

PRESS RELEASE



FIRM CAPITAL APARTMENT REAL ESTATE INVESTMENT TRUST

FIRM CAPITAL APARTMENT REIT REPORTS STRONG Q3/2021 RESULTS & INCREASE IN NAV PER UNIT TO USD \$9.75 (CAD \$11.80)

All figures in \$USD unless otherwise noted.

Toronto, Ontario, November 10, 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 September 30, 2021:

EARNINGS

- For the three months ended September 30, 2021, net income was approximately \$2.6 million, in comparison to the \$0.8 million reported for the three months ended June 30, 2021, and the \$0.6 million reported for the three months ended September 30, 2020. For the nine months ended September 30, 2021, net income was \$0.4 million, in comparison to the \$3.1 million net income reported for the nine months ended September 30, 2020.
- Excluding non-cash fair value adjustments, net income was \$0.6 million for the three months ended September 30, 2021, in line with the \$0.6 million reported for the three months ended June 30, 2021, but a 32% increase over the \$0.5 million for September 30, 2020. Excluding non-cash fair value adjustments, net income was \$1.7 million for the nine months ended September 30, 2021, a 24% increase over the \$1.4 million reported for the nine months ended September 30, 2020; and
- For the three months ended September 30, 2021, AFFO was approximately \$0.6 million, a 9% increase over the \$0.6 million reported for the three months ended June 30, 2021, but a 42% increase over the \$0.5 million reported for the three months ended September 30, 2020. For the nine months ended September 30, 2021, AFFO was \$1.7 million, a 24% increase over the \$1.4 million reported for the nine months ended September 30, 2020.

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

	Three Months Ended			Nine Months Ended		
	Sep 30, 2021	Jun 30, 2021	Sep 30, 2020	Sep 30, 2021	Sep 30, 2020	Sep 30, 2020
Net Income/(Loss)	\$ 2,553,930	\$ 753,511	\$ 616,535	\$ 361,525	\$ 3,132,466	\$ 3,132,466
FFO	\$ 1,359,236	\$ (393,047)	\$ 722,502	\$ (1,148,170)	\$ 4,246,478	\$ 4,246,478
AFFO	\$ 638,916	\$ 585,498	\$ 450,960	\$ 1,732,366	\$ 1,396,820	\$ 1,396,820
Distributions	\$ 448,658	\$ 452,624	\$ 455,402	\$ 1,356,448	\$ 1,456,818	\$ 1,456,818
AFFO Per Unit	\$ 0.08	\$ 0.08	\$ 0.06	\$ 0.23	\$ 0.19	\$ 0.19
Distributions Per Unit	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.12	\$ 0.12	\$ 0.12
AFFO Payout Ratio	70%	77%	101%	78%	104%	104%

- **92% RENT COLLECTIONS AND 4% 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. Since March 2020, the monthly average rents have increased by 4% and occupancy increased by 8%;

- **INCREASED NAV BY 9.7% CAGR TO \$9.75 (CAD \$11.80) PER TRUST UNIT:**

Since Q3/2017, the Trust has increased NAV from \$7.85 (CAD \$9.80) per Trust Unit to \$9.75 (CAD \$11.80) per Trust Unit for a +9.7% Compounded Annual Growth Rate (“CAGR”);

- **OCCUPANCY AND AVERAGE RENT INCREASES ACROSS INVESTMENT PORTOFOLIO:**

As of September 30, 2021, occupancy for the investment portfolio increased by 40 basis points to 95.8% while monthly average rents increased by 1.7% to \$1,211 per Unit; and

- **DISTRIBUTIONS:**

On November 10, 2021, the Trust declared and approved quarterly distributions of \$0.059 per unit for unitholders on record on December 31, 2021, payable on or about January 17, 2022.

For the complete financial statements including Management’s Discussion & Analysis, please visit www.sedar.com or the Trust’s website at www.firmcapital.com

INVESTMENT STRUCTURE

The Trust’s portfolio consists of (i) Wholly Owned Real Estate Investments (ii) Joint Venture Real Estate Investments and (iii) Preferred Capital Investments

(i) **Wholly Owned Real Estate Investments:**

The Trust opportunistically acquires wholly owned multi-family residential real estate assets in large core markets on an accretive basis and when the Trust’s cost of equity is compelling. Any growth in this investment class will require the Trust to raise additional capital through either the debt and equity capital markets.

(ii) **Joint Venture Real Estate Investments:**

The Trust has successfully utilized a joint venture strategy with partners who bring strong, local expertise in its core and non-core markets. The Trust strives to have a minimum 50% ownership interest and will fund the equity in a combined preferred/common equity investment structure. The preferred equity provides a fixed rate of return resulting in a secured structure ahead of the partner’s ownership interest, while the common equity provides upside returns as the investment meets the targeted objectives. The joint venture strategy de-risks the Trust’s investment.

(iii) **Preferred Capital Investments:**

The Trust, using Firm Capital’s plus 30-year experience as a leader in the mortgage lending industry, provides preferred capital secured by multi-family residential real estate properties. Preferred capital investments continue to provide attractive, risk adjusted returns for the Trust. Preferred capital ranks ahead of common equity, 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 Trust than the underlying real estate when real estate valuations are at a premium. In the near term, the Trust expects to continue to increase this investment class.

STRATEGIC DIRECTION

The Trust's strategy and primary objective is to use the proven industry experience of management, board of trustees, and joint venture partners to acquire and own, in U.S. Multi-Family Residential Real Estate Properties to grow the net asset value per unit, generate attractive distributions and total unitholder returns while maintaining a conservative balance sheet.

Over the short and medium-term, the Trust expects to grow its wholly owned real estate investment portfolio by exercising its first offer to acquire the interest of co-owners on some of its existing joint ventures. Over the medium to long-term, the Trust's target is to maintain a 1:1 ratio of 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.

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 September 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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