

A low-angle photograph of a large American flag waving in front of several modern skyscrapers. The flag is the central focus, with its red and white stripes and blue field with stars clearly visible. The buildings are grey and feature a grid of windows, creating a strong geometric pattern. The sky is a pale, overcast grey.

FIRM CAPITAL APARTMENT REIT
ANNUAL AND SPECIAL MEETING OF UNITHOLDERS

THURSDAY, JULY 20, 2023 AT 1:00 P.M. EDT

Strategic Review

- 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. 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.
- On November 15, 2022, 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”), including liquidation or exiting the business model.

STRATEGIC REVIEW OPTIONS

| MERGERS & ACQUISITIONS | ASSET DISPOSITIONS | CHANGE OF BUSINESS | PRIVATIZATION |
|--|--|--|---|
| 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. | 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. | 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 | 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:

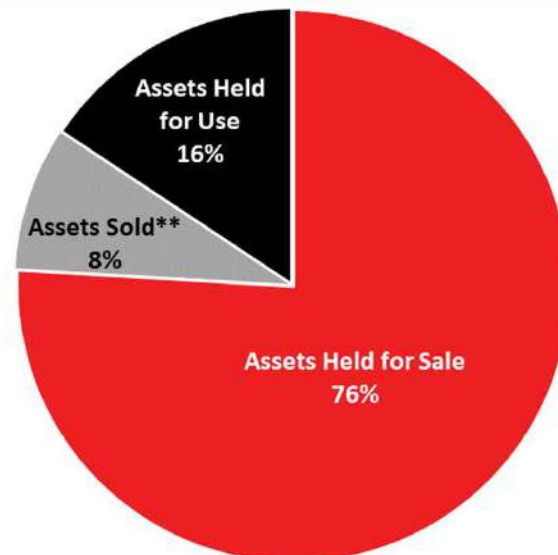
- (i) distribute excess income;
- (ii) distribute net proceeds from a sales, after debt repayment;
- (iii) reinvest net proceeds into other investments;
- (iv) distribute proceeds as a return of capital or special distribution; or
- (v) use excess proceeds to repurchase Trust units in the marketplace.

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.

Strategic Asset Disposition Initiatives

- On May 29, 2023, the Trust announced it is in the process of selling some of the Trust’s wholly-owned and joint-venture assets with the goal to crystalizing valuations and realizing unitholder value, after the repayment of associated debt.
- The Trust has commenced the process to opportunistically dispose of all of its wholly-owned real estate investments in Texas, Florida, and New Jersey. On June 22, 2023, the Trust closed on sale of one of its wholly-owned properties located in Austin, Texas for \$12.6 million. The net sale proceeds are being used to pay off additional debt including, but not limited to, the mortgage associated with the Trust’s other property located in Austin, Texas; bank indebtedness and the vast majority of the Bridge Loan.
- In terms of the joint venture properties, the Trust has commenced the process to opportunistically dispose of both of its joint venture real estate investments in Maryland, while the Trust has decided with its partners to hold the remaining joint venture properties located in New York, Connecticut and Georgia, until such time that the respective investment can be adequately monetized.
- The Trust continues to hold its preferred capital investments in Texas and South Dakota and earns income at 10% and 12%, respectively. Both investments are current in terms of their interest payments.

% of Assets Held For Sale and Sold in Total Portfolio*



Note:

* Values shown are for investment properties, joint ventures and preferred capital investments as at Q1/2023.

** Assets sold refers to completion of sale of one property located in Austin, Texas on June 22, 2023.

Q4/2022 Financial Highlights

| In USD\$ millions, unless per unit or % amounts | Quarter Ended Dec. 31, 2022 | Quarter Ended Dec. 31, 2021 |
|---|--------------------------------|--------------------------------|
| Net Rental Income | \$1.50 | \$0.83 |
| AFFO/Unit | \$0.02 | \$0.07 |
| NAV/Unit | \$8.17 | \$10.15 |
| Distributions/Unit | - | \$0.06 |
| Leverage (Mortgages / Investment Portfolio)⁽¹⁾ | 50.3% | 25.2% |
| Leverage (Total Debt / Investment Portfolio)⁽¹⁾ | 58.0% | 37.6% |
| Portfolio Size⁽²⁾ | \$198 | \$181 |

(1) The Trust monitors its leverage on a mortgage debt (defined as Mortgages and Bank Indebtedness/ Investment Portfolio) and a total debt basis (defined as Mortgages, Bank Indebtedness and Convertible Debentures/ Investment Portfolio (defined as Mortgages and Bank Indebtedness / Investment Portfolio) as measures of anticipating future growth through the private and public debt markets versus its liquidity in the short term.

(2) Calculated including the pro-forma consolidation of its interests in the Joint Ventures Portfolio assuming proportionate consolidation.

