297)
Non-Cash Interest Expense	(37,359)	(37,358)	(37,359)	(112,076)	(112,903)
Unit Based Compensation Expense/(Recovery)	(49,983)	(281,857)	(866,816)	(480,773)	(1,668,777)
AFFO	**$ 4,204,994**	**$ 3,756,800**	**$ 4,049,626**	**$ 11,961,032**	**$ 12,117,463**
FFO Per Unit	**$ 0.123**	**$ 0.117**	**$ 0.139**	**$ 0.361**	**$ 0.419**
AFFO Per Unit	**$ 0.114**	**$ 0.102**	**$ 0.108**	**$ 0.323**	**$ 0.340**
Distributions Per Unit	**$ 0.130**	**$ 0.130**	**$ 0.130**	**$ 0.390**	**$ 0.383**
FFO Payout Ratio	**105%**	**111%**	**93%**	**108%**	**91%**
AFFO Payout Ratio	**114%**	**128%**	**121%**	**121%**	**113%**

The differences between the add back of FFO and AFFO is the deduction for straight-line rent, free rent, reserves for TIs/LCs, capital expenditures and the non-cash interest expense component for all assumed mortgages, offset by the deduction for unit-based compensation expense. Under RealPAC and the Trust, unit-based compensation expense is deducted for reporting FFO. However, the Trust adds back this expense for the purpose of calculating AFFO.

The increase in comparing AFFO for the three months ended September 30, 2023 over the three ended September 30, 2022 is largely due to the increase in NOI and the decrease in financing costs a result of the mortgage refinancing as discussed above. However, for the nine months ended YoY comparison, AFFO decreased as a result of increased mortgage funding and associated interest expense, offset by higher NOI.

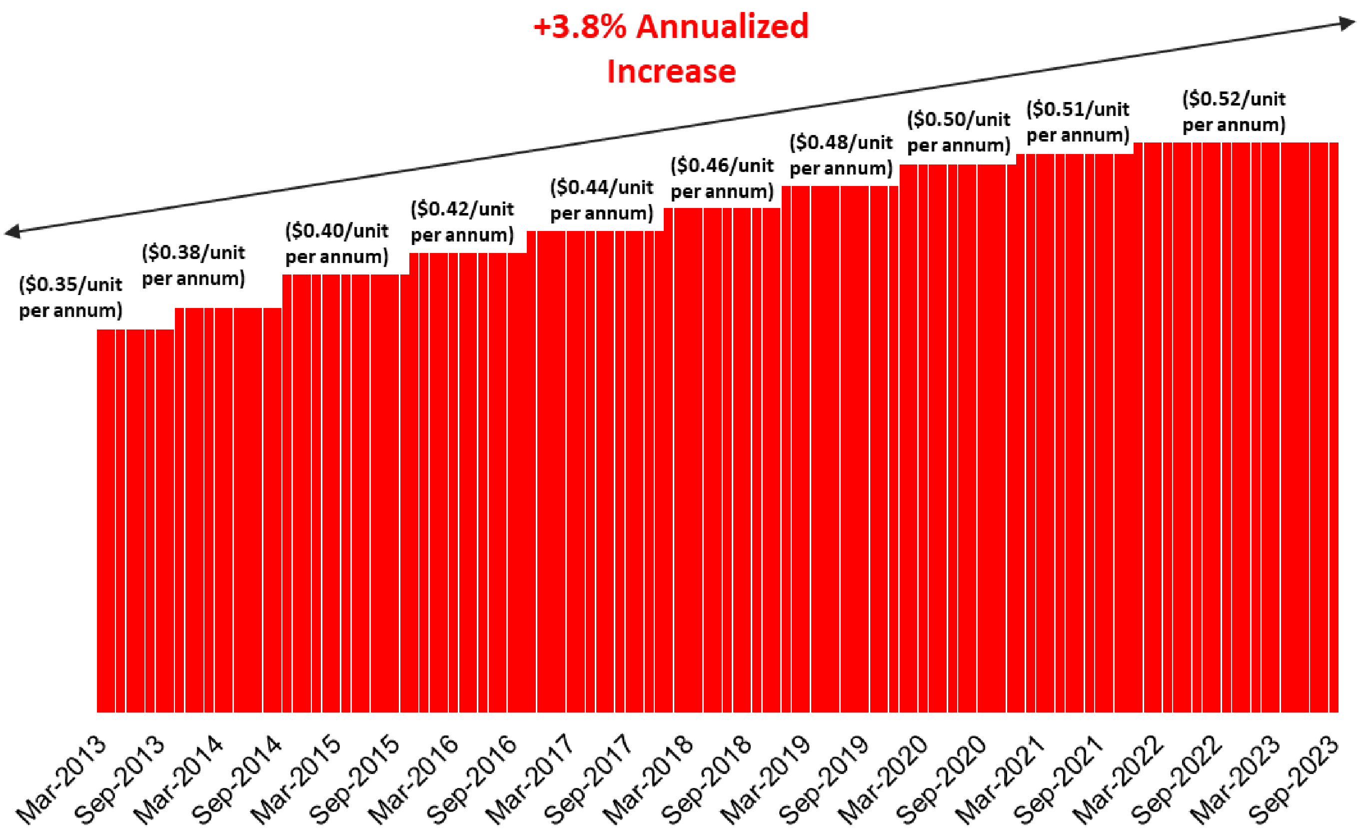
AFFO is calculated largely in accordance with the guidelines set out by RealPAC and is defined as FFO less adjustments for non-cash items such as straight-line rent, free rent and noncash interest expense as well as normalized capital expenditures, tenant inducements and leasing charges. However, under RealPAC, unit-based compensation expense is deducted for reporting AFFO, but the Trust adds back this expense and includes cash gains on the sale of real estate properties calculated as gross proceeds less the actual cost of real estate including capitalized additions.

PART V

CASH DISTRIBUTION

Since FCPT's inception in Q4/2012, distributions have been raised nine times in ten years and represents a cumulative increase of 48.6% or 3.8% on an annualized basis. For 2022, distributions were approximately 91% Return of Capital with the remaining being taxable capital gains (2021 – 48% Return of Capital with the remaining being taxable capital gains).

Historical Cash Distributions



For the three months ended September 30, 2023, distributions of $0.04333 per unit were declared each month commencing in July 2023 through to September 2023.

The policy of the Trust is to pay cash distributions on or about the 15th day of each month to Unitholders of record on the last business day of the preceding month. Distributions paid to Unitholders who are non-residents of Canada will be subject to Canadian withholding tax.

PAYOUT RATIO

The excess/(shortfall) of cash flow from operating activities over distributions and net income and comprehensive income over distributions for the three months ended September 30, 2023, June 30, 2023 and September 30, 2022 and nine months ended September 30, 2023 and September 30, 2022 are outlined below:

	Three Months Ended			Nine Months Ended	
	Sep 30, 2023	**Jun 30, 2023**	**Sep 30, 2022**	**Sep 30, 2023**	**Sep 30, 2022**
Cash Flow From Operating Activities (A)	**$ 8,394,305**	**$ 6,572,789**	**$ 8,380,889**	**$ 20,831,046**	**$ 21,549,989**
Net Cash Interest Expense					
Less: Mortgage Interest	$ (2,366,665)	$ (3,518,845)	$ (2,913,854)	$ (9,192,181)	$ (7,637,931)
Less: Bank Indebtedness Interest	(869,090)	(276,655)	(263,200)	(1,390,989)	(838,496)
Add: Interest and Other Income	101,543	128,486	21,649	364,706	54,692
Net Cash Interest Expense (B)	**$ (3,134,212)**	**$ (3,667,014)**	**$ (3,155,405)**	**$ (10,218,464)**	**$ (8,421,736)**
Net Cash Flows from Operating Activities (A-B) = (C)	$ 5,260,093	$ 2,905,775	$ 5,225,484	$ 10,612,582	$ 13,128,253
Net Income (Loss) & Comprehensive Income (Loss) (D)	**$ (2,410,181)**	**$ 5,571,495**	**$ 5,132,990**	**$ 8,558,103**	**$ (9,847,918)**
Distributions (E)	$ 4,799,918	$ 4,810,045	$ 4,881,144	$ 14,422,454	$ 14,020,775
Excess / (Shortfall) of Net Cash Flow From Operating Activities Over Distributions (C-E)	**$ 460,175**	**$ (1,904,270)**	**$ 344,340**	**$ (3,809,872)**	**$ (892,521)**
Excess / (Shortfall) of Net Income & Comprehensive Income Over Distributions (D-E)	**$ (7,210,099)**	**$ 761,450**	**$ 251,846**	**$ (5,864,351)**	**$ (23,868,692)**

For the nine months ended September 30, 2023, the Trust had a shortfall of net cash flow from operating activities over distributions. The shortfall was largely due to the distribution being in excess of the net cash flow and was covered from existing cash resources including the Credit Facility.

For the three and nine months ended September 30, 2023, the Trust had a shortfall of net income and comprehensive income over distributions. The shortfall was largely due to the distribution being in excess of the net income and was covered from existing cash resources including the Credit Facility along with certain non-cash items such as the IFRS adjustment to Investment Properties negatively impacting the calculation.

DISTRIBUTION REINVESMENT PLAN (DRIP)

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 Trust Units, without incurring brokerage fees or commissions. Units purchased through the DRIP are acquired at the weighted average closing price of the Trust Units in the five trading days immediately prior to the distribution payment date, either in the open market or be issued directly from FCPT’s treasury based on a floor price to be set at the discretion of the board of trustees. Currently, there are 257,075 units reserved under the DRIP.

For the nine months ended September 30, 2023 and September 30, 2022, 234 and 163 Trust Units were issued from treasury for total gross proceeds of $1,250 and $1,250 respectively, to Unitholders who elected to receive their distributions in units under the DRIP.

PART VI

BALANCE SHEET

Included in the following section is a discussion of the various components of the balance sheet.

Investment Properties

As at September 30, 2023, the Trust's property portfolio consisted of 75 properties (including Assets Held for Sale) with a fair value of $616.2 million, in comparison to the $616.3 million reported as at December 31, 2022. The investment portfolio valuation is allocated by property type as follows:

	Retail and Commercial	Core Service Provider Office	Industrial	Multi-residential	Manufactured Housing Communities	Total
December 31, 2021	$ 321,430,138	$ 5,288,357	$ 171,451,490	$ 51,109,286	$ 14,072,347	$ 563,351,618
Acquisitions	-	-	21,433,697	56,335,237	-	77,768,934
Dispositions	(410,746)	-	-	-	-	(410,746)
Assets Held for Sale	(2,400,168)	(5,184,581)	-	-	-	(7,584,749)
Capital Expenditures	2,260,757	55,267	845,706	624,468	49,911	2,303,332
Straight-line Rents	349,594	1,683	141,472	-	-	400,946
Fair Value Adjustment	(18,142,620)	(160,726)	(962,475)	(8,828,054)	3,308,599	(24,691,016)
September 30, 2022	$ 303,086,955	$ -	$ 192,909,890	$ 99,240,937	$ 17,430,857	$ 612,668,639
Acquisitions	-	-	3,311,785	412,500	-	3,724,285
Dispositions	(2,133,783)	(5,285,719)	-	-	-	(7,419,502)
Assets Held for Sale	2,400,168	5,184,581	-	-	-	7,584,749
Capital Expenditures	260,838	(55,267)	(47,528)	(12,743)	33,212	178,512
Straight-line Rents	(37,114)	(4,321)	31,377	-	-	(10,058)
Fair Value Adjustment	(733,650)	160,726	82,379	(711,059)	780,689	(420,915)
December 31, 2022	$ 302,843,414	$ -	$ 196,287,903	$ 98,929,635	$ 18,244,758	$ 616,305,710
Acquisitions	-	-	-	-	3,022,658	3,022,658
Dispositions	-	-	-	-		-
Assets Held for Sale	(5,350,393)	-	-	-	-	(5,350,393)
Capital Expenditures	826,349	-	554,408	90,083	-	1,470,840
Straight-line Rents	114,666	-	102,149	-	-	216,815
Fair Value Adjustment	(8,557,328)	-	1,585,998	1,669,790	485,505	(4,816,035)
September 30, 2023	$ 289,876,708	$ -	$ 198,530,458	$100,689,508	$ 21,752,921	$ 610,849,595

For the three and nine months ended September 30, 2023, senior management of the Trust valued the Investment Properties using the overall capitalization method. Investment properties are valued on a highest and best use basis. For all of the Trust's investment properties, the current use is considered the best use. Fair value was determined by applying a capitalization rate to stabilized net operating income ("Stabilized NOI"). Stabilized NOI incorporates allowances for vacancy, management fees and structural reserves for tenant inducements and capital expenditures to which a capitalization rate is applied that is deemed appropriate for investment property. Capitalization rates are based on many factors, including but not limited to the asset location, type, size and quality of the asset and taking into account any available market data at the valuation date.

Properties are typically independently appraised at the time of acquisition or refinancing when required. When an independent appraisal is obtained, the Trust assesses all major inputs used by the independent valuators in preparing their reports and holds discussions with them on the reasonableness of their assumptions. The reports are then used by the Trust for consideration in preparing the valuations as reported in these consolidated financial statements.

Capitalization rates used in the valuation of investment properties as of September 30, 2023 are based on current market data.

The Trust continues to review its cash flow projections, liquidity and the estimated fair value of its real estate portfolio in these challenging times. Capitalization rates could change materially as additional market data becomes available.

The properties independently appraised each year represent a subset of the property types and geographic distribution of the overall portfolio. A breakdown of the aggregate fair value of investment properties independently appraised each quarter, in accordance with the Trust's policy, is as follows:

	2023			2022		
	Number of investment properties	**Fair value at 100%**	**Fair value at Trust's share**	**Number of investment properties**	**Fair value at 100%**	**Fair value at Trust's share**
Q1	-	$ -	$ -	1	$ 57,000,000	$ 57,000,000
Q2	-	-	-	1	36,750,000	18,375,000
Q3	6	77,900,000	38,950,000	3	36,341,000	36,341,000
Total	6	$ 77,900,000	$ 38,950,000	5	$ 130,091,000	$ 111,716,000

Investment Properties measured at fair value are categorized by level according to the inputs used. The Trust has classified these inputs as Level 3. With the exception of the acquisition and dispositions of investment properties as further described in note 4 of the condensed consolidated interim financial statements, there have been no transfers into or out of Level 3 in the current year. Significant unobservable inputs in Level 3 valuations are as follows:

September 30, 2023	**Retail & Commercial**	**Core Service Provider Office**	**Industrial**	**Multi-Residential**	**Manufactured Housing Communities**	**Weighted Average**
Capitalization Rate Range	4.50% - 8.00%	n.a.	5.00% - 9.03%	4.75% - 5.50%	5.00% - 6.75%	6.02%
Weighted Average Capitalization Rate	6.67%	n.a.	5.62%	5.03%	5.41%	6.02%

December 31, 2022	**Retail & Commercial**	**Core Service Provider Office**	**Industrial**	**Multi-Residential**	**Manufactured Housing Communities**	**Weighted Average**
Capitalization Rate Range	4.00% - 8.00%	n.a.	3.05% - 9.03%	4.75% - 5.00%	4.75% - 5.75%	5.84%
Weighted Average Capitalization Rate	6.48%	n.a.	5.41%	4.87%	5.07%	5.84%

Sale of Investment Properties

On May 18, 2022, the Trust completed the sale of a retail property from the Centre Ice Retail Portfolio, for gross proceeds of approximately $0.6 million. The Trust's pro-rata share of the gross proceeds was $0.4 million. The Trust recognized a loss on sale of $0.05 million.

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.

