

## PRESS RELEASE



### FIRM CAPITAL AMERICAN REALTY PARTNERS CORP.

#### FIRM CAPITAL AMERICAN REALTY PARTNERS CORP. REPORTS STRONG SECOND QUARTER RESULTS

Toronto, Ontario, August 28, 2019. Firm Capital American Realty Partners Corp. (“the **Company**”), (TSXV: FCA.U), (TSXV: FCA) is pleased to report its financial results for the three months ended June 30, 2019:

- For the three months ended June 30, 2019, net income was approximately \$1.4 million, largely in line with the \$1.4 million reported for the three months ended June 30, 2018. For the six months ended June 30, 2019, net income was approximately \$3.1 million a 96% increase over the \$1.6 million reported for the six months ended June 30, 2018;
- For the three months ended June 30, 2019, basic net income per share was approximately \$0.20, in comparison to the \$0.23 reported for the three months ended June 30, 2018. For the six months ended June 30, 2019, basic net income per share was approximately \$0.45, a 73% improvement over the \$0.26 reported for the six months ended June 30, 2018;
- \$8.80 Net Asset Value (“**NAV**”) per Share based on an IFRS book value of equity and pro-forma the issuance of the convertible debentures (as discussed below) of approximately \$61.0 million, in line with the \$8.80 NAV per Share as reported at March 31, 2019.
- Results for the three months ended June 30, 2019 are as follows:

	Three Months Ended			Six Months Ended	
	June 30, 2019	Mar 31, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Net Income/(Loss)	\$ 1,372,969	\$ 1,744,195	\$ 1,417,017	\$ 3,117,165	\$ 1,594,313
FFO	\$ 510,278	\$ 436,793	\$ 132,966	\$ 947,074	\$ 464,004
AFFO	\$ 498,203	\$ 500,950	\$ 164,317	\$ 999,156	\$ 515,124
Net Income/(Loss) Per Share	\$ 0.20	\$ 0.25	\$ 0.23	\$ 0.45	\$ 0.26
Diluted Net Income Per Share	\$ 0.15	\$ 0.19	\$ 0.18	\$ 0.34	\$ 0.21
FFO per Share	\$ 0.07	\$ 0.06	\$ 0.02	\$ 0.14	\$ 0.08
AFFO Per Share	\$ 0.07	\$ 0.07	\$ 0.03	\$ 0.14	\$ 0.08

As at June 30, 2019, the Company had three asset portfolios:

- **Investment Portfolio:** A portfolio of real estate investments with a fair value of approximately \$81 million consisting of the following:
  - **Multi-Family Investment Portfolio:** Consisting of 311 multi-family apartment units located across three buildings in Florida (one building) and Texas (two buildings) with a fair value of approximately \$47.1 million;
  - **Equity Accounted and Preferred Investments:** Consisting of seven investments in associates comprised of 1,374 residential units located in Connecticut, New York, Maryland, Texas and New Jersey with a combined fair value of approximately \$31.2 million and a pro-rata real estate fair value of \$61.2 million (\$166 million on an associate basis); and
  - **Preferred Capital Investment:** Investment of \$2.2 million in a \$10.5 million, interest only preferred capital loan to fund the acquisition by a New York based real estate investment firm of a portfolio of three apartment buildings in New York City.
- **Significant Occupancy Improvement:** Multi-Family Investment Portfolio occupancy was 97.1%, a 100 basis point increase over the 96.1% reported for the three months ended March 31, 2019, while Equity Accounted Investments occupancy was 95.1%, a 330 basis point increase over the 91.8% reported for the three months ended March 31, 2019;
- **Improved Average Monthly Rents:** Multi-Family Investment Portfolio average monthly rent was \$1,122, a 1% increase over the \$1,110 reported for the three months ended March 31, 2019. Equity Accounted Investments average monthly rent was \$1,057 per unit, a 3% increase over the \$1,028 per unit reported for the three months ended March 31, 2019;
- **Increased Net Asset Value (“NAV”) by a +11% CAGR To \$8.80 Per Share:** Since Q3/2017, the Company has increased NAV from \$7.85 per Share to \$8.80 per Share for a +11% Compounded Annual Growth Rate (“CAGR”) through a combination of accretive investments, debt reduction, new capital and other value-creation initiatives that have ultimately generated higher earnings for the Company;
- **95% of Atlanta Homes Sold. Only 6 Homes Remain:** To date, the Company has sold or closed sales on 114 homes located in Atlanta, or 95% of the total portfolio, for gross proceeds of \$12.1 million. The remaining unsold 6 single family homes, which have a current list price of approximately \$0.8 million, are anticipated to contribute to the Company’s working capital upon disposition;
- **\$13.0 Million Hartford, CT Acquisition:** On April 4, 2019, the Company closed an equity accounted and preferred investment to acquire a 109 unit multi-family residential portfolio comprised of two buildings located in Hartford, CT (the “Hartford Portfolio”). The purchase price of the Hartford Portfolio was \$13.0 million (including transaction costs). The acquisition was financed with a \$10.0 million, 4.81% first mortgage due April 3, 2039 and \$3.0 million of equity. The Company contributed \$0.6 million (100% ownership) of 8% preferred equity and \$1.2 million of common equity, representing a 50% ownership stake in the investment;

- **REIT Conversion Exploration:** On May 10, 2019, the Company announced that it has engaged legal and tax advisors to explore the possibility of converting the Company into a Real Estate Investment Trust or “REIT” structure by the end of fiscal 2019;
- **CAD \$19.2 Million Convertible Debenture Financing:** On August 8, 2019 and August 13, 2019, the Company closed a total of CAD \$19.2 million, 6.25% convertible unsecured unsubordinated debenture (“the Convertible Debenture”) offering. The Convertible Debenture has a term to maturity of seven years and is due on June 30, 2026. The Convertible Debenture can be converted into common shares of the Company at an exercise price of \$CAD 12.60 per common share at any time prior to June 30, 2026. Each Convertible Debenture also consists of 79 common share purchase warrants of the Company. The warrants are exercisable at an exercise price of CAD\$12.60 per share for a period of two years following the closing date of the offering;
- **Eighth Consecutive Paid Dividend:** On July 15, 2019, dividends of \$0.059 per common share were paid to shareholders of record on June 28, 2019. This payment represented the eighth consecutive dividend payment for the Company; and
- **Dividends:** On August 28, 2019, the Company announced that it has declared and approved quarterly dividends in the amount of \$0.059 per common share for shareholders of record on December 31, 2019 payable on or about January 15, 2020.

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, but not limited to 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 ended June 30, 2019 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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