

**FIRST CAPITAL REIT ANNOUNCES SECOND QUARTER 2021 RESULTS**

**Toronto, Ontario (August 4, 2021)** - First Capital Real Estate Investment Trust ("First Capital" or the "Trust") (TSX: FCR.UN), announced today financial results for the second quarter ended June 30, 2021. The 2021 Second Quarter Report is available in the Investors section of the Trust's website at [www.fcr.ca](http://www.fcr.ca) and has been filed on SEDAR at [www.sedar.com](http://www.sedar.com).

**SELECTED FINANCIAL INFORMATION**

(unaudited)	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
FFO <sup>(1)</sup> (\$ millions)	<b>\$76.1</b>	\$47.5	<b>\$131.1</b>	\$101.3
FFO per diluted unit <sup>(1)</sup>	<b>\$0.35</b>	\$0.22	<b>\$0.59</b>	\$0.46
Other gains and losses included in FFO (per diluted unit) <sup>(1)</sup>	<b>\$0.08</b>	\$0.00	<b>\$0.08</b>	(\$0.02)
Total Same Property NOI <sup>(1)</sup> (\$ millions)	<b>\$96.1</b>	\$82.4	<b>\$191.6</b>	\$177.8
Total Same Property NOI growth <sup>(1) (2)</sup>	<b>16.6%</b>	(16.5%)	<b>7.8%</b>	(9.5%)
Total portfolio occupancy <sup>(3)</sup>	<b>95.9%</b>	96.3%		
Total Same Property occupancy <sup>(1) (3)</sup>	<b>95.9%</b>	96.3%		
Net income (loss) attributable to unitholders (\$ millions)	<b>\$212.0</b>	\$10.5	<b>\$250.0</b>	(\$45.8)
Net income (loss) attributable to unitholders per diluted unit	<b>\$0.96</b>	\$0.05	<b>\$1.13</b>	(\$0.21)
Weighted average diluted units for FFO and net income (000s)	<b>220,863</b>	220,492	<b>220,749</b>	220,460

*(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 June 30.*

**SECOND QUARTER OPERATIONAL AND FINANCIAL HIGHLIGHTS**

- **Same Property NOI Growth:** Total Same Property NOI increased 16.6% primarily due to a \$13.1 million decrease in bad debt expense related to CECRA and other COVID-19 provisions incurred in the prior year period. Total Same Property NOI increased 0.3%, excluding bad debt expense and lease termination fees, primarily due to rent escalations.
- **Portfolio Occupancy:** Total portfolio occupancy increased 0.1% from 95.8% at March 31, 2021 to 95.9% at June 30, 2021. On a year-over-year basis, total portfolio occupancy declined 0.4% from 96.3% at June 30, 2020 to 95.9% at June 30, 2021.
- **Lease Renewal Rate Increase:** Net rental rates for the quarter increased 8.0% on 713,000 square feet of lease renewals, when comparing the rental rate in the first year of the renewal term to the rental rate in the last year of the expiring term. Net rental rates on the leases renewed in the quarter increased 9.3% when comparing average rental rate over the renewal term to the rental rate in the last year of the expiring term.

- **Growth in Average Net Rental Rate:** The average net rental rate increased by 1.8% or \$0.39 per square foot over the same prior year period to \$22.09 per square foot, primarily due to rent escalations and renewal lifts. The average net rental rate increased by 0.5% or \$0.10 per square foot from March 31, 2021, primarily due to renewal lifts, rent escalations, and developments coming online.
- **Collections:** Overall, gross rent collections for the second quarter totaled 95% prior to any deferrals or abatements, or 96% adjusting for approved deferrals and abatements.
- **Property Investments:** First Capital invested \$41.7 million in development, redevelopment, and acquisitions during the second quarter primarily in super urban neighbourhoods in Toronto.
- **Property Dispositions:** First Capital completed \$9.2 million of dispositions in the second quarter. As at June 30, 2021, the Trust classified \$408.6 million (\$376.8 million at the Trust's share) of investment properties as held for sale.
- **FFO per Diluted Unit of \$0.35:** FFO increased by \$0.13 per unit over the same prior year period. The increase was primarily due to a \$17.5 million, or \$0.08 per unit, unrealized fair value gain (included in other gains, losses and expenses) on shares of a construction management software company which completed an initial public offering in the quarter. This investment is a component of a US\$5 million venture capital investment made in May 2018 as part of First Capital's innovation initiative. Excluding the aforementioned gain, FFO per diluted unit totaled \$0.27 for the second quarter.
- **Net Income (Loss) Attributable to Unitholders:** For the three months ended June 30, 2021, First Capital recognized net income of \$212.0 million or \$0.96 per diluted unit compared to \$10.5 million or \$0.05 per diluted unit for the same prior year period. The increase was primarily due to an increase in the fair value of investment property of \$191.6 million and an unrealized gain on marketable securities of \$17.5 million recognized in the second quarter.

