

PRESS RELEASE



FIRM CAPITAL AMERICAN REALTY PARTNERS CORP.

FIRM CAPITAL AMERICAN REALTY PARTNERS CORP. REPORTS STRONG THIRD QUARTER RESULTS AND CONTINUES TO INCREASE NAV TO \$9.07/ SHARE

Toronto, Ontario, November 20, 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 September 30, 2019:

- For the three months ended September 30, 2019, net income was approximately \$0.4 million, in comparison to the \$1.7 million reported for the three months ended September 30, 2018. For the nine months ended September 30, 2019, net income was approximately \$3.5 million, an 8% increase over the \$3.3 million reported for the nine months ended September 30, 2018;
- For the three months ended September 30, 2019, AFFO was approximately \$0.5 million, a 130% improvement over the \$0.23 million reported for the three months ended September 30, 2018. For the nine months ended September 30, 2019, AFFO was approximately \$1.5 million, a 105% improvement over the \$0.7 million reported for the nine months ended September 30, 2018;
- For the three months ended September 30, 2019, basic net income per share was approximately \$0.06, in comparison to the \$0.28 reported for the three months ended September 30, 2018. For the nine months ended September 30, 2019, basic net income per share was approximately \$0.51, in comparison to the \$0.54 reported for the nine months ended September 30, 2018;
- For the three months ended September 30, 2019, AFFO per share was approximately \$0.08, a 100% improvement over the \$0.04 reported for the three months ended September 30, 2018. For the nine months ended September 30, 2019, AFFO per share was \$0.22, an 84% improvement in comparison to the \$0.12 reported for the nine months ended September 30, 2018; and
- \$9.07 Net Asset Value (“**NAV**”) per Share, a 3% improvement over the \$8.80 NAV per Share as reported at June 30, 2019.
- Results for the three and nine months ended September 30, 2019 are as follows:

	Three Months Ended			Nine Months Ended	
	Sept 30, 2019	Jun 30, 2019	Sept 30, 2018	Sept 30, 2019	Sept 30, 2018
Net Income	\$ 424,161	\$ 1,372,969	\$ 1,681,890	\$ 3,541,322	\$ 3,276,200
FFO	\$ 438,654	\$ 510,278	\$ 161,460	\$ 1,385,724	\$ 625,464
AFFO	\$ 530,416	\$ 498,203	\$ 230,447	\$ 1,529,568	\$ 745,570
Basic Net Income Per Share	\$ 0.06	\$ 0.20	\$ 0.28	\$ 0.51	\$ 0.54
Diluted Net Income Per Share	\$ 0.03	\$ 0.15	\$ 0.26	\$ 0.36	\$ 0.47
FFO per Share	\$ 0.06	\$ 0.07	\$ 0.03	\$ 0.20	\$ 0.10
AFFO Per Share	\$ 0.08	\$ 0.07	\$ 0.04	\$ 0.22	\$ 0.12

- As at September 30, 2019, the Company had three asset portfolios:
- **Investment Portfolio:** A portfolio of real estate investments with a fair value of approximately \$84.9 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 \$47.3 million;
 - **Equity Accounted and Preferred Investments:** Consisting of eight investments in associates comprised of 1,512 residential units located in Connecticut, New York, New Jersey, Maryland, Texas, and Georgia with a combined fair value of approximately \$35.4 million and a pro-rata real estate fair value of \$71.0 million (\$186.1 million on an associate basis); and
 - **Preferred Capital Investment:** Investment of \$2.2 million in a \$10.5 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.
- **Improved Average Monthly Rents:** Multi-Family Investment Portfolio average monthly rent was \$1,132, a 1% increase over the \$1,122 reported for the three months ended June 30, 2019. Equity Accounted Investments average monthly rent was \$1,058 per unit, largely in line with the \$1,057 per unit reported for the three months ended June 30, 2019;
- **Increased NAV by a +10% CAGR to \$9.07 Per Share:** Since Q3/2017, the Company has increased NAV from \$7.85 per Share to \$9.07 per Share for a +10% 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;
- **100% of Atlanta Homes Sold or Conditionally Sold:** To date, the Company has closed or conditionally sold on all 120 homes located in Atlanta, with gross proceeds of approximately \$12.3 million;
- **\$19.3 Million Canton, GA Acquisition:** On September 27, 2019, the Company closed an equity accounted and preferred investment to acquire a 138 unit multi-family residential building located in Canton, GA (the “**Canton Acquisition**”). The purchase price for 100% of the Canton Acquisition was \$19.3 million (including transaction costs). The Canton Acquisition was financed, in part with a \$14.0 million, 4.0% first mortgage due on September 26, 2029. The Company contributed \$2.1

million (100% ownership) of preferred equity yielding 8% and \$1.6 million of common equity representing a 50% ownership stake in the investment;

- **REIT Conversion Update:** On November 4, 2019, the Company announced that its Board of Directors approved the conversion of the Company into an Investment Trust. The Company will hold a special meeting of the shareholders on December 12, 2019 (the “**Special Meeting**”) at which the shareholders will be asked to approve a special resolution authorizing the Company to complete the conversion; and
- **CAD \$19.4 Million Convertible Debenture Financing:** On August 8, 2019 and August 13, 2019, the Company closed a total of CAD \$19.4 million, 6.25% convertible unsecured unsubordinated debenture (the “**Convertible Debenture**”) offering. The Convertible Debenture has a term to maturity of seven years and is due on June 30, 2026. The Convertible Debenture can be converted into common shares of the Company at an exercise price of CAD \$12.60 per common share at any time prior to June 30, 2026. Each Convertible Debenture also consists of 79 common share purchase warrants of the Company. The warrants are exercisable at an exercise price of CAD\$12.60 per share for a period of two years due on August 7, 2021.

For the complete financial statements including Management’s Discussion & Analysis, please visit www.sedar.com or the Company’s website at 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 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 September 30, 2019 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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