Q1/2023 Financial Highlights

| In USD\$ millions, unless per unit or % amounts | Quarter Ended Mar. 31, 2023 | Quarter Ended Mar. 31, 2022 |
|---|--------------------------------|--------------------------------|
| Net Rental Income | \$1.69 | \$0.86 |
| AFFO/Unit | \$0.02 | \$0.06 |
| NAV/Unit | \$7.52 | \$10.04 |
| Distributions/Unit | - | \$0.06 |
| Leverage (Mortgages / Investment Portfolio)⁽¹⁾ | 51.5% | 36.5% |
| Leverage (Total Debt / Investment Portfolio)⁽¹⁾ | 59.7% | 47.0% |
| Portfolio Size⁽²⁾ | \$193 | \$194 |

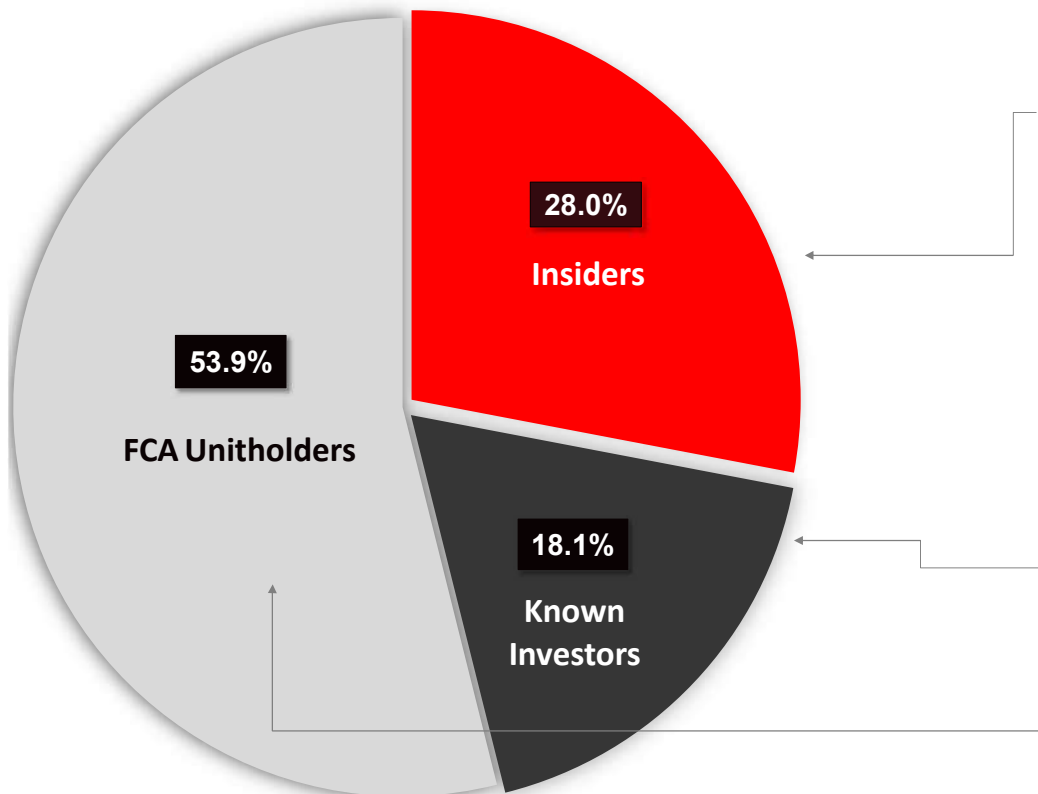
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Insider Participation – A True Alignment of Interests

- Senior Management and the Board have a true alignment of interests with Unitholders, having ownership interest consisting of 13% of the common equity & preferred capital in FCA REIT, as well as controlling 28.0% of the outstanding Trust units issued.
- In addition, known investors of the REIT have ownership interest of 53% of the common equity & preferred capital in the REIT, as well as control 18.1% of the Trust units.

46.1% of Trust Units Held by Insiders & Known Investors



| Trustee Name | Number of Units Held Directly or by Known Investors ⁽¹⁾ | Ownership Interest ⁽¹⁾ |
|--|--|-----------------------------------|
| Pat DiCapo | 813,514 | 10.7% |
| Robert Parker ⁽²⁾ | 542,980 | 7.1% |
| Eli Dadouch | 359,593 | 4.7% |
| Howard Smuschkowitz | 195,802 | 2.6% |
| Geoffrey Bledin | 124,000 | 1.6% |
| Keith L. Ray | 70,373 | 0.9% |
| Sandy Poklar | 14,839 | 0.2% |
| Valentina Kalyk | 5,200 | 0.1% |
| Jonathan Mair | 2,100 | <0.1% |
| Subtotal for Insiders | 2,128,401 | 28.0% |
| Known Investors | 1,378,821 | 18.1% |
| Subtotal for Insiders & Known Investors | 3,507,222 | 46.1% |
| FCA Unitholders | 4,097,153 | 53.9% |
| Total | 7,604,375 | 100% |

⁽¹⁾ Financials as at March 31, 2023
⁽²⁾ Represents company employed by

Q & A Session

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