



Certain statements contained in this MD&A constitute forward-looking statements and information within the meaning of applicable securities law. Other statements concerning First Capital's objectives and strategies and Management's beliefs, plans, estimates and intentions also constitute forward-looking statements. Forward-looking statements can generally be identified by the expressions "anticipate", "believe", "plan", "estimate", "project", "expect", "intend", "outlook", "objective", "may", "will", "should", "continue" and similar expressions. The forward-looking statements are not historical facts but, rather, reflect First Capital's current expectations regarding future results or events and are based on information currently available to Management.

Certain material factors and assumptions were applied in providing these forward-looking statements. Forward-looking information involves numerous assumptions such as rental income (including assumptions on timing of lease-up, development coming online and levels of percentage rent), 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 the Trust 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, the Trust's ability to complete dispositions and the timing, terms and anticipated benefits of any such dispositions, the Trust'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, the Trust's ability to qualify as a real estate investment trust under the Tax Act, and numerous other factors. Management believes that the expectations reflected in forward-looking statements are based upon reasonable assumptions; however, Management 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, including the matters discussed in the "Risks and Uncertainties" section of First Capital's MD&A for the year ended December 31, 2023 and the matters discussed under "Risk Factors" in First Capital's current Annual Information Form. Factors that could cause actual results or events to differ materially from those expressed, implied or projected by forward-looking statements, in addition to those factors referenced above, include, but are not limited to: general economic conditions; real property ownership; tenant financial difficulties, defaults and bankruptcies; the relative illiquidity of real property; 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; the availability and cost of equity and debt capital to finance the Trust's business, including the repayment of existing indebtedness as well as development, intensification and acquisition activities; changes in interest rates and credit spreads; organizational structure; changes to credit ratings; the availability of a new competitive supply of retail properties which may become available either through construction, lease or sublease; the Trust's ability to: execute on its three-year Strategic Roadmap - Discipline | Stability | Growth, including with respect to (i) dispositions, (ii) financial growth and (iii) leverage reduction objectives, capitalize on competitive advantages, optimize portfolio assets and accelerate value delivered to its investors and stakeholders, remain ahead of changing market conditions, surface unrecognized value, reach its demographic targets and ensure the Trust retains its best-in-class position; unexpected costs or liabilities related to acquisitions, development and construction; geographic and tenant concentration; residential development, sales and leasing; compliance with financial covenants; changes in governmental regulation; environmental liability and compliance costs; unexpected costs or liabilities related to dispositions; challenges associated with the integration of acquisitions into the Trust; uninsured losses and First Capital's ability to obtain insurance coverage at a reasonable cost; risks in joint ventures; unitholder activism; investments subject to credit and market risk; loss of key personnel; the ability of tenants to maintain necessary licenses, certifications and accreditations and risks and uncertainties related to the effects of pandemics, epidemics or other outbreaks further described in First Capital's MD&A for the year ended December 31, 2023.

Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, a forward-looking statement speaks only as of the date on which such statement is made. First Capital undertakes no obligation to publicly update any such 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 MD&A are made as of April 30, 2024 and are qualified by these cautionary statements.

## COMPANY PROFILE

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

# Business and Strategy Overview

## Our business

First Capital Real Estate Investment Trust, with **\$9.2 billion** in assets acquires, develops, owns and operates open-air grocery-anchored shopping centres in neighbourhoods with the strongest demographics in Canada.

---

## Our purpose

**Through the expertise and collaboration of our team, we create thriving properties which generate value for tenants, investors and our neighbourhoods. Thriving properties...Thriving neighbourhoods.**

Our open-air grocery-anchored shopping centres are designed to be vibrant places that meet the needs of everyday life- they bring together people, retail shops and services, as well as public art, with the benefit of close proximity to public transit.

---

## Our operations



**YYZ**  
TORONTO  
HEADQUARTERS



**FCR.UN**  
LISTED ON TSX



**139**  
NEIGHBOURHOODS



**22.2M**  
SQ. FT. OF GLA



**>2,400**  
TENANTS



**370**  
EMPLOYEES

**Our values and our corporate responsibility and sustainability program define our culture**

*Read more about our approach to corporate responsibility and sustainability in our 2022 Environmental, Social & Governance Report*



**Collaboration**

One Team,  
One Purpose



**Innovation**

Freedom to challenge  
the status quo



**Excellence**

Be the best  
at what you do



**Accountability**

Deliver what  
you promised



**Passion**

Love what you do

# DISCIPLINE | STABILITY | GROWTH

## Our investment strategy

Creating thriving properties in neighbourhoods with the strongest demographics that drive sustainable growth in cash flow and capital appreciation of our best in class portfolio.

### We achieve this by:

- ▶ Investing in high-quality, grocery-anchored shopping centres in targeted urban and top-tier suburban neighbourhoods
- ▶ Fully integrating retail with other uses to create thriving urban properties
- ▶ Optimizing the portfolio through active asset management
- ▶ Surfacing substantial value in our incremental density pipeline through the rezoning and development process
- ▶ Focusing our capital allocation on crystallizing created value in certain development and density sites and select income properties that are not multi-tenant grocery-anchored shopping centres
- ▶ Actively managing and strengthening our balance sheet to maintain financial strength and flexibility and a competitive cost of capital with the key objectives to drive FFO, NAV and distribution per unit growth



# DISCIPLINE | STABILITY | GROWTH

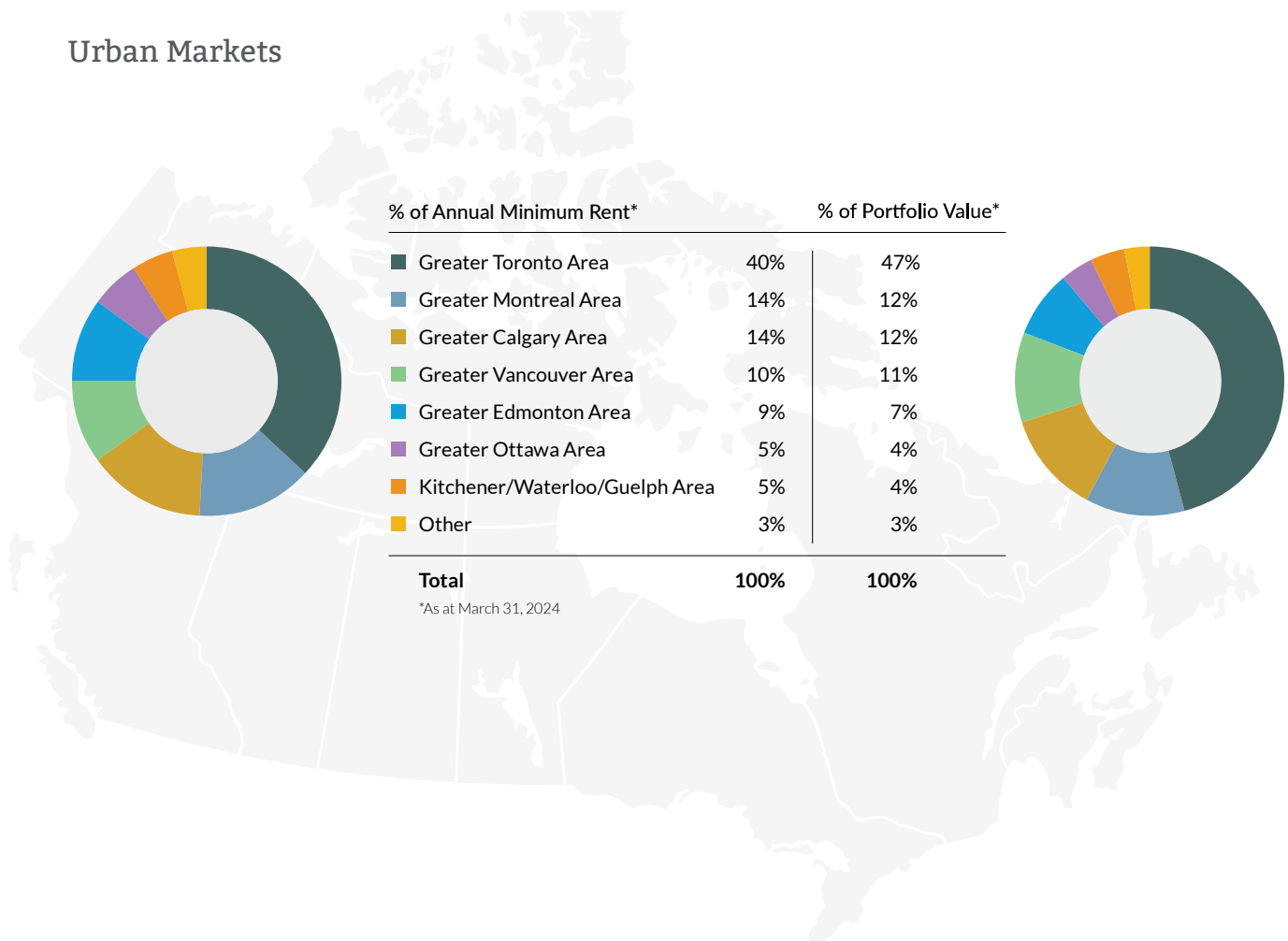
## Our target markets

We target specific urban and top-tier suburban neighbourhoods within Canada's largest and fastest growing cities.

These neighbourhoods are located in Toronto, Montreal, Vancouver, Edmonton, Calgary and Ottawa. We have achieved critical mass in each of our target markets, which helps generate economies of scale and operating synergies, as well as deep local knowledge of our properties, tenants, neighbourhoods and markets in which we operate.

Within each of these markets, we own some of the best located properties in neighbourhoods with strong demographics that we expect will continue to get even stronger over time, thereby attracting the most desirable tenants with the highest rent growth potential and the most compelling opportunities for value creation.

## Urban Markets



# DISCIPLINE | STABILITY | GROWTH

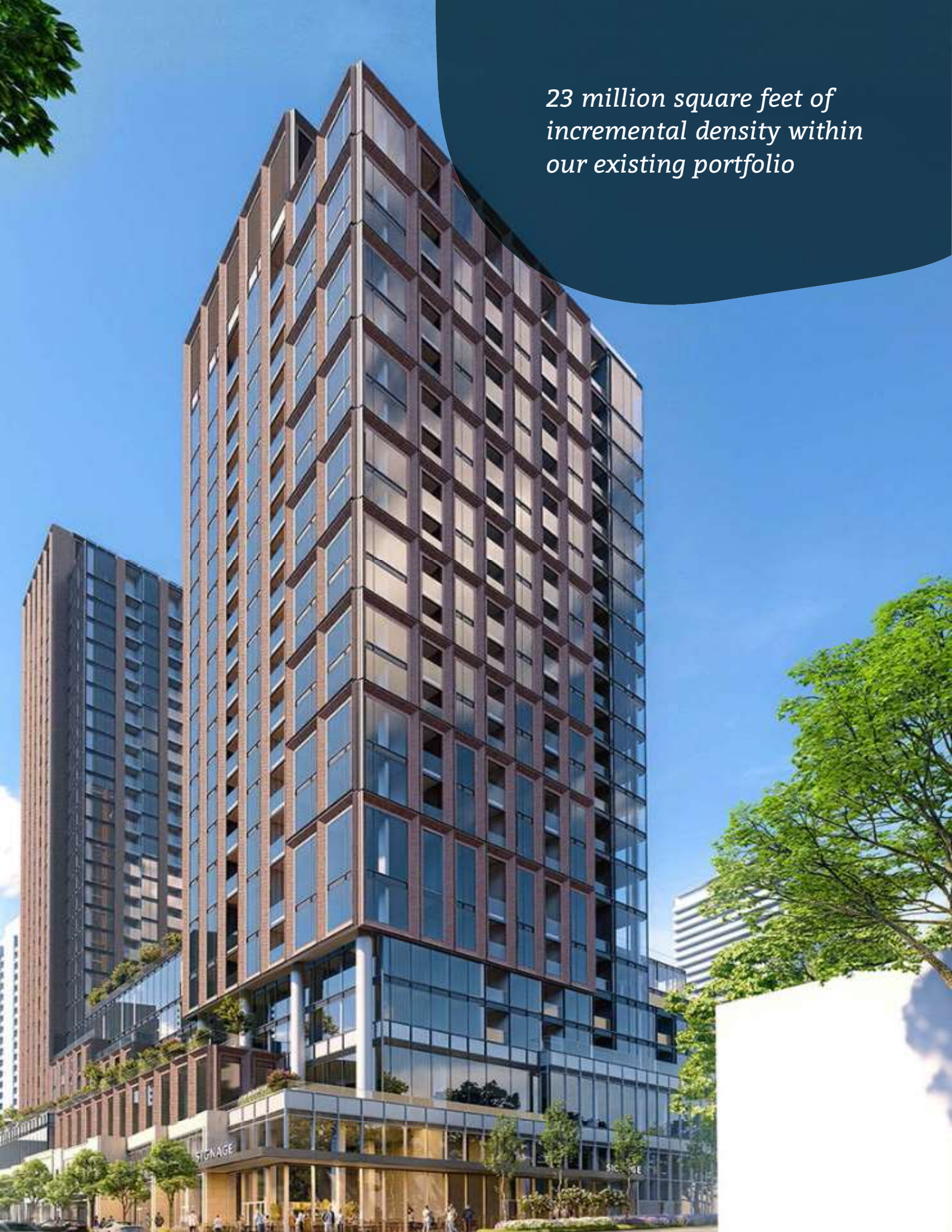
## Creating thriving properties for everyday life

Currently, over 90% of our revenues come from retail tenants who provide the essential products and services consumers need everyday, including grocery stores, pharmacies, liquor stores, banks, restaurants, cafés, fitness centres, medical services, childcare facilities and other professional and personal services. In each of our properties, we strive to assemble the right mix of complementary uses to best serve the local community and contribute to thriving urban and top-tier suburban neighbourhoods.

### Strategic and Diversified Retail Tenant Mix – 3,877 locations

	# of Locations	% of AMR	
Grocery Stores	122	17.1	
Medical, Professional & Personal Services	1,259	15.0	
QSR, Chains & Cafes	916	13.0	
Other Necessity-Based Retailers	379	12.6	
Pharmacies	115	9.0	
Banks & Credit Unions	186	8.5	
Other Tenants	460	8.0	
Value-Based Retailers	88	5.7	
Fitness Facilities	84	4.5	
Liquor Stores	88	3.0	
Other Restaurants	75	1.9	
Daycare & Learning Centres	105	1.7	

*23 million square feet of  
incremental density within  
our existing portfolio*





# DISCIPLINE | STABILITY | GROWTH

Our high quality portfolio

Category	Value (billions)
<b>Core Properties</b>	<b>\$7.1</b>
Other Properties <sup>(1)</sup>	\$1.6
<b>Total Real Estate Investments</b>	<b>\$8.8</b>

<sup>(1)</sup> Includes residential development inventory

## Core Properties

Stable, grocery-anchored assets with strong growth profiles

**176** PROPERTIES      **~\$7.1B** VALUE      **~81%** REAL ESTATE INVESTMENTS      **~5.6%** RUN-RATE NOI YIELD



## Actively managing our assets

Proactive management of our portfolio is a core competency and an important part of our strategy.

Proactive management means we continually invest in our properties to ensure they retain their market leading position. We strive to maintain the highest standards in design, appearance and customer amenities in our properties including the addition of public art installations and enhancing connectivity to transit and the local community. We are highly focused on maximizing the value and competitive position of our properties, by proactively evolving our tenant mix to attract the right tenants with the highest rent growth potential.

Our executive leadership team is centralized at our head office in Toronto, which ensures that best practices, procedures and standards are applied consistently across our operating markets through local teams.



**32 public art  
installations  
across our portfolio**

# Corporate Responsibility And Sustainability

**Corporate Responsibility and Sustainability (“sustainability”) at First Capital encompasses all aspects of our environmental, social and governance (ESG) practices.**

Sustainability has always been integral to the responsible management of every aspect of our business and the mitigation of various risks. By taking a holistic approach to ESG, we are focused on reducing our environmental impact while creating thriving and dynamic urban neighbourhoods and at the same time, delivering long-term value for our stakeholders. Simply put, it makes good business sense.

To support our commitment to sustainability leadership, we have in place robust capabilities to measure and report on our progress and to continually assess and improve our environmental programs each year. We recognize that our leadership in sustainability practices is important to our tenants and investors, as well as our employees and the communities in which we operate. We are committed to transparency and ensuring that our sustainability reporting is accurate, meaningful and accessible to all stakeholder groups. We employ a full-time Vice President of ESG who is responsible for leading sustainability reporting initiatives and driving continuous ESG engagement and improvement across our organization, including through co-chairing our ESG Taskforce with our Chief Operating Officer.

First Capital published its first corporate responsibility and sustainability report in 2009. Since 2010, we have had a third-party conduct assurance on selected sustainability performance indicators, including greenhouse gas emissions and energy use. We have used the Global Reporting Initiative (GRI) framework for corporate responsibility reporting since 2011.

In addition to GRI, we include disclosures aligned with the Sustainability Accounting Standards Board (SASB), the United Nations Sustainable Development Goals (UNSDGs), and the Task Force on Climate-related Financial Disclosures (TCFD). We also respond annually to the Global Real Estate Sustainability Benchmark (GRESB) survey and the Carbon Disclosure Project’s (CDP) Climate Change questionnaire.

We recognize that our employees are at the core of our success and have well-developed programs promoting career development and supporting continuing education, including through tuition subsidies. First Capital encourages employee engagement and innovation through a value awards program, among other initiatives and also encourages employees to become unitholders through a unit purchase plan. First Capital is committed to the highest ethical standards, upholding a strict Anti-Corruption Compliance Policy and Code of Conduct and Ethics. As an entity with a social conscience, we are committed to giving back to communities in which we operate by participating in charitable initiatives that support vulnerable parts of the population through our FCR Thriving Neighbourhoods Foundation and by promoting environmental improvements that help neighbourhoods thrive.

We believe that sound and effective governance is essential to our performance and have adopted a governance framework that reflects our values, ensures that effective governance practices are followed and that the Board of Trustees (the “Board”) functions independently of Management. First Capital endorses the principle that the Board should have a balance of skills, experience and diversity. We believe that diverse Boards have enhanced decision-making abilities that lead to improved oversight and promote better overall governance.

**Our strength in ESG standards and disclosure is validated through numerous ratings, including achieving:**



**Received Sector Leader Status** in the 2023 GRESB Real Estate Development Benchmark with a score of 90



**'AAA' rating**, in the Morgan Stanley Capital International (MSCI) ESG Ratings assessment in 2023



**Awarded Gold 2024 Green Lease Leader Recognition** by the Institute for Market Transformation (IMT) and the U.S. Department of Energy's Better Building Alliance



**Awarded Prime status for Corporate ESG Performance** by Institutional Shareholder Services in 2023



# Environmental



## Reduce our carbon emissions and energy use

- Greenhouse gas (GHG) emissions reduction target approved by Science Based Initiative (SBTi): **46% reduction in Scope 1 & 2 emissions** by 2030 (2019 base year) with a long term goal of reaching net-zero by 2050, or sooner
- **9% reduction in Scope 1 & 2 GHG emissions** since 2019 base year (2019-2022)
- Listed as a top 30 Canadian company in Sustainalytics 'Road to Net Zero' Ranking
- Hosted our inaugural **Collaboration for Climate Action Forum**, a solutions-focused discussion around the decarbonization of retail buildings in Canada
- First Capital REIT scored a **B for its 2023 CDP Climate Change Disclosure**, which is higher than the North American average of C

## Promote sustainable transportation

- **99% of our portfolio** within a 5-minute walk of public transit
- Average **Walk Score of 84** (very walkable)
- **Over 300 electric vehicle charging stations** installed across our portfolio; FCR supports the expansion of EV infrastructure in Canada and we continue to annually increase our network of EV charging stations at our properties

## Achieve green building certifications

- **81% of our portfolio** is **BOMA BEST** certified, as of December 31, 2023
- **20% of our portfolio** is certified to **LEED**, as of December 31st
- **Certify all new construction** projects to Leadership in Energy and Environmental Design (LEED) standards (subject to tenant acceptance)
- **First Canadian Retail REIT** to achieve the WELL Health-Safety Rating for Facility Operations & Management, totalling 7.1 million square feet

## Effectively manage climate change risk and resilience

- First Canadian REIT to be a signatory in support of the Task Force on Climate-Related Financial Disclosures (TCFD); **TCFD** report included within our 2022 ESG Report
- **Formed an FCR TCFD Task Force** made up of senior leaders from across business functions. The Task Force performed a climate scenario analysis to assess the magnitude of the financial impacts associated with climate-related risks and opportunities

# Social



## Foster an engaged and diverse workforce

- 55% of management positions are held by females; We have strong gender diversity metrics achieved through all levels of the organization
- Established employee-led Equity, Diversity & Inclusion (ED&I) Council and launched the Building an FCR for Everyone 2021-2023 ED&I Action Plan

## Be one of the best places to work

- Recognized by the Globe and Mail as one of the **Greater Toronto's Top Employers** for the fourth time in five years (2020 - 2022, 2024)
- Selected for inclusion in "The Career Directory" for 2021 - 2024 as one of Canada's Best Employers for Recent Graduates
- Named one of **Canada's Top Small and Medium Employers** for the fourth time in five years (2020 - 2022, 2024)
- 1 of 96 companies to be included in the Globe and Mail's **2024 Report on Business Women Lead Here** list
- Named **one of Canada's 2022 Greenest Employers** by Mediacorp Canada and the Globe and Mail
- **82%** employee engagement score in 2023

## Improving the communities in which we operate

- **Launched the FCR Thriving Neighbourhoods Foundation in 2020** and since raised over **\$925,000** in donations through employee-led charitable giving to fight food insecurity and mental health initiatives
- **Raised over \$220,000** for Kids Help Phone at FCR Thriving Neighbourhoods Foundation's second annual Commercial Real Estate Softball Classic tournament
- In 2023, **93% of FCR staff volunteered** to support local charities in our communities
- Long-standing support of public arts, now with **32 installations across our portfolio**

# Governance

## Have a strong governance framework in place that:

- ▶ Reflects our **values**
- ▶ Ensures **effective governance practices** are followed
- ▶ Ensures the **Board functions independently** of management
- ▶ Ensures **diversity** is considered in determining optimal board composition

## Strive to be a governance leader by making it a priority to:

- ▶ Continuously adopt **new and improved** governance practices
- ▶ **Reviewing our annual governance scores** from ISS, the Globe and Mail Board Games and other similar rankings with our Board
- ▶ **Follow recommendations** as governance standards evolve
- ▶ **Providing opportunities for our unitholders** to communicate directly with our Board

At First Capital, we aspire to uphold our position as an industry leader in ESG. We strive for performance excellence at our properties and new developments, creating thriving, healthy, sustainable urban neighbourhoods. We foster a vibrant corporate culture that ensures equal opportunity and well-being for all employees. Through our actions we will continue to create long-term value for all of our stakeholders. For more information on the Company's ESG practices, please refer to the latest ESG report on the Company's website at [www.fcr.ca/esg](http://www.fcr.ca/esg).

