FIRST CAPITAL

September 2022

Enhanced Capital Allocation and Portfolio Optimization Plan

FORWARD-LOOKING STATEMENTS AND NON-IFRS FINANCIAL MEASURES

This material contains forward-looking statements and information within the meaning of applicable securities law, including but not limited to the impact of the pandemic on the REIT and expectations related to the REIT's ongoing performance and enhanced capital allocation and portfolio optimization plan, including the anticipated monetization of certain properties, the realization and deployment of proceeds and anticipated growth in NOI, EBITDA and FFO per unit. 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 release 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 material are made as of the date hereof and are qualified by these cautionary statements.

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 material, including but not limited to FFO, NOI and EBITDA. 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. 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.

Executive Summary

FCR's proactive management and value enhancing activities have driven meaningful growth in net asset value

The success of these value-enhancing strategies has created an abundance of low-yielding assets that are now primed for monetization

There is an opportunity to rebalance the portfolio to a higher proportion of EBITDA-producing assets and enhance near- to medium-term FFO-growth

Over a two-year period, FCR plans to monetize more than $1B of low-yielding and sought-after assets where value-enhancing goals have been achieved

Continuing the value-surfacing entitlements program and operational improvements will preserve a deep pool of future development and monetization opportunities

Executive Summary

Benefits of the Plan

Creating a Focused Cycle of Investment and Strategic Monetization

Through proactive management, FCR has realized short- to medium-term value upside in a significant portion of its non-grocery anchored or no- and low-yielding assets and will continue to do so to maintain two steady pipelines:

Monetization Pipeline – That will be continually refreshed as value-enhancing activities are completed for assets FCR does not select for future development

High Impact Development Pipeline – For assets that will be developed by FCR independently or with strategic partners

Active 2-Year Monetization Pipeline

First Capital's value-maximizing sales process expected to generate gross proceeds of more than $1B by the end of 2024

- The assets identified for disposition have a run rate yield of less than 2% on the expected monetization value

The REIT also expects to complete the rezoning of approximately 11 million square feet of density over the next three years

- Based upon current market density values, these approvals have the potential for approximately $700 million of value creation

Optimal Portfolio and Higher Impact Capital Allocation

Value created and crystallized will be redeployed to initiatives focussed on near- to medium-term EBITDA and FFO-growth

Targeting a multi-year FFO per unit growth rate of at least 4%, and offering an attractive combination of growth and current cash yield

Development pipeline to remain one the most significant in the REIT sector

Plan will continue to strengthen FCR's financial position through debt reduction, targeting debt to EBITDA of less than 10x.

In addition to the recent distribution increase, FCR expects to return additional capital to unitholders via its NCIB

