FIRST CAPITAL

FIRST CAPITAL REIT ANNOUNCES SOLID THIRD QUARTER 2023 RESULTS SUPPORTED BY CONTINUED STRENGTH IN LEASING AND EXECUTION OF CAPITAL ALLOCATION PLAN

Toronto, Ontario (October 31, 2023) - First Capital Real Estate Investment Trust ("First Capital", "FCR", or the "Trust") (TSX: FCR.UN), announced solid financial results for the quarter ended September 30, 2023. The 2023 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.sedarplus.ca.

KEY HIGHLIGHTS FROM THE THIRD QUARTER:

- ***FFO per unit of $0.32, representing year-over-year growth of 4.2%***
- ***Strong leasing activity, including: 1) lease renewal spreads of 12.4%, and 2) new leases at One Bloor Street East subsequent to quarter-end***
- ***Continued improvement in Debt to EBITDA from execution of the Optimization Plan***

"Strong fundamentals underpinning First Capital's grocery anchored retail portfolio contributed to another quarter of solid operating results, underpinned by continued strength in leasing," said Adam Paul, President & CEO.

"Execution of our Portfolio Optimization Plan remains well on track, with announced sales under the Plan now totaling $517 million at an average yield of less than 3% and at pricing that exceeds their IFRS carrying value." Mr. Paul continued, "Ongoing execution of the Optimization Plan is a key differentiator for First Capital and its ability to navigate an environment of higher interest rates."

SELECTED FINANCIAL INFORMATION	Three months ended September 30		Nine months ended September 30	
	2023	2022	**2023**	2022
FFO [1] [2] ($ millions)	**$68.6**	$66.6	**$185.9**	$182.6
FFO per diluted unit [1] [2]	**$0.32**	$0.31	**$0.87**	$0.83
Other gains and (losses) included in FFO (per diluted unit) [1]	**$0.00**	$0.00	**$0.00**	($0.05)
Total Same Property NOI growth [1] [3]	**1.2%**	5.3%	**2.5%**	4.4%
Total portfolio occupancy [4]	**95.9%**	95.7%		
Total Same Property occupancy [1] [4]	**95.9%**	95.9%		
Increase (decrease) in value of investment properties, net [5]	**($434.1)**	($271.0)	**($547.0)**	($378.6)
Net income (loss) attributable to unitholders ($ millions)	**($327.5)**	($204.7)	**($307.9)**	($202.4)
Net income (loss) attributable to unitholders per diluted unit	**($1.53)**	($0.95)	**($1.44)**	($0.92)
Weighted average diluted units for FFO and net income (000s)	**213,952**	216,008	**214,407**	219,195

(1) *Refer to "Non-IFRS Financial Measures" section of this press release.*

(2) *For the nine months ended September 30, 2023 FFO includes approximately $7 million or 3 cents per unit (September 30, 2022 - $0.7 million) of non-recurring costs related to the Unitholder activism.*

(3) *Prior periods as reported; not restated to reflect current period categories.*

(4) *As at September 30.*

(5) *During the three months ended September 30, 2023, the ten-year government of Canada bond yield increased by approximately 75 bps. While market transaction volumes remained limited, considering the substantial increase in interest rates, the Trust's properties were subject to a broad-based revaluation in which the weighted average portfolio cap rate increased by approximately 30 basis points. These yield changes resulted in a decrease in value of investment properties of $457 million, which was partially offset by other net value increases.*

ENHANCED CAPITAL ALLOCATION & PORTFOLIO OPTIMIZATION PLAN

First Capital continues to execute on the Portfolio Optimization Plan to monetize over $1 billion by the end of 2024 of low-yielding assets where value enhancing goals have been achieved in order to reorient its portfolio by increasing short-to medium-term FFO growth while continuing to reduce debt. To date, First Capital has completed or has under firm agreement, approximately $517 million of dispositions under the Plan, with a cumulative in-place yield that is less than 3% and an average premium to IFRS carrying value of 14%.

During the quarter, FCR completed approximately $114 million of previously announced dispositions, including (i) 5051 Yonge Street, a residential condominium development site located in North York (Toronto) at Hillcrest Avenue (ii) the remaining development land at Place Panama, located in Brossard (iii) a 1.5 acre residential development site in Montreal located adjacent to FCR's Wilderton Shopping Centre, and (iv) 30/30A Hazelton Avenue, located in Toronto. Subsequent to the third quarter, the Trust entered into new firm agreements for another $58 million in dispositions, comprised of an additional 25% interest in the Trust's Yonge & Roselawn development site and a single tenant property located at 6455 West Boulevard, Vancouver. These property sales are expected to close in the fourth quarter of 2023.

