

**FIRST CAPITAL REIT ANNOUNCES SOLID THIRD QUARTER 2022 RESULTS  
WITH 15% GROWTH IN FFO PER UNIT**

**Toronto, Ontario (November 1, 2022)** - 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, 2022. The 2022 Third 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).

*Adam Paul, President and CEO of First Capital said, "Our strategic real estate decisions over the past several years continued to deliver solid operating results during the third quarter. Strength in leasing and record rental rates were highlights once again, driving same property NOI growth of 5.3%." Mr. Paul continued, "There is significant embedded value in FCR's units, and the Board and Management team are focused on unlocking this value for the benefit of all Unitholders, through ongoing strategic initiatives, including the execution of our recently announced Enhanced Capital Allocation and Portfolio Optimization Plan, which is progressing well."*

**SELECTED FINANCIAL INFORMATION**

(unaudited)	Three months ended September 30		Nine months ended September 30	
	<b>2022</b>	2021	<b>2022</b>	2021
FFO <sup>(1)</sup> (\$ millions)	<b>\$66.6</b>	\$59.0	<b>\$182.6</b>	\$190.2
FFO per diluted unit <sup>(1)</sup>	<b>\$0.31</b>	\$0.27	<b>\$0.83</b>	\$0.86
Other gains and (losses) included in FFO (per diluted unit) <sup>(1)</sup>	<b>\$0.00</b>	\$0.00	<b>(\$0.05)</b>	\$0.08
Total Same Property NOI growth <sup>(1) (2)</sup>	<b>5.3%</b>	4.2%	<b>4.4%</b>	6.6%
Total portfolio occupancy <sup>(3)</sup>	<b>95.7%</b>	95.9%		
Total Same Property occupancy <sup>(1) (3)</sup>	<b>96.0%</b>	96.0%		
Net income (loss) attributable to unitholders (\$ millions)	<b>(\$204.7)</b>	\$181.5	<b>(\$202.4)</b>	\$431.5
Net income (loss) attributable to unitholders per diluted unit	<b>(\$0.95)</b>	\$0.82	<b>(\$0.92)</b>	\$1.95
Weighted average diluted units for FFO and net income (000s)	<b>216,008</b>	220,899	<b>219,195</b>	220,794

<sup>(1)</sup> Refer to "Non-IFRS Financial Measures" section of this press release.

<sup>(2)</sup> Prior periods as reported; not restated to reflect current period categories.

<sup>(3)</sup> As at September 30.

**THIRD QUARTER OPERATIONAL AND FINANCIAL HIGHLIGHTS**

- **Same Property NOI Growth:** Total Same Property NOI increased 5.3% over the prior year period. The growth was primarily due to higher base rent and variable revenue contributions as well as a \$1.8 million decrease in bad debt expense. Excluding bad debt expense and lease termination fees, Same Property NOI growth increased 3.4%.

