



FOR IMMEDIATE RELEASE

SUN RESIDENTIAL REIT REPORTS EXCELLENT RESULTS – AND ANNOUNCES INVESTOR CONFERENCE CALL ON FEBRUARY 8

Toronto, February 7, 2023 – Sun Residential Real Estate Investment Trust (TSXV: SRES) today released its financial results for the three months and year ended December 31, 2022. **All amounts are in United States dollars unless otherwise noted.** “C\$” refers to Canadian dollars.

Revenue for the three months ended December 31, 2022 was \$1,412,622 (same period, prior year – \$1,296,918), net rental income was \$213,697 (prior year – \$213,355), and the net income for the three months was \$4,572,204 (prior year – \$5,622,213). Revenue for the year ended December 31, 2022 was \$5,460,233 (same period, prior year – \$4,946,475), net rental income was \$3,000,721 (prior year – \$2,868,457), and the net income for the year was \$5,936,241 (prior year – \$12,121,413). Net income for the year reflects a fair value of increase in investment property of \$5,170,123 (prior year - \$12,432,980), before taxes.

At December 31, 2022, Sun had total assets of \$75.6 million (December 31, 2021 – \$69.7 million), and cash and cash equivalents of \$4.7 million (December 31, 2021 – \$4.5 million). Working capital at December 31, 2022 was \$4.6 million (December 31, 2021 – \$4.5 million).

“Our property continues to perform very well,” said Gordon Wiebe, CEO of Sun. “As announced on December 14, 2022, we are pleased to be issuing our first quarterly distribution on March 31, 2023, of C\$0.00095 or 0.095 Canadian cents per unit. This represents an annual yield of 5.8% based upon the latest closing unit price of C\$0.065.”

Highlights (at December 31, 2022 unless otherwise noted)

- NAV (net asset value) per unit - \$0.107 (approximately C\$0.14)
- Revenue for the year ended December 31, 2022 – 5,460,233, an increase of 10.4% from the prior year
- Weighted average occupancy for the quarter – 91%.
- FFO (funds from operations) for three months ended December 31, 2022 – \$180,078, an increase of 37% from the prior year.
- FFO (funds from operations) for year ended December 31, 2022 – \$600,689, an increase of 25% from the prior year.
- AFFO (adjusted funds from operations) for three months ended December 31, 2022 – \$33,192, a decrease of 75% from the prior year, due to certain non-recurring capital expenditures that had been incurred in the quarter.
- AFFO (adjusted funds from operations) for year ended December 31, 2022 – \$355,952, a decrease of 25% from the prior year, due to certain non-recurring capital expenditures incurred during the year.
- Rent collection for December 2022 – approximately 98%
- Net operating income margin (three months ended December 31, 2022) – 55%
- Debt to gross book value – 42%

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 year ended December 31, 2022, 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 February 8, at 4:30 p.m. EST. Please click on the following link:

<https://us02web.zoom.us/j/82202674488?pwd=YWVMekZ3SXoveW1WVnkVXNzJRUWhzUT09>

Meeting ID: 822 0267 4488, Passcode: 157877.

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 December 2022, 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		Years ended	
	December 31		December 31	
	2022	2021	2022	2021
Net income attributable to unitholders	\$ 1,978,700	\$ 2,413,921	\$ 2,482,338	\$ 5,173,518
<i>Adjustments to arrive at FFO</i>				
Fair value adjustment to investment properties	(5,361,989)	(6,617,000)	(5,170,123)	(12,432,980)
Realty taxes not accounted for under IFRIC 21	570,600	572,400	-	-
Non-controlling interest	2,347,781	2,961,854	2,533,360	6,092,160
Deferred income taxes	645,602	797,490	751,649	1,647,950
Loss (gain) on foreign currency translation	(616)	2,857	3,465	350
Funds from operations (FFO)	180,078	131,522	600,689	480,998
<i>Adjustments to arrive at AFFO</i>				
Capital expenditures	(288,011)	-	(479,877)	(17,020)
Non-controlling interest	141,125	-	235,140	8,340
Adjusted funds from operations (AFFO)	\$ 33,192	\$ 131,522	\$ 355,952	\$ 472,318
Weighted average number of units	203,338,999	203,338,999	203,338,999	203,338,999
FFO per unit	\$ 0.0009	\$ 0.0006	\$ 0.0030	\$ 0.0024
AFFO per unit	\$ 0.0002	\$ 0.0006	\$ 0.0018	\$ 0.0023
Unitholder equity			\$ 21,801,627	\$ 19,461,725
NAV per unit			\$ 0.107	\$ 0.096

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. Its business operations commenced on January 28, 2020, when it completed a financing and concurrently acquired a 51% interest in a multi-family residential property comprising 12 buildings with 288 rental units as well as various amenities for tenants located in Tallahassee, Florida.

For further information, please contact:

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