

PRESS RELEASE



FIRM CAPITAL AMERICAN REALTY PARTNERS TRUST

FIRM CAPITAL AMERICAN REALTY PARTNERS TRUST REPORTS SOLID SECOND QUARTER, TRUST NAME CHANGE, 91% RENT COLLECTIONS, NEW TRUSTEE AND INCREASED CURRENT NAV OF \$9.55 PER TRUST UNIT

Toronto, Ontario, August 11, 2020. Firm Capital American Realty Partners Trust (“the **Trust**”), (TSXV: FCA.U), (TSXV: FCA.UN) is pleased to report its financial results for the three and six months ended June 30, 2020 as well as other various trust matters:

- **TRUST NAME CHANGE:**
To more reflect the investment activities of the Trust and its focus on multi-residential investments, the Board of Trustees has approved, subject to TSXV and regulatory approval, a name change to “**Firm Capital Apartment Real Estate Investment Trust**”;
- **EARNINGS:**
For the three months ended June 30, 2020, Net Income was approximately \$1.4 million, a 25% increase over the \$1.1 million reported for the three months ended March 31, 2020 and largely in line with the \$1.4 million reported for the three months ended June 30, 2019. For the six months ended June 30, 2020, Net Income was \$2.5 million, a decrease from the \$3.1 million reported for the six months ended June 30, 2019;
- For the three months ended June 30, 2020, AFFO was approximately \$0.5 million, largely in line with the \$0.5 million reported for the three months ended March 31, 2020 and the three months ended June 30, 2019. For the six months ended June 30, 2020, AFFO was \$0.9 million, in comparison to the \$1.0 million reported for the six months ended June 30, 2019;
- Results for the three and six months ended June 30, 2020 are as follows:

	Three Months Ended			Six Months Ended	
	June 30, 2020	March 31, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Net Income	\$ 1,404,620	\$ 1,111,310	\$ 1,372,969	\$ 2,515,932	\$ 3,117,165
FFO	\$ 1,630,223	\$ 1,918,861	\$ 510,278	\$ 3,549,089	\$ 947,074
AFFO	\$ 465,085	\$ 480,775	\$ 498,203	\$ 945,861	\$ 999,156
Distributions	\$ 498,265	\$ 503,151	\$ 409,183	\$ 1,001,416	\$ 818,366
FFO Per Unit	\$ 0.19	\$ 0.26	\$ 0.07	\$ 0.49	\$ 0.14
AFFO Per Unit	\$ 0.06	\$ 0.07	\$ 0.07	\$ 0.13	\$ 0.14
Distributions Per Unit	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.14	\$ 0.13

- **91% RENT COLLECTIONS:**

Since the beginning of Q2/2020, the Trust has received approximately 91% of its expected rent and is actively either collecting the remaining rent or working with tenants who require assistance. By state, the rent collections are as follows:

Rent Collections					
	April 2020	May 2020	June 2020	July 2020	Weighted Average
Texas	96%	95%	97%	92%	96%
Georgia	98%	95%	97%	95%	96%
Maryland	95%	92%	93%	99%	95%
New Jersey	94%	94%	94%	98%	95%
Connecticut	92%	91%	94%	86%	91%
Florida	97%	84%	85%	82%	87%
New York	87%	78%	84%	77%	82%
Weighted Average	93%	90%	92%	89%	91%

- **INCREASED NAV BY 11% CAGR TO \$9.55 PER TRUST UNIT:**

Since Q3/2017, the Trust has increased NAV from \$7.85 per Unit to \$9.55 per Unit (Pro-Forma the NCIB and accretive Trust Unit redemption as outlined below) for a +11% Compounded Annual Growth Rate (“CAGR”);

- **ACCRETIVE TRUST UNIT REDEMPTION:**

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 proceeds of CAD \$3.7 million (\$2.8 Million);

- **CAD \$4.7 MILLION MORTGAGE INVESTMENTS:**

During the six months ended June 30, 2020, the Trust invested in three bridge mortgages yielding between 9.00%-9.75% as part of its short term investment strategy to invest cash during the COVID-19 pandemic;

- **NORMAL COURSE ISSUER BID (“NCIB”) ACTIVITY:**

Trust Units: The Trust has purchased to date for cancellation 123,700 Trust units for total gross proceeds of \$0.7 million through its NCIB; and

Convertible Debentures: 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;

- **APPOINTMENT TO THE BOARD OF TRUSTEES:**

The Trust is pleased to announce that Jonathan Mair has been appointed to the Board of Trustees, subject to regulatory approval. Jonathan first joined Firm Capital Corporation in 1997 and is COO and head of all credit strategies and lending. Since 1999, Jonathan has been on the Board of Directors of Firm Capital Mortgage Investment Corporation (TSX : FC), as well as previously the CFO and currently COO. Since 2013, Jonathan has been a member of the board of trustees of Firm Capital Property Trust (TSXV: FCD.UN). Prior to joining Firm Capital, Jonathan was with KPMG LLP. Jonathan holds a CPA (CA) designation and was with the insolvency group as a Trustee in Bankruptcy, specializing in real estate. Jonathan’s

vast experience in all aspects of real estate and real estate credit will be an added benefit to the Trust;

- **NEW YORK CITY JOINT VENTURE:**

The Trust's asset manager is currently completing an arrangement with its partner in its New York City Portfolio joint venture investment that consists of eight multi-family buildings comprised of 127 residential units and two commercial units to assume a 45% ownership interest (from 22.5%) for no further cost to the Trust. The Trust plans on collapsing its preferred and common equity investment into one direct property investment, representing a 45% ownership interest and, subject to completion of documentation, the Trust will account for this investment as a pro-rata ownership under IFRS accounting rules. The remaining 55% of the joint venture is controlled by third parties including members of senior management and the board of trustees of the Trust. The completion of the arrangement is expected to occur during Q3/2020; and

- **DISTRIBUTIONS:**

On August 11, 2020, the Trust declared and approved quarterly distributions of \$0.059 per unit for unitholders on record on September 30, 2020 payable on or about October 15, 2020.

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 AMERICAN REALTY PARTNERS TRUST

Firm Capital American Realty Partners Trust is a U.S. focused real estate investment that pursues multi-residential income producing real estate and related debt investments on both a wholly owned and joint venture basis. The Trust currently has ownership interests in a total of 2,073 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 and six months ended June 30, 2020 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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