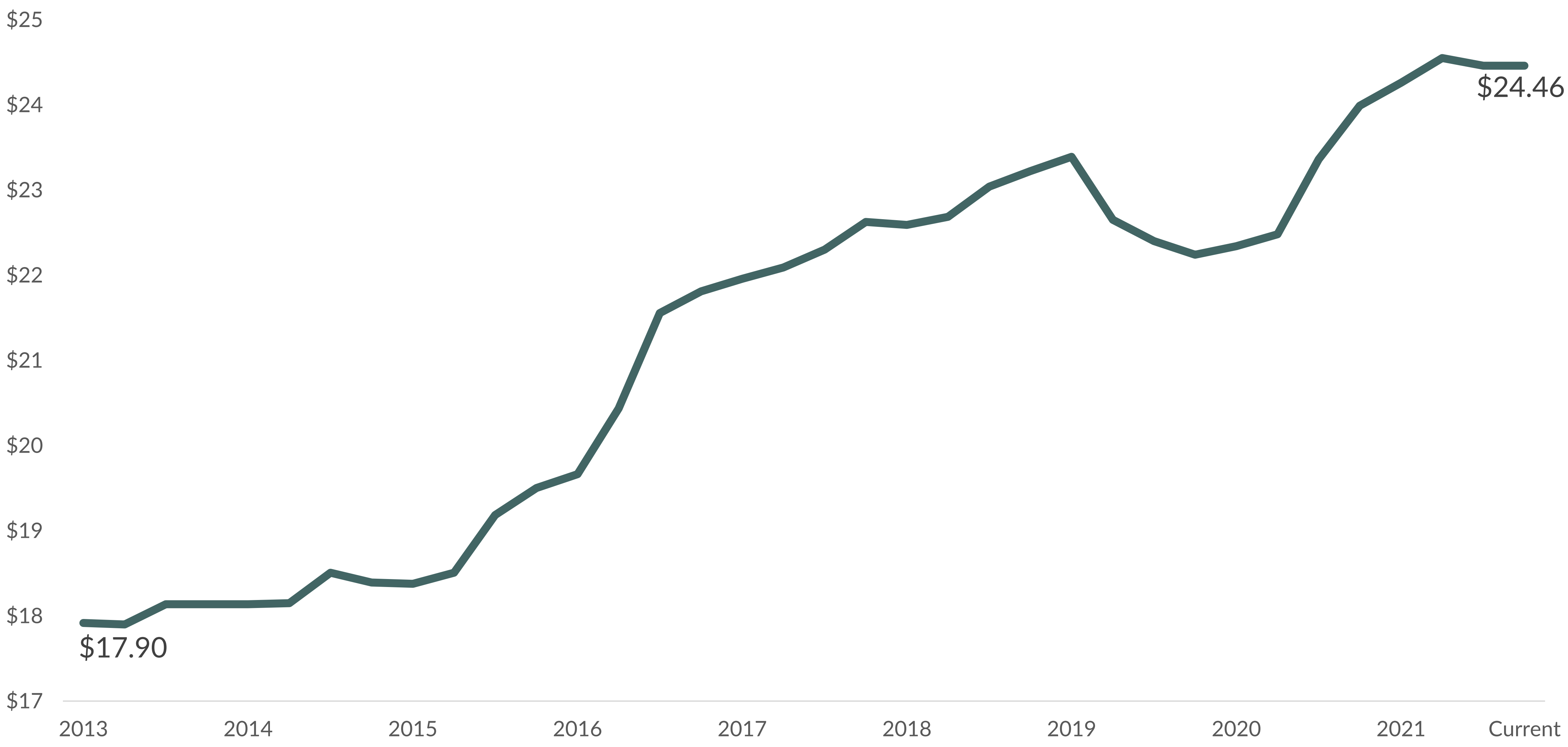
1. The Objectives

To enhance FCR’s near- to medium term FFO per unit growth,

while

continuing to undertake initiatives aimed at propelling Net Asset Value per unit and the REIT’s long-term growth potential

1. IFRS Net Asset Value Per Unit



Note: Current = June 30, 2022

1. Recent Value Creation – Examples

1. **2150 Lakeshore Boulevard, Etobicoke**
2. **Station Place, Etobicoke**
3. **Place Panama, South Shore Montreal**

1. Significant NAV Creation – 2150 Lakeshore Boulevard

2150 Lakeshore
(Christie Cookie)

Site Overview

Site Area	27.5 ac
2021 Est. Population	273,000 *(FCR Avg: 299,623)*
2021 Est. Household Income	$127,000 *(FCR Avg: $128,861)*
Acquisition Dates [(1)]	2016 - 2018

Financial Metrics at FCR Share

FCR Share %	50%
Purchase Price [(1)]	$29.4M

Investment Thesis
Acquisition of a 27.5ac brownfield site with a vision to develop a sustainable master-planned mixed-use, transit-oriented community

Notes

1. Acquisition of 2150 Lakeshore closed on June 8, 2016. FCR subsequently purchased the adjacent corner parcel on January 25, 2018 for $3.4M.

1. Significant NAV Creation – 2150 Lakeshore Boulevard

2150 Lakeshore
(Christie Cookie)

Site Overview

Site Area	27.5 ac
Future Density (at 100%)	7,500,000 SF
Zoning Status	Zoned
Sale Date	Sept 17, 2021

Return Metrics at FCR Share

Option Buyout & 50% Sale to Partner	
Sale Price [(1)]	$156M
Less: Discount on VTB & Other	($10M)
Buy-out of original partner	$56M
Profit on Buy-out	**$90M**
Increase in Land Value	
Current Land Value	$156M
Invested Cost	$66M
Gain on Land	**$90M**
Total Value Creation [(1)]	**$180M**

Notes

1. FCR exercised its option to buy-out its original partner's 50% interest for $56M and it sold a 50% interest to Pemberton Group for $156M in Sept

1. Significant NAV Creation – Station Place

Station Place

Site Overview

Site Area	0.74 ac
2021 Est. Population	272,000 *(FCR Avg: 299,623)*
2021 Est. Household Income	$147,000 *(FCR Avg: $128,861)*
Acquisition Dates	2012 - 2014

Financial Metrics at FCR Share

FCR Share %	70.9%
Land Cost	$8.6M

Investment Thesis

The lands were assembled through our M&M joint venture partnership to develop a mixed-use residential development. We successfully entitled the lands to accommodate a 310,000 SF 333-unit residential rental building.

We constructed the building and prior to stabilization, sold a 50% interest to Centurion REIT based on a $235 million valuation.

1. Significant NAV Creation– Station Place

Station Place

Site Overview

Existing Area	43,000 SF Retail 267,000 SF Res
Site Area	0.74 ac
Units	333 units
Parking Stalls	257 stalls

Return Metrics at FCR Share

Valuation Date	Sept 30, 2022
Unlevered IRR	**16.6%**
Levered IRR (1)	**28.2%**
Fair Value (2)	$166.6M
Invested Cost	$113.0M
Value Creation	**$53.6M**

Notes

1. Leveraged IRR calculated based on construction financing and 64% LTV term debt placed on the property
2. Our anticipated Q3-2022 IFRS value is $83.3 for our retained 35.4%

1. Significant NAV Creation – Place Panama

Place Panama
(Phase 1 & 2)

Site Overview

Site Area	6.4 ac
2021 Est. Population	192,200 *(FCR Avg: 299,623)*
2021 Est. Household Income	$104,000 *(FCR Avg: $128,861)*
Zoning Status	Zoned
Acquisition Date	2006

Financial Metrics

Purchase Price	$9.3M

Investment Thesis
Purchase of 6.4-acre parcel of land on the south shore of Montreal. The property was encumbered in the short term by commercial leases. Subsequent to our purchase, the REM was approved and constructed, and we re-zoned the entire site for 1.9 million SF of density.

