



FIRST CAPITAL REIT ANNOUNCES FIRST QUARTER 2021 RESULTS

Toronto, Ontario (May 4, 2021) - First Capital Real Estate Investment Trust ("First Capital" or the "Trust") (TSX: FCR.UN), announced today financial results for the first quarter ended March 31, 2021. The 2021 First Quarter Report is available in the Investors section of the Trust's website at www.fcr.ca and has been filed on SEDAR at www.sedar.com.

SELECTED FINANCIAL INFORMATION (unaudited)	Three months ended March 31	
	2021	2020
FFO ⁽¹⁾ (\$ millions)	\$55.0	\$53.9
FFO per diluted unit ⁽¹⁾	\$0.25	\$0.24
Total Same Property NOI ⁽¹⁾ (\$ millions)	\$96.8	\$96.4
Total Same Property NOI growth ^{(1) (2)}	0.4%	(2.6%)
Total portfolio occupancy ⁽³⁾	95.8%	96.4%
Total Same Property occupancy ^{(1) (3)}	95.8%	96.4%
Net income (loss) attributable to unitholders (\$ millions)	\$38.0	(\$56.4)
Net income (loss) attributable to unitholders per diluted unit	\$0.17	(\$0.26)
Weighted average diluted units for FFO and net income (000s)	220,667	220,470

(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 increased 0.4% primarily due to higher rental rates over the prior year period, partially offset by the impact of COVID-19 including increased bad debt expense and lower variable revenues, including percentage rent, hotel income and parking.
- **Portfolio Occupancy:** Total portfolio occupancy declined 0.4% from 96.2% at December 31, 2020 to 95.8% at March 31, 2021. The decline from year-end 2020 is primarily due to tenant closures exceeding new tenant possessions. On a year-over-year basis, total portfolio occupancy declined 0.6% from 96.4% at March 31, 2020 to 95.8% at March 31, 2021.
- **Lease Renewal Rate Increase:** Net rental rates for the quarter increased 8.4% on 450,000 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 10.4% 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 2.2% or \$0.48 per square foot over the same prior year period to \$21.99 per square foot, primarily due to rent escalations, renewal lifts and dispositions. The average net rental rate increased by 0.5% or \$0.10 per square foot from December 31, 2020, primarily due to rent escalations and renewals and developments coming on-line.
- **Collections:** Overall, gross rent collections for the first quarter totaled 95% prior to any deferrals or abatements, or 96% adjusting for approved deferrals and abatements.
- **Property Investments:** First Capital invested \$51.3 million in development, redevelopment, and acquisitions during the first quarter primarily in super urban neighbourhoods in Toronto. As part of the Trust's strategy of expanding positions in key neighbourhoods, Q1 activity included the acquisition of interests in two Toronto properties for \$7.5 million.
- **FFO per Diluted Unit of \$0.25:** FFO increased by \$0.01 per unit over the same prior year period. The increase was primarily due to higher residential pre-selling costs and non-recurring REIT conversion costs incurred in the first quarter of 2020, partially offset by the impact of property dispositions completed over the past 12 months and a \$2.7 million year-over-year increase in bad debt expense.
- **Net Income (Loss) Attributable to Unitholders:** For the three months ended March 31, 2021, First Capital recognized net income of \$38.0 million or \$0.17 per diluted unit compared to a net loss of \$56.4 million or (\$0.26) per diluted unit for the same prior year period. The increase was primarily due to a lower decrease in the fair value of investment property of \$111.9 million as compared to the prior year period, partially offset by an increase in the fair value of the Trust's unit-based compensation due to the increase in the Trust's unit price since March 31, 2020.

Adam Paul, President and CEO of First Capital, said, "Our Q1 operating performance continued to demonstrate stability and the resiliency of our portfolio through a period that was characterized by expanded regional lockdowns.

Our solid occupancy, rising rental rates and consistent leasing velocity provide the foundation for improved performance with the return of social mobility. With our focus set beyond the pandemic, the FCR team eagerly looks forward to continuing to execute its super urban strategy and specifically towards advancing the REIT's deep development and density pipeline."

FINANCIAL AND OTHER HIGHLIGHTS

As at (\$ millions)	March 31		December 31
	2021	2020	2020
Total assets ⁽¹⁾	\$9,972	\$10,237	\$10,032
Assets held for sale	\$276	\$82	\$162
Unencumbered assets ⁽²⁾	\$6,874	\$7,238	\$7,003
Net Asset Value per unit	\$22.48	\$22.65	\$22.34
Population Density ⁽³⁾	304,000	293,000	304,000
Net debt to total assets ⁽²⁾⁽⁴⁾	47.3%	47.3%	47.3%
Weighted average term of fixed-rate debt (years) ⁽²⁾	4.6	4.9	4.6

(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.

(4) Total assets excludes cash balances.

COVID-19 UPDATE

Throughout the first quarter of 2021 provincial directives were in place mandating capacity limits and restrictions on many businesses. Within the Greater Toronto Area, our largest region by value and income, there were severe restrictions for much of the quarter. On December 26, 2020, a four-week stay-at-home order was issued for Southern Ontario and much of the Greater Toronto Area was subject to an extension of these restrictions through to March 7, 2021. Through until September 2021, qualifying tenants continue to have access to the federal government's rent support program, the Canada Emergency Rent Subsidy ("CERS"), which provides funding directly to tenants.

Despite the ongoing and significant challenges facing many businesses, First Capital's urban portfolio remained resilient, as evidenced by solid leasing activity, growth in the Trust's average net rental rate, and steady cash collections. For the first quarter of 2021, First Capital recorded bad debt expense of \$2.6 million.

SUBSEQUENT EVENTS

Stay-at-Home Order

On April 7, 2021, the Government of Ontario announced that, in response to a rising transmission of COVID-19 variants, the entire province would be placed under a 28 day "Stay-at-Home Order", effective April 8, 2021. On April 16, 2021, the Ontario provincial government announced that the "Stay-at-Home Order" would be extended for an additional two weeks, to May 20, 2021.

Collection of April 2021 Rent

As of May 4, 2021, First Capital has collected approximately 94% of the gross rents payable from tenants for the month of April.

MANAGEMENT CONFERENCE CALL AND WEBCAST

First Capital invites you to participate at 2:00 p.m. (ET) on Wednesday, May 5, 2021, in a live conference call with senior management to discuss First Capital's results for the first quarter ended March 31, 2021.

Teleconference

You can participate in the live conference by dialing 416-340-2217 or toll-free 1-800-806-5484 with access code 7457417#. The call will be accessible for replay until June 10, 2021 by dialing 905-694-9451 or toll-free 1-800-408-3053 with access code 6809225#.

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 2021 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 owner, operator and developer 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 three months ended March 31, 2021, 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, 2021 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, 2020 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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