- **Portfolio Occupancy:** On a quarter-over-quarter basis, total portfolio occupancy increased by 0.1%, to 95.7% at September 30, 2022, from 95.6% at June 30, 2022. On a year-over-year basis, total portfolio occupancy declined by 0.2%, to 95.7% at September 30, 2022, from 95.9% at September 30, 2021.
- **Lease Renewal Rate Increase:** Net rental rates for the quarter increased 10.4% on 556,000 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 12.0% 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 portfolio average net rental rate increased by 0.4% or \$0.08 per square foot over the prior quarter to \$22.80 per square foot. The average net rental rate increased by 2.5% or \$0.56 per square foot from September 30, 2021, primarily due to rent escalations, renewal lifts and dispositions. First Capital's average net rental rate has continued to reach record highs for the last 25 consecutive quarters.
- **Property Investments:** First Capital invested \$72.5 million into its properties during the third quarter, primarily in development, redevelopment and strategic acquisitions. Included in this investment activity was the acquisition of a 50% managing interest in Amberlea Shopping Centre located in Pickering, Ontario for \$22.5 million. Amberlea Shopping Centre is a synergistic acquisition for FCR in light of its ownership of Steeple Hill Shopping Centre, a grocery-anchored property located less than 2-kilometers from and within the same trade area as Amberlea. Also included in the third quarter's investing activity, was the acquisition of the final property required to complete the Trust's Montgomery assembly. Located in mid-town Toronto adjacent to First Capital's Yonge & Roselawn development property, the completion of this assembly materially enhances FCR's large-scale intensification opportunity in this urban, high-density neighbourhood.
- **Property Dispositions:** During the third quarter, First Capital disposed of two income-producing properties located in Gatineau, QC and Markham, ON, and two small land parcels for \$83.3 million. Subsequent to the third quarter, First Capital entered into a firm agreement to sell its remaining 50% non-managing interest in the residential component of King High Line for gross proceeds of \$149 million. This transaction represents FCR's initial execution of its recently announced Enhanced Capital Allocation and Portfolio Optimization Plan.
- **Normal course issuer bid ("NCIB"):** Commencing in the second quarter, First Capital implemented an NCIB pursuant to which it may repurchase and cancel up to 10% of its public float or 21.9 million units. As of September 30, 2022, the REIT had repurchased 6.0 million trust units for approximately \$91.5 million.
- **Advancing ESG initiatives:** First Capital continues to demonstrate leadership in Environmental, Social and Governance ("ESG") matters throughout the third quarter, having:
  - Achieved "Prime Status" for Corporate ESG Performance by Institutional Shareholder Services for the third year in a row

- Released its 2021 ESG Report (FCR's 12<sup>th</sup> annual report) which presents the material issues and impacts of ESG activities for the past fiscal year as well as its assurance report on selected sustainability performance indicators
- Exceeded our stated three-year target of 9% decrease in GHG emissions intensity over a 2018 baseline, achieving a 12.7% reduction
- Committed to installing EV charging facilities in all First Capital properties by the end of 2024. Currently 250 EV stations have been installed across 76 properties and targeting to install an additional 200 EV stations by the end of 2023
- Awarded The Outstanding Building of the Year Award ("TOBY") from BOMA Canada for 85 Hanna and Brooklin Town Centre
- Raised more than \$100,000 for Kids Help Phone as part of FCR's Thriving Neighbourhoods Foundation's 2022 Commercial Real Estate Softball Classic baseball tournament
- Achieved 4-Star Rating in the 2022 GRESB Real Estate Assessment with a score of 82
- Continued growth in its longstanding Public Art Program, with a new installation at the Shops at King Liberty entitled "Biindigen" ("Welcome", in Anishinaabemowin) by Anishinaabe artist Que Rock
- **FFO per Diluted Unit of \$0.31:** FFO increased \$7.5 million, or \$0.04 per unit, over the same prior year period. The increase was primarily due to a \$5.4 million, or \$0.02 per unit, increase in NOI driven primarily by higher base rent and variable revenue contributions, and a \$2.2 million, or \$0.01 per unit, increase in interest and other income. In addition, unit repurchases through First Capital's NCIB resulted in a lower weighted average unit count, thus driving a further increase of \$0.01 in FFO per unit.
- **Net Income (Loss) Attributable to Unitholders:** For the three months ended September 30, 2022, First Capital recognized net income (loss) attributable to Unitholders of (\$204.7) million or (\$0.95) per diluted unit compared to \$181.5 million or \$0.82 per diluted unit for the same prior year period. The loss in the third quarter of 2022 was primarily related to the recognition of a net fair value loss on investment properties of \$271.7 million versus net fair value gains of \$20.2 million in the prior year period, and 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 in the third quarter of 2021.