1. Significant NAV Creation – Place Panama

Place Panama

Site Overview

Future Density (Phase 1)	852,800 SF
Future Density (Future Phases)	1,047,300 SF
Site Area [(1)]	7.65 ac

Return Metrics (Phase 1)

Sale Date	Dec 22, 2020
Sale Price	$30.0M
Invested Cost	$8.1M
Value Creation	**$21.9M**

Return Metrics (Future Phases)

Valuation Date	Sept 30, 2022
Fair Value [(2)]	$52.4M
Invested Cost [(1)]	$11.2M
Value Creation	$41.2M
Total Value Creation	**$63.1M**
Unlevered IRR (All Phases)	**18.6%**

Notes

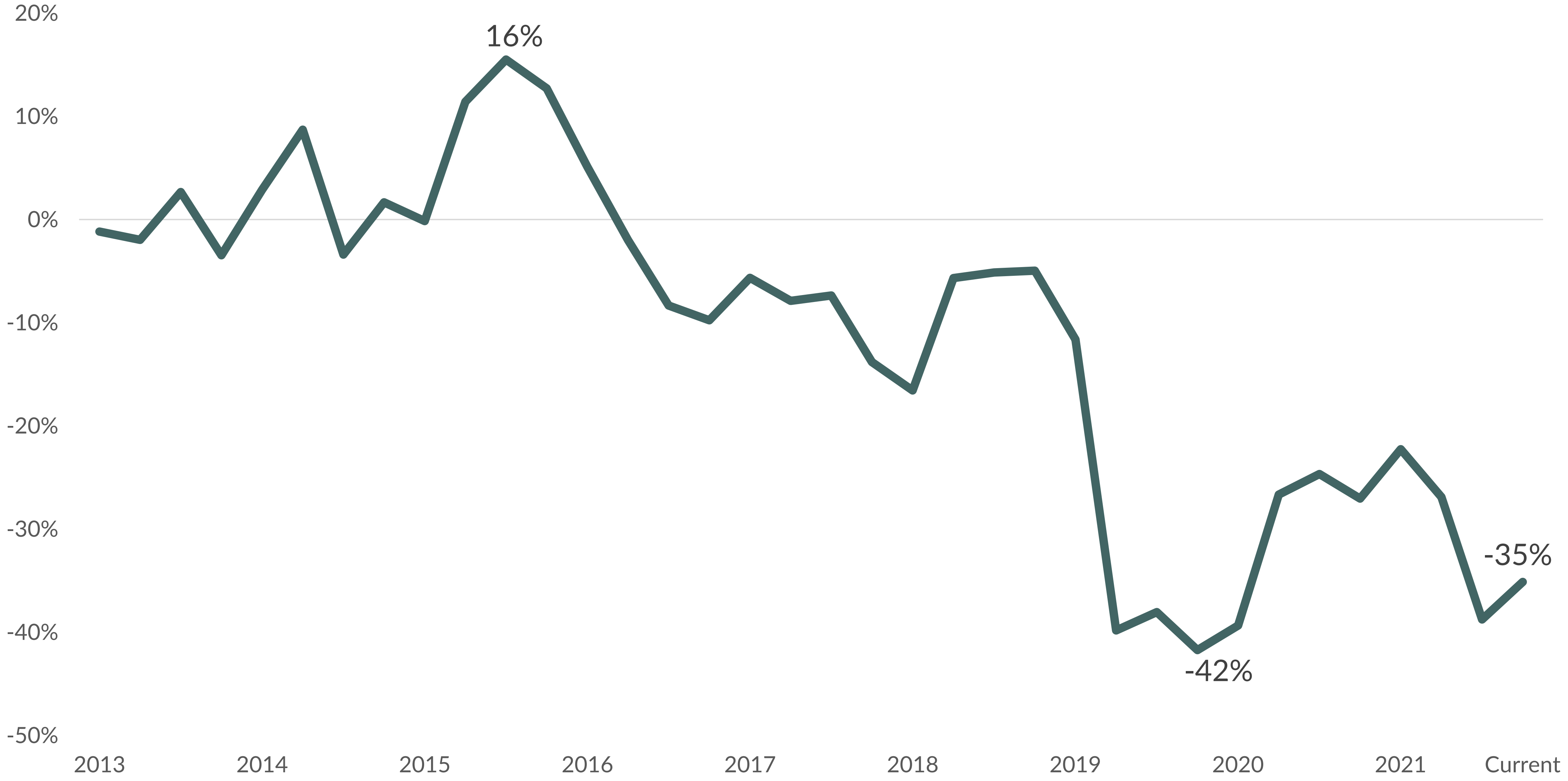
1. Assumes acquisition of adjacent CDPQ Lands
2. Valuation of future phases at a conservative $50 PSFB