# MD&A

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Table of Contents

1	Introduction	30	Total Capital Employed
1	Current Business Environment and Outlook	32	Credit Ratings
4	Non-IFRS Financial Measures	32	Outstanding Debt and Principal Maturity Profile
7	Operating Metrics	33	Mortgages
7	Summary Consolidated Information and Highlights	34	Credit Facilities
9	Business and Operations Review	35	Senior Unsecured Debentures
9	Real Estate Investments	35	Unitholders' Equity
11	Investment Properties	36	Liquidity
12	2024 Acquisitions	36	Cash Flows
12	2024 Dispositions	37	Contractual Obligations
12	Capital Expenditures	37	Contingencies
13	Valuation of Investment Properties	38	Non-IFRS Reconciliations and Financial Measures
15	Property Development Activities	38	Reconciliation of Consolidated Balance Sheets to First Capital's Proportionate Interest
21	Leasing and Occupancy	39	Reconciliation of Consolidated Statements of Income (Loss) to First Capital's Proportionate Interest
23	Top Forty Tenants	40	FFO, OFFO, AFFO and ACFO
24	Lease Maturity Profile	42	NAV per unit
24	Investment in Joint Ventures	42	Distributions
25	Loans, Mortgages and Other Assets	43	Summary of Financial Results of Long-term Debt Guarantors
26	Results of Operations	44	Related Party Transactions
26	Net Operating Income	44	Quarterly Financial Information
28	Interest and Other Income	45	Critical Accounting Estimates
28	Interest Expense	45	Controls and Procedures
29	Corporate Expenses	45	Risks and Uncertainties
29	Other Gains (Losses) and (Expenses)		
30	Income Taxes		
30	Net Income (Loss) Attributable to Unitholders		
30	Capital Structure and Liquidity		



# Management's Discussion and Analysis of Financial Position and Results of Operations

## INTRODUCTION

This Management's Discussion and Analysis ("MD&A") of the financial position and results of operations of First Capital Real Estate Investment Trust ("First Capital", "FCR" or the "Trust") is intended to provide readers with an assessment of performance and summarize the financial position and results of operations for the three months ended March 31, 2024 and 2023. It should be read in conjunction with the Trust's audited annual consolidated financial statements for the years ended December 31, 2023 and 2022. Additional information, including First Capital's current Annual Information Form, is available on the SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca) and on the FCR website at [www.fcr.ca](http://www.fcr.ca).

All dollar amounts are in thousands of Canadian dollars, unless otherwise noted. Historical results and percentage relationships contained in First Capital's unaudited interim and audited annual consolidated financial statements and MD&A, including trends which might appear, should not be taken as indicative of its future operations. The information contained in this MD&A is based on information available to Management and is dated as of April 30, 2024.

## CURRENT BUSINESS ENVIRONMENT AND OUTLOOK

During the first quarter of 2024 inflation continued to ease, both globally and in Canada from the multi-decade highs reached in many countries during the past two years. The calming of inflation through restrictive monetary policy has not produced a smooth trajectory in the results, but with progress occurring with respect to most indicators, the underlying trends are favourable. Canada's inflation rate eased to 2.8% in February from 2.9% in January however April's release of the March data showed another 2.9% print for the month - indicating a stalling of progress. Supporting the favourable underlying trends, the economy is now showing slower employment growth and a rising unemployment rate, to 6.1% in March up from 5.8% in February. There are also recent signs that wage pressures are moderating. Set against this progress, certain inflationary pressures continue to persist in items such as rent, mortgage interest, and more recently, the price of gasoline.

Stronger GDP data in early 2024 prompted an upgrade to the Bank of Canada's economic growth forecast to 1.5% for the year, from 0.8% formerly. However, with population growth expected to run close to 3% for this year, the Bank of Canada also notes that it expects the Q1 2024 data to net out to a seventh consecutive quarter of declining per-capita GDP. This issue of poor productivity growth has become more pressing for the Bank of Canada, businesses, and the economy at large.

As the inflation rate continues to exceed the Bank of Canada's target of 2%, the Bank of Canada's Governing Council recently held the policy rate at 5% at its April 2024 meeting. The policy rate has been 5% since July 2023. The Bank of Canada views the risks to inflation to be "balanced," with the caveat that it remains more concerned about the upside risks. Overall, the Bank of Canada continues to expect the readings on core inflation to remain close to 3% during the first half of 2024, to move below 2.5% in the second half, and to reach the 2% inflation target in 2025.

First Capital's high-quality grocery-anchored and mixed-use portfolio continues to be resilient and has a demonstrated track record of high and steady occupancy, and producing strong cash collections, solid leasing volumes, and growth in its average net rental rate over the longer term.

### ***Property Portfolio, Core Competencies and Competitive Advantages***

First Capital is a leader in acquiring, developing, owning, and operating open-air grocery-anchored centres as well as securing the right to develop significant additional density through rezoning. With these two foundational Core Competencies, First Capital is further differentiated from its peers by several competitive advantages which include its Core Portfolio of multi-tenant, grocery-anchored shopping centres and its sizable density pipeline.

FCR's Core Portfolio of grocery-anchored shopping centres has a value of approximately \$7.1 billion and comprises approximately 81% of First Capital's total real estate investments. The Core Portfolio has the highest in place rents, the highest average historical lease renewal lifts, the highest population density and is the most connected to public transit relative to its publicly listed Canadian peers. The Core Portfolio is primarily located in urban and top-tier suburban neighbourhoods within Canada's largest and fastest growing cities, and its curated tenant mix typically includes pharmacy, liquor, banks, medical services, and an array of other complementary providers of daily necessity goods and services. FCR's

Real Estate Services Team continues to focus on property improvements, customer amenities, and merchandising mix or tenant uses that are most in demand to serve the communities and neighbourhoods in which the Trust operates.

First Capital's portfolio of future development sites is comprised of a density pipeline of approximately 23 million square feet which exceeds the gross leasable area of FCR's current property portfolio. The density pipeline is primarily located in high growth neighbourhoods with exceptional demographics within Toronto, Montreal and Vancouver.

### ***Three-year Strategic Roadmap: Discipline|Stability|Growth***

In February 2024, the Trust announced its three-year Strategic Roadmap centered around financial growth and leverage reduction objectives. The Roadmap is focused on the key objectives of stability and growth in FFO, Net Asset Value and distributions per unit, coupled with a continued strengthening of key credit metrics.

First Capital's operating activities are focused upon managing its Core Portfolio of multi-tenant grocery-anchored centres to their maximum potential as it relates to growth in same-property net operating income and long-term value appreciation.

First Capital's investment activities are focused on retail development and redevelopment of core grocery-anchored shopping centres, select tuck-in and multi-tenant grocery-anchored shopping centre acquisitions, its entitlements program, and the development of strategic mixed-use properties where the REIT will typically have an ownership interest within the 25% to 50% range.

Asset divestitures will continue to be focused on FCR's density and development properties and other non-grocery-anchored properties. Collectively, these assets are classified as 'Other properties' and 'Residential development inventory' in FCR's MD&A. This pool of assets currently comprises approximately 19% of FCR's total real estate investments and has a value of approximately \$1.6 billion.

During the first quarter of 2024, First Capital completed approximately \$147 million of previously disclosed dispositions, including (i) its 50% interest in the Royal Orchard development site, located in Thornhill, ON, (ii) Circa Residences (68 residential rental suites), located in Richmond, BC, (iii) a 41.7% interest in 1071 King St. W., located in Toronto, ON (reducing FCR's interest to 25%), (iv) 71 King St. W., a small medical office building located in Mississauga, ON and (v) Yonge-Davis Centre located in Newmarket, ON.

These asset sales were consistent with the REIT's capital allocation objectives of crystallizing created value in certain development and density sites, as well as select income properties that are not multi-tenant grocery-anchored shopping centres.

As of March 31, 2024, the Trust has classified \$148.9 million, at First Capital's share, of its assets as held for sale.

### ***Three-year Business Plan and Key Objectives***

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

- Average annual same-property NOI 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 EBITDA ratio that is in the low-8x range by year-end 2026; and,
- OFFO per unit growth averaging at least 3%

### ***Managing the balance sheet***

Consistent with the Trust's Roadmap, First Capital is well positioned to continue to strengthen its financial position through debt reduction and an improving cost of capital over the long-term, with a targeted net debt to EBITDA ratio in the low-9x range by the end of 2024. As at March 31, 2024, First Capital's net debt to EBITDA ratio was 9.3x.

As of April 30, 2024, the Trust's liquidity position included approximately \$1.0 billion of cash and undrawn credit facilities with debt maturities for 2024 totaling approximately \$470 million on a proportionate basis. As at March 31, 2024, the Trust had unencumbered properties with an IFRS value of approximately \$6.0 billion and a net debt to asset ratio of 44.9% as well as a net debt to Adjusted EBITDA ratio that improved to 9.3x from 10.4x year over year.

### ***Normal Course Issuer Bid ("NCIB")***

Commencing on May 18, 2022, First Capital implemented an NCIB pursuant to which it may repurchase its trust units for cancellation. The substantial disconnect that currently exists between the intrinsic value of the REIT's units and their publicly traded price presents a significant opportunity to generate value through the repurchase of 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 capital that should afford additional value and liquidity for the issued and outstanding units, while benefiting remaining Unitholders by increasing their proportionate equity interest in the REIT. On May 16, 2023, First Capital received TSX approval for the renewal of its NCIB pursuant to which it may repurchase and cancel up to 21,148,491 of its outstanding units until May 17, 2024. Cumulatively from May 2022 to March 31, 2024, the REIT has repurchased 7.9 million Trust units for approximately \$120.1 million.

### ***Lending activities***

First Capital provides co-owner financing, priority mortgages and mezzanine loans to third parties in connection with certain transactions and partnerships. These loans and mortgages receivable are secured and can provide FCR with the opportunity to acquire full or partial interests in the underlying assets that are consistent with its investment strategy through rights, options or negotiated transactions. Therefore, in addition to generating interest income and fees, these lending activities provide an alternative means to obtaining purchase options and/or participation in projects which may otherwise have not been accessible. Additionally, from time to time, FCR partners with experienced real estate lenders and investment companies whose primary business is lending which helps to mitigate risk.

As of March 31, 2024, FCR's loans and mortgages receivable totaling \$133.6 million (December 31, 2023 - \$131.2 million) are secured primarily by interests in investment properties or shares of entities owning investment properties which helps to mitigate the risk of non-payment.

### ***Development initiatives***

Management continually monitors economic and capital market forces and their potential impact on the portfolio, including properties under development. As of March 31, 2024, FCR had approximately 0.7 million square feet under active development, including residential inventory. First Capital believes that the strategy to develop, own and operate properties that meet the needs of everyday urban life in Canada's most densely populated neighbourhoods will provide value over the long term in the assets in which it invests.

### ***Outlook***

With inflation in most advanced economies gradually easing, the global economy is expected to continue growing at a rate of about 3%. The Bank of Canada recently revised its forecast for global GDP growth to 2.75% in 2024 and about 3% in 2025 and 2026. Inflation continues to slow across most advanced economies, although progress has remained uneven from month-to-month. Inflation rates are projected to reach central bank targets in 2025. The US economy has again proven stronger than anticipated, supported by resilient consumption and robust business and government spending, however, US GDP growth is expected to slow in the second half of this year. In Canada, economic growth is forecast to pick up in 2024. This is primarily due to both strong population growth and a recovery in spending by households. As well, there continues to be a strong demand for housing that is driving residential investment. Canada's central bank forecasts GDP growth of 1.5% in 2024, 2.2% in 2025, and 1.9% in 2026. With Canada's inflation rate hovering under 3% in the first quarter, Governing Council will be looking for evidence that this downward momentum is sustained before any decision to cut the policy rate is made.

Certain aspects of the Trust's business and operations that could potentially be impacted include rental income, occupancy, leasing terms and tenant improvements, future demand for space, and market rents, all of which impact the underlying value of investment properties. In the current environment, the Trust continues to achieve strong leasing metrics with a robust new and renewal lease pipeline coupled with upward trending market rental rates. First Capital

believes, based on its exceptionally high-quality portfolio which has always been focused on everyday essentials, that it will continue to attract high tenant demand for its space.

First Capital will continue to be guided by its corporate responsibility and sustainability program, and values. The core beliefs of collaboration, innovation, excellence, accountability, and passion continue to be demonstrated throughout all areas of the organization.

## **NON-IFRS FINANCIAL MEASURES**

In addition to measures determined in accordance with International Financial Reporting Standards ("IFRS"), First Capital uses non-IFRS financial measures to analyze its financial performance. In Management's view, such non-IFRS financial measures are commonly accepted and meaningful indicators of financial performance in the real estate industry and provide useful supplemental information to both Management and investors. These measures do not have a standardized meaning prescribed under IFRS and therefore may not be comparable to similar measures presented by other real estate entities, and should not be construed as an alternative to other financial measures determined in accordance with IFRS.

The following describe the non-IFRS measures First Capital currently uses in evaluating its financial performance.

### ***Proportionate Interest***

"Proportionate interest" or "Proportionate share" is defined by Management as First Capital's proportionate share of revenues, expenses, assets and liabilities in all of its real estate investments. Under IFRS, FCR's seven equity accounted joint ventures are presented on one line item in the consolidated balance sheets and the consolidated statements of income (loss), in aggregate. In the "Non-IFRS Reconciliations and Financial Measures" section of this MD&A, Management presents a consolidated balance sheet and income statement as if its joint ventures were proportionately consolidated. In addition, Management presents certain tables relating to its portfolio by geographic region, enterprise value, and debt metrics on a proportionate basis to enhance the relevance of the information presented. The presentation of financial information at FCR's proportionate interest provides a useful and more detailed view of the operation and performance of First Capital's business and how Management operates and manages the business. This presentation also depicts the extent to which the underlying assets are leveraged, which are included in First Capital's debt metrics. In addition, FCR's lenders require Management to calculate its debt metrics on a proportionate interest basis.

To achieve the proportionate presentation of its seven equity accounted joint ventures, Management allocates FCR's proportionate share of revenues, expenses, assets, and liabilities to each relevant line item which replaces the one line presentation found in the IFRS consolidated financial statements. In addition, under IFRS, FCR exercises control over two partially owned ventures and consolidates 100% of the revenues, expenses, assets, and liabilities in the consolidated financial statements. In the reconciliations, the partially owned ventures are also presented as if they were proportionately consolidated. To achieve the proportionate presentation of its partially owned ventures, Management subtracts the non-controlling interest's share (the portion FCR doesn't own) of revenue, expenses, assets, and liabilities on each relevant line item. FCR does not independently control its joint ventures that are accounted for using the equity method, and the proportionate presentation of these joint ventures does not necessarily represent FCR's legal claim to such items.

### ***Net Operating Income***

Net Operating Income ("NOI") is defined by Management as property rental revenue less property operating costs. NOI is a commonly used metric for analyzing real estate performance in Canada by real estate industry analysts, investors and Management. Management believes that NOI is useful in analyzing the operating performance of First Capital's portfolio.

### ***Total Same Property NOI***

Total Same Property NOI ("SP NOI") is defined by Management as NOI from properties categorized as "Same Property — stable" and "Same Property with redevelopment" (see definitions under "Real Estate Investments — Investment Property Categories" section of this MD&A). NOI from properties that have been (i) acquired, (ii) disposed, (iii) included in major redevelopment, ground-up development, properties under construction, and density and development land or (iv) held for sale are excluded from the determination of SP NOI. SP NOI is presented at FCR's proportionate interest on a cash basis, as it excludes straight-line rent. Management believes that SP NOI is a useful measure in understanding period over

period changes in cash NOI for its Same Property portfolio due to occupancy, rental rates, operating costs and realty taxes. A reconciliation from SP NOI to total NOI can be found in the "Results of Operations - Net Operating Income" section of this MD&A.

### ***Same Property — Stable NOI***

Same Property — stable NOI is defined by Management as NOI from stable properties where the only significant activities are leasing and ongoing maintenance (see complete definition under "Real Estate Investments — Investment Property Categories" section of this MD&A). Management believes that Same Property — stable NOI is a useful measure in understanding period over period changes in cash NOI for its largest category of properties.

### ***Funds from Operations***

Funds from Operations ("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 (loss) 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 (loss) determined in accordance with IFRS. A reconciliation from net income (loss) to FFO can be found in the "Non-IFRS Reconciliations and Financial Measures — FFO, AFFO and ACFO" section of this MD&A.

### ***Operating Funds from Operations***

In addition to REALPAC FFO described above, Management also discloses Operating Funds from Operations ("OFFO"). Management considers OFFO as its key operating performance measure that, when compared period over period, reflects the impact of certain factors on its core operations, such as changes in net operating income, interest expense, corporate expenses and interest and other income. OFFO excludes the impact of the items in other gains (losses) and (expenses) that are not considered part of First Capital's on-going core operations.

### ***Adjusted Funds from Operations***

Adjusted Funds from Operations ("AFFO") is a supplementary 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 AFFO 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 AFFO to be a meaningful financial measure of recurring economic earnings and relevant in understanding First Capital's ability to service its debt, fund capital expenditures and pay distributions to Unitholders. AFFO is defined as FFO less amortization of straight-line rents, regular and recoverable maintenance capital expenditures, and incremental leasing costs. A reconciliation from FFO to AFFO can be found in the "Non-IFRS Reconciliations and Financial Measures — FFO, AFFO and ACFO" section of this MD&A.

### ***Adjusted Cash Flow from Operations***

Adjusted Cash Flow from Operations ("ACFO") is a supplementary measure First Capital began using in 2017 to measure operating cash flow generated from the business. FCR calculates ACFO in accordance with the recommendations of REALPAC as published in its most recent guidance on "Adjusted Cashflow From Operations (ACFO) for IFRS" dated January 2023.

Management considers ACFO a meaningful metric to measure operating cash flows as it represents sustainable cash available to pay distributions to Unitholders. ACFO includes a number of adjustments to cash flow from operations under IFRS including, eliminating seasonal and non-recurring fluctuations in working capital, adding cash flows associated with equity accounted joint ventures and deducting actual revenue sustaining capital expenditures and actual capital

expenditures recoverable from tenants. Lastly, ACFO includes an adjustment to exclude the non-controlling interest's portion of cash flow from operations under IFRS, attributed to FCR's consolidated joint venture. A reconciliation of cash flow from operations under IFRS to ACFO can be found in the "Non-IFRS Reconciliations and Financial Measures — FFO, AFFO and ACFO" section of this MD&A.

### ***Weighted average units outstanding for OFFO and FFO***

For purposes of calculating per unit amounts for OFFO and FFO, the weighted average number of diluted units outstanding includes the weighted average outstanding Trust Units and Exchangeable Units as at the end of the period; and assumes conversion of all outstanding Deferred Units, Restricted Units, Performance Units and any dilutive Options as at the end of the period.

### ***OFFO, FFO, AFFO and ACFO Payout Ratios***

OFFO, FFO, AFFO and ACFO payout ratios are supplementary non-IFRS measures used by Management to assess the sustainability of First Capital's distribution payments. OFFO and FFO payout ratios are calculated using distributions declared per unit divided by the OFFO and FFO per unit. The AFFO payout ratio is calculated using distributions declared per unit divided by AFFO per unit. The ACFO payout ratio is calculated on a rolling four quarter basis by dividing total cash distributions paid by ACFO over the same period. Management considers a rolling four quarter ACFO payout ratio more relevant than a payout ratio in any given quarter due to the impact of seasonal fluctuations in ACFO period over period.

### ***Enterprise Value***

Enterprise value is the sum of the principal or par value amounts of First Capital's net debt on a proportionate basis and the market value of FCR's Trust Units and Exchangeable Units outstanding at the respective quarter end date. This measure is used by FCR to assess the total amount of capital employed in generating returns to Unitholders.

### ***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.

### ***Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization***

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization, ("Adjusted EBITDA") is a measure used by Management in the computation of certain debt metrics. Adjusted EBITDA, is calculated as net income (loss), 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.