Mortgages Receivable
As part of one of the dispositions of the Centre Ice Retail Portfolio properties in 2021, a mortgage was taken back from the purchaser for $1.0 million. Terms are 5% interest only, two year term, fully open for repayment prior to maturity on March 1, 2023 and fully secured against the disposed property. The Trust's portion of the mortgage receivable is $0.7 million. During the three months ended March 31, 2023, the mortgage receivable was fully repaid.

As noted in the Sale of Investments Properties section, two mortgages were taken back as the result of the sale of an office property in Barrie, Ontario for $8.4 million on December 29, 2022.

Assets Held for Sale
For the period ended September 30, 2023, the Trust has listed for sale four retail properties within the Center Ice Retail Portfolio. The properties have been classified as Assets Held for Sale at their fair value of approximately $5.4 million.

Current Assets
Current assets as at September 30, 2023, June 30, 2023 and September 30, 2022 consisted of the following:

	Sep 30, 2023	Jun 30, 2023	Sep 30, 2022
Accounts Receivable	$ 2,155,856	$ 2,288,853	$ 2,059,373
Prepaid Expenses, Deposits & Other Assets	3,752,615	3,164,820	2,761,549
Cash & Cash Equivalents	5,895,026	4,797,514	5,417,453
Restricted Cash	156,081	180,374	211,375
Mortgages Receivable	6,825,000	6,825,000	700,000
Assets Held for Sale	5,350,393	-	7,584,749
	$ 24,134,971	**$ 17,256,561**	**$ 18,734,498**

Accounts receivable consist mainly of tenant receivables, and Harmonized Sales Tax ("**HST**") and Quebec Sales Tax ("**QST**") recoveries from the Canada Revenue Agency and Revenue Quebec, respectively. Prepaid expenses, deposits and other assets consist mainly of prepaid property taxes, insurance, utility deposits, deferred financing costs related to the Facility, acquisition deposits and the capitalization of free rent provided to tenants as required under IFRS. Restricted Cash represents realty tax escrows requested by the lender on the Guelph Retail Portfolio mortgage. Mortgages Receivable consists of mortgages taken back from the sale of investment properties.

CONTRACTUAL OBLIGATIONS

The Trust's contractual obligations over the next few years are as follows:

	Less than 1 Year	1 - 2 Years	>2 Years	Total
Mortgages (note 7a)	$ 84,222,385	$ 17,470,668	$ 206,161,244	$ 307,854,297
Credit facility (note 6)	28,500,000	-	-	28,500,000
Tenant rental deposits	638,560	329,635	1,726,764	2,694,959
Distribution payable	1,599,979	-	-	1,599,979
Land lease liability (note 7b)	40,737	85,183	54,437	180,357
Accounts payable and accrued liabilities (note 5)	5,957,697	-	-	5,957,697
	$ 120,959,358	$ 17,885,486	$ 207,943,125	$ 346,787,969

DEBT STRATEGY

FCPT's objectives when managing capital are to safeguard its ability to continue as a going concern and to generate sufficient returns to provide unitholders with stable cash distributions. The Trust's capital currently consists of bank indebtedness, mortgages and unitholders' equity.

FCPT's Declaration of Trust permits the Trust to incur or assume indebtedness, provided that after giving effect to incurring or assuming any indebtedness (as defined in the Declaration of Trust), the amount of such indebtedness of the Trust is not more than 75% of the gross book value of FCPT's total assets. Gross Book Value ("GBV") is defined in the Declaration of Trust as "at any time, the book value of the assets of the Trust and its consolidated subsidiaries, as shown on its then most recent consolidated balance sheet, plus the amount of accumulated depreciation and amortization in respect of such assets (and related intangible assets) shown thereon or in the notes thereto plus the amount of future income tax liability arising out of indirect acquisitions and excluding the amount of any receivable reflecting interest rate subsidies on any debt assumed by the Trust shown thereon or in the notes thereto, or if approved by a majority of the Trustees at any time, the appraised value of the assets of the Trust and its consolidated subsidiaries may be used instead of book value." As at September 30, 2023 and September 30, 2022, the ratio of such indebtedness to gross book value was 52.9% and 51.4% respectively, which complies with the requirement in the Declaration of Trust and is consistent with the Trust's objectives.

With respect to the bank indebtedness, the Trust must maintain ratios including minimum Unitholders' equity, maximum debt/GBV, minimum interest service and debt service coverage ratios. The Trust monitors these ratios and was in compliance with these requirements throughout the three and nine months ended September 30, 2023 and September 30, 2022.

In addition to the above key ratios, FCPT's mortgages has various covenants calculated as defined within these agreements. The Trust monitors these covenants and was in compliance as at September 30, 2023 and September 30, 2022.

DEBT STRUCTURE

Mortgages

The following tables show the scheduled principal and interest payments of the FCPT's mortgages outstanding. The weighted average interest rate at the end of June 30, 2023 is 3.7% (3.8% as at December 31, 2022) and weighted average repayment term of approximately 3.7 years (3.0 years as at December 31, 2022).

	Scheduled Principal Repayments	Debt Maturing During The Period	Total Mortgages Payable	Scheduled Interest Payments
2023	1,738,481	2,450,399	4,188,880	2,877,578
2024	5,361,490	92,142,683	97,504,173	9,190,239
2025	4,406,994	13,186,495	17,593,489	7,535,699
2026	3,698,572	41,935,043	45,633,615	7,245,531
2027	2,631,403	17,040,957	19,672,360	5,458,711
Thereafter	8,649,157	114,612,623	123,261,780	15,869,846
Face Value	$ 26,486,097	$ 281,368,200	$ 307,854,297	$ 48,177,604
Unamortized Financing Costs			(19,550)	
Mark to Market on Assumed Mortgages			110,050	
Total Mortgages			**$ 307,944,797**	

	September 30, 2023	December 31, 2022
Current:		
Mortgages	$ 84,222,385	$ 73,012,398
Unamortized Financing Costs	(19,550)	(373,481)
Mark to Market on Assumed Mortgages	110,050	146,822
	$ 84,312,885	$ 72,785,739
Non-Current:		
Mortgages	$ 223,631,912	$ 233,920,272
Mark to Market on Assumed Mortgages	-	75,303
	$ 223,631,912	$ 233,995,575
Total Mortgages	**$ 307,944,797**	**$ 306,781,314**

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.

On February 14, 2022, as part of the $56.3 million multi-residential acquisition located in Point Claire, Quebec for $56.3 million, the Trust financed with a new $39.5 million mortgage with a Canadian Chartered Bank. Terms of the mortgage are at a floating interest rate of BA + 1.75%, interest only and due on May 11, 2023.

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.

On April 12, 2022, the Trust closed on a $11.9 million first mortgage with a Canadian Chartered bank for a multi-tenant industrial portfolio located in Edmonton, Alberta. Terms of the mortgage are a 4.41% fixed rate, five year term, 25 year amortization due on April 12, 2027.

On July 5, 2022, the Trust closed on the refinancing of a first mortgage with a Canadian Chartered Bank on a multi-residential property located in Ottawa, Ontario for $5.0 million dollar. Terms of the mortgage are fixed at 4.75%, 2 year term, 30 year amortization with a maturity date of July 5, 2024.

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.

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 has a 50% interest in the mortgage.

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 portfolio was financed through the assumption of a $1.2 million mortgage (3 year remaining term, 25 year amortization, fixed interest rate of 2.594%) and a new $0.9 million mortgage (7 year term, 30 year amortization, fixed interest rate of 4.15%) .

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 Trust's 70% portion of the loan was $25.1 million.

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.

Revolving Operating Facility

FCPT has entered into a Revolving Operating Facility (the "Facility") with a Canadian Chartered Bank (the "Bank") fully secured by first charges against certain investment properties. On September 30, 2023, the total amount available under the Facility was $19.0 million. Interest on the credit facility is predominantly charged at a rate that varies with bank prime and may have a component with a fixed interest rate established based on a formula linked to bankers' acceptance rates. Amounts drawn under the Facility are due to be repaid at the maturity date on October 31, 2024. Amounts drawn under the Facility at September 30, 2023 was $16.3 million (December 31, 2022 – $2,473,100).

Line of Credit

FCPT has entered into a Line of Credit (the "LOC") with a Canadian Chartered Bank (the "Bank") fully secured by first charges against the Merivale Mall Property. On September 30, 2023, the total amount available under the LOC was $22.0 million. The interest rate is based on a calculated formula using the Bank's prime lending rate or a formula linked to bankers' acceptance rates. Amounts drawn under the LOC are due to be repaid at the maturity date on November 30, 2025. Amounts drawn under the LOC at September 30, 2023 was $12,200,000 (December 31, 2022 – $16,252,967).

Within the Montreal Industrial Portfolio, where the Trust is a 50% co-owner of the joint arrangement, a co-terminus $1 million LOC with a Bank was established with the existing mortgage on the Industrial Portfolio that has a maturity Date of December 2029. The interest rate is based on a calculated formula using the Bank's prime lending rate. No amounts were drawn from this facility as at September 30, 2023 (December 31, 2022 – nil).

Land Lease Liability

On May 9, 2019, as part of the FCR Retail Portfolio the joint arrangement assumed a land lease on a retail property located in Ottawa, Ontario. The terms of the land lease are gross annual payments of $101,040 per annum that mature on April 1, 2027. The land lease liability is calculated in accordance with IFRS 16, using a present value of the remaining lease payments, discounted using the incremental borrowing rate at May 9, 2019 of 6.13% for the term of the lease. The Trust's pro-rata portion of the lease liability at 50% is as follows:

Lease Liability

	Opening Balance	Lease Payment	Imputed Interest Expense	Ending Balance
2023	$ 177,595	$ -	$ 5,533	$ 183,128
2024	183,128	(50,520)	9,220	141,828
2025	141,828	(50,520)	6,638	97,946
2026	97,946	(50,520)	3,896	51,322
2027	51,322	(46,109)	1,126	6,339

	September 30, 2023
Current	$ 40,737
Non-Current	139,620
Total	$ 180,357

UNITHOLDERS' EQUITY

Unitholders' equity as at September 30, 2023 was $289,681,777 (December 31, 2022 – $296,513,896).

The change in Trust Units is as follows:

	Number of Units	Amount
Balance, December 31, 2021	34,011,117	$ 198,065,763
Options Exercised	295,000	1,843,750
Issuance of Units from Distribution Reinvestment Plan	163	1,250
Public Equity Offering	3,243,000	21,456,105
Normal Course Issuer Bid	(147,200)	(918,883)
Balance, September 30, 2022	37,402,080	220,447,985
Issuance of Units from Distribution Reinvestment Plan	217	1,250
Public Equity Offering	-	(32,844)
Normal Course Issuer Bid	(302,200)	(1,705,752)
Balance, December 31, 2022	37,100,097	218,710,639
Issuance of Units from Distribution Reinvestment Plan	234	1,250
Normal Course Issuer Bid	(174,900)	(969,018)
Balance, September 30, 2023	36,925,431	217,742,871

Options Exercised

In fiscal 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.

No options were exercised during the three and nine months ended September 30, 2023.

Public Equity Offering

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).

Unit Purchase Plan (UPP)

Unitholders who elect to receive Trust Units under the DRIP may also enroll in FCPT's Unit Purchase Plan. The UPP gives each Unitholder who is resident in Canada the right to purchase additional units of the Trust monthly. Under the terms of the UPP, FCPT's Unitholders may purchase a minimum of $1,000 of Units on each Monthly Purchase Date and maximum purchases of up to $12,000 per annum. The aggregate number of Units that may be issued may not exceed 2% of the Units of the Trust per annum.

Registered Unitholders may enroll in the DRIP and the UPP by completing a form and submitting to Equity Financial Trust Company at the address set out in the form, or contact the Trust for copies of the forms. Beneficial Unitholders are encouraged to see their broker or other intermediary for enrolment information. The expected level of insider participation by management and trustees of the Trust under the DRIP and the UPP is currently not known. The DRIP and the UPP are subject to certain limitations and restrictions; interested participants are encouraged to review the full text of the DRIP and UPP at www.firmcapital.com.

UNIT BASED LIABILITIES

Option Plan

Under the Trust's unit option plan, the aggregate number of unit options reserved for issuance at any given time shall not exceed 10% of the number of outstanding Trust Units. As at September 30, 2023, the Trust has 3,320,000 Trust Unit options issued and outstanding at a fair market value of $354,221 consisting of the following issuances:

On November 8, 2018, the Trust granted 60,000 Trust Unit options at a weighted average exercise price of $6.35 per Trust Unit. The unit options fully vested on the date of grant and expire on November 8, 2023. The balance as at September 30, 2023 was 60,000 Trust unit options.

On August 14, 2019, the Trust granted 1,400,000 Trust Unit options at a weighted average exercise price of $6.40 per Trust Unit. 1,290,000 unit options fully vested on the date of the grant with the remaining 110,000 vesting at one-third each year for the next three years and expire on August 14, 2024. The balance as at September 30, 2023 was 1,290,000 Trust unit options.

On December 1, 2020, the Trust granted 400,000 Trust Unit options at a weighted average exercise price of $6.75 per Trust Unit. 360,000 unit options fully vested on the date of the grant with the remaining 40,000 vesting at one-third each year for the next three years and expire on December 1, 2025. During the three months ended March 31, 2023, 10,000 options were cancelled. The balance as at September 30, 2023 was 340,000 Trust unit options.

On March 15, 2021, the Trust granted 10,000 Trust Unit options at a weighted average exercise price of $6.75 per Trust Unit. 3,333 unit options fully vest on the date of the grant with the remaining 6,667 vesting over the following 2 years and expire on March 15, 2026. The balance as at September 30, 2023 was 10,000 Trust unit options.

On June 14, 2022, the Trust granted 1,740,000 Trust Unit options at a weighted average exercise price of $7.10 per Trust Unit. 1,360,000 unit options fully vest on the date of the grant with the remaining 380,000 vesting over 3 years and expire on June 14, 2027. During the six months ended June 30, 2023, 60,000 options were cancelled. The balance as at September 30, 2023 was 1,620,000.

Unit-based compensation related to the aforementioned unit options was a recovery of $40,416 for the three months ended September 30, 2023 and a recovery of $481,137 for the nine months ended September 30, 2023 (three months ended September 30, 2022 recovery of $866,816 and a recovery $1,668,777 for the nine months ended September 30, 2022). Unit-based compensation was determined using the Black-Scholes option pricing model and based on the following assumptions:

	As at September 30, 2023	As at December 31, 2022
Expected Option Life (Years)	2.8	3.1
Risk Free Interest Rate	4.43%	3.70%
Distribution Yield	9.90%	9.14%
Expected Volatility	21.58%	21.83%

Expected volatility is based in part on the historical volatility of the Trust Units consistent with the expected life of the option. The risk free interest rate of return is the yield on zero-coupon Government of Canada bonds of a term consistent with the expected option life.

The estimated fair value of an option under the Trust's unit option plan at the date of grants were $0.40, $0.36, $0.34, $0.16 and $0.43 per unit option for March 26, 2018, November 8, 2018, August 14, 2019, December 1, 2020 and June 14, 2022 issuances, respectively.

Deferred Trust Units

On August 1, 2018, the Trust adopted a Deferred Trust Unit ("DTU") plan. Under the terms of the plan, any units issued must be issued at a unit price which is at the volume weighted average trading price of the units on the TSX for the five days trading immediately preceding the date on which DTUs are granted. Distributions equivalents are awarded in respect of the DTU holders on the same basis as unitholders and credited to the DTU holders account as additional DTUs. As at September 30, 2023, the outstanding liability was $241,336 (December 31, 2022 – $74,971).

RELATED PARTY TRANSACTIONS

Transactions with related parties are in the normal course of business and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties, and are measured at fair value.