1. Significant NAV Creation Summary – Value Creation and FFO Accretion

Many of FCR's initiatives are geared heavily towards growth in Net Asset Value, yet they remain dilutive to FFO per unit

Examples:	Value (NAV) Creation	Current FFO Per Unit Impact
2150 Lakeshore Boulevard, Etobicoke	$180M	**dilutive**
Station Place, Etobicoke	$54M	**dilutive**
Place Panama – Phase 1, South Shore Montreal	$22M	**dilutive**
Total	**$256M**	
Per Unit	**>$1.00**	

1. Unit Price – Premium / (Discount) to IFRS NAV



Note: Current = September 12, 2022

2. The Four-Point Plan

I. Sell a pool of specifically identified assets that are now prime for monetization

II. Drive FFO per unit higher

III. Continue to return value to unitholders

IV. Manage debt

I. Monetize a pool of specifically identified assets

Pool of specifically identified assets has an aggregate expected realization value exceeding $1B:

Typically low cash flow yielding assets characterized by:

- intensification sites with entitled density (a fraction of FCR’s 23M sf long-term development pipeline)
- properties where FCR has realized near-to-medium term earnings and value upside through proactive management

Asset sale program serves to *increase* FCR’s exposure to :

- properties and investments generating higher current NOI (and EBITDA) yields)
- grocery-anchored, service-oriented shopping centres

I. Monetize a pool of specifically identified assets

Identified asset pool has an aggregate expected realization value >$1B:

	Plan realization value	Run-rate NOI[1]	Run-rate Yield[1]
Income producing properties	$600M+	$16M	2.4%
Density, land, PUD, other	$400M+	$3M	0.7%
Total	**$1,000M+**	**$20M**	1.8%
FCR - Total Assets	**$10B**		

Note: *[1]Based upon Q2 2022 actual NOI multiplied by 4*

I. Monetize a pool of specifically identified assets

Identified asset pool has an aggregate expected realization value >$1B:

- Includes 6M sf of currently zoned or to-be-zoned density representing ~25% of FCR's total incremental density pipeline

	Plan realization value	Density (M sf)	Value per sf[1]
Income producing properties	$600M+	1.7	$83
Density, land, PUD, other	$400M+	4.4	$99
Total	**$1,000M+**	6.0	**$95**
FCR - Total Assets	**$10B**	**23**	

Note: [1]Includes three assets currently classified as Income producing properties for which Plan realization value is related to future density

I. Monetize assets – Examples

1. **Staples Lougheed, Brentwood, Vancouver** (currently classified as IPP)

2. **3434 Lawrence Avenue East, Toronto** (currently classified as IPP)

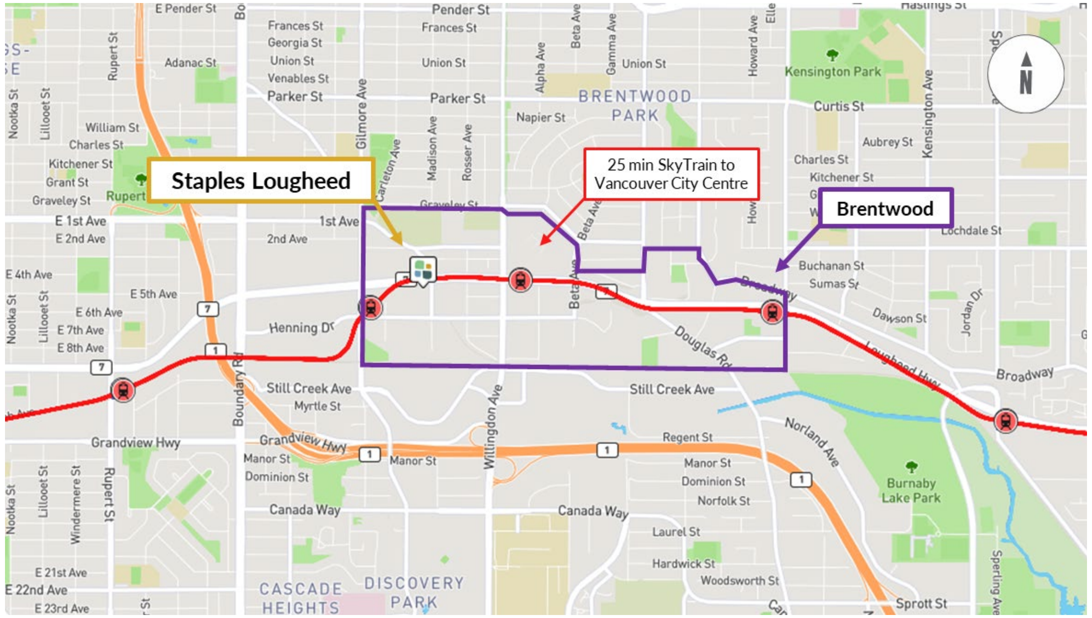
3. **Yonge & Roselawn (2400 Yonge Steet), Toronto** (partial interest)

