

FIRST CAPITAL REIT ANNOUNCES THIRD QUARTER 2021 RESULTS

Toronto, Ontario (November 2, 2021) - First Capital Real Estate Investment Trust ("First Capital" or the "Trust") (TSX: FCR.UN), announced today financial results for the third quarter ended September 30, 2021. The 2021 Third 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 September 30		Nine months ended September 30	
	2021	2020	2021	2020
FFO ⁽¹⁾ (\$ millions)	\$59.0	\$58.1	\$190.2	\$159.5
FFO per diluted unit ⁽¹⁾	\$0.27	\$0.26	\$0.86	\$0.72
Other gains and losses included in FFO (per diluted unit) ⁽¹⁾	\$0.00	\$0.00	\$0.08	(\$0.02)
Total Same Property NOI ⁽¹⁾ (\$ millions)	\$99.0	\$95.0	\$290.8	\$272.7
Total Same Property NOI growth ⁽¹⁾⁽²⁾	4.2%	(5.4%)	6.6%	(8.2%)
Total portfolio occupancy ⁽³⁾	95.9%	96.0%		
Total Same Property occupancy ⁽¹⁾⁽³⁾	96.1%	96.1%		
Net income (loss) attributable to unitholders (\$ millions)	\$181.5	\$11.3	\$431.5	(\$34.6)
Net income (loss) attributable to unitholders per diluted unit	\$0.82	\$0.05	\$1.95	(\$0.16)
Weighted average diluted units for FFO and net income (000s)	220,899	220,522	220,794	220,478

(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 increased 4.2% primarily due to rent escalations and a \$1.5 million decrease in bad debt expense over the prior year period. Total Same Property NOI increased 2.6%, excluding bad debt expense and lease termination fees, primarily due to rent escalations.
- **Portfolio Occupancy:** On a quarter-over-quarter basis, total portfolio occupancy remained stable at 95.9%. On a year-over-year basis, total portfolio occupancy declined 0.1% from 96.0% at September 30, 2020 to 95.9% at September 30, 2021.
- **Lease Renewal Rate Increase:** Net rental rates for the quarter increased 8.8% on 466,000 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 11.5% 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 \$0.40 per square foot over the same prior year period to \$22.24 per square foot, primarily due to rent escalations, renewal lifts, and

dispositions. The average net rental rate increased by 0.7% or \$0.15 per square foot from June 30, 2021, primarily due to renewal lifts, rent escalations, and dispositions.

- **Collections:** Overall, gross rent collections for the third quarter totaled 97%.
- **Property Investments:** First Capital invested \$58.3 million in development, redevelopment, and acquisitions during the third quarter, primarily into properties located in Toronto and Montreal.
- **Property Dispositions:** First Capital completed \$170.8 million of dispositions in the third quarter. Asset sales included a 35% effective interest in Station Place, FCR's newly developed, mixed-use complex consisting of 333 rental apartments and 43,000 square feet of commercial space, anchored by Farm Boy. Also sold during the third quarter were the Trust's properties located in the Calgary bedroom community of Airdrie. As at September 30, 2021, the Trust classified \$279.3 million of investment properties as held for sale. Subsequent to Q3, First Capital has completed asset sales totaling \$73 million, with additional properties having an aggregate value of \$72 million subject to firm sale agreements.
- **Closing of a Strategic Partnership with Pemberton Group to Develop the Former Christie Cookie Site in Toronto:** On September 17, 2021, First Capital exercised its option to buy its former partner's 50% interest in 2150 Lake Shore Boulevard West for \$55.5 million. Concurrent with closing, FCR entered a new partnership with Pemberton Group for \$156.0 million. Over the coming years, First Capital and Pemberton, as equal partners, will transform the 28-acre site into a sustainable and inclusive, master-planned, mixed-use transit-oriented neighbourhood.
- **Advancing ESG initiatives:** First Capital continues to demonstrate leadership in Environmental, Social and Governance ("ESG") matters, having:
 - Ranked first in its retail sector peer group, FCR was awarded Sector Leader Status in the 2021 Global Real Estate Sustainability Benchmark ("GRESB")
 - Incorporated sustainability-linked features and pricing adjustments as part of a three year extension (to June 2026) of its syndicated \$450 million unsecured operating facility
 - Achieved LEED Gold at its property located at 25 Industrial Street in Toronto (Leaside Village expansion)
 - Ongoing key initiatives through its Equity, Diversity & Inclusion Council and FCR Thriving Neighbourhoods Foundation
 - Continuing growth in its longstanding Public Art Program, with two new installations
- **FFO per Diluted Unit of \$0.27:** FFO per unit increased by \$0.01 per unit over the same prior year period. The increase was primarily due to lower bad debt expense of \$1.7 million, higher net rent per square foot and higher variable revenues, partially offset by higher corporate expenses over the prior year period.