### ***Unencumbered Aggregate Assets***

Unencumbered aggregate assets represents the value of assets that have not been pledged as security under a credit agreement or mortgage. The unencumbered aggregate asset value ratio is calculated as unencumbered aggregate assets divided by the principal amount of unsecured debt, which consists of bank indebtedness, unsecured credit facilities and senior unsecured debentures. This ratio is used by Management to assess the flexibility of First Capital to obtain various forms of debt financing at a reasonable cost of capital.

### ***Net Asset Value***

Net Asset Value ("NAV") represents the proportionate share of First Capital's total assets less the proportionate share of its total liabilities excluding deferred tax liabilities, and Exchangeable Units.

NAV per diluted unit represents NAV, as calculated above, adjusted for the exclusion of the unit-based compensation plan liability and for the proceeds to be received upon the exercise of outstanding options divided by the number of diluted units outstanding as at the end of the period. For purposes of calculating diluted per unit amounts for NAV, the

number of diluted units outstanding includes all outstanding Trust Units and Exchangeable Units as at the end of the period and assumes conversion of outstanding Deferred Units, Restricted Units, Performance Units and Options as at the end of the period. Management believes that NAV is useful to financial statement users who consider it a key measure of the intrinsic value of the Trust.

## OPERATING METRICS

First Capital presents certain operating metrics and portfolio statistics in the MD&A, which include neighbourhood count, property category, GLA, occupancy, weighted average rate per occupied square foot, top 40 tenants, development pipeline, and renewal activities. FCR uses these operating metrics to monitor and measure operational performance period over period. To align FCR's GLA reporting with its ownership interest in its properties, unless otherwise noted, all GLA is presented at FCR's ownership interest (19.4 million square feet at its ownership interest compared to 22.2 million square feet at 100% as at March 31, 2024). First Capital's operating metrics and GLA excludes residential GLA totaling 149,000 square feet, at its ownership interest, as amounts are not significant at this time. In measuring performance or allocating resources, the Trust does not distinguish or group its operations on a geographical or any other basis and, accordingly, has a single reportable segment for disclosure purposes.

## SUMMARY CONSOLIDATED INFORMATION AND HIGHLIGHTS

As at March 31	2024	2023
<b>Revenues, Income and Cash Flows</b> <sup>(1)</sup>		
Revenues and other income	\$ 197,303	\$ 180,601
NOI <sup>(2)</sup>	\$ 112,213	\$ 103,053
Increase (decrease) in value of investment properties, net	\$ 301	\$ (7,372)
Increase (decrease) in value of hotel property	\$ —	\$ 3,646
Net income (loss) attributable to Unitholders	\$ 74,797	\$ 48,738
Net income (loss) per unit attributable to Unitholders (diluted)	\$ 0.35	\$ 0.23
Weighted average number of units - diluted (in thousands)	213,988	215,262
Cash provided by operating activities	\$ 29,778	\$ 28,719
<b>Distributions</b>		
Distributions declared	\$ 45,836	\$ 46,048
Distributions declared per unit	\$ 0.216	\$ 0.216
<b>Financial Information</b> <sup>(1)</sup>		
Investment properties <sup>(3)</sup>	\$ 8,215,939	\$ 8,656,741
Hotel property <sup>(3)</sup>	\$ —	\$ 105,000
Total assets	\$ 9,245,786	\$ 9,641,604
Mortgages <sup>(3)</sup>	\$ 1,329,018	\$ 1,364,615
Credit facilities	\$ 918,626	\$ 978,964
Senior unsecured debentures	\$ 1,897,436	\$ 1,898,861
Exchangeable Units	\$ —	\$ 944
Unitholders' equity	\$ 3,967,870	\$ 4,268,128
Net Asset Value per unit <sup>(2)</sup>	\$ 22.10	\$ 23.48
<b>Capitalization and Leverage</b>		
Trust Units outstanding (in thousands)	212,242	212,449
Exchangeable Units outstanding (in thousands)	—	60
Enterprise value <sup>(2)</sup>	\$ 7,408,668	\$ 7,590,787
Net debt to total assets <sup>(2) (4)</sup>	44.9%	44.6%
Net debt to Adjusted EBITDA <sup>(2) (4)</sup>	9.3x	10.4x
Weighted average term to maturity on mortgages, fixed rate unsecured term loans and senior unsecured debentures (years)	3.3	3.5

As at March 31	2024	2023
<b>Operational Information</b>		
Number of neighbourhoods	139	145
GLA (square feet) - at 100%	22,232,000	22,322,000
GLA (square feet) - at ownership interest	19,384,000	19,415,000
Occupancy - Same Property - stable <sup>(2)</sup>	96.2%	96.2%
Total portfolio occupancy	96.2%	96.2%
Development pipeline and adjacent land (GLA) <sup>(5)</sup>		
Commercial pipeline (primarily retail)	691,000	1,739,000
Residential pipeline	22,461,000	23,289,000
Weighted average rate per occupied square foot	\$ 23.62	\$ 23.06
Commercial GLA developed and transferred online - at ownership interest <sup>(6)</sup>	69,000	3,000
Cost of GLA developed and brought online – at FCR's share	\$ 26,150	\$ 2,118
Same Property - stable NOI - increase (decrease) over prior period <sup>(2)(7)</sup>	7.9%	3.9%
Total Same Property NOI - increase (decrease) over prior period <sup>(2)(7)</sup>	7.8%	4.0%
<b>For the three months ended March 31</b>		
	2024	2023
<b>Funds from Operations <sup>(2)(4)</sup></b>		
OFFO	\$ 78,055	\$ 53,714
OFFO per diluted unit	\$ 0.36	\$ 0.25
OFFO payout ratio	59.2%	86.6%
FFO	\$ 81,629	\$ 53,535
FFO per diluted unit	\$ 0.38	\$ 0.25
FFO payout ratio	56.6%	86.9%
Weighted average number of units - diluted (in thousands)	213,988	215,262
<b>Adjusted Funds from Operations <sup>(2)(4)</sup></b>		
AFFO	\$ 73,156	\$ 43,918
AFFO per diluted unit	\$ 0.34	\$ 0.20
AFFO payout ratio	63.2%	105.9%
Weighted average number of units - diluted (in thousands)	213,988	215,262
<b>Adjusted Cash Flow from Operations <sup>(2)(4)</sup></b>		
ACFO	\$ 45,188	\$ 38,772
ACFO payout ratio on a rolling four quarter basis	76.5%	60.2%

<sup>(1)</sup> As presented in First Capital's IFRS consolidated financial statements, except for weighted average number of diluted units and per unit amounts.

<sup>(2)</sup> Refer to the "Non-IFRS Financial Measures" section of this MD&A.

<sup>(3)</sup> Includes properties and mortgages classified as held for sale.

<sup>(4)</sup> Reflects joint ventures proportionately consolidated. Total assets excludes cash balances. Refer to the "Non-IFRS Financial Measures – Proportionate Interest" section of this MD&A.

<sup>(5)</sup> At First Capital's ownership interest.

<sup>(6)</sup> During the three months ended March 31.

<sup>(7)</sup> Calculated based on the year-to-date NOI. Prior period amounts not restated for current period property categories.



## BUSINESS AND OPERATIONS REVIEW

### Real Estate Investments

#### Investment Property Categories

First Capital categorizes its properties for the purposes of evaluating operating performance including Total Same Property NOI. This enables FCR to better reflect its development, redevelopment and repositioning activities on its properties, including density and land use intensification, and its completed and planned disposition activities. In addition, FCR revises comparative information to reflect property categories consistent with current period status. The property categories are as follows:

#### Total Same Property consisting of:

*Same Property – stable* – includes stable properties where the only significant activities are leasing and ongoing maintenance. Properties that will be undergoing a redevelopment in a future period, including adjacent parcels of land, and those having planning activities underway are also in this category until such development activities commence. At that time, the property will be reclassified to either Same Property with redevelopment or to major redevelopment.

*Same Property with redevelopment* – includes properties that are largely stable, including adjacent parcels of land, but are undergoing incremental redevelopment or expansion activities (pads or building extensions) which intensify the land use. Such redevelopment activities often include façade, parking, lighting and building upgrades.

*Major redevelopment* – includes properties in planning or recently completed multi-year redevelopment projects with significant intensification, reconfiguration and building and tenant upgrades.

*Ground-up development* – consists of recently completed new construction, either on a vacant land parcel typically situated in an urban area or on an urban land site with conversion of an existing vacant building to retail use.

*Properties under construction* – consists of properties under major redevelopment or ground-up development that are under active construction.

*Density and Development land* – comprises land sites where there are no development activities underway, except for those in the planning stage and certain zoned or unzoned sites where specific density value has been ascribed.

*Acquisitions and dispositions* – consists of properties acquired during the period including those in close proximity to existing properties. Dispositions include information for properties disposed of in the period.

*Assets classified as held for sale* – consists of properties that meet the held for sale criteria under IFRS.

First Capital has applied the above property categorization to the fair value, capital expenditures as well as leasing and occupancy activity on its portfolio, and to its Same Property NOI analysis to further assist in understanding FCR's real estate activities and its operating and financial performance.

#### Portfolio Overview

The Trust's Core Portfolio of grocery-anchored shopping centres had a value of approximately \$7.1 billion as at March 31, 2024 consistent with December 31, 2023.

As at and for the three months ended (millions of dollars)						March 31, 2024
Portfolio	Income-Producing Properties	Properties Under Construction	Density and Development Land	Proportionate Interest <sup>(1)</sup>	Net Operating Income <sup>(B)</sup>	
Core Portfolio	\$ 7,070	\$ 15	\$ 52	\$ 7,137	\$ 100	
Other properties	923	91	386	1,400	14	
Total Portfolio	\$ 7,993	\$ 106	\$ 438	\$ 8,537	\$ 114	
Residential development inventory				225		
Total real estate investments			\$	8,762		

<sup>(1)</sup> At First Capital's proportionate interest. Refer to the "Non-IFRS Financial Measures" section of this MD&A.

As at and for the twelve months ended (millions of dollars)							December 31, 2023			
Portfolio	Income-Producing Properties		Properties Under Construction		Density and Development Land		Proportionate Interest <sup>(1)</sup>	Net Operating Income <sup>(1)</sup>		
Core Portfolio	\$	6,998	\$	38	\$	47	\$	7,083	\$	389
Other properties		979		86		468		1,533		43
Total Portfolio	\$	7,977	\$	124	\$	515	\$	8,616	\$	432
Residential development inventory								212		
Total real estate investments							\$	8,828		

<sup>(1)</sup> At First Capital's proportionate interest. Refer to the "Non-IFRS Financial Measures" section of this MD&A.

As at March 31, 2024, First Capital had interests in 139 neighbourhoods, which were 96.2% occupied with a total GLA of 19.4 million square feet at FCR's ownership interest (22.2 million square feet at 100%) and a fair value of \$8.5 billion. This compares to 142 neighbourhoods, which were 96.2% occupied with a total GLA of 19.4 million square feet at FCR's ownership interest (22.3 million square feet at 100%) and a fair value of \$8.6 billion as at December 31, 2023.

The Same Property portfolio includes properties sub-categorized in Same Property – stable and Same Property with redevelopment. The Same Property portfolio is comprised of 129 neighbourhoods with a total GLA of 18.6 million square feet at FCR's ownership interest (21.4 million square feet at 100%) and a fair value of \$7.6 billion. These properties represent 93% of FCR's neighbourhood count, 96% of its GLA at FCR's ownership interest and 89% of its fair value as at March 31, 2024.

The balance of FCR's real estate assets consists of properties which are in various stages of redevelopment, properties acquired in 2024 or 2023 and properties in close proximity to them, as well as properties held for sale.

First Capital's portfolio based on property categorization is summarized as follows:

As at	March 31, 2024					December 31, 2023				
Property Type <sup>(1)</sup>	% of Total GLA	GLA (000's sq. ft.)	Fair Value <sup>(2)</sup>	Occupancy	Weighted Average Rate per Occupied Square Foot	% of Total GLA	GLA (000's sq. ft.)	Fair Value <sup>(2)</sup>	Occupancy	Weighted Average Rate per Occupied Square Foot
Same Property – stable	93.0%	18,037	\$ 7,450	96.2%	\$ 23.68	93.1%	18,035	\$ 7,433	96.2%	\$ 23.44
Same Property with redevelopment	2.7%	522	161	98.1%	17.78	2.4%	461	141	98.7%	18.02
Total Same Property	95.7%	18,559	7,611	96.2%	23.51	95.5%	18,496	7,574	96.2%	23.30
Major redevelopment	2.5%	486	190	95.9%	22.56	2.5%	481	181	97.8%	22.30
Properties under construction <sup>(3)</sup>	—%	—	67	—%	—	—%	—	88	—%	—
Acquisitions <sup>(4)</sup>	1.0%	187	124	97.9%	33.90	0.6%	123	82	97.0%	30.35
Density and Development land <sup>(5)(6)</sup>	0.4%	74	396	95.5%	26.06	0.4%	74	399	97.1%	25.86
Investment properties classified as held for sale	0.4%	78	149	77.8%	29.27	0.4%	79	145	76.4%	28.93
Dispositions <sup>(7)</sup>	—%	—	—	—%	—	0.6%	115	147	88.6%	21.46
Total	100.0%	19,384	\$ 8,537	96.2%	\$ 23.62	100.0%	19,368	\$ 8,616	96.2%	\$ 23.34

<sup>(1)</sup> Prior periods restated to reflect current period property categories.

<sup>(2)</sup> At FCR's proportionate interest, including investment properties classified as held for sale as at March 31, 2024 and December 31, 2023, respectively.

<sup>(3)</sup> Approximately \$39 million (December 31, 2023 - \$36 million) of properties under construction is included in investment properties classified as held for sale as at March 31, 2024.

<sup>(4)</sup> Includes current year and prior year acquisitions.

<sup>(5)</sup> Approximately \$19 million (December 31, 2023 - \$14 million) of density and development land is included in acquisitions as at March 31, 2024.

<sup>(6)</sup> Approximately \$23 million (December 31, 2023 - \$23 million) of density and development land is included in investment properties classified as held for sale as at March 31, 2024.

<sup>(7)</sup> Comparative information presented relates to 2024 dispositions that have been completed and no longer form part of these metrics as at March 31, 2024.

**MANAGEMENT'S DISCUSSION AND ANALYSIS – continued**

First Capital's portfolio by major market is summarized as follows:

As at	March 31, 2024							December 31, 2023						
(millions of dollars, except other data)	Number of Neighbourhoods	GLA (000's sq. ft.)	Fair Value <sup>(1)</sup>	% of Total Fair Value	Occupancy	Weighted Average Rate per Occupied Square Foot	% of Annual Minimum Rent	Number of Neighbourhoods	GLA (000's sq. ft.)	Fair Value <sup>(1)</sup>	% of Total Fair Value	Occupancy	Weighted Average Rate per Occupied Square Foot	% of Annual Minimum Rent
Greater Toronto	47	6,756	\$ 4,007	47%	96.5%	\$ 27.18	40%	50	6,865	\$ 4,101	48%	96.6%	\$ 26.60	40%
Greater Montreal	27	3,585	1,039	12%	93.8%	18.58	14%	27	3,582	1,046	12%	95.3%	18.50	14%
Greater Calgary	15	2,413	988	12%	96.7%	25.94	14%	15	2,352	949	11%	94.3%	25.72	13%
Greater Vancouver	14	1,581	967	11%	95.9%	28.64	10%	14	1,583	994	12%	96.0%	28.41	10%
Greater Edmonton	10	2,219	622	7%	96.0%	19.45	9%	10	2,219	621	7%	96.0%	19.43	10%
Greater Ottawa	12	1,022	346	4%	98.3%	20.36	5%	12	1,021	340	4%	98.2%	20.05	5%
KW/Guelph <sup>(2)</sup>	5	1,052	353	4%	98.8%	20.40	5%	5	990	352	4%	98.7%	20.52	5%
Other	9	756	215	3%	97.2%	18.51	3%	9	756	213	2%	97.3%	18.36	3%
<b>Total</b>	<b>139</b>	<b>19,384</b>	<b>\$ 8,537</b>	<b>100%</b>	<b>96.2%</b>	<b>\$ 23.62</b>	<b>100%</b>	<b>142</b>	<b>19,368</b>	<b>\$ 8,616</b>	<b>100%</b>	<b>96.2%</b>	<b>\$ 23.34</b>	<b>100%</b>

<sup>(1)</sup> At FCR's proportionate interest, including investment properties classified as held for sale as at March 31, 2024 and December 31, 2023, respectively.

<sup>(2)</sup> Includes Kitchener, Waterloo, and Guelph Area.

**Investment Properties**

A continuity of First Capital's investment in its property acquisitions, dispositions, development and portfolio improvement activities is as follows:

	Three months ended March 31, 2024		
(millions of dollars)	Consolidated Balance Sheet	Adjustments for Proportionate Interest	Proportionate Interest <sup>(2)</sup>
Balance at beginning of year	\$ 8,239	\$ 377	\$ 8,616
Acquisitions			
Investment properties and additional adjacent spaces	34	—	34
Development activities and property improvements	29	3	32
Contribution of net assets from equity accounted joint venture	60	(60)	—
Increase (decrease) in value of investment properties, net	—	2	2
Dispositions	(147)	—	(147)
Other changes	1	(1)	—
<b>Balance at end of period<sup>(1)</sup></b>	<b>\$ 8,216</b>	<b>\$ 321</b>	<b>\$ 8,537</b>

<sup>(1)</sup> Includes assets classified as held for sale as at March 31, 2024 totaling \$150 million (\$149 million at First Capital's share) of investment properties.

<sup>(2)</sup> Refer to the "Non-IFRS Financial Measures" section of this MD&A.

	Year ended December 31, 2023		
(millions of dollars)	Consolidated Balance Sheet	Adjustments for Proportionate Interest	Proportionate Interest <sup>(2)</sup>
Balance at beginning of year	\$ 8,628	\$ 324	\$ 8,952
Acquisitions			
Investment properties and additional adjacent spaces	78	—	78
Development activities and property improvements	143	6	149
Increase (decrease) in value of investment properties, net	(424)	48	(376)
Dispositions	(186)	—	(186)
Other changes	—	(1)	(1)
<b>Balance at end of year<sup>(1)</sup></b>	<b>\$ 8,239</b>	<b>\$ 377</b>	<b>\$ 8,616</b>

<sup>(1)</sup> Includes assets classified as held for sale as at December 31, 2023 totaling \$168 million (\$227 million at First Capital's share) of investment properties.

<sup>(2)</sup> Refer to the "Non-IFRS Financial Measures" section of this MD&A.

## 2024 Acquisitions

### *Income-producing properties and other*

During the three months ended March 31, 2024, First Capital acquired the remaining 50% interest in its Seton Gateway property located in Calgary for \$33.5 million, as summarized in the table below:

Count	Property Name	City/Province	Quarter Acquired	Interest Acquired	GLA (sq. ft.)	Acreage	Acquisition Cost (in millions)
1.	Seton Gateway	Calgary, AB	Q1	50%	63,879	6.3	\$ 33.5
	Total				63,879	6.3	\$ 33.5

## 2024 Dispositions

During the three months ended March 31, 2024, First Capital completed \$147.3 million of dispositions, as summarized in the table below:

Count	Property Name	City/Province	Quarter Sold	Interest Sold	GLA (sq. ft.)	Acreage	Gross Sales Price (in millions)
1.	1071 King St. W. (land)	Toronto, ON	Q1	41.7%	—	0.2	
2.	71 King St. W. (Medical Arts Building)	Mississauga, ON	Q1	100%	43,788	1.0	
3.	Royal Orchard	Markham, ON	Q1	50%	20,845	2.1	
4.	Yonge-Davis Centre	Newmarket, ON	Q1	100%	50,747	4.6	
5.	Broadmoor Residences	Richmond, BC	Q1	100%	55,253	—	
	Total				170,633	7.9	\$ 147.3

## Capital Expenditures

Capital expenditures are incurred by First Capital for maintaining and/or renovating its existing properties. In addition, FCR also incurs expenditures for the purposes of expansion, redevelopment, ground-up development as well as condominium and townhome development activities.

Revenue sustaining capital expenditures are required for maintaining First Capital's property infrastructure and revenues from leasing of existing space. Revenue sustaining capital expenditures are generally not recoverable from tenants. However, certain leases provide the ability to recover from tenants, over time, a portion of capital expenditures to maintain the physical aspects of FCR's properties. Revenue sustaining capital expenditures generally include tenant improvement costs related to new and renewal leasing, and capital expenditures required to maintain the physical aspects of the properties, such as roof replacements and resurfacing of parking lots.

Revenue enhancing capital expenditures are those expenditures that increase the revenue generating ability of FCR's properties. Revenue enhancing capital expenditures are incurred in conjunction with or in contemplation of a development or redevelopment strategy, a strategic repositioning after an acquisition, or in advance of a planned disposition to maximize the potential sale price. First Capital owns and actively seeks to acquire older, well-located properties in urban locations, where expenditures tend to be higher when they are subsequently repaired or redeveloped to meet FCR's standards.

Capital expenditures incurred in development and redevelopment projects include pre-development costs, direct construction costs, leasing costs, tenant improvements, borrowing costs, overhead including applicable salaries and direct costs of internal staff directly attributable to the projects under active development.