I. Monetize assets – Staples Lougheed

Staples Lougheed

Existing Area (square feet)	31,700
Anchor Tenant	Staples 31,700 SF Lease Expiry: Jan 2027
Est. Population **(5 KM)**	295,000 *(FCR Avg: 299,623)*
Est. Household Income **(5 KM)**	$102,000 *(FCR Avg: $128,861)*
IFRS Value (Q2-2022)	$20.1 M
2022B NOI	$0.9 M
IFRS Yield	4.7 %

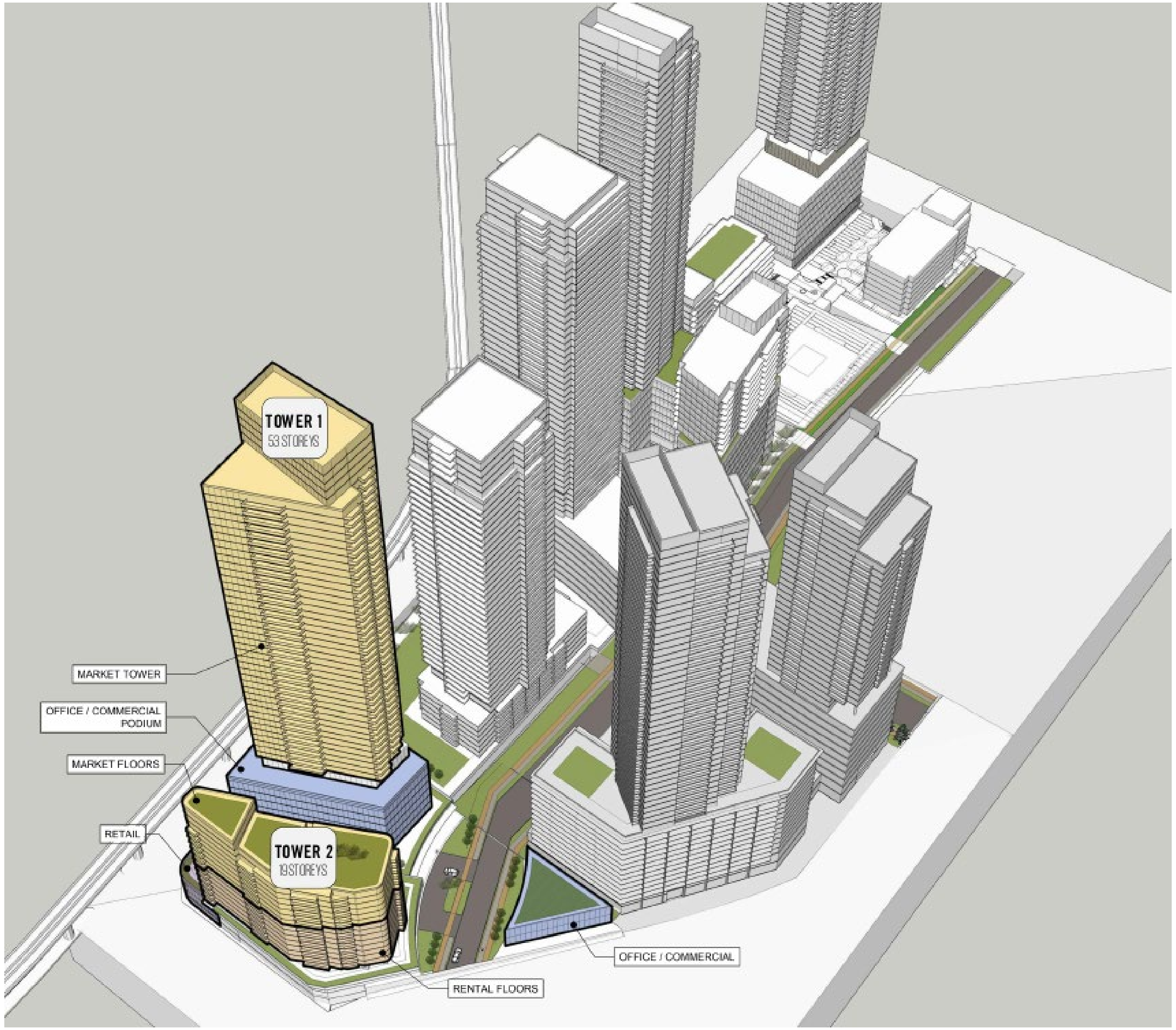
I. Monetize assets – Staples Lougheed



Staples Lougheed

Total Potential Density *Existing Area* *(square feet)*	573,100 31,700
Increase *(square feet)*	541,400 *(17x)*
Status	Official Plan Amendment under review
Estimated Rezoning Completion	H2 2023

I. Monetize assets – Staples Lougheed



Staples Lougheed

IFRS Value (Q2-2022)	$20.1 M
2022B NOI	$0.9 M
IFRS Yield	4.7 %
Total Expected Density (SF) *Total FAR*	573,100 *8.77x*
Residential Units	612

