

PRESS RELEASE



FIRM CAPITAL APARTMENT REAL ESTATE INVESTMENT TRUST

FIRM CAPITAL APARTMENT REIT REPORTS Q2/2021 RESULTS, USD \$9.45 (CAD \$11.71) NAV PER UNIT AND STRATEGIC DIRECTION UPDATE

All figures in \$USD unless otherwise noted.

Toronto, Ontario, August 16, 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 June 30, 2021:

EARNINGS

- For the three months ended June 30, 2021, net income was approximately \$0.8 million, in comparison to the \$2.9 million net loss reported for the three months ended March 31, 2021, and the \$1.4 million net income reported for the three months ended June 30, 2020. For the six months ended June 30, 2021, net loss was \$2.2 million, in comparison to the \$2.5 million net income reported for the six months ended June 30, 2020.
- Excluding non-cash fair value adjustments, net income was \$0.6 million for the three months ended June 30, 2021, a 27% increase over the \$0.5 million reported for the three months ended March 31, 2021 and June 30, 2020. Excluding non-cash fair value adjustments, net income was \$1.1 million for the six months ended June 30, 2021, a 15% increase over the \$1.0 million reported for the six months ended June 30, 2020;
- For the three months ended June 30, 2021, AFFO was approximately \$0.6 million, in line with the \$0.5 million reported for the three months ended March 31, 2020 and \$0.5 million reported for the three months ended June 30, 2020. For the six months ended June 30, 2021, AFFO was \$1.1 million, a 15% increase over the \$0.9 million reported for the six months ended June 30, 2020;

Results for the three months ended June 30, 2021 are as follows:

	Three Months Ended			Six Months Ended	
	Jun 30, 2021	Mar 31, 2021	Jun 30, 2020	Jun 30, 2021	June 30, 2021
Net Income/(Loss)	\$ 753,511	\$ (2,945,917)	\$ 1,404,620	\$ (2,192,406)	\$ 2,515,932
FFO	\$ (393,047)	\$ (2,114,359)	\$ 1,630,223	\$ (2,507,407)	\$ 3,549,089
AFFO	\$ 585,498	\$ 507,952	\$ 465,085	\$ 1,093,450	\$ 945,861
Distributions	\$ 452,624	\$ 455,166	\$ 498,265	\$ 907,790	\$ 1,001,416
AFFO Per Unit	\$ 0.08	\$ 0.07	\$ 0.06	\$ 0.14	\$ 0.14
Distributions Per Unit	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.12	\$ 0.12
AFFO Payout Ratio	77%	90%	107%	83%	106%

- **92% RENT COLLECTIONS AND 3% 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 3% over the same period;
- **INCREASED NAV BY 11% CAGR TO \$9.45 (CAD \$11.71) PER TRUST UNIT:**
Since Q3/2017, the Trust has increased NAV from \$7.85 (CAD \$9.80) per Trust Unit to \$9.45 (CAD \$11.71) per Trust Unit for a +11% Compounded Annual Growth Rate ("CAGR");
- **NORMAL COURSE ISSUER BID:**
On June 14, 2021, The Trust received approval from the TSXV to commence a Normal Course Issuer Bid ("NCIB") to purchase up to 619,750 of Trust Units, being equal to 10% of the public float. The NCIB commenced on June 16, 2021 and will end on the earlier of June 15, 2022, or at such time as the NCIB has been completed. Subsequent to the commencement, the Trust purchased 110,300 Trust Units costing approximately \$0.7 million; and
- **DISTRIBUTIONS:**
On August 16, 2021, the Trust declared and approved quarterly distributions of \$0.059 per unit for unitholders on record on September 30, 2021 payable on or about October 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

STRATEGIC DIRECTION

Firm Capital Apartment REIT's strategy is to increase unitholder value and create sustainable and growing distributions through acquisition, ownership, and preferred capital investment in US Multi-Family Apartments. The REIT's primary objective is to use the proven industry experience of management, board of trustees, and joint venture partners to acquire, and invest capital, in a portfolio of apartments to grow Net Asset Value per Unit and generate attractive total unitholder returns, while maintaining a conservative balance sheet.

The REIT's portfolio consists of (i) joint venture and wholly owned apartments; and (ii) preferred capital investments.

The REIT has successfully utilized a joint venture strategy with partners who bring strong, local expertise in its core markets. The joint venture strategy de-risks the REIT's investment. We have the privilege, based on where the market place is, to shift between buying wholly owned apartments and formulating joint venture ownerships with strong industry partners who seek out solid investments in their specialized markets, giving us the opportunity to benefit from their expertise.

Preferred capital investments continue to provide attractive, risk adjusted returns for the REIT. Preferred capital ranks ahead of common shares, and behind first mortgage debt in the capital structure of a real estate investment. These types of investments typically generate a higher yield and an overall better risk-adjusted return for the REIT than the

underlying real estate when real estate valuations are at a premium. In the near term, the REIT expects to continue to increase this investment class.

Over the medium to long term, the REIT's target is a portfolio mix of 50/50 wholly owned vs. joint venture partner ownership, while continuing to grow its Preferred Capital investments that provide enhanced returns secured by asset classes we own.

The REIT will opportunistically acquire wholly owned assets on an accretive basis and when the REIT's cost of equity is compelling. Any growth of the scale as outlined above will require the REIT to raise additional capital through either the private and/or public debt and equity capital markets.

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 June 30, 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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