## MANAGEMENT'S DISCUSSION AND ANALYSIS – continued

Capital expenditures on investment properties and residential inventory by type are summarized in the table below:

Three months ended March 31	2024						2023	
	Capital Expenditures	Adjustments for Proportionate Interest	Proportionate Interest <sup>(1)</sup>	Capital Expenditures	Adjustments for Proportionate Interest	Proportionate Interest <sup>(1)</sup>		
Revenue sustaining	\$ 3,229	\$ (5)	\$ 3,224	\$ 5,429	\$ 5	\$ 5,434		
Revenue enhancing	11,716	(83)	11,633	8,414	(34)	8,380		
Expenditures recoverable from tenants	2,231	—	2,231	1,834	—	1,834		
Development expenditures	12,125	2,414	14,539	6,176	1,042	7,218		
Sub-total	\$ 29,301	\$ 2,326	\$ 31,627	\$ 21,853	\$ 1,013	\$ 22,866		
Residential Inventory	\$ 7,451	\$ 4,978	\$ 12,429	\$ 6,826	\$ 4,428	\$ 11,254		
Total	\$ 36,752	\$ 7,304	\$ 44,056	\$ 28,679	\$ 5,441	\$ 34,120		

<sup>(1)</sup> Refer to the "Non-IFRS Financial Measures" section of this MD&A.

Capital expenditures for the three months ended March 31, 2024 were \$44.1 million, which was \$9.9 million higher than the same prior year period, in large part due to increased development spend at the Trust's Yonge & Roselawn development project.

### Valuation of Investment Properties

The approach selected for valuing investment properties depends on the type of property and other factors such as stage of development. The components of First Capital's investment properties for the purposes of calculating fair values were as follows as at March 31, 2024 and December 31, 2023:

As at and for the three months ended (millions of dollars)						March 31, 2024	
Property Type	Valuation Method	Fair Value	Adjustments for Proportionate Interest	Proportionate Interest <sup>(1)</sup>	Net Operating Income <sup>(2)</sup>		
Same Property - stable	DCF <sup>(2)</sup>	\$ 7,296	\$ 154	\$ 7,450	\$ 106		
Same Property with redevelopment	DCF <sup>(2)</sup>	161	—	161	2		
Total Same Property		\$ 7,457	\$ 154	\$ 7,611	\$ 108		
Major redevelopment	DCF <sup>(2)</sup> , Cost <sup>(2)</sup>	190	—	190	3		
Properties under construction <sup>(3)</sup>	DCF <sup>(2)</sup> , Cost <sup>(2)</sup>	67	—	67	—		
Acquisitions	DCF <sup>(2)</sup> , Cost <sup>(2)</sup>	124	—	124	1		
Density and Development Land <sup>(4)(5)</sup>	Cost <sup>(2)</sup> , comparable land sales	228	168	396	—		
Assets classified as held for sale	DCF <sup>(2)</sup> , comparable land sales	150	(1)	149	1		
Dispositions	N/A	—	—	—	1		
Total investment properties		\$ 8,216	\$ 321	\$ 8,537	\$ 114		
NOI related to other investments					—		
Total NOI					\$ 114		

<sup>(1)</sup> At First Capital's proportionate interest. Refer to the "Non-IFRS Financial Measures" section of this MD&A.

<sup>(2)</sup> Discounted Cash Flow ("DCF") is a valuation method under the Income Approach. At cost where cost approximates fair value.

<sup>(3)</sup> Approximately \$39 million (\$39 million at First Capital's share) of properties under construction is included in assets classified as held for sale.

<sup>(4)</sup> Approximately \$23 million (\$23 million at First Capital's share) of density and development land is included in assets classified as held for sale.

<sup>(5)</sup> Approximately \$19 million (\$19 million at First Capital's share) of density and development land is included in acquisitions.

As at and for the twelve months ended (millions of dollars)

December 31, 2023

Property Type <sup>(1)</sup>	Valuation Method	Fair Value	Adjustments for Proportionate Interest	Proportionate Interest <sup>(2)</sup>	Net Operating Income <sup>(2)</sup>
Same Property - stable	DCF <sup>(3)</sup>	\$ 7,282	\$ 151	\$ 7,433	\$ 399
Same Property with redevelopment	DCF <sup>(3)</sup>	141	—	141	8
<b>Total Same Property</b>		<b>\$ 7,423</b>	<b>\$ 151</b>	<b>\$ 7,574</b>	<b>\$ 407</b>
Major redevelopment	DCF <sup>(3)</sup> , Cost <sup>(3)</sup>	181	—	181	11
Properties under construction <sup>(4)</sup>	DCF <sup>(3)</sup> , Cost <sup>(3)</sup>	87	1	88	—
Acquisitions	DCF <sup>(3)</sup> , Cost <sup>(3)</sup>	82	—	82	3
Density and Development Land <sup>(5)(6)</sup>	Cost <sup>(3)</sup> , comparable land sales	233	166	399	2
Assets classified as held for sale	DCF <sup>(3)</sup> , comparable land sales	146	(1)	145	2
Dispositions <sup>(7)</sup>	N/A	87	60	147	5
<b>Total investment properties</b>		<b>\$ 8,239</b>	<b>\$ 377</b>	<b>\$ 8,616</b>	<b>\$ 430</b>
<b>NOI related to other investments</b>					<b>2</b>
<b>Total NOI</b>					<b>\$ 432</b>

<sup>(1)</sup> Prior periods restated to reflect current period property categories.

<sup>(2)</sup> At First Capital's proportionate interest. Refer to the "Non-IFRS Financial Measures" section of this MD&A.

<sup>(3)</sup> Discounted Cash Flow ("DCF") is a valuation method under the Income Approach. At cost where cost approximates fair value.

<sup>(4)</sup> Approximately \$36 million (\$36 million at First Capital's share) of properties under construction is included in assets classified as held for sale.

<sup>(5)</sup> Approximately \$23 million (\$23 million at First Capital's share) of density and development land is included in assets classified as held for sale.

<sup>(6)</sup> Approximately \$14 million (\$14 million at First Capital's share) of density and development land is included in acquisitions.

<sup>(7)</sup> Includes properties that were disposed of in 2024. Approximately \$19 million (\$79 million at First Capital's share) of density and development land is included in dispositions.

The majority of the Trust's portfolio is valued under the Income Approach using the discounted cash flow ("DCF") method. As at March 31, 2024, the weighted average valuation yields (stabilized overall capitalization, terminal capitalization and discount rates) used in valuing those investment properties under the Income Approach did not materially change from December 31, 2023.

For the three months ended March 31, 2024, as part of its normal course internal valuations, the Trust made revisions to the cash flow models on certain properties. As a result, an overall net increase in the value of investment properties was recorded in the amount of \$0.3 million (\$2.1 million at FCR's share) for the three months ended March 31, 2024.

The associated stabilized capitalization rates by major market for FCR's investment properties valued under the Income Approach were as follows as at March 31, 2024 and December 31, 2023:

Area	Stabilized Capitalization Rate		
	Weighted Average	Median	Range
Greater Toronto	5.1%	5.0%	3.8%-6.5%
Greater Montreal	6.0%	6.0%	5.3%-7.3%
Greater Calgary	5.9%	6.0%	5.5%-6.8%
Greater Vancouver	4.7%	4.5%	4.0%-5.3%
Greater Edmonton	6.5%	6.0%	5.5%-7.5%
Greater Ottawa	5.8%	5.8%	5.3%-6.3%
KW/Guelph <sup>(1)</sup>	5.6%	5.5%	5.3%-6.0%
Other	5.9%	5.9%	5.3%-6.8%
<b>Weighted Average</b>	<b>5.5%</b>	<b>5.5%</b>	<b>3.8%-7.5%</b>

<sup>(1)</sup> Includes Kitchener, Waterloo, and Guelph Area.

## MANAGEMENT'S DISCUSSION AND ANALYSIS – continued

As at December 31, 2023	Stabilized Capitalization Rate		
	Weighted Average	Median	Range
Greater Toronto	5.1%	5.0%	3.8%-7.3%
Greater Montreal	6.0%	6.0%	5.3%-7.3%
Greater Calgary	5.9%	6.0%	5.5%-6.8%
Greater Vancouver	4.7%	4.5%	3.5%-5.3%
Greater Edmonton	6.5%	6.0%	5.5%-7.5%
Greater Ottawa	5.8%	5.9%	5.3%-6.3%
KW/Guelph <sup>(1)</sup>	5.6%	5.5%	5.3%-6.0%
Other	5.9%	5.9%	5.3%-6.8%
Weighted Average	5.5%	5.5%	3.5%-7.5%

<sup>(1)</sup> Includes Kitchener, Waterloo, and Guelph Area.

### Property Development Activities

As at March 31, 2024, the Trust's share of properties under construction, residential inventory and density and development land totaled approximately \$769 million. These non-income producing properties represent approximately 9% of the Trust's total portfolio value and consists of development land, adjacent land parcels, properties slated for redevelopment with limited income and properties in active development. As at March 31, 2024, the invested cost of these non-income producing properties was \$654 million as compared to a fair value of \$769 million. Cumulative gains of approximately \$115 million have been recognized to date and are expected to grow over time as development projects are entitled, advanced and completed.

Development and redevelopment activities are completed selectively, based on opportunities in First Capital's properties or in the markets where FCR operates. First Capital's development activities include redevelopment of stable properties, major redevelopment, and ground-up projects. Additionally, properties under development include land with future development potential. All commercial development activities are strategically managed to reduce risk, and properties are generally developed after obtaining anchor tenant lease commitments. Individual commercial buildings within a development are generally constructed only after obtaining lease commitments on a substantial portion of the space.

#### **Development Pipeline**

As at March 31, 2024, First Capital's portfolio is comprised of 19.4 million square feet of GLA at FCR's ownership interest. Substantially all of this GLA is located in Canada's six largest urban growth markets which are undergoing significant land use intensification. As such, Management has identified meaningful incremental density available for future development within its existing portfolio. As at March 31, 2024, Management had identified approximately 23.2 million square feet of incremental density which currently exceeds FCR's existing portfolio of 19.4 million square feet.

Management undertakes a quarterly review of its entire portfolio and updates all of its future incremental density. Management stratifies the density by expected project commencement time frame. Medium term includes project commencement expected within the next 7 years, long term between 8 and 15 years and very long term beyond 15 years. First Capital's incremental density is classified by type between commercial and residential. Commercial density primarily consists of retail density.

As a substantial part of the portfolio is located in urban markets where significant land use intensification continues to occur, Management expects future incremental density will continue to grow and provide First Capital with increased opportunity to redevelop its generally low density properties.

A breakdown of the properties under construction, density and development land, and residential inventory within the portfolio by component and type is as follows:

As at March 31, 2024	Square feet (in thousands)			Recognized to date <sup>(2)</sup>	Value recognized <sup>(1)(2)</sup> (in millions)
	Commercial	Residential	Total <sup>(1)</sup>		
Properties under construction	<b>91</b>	<b>189</b>	<b>280</b>	<b>280</b>	<b>\$ 106</b>
Density and development land					
Medium term	700	10,500	11,200		
Long term	—	3,700	3,700		
Very long term	(100)	7,700	7,600		
	<b>600</b>	<b>21,900</b>	<b>22,500</b>	<b>6,163</b>	<b>\$ 438</b>
Residential inventory	—	<b>372</b>	<b>372</b>	<b>372</b>	<b>\$ 225</b>
Total development pipeline	<b>691</b>	<b>22,461</b>	<b>23,152</b>	<b>6,815</b>	<b>\$ 769</b>

<sup>(1)</sup> At First Capital's proportionate interest. Refer to the "Non-IFRS Financial Measures" section of this MD&A.

<sup>(2)</sup> Represents the density that has been valued and included as part of the fair value of investment properties and the cost of residential inventory on the proportionate balance sheet.

First Capital determines its course of action with respect to its potential residential density on a case by case basis given the specifics of each property. First Capital's course of action for each property may include selling the property, selling the residential density rights, entering into a joint venture with a partner to develop the property or undertaking the development of the property on its own. Approximately 6.8 million or 29% of FCR's 23.2 million square feet of identified incremental density has been at least partially included as part of the fair value of investment properties and the cost of residential inventory on the proportionate balance sheet.

The value of the Trust's density and development land recognized in the Trust's proportionate balance sheet totaling \$438 million, or \$71 per buildable square foot, as presented below, consists of development land and adjacent land parcels, future pad developments and properties slated for redevelopment with limited income. As of March 31, 2024, the invested cost of the density and development land recognized in the Trust's proportionate balance sheet totaled \$328 million representing acquisition cost and pre-development costs to date.

As at March 31, 2024 <sup>(1)</sup> (in millions)		Unencumbered	Encumbered	Fair Value
Development land	Unzoned	\$ 60	\$ 12	\$ 72
	Zoned	204	—	204
	Total	<b>264</b>	<b>12</b>	<b>276</b>
IPP with density	Unzoned	70	58	128
	Zoned	34	—	34
	Total	<b>104</b>	<b>58</b>	<b>162</b>
Value of density and development land		<b>\$ 368</b>	<b>\$ 70</b>	<b>\$ 438</b>

<sup>(1)</sup> At First Capital's proportionate interest. Refer to the "Non-IFRS Financial Measures" section of this MD&A.

The remaining 16.3 million square feet of identified incremental density may be included in the value of the property in the future, based on certain factors including the expiry or removal of tenant encumbrances and zoning approvals. The majority of the incremental residential density is located above income-producing shopping centres or their parking area.



### Development Pipeline by Urban Market

A breakdown of FCR's properties under construction, density and development land, and residential inventory by urban market is as follows:

As at March 31, 2024 (in thousands of square feet)	Incremental Density Pipeline	
	Total	% of Total
Greater Toronto Area	14,401	62.1%
Greater Montreal Area	4,566	19.7%
Greater Vancouver Area	2,304	10.0%
Greater Ottawa Area	963	4.2%
Greater Edmonton Area	569	2.5%
Greater Calgary Area	349	1.5%
<b>Total development pipeline</b>	<b>23,152</b>	<b>100.0%</b>

### Entitlements Program

First Capital has a program in place to seek entitlements for the incremental density within its portfolio. Entitlement applications are submitted based on gross floor area ("GFA").

As of March 31, 2024, entitlement submissions to date total approximately 16.4 million square feet representing 71% of FCR's 23.2 million incremental density pipeline. To date, 8.4 million square feet has been zoned and the Trust expects up to 1.5 million square feet of existing entitlement submissions to be zoned during the remainder of 2024.

Entitlement Applications <sup>(1)</sup>	000's of square feet submitted for (at FCR's share):					
	Residential	Commercial	Total	Existing	Incremental	Zoned
1. Pre-2019 Entitlement Applications <sup>(2)</sup>	2,986	707	3,693	175	3,518	3,583
2. 2019 Entitlement Applications	8,310	1,020	9,330	317	9,013	5,851
3. 2020 Entitlement Applications	2,910	219	3,129	143	2,986	970
4. 2021 Entitlement Applications	1,431	18	1,449	103	1,346	494
5. 2022 Entitlement Applications	1,646	35	1,681	78	1,603	—
6. 2023 Entitlement Applications	1,563	69	1,632	106	1,526	—
<b>Total Entitlement Applications Submitted</b>	<b>18,846</b>	<b>2,068</b>	<b>20,914</b>	<b>922</b>	<b>19,992</b>	<b>10,898</b>
Dispositions <sup>(3)</sup>	(3,093)	(593)	(3,686)	(101)	(3,585)	(2,505)
<b>Total Entitlement Applications Submitted - net</b>	<b>15,753</b>	<b>1,475</b>	<b>17,228</b>	<b>821</b>	<b>16,407</b>	<b>8,393</b>

<sup>(1)</sup> Certain prior period entitlement application data has been updated to reflect subsequent resubmissions.

<sup>(2)</sup> As at March 31, 2024, all pre-2019 entitlement applications have been approved with final zoning as indicated above.

<sup>(3)</sup> Includes properties that have been fully or partially disposed of for which entitlements had been previously submitted.

First Capital has approximately 6.1 million square feet of additional incremental density primarily related to the properties listed below, where entitlements have yet to be submitted.

#### **Additional Incremental Density**

Property	Neighbourhood	City, Province	Ownership Interest %
1. Danforth Sobeys	Danforth Village	Toronto, ON	100%
2. Cliffcrest Plaza	Cliffcrest	Toronto, ON	100%
3. Kingston Square W.	Lawrence Ave. E. / Morningside Ave.	Toronto, ON	100%
4. Olde Oakville (future phases)	South Oakville	Oakville, ON	100%
5. Appleby Square	Appleby	Burlington, ON	100%
6. Harwood Plaza	Harwood Ave. S. / Bayly St. W.	Ajax, ON	100%
7. 1000 Wellington St.	Griffintown	Montreal, QC	100%
8. Centre Commercial Domaine	Longue-Pointe	Montreal, QC	100%
9. Galeries Normandie	Hwy. 15/Rue de Salaberry	Montreal, QC	100%
10. Place Provencher	Saint - Leonard	Montreal, QC	100%
11. Le Campanile & Place du Commerce	Nun's Island	Montreal, QC	100%
12. Place Michelet	Saint - Leonard	Montreal, QC	100%
13. Scott 72 Shopping Centre	120 St./72 Ave.	Delta, BC	100%
14. Semiahmoo (future phases)	South Surrey	Surrey, BC	100%
15. Mount Royal Village East	Beltline	Calgary, AB	100%
16. Gloucester City Centre (future phases)	Gloucester	Ottawa, ON	50%

FCR continues to review each of its properties and has identified meaningful incremental density in properties that have not progressed to the point of inclusion in First Capital's incremental density pipeline, that Management expects may be included in the future.

#### **2024 Development and Redevelopment Coming Online and Space Going Offline**

Development and redevelopment coming online includes both leased and unleased space transferred from development to income-producing properties at completion of construction. Costs transferred to income-producing properties often involves judgment in cost allocations related to the space transferred in the period relative to the total project. Therefore, the cost per square foot transferred in any one period may not be indicative of the total project cost per square foot.

During the three months ended March 31, 2024, First Capital completed the transfer of 69,000 square feet of new retail space to the income-producing portfolio at a total value of \$26.2 million. Approximately 61,000 square feet of the retail space transferred became occupied at an average rental rate of \$17.00 per square foot or approximately \$1.0 million in annual NOI.

**Active Development and Redevelopment Activities**

Consistent with its strategy of long-term ownership and value creation, First Capital's developments are completed based on the highest standards in architecture, construction, choice of materials, lighting, parking, vehicular access, pedestrian amenities and accessibility, as well as development to Leadership in Energy and Environmental Design ("LEED") standards. Prospectively, First Capital's development program also strives to achieve net zero carbon certification, where feasible.

As construction on large projects occurs in phases, there continues to be ongoing lease negotiations in various stages with retailers for the planned space. Leasing of residential apartments begins as the project is nearing completion.

Highlights of First Capital's active projects as at March 31, 2024 are as follows:

As at March 31, 2024				Estimated GLA/GFA upon completion (thousands of square feet) <sup>(2)</sup>			
Project	Ownership Interest %	Type	Target Completion Date <sup>(1)</sup>	Estimated Number of Residential Units <sup>(2)</sup>	Residential <sup>(2)</sup>	Commercial <sup>(2)</sup>	Total <sup>(2)</sup>
Humbertown Shopping Centre - Phase I, Toronto, ON	100%	Retail	H2 2024	—	—	24	24
Edenbridge Condos, Toronto, ON	50%	Mixed-Use (condo)	H1 2026	105	123	—	123
		Mixed-Use (retail)	H1 2026	—	—	4	4
400 King St. W., Toronto, ON	35%	Mixed-Use (condo)	H2 2026	217	151	—	151
		Mixed-Use (retail)	H2 2026	—	—	12	12
Yonge & Roselawn, Toronto, ON	50% <sup>(3)</sup>	Mixed-Use (rental)	H1 2027	276	189	33	222
138 Yorkville Ave., Toronto, ON	33%	Mixed-Use (condo)	H2 2028	22	98	—	98
		Mixed-Use (retail)	H2 2028	—	—	18	18
Total at FCR's share <sup>(2)</sup>				<b>620</b>	<b>561</b>	<b>91</b>	<b>652</b>

<sup>(1)</sup> H1 and H2 refer to the first six months of the year and the last six months of the year, respectively.

<sup>(2)</sup> At First Capital's proportionate interest. Refer to the "Non-IFRS Financial Measures" section of this MD&A.

<sup>(3)</sup> As at March 31, 2024, 25% of this project is classified as held for sale.

As at March 31, 2024	Investment at cost <sup>(1)</sup> (in millions)			Value recognized <sup>(1)</sup> (in millions)			
	Incurred to Date <sup>(1)</sup>	Estimated to Complete <sup>(1)</sup>	Total <sup>(1)</sup>	Properties Under Construction <sup>(1)</sup>	Income-Producing Properties <sup>(1)</sup>	Residential Development Inventory <sup>(1)</sup>	Total <sup>(1)</sup>
Humbertown Shopping Centre - Phase I, Toronto, ON	\$ 10	\$ 8	\$ 18	\$ 10	\$ —	\$ —	\$ 10
Edenbridge Condos, Toronto, ON (residential)	60	57	117	—	—	60	60
Edenbridge Condos, Toronto, ON (retail)	2	1	3	2	—	—	2
400 King St. W., Toronto, ON (residential)	67	107	174	—	—	86	86
400 King St. W., Toronto, ON (retail)	6	4	10	3	—	—	3
Yonge & Roselawn, Toronto, ON	88	203	291	77	—	—	77
Sub-total at FCR's share <sup>(1)</sup>	\$ 233	\$ 380	\$ 613	\$ 92	\$ —	\$ 146	\$ 238
138 Yorkville Ave., Toronto, ON (residential)	79	TBD	TBD	—	—	79	79
138 Yorkville Ave., Toronto, ON (retail)	14	TBD	TBD	14	—	—	14
Total at FCR's share <sup>(1)</sup>	\$ 326	\$ 380	\$ 706	\$ 106	\$ —	\$ 225	\$ 331

<sup>(1)</sup> At First Capital's proportionate interest. Refer to the "Non-IFRS Financial Measures" section of this MD&A.

