

PRESS RELEASE



FIRM CAPITAL AMERICAN REALTY PARTNERS CORP.

FIRM CAPITAL AMERICAN REALTY PARTNERS CORP. ANNOUNCES IMPROVING SECOND QUARTER RESULTS

Toronto, Ontario, August 17, 2017. Firm Capital American Realty Partners Corp. (“the **Company**”), (TSXV : FCA.U), (TSXV : FCA), (TSXV : FC.WT.U) is pleased to report its consolidated interim quarterly financial results for the three and six months ended June 30, 2017:

QUARTER AND YEAR-TO-DATE HIGHLIGHTS

- For the three months ended June 30, 2017, net income was approximately \$0.1 million, or a significant improvement over the \$0.2 million loss reported for the three months ended March 31, 2017 and \$1.4 million loss reported for the three months ended June 30, 2016;
- For the six months ended June 30, 2017, net loss was approximately \$0.1 million, or a significant improvement over the \$4.0 million net loss reported for the six months ended June 30, 2016;
- For the three months ended June 30, 2017, net income was \$0.03 per share, which is a significant improvement over the \$0.05 net loss per share reported for the three months ended March 31, 2017 and \$0.70 net loss per share reported for the three months ended June 30, 2016;
- For the six months ended June 30, 2017, net loss was \$0.02 per share, which was a significant improvement over the \$2.04 net loss per share reported for the six months ended June 30, 2016;
- For the three month period ended June 30, 2017, FFO was approximately a \$0.3 million loss or a 72% improvement over the \$1.2 million loss reported at June 30, 2016. AFFO was approximately a \$0.2 million loss or a 79% improvement over the \$1.0 million loss reported at June 30, 2016;
- For the six month period ended June 30, 2017, FFO was approximately a \$1.0 million loss or a 75% improvement over the \$3.8 million loss reported at June 30, 2016. AFFO was approximately a \$0.6 million loss or a 70% improvement over the \$2.2 million loss reported at June 30, 2016;
- For the three month period ended June 30, 2017, FFO per share was \$(0.07) and AFFO per share was \$(0.05). Both are 87% and 91% improvements, respectively,

over the FFO and AFFO per share amounts reported for the three month period ended June 30, 2016;

- For the six month period ended June 30, 2017, FFO per share was \$(0.22) and AFFO per share was \$(0.15). Both are 89% and 87% improvements, respectively, over the FFO and AFFO per share amounts reported for the six month period ended June 30, 2016;
- As at June 30, 2017, the Company had two asset portfolios:
- **Investment Portfolio:** A portfolio of real estate investments with a fair value of approximately \$53.2 million consisting of the following:
 - **Multi-Family Investment Portfolio:** Consisting of 66 mini-multi units located across three buildings in Florida and 311 multi-family apartment units located across three buildings in Florida (one building) and Texas (two buildings) with a fair value of approximately \$46.0 million; and
 - **Joint Venture Investments:** Consisting of two joint venture investments in eight multi-family buildings comprised of 127 residential units and two commercial units located in New York City and 115 residential units located in the Washington, DC area with a combined fair value of approximately \$7.2 million;
- **Single Family Disposition Portfolio:** Consisting of 237 homes comprised of 319 units located in Florida, Atlanta and New Jersey with a fair value of approximately \$18.2 million;
- **Occupancy:** Multi-Family Investment Portfolio occupancy was 93.4%, while Joint Venture Investment occupancy was 89.3%;
- **Average Rents:** Multi-Family and Joint Venture Investment Portfolio average monthly rents increased by 1% over March 31, 2017;
- **\$9.8 Million in Senior Secured Note (“SSN”) and New Jersey Secured Promissory Note (“NJPN”) Repayments Reduce Original Balances By 96%. SSN Fully Repaid:** For the six months ended June 30, 2017, the Company repaid approximately \$7.2 million and \$1.7 million of the SSN and NJPN, respectively. Subsequent to quarter end, the Company repaid an additional \$0.9 million of the SSN. In total, the Company has repaid \$9.8 million of the SSN and NJPN from the beginning of 2017. As at August 16, 2017, the Company has fully repaid the SSN and the NJPN stands at approximately \$1.1 million, respectively;
- **\$8.4 Million in Single Family Home Dispositions:** For the six months ended June 30, 2017, the Company closed sales on 120 single family homes comprised of 130 units for gross proceeds of approximately \$7.3 million (net proceeds of approximately \$6.3 million). Subsequent to quarter end, the Company closed sales on an additional 18 single family home units for gross proceeds of approximately \$1.1 million (net proceeds of approximately \$0.9 million);
- **\$2.8 Million in Conditional Single Family Home Sales Expected to Fully Repay the NJPN and Commence Repayment of the Convertible Unsecured Debentures (the “Convertible Debentures”):** The Company has under contract 19 single family properties comprised of 49 units for gross proceeds of approximately \$2.8 million. These home sales are anticipated to close during the third quarter of

2017 and the net proceeds generated are anticipated to fully repay the NJPN and provide partial repayments of the Convertible Debentures;