Asset Management Agreement

FCPT has entered into an Asset Management Agreement with FCRPI and Firm Capital Property Limited Partnership has entered into a Performance Incentive agreement, entities indirectly related to certain trustees and management of FCPT. The term of the contract is initially ten years and automatically renews for successive five year periods. Details of the Asset Management Agreement are posted on SEDAR (www.SEDAR.com) and in the notes to the financial statements.

For the nine months ended September 30, 2023 and September 30, 2022, Asset Management Fees were $2,543,842 and $2,679,615; Acquisition Fees were $21,977 and $572,238; Placement fees were $327,467 and $274,688; and Performance Incentive Fees were $151,815 and $250,706, respectively.

Asset Management and Performance Incentive Fees are recorded in General and Administrative expenses while Acquisition and Placement Fees are capitalized to Investment Properties, Mortgages and Unitholders' Equity on the consolidated balance sheet.

Unrealized Performance Incentive Fees, pursuant to the Asset Management Agreement with the Asset Manager, are a contingent liability of the Trust in the event of contract termination or asset disposition and represent approximately $12.0 million as being contingently payable to the Asset Manager. The respective Net Asset Value of the assets of the Trust has been reduced accordingly due to the treatment of the contingent liability.

Property Management Agreement

FCPT has entered into a Property Management Agreement with FCPMC, an entity indirectly related to certain trustees and management of FCPT. The term of the contract is initially ten years and automatically renews for successive five year periods. Details of the Property Management Agreement are posted on SEDAR (www.SEDAR.com) and in the notes to the financial statements.

For the nine months ended September 30, 2023 and September 30, 2022, Property Management Fees were $983,119 and $925,565 and Commercial Leasing Fees were $67,315 and $101,051, respectively.

For the nine months ended September 30, 2023, Property Management Fees were higher than the amount reported for the nine months ended September 30, 2022 largely due to the various acquisitions as discussed above.

Property Management Fees are charged monthly. Commercial leasing and renewal fees are charged on a per lease basis.

PART VII

RESPONSIBILITY OF MANAGEMENT AND THE BOARD OF TRUSTEES

Management is responsible for the information disclosed in this MD&A, and has in place the appropriate information systems, procedures and controls to ensure that the information used internally by management and disclosed externally is materially complete and reliable. In addition, FCPT's Audit Committee and Board of Trustees provide an oversight role with respect to all public financial disclosures by FCPT, and have reviewed and approved this MD&A and the condensed consolidated interim financial statements as at September 30, 2023 and September 30, 2022.

Controls And Procedures
FCPT maintains appropriate information systems, procedures and controls to ensure that information disclosed externally is complete, reliable, and timely. The Trust's Chief Executive Officer and Chief Financial Officer evaluated, or caused an evaluation under their direct supervision of, the design and operating effectiveness of FCPT's disclosure controls and procedures (as defined in

National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings as at September 30, 2023 and have concluded that such disclosure controls and procedures were appropriately designed and were operating effectively.

FCPT has also established adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of FCPT's financial reporting and the preparation of the financial statements for external purposes in accordance with IFRS. The Trust's Chief Executive Officer and the Chief Financial Officer assessed, or caused an assessment under their direct supervision, of the design and operating effectiveness of FCPT's internal controls over financial reporting (as defined in National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings) as at September 30, 2023. Based on that assessment, it was determined that FCPT's internal controls over financial reporting were appropriately designed and were operating effectively. In addition, the Trust did not make any changes to the design of FCPT's internal controls over financial reporting during the three and nine months ended September 30, 2023 that would have materially affected or would be reasonably likely to materially affect FCPT's internal controls over financial reporting.

It should be noted that a control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, including instances of fraud, if any, have been detected. These inherent limitations include, among other items: (i) that management's assumptions and judgments could ultimately prove to be incorrect under varying conditions and circumstances; (ii) the impact of any undetected errors; and (iii) controls may be circumvented by the unauthorized acts of individuals, by collusion of two or more people, or by management override. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies applied by the Trust are described in note 2 of FCPT's consolidated financial statements for the year ended December 31, 2022 and accordingly should be read in conjunction with them.

Estimates

The critical accounting estimates have been set out in FCPT's consolidated financial statements for the year ended December 31, 2022 and accordingly should be read in conjunction with them.

Critical Judgement

Critical judgments have been set out in the consolidated financial statements for the year ended December 31, 2022 and accordingly should be read in conjunction with them.

RISKS AND UNCERTAINTIES

FCPT is faced with the following ongoing risk factors, among others, that would affect Unitholders' equity and FCPT's ability to generate returns. All real property investments are subject to elements of risk. General economic conditions, local real estate markets, supply and demand for leased premises, competition from other available premises and various other factors affect such investments. The Trust's properties are located across Canada. As a result, our properties are impacted by factors specifically affecting their respective real estate markets. These factors may differ from those affecting the real estate markets in other regions of Canada.

LIQUIDITY & GENERAL MARKET CONDITIONS
FCPT faces the risk associated with general market conditions and their potential consequent effects. Current general market conditions may include, among other things, the insolvency of market participants, tightening lending standards and decreased availability of cash, and changes in unemployment levels, retail sales levels, and real estate values along with access to capital. These market conditions may affect occupancy levels and FCPT's ability to obtain credit on favorable terms or to conduct financings through the public market.

REAL PROPERTY OWNERSHIP AND TENANT RISKS
Real property investments are relatively illiquid. This illiquidity will tend to limit the ability of the Trust to respond to changing economic or investment conditions. If the Trust were to be required to liquidate assets quickly, there is a risk the proceeds realized from such sale would be less than the book value of the assets or less than what could be expected to be realized under normal circumstances. By specializing in certain types of real estate, the Trust is exposed to adverse effects on that segment of the real estate market and does not benefit from a broader diversification of its portfolio by property class.

All real property investments are subject to elements of risk. The value of real property and any improvements thereto depend on the credit and financial stability of tenants and upon the vacancy rates of the properties. The properties generate revenue through rental payments made by the tenants thereof. The ability to rent unleased space in properties will be affected by many factors, including changes in general economic conditions (such as the availability and cost of mortgage funds), local conditions (such as an oversupply of space or a reduction in demand for real estate in the area), government regulations, changing demographics, competition from other available properties, and various other factors. Cash available for distribution will be adversely affected if a significant number of tenants are unable to meet their obligations under their leases or if a significant amount of available space in the properties becomes vacant and cannot be leased on economically favorable lease terms. If properties do not generate revenues sufficient to meet operating expenses, including debt service and capital expenditures, this could have a material adverse effect on FCPT's business, cash flows, financial condition and results of operations and ability to make distributions to holders of Trust Units.

Historical occupancy rates and revenues are not necessarily an accurate prediction of the future occupancy rates for FCPT's properties or revenues to be derived therefrom. Reported estimates of market rent can be seasonal and the significance of any variations from quarter to quarter would materially affect FCPT's annualized estimated gain-to-lease amount. There can be no assurance that upon the expiry or termination of existing leases, the average occupancy rates and revenues will be higher than historical occupancy rates and revenues and it may take a significant amount of time for market rents to be recognized by the Trust due to internal and external limitations on its ability to charge these new market-based rents in the short term.

COMPETITION

Many of the sectors in which the Trust operates are highly competitive. The Trust faces competition from many sources, including from other buildings in the immediate vicinity of the properties and the broader geographic areas where FCPT's properties are and will be located. In addition, overbuilding in the geographic areas where FCPT's properties are located may increase the supply of competing properties and may reduce occupancy rates and rental revenues of the Trust and could have a material adverse effect on FCPT's business, cash flows, financial condition and results of operations and ability to make distributions to holders of Trust Units.

FCPT's ability to make real estate investments in accordance with FCPT's objectives and investment policies depends upon the availability of suitable investments and the general economy and marketplace. Increased competition for acquisitions in the geographies in which the Trust operates from other acquirers of real estate may impact the availability of suitable investments and achievable investment yields for FCPT.

CHANGES IN APPLICABLE LAWS

FCPT's operations will have to comply with numerous federal, provincial and local laws and regulations, some of which may conflict with one another or be subject to limited judicial or regulatory interpretations. These laws and regulations may include zoning laws, building codes, landlord tenant laws and other laws generally applicable to business operations. Non-compliance with laws could expose the Trust to liability.

Lower revenue growth or significant unanticipated expenditures may result from FCPT's need to comply with changes in applicable laws, including (i) laws imposing environmental remedial requirements and the potential liability for environmental conditions existing on properties or the restrictions on discharges or other conditions, (ii) rent control or rent stabilization laws or other landlord/tenant laws, or (iii) other governmental rules and regulations or enforcement policies affecting the development, use and operation of FCPT's properties, including changes to building codes and fire and life-safety codes.

UNEXPECTED COSTS OR LIABILITIES RELATED TO ACQUISITIONS

Risks associated with real property acquisitions are that there may be an undisclosed or unknown liability concerning the acquired properties, and the Trust may not be indemnified for some or all of these liabilities. Following an acquisition, the Trust may discover that it has acquired undisclosed liabilities, which may be material. The Trust conducts what it believes to be an appropriate level of investigation in connection with its acquisition of properties and seeks through contract to ensure that risks lie with the appropriate party.

ACCESS TO CAPITAL

The real estate industry is highly capital intensive. The Trust will require access to capital to maintain its properties, as well as to fund its growth strategy and significant capital expenditures from time to time. There can be no assurance that the Trust will have access to sufficient capital or access to capital on terms favorable to the Trust for future property acquisitions, financing or refinancing of properties, funding operating expenses or other purposes. Further, in certain circumstances, the Trust may not be able to borrow funds due to the limitations set forth in the Declaration of Trust.

In addition, global financial markets have experienced a sharp increase in volatility during recent years. This has been, in part, the result of the re-valuation of assets on the balance sheets of international financial institutions and related securities. This has contributed to a reduction in liquidity among financial institutions and has reduced the availability of credit to those institutions and to the issuers who borrow from them. While central banks as well as governments continue attempts to restore liquidity to the global economy, no assurance can be given that the combined impact of the significant re-valuations and constraints on the availability of credit will not continue to materially and adversely affect economies around the world in the near to medium term. These market conditions and unexpected volatility or illiquidity in financial markets may inhibit FCPT's access to long-term financing in the Canadian capital markets. As a result, it is possible that financing which the Trust may require in order to grow and expand its operations, upon the expiry of the term of financing, on refinancing any particular property owned by the Trust or otherwise, may not be available or, if it is available, may not be available on favorable terms to FCPT. Failure by the Trust to access required capital could have a material adverse effect on FCPT's business, cash flows, financial condition and results of operations and ability to make distributions to holders of Trust Units.

INTEREST RATE & DEBT FINANCING RISK
FCPT will be subject to the risks associated with debt financing. There can be no assurance that the Trust will be able to refinance its existing indebtedness on terms that are as or more favorable to the Trust as the terms of existing indebtedness. The inability to replace financing of debt on maturity would have an adverse impact on the financial condition and results of FCPT.

ENVIRONMENTAL RISK
Environmental and ecological related policies have become increasingly important in recent periods. Under various federal, provincial and municipal laws, an owner or operator of real property could become liable for the cost of removal or remediation of certain hazardous or toxic substances released on or in its properties or disposed of at other locations. The existence of such a liability can have a negative impact on the value of the underlying real property.

It is our policy to obtain a Phase I environmental audit conducted by a qualified environmental consultant prior to acquiring any additional property, who has the appropriate insurance coverage. In addition, where appropriate, tenant leases generally specify that the tenant will conduct its business in accordance with environmental regulations and be responsible for any liabilities arising out of infractions to such regulations.

LEGAL RISK
In the normal course of FCPT's operations, whether directly or indirectly, it may become involved in, named as a party to or the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions relating to personal injuries, property damage, property taxes, land rights, the environment and contract disputes. The outcome with respect to outstanding, pending or future proceedings cannot be predicted with certainty and may be determined in a manner adverse to the Trust and as a result, could have a material adverse effect on FCPT's assets, liabilities, business, financial condition and results of operations. Even if the Trust prevails in any such legal proceeding, the proceedings could be costly and time-consuming and may divert the attention of management and key personnel from FCPT's business operations, which could have a material adverse effect on FCPT's business, cash flows, financial condition and results of operations and ability to make distributions to holders of Trust Units.

LEASE ROLLOVER RISK
The value of investment properties and the stability of cash flows derived from those properties are dependent upon the level of occupancy and lease rates in those properties. Upon expiry of any lease, there is no assurance that a lease will be renewed on favorable terms, or at all; nor is there any assurance that a tenant can be replaced. A contraction in the Canadian economy would negatively impact demand for space in our properties, consequently increasing the risk that leases expiring in the near term will not be renewed.

INCOME TAX RISK
On December 22, 2007, the SIFT Rules were enacted. Under the SIFT Rules, certain distributions from a SIFT will no longer be deductible in computing a SIFT's taxable income, and a SIFT will be subject to tax on such distributions at a rate that is substantially equivalent to the general tax rate applicable to a Canadian corporation. However, distributions paid by a SIFT as returns of capital should generally not be subject to the tax.

The SIFT Rules do not apply to a "real estate investment trust" that meets prescribed conditions relating to the nature of its assets and revenue (the "REIT Conditions"). The Trust has reviewed the REIT Conditions and has assessed their interpretation and application to FCPT's assets and liabilities. The Trust believes that it has met the REIT Conditions throughout the relevant periods ended. There can be no assurances, however, that the Trust will continue to be able to satisfy the REIT Conditions in the future such that the Trust will not be subject to the tax imposed by the SIFT Rules.

FIXED COSTS AND INCREASED EXPENSES

The failure to maintain stable or increasing average monthly rental rates combined with acceptable occupancy levels would likely have a material adverse effect on FCPT's business, cash flows, financial condition and results of operations and ability to make distributions to holders of Trust Units. Certain significant expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges, must be made throughout the period of ownership of real property regardless of whether a property is producing any income. If the Trust is unable to meet mortgage payments on any property, losses could be sustained as a result of the mortgagee's exercise of its rights of foreclosure or sale.

FCPT is also subject to utility and property tax risk relating to increased costs that the Trust may experience as a result of higher resource prices as well as its exposure to significant increases in property taxes. There is a risk that property taxes may be raised as a result of re-valuations of properties and their adherent tax rates. In some instances, enhancements to properties may result in significant increases in property assessments following a re-valuation. Additionally, utility expenses, mainly consisting of natural gas and electricity service charges, have been subject to considerable price fluctuations over the past several years. Any significant increase in these resource costs that the Trust cannot charge back to the tenant may have a material adverse effect on FCPT's business, cash flows, financial condition and results of operations and ability to make distributions to holders of Trust Units.

The timing and amount of capital expenditures by the Trust will affect the amount of cash available for distributions to holders of Trust Units. Distributions may be reduced, or even eliminated, at times when the Trust deems it necessary to make significant capital or other expenditures.

UNITHOLDER RISK

There is a risk that FCPT's Unitholders could become subject to liability. The Declaration of Trust provides that no Unitholder or annuitant under a plan of which a Unitholder acts as Trustee or carrier shall be held to have any personal liability as such, and no resort shall be had to, nor shall recourse or satisfaction be sought from, the private property of any Unitholder or annuitant for any liability whatsoever, in tort, contract or otherwise, to any person in connection with the Trust property or the affairs of the Trust, including, without limitation, for satisfaction of any obligation or claim arising out of or in connection with any contract or obligation of the Trust or of the Trustees or any obligation which a Unitholder or annuitant would otherwise have to indemnify a Trustee for any personal liability incurred by the Trustee as such, but rather the assets of the Trust only are intended to be liable and subject to levy or execution for satisfaction of such liability. Each Unitholder and annuitant under a plan of which a Unitholder acts as Trustee or carrier shall be entitled to be reimbursed out of the assets of the Trust in respect of any payment of a Trust obligation made by such Unitholder or annuitant. The Declaration of Trust further provides that, whenever possible, any written instrument creating an obligation which is or includes the granting by the Trust of a mortgage, and to the extent management of the Trust determines to be practicable, any written instrument which is, in the judgment of management of the Trust, a material obligation, shall contain a provision or be subject to an acknowledgement to the effect that the obligation being created is not personally binding upon, and that resort shall not be had to, nor shall recourse or satisfaction be sought from, the private property of any of the Trustees, Unitholders, annuitants under a plan of which a Unitholder acts as a Trustee or carrier, or Officers, employees or agents of the Trust, but that only property of the Trust or a specific portion thereof shall be bound; the Trust, however, is not required, but shall use all reasonable efforts, to comply with this requirement in respect of obligations assumed by the Trust upon the acquisition of real property.

