

First Capital REIT Provides Business Update

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Toronto, Ontario (April 21, 2020) - First Capital REIT (“First Capital” or the “REIT”) (TSX: FCR.UN) today provided an update on its business and announced important steps taken in light of the environment created by the COVID-19 pandemic.

Overview

The unprecedented closure of the world’s economy to mitigate the impacts of the pandemic has presented challenges across all industries and geographies. While it is too early to predict the full impact of COVID-19 on First Capital, the REIT has and will continue to take this opportunity to analyze and prepare for what comes next, including:

- ***Supporting the health and safety of First Capital’s employees by equipping all members of the organization to work efficiently and effectively in a remote environment.***
- ***Ensuring that the REIT’s properties, substantially all of which are grocery and pharmacy anchored, continue to safely serve the communities reliant on these essential services now more than ever.***
- ***Providing support to qualifying tenants through First Capital’s Small Business Support Program, easily accessed by tenants through an actively managed online application portal.***
- ***Maintaining a strong balance sheet and liquidity position to ensure the REIT is well positioned to withstand the volatility of the current environment.***
- ***Implementing a plan to reduce expenses to partially mitigate the impact of the pandemic, including the delay of non-essential capital expenditures.***
- ***Supporting communities through various initiatives, including providing fresh and delicious meals to frontline healthcare workers in partnership with the REIT’s independent grocery and restaurant tenants.***

Adam Paul, President and CEO of First Capital, said, “First and foremost, I’d like to express our deepest thanks and gratitude to the many frontline workers who are the true heroes of this pandemic and express our sympathy to those who have been victimized by COVID-19. I am also extremely proud of how the FCR team has stepped up and come together in dealing with this crisis. Our own frontline staff continue to ensure our properties are well maintained to service tenants who provide essential services to Canadians. The balance of our team is working very hard remotely to protect our assets and prepare for the new normal once the government commences the reopening of the economy.”

April Rent Collection

Thus far, First Capital has collected approximately 70% of gross rents payable from tenants for the month of April. Tenants representing approximately 50% of First Capital's total gross monthly rents are currently classified as essential while the remaining tenants, representing approximately 50% of total gross monthly rents, have been closed or have been operating at a reduced capacity due to the impact of the pandemic.

The REIT has been and will continue taking proactive measures to collect rents from national, regional and franchised tenants expected to have the financial resources to fulfill their lease obligations, while continuing to work with its independent, small business tenants to provide rent deferrals as part of its previously announced Small Business Support Program. In light of the unusual environment, it is of critical significance that First Capital's portfolio is built on a solid foundation of grocery-anchored properties with curated retail that includes pharmacy, liquor, government and medical services, which are among the uses currently considered essential and remain open. These properties have been very resilient over long periods of time, with strong leasing demand consistently demonstrated through decades of economical cycles, immense technological advances and changing consumer habits, in addition to value creation through intensification and redevelopment.

Small Business Support Program

Thus far, 1,223 of the REIT's tenants, representing approximately \$8.3 million of gross monthly rent, have applied to First Capital's Small Business Support Program for an initial deferral of two months' rent. 553 of the applications received have been approved by First Capital to date, representing approximately \$3.5 million of gross monthly rent with the majority of the remaining applications expected to be approved once processed. Rent deferrals currently approved by First Capital in accordance with this non-national tenant program represent approximately 6.5% of the REIT's gross monthly rent. If all current applicants are approved, deferred rent would represent approximately 15.3% of the REIT's gross monthly rent. In addition to those submitted to date, FCR anticipates additional applications will be received from qualifying tenants over the next little while. For clarity, approved rent deferrals have not been included in the percentage of April rents collected noted above.

First Capital remains committed to working with all of its tenants to the best of its ability with a vision of helping many of them reopen and adopt to new realities. However, despite the assistance programs available, the reality is that some tenants will not survive, in which case a temporary, short-term increase in vacancy may occur.

"While we are most focused today on supporting our stakeholders through this challenging time and dealing with the immediate issues brought about by the economic shutdown on our business, our attention has also turned to ensuring FCR emerges from this pandemic with strength. Our management team is more convinced than ever that our Super Urban strategy is the right approach and we are taking this opportunity to see how the learnings from this crisis can enhance

our strategy,” said Mr. Paul. “We continue to have an exceptional portfolio of real estate in Canada’s most desirable neighbourhoods with tremendous long-term value creation opportunities – that has not changed.”.

Financial Position

The full extent and duration of the impact of COVID-19 on communities and the economy remains unclear at this time. Therefore, First Capital has taken the following proactive measures to provide greater financial strength and flexibility in response to the current environment.