- **Net Income (Loss) Attributable to Unitholders:** For the three months ended September 30, 2021, First Capital recognized net income of \$181.5 million or \$0.82 per diluted unit compared to \$11.3 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 \$67.1 million at the Trust's share, an \$80.8 million gain related to the exercise of a previously secured option to purchase its partner's 50% interest in 2150 Lake Shore Boulevard West and an increase in deferred tax recovery of \$24.7 million.

Adam Paul, President and CEO of First Capital, said, "During the third quarter, broad based re-openings and the further lifting of restrictions were notable, particularly in the Greater Toronto Area, the REIT's largest market. This contributed to strong same property NOI growth, healthy lease renewal lifts and new leasing activity, stable occupancy, and an exceptionally strong transaction market for FCR-type assets. This culminated in further growth in our NAV, which has increased by 7.9% year-to-date, to nearly \$24 per unit. We also made meaningful progress across numerous ESG related objectives."

Mr. Paul continued, "Looking ahead, First Capital's grocery anchored and mixed-use portfolio is well positioned to benefit from the continued and full re-opening of the Canadian economy."

FINANCIAL AND OTHER HIGHLIGHTS

As at (\$ millions)	September 30		December 31
	2021	2020	2020
Total assets ⁽¹⁾	\$10,186	\$10,013	\$10,032
Assets held for sale ⁽¹⁾	\$279	\$134	\$162
Unencumbered assets ⁽²⁾	\$7,294	\$6,975	\$7,003
Net Asset Value per unit	\$23.99	\$22.24	\$22.34
Population Density ⁽³⁾	300,000	301,000	304,000
Net debt to total assets ⁽²⁾⁽⁴⁾	44.9%	48.0%	47.3%
Weighted average term of fixed-rate debt (years) ⁽²⁾	4.2	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 most of the third quarter, essential and non-essential businesses were allowed to operate with the latter subject to continuing capacity limits. In Alberta, capacity restrictions were re-implemented in order to address a surge in COVID-19 cases following the easing of nearly all restrictions in that province in late spring. As provinces implement proof of vaccination measures for restaurants, gyms, theatres, etc., capacity limits continue to be eased or lifted for non-essential businesses. On October 23, 2021, the federal government's rent support program, the Canada Emergency Rent Subsidy ("CERS"), which provided funding directly to qualifying tenants ended. On October 21, 2021, the federal government proposed targeted new financial support mechanisms via

The Tourism and Hospitality Recovery Program and The Hardest-Hit Business Recovery Program. The federal government has proposed the introduction of legislation to allow for the extension of these new programs until May 7, 2022. First Capital does not expect a material impact on its operations from the expiry of the CERS program nor the commencement of the new, more targeted programs.

Despite the continuing challenges facing many businesses as a result of the pandemic, First Capital's high quality grocery-anchored and mixed-use portfolio continues to produce solid leasing activity, growth in its average net rental rate while 2021 has seen new leases signed with numerous growing retailers and full-service restaurant operators. For the third quarter of 2021, First Capital recorded bad debt expense of \$1.7 million resulting in a year-to-date total of \$7.1 million.

SUBSEQUENT EVENTS

Collection of October 2021 Rent

As of November 2, 2021, First Capital has collected approximately 97% of the gross rents payable from tenants for the month of October.

MANAGEMENT CONFERENCE CALL AND WEBCAST

First Capital invites you to participate at 2:00 p.m. (ET) on Wednesday, November 3, 2021, in a live conference call with senior management to discuss First Capital's results for the third quarter ended September 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 6058337#. The call will be accessible for replay until December 9, 2021 by dialing 905-694-9451 or toll-free 1-800-408-3053 with access code 4845013#.

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 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 nine months ended September 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. 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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