### ***Humbertown Shopping Centre - Phase I***

Humbertown Shopping Centre, Toronto, is the first phase of a transformational retail redevelopment which will include the expansion of several key tenants into their desired size and formats within this established neighbourhood shopping centre. Phase One consists of a full-scale renovation of the south wing of the centre, including removal of the enclosed interior areas, creation of 9 new exterior-facing retail units, a new pedestrian breezeway and complete façade upgrade. Two additional phases are contemplated to follow. When the multi-phase redevelopment is completed, Humbertown Shopping Centre will be modernized and repositioned to serve the ongoing needs of this community.

### ***Edenbridge Condominiums***

Edenbridge on the Kingsway, Etobicoke, is a 9-storey condominium development that includes 209 luxury suites and approximately 7,000 square feet of retail GLA at grade. The project is located on the southeast corner of the REIT's Humbertown Shopping Centre and 89% of the units have been pre-sold. Structural forming of the 9th and final floor has begun. The Trust's 50% co-development partner in the project is Tridel.

### ***400 King***

400 King Street West, Toronto, is a 47-storey condominium development that includes 612 suites and approximately 34,000 square feet of street front retail GLA located over two levels. Structural forming of the 7th floor is underway. As of quarter end, 98% of the units have been pre-sold. The Trust's co-development partners in the project are Plazacorp and Main & Main.

### ***Yonge & Roselawn***

Yonge and Roselawn, Toronto, is a two-tower mixed-use development project located just north of the Yonge & Eglinton intersection. The project includes 552 purpose-built rental residential units between the two buildings, reaching 21 and 27 storeys, respectively. A substantial 2-storey retail podium is included at grade, incorporating two existing heritage facades along the Yonge streetfront. In addition to the inclusion of a new public park on the site, the project includes an extensive geothermal heating and cooling system and is targeting Net Zero Carbon and LEED Gold certifications.

Shoring and excavation work is underway on-site. The Trust's co-development partner in the project is Woodbourne.

### ***138 Yorkville***

138 Yorkville Avenue, Toronto, is a 31-storey ultra-luxury condominium tower that includes approximately 67 large-size suites and approximately 40,000 square feet of high-end retail at its base. Located on the northeast corner of Avenue Road and Yorkville Avenue, the property is situated prominently at the "gateway" to Toronto's prestigious Yorkville neighbourhood, and it will be integrated into the REIT's Yorkville Village shopping centre. Site excavation and shoring is underway. The Trust's co-development partner in the project is Greybrook Realty Partners.

## Leasing and Occupancy

As at March 31, 2024, total portfolio and Same Property occupancy of 96.2%, respectively, remained stable compared to March 31, 2023 and December 31, 2023 occupancy rates.

For the three months ended March 31, 2024, the monthly average occupancy for the total portfolio was 96.1% compared to 95.8%, and the Same Property portfolio occupancy was 96.2% compared to 95.9% for the same prior year period, respectively.

Occupancy of First Capital's portfolio by property categorization was as follows:

As at	March 31, 2024			December 31, 2023		
<i>(square feet in thousands)</i>	Total Occupied Square Feet	% Occupied	Weighted Average Rate per Occupied Square Foot	Total Occupied Square Feet	% Occupied	Weighted Average Rate per Occupied Square Foot
Same Property – stable	17,349	96.2%	\$ 23.68	17,347	96.2%	\$ 23.44
Same Property with redevelopment	512	98.1%	17.78	455	98.7%	18.02
Total Same Property	17,861	96.2%	23.51	17,802	96.2%	23.30
Major redevelopment	466	95.9%	22.56	471	97.8%	22.30
Investment properties classified as held for sale	61	77.8%	29.27	61	76.4%	28.93
Total portfolio before acquisitions and dispositions	18,388	96.2%	23.51	18,334	96.2%	23.29
Acquisitions <sup>(1)</sup>	183	97.9%	33.90	120	97.0%	30.35
Dispositions <sup>(2)</sup>	—	—%	—	102	88.6%	21.46
Density and Development land	70	95.5%	26.06	70	97.1%	25.86
Total <sup>(3)</sup>	18,641	96.2%	\$ 23.62	18,626	96.2%	\$ 23.34

<sup>(1)</sup> Includes current year and prior year acquisitions.

<sup>(2)</sup> Comparative information presented relates to 2024 dispositions that have been completed and no longer form part of these metrics as at March 31, 2024.

<sup>(3)</sup> At FCR's ownership interest.

During the three months ended March 31, 2024, First Capital completed 466,000 square feet of lease renewals across the portfolio. First Capital achieved a 11.0% lease renewal rate increase when comparing the per square foot net rental rate in the first year of the renewal term to the per square foot net rental rate of the last year of the expiring term. For the three months ended March 31, 2024, First Capital achieved a 13.5% lease renewal rate increase when comparing the average net rental rate over the renewal term to the net rental rate in the last year of the expiring term.

The average rental rate per occupied square foot for the total portfolio increased 1.2% from \$23.34 as at December 31, 2023 to \$23.62 as at March 31, 2024 primarily due to tenant openings, net of closures, rent escalations and renewal lifts.

Changes in First Capital's gross leasable area and occupancy for the total portfolio for the three months ended March 31, 2024 are set out below:

Three months ended March 31, 2024	Total Same Property			Major redevelopment, ground-up, acquisitions, dispositions, density & development land			Vacancy				Total Portfolio <sup>(1)</sup>		
	Occupied Square Feet (thousands)	%	Weighted Average Rate per Occupied Square Foot	Occupied Square Feet (thousands)	%	Weighted Average Rate per Occupied Square Foot	Under Redevelop- ment Square Feet (thousands)	%	Vacant Square Feet (thousands)	%	Total Square Feet (thousands)	Occupied Square Feet %	Weighted Average Rate per Occupied Square Foot
<b>December 31, 2023 <sup>(2)</sup></b>	<b>17,802</b>	<b>96.2%</b>	<b>\$ 23.30</b>	<b>824</b>	<b>94.5%</b>	<b>\$ 24.16</b>	—	—%	<b>742</b>	<b>3.8%</b>	<b>19,368</b>	<b>96.2%</b>	<b>\$ 23.34</b>
Tenant possession	164		31.64	1		53.00	—		(165)		—		31.80
Tenant closures	(169)		(20.21)	(6)		(2.77)	—		175		—		(19.57)
Tenant closures for redevelopment	—		—	—		—	—		—		—		—
Developments – tenants coming online <sup>(3)</sup>	61		17.00	—		—	—		8		69		17.00
Redevelopments – tenant possession	—		—	—		—	—		—		—		—
Demolitions	—		—	—		—	—		—		—		—
Reclassification	3		—	—		—	—		(5)		(2)		—
Total portfolio before Q1 2024 acquisitions and dispositions	17,861	96.2%	\$ 23.51	819	93.5%	\$ 24.56	—	—%	755	3.9%	19,435	96.1%	\$ 23.56
Acquisitions (at date of acquisition)	—	—%	—	63	98.2%	38.34	—	—%	1		64	98.2%	38.34
Dispositions (at date of disposition)	—	—%	—	(102)	88.6%	(21.52)	—	—%	(13)		(115)	88.6%	(21.52)
<b>March 31, 2024</b>	<b>17,861</b>	<b>96.2%</b>	<b>\$ 23.51</b>	<b>780</b>	<b>94.6%</b>	<b>\$ 26.06</b>	—	—%	<b>743</b>	<b>3.8%</b>	<b>19,384</b>	<b>96.2%</b>	<b>\$ 23.62</b>
Renewals	458		\$ 27.07	8		\$ 38.83					466		\$ 27.27
Renewals – expired	(458)		\$ (24.39)	(8)		\$ (34.22)					(466)		\$ (24.56)
Net change per square foot from renewals			\$ 2.68			\$ 4.61							\$ 2.71
% Increase on renewal of expiring rents (first year of renewal term)			11.0%			13.5%							11.0%
% increase on renewal of expiring rents (average rate in renewal term)													13.5%

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

<sup>(2)</sup> Opening balances have been adjusted to reflect the current period presentation.

<sup>(3)</sup> For further discussion of development and redevelopment coming online and under development vacancy, refer to the "Property Developments Activities – 2024 Development and Redevelopment Coming Online and Space Going Offline" section of this MD&A.

## Top Forty Tenants

As at March 31, 2024, 55.6% of First Capital's annualized minimum rent came from its top 40 tenants (December 31, 2023 – 54.9%). Of these rents, 73.2% (December 31, 2023 – 73.0%) came from tenants that have investment grade credit ratings and who represent many of Canada's leading grocery stores, pharmacies, national and discount retailers, financial institutions and other familiar retailers. The weighted average remaining lease term for First Capital's top 10 tenants was 5.4 years as at March 31, 2024, excluding contractual renewal options.

Rank	Tenant <sup>(1)(2)</sup>	Number of Stores	Square Feet (thousands)	Percent of Total Gross Leasable Area	Percent of Total Annualized Minimum Rent	DBRS Credit Rating	S&P Credit Rating	Moody's Credit Rating
1.	Loblaws Companies Limited ("Loblaws")	93	1,919	10.3%	10.4%	BBB (high)	BBB	
2.	Sobeys	50	1,389	7.5%	5.4%	BBB	BBB-	
3.	Metro	34	875	4.7%	3.2%	BBB (high)	BBB	
4.	Canadian Tire	20	700	3.8%	3.1%	BBB	BBB	
5.	Walmart	10	1,018	5.5%	2.1%	AA	AA	Aa2
6.	TD Canada Trust	43	196	1.1%	2.1%	AA (high)	AA-	Aa1
7.	Dollarama	52	465	2.5%	1.9%	BBB	BBB	Baa2
8.	Save-On-Foods	8	316	1.7%	1.8%			
9.	GoodLife Fitness	26	479	2.6%	1.8%			B2
10.	RBC Royal Bank	37	193	1.0%	1.7%	AA (high)	AA-	Aa1
<b>Top 10 Tenants Total</b>		<b>373</b>	<b>7,550</b>	<b>40.7%</b>	<b>33.5%</b>			
11.	Scotiabank	28	132	0.7%	1.6%	AA	A+	Aa2
12.	RONA	4	361	1.9%	1.4%			
13.	CIBC	33	166	0.9%	1.4%	AA	A+	Aa2
14.	LCBO	22	192	1.0%	1.3%	AA (low)	A+	Aa3
15.	McKesson	24	175	0.9%	1.3%		BBB+	A3
16.	Winners	13	306	1.6%	1.3%		A	A2
17.	Restaurant Brands International	52	116	0.6%	1.1%		BB	Ba3
18.	Longo's	5	196	1.1%	1.1%			
19.	BMO	25	105	0.6%	1.0%	AA	A+	Aa2
20.	London Drugs	7	174	0.9%	0.9%			
21.	Recipe Unlimited	27	104	0.6%	0.8%			
22.	Petsmart	7	118	0.6%	0.7%		B+	B1
23.	Altea Active	1	31	0.2%	0.7%			
24.	Staples	7	140	0.8%	0.7%		B-	B3
25.	Toys "R" Us	4	141	0.8%	0.6%			
26.	Whole Foods Market	2	90	0.5%	0.6%		AA-	A1
27.	Starbucks	32	45	0.2%	0.6%		BBB+	Baa1
28.	McDonald's	20	72	0.4%	0.5%		BBB+	Baa1
29.	Pusateri's	1	35	0.2%	0.5%			
30.	Subway	57	56	0.3%	0.5%			
31.	The Beer Store	10	59	0.3%	0.4%	AA (low)	A+	Aa3
32.	The Home Depot	2	153	0.8%	0.4%	A	A	A2
33.	Pet Valu	20	53	0.3%	0.4%			
34.	Williams-Sonoma	2	38	0.2%	0.4%			
35.	Alcanna Inc.	14	43	0.2%	0.4%			
36.	Bulk Barn	13	57	0.3%	0.3%			
37.	CLSC <sup>(3)</sup>	1	73	0.4%	0.3%	AA (low)	AA-	Aa2
38.	Michaels	3	54	0.3%	0.3%		CCC+	B3
39.	Goodwill	5	57	0.3%	0.3%			
40.	Anytime Fitness	11	59	0.3%	0.3%			
<b>Top 40 Tenants Total</b>		<b>825</b>	<b>10,951</b>	<b>58.9%</b>	<b>55.6%</b>			

<sup>(1)</sup> The names noted above may be the names of the parent entities and are not necessarily the covenants under the leases.

<sup>(2)</sup> Tenants noted include all banners of the respective retailer.

<sup>(3)</sup> Centre local de services communautaires.

## Lease Maturity Profile

First Capital's lease maturity profile for its portfolio as at March 31, 2024, excluding any contractual renewal options, is as follows:

Maturity Date	Number of Locations	Occupied Square Feet (thousands)	Percent of Total Square Feet	Annualized Minimum Rent at Expiration (thousands)	Percent of Total Annualized Minimum Rent	Average Annual Minimum Rent per Square Foot at Expiration
Month-to-month tenants <sup>(1)</sup>	147	320	1.7%	\$ 6,647	1.4%	\$ 20.78
2024	348	1,036	5.4%	25,783	5.4%	24.89
2025	573	2,354	12.1%	57,182	12.0%	24.30
2026	518	1,883	9.7%	50,130	10.5%	26.62
2027	575	2,678	13.8%	67,520	14.1%	25.21
2028	575	3,095	16.0%	74,306	15.6%	24.01
2029	409	2,113	10.9%	49,477	10.4%	23.41
2030	168	839	4.3%	22,880	4.8%	27.28
2031	143	837	4.3%	22,456	4.7%	26.83
2032	145	879	4.5%	22,237	4.7%	25.30
2033	140	694	3.6%	19,635	4.1%	28.29
2034	92	556	2.9%	17,367	3.6%	31.26
Thereafter	69	1,357	7.0%	41,424	8.7%	30.51
<b>Total or Weighted Average</b>	<b>3,902</b>	<b>18,641</b>	<b>96.2%</b>	<b>\$ 477,044</b>	<b>100.0%</b>	<b>\$ 25.59</b>

<sup>(1)</sup> Includes tenants on over hold including renewals and extensions under negotiation, month-to-month tenants and tenants in space at properties with future redevelopment.

The weighted average remaining lease term for the portfolio was 5.1 years as at March 31, 2024, excluding contractual renewal options, but including month-to-month and other short-term leases.

## Investment in Joint Ventures

As at March 31, 2024, First Capital had interests in seven joint ventures that it accounts for using the equity method. First Capital's joint ventures are as follows:

Name of Entity	Name of Property/Business Activity	Location	Effective Ownership	
			March 31, 2024	December 31, 2023
Aukland and Main Developments LP	Station Place	Toronto, ON	35.4%	35.4%
College Square General Partnership	College Square	Ottawa, ON	50.0%	50.0%
Edenbridge Kingsway (Humbertown)	Humbertown Condos (Phase 1)	Toronto, ON	50.0%	50.0%
Fashion Media Group GP Ltd.	Toronto Fashion Week events	Toronto, ON	78.0%	78.0%
FC Urban Properties, LP	199 Avenue Rd.	Toronto, ON	20.0%	20.0%
Green Capital Limited Partnership <sup>(1)</sup>	Royal Orchard	Markham, ON	—%	50.0%
Lakeshore Development LP	2150 Lake Shore Blvd. W.	Toronto, ON	50.0%	50.0%
Stackt Properties LP	Shipping Container marketplace	Toronto, ON	94.0%	94.0%

<sup>(1)</sup> During the first quarter of 2024, Green Capital Limited Partnership was dissolved and the net assets distributed to its limited partners.

First Capital has determined that these investments are joint ventures as all decisions regarding their activities are made unanimously between First Capital and its partners.



## MANAGEMENT'S DISCUSSION AND ANALYSIS – continued

The following table reconciles the changes in First Capital's interests in its equity accounted joint ventures for the three months ended March 31, 2024 and year ended December 31, 2023:

	March 31, 2024	December 31, 2023
Balance at beginning of year	\$ 404,504	\$ 357,122
Contributions to equity accounted joint ventures	3,076	6,554
Distributions from equity accounted joint ventures	(1,303)	(4,599)
Disposition of equity accounted joint venture	—	(3,074)
Distribution of net assets from equity accounted joint venture	(60,028)	—
Share of profit (loss) from equity accounted joint ventures	2,699	48,501
Balance at end of period	\$ 348,948	\$ 404,504

On June 9, 2023, the Trust sold its 50% interest of the partnership units in the ONE Restaurant for \$5.0 million. The sale was subject to working capital and closing adjustments of \$0.9 million with the Trust receiving net proceeds of \$4.1 million. The total gain on investment of \$1.0 million was recognized in other gains (losses) and (expenses) during the second quarter of 2023.

On February 28, 2024, Green Capital Limited Partnership was dissolved and the net assets distributed to its limited partners. The Trust held a 50% interest in the partnership and received net assets of \$60.0 million. Concurrently with the dissolution, the Trust sold its 50% interest in the Royal Orchard property for net proceeds of \$59.7 million.

## Loans, Mortgages and Other Assets

As at	March 31, 2024	December 31, 2023
<b>Non-current</b>		
Loans and mortgages receivable classified as amortized cost (a)	\$ 33,674	\$ 57,509
Other investments	11,393	11,393
Due from co-owners (b)	46,107	41,944
Total non-current	91,174	110,846
<b>Current</b>		
Loans and mortgages receivable classified as amortized cost (a)	99,968	73,718
FVTPL investments in securities (c)	2,836	2,801
Total current	102,804	76,519
Total	\$ 193,978	\$ 187,365

(a) Loans and mortgages receivable are secured by interests in investment properties or shares of entities owning investment properties. As at March 31, 2024, these receivables bear interest at weighted average effective interest rates of 8.6% (December 31, 2023 – 8.6%) and mature between 2024 and 2027.

(b) The Trust has contributed equity to one of its co-ownerships whereas its partners made draws on the co-ownership's new credit facility to fund the co-ownership's development project. The due from co-owners in the principal amount of \$42.4 million equals the Trust's proportionate share of the co-ownership's credit facility draws. As there is no right of offset for these two financial instruments they are presented on a gross basis on the consolidated balance sheets.

(c) From time to time, First Capital invests in publicly traded real estate and related securities. These securities are recorded at market value. Realized and unrealized gains and losses on FVTPL securities are recorded in other gains (losses) and (expenses).

## RESULTS OF OPERATIONS

### Net Operating Income

First Capital's net operating income for its portfolio is presented below:

	Three months ended March 31		
	% change	2024	2023
Property rental revenue			
Base rent <sup>(1)</sup>		\$ 109,500	\$ 106,868
Operating cost recoveries		30,258	29,778
Realty tax recoveries		30,981	30,519
Lease termination fees		5,584	135
Percentage rent		667	644
Straight-line rent adjustment		1,010	291
Prior year operating cost and tax recovery adjustments		60	124
Temporary tenants, storage, parking and other <sup>(2)</sup>		4,829	7,651
<b>Total Property rental revenue</b>	<b>3.9%</b>	<b>182,889</b>	176,010
Property operating costs			
Recoverable operating expenses		33,806	33,729
Recoverable realty tax expense		35,221	34,652
Prior year realty tax expense (recovery)		(162)	(8)
Other operating costs and adjustments <sup>(3)</sup>		1,811	4,584
<b>Total Property operating costs</b>		<b>70,676</b>	72,957
<b>NOI <sup>(4)</sup></b>	<b>8.9%</b>	<b>\$ 112,213</b>	\$ 103,053
<b>NOI margin</b>		<b>61.4%</b>	58.5%

<sup>(1)</sup> Includes residential revenue.

<sup>(2)</sup> Includes hotel property revenue.

<sup>(3)</sup> Includes residential operating costs, hotel property operating costs and bad debt expense.

<sup>(4)</sup> Refer to the "Non-IFRS Financial Measures" section of this MD&A.

For the three months ended March 31, 2024, total NOI increased \$9.2 million compared to the same prior year period primarily due to significantly higher contributions from lease termination fees and higher base rent in the first quarter of 2024 relative to the first quarter of 2023. Excluding bad debt expense (recovery) and lease termination fees, total NOI increased \$3.7 million, compared to the same prior year period.

For the three months ended March 31, 2024, the NOI margin increased 2.9% to 61.4% compared to the same prior year period primarily due to higher contributions from lease termination fees and the positive impact of portfolio leasing activity.

For the three months ended March 31, 2024, property operating costs include \$6.4 million (three months ended March 31, 2023 – \$6.4 million) related to employee compensation.