A summary of announced dispositions under the Optimization Plan is provided in the table below:

Closing date	**Q4 2022**	**Q1 2023**	**Q2 2023**	**Q3 2023**	**Q4 2023+**	**Total**
Dispositions (*$ millions*)	$179	$2	$122	$114	$100	$517
Premium to Carrying Value	7%	4%	19%	16%	19%	14%

THIRD QUARTER OPERATIONAL AND FINANCIAL HIGHLIGHTS

- **Same Property NOI Growth:** Total Same Property NOI increased 1.2% over the prior year period, driven primarily by higher base rent. The performance of FCR’s One Bloor Street East property, where Nordstrom Rack effected an early lease termination in June as part of its CCAA filing, adversely impacted third quarter 2023 same property NOI growth by 140 basis points. Despite this short-term impact, First Capital has made significant leasing progress at One Bloor East. Subsequent to the third quarter, FCR signed a long-term lease for approximately 32,000 square feet of the former Nordstrom space with AVANT by Altea Active, an upscale wellness and fitness club, slated for possession in early 2024. FCR is in advanced negotiations with respect to leasing the remaining 8,000 square feet of the former Nordstrom space, being the premium ground floor area located directly at the corner of Yonge Street and Bloor Street. Also, FCR has agreed to lease on a long-term basis, the remaining 20,000 square feet of available space at the property to Nike for a flagship store, and a soon-to-be announced prominent global retailer.

- **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 increased 0.2% from 95.7% at September 30, 2022 to 95.9% at September 30, 2023.
- **Lease Renewal Rate Increase**: During the quarter, net rental rates increased 12.4% on a volume of 477,000 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 13.5% when comparing the average rental rate over the renewal term to the rental rate in the last year of the expiring term.
- **Average Net Rental Rate**: The portfolio average net rental rate increased by 0.5% or $0.11 per square foot over the prior quarter to a record $23.08 per square foot, primarily due to rent escalations and renewal lifts.
- **Property Investments:** First Capital invested approximately $48 million into its properties during the third quarter, primarily through development and redevelopment.
- **Normal course issuer bid ("NCIB"):** During the third quarter, the Trust repurchased 0.2 million units for approximately $2.0 million. Since instituting the NCIB in May 2022, the REIT has cumulatively repurchased 7.9 million trust units for approximately $120.1 million as of September 30, 2023.
- **Balance Sheet and Liquidity**: Excluding non-recurring costs related to Unitholder activism, First Capital's September 30, 2023 net debt to Adjusted EBITDA multiple was 9.9x, an improvement from 10.9x at September 30, 2022. First Capital's September 30, 2023 liquidity position was $998 million, including $798 million of availability on revolving credit facilities and $200 million of cash on a proportionate basis.
- **Advancing ESG initiatives:** First Capital continued to demonstrate leadership in Environmental, Social and Governance (“ESG”) matters throughout the third quarter, which included the following highlights:
    - Received 2023 GRESB Sector Leader Status in the Development Benchmark (Peer Group: North America, Retail), with a score of 90
    - Ranked 2nd in the 2023 GRESB Standing Investments Benchmark (Peer Group: Canada, Retail Centres, Listed), with a score of 82
    - Raised more than $220,000 for Kids Help Phone as part of FCR Thriving Neighbourhoods Foundation's second annual Commercial Real Estate Softball Classic tournament which was held in September
- **FFO per Diluted Unit of $0.32:** Funds From Operations of $68.6 million increased $2.0 million, or $0.01 per unit, over the prior year period. The increase was primarily driven by a year-over-year increase in interest and other income, totaling $4.6 million ($0.02 per unit) which includes $3.8 million recognized as part of a legal settlement related to forgone rent. Partially offsetting this income was approximately $0.9 million of restructuring costs included in corporate expenses. These costs were incurred in conjunction with the Trust's ongoing efforts to drive its performance-oriented culture, while pro-actively managing expenses. The

comparative third quarter 2022 results included a purchase deposit taken into income of approximately $3.0 million ($0.01 per unit) included as a recovery in abandoned transaction costs.

- **Net Income (Loss) Attributable to Unitholders:** For the three months ended September 30, 2023, First Capital recognized net income (loss) attributable to Unitholders of ($327.5) million or ($1.53) per diluted unit compared to ($204.7) million or ($0.95) per diluted unit for the prior year period. The increase in net loss over prior year was primarily due to a decrease in the fair value of investment properties of $163.0 million, partially offset by a $31.7 million increase in deferred income tax recoveries. During the third quarter of 2023, interest rates across the mid-to longer durations of the yield curve shifted significantly, including an increase of approximately 75 basis points on the benchmark ten-year Government of Canada bond. This material change in market interest rates was a key factor behind the $432.8 million fair value decrease in value of investment properties at FCR's interest recorded during the quarter.