- **Single Family Home Inventory Held For Sale Update:** Beyond the conditional home sales as outlined above, the Company currently has 78 properties not sold, comprised of 12 single family homes available for sale in Florida, 14 properties comprised of 67 units available for sale in New Jersey and 52 single family homes available for sale in Atlanta. With the exception of a 120 single family home rental portfolio located in Atlanta subject to a \$4.0 million first mortgage, all of the remaining single family homes are currently listed for sale with various agents;
- **Completed \$6.3 Million Offering of Common Shares and Warrants:** On May 29, 2017, the Company closed a public offering (the "**Offering**") of 850,160 units (the "**Offered Units**") of the Company. The Company completed the Offering at a price of \$7.50 per Offered Unit (C\$10.24 per Offered Unit). Each Offered Unit consisted of one common share of the Company and one common share purchase warrant of the Company (an "**Offered Warrant**"). Each Offered Warrant entitles the holder to purchase one common share of the Company at an exercise price of \$8.50 for a period of 36 months from the closing date of the Offering. The Company raised gross proceeds of approximately \$6.3 million;
- **Disposition of Florida Mini-Multi Portfolio for a 14% Premium over IFRS Values:** Subsequent to June 30, 2017, the Company has entered into three conditional all cash purchase and sale agreements with one unrelated third party to dispose of its entire Florida mini-multi portfolio for gross cash proceeds (before transaction costs) of approximately \$4.2 million. The disposition price represents a 14% premium over the IFRS value of approximately \$3.7 million, as reported on the Company's financial statements on March 31, 2017. The Company completed the sale of one of the properties on August 4, 2017 for gross cash proceeds (before transaction costs) of approximately \$1.1 million. The Company anticipates closing the remaining transactions during the third quarter of 2017. Net cash proceeds generated from the transactions will be used for repayment of the Convertible Debentures;
- **Completed Joint Venture Acquisition:** On August 16, 2017, the Company completed the acquisition of a 50% ownership interest in a joint venture with a third party funded by way of common and preferred equity. The venture acquired a multi-family residential portfolio in Bridgeport, Connecticut, comprised of 14 buildings and 462 apartment units for a purchase price (excluding transaction costs) of approximately \$30.5 million representing a going-in capitalization rate of approximately 6.1%, or approximately US\$66,100 per apartment unit;
- **Options Issuance:** On August 17, 2017, the Company approved the grant of stock options (the "**Options**") in accordance with the terms and conditions of the Company's stock option plan, which was most recently re-approved at the Company's annual special and general meeting of shareholders, held on June 8, 2017. The Options were issued to certain officers, directors and employees, to purchase an aggregate of 437,373 common shares of the Company. The Options are exercisable for a period of 10 years from the date of grant at a price of \$7.50 per share and will vest immediately; and

- **Adoption of Inaugural Dividend Policy:** On August 17, 2017, the Company announced the adoption of its previously announced dividend policy (the “**Policy**”), pursuant to which it will pay U.S. dollar cash dividends (on both the U.S. dollar and Canadian dollar common shares) to shareholders of the Company as of each quarterly dividend record date, targeted to be the last day of each calendar quarter. The Policy will be implemented and become effective as of September 1, 2017. Accordingly, the Company’s first dividend will be pro-rated for the quarter ended September 30, 2017 and the first full quarterly dividend will be payable for the quarter ended December 31, 2017. As a result, the Company has declared and approved dividends in the amount of U.S. \$0.01875 per common share for shareholders of record on September 30, 2017, payable on or about October 16, 2017, and U.S. \$0.05625 per common share for shareholders of record on December 31, 2017, payable on or about January 15, 2018. On an annual basis, the Policy equates to a dividend of U.S. \$0.2250 per common share, or a 3.0% annual dividend yield based on the U.S. \$7.50 price per the Company’s public offering of common shares and warrants completed on May 29, 2017.

For the complete financial statements including Management’s Discussion & Analysis, please visit www.sedar.com or the Company’s website at www.firmcapital.com

ABOUT FIRM CAPITAL AMERICAN REALTY PARTNERS CORP.

Firm Capital American Realty Partners Corp. (the “**Company**”) is a U.S. focused real estate investment entity that pursues real estate and debt investments through the following platforms:

- **Income Producing Real Estate Investments:** Acquiring income producing real estate assets in major cities across the United States. Acquisitions are completed solely by the Company or in joint-venture partnership with local industry expert partners who retain property management responsibilities; and
- **Mortgage Debt Investments:** Real estate debt and equity lending platform in major cities across the United States, focused on providing all forms of bridge mortgage loans and joint venture capital.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain information in this news release constitutes forward-looking statements under applicable securities law. Any statements that are contained in this news release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements are often identified by terms such as "may", "should", "anticipate", "expect", "intend" and similar expressions. Forward-looking statements in this news release include, but are not limited to, statements regarding the Company’s single family property disposition program and debt repayments, which may not be completed within the estimated time frames specified above or at all. Failure to complete the steps described above or any delays in their implementation may have a material adverse effect upon the business of the Company and its market value. There is no assurance that the Company will be able to complete the disposition of the single property disposition portfolio at anticipated values or at all or that market conditions will support the debt and equity raises contemplated by the Company. There is no assurance that the implementation of the steps described above, even if completed as described above, will increase the market value of the Company’s securities, which is subject to numerous factors beyond the Company’s control.

Forward-looking statements necessarily involve known and unknown risks, including, without limitation, risks associated with general economic conditions; adverse factors affecting the U.S. real estate market generally or those specific markets in which the Company holds properties; volatility of real estate prices; inability to complete the Company's single family property disposition program or debt restructuring in a timely manner; inability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favourable terms; industry and government regulation; changes in legislation, income tax and regulatory matters; the ability of the Company to implement its business strategies; competition; currency and interest rate fluctuations and other risks.

Readers are cautioned that the foregoing list is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

Certain financial information presented in this press release reflect certain non-International Financial Reporting Standards ("**IFRS**") financial measures, which include NOI, FFO and AFFO. These measures are commonly used by real estate investment companies as useful metrics for measuring performance, however, they do not have standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other real estate investment companies. These terms are defined in The Company's Management Discussion and Analysis for the quarter and year ended December 31, 2016 filed on www.sedar.com.

Neither the Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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