Certain provinces have legislation relating to Unitholder liability protection, including British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Québec. To FCPT's knowledge, certain of these statutes have not yet been judicially considered and it is possible that reliance on such statute by a Unitholder could be successfully challenged on jurisdictional or other grounds.

DEPENDENCE ON FCRPI AND FCPMC

The Trust's earnings and operations are impacted by FCRPI's ability to source appropriate real estate investments that provide sufficient yields for investors and FCPMC to maintain these real estate investments. the Trust has also entered into long-term contracts with FCRPI and FCPMC, as more particularly described in the “Asset Management Agreement” and “Property Management Agreement” both dated November 20, 2012 and updated on August 12, 2021 as posted on SEDAR (www.SEDAR.com). The “Asset Management Agreement” has been subsequently updated on January 1, 2022. The Trust is exposed to adverse developments in the business and affairs of FCRPI and FCPMC, since the day-to-day activities of the Trust are run by FCRPI and FCPMC and since all of the Trust’s real estate investments are originated by FCRPI.

RETURN RISK
There is no guarantee as to the return an investment in Trust Units of the Trust will generate.

POTENTIAL CONFLICTS OF INTEREST
FCPT is subject to various potential conflicts of interest because the Asset Manager and Property Manager are entities indirectly related to certain trustees and management of the Trust. Further, the Trustees and Officers may co-invest in property acquisitions and investments alongside the Trust. In addition, the Trustees and Officers of the Trust may from time to time deal with parties with whom the Trust may be dealing with, or may be seeking investments similar to those desired by the Trust. Certain Trustees and Officers of the Trust are also employed by entities directly and/or indirectly related to the Asset Manager and Property Manager and are involved in varying real estate related activities including, but not limited to acquisitions, divestitures and management of real estate and real estate related debt and equity.

The Declaration of Trust does not restrict Trustees or Officers of the Trust, the Asset Manager, the Property Manager and/or its affiliates from being engaged (directly or indirectly) in real estate and business transactions in which their individual interests are actually, or are perceived to be, in conflict with the interests of the Trust. Accordingly, there can be no guarantee that the Trustees and Officers of the Trust, when acting in a capacity other than a Trustee or Officer of the Trust will act in the best interests of the Trust.

RELIANCE ON KEY PERSONNEL AND TRUSTEES
In assessing the risk of an investment in the Trust Units, potential investors should be aware that they will be relying on the good faith, experience and judgment of the Trustees. Although investments made by the Trust are carefully chosen by the Trustees, there can be no assurance that such investments will earn a positive return in the short or long-term or that losses may not be suffered by the Trust from such investments.

DILUTION
The number of Trust Units the Trust is authorized to issue is unlimited. The Trustees have the discretion to issue additional Trust Units in other circumstances, including under the Unit Option Plan. Any issuance of Trust Units may have a dilutive effect to existing Unitholders.

OPERATIONAL RISKS
Operational risk is the risk that a direct or indirect loss may result from an inadequate or failed technology, from a human process or from external events. The impact of this loss may be financial loss, loss of reputation or legal and regulatory proceedings. Management endeavors to minimize losses in this area by ensuring that effective infrastructure and controls exist. These controls are reviewed and if deemed necessary improvements are implemented.

RISK RELATED TO INSURANCE RENEWALS
Certain events could make it more difficult and expensive to obtain property and casualty insurance, including coverage for catastrophic risks. When the Trust’s current and future insurance policies expire, the Trust may encounter difficulty in obtaining or renewing property or casualty insurance on its properties at the same levels of coverage and under similar terms. Such insurance may be more limited and, for catastrophic risks (e.g., earthquake, hurricane, flood and terrorism), may not be generally available to fully cover potential losses. Even if the Trust is able to renew its policies at levels and with limitations consistent with its current policies, the Trust cannot be sure that it will be able to obtain such insurance at premiums that are reasonable. If the Trust is unable to obtain adequate insurance on its properties for certain risks, it could cause the Trust to be in default under specific covenants on certain of its indebtedness or other contractual commitments that it has which require the Trust to maintain adequate insurance on its properties to protect against the risk of loss. If this were to occur, or if the Trust were unable to obtain adequate insurance, and its properties experienced

damages that would otherwise have been covered by insurance, it could have a material adverse effect on the Trust's business, cash flows, financial condition and results of operations and ability to make distributions to holders of Trust Units.

CO-OWNERSHIP INTEREST IN PROPERTIES

In certain situations, the Trust may be adversely affected by a default by a co-owner of a property under the terms of a mortgage, lease or other agreement. Although all co-owners' agreements entered into by Trust provide for remedies to Trust in such circumstances, such remedies may not be exercisable in all circumstances, or may be insufficient or delayed, and may not cure a default in the event that such default by a co-owner is deemed to be a default of Trust.

FIRM CAPITAL PROPERTY TRUST

CAPITAL PRESERVATION • DISCIPLINED INVESTING

CONSOLIDATED FINANCIAL STATEMENTS

THIRD QUARTER 2023
SEPTEMBER 30, 2023

The accompanying unaudited condensed consolidated interim financial statements of Firm Capital Property Trust for the three and nine months ended September 30, 2023, have been prepared by and are the responsibility of management. These unaudited condensed consolidated interim financial statements, together with the accompanying notes, have been reviewed and approved by members of Firm Capital Property Trust's audit committee. In accordance with National Instrument 51-102, Firm Capital Property Trust discloses that these unaudited condensed consolidated interim financial statements have not been reviewed by Firm Capital Property Trust's auditors.

FIRM CAPITAL PROPERTY TRUST

Condensed Consolidated Interim Balance Sheets
(Unaudited)

	Notes	September 30, 2023	December 31, 2022
Assets			
Non-current Assets:			
Investment Properties	4	$ 610,849,595	$ 616,305,710
Mortgages Receivable	4	1,575,000	1,575,000
Total Non-Current Assets		612,424,595	617,880,710
Current Assets:			
Cash and Cash Equivalents		5,895,026	4,985,624
Accounts Receivable		2,155,856	1,179,618
Prepaid Expenses, Deposits and Other Assets		3,752,615	2,126,471
Restricted Cash		156,081	201,041
Mortgages Receivable	4	6,825,000	7,525,000
Assets Held For Sale	4	5,350,393	-
Total Current Assets		24,134,971	16,017,754
Total Assets		$ 636,559,566	$ 633,898,464
Liabilities and Unitholders' Equity			
Current Liabilities:			
Mortgages	7(a)	84,312,885	72,785,739
Credit facility	6	28,500,000	18,726,067
Accounts Payable and Accrued Liabilities	5	5,957,697	7,497,013
Land Lease Liability	7(b)	40,737	38,870
Distribution Payable		1,599,979	1,607,547
Tenant Rental Deposits		638,560	538,900
Total Current Liabilities		121,049,858	101,194,136
Non-current Liabilities:			
Mortgages	7(a)	223,631,912	233,995,575
Land Lease Liability	7(b)	139,620	183,128
Tenant Rental Deposits		2,056,399	2,011,729
Total Non-current Liabilities		225,827,931	236,190,432
Total Liabilities		346,877,789	337,384,568
Unitholders' Equity	8	289,681,777	296,513,896
Total Liabilities and Unitholders' Equity		$ 636,559,566	$ 633,898,464
Commitments and Contingencies	15		
Subsequent Events	20		

See accompanying Notes to the Condensed Consolidated Interim Financial Statements.

Approved by the Board of Trustees

(signed) "*Robert McKee*"
Robert McKee
CEO & Trustee

(signed) "*Sandy Poklar*"
Sandy Poklar
CFO & Trustee

FIRM CAPITAL PROPERTY TRUST

Condensed Consolidated Interim Statements of Income and Comprehensive Income

For the Three and Nine Months Ended September 30, 2023 and September 30, 2022
(Unaudited)

	Notes	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Net Operating Income					
Rental Revenue	9	$ 14,660,059	$ 13,278,554	$ 42,963,642	$ 39,773,730
Property Operating Expenses	11	(5,686,662)	(4,292,885)	(15,687,365)	(13,481,841)
		$ 8,973,397	8,985,669	27,276,277	26,291,889
Interest and Other Income		101,543	21,649	364,706	54,692
Expenses:					
Finance Costs	10	3,380,054	3,383,148	11,101,468	9,089,033
General and Administrative	11	1,187,719	1,263,736	3,646,150	3,988,967
		4,567,773	4,646,884	14,747,618	13,078,000
Income Before Fair Value Adjustments		$ 4,507,167	4,360,434	12,893,365	13,268,581
Fair Value Adjustments - (Loss)/Gain:					
Investment Properties	4	(6,967,331)	(94,260)	(4,816,035)	(24,785,276)
Unit-based Compensation	8(c)	49,983	866,816	480,773	1,668,777
Net Income and Comprehensive Income		$ (2,410,181)	$ 5,132,990	$ 8,558,103	$ (9,847,918)

See accompanying Notes to the Condensed Consolidated Interim Financial Statements.

FIRM CAPITAL PROPERTY TRUST

Condensed Consolidated Interim Statements of Changes in Unitholders' Equity
For the Three and Nine Months Ended September 30, 2023 and September 30, 2022

	Notes	Trust Units (Note 8)	Retained Earnings	Unitholders' Equity
Unitholders' Equity, December 31, 2021		$ 198,065,763	$ 97,849,563	$ 295,915,326
Issuance of Units, Net of Issuance Costs	8(f)	21,456,105	-	21,456,105
Normal Course Issuer Bid	8(h)	(918,883)	-	(918,883)
Options Exercised	8(g)	1,843,750	-	1,843,750
Issuance of Units from Distribution Reinvestment Plan	8(d)	1,250	-	1,250
Net Loss and Comprehensive Loss		-	(9,847,918)	(9,847,918)
Distributions	8(e)	-	(14,020,775)	(14,020,775)
Unitholders' Equity, September 30, 2022		$ 220,447,985	$ 73,980,870	$ 294,428,855
Issuance Costs	8(f)	(32,844)	-	(32,844)
Normal Course Issuer Bid	8(h)	(1,705,752)	-	(1,705,752)
Issuance of Units from Distribution Reinvestment Plan	8(d)	1,250	-	1,250
Net Income and Comprehensive Income		-	8,663,638	8,663,638
Distributions	8(e)	-	(4,841,251)	(4,841,251)
Unitholders' Equity, December 31, 2022		$ 218,710,639	$ 77,803,257	$ 296,513,896
Normal Course Issuer Bid	8(h)	(969,018)	-	(969,018)
Issuance of Units from Distribution Reinvestment Plan	8(d)	1,250	-	1,250
Net Income and Comprehensive Income		-	8,558,103	8,558,103
Distributions	8(e)	-	(14,422,454)	(14,422,454)
Unitholders' Equity, September 30, 2023		$ 217,742,871	$ 71,938,906	$ 289,681,777
Trust Units Outstanding	8(a)			36,925,431

See accompanying Notes to the Condensed Consolidated Interim Financial Statements.

FIRM CAPITAL PROPERTY TRUST

Condensed Consolidated Interim Statements of Cash Flows

For the Three and Nine Months Ended September 30, 2023 and September 30, 2022
(Unaudited)

		Three Months Ended		Nine Months Ended	
	Notes	**September 30, 2023**	**September 30, 2022**	**September 30, 2023**	**September 30, 2022**
Cash Flows from Operating Activities					
Net Income		$ (2,410,181)	$ 5,132,990	$ 8,558,103	$ (9,847,918)
Fair Value Adjustments:					
Investment Properties	4	6,967,331	94,260	4,816,035	24,785,276
Unit-Based Compensation	8(c)	(49,983)	(866,816)	(480,773)	(1,668,777)
Finance Costs, Net of Interest and Other Income	10	2,271,887	3,155,405	9,096,337	8,421,735
Finance Fee Amortization	10	181,658	243,453	630,374	725,509
Non-cash Interest Expense	10	(37,359)	(37,359)	(112,076)	(112,903)
Land Lease Amortization	7(b)	2,719	3,327	(41,641)	(40,042)
Straight-line and Free Rent Adjustment	4, 9	(40,478)	(48,807)	(138,350)	(380,919)
Change in Non-Cash Operating Working Capital:					
Accounts Receivable		132,997	166,919	(976,238)	937,837
Prepaid Expenses, Deposits and Other Assets		955,591	517,277	107,565	728,809
Restricted Cash		24,293	319,887	44,960	(8,827)
Accounts Payable and Accrued Liabilities	5	391,650	(328,693)	(808,293)	(2,236,327)
Tenant Rental Deposits		4,180	29,046	135,043	246,536
		8,394,305	8,380,889	$ 20,831,046	$ 21,549,989
Cash Flows from (used in) Financing Activities					
Issuance of Units, Net of Issuance Costs	8(f)	1,250	(32,893)	1,250	23,301,105
Normal Course Issuer Bid	8(h)	-	(918,883)	(969,018)	(918,883)
Mortgages, Repayments	7(a)	(2,991,609)	(11,353,941)	(6,224,497)	(14,927,805)
Mortgages, Issuances	7(a)	-	12,500,000	6,869,682	80,712,500
Credit facility	6	5,000,015	372,654	9,773,933	(6,472,260)
Finance Costs Paid		(1,576,069)	597,209	(1,812,174)	(358,684)
Cash Interest Paid, Net of Other Income		(2,282,160)	(3,201,173)	(9,346,587)	(8,532,127)
Cash Distributions Paid	8(e)	(4,799,918)	(4,881,144)	(14,430,022)	(13,845,615)
		(6,648,491)	(6,918,171)	$ (16,137,433)	$ 58,958,231
Cash Flows from (used in) Investing Activities					
Net Proceeds From Sale of Investment Properties	4	-	-	-	410,746
Mortgages Receivable	4	-		700,000	-
Acquisitions and Capital Expenditures	3,4	(648,302)	(1,635,332)	(4,484,211)	(81,397,474)
		(648,302)	(1,635,332)	$ (3,784,211)	$ (80,986,728)
Increase (Decrease) in Cash and Cash Equivalents		1,097,512	(172,614)	909,402	(478,508)
Cash and Cash Equivalents, Beginning of Period		4,797,514	5,590,067	4,985,624	5,895,961
Cash and Cash Equivalents, End of Period		$ 5,895,026	$ 5,417,453	$ 5,895,026	$ 5,417,453

See accompanying Notes to the Condensed Consolidated Interim Financial Statements.

1. The Trust

Firm Capital Property Trust (the ‘‘Trust’’) is an unincorporated open-ended real estate investment trust established on August 30, 2012 under the laws of the Province of Ontario pursuant to an amended and restated Declaration of Trust dated November 20, 2012. The Trust is a “mutual fund trust” as defined in the Income Tax Act (Canada), but is not a “mutual fund” within the meaning of applicable Canadian securities legislation. The head office and registered office of the Trust is located at 163 Cartwright Avenue, Toronto, Ontario M6A 1V5. These condensed consolidated interim financial statements were approved by the Board of Trustees on November 9, 2023.