Price PSFB	Illustrative Value	Value Increment[1]
$ 85	$49 M	$29 M
$ 90	$52 M	$31 M
$ 95	$54 M	$34 M
$ 100	$57 M	$37 M
$ 105	$60 M	$40 M
$ 110	$63 M	$43 M
$ 115	$66 M	$46 M

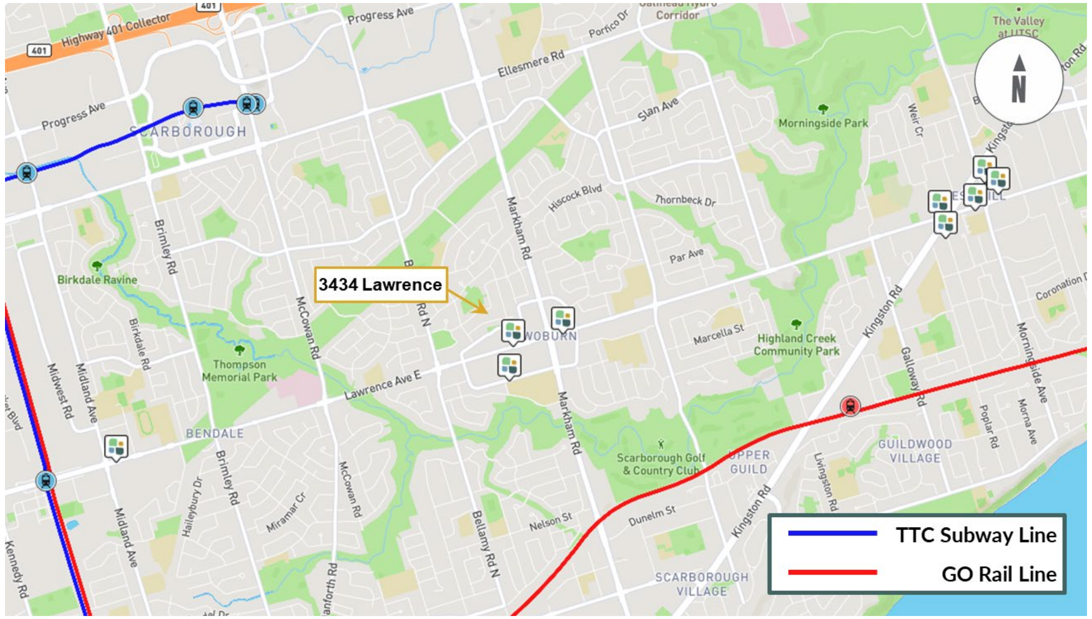
Note 1: *Value Increment is calculated as (Illustrative Value - IFRS Value).*

I. Monetize assets – 3434 Lawrence Avenue

3434 Lawrence

Existing Area (square feet)	36,800
Anchor Tenant	Fit4Less 13,000 SF Lease Expiry: Jan 2026
Est. Population (5 KM)	296,900 *(FCR Avg: 299,600)*
Est. Household Income (5 KM)	$88,700 *(FCR Avg: $128,900)*
IFRS Value (Q2-2022)	$19.2 M
2022B NOI	$0.8 M
IFRS Yield	4.2 %

I. Monetize assets – 3434 Lawrence Avenue



3434 Lawrence

Total Expected Density *Existing Area* *(square feet)*	571,000 *36,800*
Increase *(square feet)*	534,200 *(15x)*
Status	Zoning amendment submitted and under review
Estimated Rezoning Completion	H2 2023

