

FIRST CAPITAL REIT ANNOUNCES FIRST QUARTER 2022 RESULTS CHARACTERIZED BY RECORD LEASING VOLUME DRIVING IN-PLACE RENT TO AN ALL-TIME HIGH FOR THE 23RD CONSECUTIVE QUARTER

Toronto, Ontario (May 3, 2022) - 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, 2022. The 2022 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.

"Our strategic focus on high-quality, grocery anchored and mixed-use properties in neighbourhoods with strong demographic profiles continued to deliver growth and stability," stated Adam Paul, President & CEO of First Capital.

Mr. Paul continued, "FCR's portfolio has the highest average population density rate amongst all of our North American peers and our properties control prime locations across Canada's top urban markets. Strategically managing vacant space continues to fuel future growth while enhancing the daily needs offering provided to our neighbourhoods. Demand remains strong across FCR's portfolio. Once again, our talented team capitalized on this demand resulting in our highest first quarter leasing volume while driving our average in-place rental rate to a record high for the 23rd consecutive quarter."

SELECTED FINANCIAL INFORMATION

(unaudited)

Three months ended March 31

	2022	2021
FFO ⁽¹⁾ (\$ millions)	\$54.8	\$55.0
FFO per diluted unit ⁽¹⁾	\$0.25	\$0.25
Other gains and (losses) included in FFO (per diluted unit) ⁽¹⁾	(\$0.03)	\$0.00
Total Same Property NOI growth ⁽¹⁾⁽²⁾	1.9%	0.4%
Total portfolio occupancy ⁽³⁾	95.5%	95.8%
Total Same Property occupancy ⁽¹⁾⁽³⁾	95.6%	95.8%
Net income (loss) attributable to unitholders (\$ millions)	\$44.5	\$38.0
Net income (loss) attributable to unitholders per diluted unit	\$0.20	\$0.17
Weighted average diluted units for FFO and net income (000s)	220,906	220,667

⁽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 1.9%, despite a 20 basis point decline in occupancy. The growth was primarily due to a \$2.2 million decrease in bad debt expense as well as rent

escalations, partially offset by lower occupancy and a \$0.6 million decrease in lease termination fees over the prior year period.

- **Portfolio Occupancy:** March 31, 2022 portfolio occupancy of 95.5% decreased 0.6% on a quarter-over-quarter basis from 96.1% at December 31, 2021 primarily due to net closures (which primarily related to closures for redevelopment). On a year-over-year basis, total portfolio occupancy declined 0.3% from 95.8% at March 31, 2021 to 95.5% at March 31, 2022.
- **Lease Renewal Rate Increase:** Net rental rates for the quarter increased 7.5% on a record volume of 838,000 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. Excluding fixed flat rate renewals, net rental rates increased 8.5% for the quarter. Net rental rates on the leases renewed in the quarter increased 8.9% 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 0.7% or \$0.15 per square foot over the prior quarter to \$22.57 per square foot, primarily due to rent escalations, and renewal lifts. The average net rental rate increased by 2.6% or \$0.58 per square foot from March 31, 2021, primarily due to rent escalations, renewal lifts and dispositions. Including the first quarter's strong leasing activity, First Capital's average net rental rate has increased to a new record high for 23 consecutive quarters.
- **Property Investments:** First Capital invested \$65.2 million into its properties during the first quarter, primarily in development, redevelopment and acquisition activities in Toronto and Montreal. As part of the Trust's strategy of expanding positions in key neighbourhoods, first quarter activity included acquiring interests in three Toronto properties for \$31.4 million.
- **Property Dispositions:** During the first quarter, First Capital disposed of a parcel of excess land located in St-Hubert, QC for \$4.5 million.
- **Advancing ESG initiatives:** First Capital continued to demonstrate leadership in Environmental, Social and Governance (“ESG”) matters, having been recognized as one of Canada’s Top Small & Medium Employers 2022 for the third consecutive year and as one of Canada’s 2022 Greenest Employers by Mediacorp Canada and the Globe and Mail.
- **FFO per Diluted Unit of \$0.25:** FFO decreased \$0.2 million over the same prior year period, while FFO per unit of \$0.25 remained consistent with the prior year. FFO per unit remained unchanged primarily due to a \$3.1 million increase in interest and other income, and interest expense savings of \$2.8 million, which were offset by other losses primarily related to unrealized losses on marketable securities, totaling \$6.8 million, or \$0.03 per unit. FFO per unit excluding other gains and losses increased 12.0%, or \$0.03 per unit, to \$0.28 over the same prior year period.

- **Net Income (Loss) Attributable to Unitholders:** For the three months ended March 31, 2022, First Capital recognized net income attributable to Unitholders of \$44.5 million or \$0.20 per diluted unit compared to \$38.0 million or \$0.17 per unit for the same prior year period. The increase was primarily due to an increase in the fair value of investment property of \$8.8 million.

