



PRESS RELEASE

FIRM CAPITAL AMERICAN REALTY PARTNERS TRUST

FIRM CAPITAL AMERICAN REALTY PARTNERS CORP. REPORTS STRONG FINISH TO 2019 AND CONTINUES TO INCREASE NAV TO \$9.39/ SHARE

Effective January 8, 2020, Firm Capital American Realty Partners Corp. (the "Company") successfully converted into Firm Capital American Realty Partners Trust (the "Trust"). Accordingly, references to historical results and transactions will reference the Company while forward looking statements will reference the Trust.

Toronto, Ontario, April 6, 2020. Firm Capital American Realty Partners Corp. ("the **Company**"), (TSXV: FCA.U), (TSXV: FCA) is pleased to report its financial results for the three and twelve months ended December 31, 2019:

- For the three months ended December 31, 2019, net income was approximately \$3.5 million, a 49% increase over the \$2.4 million reported for the three months ended December 31, 2018. For the year ended December 31, 2019, net income was approximately \$7.1 million, a 25% increase over the \$5.6 million reported for the year ended December 31, 2018;
- For the three months ended December 31, 2019, basic net income per share was approximately \$0.51, a 41% increase over the \$0.36 reported for the three months ended December 31, 2018. For the year ended December 31, 2019, basic net income per share was approximately \$1.02, a 13% increase over the \$0.90 reported for the year ended December 31, 2018;
- For the three months ended December 31, 2019, AFFO was approximately \$0.2 million, a significant improvement over the \$0.08 million reported for the three months ended December 31, 2018. For the year ended December 31, 2019, AFFO was approximately \$1.7 million, a 110% improvement over the \$0.8 million reported for the year ended December 31, 2018; and
- \$9.39 Net Asset Value ("**NAV**") per Share, a 4% improvement over the \$9.07 NAV per Share as reported at September 30, 2019.
- Results for the year ended December 31, 2019 are as follows:

	Three Months Ended		Twelve Months Ended	
	Dec 31, 2019	Dec 31, 2018	Dec 31, 2019	Dec 31, 2018
Net Income	\$ 3,514,541	\$ 2,353,158	\$ 7,055,862	\$ 5,629,358
FFO	\$ 8,612	\$ (279,960)	\$ 1,394,335	\$ 345,503
AFFO	\$ 202,343	\$ 79,409	\$ 1,731,910	\$ 824,978
Dividends	\$ 409,183	\$ 390,167	\$ 1,636,731	\$ 1,424,207
Basic Net Income Per Share	\$ 0.51	\$ 0.36	\$ 1.02	\$ 0.90
Diluted Net Income Per Share	\$ 0.48	\$ 0.30	\$ 1.02	\$ 0.71
FFO Per Share	\$ 0.00	\$ (0.04)	\$ 0.20	\$ 0.05
AFFO Per Share	\$ 0.03	\$ 0.01	\$ 0.25	\$ 0.12
Dividends Per Share	\$ 0.06	\$ 0.06	\$ 0.24	\$ 0.23

- **+108% increase in AFFO Per Share:** Through the impact of accretive investments, the Company realized a +108% year over year AFFO increase to \$0.25/share, thereby providing the second full year of positive AFFO for each and every quarter.
- **+95% increase in Income from Equity Accounted and Preferred Investments:** As a result of accretive investments and overall portfolio performance, the Company realized a 95% increase in its income from equity accounted and preferred investments (excluding fair market value adjustments);
- **8% Increased Valuation in Wholly Owned Portfolio:** Through increased rents and capitalization rate compression, the Company realized +8% increased value in its wholly owned portfolio;
- **Increased NAV by a +10.5% CAGR to \$9.39 Per Share:** Since Q3/2017, the Company has increased NAV from \$7.85 per Share to \$9.39 per Share for a +10.5% 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;
- **Invested \$10.2 Million to acquire \$60.2 Million in Real Estate:** During 2019 and early 2020, the Company closed on three equity accounted and preferred investments comprised of 497 units located in West Hartford, Connecticut; Canton, Georgia; and Houston, Texas. The total purchase price for these investments were approximately \$60.2 million. The Company contributed \$6.2 million of preferred equity, yielding a weighted average interest rate of 8.5% and \$4.0 million of common equity representing a 50% ownership interest in each of the following investments:
 - **\$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 preferred equity yielding 8% and \$1.2 million of common equity, representing a 50% ownership stake in the investment;
 - **\$19.3 Million Canton, GA Acquisition:** On September 27, 2019, the Company closed an equity accounted and preferred investment to acquire a 138 unit multi-family residential building located in Canton, GA (the “**Canton**”).