FINANCIAL AND OTHER HIGHLIGHTS

As at	September 30		December
($ millions)	**2023**	2022	2022
Total assets [1]	**$9,164**	$9,830	$9,582
Assets held for sale [1]	**$181**	$322	$188
Unencumbered assets [2]	**$5,985**	$6,843	$6,570
Net Asset Value per unit	**$21.26**	$23.47	$23.48
Population Density [3]	**295,000**	300,000	300,000
Net debt to total assets [2][4]	**46.3%**	45.4%	44.0%
Net debt to Adjusted EBITDA [2]	**10.1 / 9.9** [5]	10.9	10.2
Weighted average term of fixed-rate debt (years) [2]	**3.1**	3.6	3.4

(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.

(5) Net debt to Adjusted EBITDA was 10.1x as at September 30, 2023. Excluding non-recurring costs related to Unitholder activism, the ratio was 9.9x.

GOVERNANCE UPDATE: BOARD COMMITTEES

Following a period of Board refreshment in which three new Trustees joined the Board of Trustees earlier in 2023, the following changes have been made to the Board Committees:

- **Audit and Risk Committee:** The Audit Committee has been renamed as the Audit and Risk Committee. Ian Clarke has been appointed Chair of the Audit Committee replacing Al Mawani who will remain on the committee as a member

- **Governance and Sustainability Committee:** The Corporate Governance Committee has been renamed as the Governance and Sustainability Committee. Al Mawani has been appointed Chair of the Governance and Sustainability Committee replacing the Trust's Chair, Paul Douglas who will remain on the committee as a member
- **People and Compensation Committee:** The Compensation Committee has been renamed as the People and Compensation Committee and Annalisa King remains Chair of the committee

SUBSEQUENT EVENTS

Unsecured Bank Term Loan

On October 20, 2023, First Capital secured funding of a $150.0 million unsecured bank term loan ("term loan") due October 20, 2026 with extension options in favour of the Trust for an additional two years, to October 20, 2028. Concurrent with funding, the Trust entered into a swap to convert the 5-year term loan to a fixed rate of 5.985% per annum. The net proceeds of the offering were applied towards the repayment of the maturing Series “Q” senior unsecured debentures on October 30, 2023.

Redemption of $300 million of 3.90% Series Q Senior Unsecured Debentures

On October 30, 2023, upon maturity, First Capital repaid its 3.90% Series Q Senior Unsecured Debentures in the amount of $300.0 million.

Credit Facilities

On October 31, 2023, First Capital's $250.0 million unsecured revolving operating facility matured, and the Trust arranged a new $100.0 million unsecured revolving operating facility maturing on April 20, 2025. On October 27, 2023 the Trust also increased its existing $100.0 million unsecured revolving operating facility maturing on August 31, 2024 to an authorized amount of $150.0 million and extended the maturity date by one year to August 31, 2025.

MANAGEMENT CONFERENCE CALL AND WEBCAST

First Capital invites you to participate at 2:00 p.m. (ET) on Wednesday, November 1, 2023, in a live conference call with senior management to discuss financial results for the third quarter ended September 30, 2023.

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 in the ‘Investors’ section, and on the Canadian Securities Administrators’ website at www.sedarplus.ca.

Teleconference

You can participate in the live conference by dialing 416-406-0743 or toll-free 1-800-898-3989 with access code 6949753#. The call will be accessible for replay until November 8, 2023, by dialing 905-694-9451 or toll-free 1-800-408-3053 with access code 5058484#.

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 2023 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			
		2023		2022		**2023**		2022
Net income (loss) attributable to Unitholders	**$**	**(327.5)**	$	(204.7)	**$**	**(307.9)**	$	(202.4)
Add (deduct):								
(Increase) decrease in value of investment properties [1]	**$**	**432.8**	$	271.7	**$**	**544.0**	$	379.3
(Increase) decrease in value of hotel property [1]	**$**	**—**	$	—	**$**	**(3.6)**	$	—
Adjustment for equity accounted joint ventures [2]	**$**	**0.1**	$	0.3	**$**	**1.8**	$	1.9
Adjustment for capitalized interest related to equity accounted joint ventures [2]	**$**	**0.9**	$	0.8	**$**	**2.6**	$	2.2
Incremental leasing costs [3]	**$**	**1.7**	$	1.9	**$**	**5.6**	$	4.9
Amortization expense [4]	**$**	**—**	$	0.1	**$**	**0.2**	$	0.4
Transaction costs [5]	**$**	**—**	$	—	**$**	**—**	$	0.6
Increase (decrease) in value of Exchangeable Units [6]	**$**	**(0.1)**	$	—	**$**	**(0.2)**	$	(0.4)
Increase (decrease) in value of unit-based compensation [7]	**$**	**(2.2)**	$	(0.3)	**$**	**(8.2)**	$	(9.6)
Investment property selling costs [1]	**$**	**1.2**	$	3.4	**$**	**2.7**	$	4.4
Deferred income taxes (recovery) [1]	**$**	**(38.3)**	$	(6.5)	**$**	**(51.1)**	$	1.4
FFO	**$**	**68.6**	$	66.6	**$**	**185.9**	$	182.6