FINANCIAL AND OTHER HIGHLIGHTS

As at (\$ millions)	March 31		December
	2022	2021	2021
Total assets ⁽¹⁾	\$10,194	\$9,972	\$10,109
Assets held for sale ⁽¹⁾	\$253	\$276	\$151
Unencumbered assets ⁽²⁾	\$7,485	\$6,874	\$7,394
Net Asset Value per unit	\$24.55	\$22.48	\$24.26
Population Density ⁽³⁾	300,000	304,000	300,000
Net debt to total assets ⁽²⁾⁽⁴⁾	43.8%	47.3%	43.9%
Weighted average term of fixed-rate debt (years) ⁽²⁾	4.0	4.6	4.0

⁽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.

MANAGEMENT CONFERENCE CALL AND WEBCAST

First Capital invites you to participate in a live conference call with senior management at 2:00 p.m. (ET) on Wednesday, May 4, 2022, to discuss First Capital's results for the first quarter ended March 31, 2022.

Teleconference

You can participate in the live conference by dialing 416-340-2217 or toll-free 1-800-806-5484 with access code 9616958#. The call will be accessible for replay until June 9, 2022, by dialing 905-694-9451 or toll-free 1-800-408-3053 with access code 3783419#.

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 2022 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 in this press release, including but not limited to FFO, NOI, Same Property NOI, and proportionate interest. 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 below. 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.

Funds from Operations ("FFO")

FFO is a recognized measure that is widely used by the real estate industry, particularly by publicly traded entities that own and operate income-producing properties. First Capital calculates FFO in accordance with the recommendations of the Real Property Association of Canada ("REALPAC") as published in its most recent guidance on "Funds from Operations and Adjusted Funds From Operations for IFRS" dated January 2022. Management considers FFO a meaningful additional financial measure of operating performance, as it excludes fair value gains and losses on investment properties as well as certain other items included in FCR's net income that may not be the most appropriate determinants of the long-term operating performance of FCR, such as investment property selling costs; tax on gains or losses on disposals of properties; deferred income taxes; distributions on Exchangeable Units; fair value gains or losses on Exchangeable Units; fair value gains or losses on unit-based compensation; and any gains, losses or transaction costs recognized in business combinations. FFO provides a perspective on the financial performance of FCR that is not immediately apparent from net income determined in accordance with IFRS.

A reconciliation from net income (loss) attributable to Unitholders to FFO can be found in the table below:

(\$ millions)	Three months ended March 31	
	2022	2021
Net income (loss) attributable to Unitholders	\$ 44.5	\$ 38.0
Add (deduct):		
(Increase) decrease in value of investment properties ⁽¹⁾	\$ (1.6)	\$ 7.3
Adjustment for equity accounted joint ventures ⁽²⁾	\$ 0.7	\$ 0.7
Adjustment for capitalized interest related to equity accounted joint ventures ⁽²⁾	\$ 0.7	\$ —
Incremental leasing costs ⁽³⁾	\$ 1.6	\$ 1.5
Amortization expense ⁽⁴⁾	\$ 0.2	\$ 0.5
Transaction costs ⁽⁵⁾	\$ 0.6	\$ —
Increase (decrease) in value of Exchangeable Units ⁽⁶⁾	\$ (0.1)	\$ 0.3
Increase (decrease) in value of unit-based compensation ⁽⁷⁾	\$ (0.4)	\$ 5.4
Investment properties selling costs ⁽¹⁾	\$ 0.7	\$ 0.4
Deferred income taxes (recovery) ⁽¹⁾	\$ 7.9	\$ 0.9
FFO	\$ 54.8	\$ 55.0

⁽¹⁾ At FCR's proportionate interest.

⁽²⁾ Adjustment related to FCR's equity accounted joint ventures in accordance with the recommendations of REALPAC.

⁽³⁾ Adjustment to capitalize incremental leasing costs in accordance with the recommendations of REALPAC.

⁽⁴⁾ Adjustment to exclude hotel property amortization in accordance with the recommendations of REALPAC.

⁽⁵⁾ Adjustment to exclude transaction costs incurred as part of a business combination in accordance with the recommendations of REALPAC.

⁽⁶⁾ Adjustment to exclude distributions and fair value adjustments on Exchangeable Units in accordance with the recommendations of REALPAC.

⁽⁷⁾ Adjustment to exclude fair value adjustments on unit-based compensation plans in accordance with the recommendations of REALPAC.

FORWARD-LOOKING STATEMENT ADVISORY

This press release contains forward-looking statements and information within the meaning of applicable securities law. 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 the ongoing pandemic, epidemics or other outbreaks on First Capital which are described in First Capital's MD&A for the year ended December 31, 2021 under the heading "Risks and Uncertainties - Ongoing Pandemic, Epidemics or New Outbreaks". Additionally, forward-looking statements are subject to those risks and uncertainties discussed in First Capital's MD&A for the year ended December 31, 2021 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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