



FIRM CAPITAL PROPERTY TRUST

FIRM CAPITAL PROPERTY TRUST ANNOUNCES TRANSFORMATIONAL \$266 MILLION CO-OWNERSHIP WITH PURCHASE FROM FIRST CAPITAL REALTY AND \$35 MILLION EQUITY OFFERINGS

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Toronto, Ontario, April 2, 2019. Firm Capital Property Trust ("FCPT" or the "Trust"), (TSX-V: FCD.UN) is pleased to announce that it has 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.

HIGHLIGHTS OF THE ACQUISITION PORTFOLIO

- **IMMEDIATELY ACCRETIVE TO AFFO BY APPROXIMATELY 9%:** The Acquisition Portfolio is expected to be immediately approximately 9% accretive to the Trust's fourth quarter 2018 normalized annualized Adjusted Funds From Operations ("AFFO") per Trust Unit (as defined below), after adjusting for subsequent events.
- **ENHANCED SIZE AND SCALE WITH NEARLY \$400 MILLION OF ASSETS:** Upon closing of the Acquisition, the Trust's portfolio will be comprised of 75 income-producing properties totaling 2,228,381 square feet (at the Trust's share) of Gross Leasable Area ("GLA"), as well as residential assets aggregating 204 residential units. Following the closing of the Acquisition Portfolio, the Trust's Gross Book Value ("GBV") is expected to be approximately \$403 million.
- **WELL DIVERSIFIED PORTFOLIO BY ASSET CLASS AND GEOGRAPHY:** Upon closing of the Acquisition, 77% of the Trust's Net Operating Income ("NOI") will be generated from primarily grocery-anchored retail properties, as well as 19% from industrial properties, 3% from apartments and 1% from office. By geography, 59% of NOI will be generated from Ontario, 27% from Quebec, and 7% from Nova

Scotia, with the balance from British Columbia, Saskatchewan, Alberta and Manitoba.

- **WELL DIVERSIFIED TENANT PROFILE:** Upon closing of the Acquisition, the Trust's ten largest commercial tenants are expected to account for approximately 28.8% of net rent, with no tenant comprising more than 10.3% of the pro forma commercial net rent. Further, the top five tenants are national and/or high quality tenants and comprise Sobeys (10.3%), Loblaws (3.0%), PPG (2.7%), Canadian Tire (2.3%), and IGA (2.3%).

DETAILS OF THE ACQUISITION PORTFOLIO

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.

Property	Property Occupancy ¹	GLA (at 100%)	% of Total	Remaining WALT (Years) ¹
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
Total / Weighted Average	97.2%	1,022,600	100.0%	6.1

Note:

(1) As of March 1, 2019.

The acquisition price for 100% of the Acquisition Portfolio of \$266 million equates to an implied price per square foot of approximately \$260 per square foot, which represents a significant discount to replacement cost. The closing of the Acquisition is expected to occur on or about May 2, 2019, and is subject to the satisfaction of customary closing conditions, including financing, regulatory and due diligence conditions, as well as the closing of the Offering and the Concurrent Private Placement (as such terms are defined below).

Descriptions of the properties that comprise of the Acquisition Portfolio are as follows:

- **CARREFOUR DE PLATEAU**

Servicing Gatineau's Hull community is Carrefour du Plateau. Anchored by Canadian Tire, IGA, Sports Experts and Jean-Coutu, this centre currently offers a wide mix of amenities and includes space for additional density. This retail centre services the surrounding highly populated, family-oriented neighbourhoods with over 94,000 residents within a five kilometre radius. In addition, this centre has exposure to the busy arterials of Des Allumettières and Des Grives Boulevards. As of March 1, 2019, the Carrefour du Plateau property was 100% occupied;

- **GALERIES DE REPENTIGNY, GALERIES BRIEN EST, AND GALERIES BRIEN OUEST**

Galeries de Repentigny, Galeries Brien Est and Galeries Brien Ouest are located east of Montreal in the affluent community of Repentigny. Strategically situated on Boulevard Brien and in close proximity to Highway 40, these three centres offer easy accessibility to local residents. Major tenants include Super C, IGA, Dollarama and Uniprix. Adjacent to one another, these three centres combine to form a singular retail offering. As of March 1, 2019, Galeries de Repentigny, Galeries Brien Est and Galeries Brien Ouest were all 100% occupied.