(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.*

FIRST CAPITAL

Net Debt

Net debt is a measure used by Management in the computation of certain debt metrics, providing information with respect to certain financial ratios used in assessing First Capital's debt profile. Net debt is calculated as the sum of principal amounts outstanding on credit facilities and mortgages, bank indebtedness and the par value of senior unsecured debentures reduced by the cash balances at the end of the period on a proportionate basis.

As at *($ millions)*		**September 30, 2023**		December 31, 2022
Liabilities (principal amounts outstanding)				
Bank indebtedness	**$**	**—**	$	1.6
Mortgages [1]		**1,442.0**		1,235.8
Credit facilities [1]		**1,001.3**		1,098.2
Senior unsecured debentures		**1,900.0**		1,900.0
Total Debt [1]	**$**	**4,343.4**	$	4,235.6
Cash and cash equivalents [1]		**(200.1)**		(39.8)
Net Debt [1] [2]	**$**	**4,143.3**	$	4,195.8
Exchangeable Units		**0.8**		1.0
Equity market capitalization [3]		**2,821.3**		3,589.2
Enterprise value [1]	**$**	**6,965.3**	$	7,786.0
Trust Units outstanding (000's)		**212,124**		213,518
Closing market price	**$**	**13.30**	$	16.81

(1) At First Capital's proportionate interest.
(2) Net Debt is a non-IFRS measure that is calculated as the sum of total debt including principal amounts outstanding on credit facilities and mortgages, bank indebtedness and the par value of senior unsecured debentures reduced by the cash balances at the end of the period on a proportionate basis.
(3) Equity market capitalization is the market value of FCR's units outstanding at a point in time. The measure is not defined by IFRS, does not have a standard definition and, as such, may not be comparable to similar measures disclosed by other issuers.

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA")

Adjusted EBITDA is a measure used by Management in the computation of certain debt metrics. Adjusted EBITDA, is calculated as net income, adding back income tax expense, interest expense and amortization and excluding the increase or decrease in the fair value of investment properties, fair value gains or losses on Exchangeable Units, fair value gains or losses on unit-based compensation and other non-cash or non-recurring items on a proportionate basis. FCR also adjusts for incremental leasing costs, which is a recognized adjustment to FFO, in accordance with the recommendations of REALPAC. Management believes Adjusted EBITDA is useful in assessing the Trust's ability to service its debt, finance capital expenditures and provide for distributions to its Unitholders.

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

($ millions)	Three months ended September 30				Nine months ended September 30			
		2023		2022		**2023**		2022
Net income (loss) attributable to Unitholders	**$**	**(327.5)**	$	(204.7)	**$**	**(307.9)**	$	(202.4)
Add (deduct) [1]:								
Deferred income tax expense (recovery)		**(38.3)**		(6.5)		**(51.1)**		1.4
Interest Expense		**40.2**		38.8		**118.2**		113.3
Amortization expense		**0.8**		1.9		**5.1**		6.3
(Increase) decrease in value of investment properties		**432.8**		271.7		**544.0**		379.3
(Increase) decrease in value of hotel property		**—**		—		**(3.6)**		—
Increase (decrease) in value of Exchangeable Units		**(0.1)**		—		**(0.2)**		(0.4)
Increase (decrease) in value of unit-based compensation		**(2.2)**		(0.3)		**(8.2)**		(9.6)
Incremental leasing costs		**1.7**		1.9		**5.6**		4.9
Abandoned transaction (costs) recovery		**—**		(2.9)		**—**		(2.9)
Other non-cash and/or non-recurring items		**1.4**		3.8		**2.3**		15.2
Adjusted EBITDA [1]	**$**	**108.8**	$	103.5	**$**	**304.2**	$	305.1

(1) At First Capital's proportionate interest.

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 execution and impact of the Enhanced Capital Allocation & Portfolio Optimization Plan. 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, First Capital's ability to close all announced disposition transactions and execute on its Optimization Plan, 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 pandemics, epidemics or other outbreaks on First Capital which are described in First Capital's MD&A for the year ended December 31, 2022. Additionally, forward-looking statements are subject to those risks and uncertainties discussed in First Capital's MD&A for the year ended December 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. 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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