



First Capital REIT Announces Strategy Around Normal Course Issuer Bid

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Toronto, Ontario (May 16, 2022) - First Capital REIT (“First Capital”, “FCR” or the “REIT”) (TSX: FCR.UN) announced earlier today the approval by the TSX of a normal course issuer bid (“NCIB”) pursuant to which it may repurchase its trust units for cancellation beginning on May 18, 2022. The repurchase of trust units will be primarily funded by the disposition of non-core properties that are expected to be sold at or above IFRS value.

Debt Capital and NCIB

Over the past three years, the REIT has completed approximately \$1.5 billion of dispositions, while continuing to invest meaningfully in the business. Collectively, these activities achieved several of First Capital’s strategic objectives, including strengthening the balance sheet and significantly improving the composition of the REIT’s real estate portfolio. Notably, FCR has met these objectives while selling properties at prices generally in excess of their respective IFRS values.

Adam Paul, President and CEO of First Capital said, “Our investment activity over the last three years has materially improved our best-in-class grocery anchored portfolio while at the same time strengthening our balance sheet. Given the solid fundamentals of our real estate, our focus is squarely on capitalizing on the significant opportunities we have to grow the intrinsic value of FCR, which today includes continuing to advance our real estate strategy and selling non-core properties at or above the IFRS carrying value, while acquiring FCR units to the extent they trade well below NAV, which is currently \$24.55.”

Notwithstanding the significant improvement of the REIT’s real estate portfolio and financial position, market pricing dynamics have made the unsecured debenture market an impractical source of capital for FCR from a cost perspective. With more than \$7.5 billion of unencumbered, best-in-class grocery anchored assets located in Canada’s most densely populated neighbourhoods, the depth and reliability of the secured debt market is not only adequate but ample to support the execution of First Capital’s strategy and take advantage of growth opportunities over the foreseeable future. The REIT is comfortable with its current debt to assets ratio, in the mid-40 percent range, and therefore it is not focused on deleveraging beyond present levels at this time.

First Capital has implemented an NCIB pursuant to which it may repurchase its trust units for cancellation beginning on May 18, 2022. The substantial disconnect that currently exists between the intrinsic value of the REIT’s assets and its publicly traded securities presents a significant opportunity to generate value through the repurchase of its trust units. Therefore, from time to time, the purchase of FCR trust units at certain market prices below NAV presents an attractive use of the REIT’s funds that should afford additional value and liquidity for the issued and outstanding units while benefitting remaining unitholders by increasing their proportionate equity interest in the REIT.

Dispositions

First Capital has agreed to sell a 100% interest in two properties: (i) La Porte de Gatineau located in Gatineau, Quebec, and (ii) Bayview Lane Plaza, located in Thornhill, Ontario for an aggregate sale price



of approximately \$80 million. The aggregate sale price is in-line with the properties' Q1 2021 IFRS value, which had previously been marked-up in late 2021 to reflect the expected selling prices. Closing of the transactions remains subject to certain closing conditions typical for transactions of this type and are scheduled to occur in the second and third quarters.

These transactions are yet another example of the demand and premium value of the REIT's assets in the private markets. The properties sold by FCR are non-core and their disposition frees up capital to be reallocated to higher growth opportunities, including repurchase of the REIT's units, which are trading at a deep discount to NAV.

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.

Forward-looking Statement Advisory

This press release contains forward-looking statements and information within the meaning of applicable securities laws, including but not limited to statements related to First Capital's intention to effect purchases of Units pursuant to an NCIB, the depth and reliability of the secured debt market and FCR's real estate portfolio. 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 those risks discussed in First Capital's Management's Discussion and Analysis for the year ended December 31, 2021 and for the quarter ended March 31, 2022 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.

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