I. Monetize assets – 3434 Lawrence Avenue

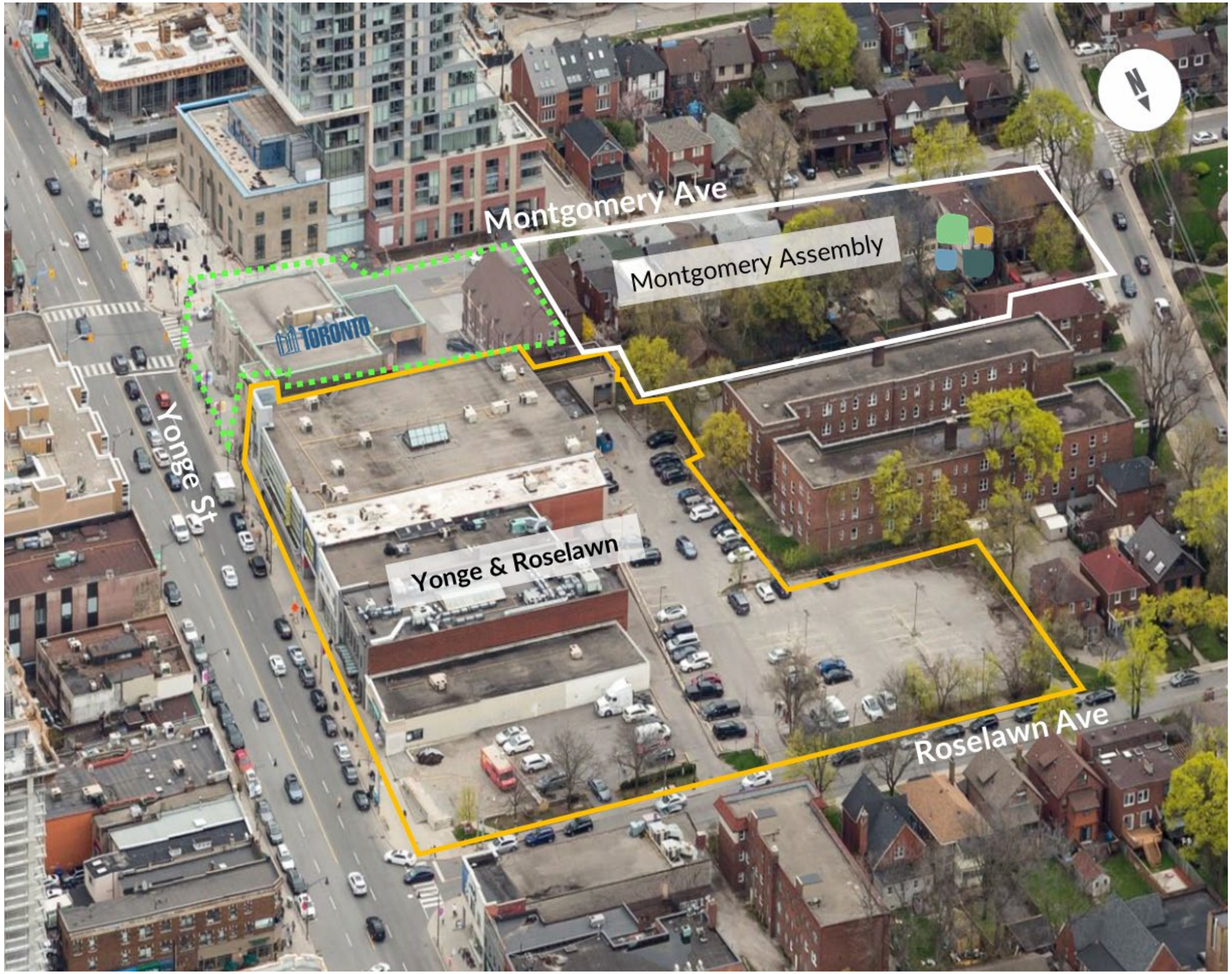
3434 Lawrence

IFRS Value (Q2-2022)	$19.2 M
2022B NOI	$0.8 M
IFRS Yield	4.2 %
Total Expected Density (SF) *Total FAR*	571,000 *4.56x*
Residential Units	642

Price PSFB	Illustrative Value	Value Increment[1]
$ 75	$43 M	$24 M
$ 80	$46 M	$26 M
$ 85	$49 M	$29 M
$ 90	$51 M	$32 M
$ 95	$54 M	$35 M
$ 100	$57 M	$38 M
$ 105	$60 M	$41 M

Note 1: *Value Increment is calculated as (Illustrative Value - IFRS Value).*

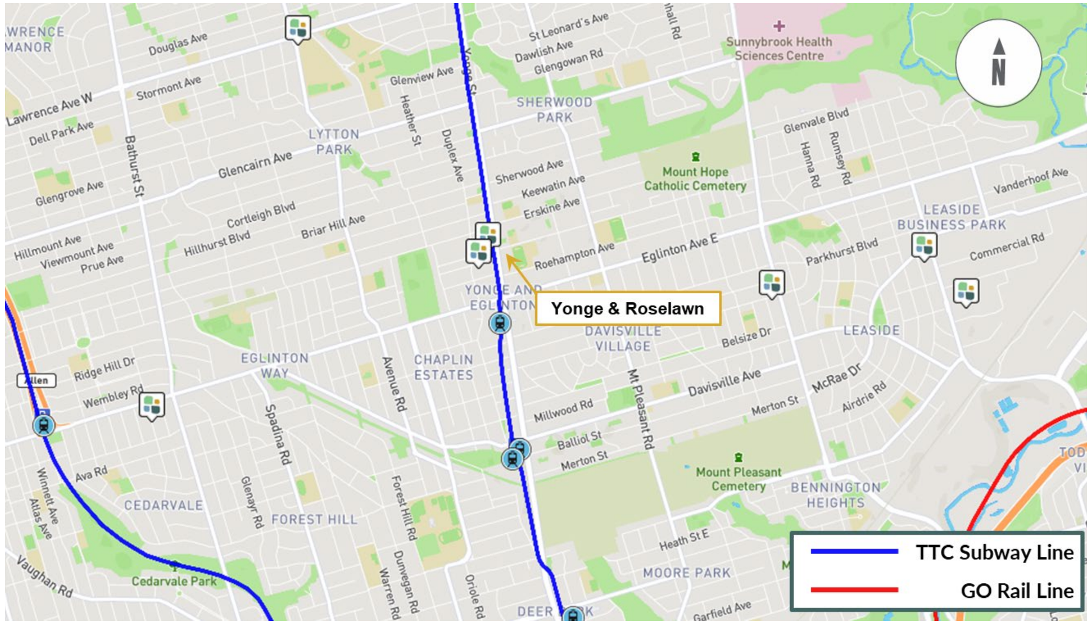
I. Monetize assets – Yonge & Roselawn



Yonge & Roselawn

Existing Area (square feet)	64,300
Est. Population (5 KM)	485,400 *(FCR Avg: 299,600)*
Est. Household Income (5 KM)	$208,800 *(FCR Avg: $128,900)*
IFRS Value (Q2-2022)	$118.9 M