- Acquisition**”). The purchase price for 100% of the Canton Acquisition was \$19.3 million (including transaction costs). The Canton Acquisition was financed, in part with a \$14.0 million, 4.0% first mortgage due on September 26, 2029. The Company contributed \$2.1 million (100% ownership) of preferred equity yielding 8% and \$1.6 million of common equity representing a 50% ownership stake in the investment; and
- **\$27.9 Million Houston, TX Acquisition:** On January 31, 2020, the Trust closed an equity accounted and preferred investment to acquire the Woodglen Village, a 250-unit multi-family residential portfolio located in Houston, TX (the “**Woodglen Acquisition**”). The purchase price for 100% of the Woodglen Acquisition was \$27.9 million (including transaction costs). The Woodglen Acquisition was financed, in part with a \$22.1 million, 4.6% first mortgage due on January 30, 2024. The Trust contributed \$3.5 million (100% ownership) of preferred equity yielding 9% and \$1.2 million of common equity representing a 50% ownership stake in the investment.
 - **\$3.0 Million Preferred Capital Investment:** On November 15, 2019, the Company closed on a participation of \$3.0 million in a \$10.0 million preferred capital investment (the “Houston Preferred Capital”) for a portfolio of five apartment buildings located in Houston, Texas. The Houston Preferred Capital earns an interest rate of 12% per annum during its initial term of two years, following which if the term is extended, at an interest rate of 18% per annum;
 - **CAD \$19.4 Million Convertible Debenture Financing:** On August 8, 2019 and August 13, 2019, the Company closed a total of CAD \$19.4 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 Unit also includes 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 due on August 7, 2021;
 - **\$12.8 Million Equity Offering Financing:** On March 13, 2020, the Trust closed a marketed offering of 1,590,000 Trust Units at a price of \$8.20 (CAD \$10.90 per unit based on the Bank of Canada daily noon rate of exchange of \$1.3745). The Trust raised total gross proceeds of \$12.8 million;
 - **100% of Atlanta Homes Sold:** The Company has sold all 120 homes located in Atlanta, with gross proceeds of approximately \$12.3 million;
 - **Successful Conversion into Real Estate Investment Trust (REIT):** On January 8, 2020, the Company completed its plan of arrangement to convert into a Real Estate Investment Trust and commenced under Firm Capital American Realty Partners Trust (the “Trust”). The units of the Trust began trading on TSXV on January 8, 2020, under symbols FCA.U and FCA.UN. Under the terms of the Arrangement, each outstanding common share of the Company was exchanged for one unit of the Trust.
 - **New Independent Trustee:** On February 12, 2020, the Trust announced the appointment of Ms. Valentina Kalyk to the Board of Trustees. Ms. Kalyk brings over 20 years of capital markets experience. Until her recent retirement, she spent 15

years with Canaccord Genuity where she was a Managing Director and senior member of the institutional equity sales team, with a dedicated focus to REIT's; and

- **Distributions:** On February 14, 2020, the Trust, declared and approved quarterly distributions of \$0.059 per unit for unitholders on record as of March 31, 2020 payable on or about April 15, 2020.

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 TRUST

Effective January 8, 2020, Firm Capital American Realty Partners Corp. (the "**Company**") successfully converted into Firm Capital American Realty Partners Trust (the "**Trust**"). Accordingly, references to historical results and transactions will reference the Company while forward looking statements will reference the Trust.

The Trust 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:**
 - **Core Markets Wholly Owned Investments:** The Trust is focused on growing its wholly owned multi-residential property portfolio in large core markets with attention to cities located in Texas, Florida, New Jersey, North and South Carolina, Colorado, Georgia and New York.
 - **Core and Non-Core Markets: Joint Venture Investments:** The Trust will also purchase in both core and non-core markets where it lacks knowledge or experience, partial ownership interests in multi-residential properties with industry leaders as partners. These partners bring both expertise in operations and knowledge, especially in non-core markets. The Trust strives to have a minimum 50% ownership interest and will fund the equity in a combined preferred/common equity investment structure. The preferred equity provides a fixed rate of return for investors in the Trust, resulting in a secured structure ahead of the partners ownership interest, while the common equity provides investors an upside return for investors as the investment meets its targeted objectives.
- **Mortgage Debt Investments:** The Trust, using Firm Capital's 30-year plus experience as a leader in the mortgage lending industry, provides bridge lending of mortgage and preferred capital secured by residential/multi-residential properties.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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 December 31, 2019 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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