The Trust owns 100% of the outstanding Class A Limited Partnership Units of Firm Capital Property Limited Partnership (“FCPLP”), a limited partnership created under the laws of the Province of Ontario. FCPLP ultimately owns the investment properties through various subsidiaries. The Trust is the reporting issuer trading on the TSX under the ticker symbol FCD.UN.

2. Summary of Significant Accounting Policies

(a) Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 – Interim Financial Reporting as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain information and note disclosures normally included in the consolidated annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) have been omitted or condensed and accordingly, these condensed consolidated interim financial statements should be read in conjunction with the annual financial statements of the Trust as at and for the year ended December 31, 2022. These condensed consolidated interim financial statements have been prepared using the same accounting policies and methods as those used in the audited consolidated annual financial statements for the year ended December 31, 2022, except as outlined below.

(b) Basis of Consolidation

The condensed consolidated interim financial statements comprise the financial statements of the Trust and its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting periods as the Trust, using consistent accounting policies. All intercompany balances, transactions and unrealized gains and losses arising from intercompany transactions are eliminated on consolidation.

(c) Basis of Presentation, Measurement and Significant Accounting Policies

The condensed consolidated interim financial statements are prepared on a going concern basis and have been presented in Canadian dollars, which is the Trust’s functional currency. The condensed consolidated interim financial statements are prepared on the historical cost basis with the exception of investment properties, cash and cash equivalents and the liabilities related to unit-based compensation expense, which are measured at fair value. The accounting policies set out below have been applied consistently to all periods as presented in the audited consolidated financial statements for the year ended December 31, 2022.

(d) Co-Ownership Arrangement

The Trust currently is a co-owner in seventeen joint arrangements. These arrangements are classified as joint operations because the parties involved have joint control of the assets and joint responsibility of the liabilities relating to the arrangement. As a result, the Trust includes its pro rata share of its assets, liabilities, revenues, expenses and cash flows in these consolidated financial statements. Management believes the assets of these joint arrangements are sufficient for the purpose of satisfying the associated obligations. The co-ownership interests as at September 30, 2023 are as outlined below:

Investment Properties	Joint Arrangement Interest
Centre Ice Retail Portfolio (1)	70%
Waterloo Industrial Portfolio (1)	70%
Edmonton Apartment Complex (1)	70%
Lower Sackville Apartment Complex (1)	70%
Montreal Industrial Portfolio (1)	50%
Edmonton Industrial Portfolio (1)	50%
Ottawa Apartment Complex (1)	50%
Crombie Retail Portfolio	50%
FCR Retail Portfolio	50%
Gateway Retail Property (1)	50%
Mountview Manufactured Home Communities (1)	50%
Hidden Creek Manufactured Home Communities (1)	50%
Parkhill Manufactured Home Communities(1)	50%
Skyview Manufactured Home Communities(1)	50%
The Whitby Mall (1)	40%
Thickson Place (1)	40%
Eglinton Ave West Commercial (1)	40%

(1) Pursuant to the Declaration of Trust, the asset manager (see note 12(a)) is only obligated to request the Trust to participate in up to 50% of a property acquisition. The above list the Trust's ownership interest in the respective properties. Entities that are related to and associated with the asset manager and Property Manager and Members of the Board of Trustees are invested along-side the Trust in those properties on the same terms as those applicable to the Trust.

Certain Trustees and Officers of the Trust directly and/or indirectly have interests in certain of these Joint Arrangements.

(e) Estimates
The preparation of condensed consolidated interim financial statements requires management to make estimates that affect the reported amounts of certain assets and liabilities, the disclosure of contingent assets and liabilities at the date of the condensed consolidated interim financial statements, and certain reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The critical accounting estimates have been set out in the Trust's audited consolidated financial statements for the year ended December 31, 2022.

(f) Critical Judgments
Critical judgments have been set out in the Trust's audited consolidated financial statements for the year ended December 31, 2022. The Trust has not identified critical judgements that are new to the interim period.

3. Acquisition of Investment Properties

On February 14, 2022, the Trust closed the acquisition of a 100% interest in a multi-residential building in Pointe Claire, Quebec for $56,747,737 (including transaction costs). In addition, accounts receivable of $3,250 were assumed as part of the transaction. The transaction was financed with a new $39,500,000 mortgage with a Canadian Chartered Bank. Terms of the mortgage are at a floating rate of BA + 1.75%, interest only and due February 14, 2023. Subsequent to year end, the above mortgage was refinanced at a 3.69% fixed interest rate, 40 year amortization and 10-year term.

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 $3,264,218 (including transaction costs). In addition, accounts receivable of $9,302 and prepaid expenses of $10,697 were assumed as part of the transactions.

On April 12, 2022, the Trust closed on a 50% interest in a multi-tenant industrial portfolio located in Edmonton, Alberta. The acquisition price for 50% of the portfolio was $18,329,216 (including transaction costs). The acquisition of the Edmonton Industrial Portfolio was financed in part, with a new $11,862,500 first mortgage from a Canadian Chartered Bank. Terms of the mortgage are a 4.41% interest rate, five year term, amortizing and due April 12, 2027. In addition, prepaid expenses of $11,679, accounts payable of $85,132 and tenant rental deposits of $157,364 were assumed as part of the transaction.

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 $3,152,048 (including transaction costs). The acquisition of the Edmonton Industrial Portfolio was financed through the assumption of a $1,198,034 mortgage and a new $887,657 mortgage. In addition, tenant rental deposits of $20,016 were assumed as part of the transaction.

On January 31, 2023, the Trust closed on the acquisition of a 50% interest in a 56 site Manufactured Housing Community ("MHC") called SunPark Parkhill Estates ("Parkhill") located in Peterborough, Ontario and a 58 site Manufactured Housing Community ("MHC") called SunPark Skyview Estates ("Skyview") located in Trenton, Ontario (collectively the "Properties"). The acquisition price for the Trust's portion was $2,954,973 (including transaction costs). In addition, tenant rental deposits of $9,287 were assumed as part of the transaction. The transaction was financed from cash on hand and existing credit facilities.

The above noted acquisitions have been accounted for as asset acquisitions using the acquisition method, with the results of operations included in the Trust's accounts from the date of acquisition. Net assets acquired during the respective periods are as follows:

	Period Ended September 30, 2023	Year Ended December 31, 2022
Investment Properties, including Acquisition Costs	$ 2,954,973	$ 81,493,219
Accounts Receivable	-	12,552
Prepaid Expenses	-	22,376
Accounts Payable	-	(85,132)
Tenant Rental Deposits	(9,287)	(177,380)
Net Assets Acquired	$ 2,945,686	$ 81,265,635
Consideration Paid/Funded By:		
Cash and Bank Indebtedness	$ 2,945,686	$ 27,817,444
New Mortgages	-	53,448,191
	$ 2,945,686	$ 81,265,635

4. Investment Properties

	Retail and Commercial	Core Service Provider Office	Industrial	Multi-residential	Manufactured Housing Communities	Total
December 31, 2021	$ 321,430,138	$ 5,288,357	$ 171,451,490	$ 51,109,286	$ 14,072,347	$ 563,351,618
Acquisitions	-	-	21,433,697	56,335,237	-	77,768,934
Dispositions	(410,746)	-	-	-	-	(410,746)
Assets Held for Sale	(2,400,168)	(5,184,581)	-	-	-	(7,584,749)
Capital Expenditures	2,260,757	55,267	845,706	624,468	49,911	2,303,332
Straight-line Rents	349,594	1,683	141,472	-	-	400,946
Fair Value Adjustment	(18,142,620)	(160,726)	(962,475)	(8,828,054)	3,308,599	(24,691,016)
September 30, 2022	$ 303,086,955	$ -	$ 192,909,890	$ 99,240,937	$ 17,430,857	$ 612,668,639
Acquisitions	-	-	3,311,785	412,500	-	3,724,285
Dispositions	(2,133,783)	(5,285,719)	-	-	-	(7,419,502)
Assets Held for Sale	2,400,168	5,184,581	-	-	-	7,584,749
Capital Expenditures	260,838	(55,267)	(47,528)	(12,743)	33,212	178,512
Straight-line Rents	(37,114)	(4,321)	31,377	-	-	(10,058)
Fair Value Adjustment	(733,650)	160,726	82,379	(711,059)	780,689	(420,915)
December 31, 2022	$ 302,843,414	$ -	$ 196,287,903	$ 98,929,635	$ 18,244,758	$ 616,305,710
Acquisitions	-	-	-	-	3,022,658	3,022,658
Dispositions	-	-	-	-		-
Assets Held for Sale	(5,350,393)	-	-	-	-	(5,350,393)
Capital Expenditures	826,349	-	554,408	90,083	-	1,470,840
Straight-line Rents	114,666	-	102,149	-	-	216,815
Fair Value Adjustment	(8,557,328)	-	1,585,998	1,669,790	485,505	(4,816,035)
September 30, 2023	$ 289,876,708	$ -	$ 198,530,458	$100,689,508	$ 21,752,921	$ 610,849,595

For the period ended September 30, 2023, senior management of the Trust valued the Investment Properties using the overall capitalization method. Investment properties are valued on a highest and best use basis. For all of the Trust's investment properties, the current use is considered the best use. Fair value was determined by applying a capitalization rate to stabilized net operating income ("Stabilized NOI"). Stabilized NOI incorporates allowances for vacancy, management fees and structural reserves for tenant inducements and capital expenditures to which a capitalization rate is applied that is deemed appropriate for the investment property. Capitalization rates are based on many factors, including but not limited to the asset location, type, size and quality of the asset and taking into account any available market data at the valuation date.

Properties are typically independently appraised at the time of acquisition or refinancing. When an independent appraisal is obtained, the Trust assesses all major inputs used by the independent valuators in preparing their reports and holds discussions with them on the reasonableness of their assumptions. The reports are then used by the Trust for consideration in preparing the valuations as reported in these consolidated financial statements.

Capitalization rates used in the valuation of investment properties as of September 30, 2023 are based on current market data available and have been adjusted for interest rates and inflationary pressures (the "Factors"). Given the uncertainty around the Factors and the potential negative impact it may have on the real estate industry, it is not possible to fully predict the impact of capitalization rates in the future across all of our investment properties at this time. Note that the fair value adjustment is net of capital expenditures and straight-line rents.

The Trust continues to review its cash flow projections, liquidity and the estimated fair value of its real estate portfolio in these challenging times. Capitalization rates could change materially as additional market data becomes available. As such, significant changes in assumptions concerning rental income, occupancy rates, tenant inducements and future market rents could negatively impact future real estate valuations and the Trust's overall operations as the Factors continues.

The properties independently appraised each year represent a subset of the property types and geographic distribution of the overall portfolio. A breakdown of the aggregate estimated fair value of investment properties independently appraised each quarter, in accordance with the Trust's policy, is as follows:

	2023			2022		
	Number of investment properties	**Fair value at 100%**	**Fair value at Trust's share**	**Number of investment properties**	**Fair value at 100%**	**Fair value at Trust's share**
Q1	-	$ -	$ -	1	$ 57,000,000	$ 57,000,000
Q2	-	-	-	1	36,750,000	18,375,000
Q3	6	77,900,000	38,950,000	3	36,341,000	36,341,000
Total	6	$ 77,900,000	$ 38,950,000	5	$ 130,091,000	$ 111,716,000

Investment Properties measured at fair value are categorized by level according to the inputs used. The Trust has classified these inputs as Level 3. With the exception of the acquisition and dispositions of investment properties as well as transfers into assets held for sale as further described in note 4 of these consolidated financial statements, there have been no transfers into or out of Level 3 in the current year. Significant unobservable inputs in Level 3 valuations are as follows:

September 30, 2023	**Retail & Commercial**	**Core Service Provider Office**	**Industrial**	**Multi-Residential**	**Manufactured Housing Communities**	**Weighted Average**
Capitalization Rate Range	4.50% - 8.00%	n.a.	5.00% - 9.03%	4.75% - 5.50%	5.00% - 6.75%	6.02%
Weighted Average Capitalization Rate	6.67%	n.a.	5.62%	5.03%	5.41%	6.02%

December 31, 2022	Retail & Commercial	Core Service Provider Office	Industrial	Multi-Residential	Manufactured Housing Communities	Weighted Average
Capitalization Rate Range	4.00% - 8.00%	n.a.	3.05% - 9.03%	4.75% - 5.00%	4.75% - 5.75%	5.84%
Weighted Average Capitalization Rate	6.48%	n.a.	5.41%	4.87%	5.07%	5.84%

The fair value of the Trust's investment properties is sensitive to changes in the significant unobservable inputs. Changes in certain inputs would result in a change to the fair value of the Trust's investment properties as set out in the following table:

Weighted Average		Change in Investment Valuation
Capitalization Rate	25 basis point increase	$ (25,131,000)
Capitalization Rate	25 basis point decrease	27,427,000

Generally, an increase in stabilized NOI will result in an increase to the fair value of an investment property. An increase in the capitalization rate will result in a decrease to the fair value of an investment property. The capitalization rate magnifies the effect of a change in stabilized NOI.

Sale of Investment Properties:

On May 18, 2022, the Trust completed the sale of a retail property from the Centre Ice Retail Portfolio, for gross proceeds of approximately $0.6 million. The Trust's pro-rata share of the gross proceeds was $0.4 million. The Trust recognized a loss on sale of $0.05 million.

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.

Mortgages Receivable:

As part of one of the dispositions of the Centre Ice Retail Portfolio properties in 2021, a mortgage was taken back from the purchaser for $1.0 million. Terms are 5% interest only, two year term, fully open for repayment prior to maturity on March 1, 2023 and fully secured against the disposed property. The Trust's portion of the mortgage receivable is $0.7 million. During the three months ended March 31, 2023, the mortgage receivable was fully repaid.

As noted in the Sale of Investments Properties section, two mortgage take backs occurred as the result of the sale of an office property in Barrie, Ontario for $8.4 million on December 29, 2022.

Assets Held for Sale:

For the period ended September 30, 2023, the Trust has listed for sale four retail properties within the Center Ice Retail Portfolio. The properties have been classified as Assets Held for Sale at their fair value of approximately $5.4 million.

5. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities as at September 30, 2023 and as at December 31, 2022 were $5,957,697 and $7,497,013, respectively, and consist of the following:

	September 30, 2023	December 31, 2022
Utilities, Repairs and Maintenance, Other	**$ 4,930,973**	$ 5,149,235
Due to Asset Manager (notes 12(a) and 12(b))	**151,815**	953,067
Due to Property Manager (note 12(c))	**107,583**	105,540
Accrued Interest Expense	**171,768**	378,841
Option Liabilities (note 8(c))	**354,222**	835,359
Deferred Trust Units (note 8(c))	**241,336**	74,971
Accounts Payable and Accrued Liabilities	**$ 5,957,697**	$ 7,497,013

6. Credit Facility

(a) Revolving Operating Facility
The Trust has entered into a Revolving Operating Facility (the "Facility") with a Canadian Chartered Bank (the "Bank") fully secured by first charges against certain investment properties. On September 30, 2023, the total amount available under the Facility was $19.0 million. Interest on the credit facility is predominantly charged at a rate that varies with bank prime and may have a component with a fixed interest rate established based on a formula linked to bankers' acceptance rates. Amounts drawn under the Facility are due to be repaid at the maturity date on October 31, 2024. Amounts drawn under the Facility at September 30, 2023 was $16,300,000 (December 31, 2022 – $2,473,100).

(b) Lines of Credit

i. The Trust has entered into a Line of Credit (the "LOC") with a Canadian Chartered Bank (the "Bank") fully secured by first charges against the Merivale Mall Property. On June 30, 2023, the total amount available under the LOC was $22.0 million. The interest rate is based on a calculated formula using the Bank's prime lending rate or a formula linked to bankers' acceptance rates. Amounts drawn under the LOC are due to be repaid at the maturity date on November 30, 2025. Amounts drawn under the LOC at September 30, 2023 was $12,200,000 (December 31, 2022 – $16,252,967).

ii. Within the Montreal Industrial Portfolio, where the Trust is a 50% co-owner of the joint arrangement, an LOC with a Bank was established. The interest rate is based on a calculated formula using the Bank's prime lending rate. No amounts were drawn from this facility as at September 30, 2023 (December 31, 2022 – nil).

