

PRESS RELEASE



## FIRM CAPITAL PROPERTY TRUST

### FIRM CAPITAL PROPERTY TRUST ANNOUNCES TERMS OF \$26 MILLION MARKETED OFFERING AND FILING OF FINAL PROSPECTUS SUPPLEMENT

***THIS NEWS RELEASE IS INTENDED FOR DISTRIBUTION IN CANADA ONLY AND IS NOT INTENDED FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR DISSEMINATION IN THE UNITED STATES.***

Toronto, Ontario, April 17, 2019. Firm Capital Property Trust (“**FCPT**” or the “**Trust**”), (TSX-V: FCD.UN) is pleased to announce that its previously announced fully marketed offering (the “**Offering**”) will consist of 4,100,000 trust units (the “**Trust Units**”) at a price of \$6.40 per Trust Unit (the “**Offering Price**”), for aggregate gross proceeds of \$26.2 million (or 4,715,000 Trust Units for aggregate gross proceeds of \$30.2 million if the over-allotment option is exercised in full), which is larger than the original anticipated amount of approximately \$20 million. Closing of the Offering is expected to occur on or about April 24, 2019 (the “**Closing Date**”), subject to the satisfaction of customary closing conditions, including the receipt of all necessary regulatory and stock exchange approvals.

FCPT has filed a final prospectus supplement dated April 17, 2019 in connection with the Offering (the “**Prospectus Supplement**”) with the securities regulatory authorities in all provinces of Canada, except Quebec. A copy of the Prospectus Supplement is available under the Trust’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### MARKETED OFFERING AND UNDERWRITING AGREEMENT

In connection with the Offering, FCPT has entered into an underwriting agreement (the “**Underwriting Agreement**”) with a syndicate of underwriters led by Canaccord Genuity Corp., CIBC Capital Markets, and National Bank Financial Inc., and including Scotiabank, TD Securities Inc., Echelon Wealth Partners Inc., Industrial Alliance Securities Inc., Raymond James Ltd., Desjardins Securities Inc., GMP Securities L.P., and Laurentian Bank Securities Inc. (collectively, the “**Underwriters**”) pursuant to which the Underwriters have agreed to purchase 4,100,000 Trust Units at the Offering Price.

The Trust has also granted the Underwriters an over-allotment option exercisable, in whole or in part, to purchase up to an additional 615,000 Trust Units at the Offering Price (for estimated aggregate gross proceeds to the Trust of \$30.2 million if the over-allotment option is exercised in full) for a period of 30 days from the Closing Date, to cover over-allotments, if any, and for market stabilization purposes.

The net proceeds of the Offering will be used by the Trust to fund the cash portion of the purchase price of the Acquisition Portfolio (as defined below) and for working capital and general trust purposes.

## **CONCURRENT PRIVATE PLACEMENT**

As previously announced, in addition to the Offering, the Trust intends to close a non-brokered private placement of Trust Units concurrently with the Offering (the “**Concurrent Private Placement**”), on substantially the same terms as the Offering, raising gross proceeds of approximately \$15 million. The Concurrent Private Placement is expected to close on the Closing Date. The subscribers of the Concurrent Private Placement, among others, will include an existing institutional unitholder of the Trust and a group consisting of certain members of senior management and trustees of the Trust. The distribution of Trust Units pursuant to the Concurrent Private Placement will not be qualified pursuant to the Prospectus Supplement. Closing of the Offering will be conditional upon closing of the Concurrent Private Placement for minimum aggregate gross proceeds of \$15 million. Closing of the Concurrent Private Placement is conditional on the closing of the Offering.

## **THE ACQUISITION PORTFOLIO**

On April 3, 2019, the Company announced that it entered into an agreement to acquire (the “**Acquisition**”) from First Capital Realty Inc. and an affiliate thereof (collectively, “**First Capital**”) a 50% non-managing interest in six net-leased primarily grocery anchored shopping centres located in Ontario and Quebec (the “**Acquisition Portfolio**”). The acquisition price for 100% of the Acquisition Portfolio is approximately \$266 million, excluding transaction costs. The Trust's portion of the acquisition price is approximately \$133 million.

