



FIRST CAPITAL REIT ANNOUNCES FIRST QUARTER 2020 RESULTS

Toronto, Ontario (May 5, 2020) - First Capital Real Estate Investment Trust ("First Capital" or the "Trust") (TSX: FCR.UN), one of Canada's leading developers, owners and operators of mixed-use urban real estate in Canada's most densely populated neighbourhoods, announced today financial results for the three months ended March 31, 2020.

SELECTED FINANCIAL INFORMATION (unaudited)	Three months ended March 31	
	2020	2019
FFO ⁽¹⁾ (\$ millions)	\$53.9	\$75.7
FFO per diluted unit ⁽¹⁾	\$0.24	\$0.30
Weighted average diluted units for FFO (000s)	220,470	256,178
Total Same Property NOI ⁽¹⁾ (\$ millions)	\$91.1	\$93.6
Total Same Property NOI growth ^{(1) (2)}	(2.6%)	5.2%
Total portfolio occupancy ⁽³⁾	96.4%	96.8%
Total Same Property occupancy ^{(1) (3)}	96.5%	97.2%
Net income (loss) attributable to unitholders (\$ millions)	(\$56.4)	\$62.2
Net income (loss) attributable to unitholders per diluted unit	(\$0.26)	\$0.24
Weighted average diluted units for net income (000s)	220,470	256,178

(1) Refer to "Non-IFRS Financial Measures" section of this press release.

(2) Prior periods as reported; not restated to reflect current period categories.

(3) As at March 31.

FIRST QUARTER OPERATIONAL AND FINANCIAL HIGHLIGHTS

- **Same Property NOI Growth:** Total Same Property NOI decreased 2.6% compared to the same prior year period primarily due to higher lease surrender fees recognized in the prior year.
- **Portfolio Occupancy Rate:** Total portfolio occupancy declined 0.4% from 96.8% at March 31, 2019 to 96.4% at March 31, 2020. Total portfolio occupancy declined 0.5% from 96.9% at December 31, 2019 to 96.4% at March 31, 2020.
- **Lease Renewal Rate Increase:** Net rental rates for the quarter increased 16.7% on 390,000 square feet of lease renewals when comparing the rental rate in the last year of the expiring term versus the first year of the

renewal term. Net rental rates increased 18.0% when comparing the rental rate in the last year of the expiring term versus the average rental rate over the renewal term.

- **Growth in Average Net Rental Rate:** The average net rental rate increased by 5.5% or \$1.13 per square foot over the same prior year period to \$21.51 per square foot, primarily due to renewal lifts, dispositions and rent escalations.
- **Property Investments:** First Capital invested \$41.2 million in development and redevelopment in the quarter and acquired the remaining 15.5% interest in a downtown Toronto property for \$25.4 million.
- **Property Dispositions:** During the quarter, First Capital disposed of its interests in six properties, all of which were deemed inconsistent with its Super Urban Strategy, for \$80.8 million. In the last 15 months, First Capital has completed \$915.8 million of strategic dispositions to further align its portfolio with its Super Urban Strategy, which was announced in the first quarter of 2019, and to reduce leverage following the completion of the share repurchase transaction in April of 2019. As at March 31, 2020, the Trust classified \$81.7 million of investment properties as held for sale.
- **FFO per Diluted Unit:** FFO decreased 17.3% to \$0.244 per unit primarily due to \$915.8 million of property dispositions and lower interest and other income, as loan receivables declined \$161.3 million year over year and \$3.4 million of non-recurring investment income was recognized in the first quarter of 2019. Further, FFO per unit declined due to higher other losses which included \$1.4 million of condominium selling costs and \$0.9 million of REIT conversion costs.
- **Net Income (Loss) Attributable to Unitholders:** For the three months ended March 31, 2020, First Capital incurred a net loss of \$56.4 million or \$0.26 per diluted unit compared to net income of \$62.2 million or \$0.24 per diluted unit for the same prior year period. The decrease was primarily due to a \$119.2 million reduction in the fair value of investment properties.

COVID-19

On April 21, 2020, First Capital issued a press release which provided an update on its business and announced important steps taken in light of the environment created by the COVID-19 pandemic.

Adam Paul, President and CEO of First Capital, said, "Our first quarter results met internal expectations. We were pleased to have achieved another consecutive quarter of double-digit lease renewal rate increases and to complete over \$915 million of dispositions since the beginning of last year, which are both a testament to the quality of our portfolio. However, our focus during the quarter immediately shifted to the new environment

brought upon by the global pandemic and the related economic shutdown. We quickly took action in response to this as outlined in our Business Update on April 21.”

Mr. Paul continued, “As part of our broader initiatives to support our tenants and other stakeholders through this period, we have been active in planning for the safe, full reopening of our properties once government restrictions are lifted. While we are more convinced than ever that our super urban strategy continues to position FCR well for the future, we will apply the learnings from the circumstances created by the pandemic over the coming months to further enhance our business.”

