

PRESS RELEASE



FIRM CAPITAL AMERICAN REALTY PARTNERS TRUST

FIRM CAPITAL AMERICAN REALTY PARTNERS TRUST CONTINUES 2019 MOMENTUM WITH SOLID START TO 2020 AND ANNOUNCES APRIL/MAY RENT COLLECTIONS

Toronto, Ontario, May 19, 2020. Firm Capital American Realty Partners Trust (“the **Trust**”), (TSXV: FCA.U), (TSXV: FCA.UN) is pleased to report its financial results for the three months ended March 31, 2020 as well as April and May rent collections.

APRIL AND MAY RENT COLLECTIONS

- As of May 19, 2020, the Trust has collected 93% and 71% of April and May rents, respectively and is actively either collecting the remaining rent or working with tenants who require assistance.

FIRST QUARTER HIGHLIGHTS

- For the three months ended March 31, 2020, net income was approximately \$1.1 million, in comparison to the \$1.7 million reported for the three months ended March 31, 2019;
- For the three months ended March 31, 2020, AFFO was approximately \$0.5 million, largely in line with the \$0.5 million reported for the three months ended March 31, 2019; and
- \$8.95 Net Asset Value (“**NAV**”) per Unit, in comparison to the \$9.39 NAV per Unit as reported at December 31, 2019.
- Results for the three months ended March 31, 2020 are as follows:

	Three Months Ended		
	March 31, 2020	December 31, 2019	March 31, 2019
Net Income	\$ 1,111,310	\$ 3,514,541	\$ 1,744,195
FFO	\$ 1,918,861	\$ 8,612	\$ 436,793
AFFO	\$ 480,775	\$ 202,343	\$ 500,950
Distributions	\$ 503,151	\$ 409,183	\$ 409,183
FFO Per Unit	\$ 0.26	\$ -	\$ 0.06
AFFO Per Unit	\$ 0.07	\$ 0.03	\$ 0.07
Distributions Per Unit	\$ 0.06	\$ 0.06	\$ 0.06

- **Increased NAV by a +9% CAGR to \$8.95 Per Unit:** Since Q3/2017, the Trust has increased NAV from \$7.85 per Unit to \$8.95 per Unit for a +9% 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 Trust;
- **\$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 \$3.6 million (100% ownership) of preferred equity yielding 9% and \$1.4 million of common equity representing a 50% ownership stake in the investment;

- **\$12.8 Million Equity 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 approximately \$12.6 million;
- **Successful Conversion into Real Estate Investment Trust:** Effective January 1, 2020, the Trust completed its plan of arrangement to convert into a Real Estate Investment Trust and commenced operating under the name Firm Capital American Realty Partners 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 unit of the Trust 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 in the Real Estate Capital Markets.
- **Normal Course Issuer Bid:** On April 28, 2020, the Trust received approval from the TSX Venture Exchange to commence a Normal Course Issuer Bid or NCIB to purchase up to 645,442 of its own Trust Units. Subsequently, the Trust purchased 65,400 Trust Units costing approximately \$0.3 million; and
- **Distributions:** The Trust declared and approved quarterly distributions of \$0.059 per unit for unitholders on record on June 30, 2020 payable on or about July 15, 2020.

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

ABOUT FIRM CAPITAL AMERICAN REALTY PARTNERS TRUST

Firm Capital American Realty Partners 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

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 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 Trust holds properties; volatility of real estate prices; 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 Trust to implement its business strategies; competition; currency and interest rate fluctuations and other risks. Additional risk factors that may impact the Trust or cause actual results and performance to differ from the forward looking statements contained herein are set forth in the Trust's Annual Information form under the heading Risk Factors (a copy of which can be obtained under the Trust's profile on www.sedar.com).

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. 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

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 Trust's Management Discussion and Analysis for the three months ended March 31, 2020 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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