



May 03, 2021

AP Capital REIT Unitholders - Fund Update and Q1 Distribution.

AP REIT is pleased to announce the 1st quarter dividend of \$8.72 CAD/Unit. Payment was distributed on April 20th. This matches AP REIT's three prior quarterly dividends of \$8.72 CAD/Unit.

AP Capital REIT audited statements are available for unitholders. You can find them on AP Capital's website or request them via email from info@apcapital.ca. Reminder that Fast Facts can be found here - www.apcapital.ca/investor-centre/reit/#fastfacts

At AP REIT we are maintaining a proactive approach in dealing with tenants through the pandemic our approach has become multifaceted, as we deal with assets at both ends of the spectrum Arizona is fully open and Alberta is still in lockdown . 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 is in the process of recovering full payments of rents from tenants that suffered substantially and required assistance in mid 2020, and continues to negotiate lease terms, renewals, as well as negotiations with new potential tenants. With Arizona opening up completely the properties are performing better than expected, However the continued lockdowns in Alberta are proving most difficult for our Fort McMurray property. 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 Q1 we collected over 100% of expected rents, with tenants on deferral programs reducing accounts receivable balances at both assets. The fund's sole Alberta asset, Morrison Centre in Fort McMurray, is continuing to experience challenges. Some Morrison tenants are struggling, with the continued stay-at-home measures in Alberta exacerbating their challenges. The City of Fort McMurray has come out with a downtown revitalization program that includes various grants. AP Capital has been approved for the Facade Improvement Grant and construction is currently underway. We look forward to sharing the Morrison Centres new and improved esthetique with our investors by Fall 2021.

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 in the Arizona properties and we will seek to exploit every possible opportunity, however with ongoing lockdowns in Alberta the outlook is bleak. AP REIT continues to be financially stable and is fully engaged in maximizing the assets. 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/>.