

## PRESS RELEASE



### FIRM CAPITAL AMERICAN REALTY PARTNERS CORP.

## FIRM CAPITAL AMERICAN REALTY PARTNERS CORP. REPORTS STRONG SECOND QUARTER AND YEAR TO DATE RESULTS

Toronto, Ontario, August 10, 2018. Firm Capital American Realty Partners Corp. (“the **Company**”), (TSXV : FCA.U), (TSXV : FCA) is pleased to report its financial results for the three and six months ended June 30, 2018:

### SECOND QUARTER AND YEAR TO DATE HIGHLIGHTS

- For the three months ended June 30, 2018, net income was approximately \$1.4 million, a significant increase in comparison to the \$0.2 million net income reported for the three months ended March 31, 2018 and the \$0.1 million reported for the three months ended June 30, 2017. For the six months ended June 30, 2018, net income was \$1.6 million, a significant improvement over the \$0.1 million net loss reported for the six months ended June 30, 2017;
- For the three months ended June 30, 2018, basic net income was \$0.23 per share, a significant increase in comparison to the \$0.03 net income per share reported for the three months ended March 31, 2018 and June 30, 2017, respectively. For the six months ended June 30, 2018 basic net income was \$0.26 per share, a significant improvement over the \$0.02 net loss per share reported for the six months ended June 30, 2017;
- For the three months ended June 30, 2018, diluted net income was \$0.18 per share, a significant increase in comparison to the \$0.02 diluted net income per share reported for the three months ended March 31, 2018 and June 30, 2017, respectively. For the six months ended June 30, 2018, diluted net income was \$0.21 per share, a significant improvement over the \$0.02 diluted net loss per share reported for the six months ended June 30, 2017;
- \$8.10 Net Asset Value (“**NAV**”) per share based on an IFRS book value of equity of approximately \$49.6 million, a 1.3% increase over the \$8.00 NAV per share reported at March 31, 2018;
- Results for the period ended June 30, 2018 are as follows:

|                              | Three Months Ended |                   |                  | Six Months Ended |                  |
|------------------------------|--------------------|-------------------|------------------|------------------|------------------|
|                              | June 30,<br>2018   | March 31,<br>2018 | June 30,<br>2017 | June 30,<br>2018 | June 30,<br>2017 |
| Net Income/(Loss)            | \$ 1,417,017       | \$ 177,295        | \$ 135,387       | \$ 1,594,313     | \$ (96,332)      |
| FFO                          | \$ 132,966         | \$ 331,035        | \$ (343,117)     | \$ 464,004       | \$ (958,699)     |
| AFFO                         | \$ 164,317         | \$ 350,803        | \$ (207,629)     | \$ 515,123       | \$ (663,633)     |
| Adjusted FFO                 | \$ 134,658         | \$ 329,927        | \$ (336,875)     | \$ 464,588       | \$ (962,702)     |
| Adjusted AFFO                | \$ 164,317         | \$ 350,803        | \$ (207,629)     | \$ 515,123       | \$ (671,639)     |
| Net Income/(Loss) Per Share  | \$ 0.23            | \$ 0.03           | \$ 0.03          | \$ 0.26          | \$ (0.02)        |
| Diluted Net Income Per Share | \$ 0.18            | \$ 0.02           | \$ 0.02          | \$ 0.21          | \$ (0.02)        |
| FFO per share                | \$ 0.02            | \$ 0.05           | \$ (0.07)        | \$ 0.08          | \$ (0.22)        |
| AFFO Per Share               | \$ 0.03            | \$ 0.06           | \$ (0.05)        | \$ 0.08          | \$ (0.15)        |
| Adjusted FFO Per Share       | \$ 0.02            | \$ 0.05           | \$ (0.08)        | \$ 0.08          | \$ (0.22)        |
| Adjusted AFFO Per Share      | \$ 0.03            | \$ 0.06           | \$ (0.05)        | \$ 0.08          | \$ (0.15)        |

- **Occupancy:** Multi-Family Investment Portfolio occupancy was steady at 96.6%, while Joint Venture Investments occupancy improved by 230 basis points to 92.1%;
- **Improved Average Monthly Rents:** Multi-Family Investment Portfolio average monthly rent improved to \$1,085 per unit, while Joint Venture Investments average monthly rent improved to \$962 per unit;
- **\$5.6 Million in Debt Repayments leave only \$6.6 Million of the Convertible Debentures (“Debentures”) Outstanding:** For the six months ended June 30, 2018, the Company repaid approximately \$4.3 million of the Debentures. Subsequent to the quarter ended June 30, 2018, the Company repaid an additional \$1.3 million of the Debentures, leaving an outstanding balance of approximately \$6.8 million (\$6.6 million net of deferred finance costs) or only 38% of the original balance;
- **\$4.6 Million in Single Family Home Dispositions:** For the six months ended June 30, 2018, the Company closed sales on 37 single family homes comprised of 84 units for gross proceeds of approximately \$4.6 million (net proceeds of approximately \$4.0 million);
- **\$1.0 Million in Conditional Single Family Home Sales Provided Further Debenture Partial Repayments:** The Company had under contract two single family properties comprised of 17 units for gross proceeds of approximately \$1.0 million. These home sales closed during the third quarter of 2018 and the net proceeds generated were used for further Debenture repayments as outlined above;
- **Fourth Consecutive Dividend Paid to Shareholders:** On July 15, 2018, dividends of \$0.05625 per common share were paid to shareholders of record on June 30, 2018. This payment represents the fourth consecutive dividend payment for the Company; and
- **Fifth Declared Dividend:** On August 10, 2018, dividends of \$0.05625 per common share were declared for shareholders of record on September 28, 2018 payable on or about October 15, 2018.

For the complete financial statements including Management's Discussion & Analysis, please visit [www.sedar.com](http://www.sedar.com) or the Company's website at [www.firmcapital.com](http://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, 2017 filed on [www.sedar.com](http://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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