The Acquisition Portfolio is comprised of six properties totaling 1,022,600 square feet of GLA (at a 100% interest) located in Ottawa, Ontario; Nepean, Ontario; Repentigny, Quebec; and Gatineau, Quebec. All six of the properties are anchored by high quality tenants including Canadian Tire, IGA, Loblaws, Walmart, and Shoppers Drug Mart, among others. The Acquisition Portfolio is approximately 97% occupied and has a remaining weighted average lease term (“**WALT**”) of approximately 6.1 years. Upon closing of the Acquisition, the Trust and First Capital will enter into a co-ownership arrangement such that the Trust and First Capital will each own half of the Acquisition Portfolio. First Capital will also property manage the Acquisition Portfolio. Closing of the Acquisition Portfolio is expected to occur on or about May 2, 2019.

<b>Property</b>	<b>Property Occupancy<sup>1</sup></b>	<b>GLA (at 100%)</b>	<b>% of Total</b>	<b>Remaining WALT (Years)<sup>1</sup></b>
Carrefour du Plateau (Gatineau)	100.0%	241,772	23.6%	9.6
Galeries de Repentigny (Repentigny)	100.0%	130,739	12.8%	2.9
Galeries Brien Est (Repentigny)	100.0%	8,856	0.9%	3.9
Galeries Brien Ouest (Repentigny)	100.0%	52,331	5.1%	4.2
Gloucester City Centre (Ottawa)	97.2%	369,663	36.1%	5.2
Merivale Mall (Nepean)	91.6%	219,239	21.4%	6.2
<b>Total / Weighted Average</b>	<b>97.2%</b>	<b>1,022,600</b>	<b>100.0%</b>	<b>6.1</b>

**Note:**

(1) As of March 1, 2019.

## **ABOUT FIRM CAPITAL PROPERTY TRUST**

Firm Capital Property Trust is focused on creating long-term value for unitholders, through capital preservation and disciplined investing to achieve stable distributable income. In partnership with management and industry leaders, the Trust's plan is to own a diversified property portfolio of multi-residential, flex industrial, net lease convenience retail, and core service provider professional space. In addition to standalone accretive acquisitions, the Trust will make joint acquisitions with strong financial partners and acquisitions of partial interests from existing ownership groups, in a manner that provides liquidity to those selling owners and professional management for those remaining as partners. Firm Capital Realty Partners Inc., through a structure focused on an alignment of interests with the Trust sources, syndicates and property and asset manages investments on behalf of the Trust.

## **FORWARD LOOKING INFORMATION**

This press release may contain forward-looking statements. In some cases, forward-looking statements can be identified by the use of words such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", and by discussions of strategies that involve risks and uncertainties, including statements regarding: the timing for completion, and the ability to complete, the Acquisition; the pro forma composition of FCPT's portfolio upon completion of the Acquisition; the entering into of a co-ownership agreement with First Capital; the timing of and ability to obtain new mortgages on the Acquisition Portfolio; the size of the Concurrent Private Placement; and the completion of the Offering and the Concurrent Private Placement. The forward-looking statements are based on certain key expectations and assumptions made by the Trust. By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. Although management of the Trust believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that future results, levels of activity, performance or achievements will occur as anticipated. Neither the Trust nor any other person assumes responsibility for the accuracy and completeness of any forward-looking statements, and no one has any obligation to update or revise any forward-looking

statement, whether as a result of new information, future events or such other factors which affect this information, except as required by law. Closing of the Offering, the Concurrent Private Placement and the Acquisition remain subject to the final approval of the TSX Venture Exchange.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, which may be made only by means of a prospectus, nor shall there be any sale of the Units in any state, province or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under securities laws of any such state, province or other jurisdiction. The Units have not been, and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered, sold or delivered in the United States absent registration or an application for exemption from the registration requirements of U.S. securities laws.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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