Timbercreek Financial

NEWS RELEASE

Timbercreek Financial Announces $40 Million Bought Offering of Convertible Debentures

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TORONTO, May 24, 2017 – Timbercreek Financial (TSX: TF) (the "Company") today announced that it has entered into an agreement with a syndicate of underwriters led by National Bank Financial Inc. ("NBF") and TD Securities Inc. ("TD" and together with NBF, the "Co-Leads") pursuant to which the underwriters will purchase $40 million aggregate principal amount of 5.30% convertible unsecured subordinated debentures of the Company due June 30, 2024 (the "Debentures") at a price of $1,000 per Debenture. The Company has also granted to the underwriters an over-allotment option to purchase up to an additional $6 million aggregate principal amount of Debentures at the same price, exercisable in whole or in part at any time for a period of up to 30 days following closing of the offering, to cover over-allotments. If the over-allotment option is exercised in full, the gross proceeds of the offering will total $46 million.

The Company will use the net proceeds of the offering to repay amounts owing under its secured revolving credit facility, and will subsequently draw on the credit facility for purposes of funding future mortgage loans.

"With the continued strength of high-quality deal flow that we are seeing, these additional funds will help us meet the ongoing demand for short-term, structured financing solutions in the commercial mortgage market," said Andrew Jones, CEO of Timbercreek Financial. "In particular, we are reviewing several accretive opportunities and are, as always, focused on building a portfolio of conservative mortgages that generate attractive yield."

The Debentures will mature on June 30, 2024 and will accrue interest at the rate of 5.30% per annum payable semi-annually in arrears on June 30 and December 31 in each year, commencing December 31, 2017. At the holder's option, the Debentures may be converted into common shares of the Company at any time prior to the close of business on the earlier of the business day immediately preceding the maturity date and the business day immediately preceding the date (if any) fixed for redemption of the Debentures. The conversion price will be $11.10 for each common share, subject to adjustment in certain circumstances. The Debentures will not be redeemable before June 30, 2020. On and after June 30, 2020 and prior to June 30, 2022, the Debentures may be redeemed, in whole or in part, from time to time at the Company's option at par plus accrued and unpaid interest, provided that the weighted average trading price of the common shares of the Company on the Toronto Stock Exchange during the 20 consecutive trading days ending on the fifth trading day preceding the date on which notice of the redemption is given is not less than 125% of the conversion price. On and after June 30, 2022, the Company may, at its option, redeem the Debentures, in whole or in part, from time to time at par plus accrued and unpaid interest.

The offering of Debentures is expected to close on or about June 13, 2017 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals, including the approval of the Toronto Stock Exchange.

A preliminary short-form prospectus will be filed by no later than May 30, 2017 with the securities regulatory authorities in all provinces and territories of Canada, except Quebec. The securities being offered have not been and will not be registered under the United States Securities Act of 1933 and accordingly will not be offered, sold or delivered, directly or indirectly within the United States, its possessions and other areas subject to its jurisdiction or to, or for the account or for the benefit of a U.S. person, except where an exemption from registration is available. This news release is for information purposes only and does not constitute an offer to sell or a solicitation of an offer to buy any securities of the Company in any jurisdiction.

About the Company

About Timbercreek Financial

Timbercreek Financial is a leading non-bank, commercial real estate lender providing shorter-duration, structured financing solutions to commercial real estate investors. Our sophisticated, service-oriented approach allows us to meet the needs of borrowers, including faster execution and more flexible terms that are not typically provided by Canadian financial institutions. By employing thorough underwriting, active management and strong governance, we are able to meet these needs while targeting strong risk-adjusted returns for investors.

Disclaimers

This news release contains forward-looking statements about Timbercreek Financial. Forward-looking statements are typically identified by words such as "expect", "anticipate", "believe", "foresee", "could", "intend", "plan", "seek", "strive", "will", "may", "potential" and "should" and similar expressions concerning matters that are not historical facts. By their nature, forward looking statements reflect Timbercreek Asset Management Inc.'s and the Company's current views, beliefs, assumptions and intentions are subject to certain risks and uncertainties, known and unknown, including, without limitation, risks disclosed in the Company's public filings. Many factors could cause actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by these forward looking statements. The Company does not intend to nor assumes any obligation to update these forward looking statements whether as a result of new information, plans, events or otherwise, unless required by law.

No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. Neither the Toronto Stock Exchange nor its Regulation Services Provider (as that term is defined in policies of the Toronto Stock Exchange) accepts responsibility for the adequacy or accuracy of this release.

For further information:
Timbercreek Financial
Cam Goodnough
President
cgoodnough@timbercreek.com