



January 25th, 2021

AP Capital REIT Unitholders - Fund Update and Q4 Distribution.

AP REIT is pleased to announce the 4th quarter dividend of \$8.72 CAD/Unit. Payment can be expected by unitholders on January 29. This matches AP REIT's 2nd and 3rd quarter dividends of \$8.72 CAD/Unit. The Q4 distribution represents a 4.75% per annum quarterly dividend based on the Net Asset Value of AP REIT's last audited statements (Dec 31, 2019).

At AP REIT we have maintained a proactive approach in dealing with tenants from the height of the pandemic through the end of 2020. Our 70+ tenants across the three assets are dealt with case-by-case as they face different challenges during government lockdowns and stay at home orders. AP REIT expects full payment of rents from tenants and continues to negotiate lease terms, renewals, rent deferral repayment, as well as negotiations with new potential tenants. 2020 had its challenges in the commercial real estate industry and 2021 is likely similar. The AP REIT team is ready to take on the continued challenge.

Looking more closely at the three assets, our two US (Arizona) assets are performing well in terms of rent collection, recovery of deferred payment, and accounts receivables. In Q4 we collected nearly 100% of expected rents while reducing accounts receivable balances at both assets. The fund's sole Alberta asset, Morrison Centre in Fort McMurray, experienced both ends of the spectrum in terms of positives and challenges. Rent collection showed some promising signs in Q4 and accounts receivable balances were reduced by half from August highs, however, some Morrison tenants are struggling, and continued stay-at-home measures in Alberta are exacerbating their challenges.

Our commitment to REIT Unitholders is to continue managing the three assets with rigor while we look ahead with unknowns in terms of how our tenants and their businesses will perform. There are some positive signs ahead for 2021 and we will seek to exploit every possible opportunity. AP REIT starts 2021 financially stable, carries a good cash position, and our assets are, in aggregate, cash flow positive. The fund remains closed at this time; we thank holders for their ongoing patience as we navigate in these challenging times.

Please follow regular updates relating to AP REIT during the pandemic on our website at <http://apcapital.ca/covid-19-ap-reit/>.