

## PRESS RELEASE



### FIRM CAPITAL APARTMENT REAL ESTATE INVESTMENT TRUST

#### FIRM CAPITAL APARTMENT TRUST REPORTS 2020 RESULTS AND INCREASED NAV TO \$9.84 PER UNIT

Toronto, Ontario, March 10, 2021. Firm Capital Apartment Real Estate Investment Trust (“the **Trust**”), (TSXV: FCA.U), (TSXV: FCA.UN) is pleased to report its financial results for the year ended December 31, 2020:

#### **ATTRACTIVE VALUATION RELATIVE TO PEERS**

Based on the current trading price of \$6.15 per Trust Unit, the Trust trades at a 38% discount to its NAV of \$9.84 per Trust Unit and has one of the highest distribution yields of 3.8% in the Multi-Residential REIT sector, while maintaining a conservative 74% AFFO Payout Ratio.

#### **EARNINGS**

- For the three months ended December 31, 2020, Net Income was approximately \$2.5 million, in comparison to the \$3.5 million reported for the three months ended December 31, 2019. For the year ended December 31, 2020, Net Income was \$5.6 million in comparison to the \$7.1 million reported for the year ended December 31, 2019. For the year ended December 31, 2020, excluding Fair Value Adjustments, Net Income was \$2.0 million, in comparison to the \$1.2 million reported for the year ended December 31, 2019;
- For the three months ended December 31, 2020, AFFO was approximately \$0.6 million, an increase compared to the \$0.2 million reported for the three months ended December 31, 2019. For the year ended December 31, 2020, AFFO was \$2.0 million, a 16% increase compared to the \$1.7 million reported for the year ended December 31, 2019;

- Results for the three months and year ended December 31, 2020 are as follows:

	Three Months Ended		Twelve Months Ended	
	Dec 31, 2020	Dec 31, 2019	Dec 31, 2020	Dec 31, 2019
Net Income	\$ 2,471,888	\$ 3,514,541	\$ 5,604,354	\$ 7,055,862
FFO	\$ 468,125	\$ 8,611	\$ 4,739,715	\$ 1,394,335
AFFO	\$ 616,601	\$ 202,342	\$ 2,013,423	\$ 1,731,910
Distributions	\$ 455,170	\$ 409,183	\$ 1,911,984	\$ 1,636,731
FFO Per Unit	\$ 0.06	\$ 0.00	\$ 0.60	\$ 0.20
AFFO Per Unit	\$ 0.08	\$ 0.03	\$ 0.26	\$ 0.25
Distributions Per Unit	\$ 0.06	\$ 0.06	\$ 0.24	\$ 0.24
AFFO Payout Ratio	74%	202%	95%	95%

- **93% RENT COLLECTIONS:**  
Since the beginning of Q4/2020, the Trust has received approximately 93% of its expected rent and is actively either collecting the remaining rent or working with tenants who require assistance;
- **100% RETURN OF CAPITAL ON 2020 DISTRIBUTIONS:**  
The Trust's distributions for 2020 were tax efficient to unitholders as it delivered a 100% return of capital. The 100% return of capital is in excess of the 85% projected when the Trust converted from a Corporation at the beginning of 2020;
- **INCREASED NAV BY 13% CAGR TO \$9.84 PER TRUST UNIT:**  
Since Q3/2017, the Trust has increased NAV from \$7.85 per Trust Unit to \$9.84 per Trust Unit for a +13% Compounded Annual Growth Rate ("**CAGR**");
- **\$21.6 MILLION BRONX, NY MORTGAGE REFINANCING:**  
On February 25, 2021, the first mortgage on the Bronx, NY joint venture was refinanced for gross proceeds of \$21.6 million. With the \$3.6 million net proceeds received from the refinance and the \$1.6 million of capital contributed by Common Shareholders, the Preferred Equity was repaid in full. The mortgage is a 3.51%, \$21.6 million first mortgage with a 12-year term amortizing over 30 years;
- **ACCRETIVE \$38 MILLION ACQUISITION:**  
On September 22, 2020, the Trust closed an equity accounted and preferred investment to acquire a 235 unit multi-family residential portfolio located in Hyattsville, MD (the "**North Pointe Acquisition**"). The purchase price for 100% of the North Pointe Acquisition was \$40.5 million (including transaction costs). The North Pointe Acquisition was financed, in part with a \$29.7 million, 3.0% first mortgage due on September 21, 2024. The Trust contributed \$4.0 million of preferred equity yielding 8% and \$3.4 million of common equity representing a 50% ownership interest in the investment;
- **SALE OF BRIDGEPORT, CT JOINT VENTURE:**  
On December 23, 2020, the Trust completed a sale of its interest in fourteen multi-family buildings located in Bridgeport, Connecticut to its joint venture partner (the "**Bridgeport Sale**"). The Trust received net proceeds of approximately \$4.5 million from the Bridgeport Sale consisting of a repayment of its preferred equity (inclusive of accrued interest) of \$2.8 million and \$1.7 million of common equity, respectively;

- **ACCRETIVE TRUST UNIT REDEMPTION AND NCIB ACTIVITY:**

On July 27, 2020, the Trust redeemed 686,200 Trust Units (representing approximately 8% of the issued and outstanding Trust Units) at a price of CAD \$5.35 per Trust Unit (\$4.00 per Trust Unit) per Trust Unit representing total gross cost of CAD \$3.7 million (\$2.8 million);

- The Trust has also purchased to date for cancellation 128,100 Trust Units for total gross cost of approximately \$0.7 million through its NCIB. In addition, the Trust purchased for cancellation Convertible Unsecured Debentures under its NCIB having a face amount of CAD\$61,000 at a weighted average price of \$78.00 per Debenture, or CAD \$47,710 (\$35,768); and

- **DISTRIBUTIONS:**

On March 10, 2021, the Trust declared and approved quarterly distributions of \$0.059 per unit for unitholders on record on March 31, 2021 payable on or about April 15, 2021.

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

### **ABOUT FIRM CAPITAL APARTMENT REAL ESTATE INVESTMENT TRUST**

- Firm Capital Apartment Real Estate Investment Trust is a U.S. focused real estate investment trust that pursues multi-residential income producing real estate and related debt investments on both a wholly owned and joint venture basis. The Trust has ownership interests in a total of 1,846 apartment units diversely located in Florida, Connecticut, Texas, New York, New Jersey, Georgia and Maryland.

### **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](http://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 year ended December 31, 2020 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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