

## PRESS RELEASE



### FIRM CAPITAL AMERICAN REALTY PARTNERS CORP.

#### FIRM CAPITAL AMERICAN REALTY PARTNERS CORP. REPORTS STRONG FIRST QUARTER RESULTS AND RECORD NAV GROWTH

Toronto, Ontario, May 13, 2019. Firm Capital American Realty Partners Corp. (“the **Company**”), (TSXV: FCA.U), (TSXV: FCA) is pleased to report its financial results for the three months ended March 31, 2019:

- For the three months ended March 31, 2019, net income was approximately \$1.7 million, a significant improvement over the \$0.2 million reported for the three months ended March 31, 2018;
- For the three months ended March 31, 2019, basic net income was \$0.25 per share, a significant improvement over the \$0.03 per share reported for the three months ended March 31, 2018;
- \$8.80 Net Asset Value (“NAV”) per Share based on an IFRS book value of equity of approximately \$61 million, a 2% increase over the \$8.61 NAV per Share as reported at December 31, 2018.
- Results for the three months ended March 31, 2019 are as follows:

	Three Months Ended	
	Mar 31, 2019	Mar 31, 2018
<b>Net Income/(Loss)</b>	\$ 1,744,195	\$ 177,295
<b>FFO</b>	\$ 436,793	\$ 331,035
<b>AFFO</b>	\$ 500,950	\$ 350,803
<b>Net Income/(Loss) Per Share</b>	\$ 0.25	\$ 0.03
<b>Diluted Net Income Per Share</b>	\$ 0.19	\$ 0.02
<b>FFO per Share</b>	\$ 0.06	\$ 0.05
<b>AFFO Per Share</b>	\$ 0.07	\$ 0.06

As at March 31, 2019, the Company had three asset portfolios:

- **Investment Portfolio:** A portfolio of real estate investments with a fair value of approximately \$77.4 million consisting of the following:

- **Multi-Family Investment Portfolio:** Consisting of 311 multi-family apartment units located across three buildings in Florida (one building) and Texas (two buildings) with a fair value of approximately \$46.2 million;
  - **Equity Accounted and Preferred Investments:** Consisting of six investments in associates comprised of 1,263 residential units located in Bridgeport, Connecticut; New York City; Brentwood, Maryland; Houston, Texas and Irvington, New Jersey with a combined fair value of approximately \$29.2 million and a pro-rata real estate fair value of \$54.4 million (\$152.1 million on an associate basis); and
  - **Preferred Capital Investment:** Investment of \$2.0 million in a \$9.5 million, interest only preferred capital loan to fund the acquisition by a New York based real estate investment firm of a portfolio of three apartment buildings in New York City.
- **Occupancy:** Multi-Family Investment Portfolio occupancy was 96.1%, a 190 basis point increase over the 94.2% reported for the three months ended December 31, 2018, while Equity Accounted Investments occupancy was 91.8%;
  - **Improved Average Monthly Rents:** Multi-Family Investment Portfolio average monthly rent was \$1,110, largely in line with the \$1,111 reported for the three months ended December 31, 2018. Equity Accounted Investments average monthly rent was \$1,028 per unit, a 2% increase over the \$1,007 per unit reported for the three months ended December 31, 2018;
  - **Increased Net Asset Value (“NAV”) by a +17% CAGR To \$8.80 Per Share:** Since Q3/2017, the Company has increased NAV from \$7.85 per Share to \$8.80 per Share for a +17% 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;
  - **\$12.2 Million Hartford, Connecticut Investment:** On April 4, 2019, the Company closed an Equity Accounted and Preferred Investment to acquire the West Hartford Portfolio, a 109 unit multi-family residential portfolio comprised of two buildings located in West Hartford, Connecticut for approximately \$12.2 million (excluding transaction costs), representing a 6.3% going-in capitalization rate or \$143 per square foot. In addition, the Company has committed to funding approximately \$1.2 million over the next three years towards the execution of a value-add program that includes in-suite upgrades and enhancements to the common areas. The Company invested to \$3.1 million in a combination of (i) \$1.9 million of preferred equity yielding 8.0% to be held by the Company, of which \$0.7 million was advanced on closing with the remaining \$1.2 million to be advanced as the value-add program is completed; and (ii) \$1.2 million of common equity representing a 50% ownership stake;
  - **90% of Atlanta Homes Sold. Only 12 Homes Remain:** To date, the Company has sold or closed sales on 108 homes located in Atlanta, or 90% of the total portfolio, for gross proceeds of \$11.3 million. The remaining unsold 12 single family homes, which have a current list price of \$1.6 million, are anticipated to contribute to the Company’s working capital upon disposition;
  - **Repayment of \$17.7 Million in Legacy Single Family Debt, Nothing Remains:** During the three months ended March 31, 2019, the convertible debentures were

fully repaid and discharged. As such, none of the legacy single family home debt remains;

- **Seventh Consecutive Paid Dividend:** On April 15, 2019, dividends of \$0.059 per common share were paid to shareholders of record on March 29, 2019. This payment represented the seventh consecutive dividend payment for the Company; and
- **Dividends:** On May 13, 2019, the Company announced that it has declared and approved quarterly dividends in the amount of \$0.059 per common share for shareholders of record on September 30, 2019 payable on or about October 15, 2019.

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

### **ABOUT FIRM CAPITAL AMERICAN REALTY PARTNERS CORP.**

Firm Capital American Realty Partners Corp. (the "**Company**") 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:** Acquiring income producing real estate assets in major cities across the United States. Acquisitions are completed solely by the Company or in joint-venture partnership with local industry expert partners who retain property management responsibilities; and
- **Mortgage Debt Investments:** Real estate debt and equity lending platform in major cities across the United States, focused on providing all forms of bridge mortgage loans and joint venture capital.

### **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 in this news release include, but are not limited to, statements regarding the Company's single family property disposition program and debt repayments, which may not be completed within the estimated time frames specified above or at all. Failure to complete the steps described above or any delays in their implementation may have a material adverse effect upon the business of the Company and its market value. There is no assurance that the Company will be able to complete the disposition of the single property disposition portfolio at anticipated values or at all or that market conditions will support the debt and equity raises contemplated by the Company. There is no assurance that the implementation of the steps described above, even if completed as described above, will increase the market value of the Company's securities, which is subject to numerous factors beyond the Company's control.

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 are 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 March 31, 2019 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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