7. Non-current Liabilities

(a) Mortgages
As at September 30, 2023, total outstanding mortgages were $307,944,797 ($306,781,314 as at December 31, 2022), net of unamortized financing costs of $19,550 ($373,481 as at December 31, 2022), offset by a $110,050 ($222,125 as at December 31, 2022) mark to market adjustment with a weighted average interest rate of approximately 3.7% (3.8% as at December 31, 2022) and weighted average repayment term of approximately 3.6 years (3.0 years as at December 31, 2022). The mortgages are repayable as follows:

	Scheduled Principal Repayments	Debt Maturing During The Period	Total Mortgages Payable	Scheduled Interest Payments
2023	1,738,481	2,450,399	4,188,880	2,877,578
2024	5,361,490	92,142,683	97,504,173	9,190,239
2025	4,406,994	13,186,495	17,593,489	7,535,699
2026	3,698,572	41,935,043	45,633,615	7,245,531
2027	2,631,403	17,040,957	19,672,360	5,458,711
Thereafter	8,649,157	114,612,623	123,261,780	15,869,846
Face Value	$ 26,486,097	$ 281,368,200	$ 307,854,297	$ 48,177,604
Unamortized Financing Costs			(19,550)	
Mark to Market on Assumed Mortgages			110,050	
Total Mortgages			**$ 307,944,797**	

	September 30, 2023	December 31, 2022
Current:		
Mortgages	$ 84,222,385	$ 73,012,398
Unamortized Financing Costs	(19,550)	(373,481)
Mark to Market on Assumed Mortgages	110,050	146,822
	$ 84,312,885	$ 72,785,739
Non-Current:		
Mortgages	$ 223,631,912	$ 233,920,272
Mark to Market on Assumed Mortgages	-	75,303
	$ 223,631,912	$ 233,995,575
Total Mortgages	**$ 307,944,797**	**$ 306,781,314**

The following table sets out an analysis of net debt and the movements in net debt for the period ended September 30, 2023:

	Cash and Cash Equivalents	Credit Facility	Mortgages	Net Debt
As at December 31, 2022	$ 4,985,624	(18,726,067)	$ (306,781,314)	$ (320,521,757)
Cash Flows	2,406,365	(9,773,933)	(645,185)	(8,012,753)
Changes in Non-Cash Operating Working Capital	(1,496,963)	-	(518,298)	(2,015,261)
As at September 30, 2023	$ 5,895,026	$ (28,500,000)	$ (307,944,797)	$ (330,549,771)

(b) Land Lease Liability

On May 9, 2019, as part of the FCR Retail Portfolio the joint arrangement assumed a land lease on a retail property located in Ottawa, Ontario. The terms of the land lease are gross annual payments of $101,040 per annum that mature on April 1, 2027. The land lease liability is calculated in accordance with IFRS 16, using a present value of the remaining lease payments, discounted using the incremental borrowing rate at May 9, 2019 of 6.13% for the term of the lease. The Trust's pro-rata portion of the lease liability is as follows:

Lease Liability

	Opening Balance	Lease Payment	Imputed Interest Expense	Ending Balance
2023	$ 177,595	$ -	$ 5,533	$ 183,128
2024	183,128	(50,520)	9,220	141,828
2025	141,828	(50,520)	6,638	97,946
2026	97,946	(50,520)	3,896	51,322
2027	51,322	(46,109)	1,126	6,339

	September 30, 2023
Current	$ 40,737
Non-Current	139,620
Total	$ 180,357

8. Unitholders' Equity

(a) Issued and Outstanding

	Number of Units		Amount
Balance, December 31, 2021	34,011,117	$	198,065,763
Options Exercised (note 8(g))	295,000		1,843,750
Issuance of Units from Distribution Reinvestment Plan (note 8(d))	163		1,250
Public Equity Offering (note 8(f))	3,243,000		21,456,105
Normal Course Issuer Bid (note8(h))	(147,200)		(918,883)
Balance, September 30, 2022	37,402,080		220,447,985
Issuance of Units from Distribution Reinvestment Plan (note 8(d))	217		1,250
Public Equity Offering (note 8(f))	-		(32,844)
Normal Course Issuer Bid (note 8(h))	(302,200)		(1,705,752)
Balance, December 31, 2022	37,100,097		218,710,639
Issuance of Units from Distribution Reinvestment Plan (note 8(d))	234		1,250
Normal Course Issuer Bid (note8(h))	(174,900)		(969,018)
Balance, September 30, 2023	36,925,431		217,742,871

(b) Authorized

In accordance with the Declaration of Trust, the Trust may issue an unlimited number of units (the "Trust Units"). The Board of Trustees of the Trust has discretion with respect to the timing and amount of distributions. Each Unitholder is entitled on demand to redeem all or any part of the Trust Units registered in the name of the Unitholder at prices determined and payable in accordance with the conditions provided for in the Declaration of Trust.

Trust Units are redeemable at any time, in whole or in part, on demand by the Unitholders. On receipt of the redemption notice by the Trust, all rights to and under the Trust Units tendered for redemption shall be surrendered and the Unitholders shall be entitled to receive a price per Trust Unit equal to the lesser of:

i. 90% of the "market price" of the Trust Units on the exchange or market on which the Units are listed or quoted for trading during the ten consecutive trading days ending immediately prior to the date on which the Trust Units were surrendered for redemption; and

ii. 100% of the "closing market price" on the exchange or market or on which the Trust Units are listed or quoted for trading on the redemption date.

The total amount payable by the Trust, in respect of any Trust Units surrendered for redemption during any calendar month, shall not exceed $50,000 unless waived at the discretion of the Trustees and be satisfied by way of a cash payment in Canadian dollars within 30 days after the end of the calendar month in which the Trust Units were tendered for redemption. To the extent the redemption price payable in respect of Trust Units surrendered for redemption exceeds $50,000 in any given month, such excess will be redeemed for cash, and by a distribution in specie of assets held by the Trust on a pro rata basis.

(c) Unit-Based Liabilities

Option Plan

Under the Trust's unit option plan, the aggregate number of unit options reserved for issuance at any given time shall not exceed 10% of the number of outstanding Trust Units. As at September 30, 2023, the Trust has 3,320,000 Trust Unit options issued and outstanding at a fair market value of $354,222 consisting of the following issuances:

On November 8, 2018, the Trust granted 60,000 Trust Unit options at a weighted average exercise price of $6.35 per Trust Unit. The unit options fully vested on the date of grant and expire on November 8, 2023. The balance as at September 30, 2023 was 60,000 Trust unit options.

On August 14, 2019, the Trust granted 1,400,000 Trust Unit options at a weighted average exercise price of $6.40 per Trust Unit. 1,290,000 unit options fully vested on the date of the grant with the remaining 110,000 vesting at one-third each year for the next three years and expire on August 14, 2024. The balance as at September 30, 2023 was 1,290,000 Trust unit options.

On December 1, 2020, the Trust granted 400,000 Trust Unit options at a weighted average exercise price of $6.75 per Trust Unit. 360,000 unit options fully vested on the date of the grant with the remaining 40,000 vesting at one-third each year for the next three years and expire on December 1, 2025. During the three months ended March 31, 2023, 10,000 options were cancelled. The balance as at September 30, 2023 was 340,000 Trust unit options.

On March 15, 2021, the Trust granted 10,000 Trust Unit options at a weighted average exercise price of $6.75 per Trust Unit. 3,333 unit options fully vest on the date of the grant with the remaining 6,667 vesting over the following 2 years and expire on March 15, 2026. The balance as at September 30, 2023 was 10,000 Trust unit options.

On June 14, 2022, the Trust granted 1,740,000 Trust Unit options at a weighted average exercise price of $7.10 per Trust Unit. 1,360,000 unit options fully vest on the date of the grant with the remaining 380,000 vesting over 3 years and expire on June 14, 2027. During the six months ended June 30, 2023, 60,000 options were cancelled. The balance as at September 30, 2023 was 1,620,000.

Unit-based compensation related to the aforementioned unit options was a recovery of $40,416 for the three months ended September 30, 2023 and a recovery of $481,137 for the nine months ended September 30, 2023 (three months ended September 30, 2022 recovery of $866,816 and a recovery $1,668,777 for the nine months ended September 30, 2022). Unit-based compensation was determined using the Black-Scholes option pricing model and based on the following assumptions:

	As at September 30, 2023	**As at December 31, 2022**
Expected Option Life (Years)	2.8	3.1
Risk Free Interest Rate	4.43%	3.70%
Distribution Yield	9.90%	9.14%
Expected Volatility	21.58%	21.83%

Expected volatility is based in part on the historical volatility of the Trust Units consistent with the expected life of the option. The risk free interest rate of return is the yield on zero-coupon Government of Canada bonds of a term consistent with the expected option life.

The estimated fair value of an option under the Trust's unit option plan at the date of grants were $0.40, $0.36, $0.34, $0.16 and $0.43 per unit option for March 26, 2018, November 8, 2018, August 14, 2019, December 1, 2020 and June 14, 2022 issuances, respectively.

Deferred Trust Units
On August 1, 2018, the Trust adopted a Deferred Trust Unit ("DTU") plan. Under the terms of the plan, any units issued must be issued at a unit price which is at the volume weighted average trading price of the units on the TSX for the five days trading immediately preceding the date on which DTUs are granted. Distributions equivalents are awarded in respect of the DTU holders on the same basis as unitholders and credited to the DTU holders account as additional DTUs. As at September 30, 2023, the outstanding liability was $241,336 (December 31, 2022 – $74,971).

(d) Distribution Reinvestment Plan ("DRIP") and Unit Purchase Plan ("UPP")
The Trust has both a DRIP and UPP currently in place. Under the terms of the DRIP, Unitholders may elect to automatically reinvest all or a portion of their regular monthly distributions in additional Trust Units, without incurring brokerage fees or commissions. Trust Units purchased through the DRIP are acquired at the weighted average closing price of Trust Units in the five trading days immediately prior to the distribution payment date. Trust Units purchased through the DRIP will be acquired either in the open market or be issued directly from the Trust's treasury based on a floor price to be set at the discretion of the Board of Trustees.

The UPP gives each Unitholder resident in Canada the right to purchase additional Trust Units. Unitholders who elect to receive Trust Units under the DRIP may also enroll in the Trust's UPP. Under the terms of the UPP, Trust Unitholders may purchase a minimum of $1,000 of Units on each Monthly Purchase Date and maximum purchases of up to $12,000 per annum. The aggregate number of Trust Units that may be issued may not exceed 2% of the Trust Units of the Trust per annum.

For the nine months ended September 30, 2023 and September 30, 2022, 234 and 163 Trust Units were issued from treasury for total gross proceeds of $1,250 and $1,250 respectively, to Unitholders who elected to receive their distributions in units under the DRIP.

(e) Distributions
For the nine months ended September 30, 2023, distributions of $0.0433 per unit were declared each month commencing in January 2023 through to September 2023, resulting in total distributions declared of $14,422,454. For the nine months ended September 30, 2022, distributions of $0.0433 per unit were declared each month commencing in January 2022 through to September 2022 resulting in total distributions declared of $14,020,775.

(f) Public Equity Offering

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 ($21.4 million, net of closing costs).

(g) Options Exercised

During the year ended December 31, 2022, 295,000 Trust unit options at a weighted average price of $6.25 per Trust Unit were exercised for gross proceeds of approximately $1,843,750.

No options were exercised during the three and nine months ended September 30, 2023.

(h) Normal Course Issuer Bid

The Trust announced its intention to make a Normal Course Issuer Bid with respect to its outstanding Trust Units. During the 12 month period commencing July 18, 2022 and ending no later than July 17, 2023, the Trust may purchase through the facilities of the TSX and/or alternative Canadian Trading Systems up to 3,439,989 Trust Units in total, being 10% of the “public float” of trust units as of July 5, 2022. During the 12 months ended July 17, 2023, the Trust purchased 624,300 shares for proceeds of $3.6 million.

On July 13, 2023, the Trust announced its intention to make a Normal Course Issuer Bid with respect to its outstanding Trust Units. During the 12 month period commencing July 18, 2023 and ending no later than July 17, 2024, the Trust may purchase through the facilities of the TSX and/or alternative Canadian Trading Systems up to 3,324,528 Trust Units in total, being 10% of the “public float” of trust units as of July 4, 2023. From July 18, 2023 to September 30, 2023, the Trust did not repurchase any units under this NCIB.

9. Rental Revenue

The Trust currently leases real estate to tenants under operating leases. Future minimum rental income on tenant operating leases over their remaining lease terms excluding renewal options (subject to collection) is as follows:

Revenue		
Within one year	$	32,372,819
Later than one year and not longer than five years		63,629,530
Thereafter		23,000,169
	$	119,002,518

Revenue for the period is comprised of the following:

	Three Months Ended				**Nine Months Ended**			
		Sep 30, 2023		**Sep 30, 2022**		**Sep 30, 2023**		**Sep 30, 2022**
Base Rent	$	10,548,356	$	9,735,907	$	30,963,567	$	28,561,412
Operating Costs Recoveries		1,810,668		1,516,918		5,452,507		4,977,097
Tax Recoveries		2,260,557		1,976,922		6,409,218		5,854,302
Straight Line Rent		73,161		91,803		216,815		492,749
Free Rent		(32,683)		(42,996)		(78,465)		(111,830)
	$	14,660,059	$	13,278,554	$	42,963,642	$	39,773,730

10. Finance Costs

Finance costs for the period ended September 30, 2023 and September 30, 2022 are as follows:

	Three Months Ended		Nine Months Ended	
	Sep 30, 2023	Sep 30, 2022	Sep 30, 2023	Sep 30, 2022
Mortgage Interest	$ 2,366,665	$ 2,913,854	$ 9,192,181	$ 7,637,931
Bank Indebtedness and Credit facility Interest	869,090	263,200	1,390,989	838,496
Finance Fee Amortization	181,658	243,453	630,374	725,509
Non-cash Interest Expense	(37,359)	(37,359)	(112,076)	(112,903)
Finance Costs	$ 3,380,054	$ 3,383,148	$11,101,468	$ 9,089,033

Finance fee amortization relates to fees paid on securing the Facility, the LOC and the Trust's various mortgages accounted for under the amortized cost method. Non-cash interest expense relates to the amortization of mark-to-market adjustment relating to the assumed mortgages from the Trust's various acquisitions.

11. Property Operating and General and Administrative Expenses

Property operating expenses include realty taxes as well as other costs related to maintenance, HVAC, insurance, utilities and property management fees. General and administrative expenses include professional fees, public company expenses, office and general, insurance and asset management fees.

Property operating and general and administrative expenses for the period ended September 30, 2023 and September 30, 2022 are as follows:

	Three Months Ended		Nine Months Ended	
	Sep 30, 2023	Sep 30, 2022	Sep 30, 2023	Sep 30, 2022
Realty Taxes	$ 2,499,658	$ 2,347,847	$ 7,362,331	$ 6,773,598
Property Management Fees (note 12(b))	525,607	559,755	1,663,023	1,618,040
Operating Expenses	2,661,397	1,385,283	6,662,011	5,090,203
Property Operating Expenses	$ 5,686,662	$ 4,292,885	$15,687,365	$ 13,481,841

	Three Months Ended		Nine Months Ended	
	Sep 30, 2023	Sep 30, 2022	Sep 30, 2023	Sep 30, 2022
Asset Management Fees (note 12(a))	$ 848,379	$ 956,344	$ 2,543,842	$ 2,679,615
Performance Incentive Fees (note 12(a))	90,457	58,424	151,815	250,706
Public Company Expenses	115,366	114,666	394,882	310,901
Office and General	133,517	134,302	555,611	747,745
General and Administrative	$ 1,187,719	$ 1,263,736	$ 3,646,150	$ 3,988,967

12. Related Party Transactions

Transactions with related parties are in the normal course of business and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

(a) Asset Management Agreement

The Trust has entered into an Asset Management Agreement with Firm Capital Realty Partners Inc. ("FCRPI"), an entity indirectly related to certain trustees and management of the Trust. The term of the contract is initially ten years and automatically renews for successive five-year periods. On August 12, 2021, the contract was extended for a further ten year term with successive five year renewal periods.

