

February 27, 2020



FTE Networks Provides Shareholder Update

NEW YORK, Feb. 27, 2020 (GLOBE NEWSWIRE) -- FTE Networks, Inc. (NYSE American: FTNW) ("FTE" or the "Company"), today issued a shareholder update. The full text of the letter from interim CEO Michael P. Beys follows.

Dear Shareholders:

My last update to shareholders was on January 3, 2020 to advise on the Company's acquisition of Vision Property Management LLC for \$350MM by its US Home Rentals subsidiary on January 2, 2020. US Home Rentals is now a major owner and operator of a portfolio of nearly 3,200 rental home properties across the United States. That letter illuminated FTE's growth strategy for US Home Rentals, and also provided an important update on the changes being made to the board of directors and in management.

In the letter, I also outlined that the Company plans to begin updating its required filings with the SEC in Q1, and to become current no later than the end of Q2 2020. The full text of that letter is available [here](#).

The Company is continuing to explore various strategic opportunities that would improve its long-term financial health and operational effectiveness, as well as resolve important legal issues arising from certain actions taken by prior management. Tactical initiatives being explored to advance the interests of the Company and shareholders include but are not limited to new debt and equity financings, additional acquisitions and the sale or disposition of assets, and reviewing legal remedies to recover funds and assets. We have hired investment banking firms to support debt and equity financings for the Company in 2020.

As part of the Vision acquisition, FTE announced that part of the stock proceeds of the acquisition of Vision would be held in a trust for the benefit of the shareholders of the First Capital Real Estate Trust Inc, a non-traded public REIT (FCRET). For the avoidance of doubt, FTE is not acquiring or transacting with FCRET; though we expect that the shareholders of FCRET will eventually become shareholders of FTE. We look forward to welcoming FCRET's shareholders as new FTE shareholders and further strengthening our shareholder base.

Efforts to Regain Listing Compliance with NYSE and Compliance with Exchange Act Reporting Obligations

I recently took an important step toward the Company's goal of regaining listing compliance with NYSE: On Thursday, February 13, I met with officials at the NYSE to put forth our case for regaining our listing status on the exchange.

During that meeting – which is part of NYSE's appeal process - I outlined important actions that we have taken to improve corporate governance and controls and to increase the Company's liquidity, including, but not limited to:

- changes in board and management;
- comprehensive updates to our financial statements, with a plan to issue our 2017 and 2018 financial statements in the next several months;
- the acquisition of and projected growth strategy for US Home Rentals.

Since I took on the role of interim CEO, we continue to make progress in updating our financial statements, which are instrumental to regaining compliance with our Exchange Act reporting obligations as a publicly traded company.

We understand and have confidence in the NYSE's process for appeals and realize that there is no guarantee that our appeal will be successful. The Board and I are committed to ongoing transparency in our correspondences with both NYSE officials and with shareholders. That said, as we focus on providing increased liquidity to investors through the public markets in 2020, we are evaluating all options, including analysis of listing with other exchanges and acquisition of other publicly traded companies.

[Link to all recent filings](#)

Governance and Operational Overview

I bring expertise in real estate development, corporate governance and law to my role as the Company's interim CEO. In addition, I run my own law firm and have served as a former federal prosecutor. Building upon that experience I have taken critical strides to improve the Company's governance and controls, including a

comprehensive review of operations.

During my first 90 days as CEO I implemented governance changes, including but not limited to:

- Instituting twice-monthly board meetings for the foreseeable future;
- Accelerating the finalization of financial statements;
- Enhancing internal controls, including tightening processes for share issuance and formalizing checks and balances.

I have also embarked on a sweeping operational review during my first 90 days as CEO. This includes, but is not limited to, traveling to South Carolina, Georgia and Pennsylvania to meet with investors, bankers and partners; to connect with the US Home Rentals management team; and to examine representative properties in our newly acquired portfolio of affordable rental homes.

In South Carolina, I met with US Home Rentals' operational team to review internal processes for management of the business, as well as investments undertaken and strategic allocation thereof. We also discussed plans for value-enhancing rehabilitation across a broad swath of properties in the portfolio. I also toured some of the operational rental homes to gain a first-hand understanding of the portfolio.

My trip to Georgia included a stop in Atlanta to meet with attorneys, bankers, and potential partners all eager to discuss FTE's next chapter. As we continue to build upon this foundation and position ourselves for future growth, we hope to share more concrete details on these plans and initiatives in the very near future.

As noted in my previous letter, we remain optimistic on the market outlook for affordable single-family home rentals (SFR), specifically in underserved areas. US Home Rentals' portfolio of more than 3,200 homes, largely concentrated in these underserved areas, represents a distinct advantage and an opportunity to improve the renter's experience while simultaneously growing the Company's value as the premier provider of affordable housing in tier 3 and tier 4 markets nationwide.

As part of this shift in strategic direction, US Home Rentals intends to pursue a rentals-only strategy and to build and optimize our real estate portfolio as leading provider of affordable housing.

In closing, the Board of Directors and I are committed to returning value to shareholders and to continual improvement in governance, management and controls at FTE Networks. We appreciate the support and patience of all of the Company's stakeholders, as well as your interest in what lies ahead. We will continue to share pertinent information as we work towards improving our business operations and promoting sustainable growth in our revenues and profitability, all with the ultimate goal of creating value for FTE shareholders.

Sincerely,

Michael P. Beys
Interim CEO

Forward Looking Statements

This letter may contain "forward-looking statements" within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "believe," "will," "intends," "expects," and may include statements regarding matters that involve known or unknown risks, uncertainties and other factors that may cause our results, levels of activity, performance or achievements to differ materially from results expressed or implied by this release. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations, and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and market trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. These risk factors and others are included from time to time in documents we file with the Securities and Exchange Commission, including but not limited to, our Form 10-K's, Form 10-Q's and Form 8-K's. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Accordingly, you should not place undue reliance on these forward-looking statements. Any forward-looking statement made by us in this letter is based only on information currently available to us and speaks only as of the date on which it is made. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise.

About FTE Networks, Inc.

FTE Networks, Inc. ("FTE") through its subsidiary US Home Rentals, owns, operates and invests in affordable rental housing in tier 3 and 4 markets. Single family home rentals (SFR) is large, growing and attractive market. Nationally, home rentals are growing faster than home ownership. With a portfolio of 3,184 affordable rental homes across the United States, FTE is one of the few companies that has a strong and established portfolio of assets for the affordable rental housing market.

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