PRESS RELEASE

FIRM CAPITAL APARTMENT REIT REPORTS Q3/2022 RESULTS AND ANNOUNCES STRATEGIC REVIEW

All figures in $USD unless otherwise noted.

Toronto, Ontario, November 15, 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 September 30, 2022:

EARNINGS

- For the three months ended September 30, 2022, net loss was approximately $1.4 million, in comparison to the $10.3 million net loss reported for the three months ended June 30, 2022 and the $2.6 million net income reported for the three months ended September 30, 2021. For the nine months ended September 30, 2022, net loss was $12.1 million in comparison to the $0.4 million net income reported for the nine months ended September 30, 2021;
- Excluding non-cash fair value adjustments, net income was $0.4 million for the three months ended September 30, 2022, in comparison to the $0.8 million reported for the three months ended June 30, 2022 and the $0.6 million reported for the three months ended September 30, 2021. Excluding non-cash fair value adjustments, net income was $1.7 million in comparison to the $1.7 million reported for the nine months ended September 30, 2021;
- For the three months ended September 30, 2022, AFFO was approximately $0.7 million, in comparison to the $0.7 million reported for the three months ended June 30, 2022 and the $0.6 million reported for the nine months ended September 30, 2021. For the nine months ended September 30, 2022, AFFO was $1.8 million in comparison to the $1.7 million reported for the nine months ended September 30, 2021;

	Three Months Ended			Nine Months Ended	
	Sep 30, 2022	**Jun 30, 2022**	**Sep 30, 2021**	**Sep 30, 2022**	**Sep 30, 2021**
Net Income/(Loss)	$ (1,434,159)	$(10,303,122)	$ 2,553,930	$ (12,082,626)	$ 361,525
Net Income Before Fair Value Adjustments	**$ 384,679**	**$ 806,599**	**$ 595,520**	**$ 1,723,377**	**$ 1,695,070**
FFO	$ 2,147,093	$ 971,866	$ 1,359,236	$ 3,409,147	$(1,148,170)
AFFO	**$ 683,208**	**$ 687,960**	**$ 638,916**	**$ 1,817,520**	**$ 1,732,366**

- **NAV AT $8.44 PER TRUST UNIT (CAD $11.56):**
  For the three months ended September 30, 2022, the Trust reported NAV at $8.44 per Trust Unit (CAD $11.56);

- **AVERAGE RENT INCREASES ACROSS INVESTMENT PORTFOLIO:**

  Wholly-Owned Real Estate Investments Portfolio: Average rents increased by 4% to $1,186 per unit over the period ended June 30, 2022 and 3% over the period ended September 30, 2021;

  Joint Venture Real Estate Investments Portfolio: For the three months ended September 30, 2022, average rents increased by 1% to $1,452 per unit from the $1,443 per unit reported for the three months ended June 30, 2022 and 18% from the $1,233 reported for the three months ended September 30, 2021; and

- **REFINANCING OF FLORIDA PORTFOLIO:** On August 31, 2022, the Trust closed the refinancing of a first mortgage with the Federal National Mortgage Association ("**Fannie Mae**") on a multi-residential property located in Sunrise, Florida for $18.37 million. Terms of the mortgage are at 4.77% fixed interest rate, interest-only, maturing on September 30, 2032. Net proceeds from the refinancing were used to partially repay the bridge loan and repay the revolving operating facility.

STRATEGIC REVIEW: The Trust also announces today that the Board of Trustees (the "**Board**") have initiated a strategic review process to identify, evaluate and pursue a range of strategic alternatives with the goal of maximizing unitholder value (the "**Strategic Review**").

The Strategic Review will be overseen by a special committee of trustees consisting of Geoffrey Blendin, Eli Dadouch, Valentina Kalyk, Pat DiCapo and Sandy Poklar. There is no definitive timeline of completion and there can be no assurance that the process will result in any transaction, or as to the timing of any such transaction.

Since its reformation in 2015, the Trust has consistently delivered returns to unitholders in the form of positive cash flows and distributions. Furthermore, senior management and the Board have focused on various growth initiatives which have seen the real estate investment portfolio grow to 1,846 apartment units. Despite its best efforts, the Trust is trading at a material 46% discount to NAV and has been so for many years. Consequently, we are unable to raise capital to pursue our business plan without seriously diluting existing unitholders or raising debt capital to unacceptable levels.

As outlined in the Trust's August 18, 2022 press release, the current macro environment of rapidly increasing interest rates and persistent inflation is presenting a challenging investing environment. Particularly, capitalization rates on apartment buildings are below the cost of five-and ten-year mortgage debt, resulting in a negative investing spread for the first time in many years. Specifically, mortgage bond yields have increased more than capitalization rates in the past 90 to 120 days. Yields in the multi-residential business are below the returns generated from bank guaranteed instruments, such as GICs and term deposits, and as such the current business model cannot work. This in turn has caused the Trust units to trade at a larger discount to NAV than before the interest rate hikes. As such, the Board has determined that it is not possible to have a successful and growing entity in an environment where investing spreads are negative. Therefore, the Board has decided to explore various options to maximize unitholder value, including liquidation or exiting the business model. The Board will work towards maximizing unitholder value by exploring the following options:

- **MERGERS & ACQUISITIONS:** Pursue the possibility of merging the Trust through either a take-over, reverse take-over, etc. with another real estate owner/operator, REIT or REOC to gain critical mass, size and scale. The Trust has had informal conversations with certain third parties to explore this option;

- **ASSET DISPOSITIONS:** As a result of the negative investing spread environment, the Board takes the view that it may be in the Trust's best interests to dispose of certain real estate properties. The Board has commenced the process to opportunistically dispose of certain wholly-owned and some of our joint venture partners have started the process to realize value on some of our joint venture real estate investments with a goal to crystalizing valuations and realizing unitholder value, after the repayment of associated debt. Furthermore, we were advised recently one of our preferred investments will be repaid prior to maturity, thus bringing back to the Trust approximately $3.5 million of capital by year end;
- **CHANGE OF BUSINESS:** With the decision to opportunistically dispose of certain real estate assets, the Trust may ultimately change the operation of the business and become either: (i) a real estate merchant bank, or (ii) an entity focused on value-added equity and growth; and
- **PRIVATIZATION:** With a $35 million market capitalization, the Trust is too small to justify staying public, particularly in light of increasing public company costs. Taking the Trust private and monetizing the assets over time might be in the best interest for Unitholders and as such the Board will also review this option.

In the interim and as part of the Strategic Review, the Board will continue to assess matters on a quarterly basis and determine if the Trust should: (i) distribute excess income; (ii) distribute net proceeds from asset sales, after debt repayment; (iii) reinvest net proceeds into other investments; (iv) distribute proceeds as a return of capital or special distribution; and/or (v) use excess proceeds to repurchase Trust units in the marketplace. To maximize its financial flexibility and unitholder value, the Trust has paused distributions until the Board has considered the outcome of its Strategic Review and determined its path forward.

It is the Trust’s current intention not to disclose developments with respect to the Strategic Review unless and until it is determined that disclosure is necessary or appropriate, or as required under applicable securities laws.

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, the completion of the Strategic Review; 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, 2022 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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