FINANCIAL AND OTHER HIGHLIGHTS

As at (\$ millions)	March 31		December 31
	2020	2019	2019
Total assets ⁽¹⁾	\$10,237	\$10,465	\$10,161
Total assets held for sale	\$82	\$469	\$159
Unencumbered assets ⁽²⁾	\$7,238	\$7,283	\$7,037
Net Asset Value per unit	\$22.65	\$22.64	\$23.39
Population Density ⁽³⁾	293,000	260,000	290,000
Net debt to total assets ⁽²⁾	47.2%	42.2%	46.7%
Weighted average term of fixed-rate debt (years) ⁽²⁾	4.9	5.2	5.1

⁽¹⁾ Presented in accordance with IFRS.

⁽²⁾ Reflects joint ventures proportionately consolidated

⁽³⁾ The portfolio's average population density within a five kilometre radius of its properties.

SUBSEQUENT EVENTS

Monthly Distributions

On April 15, 2020, First Capital announced that it will pay a distribution, for the month of April, of \$0.072 per Trust Unit on May 15, 2020 to Unitholders of record on April 30, 2020.

Redemption of Senior Unsecured Debentures

On April 16, 2020, First Capital redeemed its remaining 5.60% Series M Senior Unsecured Debentures for \$175.0 million. The full redemption price and any accrued interest owing on the senior unsecured debentures was satisfied in cash.

ANNUAL MEETING OF UNITHOLDERS

Further to First Capital's previously announced decision to postpone its annual meeting of unitholders to a later date in 2020, the Trust intends to rely on the temporary blanket relief provided by the Canadian Securities Administrators (including the exemptive relief contained in Ontario Instrument 51-504) to postpone the public filing of its executive compensation disclosure until such time as it is filed and delivered to unitholders as part of First Capital's information circular relating to its 2020 annual meeting of unitholders.

MANAGEMENT CONFERENCE CALL AND WEBCAST

First Capital invites you to participate at 2:00 p.m. (ET) on Wednesday, May 6, 2020, in a live conference call with senior management to discuss First Capital's results for the three months ended March 31, 2020.

Teleconference

You can participate in the live conference by dialing 416-641-6104 or toll-free 1-866-696-5894 with access code 5980331#. The call will be accessible for replay until May 28, 2020 by dialing 905-694-9451 or toll-free 1-800-408-3053 with access code 9604533#.

Webcast

To access the live audio webcast and conference call presentation, please go to First Capital's website or click on the following link: [Q1 2020 Conference Call](#). The webcast will be accessible for replay in the 'Investors' section of the website, under 'Conference Calls'.

Management's presentation will be followed by a question and answer period. To ask a question, press '1' followed by '4' on a touch-tone phone. The conference call coordinator is immediately notified of all requests in the order in which they are made, and will introduce each questioner. To cancel your request, press '1' followed by '3'. For assistance at any point during the call, press '*0'.

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.

Non-IFRS Financial Measures

First Capital prepares and releases unaudited interim and audited annual consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”). As a complement to results provided in accordance with IFRS, First Capital discloses certain non-IFRS financial measures, including but not limited to proportionate interest, NOI, Same Property NOI, FFO and ACFO. These non-IFRS measures are further defined and discussed in First Capital’s MD&A for the three months ended March 31, 2020, which should be read in conjunction with this press release. Since these non-IFRS measures do not have standardized meanings prescribed by IFRS, they may not be comparable to similar measures reported by other issuers. First Capital uses and presents the above non-IFRS measures as management believes they are commonly accepted and meaningful financial measures of operating performance. Reconciliations of certain non-IFRS measures to their nearest IFRS measures are included in First Capital’s MD&A. These non-IFRS measures should not be construed as alternatives to net income or cash flow from operating activities determined in accordance with IFRS as measures of First Capital’s operating performance.

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 anticipated impact of the COVID-19 pandemic and measures taken to mitigate the impact of the pandemic. 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. Such risks and uncertainties include, among others, general economic conditions; tenant financial difficulties, defaults and bankruptcies; increases in operating costs, property taxes and income taxes; First Capital’s ability to maintain occupancy and to lease or re-lease space at current or anticipated rents; development, intensification and acquisition activities; residential development, sales and leasing; risks in joint ventures; environmental liability and compliance costs and uninsured losses; and risks and uncertainties related to the impact of COVID-19 on First Capital, including the length, spread and severity of the pandemic, the nature and extent of measures taken by all levels of government to mitigate against the severity and spread of the virus, the changing retail environment, the impact of the virus and responses thereto on: First Capital’s tenants’ ability to pay rent in full or at all, an increase in vacancy, domestic and global credit and capital markets, First Capital’s ability to access capital on favourable terms or at all, the health and safety of First Capital’s employees and its tenants’ personnel, and, domestic and global supply chains, among other risks relating to COVID-19 which are described in First Capital’s MD&A for the three months ended March 31, 2020 under the heading “Risks and Uncertainties - COVID-19”. Additionally, forward-looking statements are subject to those risks and uncertainties 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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