



First Capital REIT to Focus on FFO Growth and Continued Strengthening of Credit Profile; to Present Key 3-Year Objectives at Upcoming Investor Day

Toronto, Ontario (February 21, 2024) - First Capital REIT (“**First Capital**” or the “**REIT**”) (TSX: FCR.UN) will host its 2024 Investor Day today where its leadership team will present “Discipline, Stability, Growth”, a three-year strategic roadmap, including financial growth and leverage reduction objectives.

“Today, we are presenting a clear vision for the future, focused on continuing to maximize the value of First Capital for our investors. By utilizing our best-in-class real estate portfolio and operating platform, we will continue to focus on driving FFO per unit growth while at the same time, continuing to strengthen our credit profile,” said Adam Paul, President & Chief Executive Officer.

“Since launching our Optimization Plan nearly a year and a half ago, we have announced over \$630 million of dispositions with an average in-place yield of less than 3% and an average premium to IFRS carrying value of more than 20%. The execution of the Plan is demonstrating meaningful progress and since its introduction, FCR’s total unitholder return of approximately 22% has outperformed the 10% return from the S&P/TSX REIT Index and the 3% average return from FCR’s large-cap Canadian retail REIT peers¹.” Mr. Paul added, “The roadmap that we are presenting today is a clear extension of what we have been doing over the past year and a half.”

Current Business Operations

During today’s Investor Day, First Capital’s leadership team will discuss its current business operations, including its defining strengths as a leader in (1) acquiring, developing, owning, and operating grocery anchored open air shopping centres and (2) its ability to rezone development sites.

With these core competencies as a solid foundation, First Capital is further differentiated from its peers by several competitive advantages. Its core portfolio of grocery anchored shopping centres with a value of over \$7 billion (comprising approximately 80% of its total portfolio) has the highest in place rents, highest lease renewal lifts, highest population density and is the most connected to public transit.¹ Additionally, First Capital’s portfolio of future development sites is comprised of a density pipeline of approximately 24 million square feet located in Canada’s largest cities, in high growth neighbourhoods with exceptional demographics.

First Capital delivered strong results in 2023, including lease renewal spreads of 12.1%, FFO per unit, excluding other gains (losses) and (expenses), of \$1.18, and an improved Net Debt to Adjusted EBITDA ratio to 9.9x as outlined in its fourth quarter report.²

Strategic Update

First Capital will provide a strategic update that remains focused on the key objectives of stability and growth in FFO per unit, NAV, and distributions, with an even stronger balance sheet. Asset divestitures will continue to be focused on non-grocery anchored properties, which currently make up approximately 20% of the portfolio with a value of approximately \$1.7 billion and an average in-place yield of just over 2%. First Capital’s development program will focus on retail development and redevelopment of core grocery anchored shopping centres, its entitlements program and selected mixed-use properties.

¹ Peer set includes Choice Properties REIT, Crombie REIT, CT REIT, RioCan REIT, Smart Centres REIT.

² FFO per unit excluding gains (losses) and (expenses) and Net Debt to Adjusted EBITDA are non-IFRS financial measures. For definitions, quantitative reconciliations, and the basis of presentation of FCR’s non-IFRS measures, refer to “Non-IFRS Financial Measures” below and the sections “Non-IFRS Financial Measures” and “Non-IFRS Reconciliations and Financial Measures” in FCR’s MD&A for the three months and year ended December 31, 2023, available on www.sedarplus.ca.



Through the continued execution of its strategy, First Capital has the following expectations.

2024 Outlook

- Same property NOI³ growth of approximately 2% to 2.5% (excluding lease termination fees and bad debt expense or recovery).
- Over \$400 million of dispositions with an average expected yield of less than 3%. The dispositions will continue to be focused on a mix of development sites and select low-yielding income properties.
- Development expenditures of approximately \$125 million to \$150 million; and,
- A Net Debt to Adjusted EBITDA³ ratio that is in the low-9x range by the end of the year.

Three Year Business Plan

First Capital's business plan for the next three years, through to year-end 2026, includes the following key expectations and objectives:

- Average annual same-property NOI³ growth of at least 3%.
- Property dispositions totaling approximately \$1 billion on a cumulative basis with an average expected yield of less than 3%. The dispositions will continue to be focused on a mix of development sites and select low-yielding income properties.
- An aggregate investment of approximately \$500 million into property development and redevelopment.
- Development completions of approximately \$200 million.
- Acquisitions of \$100 million to \$150 million, with a focus on multi-tenant, core grocery anchored shopping centres as well as small, but strategic tuck-ins that are expected to be important to long-term value creation.
- A Net Debt to Adjusted EBITDA³ ratio that is in the low-8x range by year-end 2026; and,
- FFO^{3,4} per unit growth averaging at least 3%.