- **GLOUCESTER CITY CENTRE**

Gloucester City Centre is located east of Ottawa in the neighbourhood of Gloucester. With more than 48 brand-name retailers, Gloucester City Centre is anchored by a 125,000 square foot Loblaws, a 98,500 square foot Walmart, a 11,700 square foot LCBO and a 10,200 square foot Pharma Plus. This 370,000 square foot enclosed shopping centre is focused on day-to-day retail offerings, including groceries, prescription drugs, personal-care items, household supplies, banking and other personal services. Over 119,200 people reside within a five kilometre radius of Gloucester City Centre, with an average annual household income of over \$91,900. Gloucester City Centre will include a new O-Train station on the Confederation Line, which is scheduled for completion in the spring of 2019, and which is expected to enhance accessibility to the shopping centre. As of March 1, 2019, the Gloucester City Centre property was 97% occupied. Both First Capital and the Trust believe that the property benefits from significant redevelopment potential, with plans to seek 930,000 square feet of additional commercial and residential density.

- **MERIVALE MALL**

Merivale Mall is located in Nepean, a neighbourhood of Ottawa located in the southwest of the city. This property is situated in the prominent regional retail node known as the Merivale Retail Corridor, which spans approximately 3.2 kilometres along Merivale Road and offers over 2.5 million square feet of retail space. Merivale Mall benefits from traffic counts of over 50,000 vehicles per day. Merivale Mall offers ample parking (1,010 parking stalls) and approximately 220,000 square feet of retail shopping space, anchored by a roster of national tenants, including

Farm Boy, Sport Chek, Planet Fitness, Marshalls and Shoppers Drug Mart. As of March 1, 2019, Merivale Mall was approximately 92% occupied. Both First Capital and the Trust believe that the property benefits from significant redevelopment potential, with plans to seek 280,000 square feet of additional commercial and residential density.

DEBT FINANCING

The Acquisition Portfolio is being financed through a combination of new and assumed mortgages for a total amount of approximately \$92.9 million (at the Trust's interest). The weighted average interest rate for both the new and assumed mortgages is expected to be approximately 3.55% with a Weighted Average Term to Maturity ("**WATM**") of approximately 5.4 years. The new mortgages, which equate to approximately \$62.4 million, are being arranged through a combination of Canadian chartered banks for approximately \$52.9 million (each at the Trust's interest) as well as a Vendor Take Back note from First Capital for \$9.6 million (at the Trust's interest).

MARKETED EQUITY OFFERING

The Trust also announced today that it has filed a preliminary prospectus supplement with the securities authorities in all provinces of Canada except Quebec, with respect to a proposed offering (the "**Offering**") of trust units ("**Trust Units**"). It is currently anticipated that approximately \$20 million of Trust Units will be offered at a price of \$6.40 per Trust Unit. The Offering is being made on a fully marketed basis through 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.

\$15 MILLION CONCURRENT PRIVATE PLACEMENT

In addition to the Offering, the Trust intends to complete a non-brokered private placement of Trust Units to close concurrently with the Offering (the "**Concurrent Private Placement**"), on substantially the same terms as the Offering, raising gross proceeds of approximately \$15 million. The subscribers of the Concurrent Private Placement are expected to 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. Closing of the Offering and the Concurrent Private Placement remain subject to the approval of the TSX Venture Exchange.

DISTRIBUTION REINVESTMENT PLAN & UNIT PURCHASE PLAN

The Trust has in place a Distribution Reinvestment Plan (“**DRIP**”) and Unit Purchase Plan (the “**Plan**”). Under the terms of the DRIP, FCPT’s unitholders may elect to automatically reinvest all or a portion of their regular monthly distributions in additional Trust Units, without incurring brokerage fees or commissions. Under the terms of the Plan, FCPT’s unitholders may purchase a minimum of \$1,000 of Units per month and maximum purchases of up to \$12,000 per annum. Management and trustees own approximately 7% of the issued and outstanding Trust Units of the Trust.

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 accretion of the Acquisition Portfolio to AFFO; the timing for completion, and the ability to complete, the Acquisition; the pro forma composition of FCPT’s portfolio upon completion of the acquisition 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 pricing and size of each of the Offering and 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.

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.

NON-IFRS MEASURES

Certain terms used in this press release, including AFFO, NOI and GBV, are not measures defined under International Financial Reporting Standards (“**IFRS**”) as prescribed by the International Accounting Standards Board, do not have standardized meanings prescribed by IFRS and should not be compared to or construed as alternatives to profit/loss, cash flow from operating activities or other measures of financial performance calculated in accordance with IFRS. AFFO, NOI and GBV as computed by the Trust may not be comparable to similar measures presented by other issuers. The Trust uses these measures to better assess the Trust’s underlying performance and provides these additional measures so that investors may do the same. Details on non-IFRS measures are set out in the Trust’s Management’s Discussion and Analysis for the year ended December 31, 2018 and the Trust’s Annual Information Form for the year ended December 31, 2017, dated April 30, 2018, which are both available on the Trust’s profile at www.sedar.com.

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