



FOR IMMEDIATE RELEASE

SUN RESIDENTIAL REIT CONTINUES ROBUST RESULTS, ANNOUNCES INVESTOR CONFERENCE CALL ON AUGUST 2, AND DECLARES Q3 DISTRIBUTION PAYABLE SEPTEMBER 30, 2023

Toronto, August 1, 2023 – Sun Residential Real Estate Investment Trust (TSXV: SRES) today released its financial results for the three and six months ended June 30, 2023. **All amounts are in United States dollars unless otherwise noted.** “C\$” refers to Canadian dollars.

Revenue for the three months ended June 30, 2023 was \$1,475,527 an increase of 8.9% compared with the same period in the prior year. Net rental income was \$988,878, an increase of 3.5%, and net income and comprehensive income for the three months was \$581,815, an increase of 9.8%.

Revenue for the six months ended June 30, 2023 was \$2,870,880 an increase of 8.6% compared with the same period in the prior year. Net rental income was \$1,975,849, an increase of 6.0%, and net income and comprehensive income for the three months was \$1,105,873, an increase of 9.9%.

At June 30, 2023, Sun had total assets of \$75.9 million (December 31, 2022 – \$75.6 million), and cash and cash equivalents of \$3.7 million (December 31, 2022 – \$4.7 million). Working capital at June 30, 2023 was \$4.2 million (December 31, 2021 – \$4.6 million).

Robert C. Wetenhall Jr., Chief Executive Officer, said, “During the quarter, we acquired a distressed apartment building located in Cape Coral, Florida. Mobilization to begin renovating the property, which was heavily damaged by Hurricane Ian, has already begun. We expect the property will be accretive to earnings when stabilized next year and demonstrates our commitment to creating shareholder value by sourcing attractive investment opportunities in the Sun Belt.”

Additional highlights (at June 30, 2023 or for the three months then ended, unless otherwise noted)

- NAV (net asset value) per unit - \$0.109 (C\$0.147)
- Weighted average occupancy for the quarter – 93%; occupancy at quarter-end – 95%
- FFO (funds from operations) – \$206,792, an increase of 36% from the prior year.
- AFFO (adjusted funds from operations) – \$183,081, an increase of 22% from the prior year.
- Quarterly distribution paid June 30, 2023 corresponds to 57% of net income available to unitholders, 71% of FFO, and 80% of AFFO.
- Rent collection for June 2023 – 99%
- Net operating income margin – 52%
- Debt to gross book value – 41%

A reconciliation to non-IFRS measures is set out below. For further information on the financial results as well as analysis of operational statistics, please refer to Sun’s consolidated financial statements and its management’s discussion and analysis for the period ended June 30, 2023, available on SEDAR at www.sedar.com and on Sun’s website at www.sunresreit.com.

Conference Call

Interested parties are invited to participate in a Zoom video call with management on August 2, 2023 at 9:00 a.m., Eastern Time. Please use the following link:

<https://us02web.zoom.us/j/83058398761?pwd=Vk9NVEI4YkxjV1BhVEldld2FsVGFhZz09>

Quarterly distribution

The Board of Trustees has approved a regular quarterly distribution of C\$0.00095 (0.095 Canadian cents) per unit. This distribution will be paid September 29, 2023 to unitholders of record as of the close of business on September 15, 2023, and represents an annual rate of C\$0.0038 (0.38 Canadian cents) per unit.

Non-IFRS Financial Measures

Weighted average leased rate, FFO, AFFO, rent collection, net operating income margin, NAV per unit and debt to gross book value are key measures of performance commonly used by real estate investment trusts. They are not measures recognized under International Financial Reporting Standards (IFRS) and do not have meanings prescribed by IFRS. Weighted average leased rate, FFO, AFFO, rent collection for March 2023, net operating income margin, NAV per unit and debt to gross book value as calculated by Sun may not be comparable to similar measures presented by other issuers. Please see the table below for reconciliations to IFRS measures.

	Three months ended		Six months ended	
	June 30		June 30	
	2023	2022	2023	2022
Net income attributable to unitholders	\$ 257,120	\$ 201,005	\$ 458,449	\$ 370,920
<i>Adjustments to arrive at FFO</i>				
Fair value adjustment to investment properties	46,493	4,352	98,162	10,152
Realty taxes not accounted for under IFRIC 21	(217,800)	(190,200)	(435,600)	(380,400)
Non-controlling interest	83,940	91,066	165,345	181,422
Deferred income taxes	45,087	51,083	88,990	96,125
Loss (gain) on foreign currency translation	(8,048)	(5,431)	(8,358)	(3,817)
Funds from operations (FFO)	206,792	151,875	366,988	274,402
<i>Adjustments to arrive at AFFO</i>				
Capital expenditures	(46,493)	(4,352)	(98,162)	(10,152)
Non-controlling interest	22,782	2,132	48,099	4,974
Adjusted funds from operations (AFFO)	\$ 183,081	\$ 149,655	\$ 316,925	\$ 269,224
Weighted average number of units	203,338,999	203,338,999	203,338,999	203,338,999
FFO per unit	\$ 0.0010	\$ 0.0007	\$ 0.0018	\$ 0.0013
AFFO per unit	\$ 0.0009	\$ 0.0007	\$ 0.0016	\$ 0.0013
			June 30	December 31
			2023	2022
Unitholder equity			\$ 22,114,236	21,801,627
NAV per unit			\$ 0.109	\$ 0.107
NAV per unit (C\$)			\$ 0.147	\$ 0.140

About Sun Residential REIT

Sun Residential Real Estate Investment Trust is an unincorporated open-ended real estate investment trust established pursuant to a declaration of trust dated January 22, 2019, as amended and restated on March 22, 2019 and November 4, 2020. The business of Sun is to acquire multi-family residential properties in the Sunbelt region of the United States.

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