The above sections, "2024 Outlook" and "Three Year Business Plan" contain forward-looking information. For a discussion of additional assumptions and key related risks, see "Forward-Looking Statement Advisory" below.

³FFO per unit excluding gains (losses) and (expenses), same property NOI, and Net Debt to Adjusted EBITDA are non-IFRS financial measures. For definitions, quantitative reconciliations, and the basis of presentation of FCR's non-IFRS measures, refer to "Non-IFRS Financial Measures" below and the sections "Non-IFRS Financial Measures" and "Non-IFRS Reconciliations and Financial Measures" in FCR's MD&A for the three months and year ended December 31, 2023, available on www.sedarplus.ca.

⁴ Excluding other gains (losses) and (expenses) and expected future profits from condominium sales.



Investor Day Event Details:

First Capital's Investor Day will be held today, February 21, 2024, in the Grand Banking Hall at One King West Hotel, located at 1 King Street West, Toronto. The sessions will commence at 1:30 p.m. EST with doors opening at 12:30 p.m. Register for Investor Day at [Investor Resources](#).

The afternoon will feature presentations and panels from members of First Capital's executive and senior leadership team and will review First Capital's core competencies, competitive advantages, real estate strategy and key objectives.

A replay of the presentations and related materials will be made available on our Investor Resources page as soon as practicable following Investor Day at [Investor Resources](#).

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.

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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 refers to certain non-IFRS financial measures in this press release, including but not limited to: Funds from Operations ("FFO"), Net Operating Income ("NOI"), Same Property NOI, Net Asset Value ("NAV"), Net Debt, Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA") and Net Debt to Adjusted EBITDA Ratio. These non-IFRS measures do not have standardized meanings prescribed under IFRS and therefore 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 in the real estate industry and provide useful supplemental information to both management and investors. 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. For further information on these non-IFRS measures, please refer to "Non-IFRS Financial Measures" in First Capital's Management's Discussion and Analysis for the year ended December 31, 2023 (the "Annual 2023 MD&A") available under First Capital's issuer profile on the System for Electronic Data Analysis and Retrieval + ("SEDAR+") at sedarplus.ca. See "Non-IFRS Financial Measures" and "Non-IFRS Reconciliations and Financial Measures" in First Capital's Annual 2023



MD&A for a discussion of FFO, NOI, Same Property NOI, NAV, Net Debt, Adjusted EBITDA and Net Debt to Adjusted EBITDA Ratio, including an explanation of the composition of such non-IFRS measures, and, where applicable a reconciliation of such measures to the nearest IFRS measure, which is hereby incorporated by reference into this press release.

FORWARD-LOOKING STATEMENT ADVISORY

This press release contains forward-looking statements and information (collectively, “forward-looking information”) within the meaning of applicable securities law, including with respect to the REIT’s anticipated financial growth and leverage reduction objectives; anticipated FFO per unit growth; the strengthening of the REIT’s credit profile; the execution of the REIT’s Optimization Plan, including asset divestitures; the REIT’s 2024 Outlook; and the REIT’s Three Year Business Plan. Forward-looking statements can generally be identified by the expressions “anticipate”, “believe”, “plan”, “estimate”, “project”, “expect”, “intend”, “outlook”, “objective”, “may”, “will”, “should”, “continue” and other similar expressions. These forward-looking statements are not historical facts but, rather, reflect First Capital’s current expectations regarding future results or events.

Certain material factors and assumptions were applied in providing these forward-looking statements, including rental income (including assumptions on timing of lease-up, development coming online and levels of percentage rent), no significant change in longer-term interest rates, tenant defaults, borrowing costs (including the underlying interest rates and credit spreads), the general availability of capital and the stability of the capital markets, the ability of First Capital to [make] loans at the same rate or in the same amount as repaid loans, amount of development costs, capital expenditures, operating costs and corporate expenses, level and timing of acquisitions of income-producing properties, First Capital’s ability to complete dispositions and the timing, terms and anticipated benefits of any such dispositions, First Capital’s ability to redevelop, sell or enter into partnerships with respect to the future incremental density it has identified in its portfolio, number of units outstanding, First Capital’s ability to qualify as a real estate investment trust under the *Income Tax Act* (Canada), and numerous other factors. Management believes that the expectations reflected in forward-looking statements in this press release are based upon reasonable assumptions; however, First Capital can give no assurance that actual results will be consistent with these forward-looking statements.

These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events 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 effects of pandemics, epidemics or other outbreaks on First Capital. Additionally, forward-looking statements are subject to those risks and uncertainties discussed under “Risks and Uncertainties” in First Capital’s Annual 2023 MD&A, and under “Cautionary Notice Regarding Forward-Looking Statements” and “Risk Factors” in First Capital’s current Annual Information Form, each as filed on SEDAR+ at www.sedarplus.ca. 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 expressly qualified by these cautionary statements.