- The REIT is implementing a cost reduction program that includes both proactive and naturally occurring decreases in spending in several areas of the business due to limitations imposed by the pandemic. This includes reducing property operating costs, general and administrative expenses, elective capital expenditures and deferring the commencement of certain planned development spend, totaling approximately \$75 million for the remainder of the year.
- The REIT is maintaining a strong balance sheet. Currently, the REIT’s liquidity position includes approximately \$700 million of cash and undrawn credit facilities. The REIT has unencumbered properties with an IFRS value of approximately \$7.0 billion at the last reported period, which was year end 2019. Remaining debt maturities for 2020 total \$97 million.
- The REIT is actively monitoring the availability and anticipated effect of government relief programs that may be applicable to the REIT and its tenants as well as formally communicating this information directly to its tenants.

As a result of the pandemic and the disruption in the financial markets, and similar to many other historical crises, the property transaction market has slowed considerably pending market and societal stabilization. Accordingly, the REIT has temporarily paused its disposition program.

People, Relationships and Supporting Frontline Health Workers

The spread of the coronavirus across Canada has marshalled First Capital as an organization to work together and to work quickly to address the things that matter most – the REIT’s employees, partners, tenants and other stakeholders.

First Capital has the technology to support 100% of its employees working remotely as well as on a limited, rotational basis at its properties to ensure the effective operation of its essential service tenants. As a result, the organization was able to transition smoothly and expeditiously to a work from home environment at the onset of the crisis. Communicating with employees consistently and transparently throughout this time has been a top priority and, in addition to frequent email updates and virtual company-wide townhall meetings, employees have access to a dedicated intranet portal for coronavirus resources, mental wellness webinars, ebooks and podcasts, and employee and family assistance plans.

In addition to ensuring the continued engagement and collective approach of its employees, the REIT is proud to support frontline healthcare workers through a partnership with its independent grocery and restaurant tenants. First Capital has committed to donate thousands of fresh and delicious prepared meals to frontline workers. The REIT will continue to seek out more opportunities to purchase goods and services from its tenants for donation to the communities in which it operates to do its part in supporting the heroes who are working the frontlines in those communities.

Annual Meeting of Unitholders Postponed

After careful consideration of the current environment, First Capital has decided to postpone its annual meeting of unitholders to a later date in 2020. This delay will not have an impact on the timing of the REIT's quarterly financial disclosure which will continue to be filed in the normal course. The REIT is aiming to hold its annual meeting in September and believes this will enable greater participation of its unitholders and a better forum for communication.

About First Capital REIT (TSX: FCR.UN)

First Capital is one of Canada's leading developers, owners and operators of mixed-use urban real estate in Canada's most densely populated neighbourhoods. First Capital's focus is on creating thriving neighbourhoods that create value for businesses, residents, communities and our investors.

Forward-looking Statement Advisory

This press release contains forward-looking statements and information within the meaning of applicable securities law, including with respect to the announced rent deferrals and impact of the COVID-19 pandemic on the REIT as well as its tenants' businesses and operations, tenants' future rent obligations, the anticipated impact of measures taken to mitigate the impact of the pandemic and the health and safety of the REIT's employees. These forward-looking statements are not historical facts but, rather, reflect First Capital's current expectations and are subject to risks and uncertainties that could cause the outcome to differ materially from current expectations.

Risks and uncertainties related to the effects of COVID-19 on First Capital include the length, spread and severity of the pandemic, the nature and extent of the measures taken by all levels of governments to mitigate against the severity and spread of the virus, the impact of the virus and government authorities' and public health officials' responses thereto on: our tenants' ability to pay rent in full or at all, domestic and global credit and capital markets, our ability to access capital on favourable terms or at all; the health and safety of our employees and our tenants' personnel; and domestic and global supply chains. Given the evolving circumstances surrounding COVID-19, it is difficult to predict how significant the adverse impact will be on the global and domestic economy, the business, operations and financial position of the REIT's tenants, and the business operations and financial position of the REIT. For information on other risks and uncertainties and



assumptions that could cause the REIT's actual results to differ from current expectations, refer to those risks discussed in First Capital's MD&A for the year ended December 31, 2019 and in its current Annual Information Form. Readers, therefore, should not place undue reliance on any such forward-looking statements.

First Capital undertakes no obligation to publicly update any such forward-looking statement or to reflect new information or the occurrence of future events or circumstances except as required by applicable securities law. All forward-looking statements in this press release are made as of the date hereof and are qualified by these cautionary statements.

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