**Same Property NOI Growth**

First Capital's net operating income for its portfolio by property category is presented below:

	Three months ended March 31		
	% change	2024	2023
Property rental revenue			
Base rent <sup>(1)</sup>		\$ 105,371	\$ 103,374
Operating cost recoveries		28,882	28,386
Realty tax recoveries		29,997	29,541
Lease termination fees		5,584	135
Percentage rent		636	517
Prior year operating cost and tax recovery adjustments		47	139
Temporary tenants, storage, parking and other <sup>(2)</sup>		4,704	4,520
<b>Total Same Property rental revenue</b>		<b>175,221</b>	166,612
Property operating costs			
Recoverable operating expenses		32,154	31,868
Recoverable realty tax expense		33,867	33,183
Prior year realty tax expense		(146)	(8)
Other operating costs and adjustments <sup>(3)</sup>		2,018	2,035
<b>Total Same Property operating costs</b>		<b>67,893</b>	67,078
<b>Total Same Property NOI <sup>(4)</sup></b>	<b>7.8%</b>	<b>\$ 107,328</b>	\$ 99,534
Major redevelopment		2,676	2,315
Acquisitions – 2024		407	—
Acquisitions – 2023		942	405
Assets classified as held for sale		614	397
Dispositions – 2024		533	672
Dispositions – 2023		34	608
Straight-line rent adjustment		1,026	301
Development land		394	612
<b>NOI at First Capital's proportionate interest <sup>(4)</sup></b>	<b>8.7%</b>	<b>\$ 113,954</b>	\$ 104,844
<b>NOI related to equity accounted joint ventures &amp; NCI</b>		<b>(1,741)</b>	(1,791)
<b>NOI per consolidated statements of income (loss)</b>		<b>\$ 112,213</b>	\$ 103,053
<b>NOI margin</b>		<b>61.4%</b>	58.5%

<sup>(1)</sup> Includes residential revenue.

<sup>(2)</sup> Includes hotel property revenue.

<sup>(3)</sup> Includes residential operating costs, hotel property operating costs and bad debt expense.

<sup>(4)</sup> Refer to the "Non-IFRS Financial Measures" section of this MD&A.

The components of Same Property ("SP") NOI growth and comparisons to the same prior year period are as follows:

	Three months ended March 31	
	2024	2023 <sup>(1)</sup>
Same Property – Stable	7.9%	3.9%
Same Property with redevelopment	4.8%	14.1%
<b>Total Same Property NOI Growth <sup>(2)</sup></b>	<b>7.8%</b>	4.0%

<sup>(1)</sup> Prior periods as reported; not restated to reflect current period property categories.

<sup>(2)</sup> Refer to the "Non-IFRS Financial Measures" section of this MD&A.

For the three months ended March 31, 2024, SP NOI increased by \$7.8 million, or 7.8%, inclusive of a \$5.5 million settlement with Nordstrom with respect to the early termination of its lease at One Bloor East in June 2023. SP NOI growth excluding bad debt expense (recovery) and lease termination fees increased 2.3%, primarily due to higher base rent in the first quarter of 2024 relative to the first quarter of 2023 and despite the trailing effects of Nordstrom's departure which adversely impacted growth in the quarter by approximately 140 basis points.

## Interest and Other Income

	Three months ended March 31	
	2024	2023
Interest, dividend and distribution income from marketable securities and other investments	\$ 912	\$ 662
Interest income from loans and mortgages receivable classified as FVTPL	—	19
Interest income from loans and mortgages receivable at amortized cost	2,769	2,645
Fees and other income <sup>(1)</sup>	10,733	1,265
<b>Total</b>	<b>\$ 14,414</b>	<b>\$ 4,591</b>

<sup>(1)</sup> For the three months ended March 31, 2024, fees and other income include a \$9.5 million fee related to the assignment of a purchase and sale agreement for a parcel of land.

For the three months ended March 31, 2024, interest and other income increased \$9.8 million compared to the same prior year period primarily due to a \$9.5 million assignment fee, recognized in the first quarter of 2024, related to a small development parcel located in Montreal.

## Interest Expense

First Capital's interest expense by type is as follows:

	Three months ended March 31	
	2024	2023
Mortgages	\$ 13,930	\$ 13,473
Credit facilities	12,595	10,125
Senior unsecured debentures	17,140	18,509
Distributions on Exchangeable Units <sup>(1)</sup>	—	13
Interest capitalized	(4,591)	(4,852)
<b>Interest expense</b>	<b>\$ 39,074</b>	<b>\$ 37,268</b>

<sup>(1)</sup> The distributions declared on the Exchangeable Units are accounted for as interest expense.

For the three months ended March 31, 2024, interest expense increased \$1.8 million compared to the same prior year period primarily due to rising interest rates despite lower total debt outstanding year-over-year.

During the three months ended March 31, 2024 and 2023, approximately 10.5% or \$4.6 million, and 11.5% or \$4.9 million, respectively, of interest expense was capitalized to real estate investments under active development or redevelopment as well as for land or properties held for development.

## Corporate Expenses

First Capital's corporate expenses are as follows:

	Three months ended March 31			
	2024		2023	
Salaries, wages and benefits	\$	8,626	\$	8,540
Unit-based compensation		2,362		2,354
Other corporate costs		3,990		10,977
Total corporate expenses		14,978		21,871
Amounts capitalized to investment properties under development		(2,153)		(2,342)
Corporate expenses	\$	12,825	\$	19,529

For the three months ended March 31, 2024, gross corporate expenses, before capitalization, decreased by \$6.9 million, over the same prior year period due to costs related to unitholder activism incurred in the first quarter of 2023.

First Capital manages substantially all acquisitions, development and redevelopment and leasing activities internally. Certain internal costs directly related to development, including salaries and related costs for planning, zoning, construction and so forth, are capitalized in accordance with IFRS to development projects as incurred. During the three months ended March 31, 2024 and 2023, approximately \$2.2 million and \$2.3 million, respectively, of compensation-related and other corporate expenses were capitalized to real estate investments for properties undergoing development or redevelopment projects. Amounts capitalized are based on development and pre-development projects underway. Changes in capitalized corporate expenses are primarily the result of timing of completion of development and redevelopment projects and First Capital's current level of pre-development and early redevelopment activity.

## Other Gains (Losses) and (Expenses)

First Capital's other gains, losses and expenses are as follows:

	Three months ended March 31			
	2024		2023	
	Consolidated Statements of Income (Loss)	Included in FFO	Consolidated Statements of Income (Loss)	Included in FFO
Unrealized gain (loss) on marketable securities	\$ 35	\$ 35	\$ (53)	\$ (53)
Pre-selling costs of residential inventory	(3)	(3)	(75)	(75)
Investment properties selling costs	(2,287)	—	(110)	—
Gain (loss) on foreign currency translation	(7,022)	(7,022)	560	560
Gain (loss) on mark-to-market of derivatives <sup>(1)</sup>	10,603	10,603	(564)	(564)
Total per consolidated statements of income (loss)	\$ 1,326	\$ 3,613	\$ (242)	\$ (132)
Other gains (losses) and (expenses) applicable to NCI	—	—	1	1
Other gains (losses) and (expenses) under equity accounted joint ventures <sup>(2)</sup>	(39)	(39)	(48)	(48)
Total at First Capital's proportionate interest <sup>(3)</sup>	\$ 1,287	\$ 3,574	\$ (289)	\$ (179)

<sup>(1)</sup> The Trust enters into cross-currency swap derivatives to manage interest rate risk and foreign currency risk on its US denominated variable rate debt instruments.

<sup>(2)</sup> Other gains (losses) and (expenses) under equity accounted joint ventures, included in FFO, is comprised of pre-selling costs of residential inventory of \$39.0 thousand (March 31, 2023 - \$48.0 thousand).

<sup>(3)</sup> Refer to the "Non-IFRS Financial Measures" section of this MD&A.

For the three months ended March 31, 2024, First Capital recognized \$1.3 million in other gains in its consolidated statement of income (loss) compared to \$0.2 million in other losses for the same prior year period. The \$1.6 million increase in other gains is primarily due to an \$11.2 million increase in unrealized gains on the mark to market of derivatives,

partially offset by a \$7.6 million loss on foreign currency translation. Additionally, the Trust incurred higher property selling costs of \$2.2 million in the first quarter of 2024 relative to the first quarter of 2023.

## Income Taxes

For the three months ended March 31, 2024 and 2023, deferred income tax expense (recovery) totaled \$1.2 million compared to (\$0.2) million over the same prior year period. The increase of \$1.4 million in deferred income tax expense was primarily due to an increase in taxable temporary differences applicable to the Trust's corporate subsidiaries.

## Net Income (Loss) Attributable to Unitholders

For the three months ended March 31, 2024, net income (loss) attributable to Unitholders was \$74.8 million or \$0.35 per diluted unit compared to \$48.7 million or \$0.23 per diluted unit for the same prior year period. The \$26.1 million increase in net income over prior year was primarily due to a year-over-year increase in NOI and interest & other income, collectively totaling \$18.8 million on a proportionate basis, as well as an increase in the fair value of investment properties of \$8.7 million.

## CAPITAL STRUCTURE AND LIQUIDITY

### Total Capital Employed

The real estate business is capital intensive by nature. First Capital's capital structure is key to financing growth and providing sustainable cash distributions to Unitholders. In the real estate industry, financial leverage is used to enhance rates of return on invested capital. Management believes that the combination of debt and equity in FCR's capital structure provides stability and reduces risk, while generating an acceptable return on investment, taking into account the long-term business strategy of First Capital.

As at	March 31, 2024	December 31, 2023
<b>Liabilities (principal amounts outstanding)</b>		
Mortgages <sup>(1)</sup>	\$ 1,423,115	\$ 1,432,611
Credit facilities <sup>(1)</sup>	920,144	1,151,226
Senior unsecured debentures	1,900,000	1,600,000
Total Debt <sup>(1)</sup>	\$ 4,243,259	\$ 4,183,837
Cash and cash equivalents <sup>(1)</sup>	(168,910)	(92,499)
Net Debt <sup>(1)(2)</sup>	\$ 4,074,349	\$ 4,091,338
Equity market capitalization <sup>(3)</sup>	3,334,319	3,254,907
Enterprise value <sup>(1)</sup>	\$ 7,408,668	\$ 7,346,245
Trust Units outstanding (000's)	212,242	212,184
Closing market price	\$ 15.71	\$ 15.34

<sup>(1)</sup> At First Capital's proportionate interest. Refer to the "Non-IFRS Financial Measures" section of this MD&A.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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 EBITDA

Adjusted EBITDA is a non-IFRS measure that is calculated as net income (loss), 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. First Capital also adjusts for incremental leasing costs, which is a recognized adjustment to FFO, in accordance with the recommendations of REALPAC.

The following table reconciles First Capital's net income (loss) to Adjusted EBITDA for the three months ended March 31, 2024 and 2023:

	Three months ended March 31	
	2024	2023
Net income (loss) attributable to Unitholders	\$ 74,797	\$ 48,738
Add (deduct) <sup>(1)</sup> :		
Deferred income tax expense (recovery)	1,202	(154)
Interest Expense	40,077	38,269
Amortization expense	754	2,693
(Increase) decrease in value of investment properties	(2,065)	6,644
(Increase) decrease in value of hotel property	—	(3,646)
Increase (decrease) in value of Exchangeable Units	—	(65)
Increase (decrease) in value of unit-based compensation	2,297	(2,457)
Incremental leasing costs	1,992	2,048
Abandoned transaction (costs) recovery	31	4
Other non-cash and/or non-recurring items	(1,287)	289
Adjusted EBITDA <sup>(1)</sup>	\$ 117,798	\$ 92,363

<sup>(1)</sup> At First Capital's proportionate interest. Refer to the "Non-IFRS Financial Measures" section of this MD&A.

### Key Metrics

The ratios below include measures not specifically defined in IFRS.

As at	March 31, 2024	December 31, 2023
Weighted average effective interest rate on mortgages, fixed rate unsecured term loans and senior unsecured debentures	4.2%	3.9%
Weighted average maturity on mortgages, fixed rate unsecured term loans and senior unsecured debentures (years)	3.3	3.3
Net debt to total assets <sup>(1)</sup>	44.9%	45.0%
Net debt to Adjusted EBITDA <sup>(1)</sup>	9.3	9.9
Unencumbered aggregate assets <sup>(1)</sup>	\$ 6,041,507	\$ 6,009,993
Unencumbered aggregate assets to unsecured debt, based on fair value <sup>(1)</sup>	2.2	2.3
Adjusted EBITDA interest coverage <sup>(1)</sup>	2.4	2.3

<sup>(1)</sup> Calculated with joint ventures proportionately consolidated in accordance with FCR's debt covenants. Total assets excludes cash balances. Refer to the "Non-IFRS Financial Measures" section of this MD&A.

The Net debt to Adjusted EBITDA ratio decreased by 0.6x to 9.3x, as of March 31, 2024, primarily due to a \$25 million increase in adjusted EBITDA on a rolling four quarter basis.

Measures used in these ratios are defined below:

- Debt consists of principal amounts outstanding on credit facilities and mortgages, and the par value of senior unsecured debentures;
- Net debt is calculated as Debt, as defined above, reduced by cash balances at the end of the period;

- Adjusted EBITDA, is calculated as net income (loss), adding back income tax expense; interest expense; and amortization and excluding the increase or decrease in the value of investment properties, hotel property, Exchangeable units and unit-based compensation; other gains (losses) and (expenses); and other non-cash or non-recurring items on a proportionate basis. The Trust also adjusts for incremental leasing costs, which is a recognized adjustment to Funds from Operations, in accordance with the recommendations of the REALPAC;
- Unencumbered assets include the value of assets that have not been pledged as security under any credit agreement or mortgage. The unencumbered asset value ratio is calculated as unencumbered assets divided by the principal amount of the unsecured debt, which consists of the bank indebtedness, unsecured bank term loans, unsecured credit facilities and senior unsecured debentures.

## Credit Ratings

On June 23, 2023, DBRS confirmed FCR's Issuer Rating and Senior Unsecured Debentures rating at BBB with a stable trend.

On November 9, 2023, S&P withdrew its BBB- issuer credit rating on First Capital and its BBB- issue-level ratings on its unsecured debentures at the issuer's request. At the time of the withdrawal, S&P's outlook was stable.

According to DBRS, a credit rating in the BBB category is generally an indication of adequate credit quality and an acceptable capacity for the payment of financial obligations. DBRS indicates that BBB rated obligations may be vulnerable to future events. A rating trend, expressed as positive, stable or negative, provides guidance in respect of DBRS' opinion regarding the outlook for the rating in question.

## Outstanding Debt and Principal Maturity Profile

The maturity profile including scheduled amortization of First Capital's mortgages and credit facilities as well as its senior unsecured debentures as at March 31, 2024 is summarized in the table below:

As at March 31, 2024	Mortgages <sup>(1)</sup>	Credit Facilities/Bank Indebtedness <sup>(2)</sup>	Senior Unsecured Debentures	Total	% Due
2024 (remainder of the year)	\$ 134,808	\$ 30,389	\$ 300,000	\$ 465,197	11.2%
2025	100,393	221,950	300,000	622,343	15.0%
2026	124,220	423,930	300,000	848,150	20.4%
2027	108,121	42,357	500,000	650,478	15.7%
2028	171,366	—	200,000	371,366	8.9%
2029	255,876	200,000	—	455,876	11.0%
2030	181,337	—	—	181,337	4.4%
2031	60,433	—	300,000	360,433	8.7%
2032	5,369	—	—	5,369	0.1%
2033	190,683	—	—	190,683	4.6%
	\$ 1,332,606	\$ 918,626	\$ 1,900,000	\$ 4,151,232	100.0%
Add (deduct): unamortized deferred financing costs, premiums and discounts, net	(3,588)	—	(2,564)	(6,152)	
<b>Total</b>	<b>\$ 1,329,018</b>	<b>\$ 918,626</b>	<b>\$ 1,897,436</b>	<b>\$ 4,145,080</b>	

<sup>(1)</sup> Principal amount outstanding for mortgages on a proportionate basis is \$1,423,115.

<sup>(2)</sup> Principal amount outstanding for credit facilities and bank indebtedness on a proportionate basis is \$920,144 and \$Nil, respectively.

First Capital's strategy is to manage its long-term debt by staggering maturity dates in order to mitigate risk associated with short-term volatility in the debt markets. First Capital also intends to maintain financial flexibility to support a reasonable cost of debt and equity capital over the long term.



## Mortgages

The changes in First Capital's mortgages during the three months ended March 31, 2024 are set out below:

Three months ended March 31, 2024	Amount	Weighted Average Effective Interest Rate
Balance at beginning of year	\$ 1,338,041	3.8%
Scheduled amortization on mortgages	(9,210)	—%
Amortization of financing costs and net premium	187	—%
Balance at end of period	<b>\$ 1,329,018</b>	<b>3.8%</b>

As at March 31, 2024, 100% (December 31, 2023 – 100%) of the outstanding mortgages bore interest at fixed interest rates. The average remaining term on mortgages outstanding was 4.5 years as at March 31, 2024 on \$1.3 billion of mortgages (4.8 years as at December 31, 2023 on \$1.3 billion of mortgages) after reflecting borrowing activity and repayments during the period.

### Mortgage Maturity Profile

The maturity profile including scheduled amortization of First Capital's mortgages as at March 31, 2024 is summarized in the table below:

As at March 31, 2024	Scheduled Amortization	Payments on Maturity	Total	Weighted Average Effective Interest Rate
2024 (remainder of the year)	\$ 26,330	\$ 108,478	\$ 134,808	3.7%
2025	33,423	66,970	100,393	3.8%
2026	29,860	94,360	124,220	3.2%
2027	28,258	79,863	108,121	3.6%
2028	25,643	145,723	171,366	3.8%
2029	18,996	236,880	255,876	3.5%
2030	11,962	169,375	181,337	3.3%
2031	5,477	54,956	60,433	3.5%
2032	5,369	—	5,369	N/A
2033	460	190,223	190,683	5.1%
	<b>\$ 185,778</b>	<b>\$ 1,146,828</b>	<b>\$ 1,332,606</b>	<b>3.8%</b>
Add: unamortized deferred financing costs and premiums and discounts, net			(3,588)	
Total			<b>\$ 1,329,018</b>	

## Credit Facilities

First Capital's credit facilities as at March 31, 2024 are summarized in the table below:

As at March 31, 2024	Borrowing Capacity	Amounts Drawn	Bank Indebtedness and Outstanding Letters of Credit	Available to be Drawn	Interest Rates	Maturity Date
<b>Unsecured Operating Facilities</b>						
Revolving unsecured operating facility	\$ 100,000	\$ —	\$ —	\$ 100,000	BA + 1.25% or Prime + 0.25% or SOFR + 1.35%	April 20, 2025
Revolving unsecured operating facility	150,000	—	—	150,000	BA + 1.25% or Prime + 0.25% or SOFR + 1.35%	August 31, 2025
Revolving unsecured operating facility	450,000	—	(2,000)	448,000	BA + 1.45% or Prime + 0.45% or SOFR + 1.55%	June 30, 2028
Fixed rate unsecured term loan <sup>(1)(2)</sup>	100,000	(100,000)	—	—	5.00%	January 9, 2025
Fixed rate unsecured term loans <sup>(2)(3)</sup>	250,000	(250,000)	—	—	3.39%	April 14, 2025 -April 14, 2026
Fixed rate unsecured term loan <sup>(2)</sup>	100,000	(100,000)	—	—	3.27%	April 15, 2026
Fixed rate unsecured term loan <sup>(2)(4)(7)</sup>	150,000	(148,930)	—	1,070	5.985%	October 20, 2026
Fixed rate unsecured term loan <sup>(2)</sup>	200,000	(200,000)	—	—	5.804%	January 31, 2029
<b>Secured Construction Facilities</b>						
Secured construction facility	19,321	(19,321)	—	—	Prime - 0.25%	June 1, 2024
Secured construction facility	62,665	(46,950)	(537)	15,178	BA + 2.50% or Prime + 1.00%	October 1, 2025
Secured construction facility <sup>(5)</sup>	141,509	(42,357)	(295)	98,857	BA + 2.30%	February 1, 2027
<b>Secured Facilities</b>						
Secured facility	4,313	(4,313)	—	—	BA + 1.45% or Prime + 0.45%	September 27, 2024
Secured facility	6,755	(6,755)	—	—	CORRA + 1.75% or Prime + 0.45%	December 19, 2024
<b>Sub-Total</b>	<b>\$ 1,734,563</b>	<b>\$ (918,626)</b>	<b>\$ (2,832)</b>	<b>\$ 813,105</b>		
<b>Proportionate Adjustments - Secured Construction Facilities</b>						
Secured construction facility <sup>(6)</sup>	71,450	(13,852)	—	57,598	BA + 2.65% or Prime + 1.00%	November 28, 2025
Secured construction facility applicable to NCI	(41,207)	12,334	86	(28,787)		
<b>Total</b>	<b>\$ 1,764,806</b>	<b>\$ (920,144)</b>	<b>\$ (2,746)</b>	<b>\$ 841,916</b>		

<sup>(1)</sup> The Trust has the option to extend the unsecured term loan for an additional two years, to January 9, 2027.

<sup>(2)</sup> These unsecured term loans are variable rate debt instruments. The Trust has entered into swaps which fix the rate of interest over their respective terms to maturity.

<sup>(3)</sup> As at March 31, 2024, \$75.0 million of the unsecured term loans is due April 14, 2025. The remaining \$175.0 million is due April 14, 2026.

<sup>(4)</sup> The Trust has drawn in U.S. dollars the equivalent of CAD\$150.0 million which was revalued at CAD\$148.9 million as at March 31, 2024.

<sup>(5)</sup> The borrowing capacity is reduced by the Trust's equity injections into the project where it has chosen not to draw on the facility and other adjustments in accordance with the facility agreement.

<sup>(6)</sup> This secured construction facility relates to one of the Trust's joint ventures that is equity accounted.

<sup>(7)</sup> The Trust has the option to extend the unsecured term loan for an additional two years, to October 20, 2028.

First Capital has the ability under its unsecured credit facilities to draw funds based on Canadian bank prime rates, Canadian bankers' acceptances ("BA rates") and Canadian Overnight Repo Rate Average ("CORRA rates") for Canadian dollar-denominated borrowings, and secured overnight financing rates ("SOFR rates") or U.S. prime rates for U.S. dollar-denominated borrowings. Concurrently with the U.S. dollar draws, the Trust enters into cross-currency swaps to exchange its U.S. dollar borrowings into Canadian dollar borrowings.

