**First Capital REIT Announces Temporary Reduction in Distributions to Unitholders to
Advance Real Estate Strategy While Strengthening its Financial Position**

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Toronto, Ontario (January 12, 2021) - First Capital REIT ("First Capital" or the "REIT") (TSX: FCR.UN), announced today the temporary reduction of its monthly distribution to unitholders from $0.0716 per unit to $0.036 per unit, or from $0.860 to $0.432 on an annualized basis. The reduction in the distribution will provide First Capital with additional retained cash flow of approximately $95 million per annum and is expected to span approximately two years.

The impact of COVID-19 on First Capital's business and on market conditions continues to evolve, particularly given the uncertainty related to the duration of new government mandated closures in several regions. As a result, the REIT's Board of Trustees has made the decision to reduce the distribution to provide First Capital with meaningful financial flexibility to advance its strategic objectives. The decrease will be effective for the REIT's January 2021 distribution, payable to unitholders in February 2021.

Subject to the duration and ultimate economic impact of the pandemic, the Board believes the reduction will be in place for a period spanning approximately two-years. Thereafter, the Board's intention is that the REIT's distributions will approximate the current level.

Adam Paul, President and CEO of First Capital said, "This decision is a significant step towards advancing FCR's objectives and mitigating the impact of the pandemic. Accordingly, we believe the beneficial outcome of this decision will be higher FFO, higher NAV and lower financial leverage than would otherwise be the case."

First Capital will make a cash distribution of $0.036 per REIT unit for the month of January, representing approximately $0.43 per REIT unit on an annualized basis. The distribution will be paid on February 15, 2021 to unitholders of record as at January 31, 2021.

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.

Forward Looking Statement Advisory

This press release contains forward-looking statements and information within the meaning of applicable securities law, including statements regarding anticipated flexibility to advance the REIT's strategic objectives as a result of the distribution reduction. The forward-looking statements are not historical facts but rather reflect First Capital's current expectations and are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. Such risks and uncertainties include, among others, the failure to successfully complete opportunistic dispositions and investments, the failure to deleverage and with the anticipated impact of the REIT's

strategy, and the matters discussed under "Risks and Uncertainties" in First Capital Realty's Management's Discussion and Analysis for the year ended December 31, 2019 and the quarter ended September 30, 2020 as well as under "Risk Factors" 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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