As part of the Agreement, FCRPI agrees to provide the following services, which include but are not limited to the following: (i) arrange financing, refinancing and structuring of financings for the Trust's investment properties and future acquisitions; (ii) identify, recommend and negotiate the purchase price for acquisitions and dispositions; (iii) prepare budgets and financial forecasts for the Trust and future acquisitions; (iv) provider of services of senior management including the CEO and CFO; (v) assist in investor relations for the Trust; (vi) assist the Trust with regulatory and financial reporting requirements (other than services provided by the CFO of the Trust); (vii) assist the Trust with the preparation of all documents, report data and analysis required by the Trust for its filings and documents necessary for its continuous disclosure requirements pursuant to applicable stock exchange rules and securities laws; (viii) attend meetings of Trustees or applicable committees, as requested by the Trust, to present financing opportunities, acquisition opportunities and disposition opportunities; and (ix) arrange and coordinate advertising, promotional, marketing and related activities on behalf of the Trust.

As compensation for the services, FCRPI is paid the following fees:

i. Asset Management Fees: The Trust pays the following fees annually:

   I. 0.75% of the first $300 million of the Gross Book Value of the Properties; and
   II. 0.50% of the Gross Book Value of the investment properties in excess of $300 million.

ii. Acquisition Fees: The Trust pays the following acquisition fees:

   I. 0.75% of the first $300 million of aggregate Gross Book Value in respect of new properties acquired in a particular year;

   II. 0.65% of the next $200 million of aggregate Gross Book Value in respect of new properties acquired in such year; and thereafter
   III. 0.50% of the aggregate Gross Book Value of new properties acquired in such year.

iii. Placement Fees: The Trust pays a fee equivalent to 0.25% of the aggregate value of all debt and equity financing arranged by FCRPI.

iv. Disposition Fees: The Trust pays with respect to a disposition by the Trust at a price that is excess of the average IFRS carrying value of the Property over the preceding four quarters in which the sale occurred, a fee (the “Disposition Fee”) equal to 0.5% of the sale price to FCRPI.

(b) Incentive Fee Agreement

FCPLP has entered into an Incentive Fee Agreement with FCRPI to pay a Performance Incentive Fee. FCPLP pays a fee equivalent to 15% of Adjusted Funds From Operations (“AFFO”) as defined in the Limited Partnership Agreement once AFFO exceeds $0.40 per Unit (including any gains and losses on the disposition of real estate properties calculated as gross proceeds less the actual cost of real estate including capitalized additions).

In addition to the fees outlined above, FCRPI is entitled to reimbursement of all actual expenses incurred in performing its responsibilities under the Asset Management Agreement.

For the nine months ended September 30, 2023 and September 30, 2022, Asset Management Fees were $2,543,842 and $2,679,615; Acquisition Fees were $21,977 and $572,238; Placement fees were $327,467 and $274,688; and Performance Incentive Fees were $151,815 and $250,706, respectively.

Asset Management and Performance Incentive Fees are recorded in General and Administrative expenses while Acquisition and Placement Fees are capitalized to Investment Properties, Mortgages and Unitholders’ Equity on the consolidated balance sheet.

As at September 30, 2023, $151,815 ($953,067 as at December 31, 2022) was due on demand to FCRPI and has been accounted for in accounts payable and accrued liabilities.

(c) Property Management Agreement

The Trust has entered into a Property Management Agreement with Firm Capital Property Management Corp. (“FCPMC”), formerly Firm Capital Properties Inc., an entity indirectly related to certain trustees and management of the Trust. The term of the contract is initially ten years and automatically renews for successive five-year periods.

As part of the Agreement, FCPMC agrees to provide the following services which include but are not limited to, the following: (i) lease the Properties and to obtain tenants from time to time as vacancies occur; (ii) to establish the rent, the duration, the terms and conditions of all leases and renewals thereof; (iii) to enter into agreements to lease and offers to lease in respect of the properties; (iv) collect all rents, including parking revenues, tenant recoveries, leasehold recoveries and any other revenues or monies accruing to the properties, or sums which may be receipts due and payable in connection with or incidental to the properties; (v) maintain the properties in reasonable operating condition and repair, (vi) arrange for and supervise the making or installation of such maintenance, repairs, improvements (including tenant improvements) and alterations as may be required; (vii) maintain all licenses and permits as required; (viii) recover all operating costs as required under various tenant lease arrangements; (ix) prepare all property operating and capital expenditure budgets; and (x) undertake, supervise and budget all tenant improvements, construction projects and alterations.

As compensation for the services, FCPMC is paid the following fees:

(a) Property Management Fees: The Trust pays the following fees annually:

I. Multi-unit Residential Properties: For each multi-unit residential property with 120 units or less, a fee equal to four percent (4.0%) of Gross Revenues and for each multi-unit residential property with more than 120 units, a fee equal to three and one-half percent (3.5%) of Gross Revenues.

II. Industrial and Commercial Properties: Fee equal to four and one-quarter percent (4.25%) of Gross Revenues from the property; provided, however, that for such properties with a single tenant, the fee shall be equal to three percent (3.0%) of Gross Revenues.

(b) Commercial Leasing Fees: Where FCPMC leases a rental space on commercial terms, FCPMC shall be entitled to receive a leasing commission equal to three percent (3.0%) of the net rental payments for the first year of the lease, and one and one-half percent (1.5%) of the net rental payments for each year during the balance of the duration of

the lease; provided, however, that where a third party broker arranges for the lease of any such property that is not

subject to a long-term listing agreement, FCPMC shall be entitled to a reduced commission equal to 50% of the foregoing amounts with respect to such property. No leasing fees will be paid for relocating existing tenants, rewriting leases or expenditures, including the cost of all permits, materials, labour, contracts, and holding over without a lease unless the area or length of term has increased.

(c) Commercial Leasing Renewal Fees: Renewals of space leased on commercial terms (including lease renewals at the option of the tenant) which are handled exclusively by FCRPI shall be subject to a commission payable to FCPMC of one-half of one percent (0.50%) of the net rental payments for each year of the renewed lease.

(d) Construction Development Property Management Fees: Where FCPMC is requested by the Trust to construct tenant improvements or to renovate same, or where FCPMC is requested by the Trust to construct, modify, or reconstruct improvements to, or on, the Properties (collectively, “Capital Expenditures”), FCPMC shall receive as compensation for its services with respect thereto a fee equal to five percent (5.0%) of the cost of such Capital Expenditures, including the cost of all permits, materials, labour, contracts, and subcontracts; provided, however, that no such fee shall be payable unless the Capital Expenditures are undertaken following a tendering or procurement process where the total cost of Capital Expenditures exceeds $50,000.

In addition to the fees outlined above, FCPMC is entitled to reimbursement of all actual expenses incurred in performing its responsibilities under the Property Management Agreement.

For the nine months ended September 30, 2023 and September 30, 2022, Property Management Fees were $983,119 and $925,565 and Commercial Leasing Fees were $67,315 and $101,051, respectively.

As at September 30, 2023, $107,583 ($105,539 as at December 31, 2022) was due to FCPMC and has been accounted for in accounts payable and accrued liabilities.

(d) Lease Agreement

On August 1, 2013, FCPMC entered into a lease agreement with the entity that owns the Montreal Industrial Portfolio which the Trust accounts for as a joint control arrangement, to lease office space on commercially available terms. For the three and nine months ended September 30, 2023, $10,320 and $29,380 ($5,580 and $16,740 for the three and nine months ended September 30, 2022) of base rent was paid on this lease.

(e) Co-Ownership Arrangement

The Trust currently is a co-owner in fifteen joint arrangements. These arrangements are classified as joint operations because the parties involved have joint control of the assets and joint responsibility of the liabilities relating to the arrangement. As a result, the Trust includes its pro rata share of its assets, liabilities, revenues, expenses and cash flows in these consolidated financial statements. Management believes the assets of these joint arrangements are sufficient for the purpose of satisfying the associated obligations. Please refer to Note 2(d) - Summary of Significant Accounting Policies for details over the co-ownership schedule.

Certain Trustees and Officers of the Trust directly and/or indirectly have interests in certain of these Joint Arrangements.

(f) Key management compensation:

For the period ended September 30, 2023, total trustee's fee expenses were $237,250 (2022 – $155,099) and included in general and administrative expenses (office and general). Certain key management personnel are also trustees of the Trust and receive compensation from FCRPI.

The trustees and officers participate in the Trust's unit based compensation plans and are disclosed in note 8(c).

13. Co-Ownership Property Interests

The Trust includes its proportionate share of the related assets, liabilities, revenue and expenses of the co-owned properties in the consolidated financial statements.

				As at September 30, 2023
	Trust Wholly Owned	**Co-Owned at Proportionate Ownership**	**Total**	**Co-Owned at 100%**
Current Assets	$ 9,220,315	$ 14,914,656	$ 24,134,971	$ 45,814,787
Non-Current Assets	135,192,705	477,231,890	612,424,595	1,065,526,971
Total Assets	**$ 144,413,020**	**$ 492,146,546**	**$ 636,559,566**	**$ 1,111,341,758**
Current Liabilities	15,637,589	105,412,269	121,049,858	235,835,499
Non-Current Liabilities	60,293,384	165,534,547	225,827,931	295,775,917
Total Liabilities	**$ 75,930,973**	**$ 270,946,816**	**$ 346,877,789**	**$ 531,611,416**
Total Owners' Equity	**$ 68,482,047**	**$ 221,199,730**	**$ 289,681,777**	**$ 579,730,342**

				As at December 31, 2022
	Trust Wholly Owned	**Co-Owned at Proportionate Ownership**	**Total**	**Co-Owned at 100%**
Current Assets	$ 8,720,978	$ 7,296,776	$ 16,017,754	$ 13,912,586
Non-Current Assets	137,287,469	480,593,241	617,880,710	936,025,467
Total Assets	**$ 146,008,447**	**$ 487,890,017**	**$ 633,898,464**	**$ 949,938,053**
Current Liabilities	48,679,740	52,514,396	101,194,136	89,420,786
Non-Current Liabilities	28,227,572	207,962,860	236,190,432	393,737,920
Total Liabilities	**$ 76,907,312**	**$ 260,477,256**	**$ 337,384,568**	**$ 483,158,706**
Total Owners' Equity	**$ 69,101,135**	**$ 227,412,761**	**$ 296,513,896**	**$ 466,779,347**

	Three Months Ended September 30, 2023			
	Trust Wholly Owned	**Co-Owned at Proportionate Ownership**	**Total**	**Co-Owned at 100%**
Net Operating Income				
Rental Revenue	$ 2,794,950	$ 11,865,109	$ 14,660,059	$ 25,761,243
Property Operating Expenses	(1,098,509)	(4,588,153)	(5,686,662)	(9,825,121)
	1,696,441	7,276,956	8,973,397	15,936,122
Interest and Other Income	54,695	46,848	101,543	152,380
Expenses:				
Finance Costs	854,044	2,526,010	3,380,054	5,934,669
General and Administrative	253,967	933,752	1,187,719	1,774,286
	1,108,011	3,459,762	4,567,773	7,708,955
Income Before Fair Value Adjustments	643,125	3,864,042	4,507,167	8,379,547
Fair Value Adjustments:				
Investment Properties	(1,962,393)	(5,004,938)	(6,967,331)	(11,925,056)
Fair Value Gain(Loss) on Sale of Investment Properties	-	-	-	-
Unit-based Compensation Recovery	49,983	-	49,983	148,933
Net Loss and Comprehensive Loss	$ (1,269,285)	$ (1,140,896)	$ (2,410,181)	$ (3,396,576)

	Three Months Ended September 30, 2022			
	Trust Wholly Owned	**Co-Owned at Proportionate Ownership**	**Total**	**Co-Owned at 100%**
Net Operating Income				
Rental Revenue	$ 2,875,131	$ 10,403,423	$ 13,278,554	$ 20,416,995
Property Operating Expenses	(912,648)	(3,380,237)	(4,292,885)	(6,652,998)
	1,962,483	7,023,186	8,985,669	13,763,997
Interest and Other Income	351	21,298	21,649	34,766
Expenses:				
Finance Costs	967,895	2,415,253	3,383,148	4,647,646
General and Administrative	865,005	398,731	1,263,736	703,448
	1,832,900	2,813,984	4,646,884	5,351,094
Income Before Fair Value Adjustments	129,934	4,230,500	4,360,434	8,447,669
Fair Value Adjustments:				
Investment Properties	3,274,822	(3,369,082)	(94,260)	(7,607,009)
Unit-based Compensation (Expense)	866,816	-	866,816	866,816
Net Income and Comprehensive Income	$ 4,271,572	$ 861,418	$ 5,132,990	$ 1,707,476

	Trust Wholly Owned	Co-Owned at Proportionate Ownership	Total	Co-Owned at 100%
			Nine Months Ended September 30, 2023	
Net Operating Income				
Rental Revenue	$ 7,929,001	$ 35,034,641	$ 42,963,642	$ 75,550,283
Property Operating Expenses	(2,889,218)	(12,798,147)	(15,687,365)	(27,436,320)
	5,039,783	22,236,494	27,276,277	48,113,963
Interest and Other Income	222,389	142,317	364,706	513,270
Expenses:				
Finance Costs	3,490,758	7,610,710	11,101,468	15,023,854
General and Administrative	797,259	2,848,891	3,646,150	6,205,177
	4,288,017	10,459,601	14,747,618	21,229,031
Income Before Fair Value Adjustments	974,155	11,919,210	12,893,365	27,398,202
Fair Value Adjustments:				
Investment Properties	(2,094,764)	(2,721,271)	(4,816,035)	(7,260,426)
Unit-based Compensation Recovery	480,773	-	480,773	480,773
Net Income (Loss) and Comprehensive Income (Loss)	$ (639,836)	$ 9,197,939	$ 8,558,103	$ 20,618,549

	Trust Wholly Owned	Co-Owned at Proportionate Ownership	Total	Co-Owned at 100%
			Nine Months Ended September 30, 2022	
Net Operating Income				
Rental Revenue	$ 8,418,140	$ 31,355,590	$ 39,773,730	$ 60,850,123
Property Operating Expenses	(2,144,404)	(11,337,437)	(13,481,841)	(21,249,579)
	6,273,736	20,018,153	26,291,889	39,600,544
Interest and Other Income	518	54,174	54,692	91,983
Expenses:				
Finance Costs	2,502,112	6,586,921	9,089,033	12,652,998
General and Administrative	2,577,284	1,411,683	3,988,967	2,171,769
	5,079,396	7,998,604	13,078,000	14,824,767
Income Before Fair Value Adjustments	1,194,858	12,073,723	13,268,581	24,867,760
Fair Value Adjustments:				
Investment Properties	(9,121,637)	(15,663,639)	(24,785,276)	(38,700,742)
Unit-based Compensation Recovery	1,668,777	-	1,668,777	-
Net Loss and Comprehensive Loss	$ (6,258,002)	$ (3,589,916)	$ (9,847,918)	$ (13,832,982)

14. Income Taxes

The Trust currently qualifies as a mutual fund trust and a real estate investment trust ("REIT") for Canadian income tax purposes. Under current tax legislation, income distributed annually by the Trust to unitholders is a deduction in the calculation of its taxable income. As the Trust intends to distribute all of its taxable income to its unitholders, the Trust does not record a provision for current Canadian income taxes.