## Senior Unsecured Debentures

As at March 31, 2024			Interest Rate		Remaining Term to Maturity	Principal Outstanding
Series	Maturity Date	Interest Payment Dates	Coupon	Effective	(years)	
R	August 30, 2024	February 28, August 30	4.79%	4.72%	0.4	300,000
S	July 31, 2025	January 31, July 31	4.32%	4.24%	1.3	300,000
T	May 6, 2026	May 6, November 6	3.60%	3.57%	2.1	300,000
V	January 22, 2027	January 22, July 22	3.46%	3.54%	2.8	200,000
U	July 12, 2027	January 12, July 12	3.75%	3.82%	3.3	300,000
A	March 1, 2028	March 1, September 1	3.45%	3.54%	3.9	200,000
B	March 1, 2031	March 1, September 1	5.57%	5.66%	6.9	300,000
Weighted Average or Total			<b>4.21%</b>	<b>4.22%</b>	<b>2.9</b>	<b>\$ 1,900,000</b>

Interest on the senior unsecured debentures is payable semi-annually and principal is payable on maturity.

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

On March 1, 2024, the Trust completed the issuance of \$300 million principal amount of Series B senior unsecured debentures due March 1, 2031. These debentures bear interest at a coupon rate of 5.57% per annum, payable semi-annually commencing September 1, 2024.

### Unitholders' Equity

Unitholders' equity amounted to \$4.0 billion as at March 31, 2024, compared to Unitholders' equity of \$3.9 billion as at December 31, 2023. The increase is primarily attributed to higher net income and other comprehensive income for the three months ended March 31, 2024.

As at April 29, 2024, there were 212.2 million Trust Units outstanding.

### Normal Course Issuer Bid ("NCIB")

On May 16, 2023, First Capital received TSX approval for the renewal of its Normal Course Issuer Bid ("NCIB") pursuant to which it may repurchase and cancel up to 21,148,491 of its outstanding Units until May 17, 2024.

For the three months ended March 31, 2024, the Trust acquired and cancelled Nil Units (March 31, 2023 - 1.3 million Units) at a weighted average purchase price of N/A (March 31, 2023 - \$15.32 per unit), for a total cost of \$Nil (March 31, 2023 - \$19.7 million). The excess of the purchase price over the carrying amount of the Units purchased, representing the unit price increase over the weighted average historical issuance price, was recorded as a reduction to retained earnings of \$Nil (March 31, 2023 - \$2.7 million). On a cumulative basis, as of March 31, 2024, the Trust has acquired and cancelled 7.9 million Units at a weighted average purchase price of \$15.15 per unit, for a total cost of \$120.1 million.

### Unit Options

As at March 31, 2024, First Capital had 5.5 million unit options outstanding, with an average exercise price of \$19.83, which, if exercised, would result in First Capital receiving proceeds of \$109.2 million.

## Liquidity

Liquidity risk exists due to the possibility of First Capital not being able to generate sufficient cash flow, and/or not having access to sufficient debt and equity capital to fund its ongoing operations and growth and to refinance or meet existing payment obligations. First Capital manages its liquidity risk by staggering debt maturities, renegotiating expiring credit arrangements proactively, using revolving credit facilities, maintaining a large pool of unencumbered assets, and issuing equity when deemed appropriate.

Sources of liquidity primarily consist of cash flow from operations, cash and cash equivalents, and available capacity under First Capital's existing revolving credit facilities. If necessary, FCR is also able to obtain financing on its unencumbered assets.

The following table summarizes First Capital's liquidity position:

As at (millions of dollars)	March 31, 2024	December 31, 2023
Total available under credit facilities	\$ 813	\$ 829
Cash and cash equivalents	\$ 164	\$ 87
Unencumbered aggregate assets	\$ 6,042	\$ 6,010

First Capital has historically used mortgages, credit facilities, senior unsecured debentures, convertible debentures and equity issuances to finance its growth and repay debt. The actual level and type of future borrowings will be determined based on prevailing interest rates, various costs of debt and equity capital, capital market conditions and Management's view of the appropriate leverage for the business. Management believes that it has sufficient resources to meet its operational and investing requirements in the near and longer term based on the availability of capital.

Planned and completed financings subsequent to March 31, 2024, and availability on existing credit facilities, address substantially all of the contractual 2024 debt maturities and contractually committed costs to complete current development projects.

## Cash Flows

Cash flow from operating activities represents First Capital's primary source of liquidity for servicing debt and funding planned revenue sustaining expenditures, corporate expenses and distributions to Unitholders. Interest and other income and cash on hand are other sources of liquidity.

	Three months ended March 31	
	2024	2023
Cash provided by (used in) operating activities	\$ 29,778	\$ 28,719
Cash provided by (used in) financing activities	4,174	26,305
Cash provided by (used in) investing activities	42,781	(8,067)
Net change in cash and cash equivalents	\$ 76,733	\$ 46,957

The following table presents the excess (shortfall) of cash provided by operating activities over distributions declared:

	Three months ended March 31	
	2024	2023
Cash provided by operating activities	\$ 29,778	\$ 28,719
Distributions declared	(45,836)	(46,048)
Excess (shortfall) of cash provided by operating activities over distributions declared	\$ (16,058)	\$ (17,329)

For the three months ended March 31, 2024 and 2023, distributions declared exceeded cash flows provided by operating activities by \$16.1 million and \$17.3 million, respectively, representing a return of capital. This shortfall is financed through the use of First Capital's credit facilities and proceeds from investing activities.

## MANAGEMENT'S DISCUSSION AND ANALYSIS – continued

Management does not believe that a shortfall in any given quarter is indicative of First Capital's sustainable cash flows due to the impact of seasonal fluctuations in its cash flows period over period. Please refer to Management's discussion on ACFO and AFFO, supplemental non-IFRS financial measures used to evaluate and monitor First Capital's sustainable cash available to pay distributions to Unitholders.

### Contractual Obligations

An analysis of First Capital's contractual maturities of its material financial liabilities and other contractual commitments, as at March 31, 2024 is set out below:

As at March 31, 2024	Payments due by period				
	Remainder of 2024	2025 to 2026	2027 to 2028	Thereafter	Total
Scheduled mortgage principal amortization	\$ 26,330	\$ 63,283	\$ 53,901	\$ 42,264	\$ 185,778
Mortgage principal repayments on maturity	108,478	161,330	225,586	651,434	1,146,828
Credit facilities and bank indebtedness	30,389	645,880	42,357	200,000	918,626
Senior unsecured debentures	300,000	600,000	700,000	300,000	1,900,000
Interest obligations <sup>(1)</sup>	125,365	246,238	135,985	96,522	604,110
Land leases (expiring between 2027 and 2061)	509	1,284	1,279	15,723	18,795
Contractually committed costs to complete current development projects <sup>(2)</sup>	37,205	63,170	—	—	100,375
Other committed costs	—	21,250	—	—	21,250
<b>Total contractual obligations</b>	<b>\$ 628,276</b>	<b>\$ 1,802,435</b>	<b>\$ 1,159,108</b>	<b>\$ 1,305,943</b>	<b>\$ 4,895,762</b>

<sup>(1)</sup> Interest obligations include expected interest payments on mortgages and credit facilities as at March 31, 2024 (assuming balances remain outstanding through to maturity) and senior unsecured debentures, as well as standby credit facility fees.

<sup>(2)</sup> Includes amounts related to equity accounted joint ventures.

First Capital had \$27.6 million of outstanding letters of credit issued by financial institutions to support certain of FCR's contractual obligations and \$Nil of bank overdrafts.

As of March 31, 2024, contractually committed costs related to the Trust's development projects is \$100.4 million (\$85.8 million at First Capital's interest). These contractual and potential obligations primarily consist of construction contracts and additional planned development expenditures and are expected to be funded in the normal course as the work is completed.

### Contingencies

- First Capital is involved in litigation and claims which arise from time to time in the normal course of business. None of these contingencies, individually or in aggregate, would result in a liability that would have a significant adverse effect on the financial position of FCR.
- First Capital is contingently liable, jointly and severally or as guarantor, for approximately \$171.8 million (December 31, 2023 – \$168.1 million) to various lenders in connection with certain third-party obligations, including, without limitation, loans advanced to its joint arrangement partners secured by the partners' interest in the joint arrangements and underlying assets.
- First Capital is contingently liable by way of letters of credit in the amount of \$27.6 million (December 31, 2023 – \$28.6 million), issued by financial institutions on FCR's behalf in the ordinary course of business.
- First Capital has obligations as lessee under long-term leases for land. Annual commitments under these ground leases are approximately \$0.7 million (December 31, 2023 – \$0.7 million) with a total obligation of \$18.8 million (December 31, 2023 – \$19.0 million).

## NON-IFRS RECONCILIATIONS AND FINANCIAL MEASURES

### Reconciliation of Consolidated Balance Sheets to First Capital's Proportionate Interest

The following table provides a reconciliation of First Capital's consolidated balance sheets, as presented in its unaudited interim condensed consolidated financial statements, to its proportionate interest.

<i>As at</i>	March 31, 2024			December 31, 2023		
	Consolidated Balance Sheet <sup>(1)</sup>	Adjustments for Proportionate Interest	Proportionate Interest <sup>(2)</sup>	Consolidated Balance Sheet <sup>(1)</sup>	Adjustments for Proportionate Interest	Proportionate Interest <sup>(2)</sup>
<b>ASSETS</b>						
Investment properties	\$ 8,065,689	\$ 322,676	\$ 8,388,365	\$ 8,070,985	\$ 318,570	\$ 8,389,555
Residential development inventory	199,576	24,995	224,571	192,125	20,017	212,142
Loans, mortgages and other assets	193,978	(13,318)	180,660	187,365	(12,107)	175,258
Cash and cash equivalents	164,154	4,756	168,910	87,421	5,078	92,499
Amounts receivable	48,410	2,597	51,007	20,393	1,899	22,292
Other assets	74,781	1,877	76,658	54,382	1,814	56,196
Investment in joint ventures	348,948	(348,948)	—	404,504	(404,504)	—
Assets classified as held for sale	150,250	(1,398)	148,852	168,275	58,602	226,877
<b>Total assets</b>	<b>\$ 9,245,786</b>	<b>\$ (6,763)</b>	<b>\$ 9,239,023</b>	<b>\$ 9,185,450</b>	<b>\$ (10,631)</b>	<b>\$ 9,174,819</b>
<b>LIABILITIES</b>						
Mortgages	\$ 1,329,018	\$ 90,426	\$ 1,419,444	\$ 1,329,043	\$ 90,682	\$ 1,419,725
Credit facilities	918,626	1,518	920,144	1,153,907	(2,681)	1,151,226
Senior unsecured debentures	1,897,436	—	1,897,436	1,598,941	—	1,598,941
Deferred tax liabilities	757,184	(1,231)	755,953	753,020	(1,231)	751,789
Mortgages classified as held for sale	—	—	—	8,998	—	8,998
Accounts payable and other liabilities	311,352	(33,176)	278,176	345,384	(34,621)	310,763
<b>Total liabilities</b>	<b>5,213,616</b>	<b>57,537</b>	<b>5,271,153</b>	<b>5,189,293</b>	<b>52,149</b>	<b>5,241,442</b>
<b>EQUITY</b>						
Unitholders' equity	3,967,870	—	3,967,870	3,933,377	—	3,933,377
Non-controlling interest	64,300	(64,300)	—	62,780	(62,780)	—
<b>Total equity</b>	<b>4,032,170</b>	<b>(64,300)</b>	<b>3,967,870</b>	<b>3,996,157</b>	<b>(62,780)</b>	<b>3,933,377</b>
<b>Total liabilities and equity</b>	<b>\$ 9,245,786</b>	<b>\$ (6,763)</b>	<b>\$ 9,239,023</b>	<b>\$ 9,185,450</b>	<b>\$ (10,631)</b>	<b>\$ 9,174,819</b>

<sup>(1)</sup> The consolidated balance sheets have been presented on a non-classified basis for purposes of this reconciliation.

<sup>(2)</sup> Refer to the "Non-IFRS Financial Measures" section of this MD&A.

## Reconciliation of Consolidated Statements of Income (Loss) to First Capital's Proportionate Interest

The following table provides a reconciliation of First Capital's consolidated statements of income (loss), as presented in its unaudited interim condensed consolidated financial statements, to its proportionate interest.

Three months ended March 31	2024						2023
	Consolidated Statements of Income (Loss)	Adjustment to proportionate interest	Proportionate interest <sup>(1)</sup>	Consolidated Statements of Income (Loss)	Adjustment to proportionate interest	Proportionate interest <sup>(1)</sup>	
Property rental revenue	\$ 182,889	\$ 3,361	\$ 186,250	\$ 176,010	\$ 5,397	\$ 181,407	
Property operating costs	70,676	1,620	72,296	72,957	3,606	76,563	
Net operating income	112,213	1,741	113,954	103,053	1,791	104,844	
Other income and expenses							
Interest and other income	14,414	202	14,616	4,591	349	4,940	
Interest expense	(39,074)	(1,003)	(40,077)	(37,268)	(1,001)	(38,269)	
Corporate expenses	(12,825)	61	(12,764)	(19,529)	60	(19,469)	
Abandoned transaction costs	(31)	—	(31)	(4)	—	(4)	
Amortization expense	(597)	(157)	(754)	(1,343)	(1,350)	(2,693)	
Share of profit from joint ventures	2,699	(2,699)	—	982	(982)	—	
Other gains (losses) and (expenses)	1,326	(39)	1,287	(242)	(47)	(289)	
(Increase) decrease in value of unit-based compensation	(2,297)	—	(2,297)	2,457	—	2,457	
(Increase) decrease in value of Exchangeable Units	—	—	—	65	—	65	
Increase (decrease) in value of hotel property	—	—	—	3,646	—	3,646	
Increase (decrease) in value of investment properties, net	301	1,764	2,065	(7,372)	728	(6,644)	
	(36,084)	(1,871)	(37,955)	(54,017)	(2,243)	(56,260)	
Income (loss) before income taxes	76,129	(130)	75,999	49,036	(452)	48,584	
Deferred income tax expense (recovery)	1,202	—	1,202	(154)	—	(154)	
Net income (loss)	\$ 74,927	\$ (130)	\$ 74,797	\$ 49,190	\$ (452)	\$ 48,738	
Net income (loss) attributable to:							
Unitholders	\$ 74,797	\$ —	\$ 74,797	\$ 48,738	\$ —	\$ 48,738	
Non-controlling interest	130	(130)	—	452	(452)	—	
	\$ 74,927	\$ (130)	\$ 74,797	\$ 49,190	\$ (452)	\$ 48,738	
Net income (loss) per unit attributable to Unitholders:							
Basic	\$ 0.35			\$ 0.23			
Diluted	\$ 0.35			\$ 0.23			

<sup>(1)</sup> Refer to the "Non-IFRS Financial Measures" section of this MD&A.

## FFO, OFFO, AFFO and ACFO

### Funds from Operations

A reconciliation from net income (loss) attributable to Unitholders to FFO and OFFO can be found in the table below:

Three months ended March 31		2024	2023
Net income (loss) attributable to Unitholders	\$	74,797	\$ 48,738
Add (deduct):			
(Increase) decrease in value of investment properties <sup>(1)</sup>		(2,065)	6,644
(Increase) decrease in value of hotel property <sup>(1)</sup>		—	(3,646)
Adjustment for equity accounted joint ventures <sup>(2)</sup>		157	1,350
Adjustment for capitalized interest related to equity accounted joint ventures <sup>(2)</sup>		962	836
Incremental leasing costs <sup>(3)</sup>		1,992	2,048
Amortization expense <sup>(4)</sup>		—	118
Distributions on Exchangeable Units <sup>(5)</sup>		—	13
Increase (decrease) in value of Exchangeable Units <sup>(5)</sup>		—	(65)
Increase (decrease) in value of unit-based compensation <sup>(6)</sup>		2,297	(2,457)
Investment property selling costs <sup>(1)</sup>		2,287	110
Deferred income taxes (recovery) <sup>(1)</sup>		1,202	(154)
FFO <sup>(7)</sup>	\$	81,629	\$ 53,535
Other gains (losses) and (expenses) <sup>(8)</sup>		(3,574)	179
OFFO <sup>(7)</sup>	\$	78,055	\$ 53,714

<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 distributions and fair value adjustments on Exchangeable Units in accordance with the recommendations of REALPAC.

<sup>(6)</sup> Adjustment to exclude fair value adjustments on unit-based compensation plans in accordance with the recommendations of REALPAC.

<sup>(7)</sup> Refer to the "Non-IFRS Financial Measures" section of this MD&A.

<sup>(8)</sup> At FCR's proportionate interest, adjusted to exclude investment property selling costs in accordance with the recommendations of REALPAC.

### Operating Funds from Operations

The components of OFFO and FFO at proportionate interest are as follows:

Three months ended March 31	% change	2024	2023
Net operating income		\$ 113,954	\$ 104,844
Interest and other income		14,616	4,940
Interest expense <sup>(1)(2)</sup>		(39,115)	(37,420)
Corporate expenses <sup>(3)</sup>		(10,772)	(17,421)
Abandoned transaction (costs) recovery		(31)	(4)
Amortization expense <sup>(4)</sup>		(597)	(1,225)
OFFO <sup>(6)</sup>	45.3%	\$ 78,055	\$ 53,714
Other gains (losses) and (expenses) <sup>(5)</sup>		3,574	(179)
FFO <sup>(6)</sup>	52.5%	\$ 81,629	\$ 53,535
OFFO per diluted unit	46.2%	\$ 0.36	\$ 0.25
FFO per diluted unit	53.4%	\$ 0.38	\$ 0.25
Weighted average number of units – diluted (in thousands)	(0.6%)	213,988	215,262

<sup>(1)</sup> Includes an adjustment to capitalize interest related to FCR's equity accounted joint ventures in accordance with the recommendations of REALPAC.

<sup>(2)</sup> Adjustment to exclude distributions on Exchangeable Units in accordance with the recommendations of REALPAC.

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

<sup>(4)</sup> Excludes certain amortization expense in accordance with the recommendations of REALPAC.

<sup>(5)</sup> At FCR's proportionate interest, adjusted to exclude investment property selling costs in accordance with the recommendations of REALPAC.

<sup>(6)</sup> Refer to the "Non-IFRS Financial Measures" section of this MD&A.



## MANAGEMENT'S DISCUSSION AND ANALYSIS – continued

For the three months ended March 31, 2024, OFFO increased \$24.3 million, or \$0.11 per unit, over the same prior year period. Supported by strong operating metrics and higher lease termination income, OFFO for the first quarter of 2024 also includes a \$9.5 million (\$0.04 per unit) assignment fee related to a small development parcel located in Montreal. Prior year OFFO for the first quarter of 2023 includes approximately \$7 million (\$0.03 per unit) of expenses related to unitholder activism.

For the three months ended March 31, 2024, FFO increased \$28.1 million, or \$0.13 per unit, over the same prior year period. The increase was driven by higher OFFO of \$24.3 million and a year-over-year increase in other gains (losses) and (expenses) of \$3.8 million.

### Adjusted Funds from Operations

A reconciliation from FFO to AFFO can be found in the table below:

	% change	Three months ended March 31	
		2024	2023
FFO <sup>(1)</sup>		\$ 81,629	\$ 53,535
Add (deduct):			
Revenue sustaining capital expenditures		(3,224)	(5,434)
Recoverable capital expenditures		(2,231)	(1,834)
Incremental leasing costs		(1,992)	(2,048)
Straight-line rent adjustment		(1,026)	(301)
AFFO <sup>(1)</sup>	66.6%	\$ 73,156	\$ 43,918
AFFO per diluted unit	67.6%	\$ 0.34	\$ 0.20
Weighted average number of units – diluted (in thousands)	(0.6%)	213,988	215,262

<sup>(1)</sup> Refer to the "Non-IFRS Financial Measures" section of this MD&A.

For the three months ended March 31, 2024, AFFO increased \$29.2 million or \$0.14 per unit, primarily due to higher FFO.

### Adjusted Cash Flow from Operations

A reconciliation of cash provided by operating activities to ACFO is presented below:

	Three months ended March 31	
	2024	2023
Cash provided by operating activities	\$ 29,778	\$ 28,719
Add (deduct):		
Working capital adjustments <sup>(1)</sup>	19,747	16,371
Adjustment for equity accounted joint ventures	675	449
Revenue sustaining capital expenditures	(3,224)	(5,434)
Recoverable capital expenditures	(2,231)	(1,834)
Leasing costs on properties under development	498	512
Non-controlling interest	(55)	(11)
ACFO <sup>(2)</sup>	\$ 45,188	\$ 38,772

<sup>(1)</sup> Working capital adjustments primarily include adjustments for prepaid as well as accrued property taxes as their levels vary considerably over the course of the year as well as certain other adjustments as specified in the most recent REALPAC guidance on ACFO issued in January 2023.

<sup>(2)</sup> Refer to the "Non-IFRS Financial Measures" section of this MD&A.

For the three months ended March 31, 2024, ACFO totaled \$45.2 million compared to \$38.8 million for the same prior year period. The \$6.4 million increase in ACFO was primarily due to changes in working capital and lower capital expenditures year-over-year.