## FINANCIAL AND OTHER HIGHLIGHTS

As at (\$ millions)	September 30		December
	2022	2021	2021
Total assets <sup>(1)</sup>	<b>\$9,830</b>	\$10,186	\$10,109
Assets held for sale <sup>(1)</sup>	<b>\$322</b>	\$279	\$151
Unencumbered assets <sup>(2)</sup>	<b>\$6,843</b>	\$7,294	\$7,394
Net Asset Value per unit	<b>\$23.47</b>	\$23.99	\$24.26
Population Density <sup>(3)</sup>	<b>300,000</b>	300,000	300,000
Net debt to total assets <sup>(2)(4)</sup>	<b>45.4%</b>	44.9%	43.9%
Weighted average term of fixed-rate debt (years) <sup>(2)</sup>	<b>3.6</b>	4.2	4.0

<sup>(1)</sup> Presented in accordance with IFRS.

<sup>(2)</sup> Reflects joint ventures proportionately consolidated.

<sup>(3)</sup> The portfolio's average population density within a five kilometre radius of its properties.

<sup>(4)</sup> Total assets excludes cash balances.

## MANAGEMENT CONFERENCE CALL AND WEBCAST

First Capital invites you to participate at 2:00 p.m. (ET) on Wednesday, November 2, 2022, in a live conference call with senior management to discuss financial results for the third quarter ended September 30, 2022.

First Capital's financial statements and MD&A for the third quarter will be released prior to the call and will be available on its website at [www.fcr.ca](http://www.fcr.ca) in the 'Investors' section, and on the Canadian Securities Administrators' website at [www.sedar.com](http://www.sedar.com).

### Teleconference

You can participate in the live conference by dialing 416-340-2217 or toll-free 1-800-806-5484 with access code 2186843#. The call will be accessible for replay until November 8, 2022, by dialing 905-694-9451 or toll-free 1-800-408-3053 with access code 4734026#.

### 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 2022 Conference Call](#). The webcast will be accessible for replay in the 'Investors' section of the website.

## ABOUT FIRST CAPITAL REIT (TSX: FCR.UN)

First Capital owns, operates and develops grocery-anchored, open-air centres in neighbourhoods with the strongest demographics in Canada.

## 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 September 30		Nine months ended September 30	
	2022	2021	2022	2021
Net income (loss) attributable to Unitholders	\$ (204.7)	\$ 181.5	\$ (202.4)	\$ 431.5
Add (deduct):				
(Increase) decrease in value of investment properties <sup>(1)</sup>	\$ 271.7	\$ (20.2)	\$ 379.3	\$ (155.7)
(Increase) decrease in value of hotel property <sup>(1)</sup>	\$ —	\$ (0.4)	\$ —	\$ (1.0)
Adjustment for equity accounted joint ventures <sup>(2)</sup>	\$ 0.3	\$ 0.7	\$ 1.9	\$ 2.1
Adjustment for capitalized interest related to equity accounted joint ventures <sup>(2)</sup>	\$ 0.8	\$ —	\$ 2.2	\$ —
Incremental leasing costs <sup>(3)</sup>	\$ 1.9	\$ 1.4	\$ 4.9	\$ 4.4
Amortization expense <sup>(4)</sup>	\$ 0.1	\$ 0.5	\$ 0.4	\$ 1.5
Transaction costs <sup>(5)</sup>	\$ —	\$ —	\$ 0.6	\$ —
Increase (decrease) in value of Exchangeable Units <sup>(6)</sup>	\$ —	\$ —	\$ (0.4)	\$ 0.4
Increase (decrease) in value of unit-based compensation <sup>(7)</sup>	\$ (0.3)	\$ (0.6)	\$ (9.6)	\$ 6.8
Gain on Option <sup>(8)</sup>	\$ —	\$ (80.8)	\$ —	\$ (80.8)
Investment property selling costs <sup>(1)</sup>	\$ 3.4	\$ 3.5	\$ 4.4	\$ 4.0
Deferred income taxes (recovery) <sup>(1)</sup>	\$ (6.5)	\$ (26.5)	\$ 1.4	\$ (23.0)
<b>FFO</b>	<b>\$ 66.6</b>	<b>\$ 59.0</b>	<b>\$ 182.6</b>	<b>\$ 190.2</b>

<sup>(1)</sup> At FCR's proportionate interest.

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

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

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

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

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

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

<sup>(8)</sup> Adjustment to exclude the gain on option 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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