



FIRST CAPITAL REIT ANNOUNCES THIRD QUARTER 2020 RESULTS

Toronto, Ontario (November 3, 2020) - First Capital Real Estate Investment Trust ("First Capital" or the "Trust") (TSX: FCR.UN), a leading developer, owner and manager of mixed-use real estate located in Canada's most densely populated cities, announced today financial results for the three and nine months ended September 30, 2020.

COVID-19 Update

In spite of the challenging environment brought forth by the pandemic, First Capital's exceptionally high quality urban portfolio which is focused on everyday essentials, continues to attract high tenant demand for its space. During the last two quarters, the Trust has completed over 1.3 million square feet of leasing activity comprised of approximately 1.0 million square feet of renewals with an average net rental rate increase of 9.2% and 0.3 million square feet of new leasing. This leasing activity contributed to strong growth in the Trust's average net rental rate which increased by 5.8% to \$21.84 over the prior year period.

Towards the end of the third quarter, the federal government announced the last and final extension of the Canada Emergency Commercial Rental Assistance ("CECRA") program to September 2020. As such, this program was applicable for all months in the Trust's second and third quarters. First Capital fully committed to supporting its qualifying tenants through participation in the program for all applicable periods. During the second and third quarters, First Capital recorded the tenants' rental abatement net of the related government receivable as bad debt expense.

To continue to support businesses through the pandemic, the federal government announced a new rent support program, the Canada Emergency Rent Subsidy ("CERS") that will support tenants directly and is expected to continue through to June 2021. The new program intends to address many of the shortcomings of the CECRA program by delivering direct, targeted, and accessible rent support to qualifying tenants without a requirement of landlords to abate rent as was the case with CECRA.

Overall, First Capital collected 92% of the gross rent due in the third quarter, before any deferrals or abatements. Adjusting for approved deferrals and abatements, First Capital collected 98% of the gross rent due in the third quarter.

Adam Paul, President and CEO of First Capital, said, "The resiliency of our essentials-based urban portfolio and the quality of our locations continued to be demonstrated in the third quarter by significant leasing activity, healthy occupancy levels and strong growth in rental rates. Many of our most impacted tenants have done a remarkable

job adapting to the current environment and our team will continue to support these tenants through these unusual times with an eye to the future.”

SELECTED FINANCIAL INFORMATION

(unaudited)	Three months ended September 30		Nine months ended September 30	
	2020	2019	2020	2019
FFO ⁽¹⁾ (\$ millions)	\$58.1	\$75.6	\$159.5	\$221.5
FFO per diluted unit ⁽¹⁾	\$0.26	\$0.34	\$0.72	\$0.95
Total Same Property NOI ⁽¹⁾ (\$ millions)	\$88.1	\$93.2	\$254.4	\$277.1
Total Same Property NOI growth ^{(1) (2)}	(5.4%)	1.5%	(8.2%)	2.9%
Total portfolio occupancy ⁽³⁾	96.0%	96.7%		
Total Same Property occupancy ^{(1) (3)}	96.1%	97.0%		
Net income (loss) attributable to unitholders (\$ millions)	\$11.3	\$65.5	(\$34.6)	\$208.9
Net income (loss) attributable to unitholders per diluted unit	\$0.05	\$0.30	(\$0.16)	\$0.89
Weighted average diluted units for FFO and net income (000s)	220,522	220,664	220,478	234,269

(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 September 30.

THIRD QUARTER OPERATIONAL AND FINANCIAL HIGHLIGHTS

- **Same Property NOI Growth:** Total Same Property NOI decreased 5.4% due to the impact of COVID-19 including increased bad debt expense due to CECRA.
- **Portfolio Occupancy Rate:** Total portfolio occupancy, for the third quarter, declined 0.3% from 96.3% at June 30, 2020 to 96.0% at September 30, 2020. Total portfolio occupancy declined 0.7% from 96.7% at September 30, 2019 to 96.0% at September 30, 2020.
- **Lease Renewal Rate Increase:** Net rental rates for the quarter increased 8.6% on 589,000 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 on the leases renewed in the quarter increased 9.9% 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 \$1.19 to \$21.84 per square foot representing very strong year over year growth of 5.8%. The strong growth was primarily due to renewal lifts, rent escalations and dispositions.
- **Population Density:** During the quarter, the Trust achieved its long-term goal of surpassing an average population density of 300,000 within a five-kilometre radius of each of its properties by 2021.
- **FFO per Diluted Unit:** FFO decreased as expected, by \$0.08 per diluted unit over the prior year period. The decrease was primarily due to \$8.7 million or \$0.04 per diluted unit of non-recurring gains and fees recognized in the third quarter of 2019. The decrease was also due to the impact of property dispositions completed over the past 12 months (impact of \$0.02 per diluted unit due to lost NOI net of interest expense savings) and a

decline in interest income as a result of lower loans and mortgages receivable outstanding over the prior year period. Additionally, FFO decreased due to lower Same Property NOI primarily due to higher bad debt expense.

- **Net Income (Loss) Attributable to Unitholders:** For the three months ended September 30, 2020, First Capital recognized net income of \$11.3 million or \$0.05 per diluted unit compared to \$65.5 million or \$0.30 per diluted share for the same prior year period. The decrease was primarily due to a \$66.7 million reduction in the fair value of investment properties.

FINANCIAL AND OTHER HIGHLIGHTS

As at (\$ millions)	September 30		December 31
	2020	2019	2019
Total assets ⁽¹⁾	\$10,013	\$10,585	\$10,161
Total assets held for sale	\$134	\$507	\$159
Unencumbered assets ⁽²⁾	\$6,975	\$7,129	\$7,037
Net Asset Value per unit	\$22.24	\$23.08	\$23.39
Population Density ⁽³⁾	301,000	280,000	290,000
Net debt to total assets ⁽²⁾	48.0%	48.9%	46.7%
Weighted average term of fixed-rate debt (years) ⁽²⁾	4.9	5.4	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 October 15, 2020, First Capital announced that it will pay a distribution, for the month of October, of \$0.072 per Trust Unit on November 16, 2020 to Unitholders of record as at October 30, 2020.

MANAGEMENT CONFERENCE CALL AND WEBCAST

First Capital invites you to participate at 2:00 p.m. (ET) on Wednesday, November 4, 2020, in a live conference call with senior management to discuss First Capital's results for the three and nine months ended September 30, 2020.

Teleconference

You can participate in the live conference by dialing 416-340-2217 or toll-free 1-800-806-5484 with access code 7624218#. The call will be accessible for replay until December 7, 2020 by dialing 905-694-9451 or toll-free 1-800-408-3053 with access code 9705114#.

Webcast

To access the live audio webcast and conference call presentation, please go to First Capital's website or click on the following link: [Q3 2020 Conference Call](#). The webcast will be accessible for replay in the 'Investors' section of the website.

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 a leading developer, owner and manager of mixed-use real estate located in Canada's most densely populated cities. First Capital's focus is on creating thriving urban neighbourhoods to generate 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 nine months ended September 30, 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 nine months ended September 30, 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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