I. Monetize assets – Yonge & Roselawn



Yonge & Roselawn

Total Zoned Density *Existing Area* *(square feet)*	514,600 *64,300*
Increase *(square feet)*	450,300 *(7x)*
Status	Zoned, SPA under review Phase 1 demo complete
Construction Commencement	Q1 2023

I. Monetize assets – Yonge & Roselawn (partial interest)

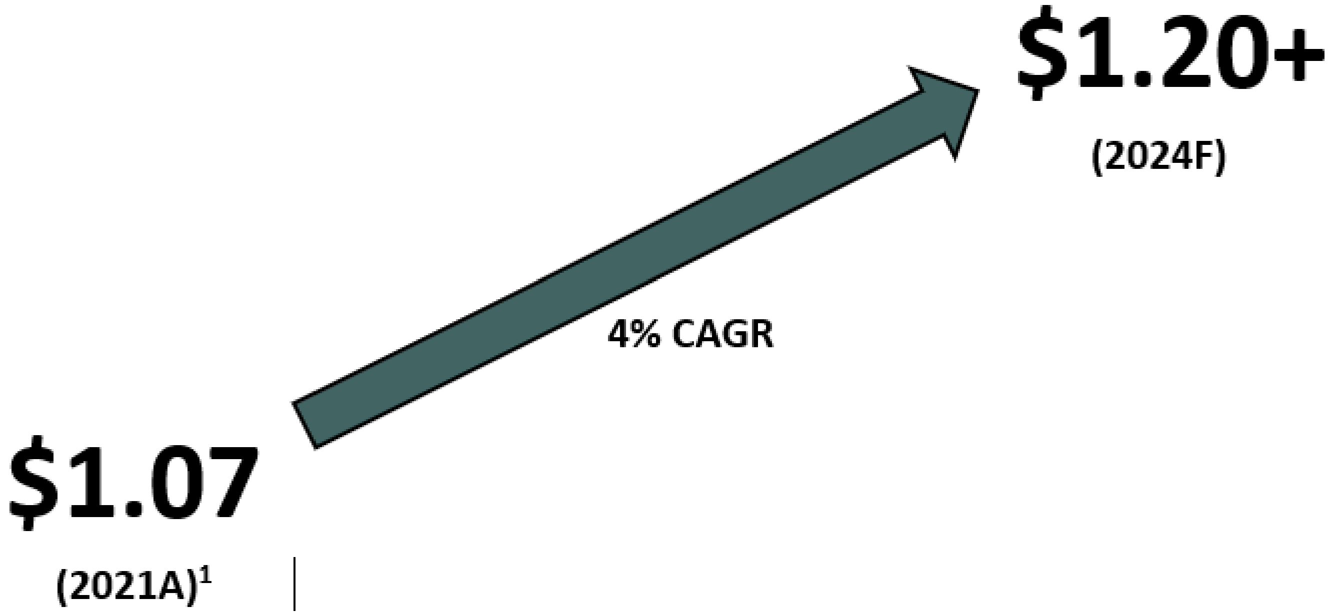
Yonge & Roselawn

IFRS Value (Q2-2022)	$118.9 M
Total Zoned Density (SF) *Total FAR*	514,600 *5.78x*
Residential Units	548

Price PSFB	Illustrative Value	Value Increment[1]
$ 245	$126 M	$7 M
$ 255	$131 M	$12 M
$ 265	$136 M	$17 M
$ 275	$142 M	$23 M
$ 285	$147 M	$28 M
$ 295	$152 M	$33 M
$ 305	$157 M	$38 M

Note 1: *Value Increment is calculated as (Illustrative Value - IFRS Value).*

II. Drive FFO per unit higher



Note: [1]2021A FFO per unit excluding Other Gains/(Losses) and Expensese

III. Continue to return value to unitholders

Increased annualized distribution per unit by 100% (September 2022)

- $0.86/unit annualized (formerly $0.43)
- 5.7% yield, paid monthly

Unit repurchase program (Normal Course Issuer Bid – Commenced May 2022)

May 2022 – Authorized:	**21.9M**	
Sept 2022 – Repurchased:	**(5.6M)**	**$85M** **($15.20 WAP)**
Future = Available:	**16.3M**	

IV. Manage debt

Manage net debt to EBITDA to *below* 10x

10.9x → <10x

Manage total net debt to *less than* $4B

$4.4B → <$4B