

PRESS RELEASE



FIRM CAPITAL APARTMENT REIT REPORTS Q4/2021 RESULTS AND 4% NAV INCREASE TO USD \$10.15 (CAD \$12.86) PER UNIT

All figures in \$USD unless otherwise noted.

Toronto, Ontario, March 14, 2022. 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 December 31, 2021:

EARNINGS

- For the three months ended December 31, 2021, net income was approximately \$3.5 million, in comparison to the \$2.5 million reported for the three months ended December 31, 2020. For the year ended December 31, 2021, net income was \$3.8 million, in comparison to the \$5.6 million net income reported for the year ended December 31, 2020;
- Excluding non-cash fair value adjustments, net income was \$0.5 million for the three months ended December 31, 2021, in line with the \$0.5 million reported for the three months ended December 31, 2020. Excluding non-cash fair value adjustments, net income was \$2.2 million for the year ended December 31, 2021, a 12% increase over the \$2.0 million reported for the year ended December 31, 2020; and
- For the three months ended December 31, 2021, AFFO was approximately \$0.5 million, in comparison to the \$0.6 million reported for the three months ended December 31, 2021. For the year ended December 31, 2021, AFFO was \$2.2 million, an 11% increase over the \$2.0 million reported for the year ended December 31, 2020.

	Three Months Ended		Twelve Months Ended	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
Net Income/(Loss)	\$ 3,478,939	\$ 2,471,888	\$ 3,840,463	\$ 5,604,353
Net Income Before Fair Value Adjustments				
FFO	\$ 497,949	\$ 450,531	\$ 2,193,018	\$ 1,944,047
AFFO	\$ 244,667	\$ 468,125	\$ (903,503)	\$ 4,739,715
Distributions	\$ 497,684	\$ 616,601	\$ 2,230,050	\$ 2,013,423
AFFO Per Unit	\$ 448,658	\$ 455,170	\$ 1,811,618	\$ 1,911,984
Distributions Per Unit	\$ 0.07	\$ 0.08	\$ 0.29	\$ 0.26
AFFO Payout Ratio	\$ 0.06	\$ 0.06	\$ 0.24	\$ 0.24
	90%	74%	81%	95%

- **INCREASED NAV BY 10.3% CAGR TO \$10.15 (CAD \$12.86) PER TRUST UNIT:**
Since Q3/2017, the Trust has increased NAV from \$7.85 (CAD \$9.80) per Trust Unit to \$10.15 (CAD \$12.86) per Trust Unit for a +10.3% Compounded Annual Growth Rate (“CAGR”);
- **AVERAGE RENT INCREASES ACROSS INVESTMENT PORTOFLIO:**
For the three months ended December 31, 2021, average rents increased by 1.5% to \$1,228 per unit from the \$1,211 per unit reported for the three months ended September 30, 2021;
- **SECOND DISTRIBUTION INCREASE:**
On February 8, 2022, the Trust announced a 4.2% increase in quarterly distributions from \$0.059 per Trust Unit to \$0.0615 per Trust Unit commencing with the Q2/2022 Distributions;
- **Q2/2022 DISTRIBUTION:**
On February 8, 2022, the Trust declared and approved quarterly distributions of \$0.0615 per unit for unitholders of record on June 30, 2022, payable on or about July 15, 2022;
- **HOUSTON, TX ACQUISITION:**
On February 8, 2022, the Trust acquired the remaining 50% interest in the Houston, TX Equity Accounted and Preferred Investment for \$4.1 million. The Trust will now own 100% of this investment and will report it going forward as an investment property on the Trust’s financial statements; and
- **100% RETURN OF CAPITAL ON 2021 DISTRIBUTIONS:**
The Trust’s distributions for 2021 were tax efficient for unitholders as it delivered a 100% return of capital.

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 of the scale as outlined above will require the Trust to raise additional capital through either the private and/or public 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 investors an upside return for investors

as the investment meets its 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 shares, 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, U.S. Multi-Family Residential Real Estate Properties to grow the NAV per unit, generate attractive distributions and total unitholder returns.

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 and twelve months ended December 31, 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.

For further information, please contact:

Sandy Poklar

President & Chief Executive Officer

(416) 635-0221

Mark Goldreich

Chief Financial Officer

(416) 635-0221

For Investor Relations information, please contact:

Victoria Moayedi

Director, Investor Relations

(416) 635-0221