Adam Paul, President and CEO of First Capital, said, "The second quarter was characterized by strength in FFO, same-property NOI growth, occupancy, rental rates and a favourable transactions market for properties that are of FCR's caliber. This led to a 4.3% increase in our net asset value per unit which now exceeds \$23 for the first time ever.

With momentum building as the Canadian economy re-opens, First Capital is well-positioned to benefit from the continued execution of its super urban and grocery anchored property strategy."

## FINANCIAL AND OTHER HIGHLIGHTS

As at (\$ millions)	June 30		December 31
	2021	2020	2020
Total assets <sup>(1)</sup>	<b>\$10,190</b>	\$10,037	\$10,032
Assets held for sale <sup>(1)</sup>	<b>\$409</b>	\$29	\$162
Unencumbered assets <sup>(2)</sup>	<b>\$7,021</b>	\$6,983	\$7,003
Net Asset Value per unit	<b>\$23.36</b>	\$22.40	\$22.34
Population Density <sup>(3)</sup>	<b>300,000</b>	294,000	304,000
Net debt to total assets <sup>(2)(4)</sup>	<b>46.3%</b>	47.3%	47.3%
Weighted average term of fixed-rate debt (years) <sup>(2)</sup>	<b>4.4</b>	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.

## ENVIRONMENTAL, SOCIAL, AND GOVERNANCE ("ESG") LEADERSHIP

Since 2006, First Capital has committed to corporate sustainability through a variety of ESG initiatives. During the second quarter, First Capital continued to demonstrate its commitment to ESG through the following achievements:

- Became the first Canadian REIT to be a signatory in support of the Task Force on Climate-Related Financial Disclosures, while establishing a concrete plan to align and improve its own disclosures
- Was awarded Gold 2021 Green Lease Leader Recognition by the Institute for Market Transformation and the U.S. Department of Energy's Better Building Alliance
- First Canadian Retail REIT to achieve the WELL Health-Safety Rating for Facility Operations & Management from the International WELL Building Institute at 35 of our buildings totaling 7.1 million square feet
- Established a Green Financing Framework in alignment with the Green Bond Principles 2018 and the Green Loan Principles 2021 as endorsed by Sustainalytics' Second-Party Opinion

## COVID-19 UPDATE

Across much of the country there were mandated restrictions on business and social gatherings through most of the second quarter. The most restrictive imposed capacity limits on essential businesses and required full closure of non-essential businesses. As Canada's vaccination rates improved dramatically during the second quarter, easing of government-imposed restrictions began in the latter half of the period. The province of Ontario is First Capital's largest region by value and income, and it was the last to ease restrictions, with the opening of some, but not all non-essential businesses on June 30th. On July 16, Ontario moved to Step 3 of its "Roadmap to Reopen", allowing all remaining non-essential businesses to operate, with capacity limits. 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 qualifying tenants until October 2021.

Notwithstanding the prolonged negative impact of the pandemic facing many businesses, First Capital's urban portfolio continued to produce solid leasing activity, growth in its average net rental rate, and improving cash collections. For the second quarter of 2021, First Capital recorded bad debt expense of \$2.9 million resulting in a year to date total of \$5.5 million.

## **SUBSEQUENT EVENTS**

### ***Property Dispositions***

On August 3, 2021, the Trust announced that it had expanded its relationship with Pemberton Group ("Pemberton"), through a strategic partnership to develop the 28-acre development site located at 2150 Lake Shore Boulevard West at Park Lawn Road in Toronto (the "Development Site") into a sustainable and inclusive master-planned, mixed-use, transit-oriented neighbourhood. First Capital has provided notice to exercise a previously secured option to purchase its existing partner's 50% interest in the Development Site for approximately \$56 million and has entered into a firm agreement to sell a 50% interest in the Development Site to Pemberton for \$156 million.

### ***Collection of July 2021 Rent***

As of August 4, 2021, First Capital has collected approximately 95% of the gross rents payable from tenants for the month of July.

## **MANAGEMENT CONFERENCE CALL AND WEBCAST**

First Capital invites you to participate at 2:00 p.m. (ET) on Thursday, August 5, 2021, in a live conference call with senior management to discuss First Capital's results for the second quarter ended June 30, 2021.

### ***Teleconference***

You can participate in the live conference by dialing 416-340-2217 or toll-free 1-800-806-5484 with access code 4408521#. The call will be accessible for replay until September 10, 2021 by dialing 905-694-9451 or toll-free 1-800-408-3053 with access code 8671958#.

### ***Webcast***

To access the live audio webcast and conference call presentation, please go to First Capital's website or click on the following link: [Q2 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 grocery anchored and 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 six months ended June 30, 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 and with respect to the reopening of the Canadian economy and anticipated benefits. 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 six months ended June 30, 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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