

PRESS RELEASE



FIRM CAPITAL APARTMENT REAL ESTATE INVESTMENT TRUST

FIRM CAPITAL APARTMENT REIT ANNOUNCES ACQUISITION OF CONTROLLING INTEREST IN HOUSTON, TEXAS JOINT VENTURE AND 4.2% DISTRIBUTION INCREASE

All amounts are in US Dollars unless otherwise stated.

Toronto, Ontario February 8, 2022. Firm Capital Apartment REIT (the “Trust”), (TSXV: FCA.U), (TSXV: FCA) is pleased to announce the acquisition of the 50% interest that it does not already own from its unrelated third-party partner in the Trust’s Equity Accounted Investment located in Houston, Texas for \$4.1 million (the “Transaction”) as well as a 4.2% distribution increase.

- **Houston Transaction:** The Trust is pleased to announce it has acquired from its unrelated partner their 50% interest in the Trust’s Houston, Texas Equity Accounted Investment for \$4.1 million. The Trust previously held 50% of this Investment as an Equity Accounted Investment on its balance sheet. The Trust funded the Transaction from cash on hand. Since September 2020, residential rents have increased by 7%. Based on the \$4.1 million buy-out price, the Trust is acquiring the controlling interest at a forecasted Return on Equity or ROE of approximately 8.1%. The Trust now controls 100% of the Houston, Texas property and will report it going forward as an Investment Property on the Trust’s financial statements. The property will be continued to be managed by an unrelated third-party manager. The Trust continues to execute on its strategy to grow its wholly owned investment portfolio through, in part, the buy-out of its joint venture relationships; and
- **Second Distribution Increase. +4.2% Increase in Quarterly Distributions:** The Trust is pleased to announce that its Board of Trustees have approved a 4.2% increase in its quarterly distributions to \$0.0615 per Trust Unit from \$0.059 per Trust Unit commencing in Q2/2022. On an annualized basis this equates to annual distributions of \$0.246 per Unit, up from \$0.236 per Unit. This is the Trust’s second distribution increase since the implementation of distributions and represents a cumulative increase of 9.3%. As such, the Trust is pleased to announce that it has declared and approved quarterly distributions in the amount of \$0.059 and \$0.0615 per Trust Unit, respectively, for Unitholders of record on March 31, 2022 and June 30, 2022 payable on or about April 15, 2022 and July 15, 2022, respectively.

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, the closing of the Transaction and the payment of distributions as outlined below and above, 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.

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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