The Tax Act contains legislation affecting the tax treatment of a specified investment flow-through ("SIFT") trust or partnership (the "SIFT Rules"). A SIFT includes a publicly listed or traded partnership or trust, such as an income trust.

Under the SIFT Rules, certain distributions from a SIFT are not deductible in computing a SIFT's taxable income, and a SIFT is subject to tax on such distributions at a rate that is substantially equivalent to the general tax rate applicable to a Canadian corporation. However, distributions paid by a SIFT as returns of capital should generally not be subject to tax.

The SIFT Rules do not apply to a REIT that meets prescribed conditions relating to the nature of its assets and revenue (the "REIT Conditions"). The REIT has reviewed the REIT Conditions and has assessed their interpretation and application to the REIT's assets and revenues. The REIT believes it has met the REIT Conditions throughout the periods ended September 30, 2023 and September 30, 2022. As a result, the REIT does not recognize any deferred income tax assets or liabilities for income tax purposes.

15. Commitments and Contingencies

The Trust is subject to legal and other claims in the normal course of business. Although such matters cannot be predicted with certainty, management believes that any liability from such claims would not have a significant effect on the Trust's consolidated financial statements.

For the three and nine months ended September 30, 2023 and September 30, 2022, the Trust had no material commitments and contingencies other than those outlined above and in notes 12.

16. Capital Management

The Trust's objectives when managing capital are to safeguard its ability to continue as a going concern and to generate sufficient returns to provide unitholders with stable cash distributions. The Trust's capital currently consists of bank indebtedness, mortgages and unitholders' equity.

The Trust's Declaration of Trust permits the Trust to incur or assume indebtedness, provided that after giving effect to incurring or assuming any indebtedness (as defined in the Declaration of Trust), the amount of such indebtedness of the Trust is not more than 75% of the gross book value of the Trust's total assets. Gross Book Value ("GBV") is defined in the Declaration of Trust as "at any time, the book value of the assets of the Trust and its consolidated subsidiaries, as shown on its then most recent consolidated balance sheet, plus the amount of accumulated depreciation and amortization in respect of such assets (and related intangible assets) shown thereon or in the notes thereto plus the amount of future income tax liability arising out of indirect acquisitions and excluding the amount of any receivable reflecting interest rate subsidies on any debt assumed by the Trust shown thereon or in the notes thereto, or if approved by a majority of the Trustees at any time, the appraised value of the assets of the Trust and its consolidated subsidiaries may be used instead of book value." As at September 30, 2023 and September 30, 2022, the ratio of such indebtedness to gross book value was 52.9% and 51.4% respectively, which complies with the requirement in the Declaration of Trust and is consistent with the Trust's objectives.

With respect to the bank indebtedness, the Trust must maintain ratios including minimum Unitholders' equity, maximum debt/GBV, minimum interest service and debt service coverage ratios. The Trust monitors these ratios and was in compliance with these requirements throughout the periods ended September 30, 2023 and September 30, 2022.

In addition to the above key ratios, the Trust's mortgages has various covenants calculated as defined within these agreements. The Trust monitors these covenants and was in compliance as at September 30, 2023 and September 30, 2022.

17. Risk Management and Fair Value of Financial Instruments

A. Risk Management:

In the normal course of business, the Trust is exposed to a number of risks that can affect its operating performance. These risks, and the actions taken to manage them, are as follows:

I. Market Risk

The Trust is exposed to interest rate risk on its borrowings. It minimizes the risk by restricting debt to 75% of the GBV of the Trust's assets. The Trust has its bank indebtedness under variable rate terms.

The following table outlines the impact on interest expense of a 100 basis point increase or decrease in interest rates on the Trust's variable rate debt:

Impact on Interest Expense	**September 30, 2023**	**December 31, 2022**
Credit facility	$ 285,000	$ 187,246
Mortgages	-	395,000
	$ 285,000	$ 582,246

II. Credit Risk

The Trust's maximum exposure to credit risk is equivalent to the carrying value of accounts receivable.

The Trust is exposed to credit risk as an owner of real estate in that tenants may become unable to pay the contracted rents. Management mitigates this risk by carrying out appropriate credit checks and related due diligence on the significant tenants. The Trust’s properties are diversified across a number of Canadian provinces and numerous tenants. The receivable balance consists largely of tenant receivables and Harmonized Sales Tax and Quebec Sales Tax receivables.

In determining the expected credit losses, the Trust takes into account the payment history and future expectations of likely default events (i.e. asking for rental concessions, applications for rental relief through government programs such as the CECRA program, or stating they will not be making rental payments on the due date) based on actual or expected insolvency filings or voluntary arrangements. These assessments are made on a tenant-by-tenant basis.

Accounts receivable balance is net of expected credit losses of $478,224 (December 31, 2022 – $510,947).

As at September 30, 2023, the Trust had one tenant comprising 10.8% of rental revenues (14.1% as at September 30, 2022).

III. Liquidity Risk

Liquidity risk is the risk the Trust will not be able to meet its financial obligations as they come due. The Trust manages liquidity by maintaining adequate cash and by having appropriate credit facilities available. The Trust currently has the ability to access the debt capital markets and is able to receive debt capital as and when required. In addition, the Trust continuously monitors and reviews both actual and forecasted cash flows.

The following are the maturities of the Trust's financial liabilities as at September 30, 2023 including bank indebtedness, mortgages, tenant rental deposits, distribution payable and accounts payable and accrued liabilities:

	Less than 1 Year	**1 - 2 Years**	**>2 Years**	**Total**
Mortgages (note 7a)	$ 84,222,385	$ 17,470,668	$ 206,161,244	$ 307,854,297
Credit facility (note 6)	28,500,000	-	-	28,500,000
Tenant rental deposits	638,560	329,635	1,726,764	2,694,959
Distribution payable	1,599,979	-	-	1,599,979
Land lease liability (note 7b)	40,737	85,183	54,437	180,357
Accounts payable and accrued liabilities (note 5)	5,957,697	-	-	5,957,697
	$ 120,959,358	$ 17,885,486	$ 207,943,125	$ 346,787,969

B. Fair Value of Financial Instruments:
The Trust uses a three-level hierarchy that reflects the significance of the inputs used in making fair value measurements of financial instruments carried at fair value. Level 1 of the fair value hierarchy uses quoted market prices in active markets for identical assets or liabilities to determine the fair value of assets and liabilities. Level 2 includes valuations using inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. Level 3 valuations are based on input for the asset or liability that are not based on observable market data.

The fair value of the Trust's cash and cash equivalents, restricted cash, accounts receivable, deposits and other assets, distribution payable, tenant rental deposits, land lease liability and accounts payable and accrued liabilities approximates their carrying amounts due to the relatively short periods to maturity of these financial instruments. The carrying value of the Trust's financial instruments is summarized in the following table:

	September 30, 2023		December 31, 2022
	Amortized Cost	FVTPL	FVTPL
Financial Assets			
Mortgages Receivable	$ 8,400,000	$ 8,400,000	$ 9,100,000
Accounts Receivable	2,155,856	2,155,856	1,179,618
Deposits and Other Assets	2,290,011	2,290,011	1,260,225
Restricted Cash	156,081	156,081	201,041
Cash and Cash Equivalents	5,895,026	5,895,026	4,985,624
Financial Liabilities			
Distribution Payable	$ 1,599,979	$ 1,599,979	$ 1,607,547
Accounts Payable and Accrued Liabilities (except Option and DSU Liabilities)	5,362,139	5,362,139	6,586,683
Land Lease Liability	180,357	180,357	221,998
Credit facility	28,500,000	28,500,000	18,726,067
Tenant Rental Deposits	2,694,959	2,694,959	2,550,629
Mortgages	307,944,797	285,018,113	291,219,329
Option Liabilities	-	354,222	835,359
DTU	-	241,336	13,571

I. Fair Value Hierarchy

The fair value of the mortgages is estimated based on the present value of future payments, discounted at a yield on a Government of Canada bond with the nearest maturity date to the underlying mortgage, plus an estimated credit spread at the reporting date for a comparable mortgage (Level 2). The estimated fair value of the mortgages is approximately $285.0 million (December 31, 2022 - $291.2 million).

The fair value of unit-based compensation relates to unit options granted which are carried at fair value, estimated using the Black-Scholes option pricing model for option valuation (Level 3) as outlined in note 8(c).

19. Segmented Information

The Trust operates in five reportable segments: grocery anchored retail, non-grocery anchored retail, industrial, multi-residential and core service office provider and evaluates performance based on net income and comprehensive income which is presented by segment as outlined below:

	Grocery Anchored Retail	Non-Grocery Anchored Retail	Industrial	Multi-Residential	Core Service Office Provider	Manufactured Homes Communities	Corporate	Three Months Ended Sep 30, 2023
Net Operating Income								
Rental Revenue	$ 7,151,507	$ 1,032,720	$ 4,005,093	$ 1,991,736	$ -	$ 479,003	$ -	$ 14,660,059
Property Operating Expenses	(2,596,868)	(345,786)	(1,474,319)	(1,100,464)	-	(169,225)	-	(5,686,662)
	4,554,639	686,934	2,530,774	891,272	-	309,778	-	8,973,397
Interest and Other Income	47,216	-	(367)	-	54,694	-	-	101,543
Expenses:								
Finance Costs	1,745,551	48,135	801,110	370,472	-	137,095	277,691	3,380,054
General and Administrative	541,277	33,804	184,976	270,633	30	40,773	116,226	1,187,719
	2,286,828	81,939	986,086	641,105	30	177,868	393,917	4,567,773
Income Before Fair Value Adjustments	2,315,027	604,995	1,544,321	250,167	54,664	131,910	(393,917)	4,507,167
Fair Value Adjustments:								
Investment Properties	(6,924,368)	(1,318,927)	(136,456)	979,332	-	433,088	-	(6,967,331)
Unit-based Compensation Recovery	-	-	-	-	-	-	49,983	49,983
Net Income/(Loss) and Comprehensive Income/(Loss)	$ (4,609,341)	$ (713,932)	$ 1,407,865	$ 1,229,499	$ 54,664	$ 564,998	$ (343,934)	$ (2,410,181)

	Grocery Anchored Retail	Non-Grocery Anchored Retail	Industrial	Multi-Residential	Core Service Office Provider	Manufactured Homes Communities	Corporate	Three Months Ended Sept 30, 2022
Net Operating Income								
Rental Revenue	$ 6,917,058	$ 929,519	$ 3,264,085	$ 1,659,810	$ 138,039	$ 370,043	$ -	$ 13,278,554
Property Operating Expenses	(2,242,475)	(272,994)	(832,376)	(639,773)	(160,658)	(144,609)	-	(4,292,885)
	4,674,583	656,525	2,431,709	1,020,037	(22,619)	225,434	-	8,985,669
Interest and Other Income	11,666	8,576	1,057	-	350	-	-	21,649
Expenses:								
Finance Costs	1,790,062	57,589	720,850	679,006	-	110,841	24,800	3,383,148
General and Administrative	665,724	196,973	67,081	145,877	258	26,490	161,333	1,263,736
	2,455,786	254,562	787,931	824,883	258	137,331	186,133	4,646,884
Income Before Fair Value Adjustments	2,230,463	410,539	1,644,835	195,154	(22,527)	88,103	(186,133)	4,360,434
Fair Value Adjustments:								
Investment Properties	105,719	21,654	(80,927)	(119,492)	(4,517)	(16,697)	-	(94,260)
Unit-based Compensation Recovery	-	-	-	-	-	-	866,816	866,816
Net Income/(Loss) and Comprehensive Income/(Loss)	$ 2,336,182	$ 432,193	$ 1,563,908	$ 75,662	$ (27,044)	$ 71,406	$ 680,683	$ 5,132,990

	Grocery Anchored Retail	Non-Grocery Anchored Retail	Industrial	Multi-Residential	Core Service Office Provider	Manufactured Homes Communities	Corporate	Nine Months Ended Sep 30, 2023
Net Operating Income								
Rental Revenue	$ 21,485,571	$ 2,991,040	$ 11,451,536	$ 5,642,086	$ -	$ 1,393,409	$ -	$ 42,963,642
Property Operating Expenses	(7,953,716)	(927,405)	(3,869,084)	(2,406,667)	-	(530,493)	-	(15,687,365)
	13,531,855	2,063,635	7,582,452	3,235,419	-	862,916	-	27,276,277
Interest and Other Income	130,189	9,326	3,433	-	221,627	131	-	364,706
Expenses:								
Finance Costs	5,108,275	171,515	2,625,351	1,983,975	-	391,427	820,925	11,101,468
General and Administrative	1,539,525	101,328	546,246	632,881	5,074	105,080	716,016	3,646,150
	6,647,800	272,843	3,171,597	2,616,856	5,074	496,507	1,536,941	14,747,618
Income Before Fair Value Adjustments	7,014,244	1,800,118	4,414,288	618,563	216,553	366,540	(1,536,941)	12,893,365
Fair Value Adjustments:								
Investment Properties	(7,188,156)	(1,369,172)	1,585,998	1,669,790	-	485,505	-	(4,816,035)
Unit-based Compensation Expense	-	-	-	-	-		480,773	480,773
Net Income/(Loss) and Comprehensive Income/(Loss)	$ (173,912)	$ 430,946	$ 6,000,286	$ 2,288,353	$ 216,553	$ 852,045	$ (1,056,168)	$ 8,558,103

	Grocery Anchored Retail	Non-Grocery Anchored Retail	Industrial	Multi-Residential	Core Service Office Provider	Manufactured Homes Communities	Corporate	Nine Months Ended Sep 30, 2022
Net Operating Income								
Rental Revenue	$ 20,375,561	$ 3,102,021	$ 9,890,189	$ 4,957,875	$ 363,779	$ 1,084,305	$ -	$ 39,773,730
Property Operating Expenses	(6,753,247)	(1,002,584)	(3,142,327)	(1,814,291)	(362,086)	(407,306)	-	(13,481,841)
	13,622,314	2,099,437	6,747,862	3,143,584	1,693	676,999	-	26,291,889
Interest and Other Income	26,682	25,544	1,986	130	350	-	-	54,692
Expenses:								
Finance Costs	4,970,743	115,199	2,055,240	1,508,054	-	210,715	229,082	9,089,033
General and Administrative	2,006,414	196,973	530,692	490,005	12,301	79,383	673,199	3,988,967
	6,977,157	312,172	2,585,932	1,998,059	12,301	290,098	902,281	13,078,000
Income Before Fair Value Adjustments	6,671,839	1,812,809	4,163,916	1,145,655	(10,258)	386,901	(902,281)	13,268,581
Fair Value Adjustments:								
Investment Properties	(15,058,375)	(3,084,245)	(962,475)	(8,828,054)	(160,726)	3,308,599	-	(24,785,276)
Unit-based Compensation Expense	-	-	-	-	-		1,668,777	1,668,777
Net Income/(Loss) and Comprehensive Income/(Loss)	$ (8,386,536)	$ (1,271,436)	$ 3,201,441	$ (7,682,399)	$ (170,984)	$ 3,695,500	$ 766,496	$ (9,847,918)

20. Subsequent Events

a) On November 8, 2023, 60,000 options that were issued at a weighted average exercise price of $6.35 expired and were cancelled in full.

b) On November 9, 2023, the Trust declared and approved monthly distributions in the amount of $0.04333 per Trust Unit for Unitholders of record on January 31, 2024, February 29, 2024 and March 29, 2024, payable on or about February 15, 2024, March 15, 2024, and April 15, 2024, respectively.