

PRESS RELEASE



FIRM CAPITAL APARTMENT REAL ESTATE INVESTMENT TRUST

FIRM CAPITAL APARTMENT REIT REPORTS Q1/2021 RESULTS AND CUMULATIVE NAV INCREASE TO \$9.40 PER UNIT

Toronto, Ontario, May 13, 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 three months ended March 31, 2021:

EARNINGS

- For the three months ended March 31, 2021, net loss was approximately \$2.9 million, in comparison to the \$1.1 million net income reported for the three months ended March 31, 2020. Excluding non-cash fair value adjustments, net income was \$0.5 million, in line with the \$0.5 million reported for the three months ended March 31, 2020;
- For the three months ended March 31, 2021, AFFO was approximately \$0.5 million, in line with the \$0.5 million reported for the three months ended March 31, 2020;

Results for the three months ended March 31, 2021 are as follows:

	Three Months Ended		
	Mar 31, 2021	Dec 31, 2020	Mar 31, 2020
Net Income/(Loss)	\$ (2,945,917)	\$ 2,471,888	\$ 1,111,310
FFO	\$ (2,114,359)	\$ 468,125	\$ 1,918,861
AFFO	\$ 507,952	\$ 616,601	\$ 480,775
Distributions	\$ 455,166	\$ 455,170	\$ 503,151
AFFO Per Unit	\$ 0.07	\$ 0.08	\$ 0.07
Distributions Per Unit	\$ 0.06	\$ 0.06	\$ 0.06
AFFO Payout Ratio	90%	74%	105%

- **92% RENT COLLECTIONS AND 6% INCREASE IN AVERAGE RENTS:**
Since COVID-19 began in March 2020, the Trust has received approximately 92% of its expected rent and is actively either collecting the remaining rent or working with tenants who require assistance. In addition, the Trust’s monthly average rents have increased by 6% over the same period;
- **INCREASED NAV BY 11% CAGR TO \$9.40 PER TRUST UNIT:**
Since Q3/2017, the Trust has increased NAV from \$7.85 per Trust Unit to \$9.40 per Trust Unit for a +11% Compounded Annual Growth Rate (“**CAGR**”);

- **\$21.6 MILLION BRONX, NY MORTGAGE REFINANCING:**

On February 25, 2021, the first mortgage on the Bronx, NY Equity Accounted Investment was refinanced for gross proceeds of \$21.6 million. With the \$3.1 million net proceeds received from the refinancing and the \$2.0 million of capital contributed by the Trust and its third-party investors, the \$5.1 million of 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;

- **\$2 MILLION CREDIT FACILITY:**

On April 6, 2021, the Trust entered into a \$2.0 Million Revolving Operating Facility (the "Facility") with a Canadian Chartered Bank. The Facility is a \$2.0 million demand credit facility under which the Trust may obtain on a revolving basis US Dollar overdrafts, LIBOR Loans and Letters of Credit;

- **ACQUISITION OF 50% INTEREST IN IRVINGTON, NEW JERSEY EQUITY ACCOUNTED INVESTMENT:**

Subsequent to the quarter ended March 31, 2021, the Trust has agreed in principle to purchase the remaining 50% interest of its Equity Accounted Investment in Irvington, New Jersey for \$2.5 million. This transaction is subject to customary closing conditions and is expected to close before the year ended December 31, 2021;

- **HYATTSVILLE, MD ACQUISITION UPDATE:**

As previously announced, the Trust has been pursuing a Joint Venture to acquire a multi-residential property located in the Washington D.C. Metro Area. This acquisition was subject to various closing conditions which were not met. As a result, the Trust is no longer pursuing this acquisition and is focusing on other opportunities; and

- **DISTRIBUTIONS:**

On May 13, 2021, the Trust declared and approved quarterly distributions of \$0.059 per unit for unitholders on record on June 30, 2021 payable on or about July 15, 2021.

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 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).

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, 2021 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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