## ACFO Payout Ratio

First Capital's ACFO payout ratio for the four quarters ended March 31, 2024 is calculated as follows:

	Twelve months ended March 31, 2024		Q1 2024	Q4 2023	Q3 2023	Q2 2023
ACFO <sup>(1)</sup>	\$	239,779	\$ 45,188	\$ 66,346	\$ 55,458	\$ 72,787
Cash distributions paid		183,364	45,832	45,819	45,845	45,868
ACFO payout ratio <sup>(1)</sup>		76.5%				

<sup>(1)</sup> Refer to the "Non-IFRS Financial Measures" section of this MD&A.

First Capital's ACFO payout ratio for the four quarters ended March 31, 2023 is calculated as follows:

	Twelve months ended March 31, 2023		Q1 2023	Q4 2022	Q3 2022	Q2 2022
ACFO <sup>(1)</sup>	\$	231,215	\$ 38,772	\$ 59,264	\$ 56,935	\$ 76,244
Cash distributions paid		139,135	46,125	46,134	23,169	23,707
ACFO payout ratio <sup>(1)</sup>		60.2%				

<sup>(1)</sup> Refer to the "Non-IFRS Financial Measures" section of this MD&A.

First Capital considers a rolling four quarter payout ratio (cash distributions / ACFO) to be more relevant than a payout ratio in any given quarter due to seasonal fluctuations in ACFO. For the four quarters ended March 31, 2024, the ACFO payout was 76.5% (March 31, 2023 - 60.2%).

## Net Asset Value

The following table provides FCR's calculation of NAV for the three months ended March 31, 2024 and year ended December 31, 2023:

As at	March 31, 2024		December 31, 2023	
Unitholders' equity	\$	3,967,870	\$	3,933,377
Deferred tax liabilities		755,953		751,789
Net Asset Value (NAV) <sup>(1)</sup>	\$	4,723,823	\$	4,685,166
Units outstanding		212,242		212,184
NAV per unit - diluted <sup>(2)</sup>	\$	22.10	\$	21.95

<sup>(1)</sup> Refer to the "Non-IFRS Financial Measures" section of this MD&A.

<sup>(2)</sup> Adjusted for 2.0 million Deferred Units, Restricted Units and Performance Units and 5.5 million unit options outstanding with an average exercise price of \$19.83 (implied option proceeds of \$109.2 million) and the exclusion of the unit-based compensation plan liability.

The increase in NAV per diluted unit from \$21.95 to \$22.10 is largely driven by retained FFO for the three months ended March 31, 2024.

## DISTRIBUTIONS

Distributions on the Trust Units are declared at the discretion of the Board of Trustees. In determining the annual level or monthly amount of distributions, the Board of Trustees considers many factors including the macro economic and industry specific environment, common industry cash distribution practices, investor expectations, capital market conditions, forecasted cash flows and debt metrics, anticipated capital requirements, estimated taxable income, and the overall financial condition of the Trust.

The Trust does not use net income (loss), as calculated in accordance with IFRS, as the basis to determine the annual distribution rate. Net income (loss) is impacted by non-cash adjustments, including fair value changes to investment properties and Exchangeable Units, and is not equivalent to taxable income and therefore is expected to vary from the distributions declared.

MANAGEMENT'S DISCUSSION AND ANALYSIS – continued

The following chart specifies distributions declared by First Capital:

	Three months ended March 31	
(in dollars)	2024	2023
Distributions declared per unit	\$ 0.216	\$ 0.216

## SUMMARY OF FINANCIAL RESULTS OF LONG-TERM DEBT GUARANTORS

First Capital's senior unsecured debentures are guaranteed by the wholly owned subsidiaries of the Trust, other than nominee subsidiaries and inactive subsidiaries. All such current and future wholly owned subsidiaries will provide a guarantee of the debentures. In the case of default by First Capital, the indenture trustee will, subject to the indenture, be entitled to seek redress from such wholly owned subsidiaries for the guaranteed obligations in the same manner and upon the same terms that it may seek to enforce the obligations of First Capital. These guarantees are intended to eliminate structural subordination, which arises as a consequence of a significant portion of First Capital's assets being held primarily in two significant subsidiaries.

The following tables present select consolidating summary information for First Capital for the periods identified below presented separately for (i) First Capital (denoted as FCR), as issuer; (ii) guarantor subsidiaries; (iii) non-guarantor subsidiaries; (iv) consolidation adjustments; and (v) the total consolidated amounts.

	Three months ended March 31									
(millions of dollars)	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	FCR <sup>(1)</sup>		Guarantors <sup>(2)</sup>		Non-Guarantors <sup>(3)</sup>		Consolidation Adjustments <sup>(4)</sup>		Total Consolidated	
Property rental revenue	\$ 81	\$ 73	\$ 103	\$ 104	\$ —	\$ —	\$ (1)	\$ (1)	\$ 183	\$ 176
NOI <sup>(5)</sup>	\$ 51	\$ 47	\$ 62	\$ 57	\$ —	\$ —	\$ (1)	\$ (1)	\$ 112	\$ 103
Net income (loss) attributable to Unitholders	\$ 75	\$ 49	\$ 112	\$ 122	\$ —	\$ —	\$ (112)	\$ (122)	\$ 75	\$ 49

	As at March 31, 2024					
(millions of dollars)	FCR <sup>(1)</sup>	Guarantors <sup>(2)</sup>	Non-Guarantors <sup>(3)</sup>	Consolidation Adjustments <sup>(4)</sup>	Total Consolidated	
Current assets	\$ 633	\$ 73	\$ 125	\$ (126)	\$ 705	
Non-current assets	\$ 4,209	\$ 5,426	\$ 177	\$ (1,271)	\$ 8,541	
Current liabilities	\$ 755	\$ 27	\$ 2	\$ (2)	\$ 782	
Non-current liabilities	\$ 6,515	\$ (2,077)	\$ 78	\$ (84)	\$ 4,432	

	As at December 31, 2023					
(millions of dollars)	FCR <sup>(1)</sup>	Guarantors <sup>(2)</sup>	Non-Guarantors <sup>(3)</sup>	Consolidation Adjustments <sup>(4)</sup>	Total Consolidated	
Current assets	\$ 619	\$ (51)	\$ 121	\$ (122)	\$ 567	
Non-current assets	\$ 4,162	\$ 5,574	\$ 173	\$ (1,291)	\$ 8,618	
Current liabilities	\$ 644	\$ 55	\$ 1	\$ (2)	\$ 698	
Non-current liabilities	\$ 6,694	\$ (2,198)	\$ 75	\$ (80)	\$ 4,491	

<sup>(1)</sup> This column represents FCR and all of its subsidiaries; FCR's subsidiaries are presented under the equity method.

<sup>(2)</sup> This column represents the aggregate of all Guarantor subsidiaries.

<sup>(3)</sup> This column represents the aggregate of all Non-Guarantor subsidiaries.

<sup>(4)</sup> This column includes the necessary amounts to eliminate the inter-company balances between FCR, the Guarantors, and Non-Guarantors to arrive at the information for FCR on a consolidated basis.

<sup>(5)</sup> Refer to the "Non-IFRS Financial Measures" section of this MD&A.

## RELATED PARTY TRANSACTIONS

### Subsidiaries of the Trust

The unaudited interim condensed consolidated financial statements include the financial statements of First Capital Real Estate Investment Trust and all of its subsidiaries, including First Capital Realty Inc., First Capital REIT Limited Partnership and First Capital Holdings Trust. First Capital Realty Inc. and First Capital Holdings Trust are the significant subsidiaries of the Trust and are wholly owned.

## QUARTERLY FINANCIAL INFORMATION

(unit counts in thousands)	2024		2023			2022		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Property rental revenue	\$ 182,889	\$ 171,184	\$ 168,883	\$ 171,904	\$ 176,010	\$ 176,100	\$ 171,914	\$ 172,606
Net operating income <sup>(1)</sup>	\$ 112,213	\$ 108,756	\$ 106,938	\$ 106,510	\$ 103,053	\$ 111,159	\$ 107,219	\$ 106,141
Net income (loss) attributable to Unitholders	\$ 74,797	\$ 173,801	\$ (327,546)	\$ (29,049)	\$ 48,738	\$ 42,372	\$ (204,722)	\$ (42,102)
Net income (loss) per unit attributable to Unitholders:								
Basic	\$ 0.35	\$ 0.82	\$ (1.54)	\$ (0.14)	\$ 0.23	\$ 0.20	\$ (0.95)	\$ (0.19)
Diluted	\$ 0.35	\$ 0.81	\$ (1.53)	\$ (0.14)	\$ 0.23	\$ 0.20	\$ (0.95)	\$ (0.19)
OFFO <sup>(1)</sup>	\$ 78,055	\$ 67,699	\$ 68,832	\$ 63,041	\$ 53,714	\$ 67,812	\$ 66,987	\$ 64,364
OFFO per diluted unit <sup>(1)</sup>	\$ 0.36	\$ 0.32	\$ 0.32	\$ 0.30	\$ 0.25	\$ 0.32	\$ 0.31	\$ 0.29
FFO <sup>(1)</sup>	\$ 81,629	\$ 58,043	\$ 68,615	\$ 63,784	\$ 53,535	\$ 80,545	\$ 66,575	\$ 61,241
FFO per diluted unit <sup>(1)</sup>	\$ 0.38	\$ 0.27	\$ 0.32	\$ 0.30	\$ 0.25	\$ 0.37	\$ 0.31	\$ 0.28
Weighted average number of diluted units outstanding	213,988	213,855	213,952	214,056	215,262	215,098	216,008	220,812
Cash provided by operating activities	\$ 29,778	\$ 90,083	\$ 41,910	\$ 67,022	\$ 28,719	\$ 76,808	\$ 52,810	\$ 62,305
AFFO <sup>(1)</sup>	\$ 73,156	\$ 43,878	\$ 58,961	\$ 55,897	\$ 43,918	\$ 72,454	\$ 54,489	\$ 51,719
AFFO per diluted unit <sup>(1)</sup>	\$ 0.34	\$ 0.21	\$ 0.28	\$ 0.26	\$ 0.20	\$ 0.34	\$ 0.25	\$ 0.23
ACFO <sup>(1)</sup>	\$ 45,188	\$ 66,346	\$ 55,458	\$ 72,787	\$ 38,772	\$ 59,264	\$ 56,935	\$ 76,244
Distribution declared per unit	\$ 0.216	\$ 0.216	\$ 0.216	\$ 0.216	\$ 0.216	\$ 0.216	\$ 0.144	\$ 0.108
Total assets	\$ 9,245,786	\$ 9,185,450	\$ 9,163,855	\$ 9,596,650	\$ 9,641,604	\$ 9,581,938	\$ 9,829,570	\$ 10,057,358
Total mortgages and credit facilities	\$ 2,247,644	\$ 2,491,948	\$ 2,353,650	\$ 2,349,517	\$ 2,343,579	\$ 2,245,104	\$ 2,225,576	\$ 2,212,870
Unitholders' equity	\$ 3,967,870	\$ 3,933,377	\$ 3,820,718	\$ 4,194,618	\$ 4,268,128	\$ 4,279,373	\$ 4,291,030	\$ 4,542,689
<b>Other</b>								
Number of neighbourhoods	139	142	143	144	145	145	145	147
GLA - at 100% (in thousands)	22,232	22,298	22,307	22,334	22,322	22,216	22,213	22,339
GLA - at ownership interest (in thousands)	19,384	19,368	19,400	19,425	19,415	19,325	19,326	19,501
Monthly average occupancy %	96.1%	95.9%	95.8%	96.0%	95.8%	95.6%	95.5%	95.4%
Total portfolio occupancy %	96.2%	96.2%	95.9%	95.9%	96.2%	95.8%	95.7%	95.6%

<sup>(1)</sup> Refer to the "Non-IFRS Financial Measures" section of this MD&A.

## CRITICAL ACCOUNTING ESTIMATES

First Capital's unaudited interim condensed consolidated financial statements for the three months ended March 31, 2024 and 2023 have been prepared in accordance with IAS 34, "Interim Financial Reporting" as issued by the International Accounting Standards Board. The unaudited interim condensed consolidated financial statements have been prepared by applying the same accounting policies and methods of computation as compared with the most recent audited annual consolidated financial statements.

First Capital's 2023 Annual Report contains a discussion of the significant accounting policies most affected by estimates and judgments used in the preparation of the consolidated financial statements, being the accounting policies relating to estimates of fair values of investment properties, valuation of financial instruments both for disclosure and measurement purposes, and estimating deferred tax assets and liabilities. Management determined that as at March 31, 2024, there is no change to the assessment of the significant accounting policies most affected by estimates and judgments as detailed in FCR's 2023 Annual Report.

## CONTROLS AND PROCEDURES

As at March 31, 2024, the Chief Executive Officer and the Chief Financial Officer of First Capital, with the assistance of other staff and Management of FCR to the extent deemed necessary, have designed FCR's disclosure controls and procedures to provide reasonable assurance that information required to be disclosed in the various reports filed or submitted by FCR under securities legislation is recorded, processed, summarized and reported accurately and have designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

In the design of its internal controls over financial reporting, First Capital used the 2013 framework published by the Committee of Sponsoring Organizations of the Treadway Commission.

First Capital did not make any changes in its internal controls over financial reporting during the quarter ended March 31, 2024 that have had, or are reasonably likely to have, a material effect on FCR's internal controls over financial reporting. On an ongoing basis, FCR will continue to analyze its controls and procedures for potential areas of improvement.

Management does recognize that any controls and procedures, no matter how well designed and operated, can only provide reasonable assurance and not absolute assurance of achieving the desired control objectives. In the unforeseen event that lapses in the disclosure controls and procedures or internal controls over financial reporting occur and/or mistakes happen, First Capital intends to take the necessary steps to minimize the consequences thereof.

## RISKS AND UNCERTAINTIES

First Capital, as an owner of income-producing properties and development properties, is exposed to numerous business risks in the normal course of its business that can impact both short- and long-term performance. Income-producing and development properties are affected by general economic conditions and local market conditions such as oversupply of similar properties or a reduction in tenant demand. It is the responsibility of Management, under the supervision of the Board of Trustees, to identify and, to the extent possible, mitigate or minimize the impact of all such business risks. The major categories of risk First Capital encounters in conducting its business and some of the actions it takes to mitigate these risks are included in its MD&A for the year ended December 31, 2023, as well as its most current Annual Information Form, which provides a detailed description of these and other risks that may affect FCR. These documents are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on FCR's website at [www.fcr.ca](http://www.fcr.ca).



## INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

# Table of Contents

47	Interim Condensed Consolidated Balance Sheets
48	Interim Condensed Consolidated Statements of Income (Loss)
49	Interim Condensed Consolidated Statements of Comprehensive Income (Loss)
50	Interim Condensed Consolidated Statements of Changes in Equity
51	Interim Condensed Consolidated Statements of Cash Flows
52	Notes to the Interim Condensed Consolidated Financial Statements
52	1 Description of the Trust
52	2 Material Accounting Policy Information
53	3 Investment Properties
55	4 Investment in Joint Ventures
56	5 Hotel Property
57	6 Loans, Mortgages and Other Assets
57	7 Amounts Receivable
58	8 Other Assets
58	9 Capital Management
60	10 Mortgages and Credit Facilities
62	11 Senior Unsecured Debentures
62	12 Accounts Payable and Other Liabilities
63	13 Unitholders' Equity
64	14 Unit-based Compensation Plans
66	15 Net Operating Income
66	16 Interest and Other Income
67	17 Interest Expense
67	18 Corporate Expenses
67	19 Other Gains (Losses) and (Expenses)
68	20 Income Taxes
68	21 Risk Management
70	22 Fair Value Measurement
71	23 Subsidiaries with Non-controlling Interest
71	24 Supplemental Cash Flow Information
72	25 Commitments and Contingencies
72	26 Related Party Transactions

# Interim Condensed Consolidated Balance Sheets

As at (thousands of dollars)	Note	March 31, 2024 (unaudited)	December 31, 2023 (audited)
<b>ASSETS</b>			
<b>Non-current Assets</b>			
<b>Real Estate Investments</b>			
Investment properties	3	\$ 8,065,689	\$ 8,070,985
Investment in joint ventures	4	348,948	404,504
Loans, mortgages and other assets	6	91,174	110,846
Total real estate investments		8,505,811	8,586,335
Other non-current assets	8	34,738	31,711
Total non-current assets		8,540,549	8,618,046
<b>Current Assets</b>			
Cash and cash equivalents	24(d)	164,154	87,421
Loans, mortgages and other assets	6	102,804	76,519
Residential development inventory		199,576	192,125
Amounts receivable	7	48,410	20,393
Other assets	8	40,043	22,671
		554,987	399,129
Assets classified as held for sale	3(d)	150,250	168,275
Total current assets		705,237	567,404
Total assets		\$ 9,245,786	\$ 9,185,450
<b>LIABILITIES</b>			
<b>Non-current Liabilities</b>			
Mortgages	10	\$ 1,177,499	\$ 1,185,872
Credit facilities	10	788,237	1,125,856
Senior unsecured debentures	11	1,597,354	1,298,810
Other liabilities	12	111,450	127,376
Deferred tax liabilities	20	757,184	753,020
Total non-current liabilities		4,431,724	4,490,934
<b>Current Liabilities</b>			
Mortgages	10	151,519	143,171
Credit facilities	10	130,389	28,051
Senior unsecured debentures	11	300,082	300,131
Accounts payable and other liabilities	12	199,902	218,008
		781,892	689,361
Mortgages classified as held for sale	3(d), 10	—	8,998
Total current liabilities		781,892	698,359
Total liabilities		5,213,616	5,189,293
<b>EQUITY</b>			
Unitholders' equity	13	3,967,870	3,933,377
Non-controlling interest	23	64,300	62,780
Total equity		4,032,170	3,996,157
Total liabilities and equity		\$ 9,245,786	\$ 9,185,450

Refer to accompanying notes to the unaudited interim condensed consolidated financial statements.

Approved by the Board of Trustees:



Ian Clarke,  
Trustee



Adam E. Paul,  
Trustee

# Interim Condensed Consolidated Statements of Income (Loss)

<i>(unaudited)</i>	Three months ended March 31		
<i>(thousands of dollars)</i>	Note	2024	2023
Property rental revenue		\$ 182,889	\$ 176,010
Property operating costs		70,676	72,957
<b>Net operating income</b>	15	<b>112,213</b>	103,053
<b>Other income and expenses</b>			
Interest and other income	16	14,414	4,591
Interest expense	17	(39,074)	(37,268)
Corporate expenses	18	(12,825)	(19,529)
Abandoned transaction (costs) recovery		(31)	(4)
Amortization expense		(597)	(1,343)
Share of profit (loss) from joint ventures	4	2,699	982
Other gains (losses) and (expenses)	19	1,326	(242)
(Increase) decrease in value of unit-based compensation	14	(2,297)	2,457
(Increase) decrease in value of Exchangeable Units		—	65
Increase (decrease) in value of hotel property	5	—	3,646
Increase (decrease) in value of investment properties, net	3	301	(7,372)
		<b>(36,084)</b>	<b>(54,017)</b>
<b>Income (loss) before income taxes</b>		<b>76,129</b>	49,036
Deferred income tax expense (recovery)	20	1,202	(154)
<b>Net income (loss)</b>		<b>\$ 74,927</b>	\$ 49,190
Net income (loss) attributable to:			
Unitholders	13	\$ 74,797	\$ 48,738
Non-controlling interest	23	130	452
		<b>\$ 74,927</b>	<b>\$ 49,190</b>

Refer to accompanying notes to the unaudited interim condensed consolidated financial statements.



# Interim Condensed Consolidated Statements of Comprehensive Income (Loss)

<i>(unaudited)</i>	Three months ended March 31		
<i>(thousands of dollars)</i>	Note	2024	2023
<b>Net income (loss)</b>		<b>\$ 74,927</b>	<b>\$ 49,190</b>
<b>Other comprehensive income (loss)</b>			
Unrealized gain (loss) on revaluation of hotel property <sup>(1)</sup>	5	—	11,115
Unrealized gain (loss) on cash flow hedges <sup>(2)</sup>		<b>6,665</b>	(16,087)
Reclassification of net (gain) loss on cash flow hedges to net income (loss)		<b>930</b>	923
		<b>7,595</b>	(4,049)
Deferred tax expense (recovery)	20	<b>2,962</b>	(5,914)
Other comprehensive income (loss)		<b>4,633</b>	1,865
<b>Comprehensive income (loss)</b>		<b>\$ 79,560</b>	<b>\$ 51,055</b>
Comprehensive income (loss) attributable to:			
Unitholders	13	<b>\$ 79,430</b>	\$ 50,603
Non-controlling interest	23	<b>130</b>	452
		<b>\$ 79,560</b>	<b>\$ 51,055</b>

<sup>(1)</sup> Items that will not be reclassified to net income (loss).

<sup>(2)</sup> Items that may subsequently be reclassified to net income (loss).

Refer to accompanying notes to the unaudited interim condensed consolidated financial statements.

# Interim Condensed Consolidated Statements of Changes in Equity

<i>(unaudited)</i> <i>(thousands of dollars)</i>	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Trust Units	Total Unitholders' Equity	Non-Controlling Interest	Total Equity
			<i>(Note 13(a))</i>			
<b>December 31, 2023</b>	<b>\$ 1,133,172</b>	<b>\$ (3,122)</b>	<b>\$ 2,803,327</b>	<b>\$ 3,933,377</b>	<b>\$ 62,780</b>	<b>\$ 3,996,157</b>
Changes during the period:						
Net income (loss)	74,797	—	—	74,797	130	74,927
Options, deferred units, restricted units and performance units, net	—	—	899	899	—	899
Other comprehensive income (loss)	—	4,633	—	4,633	—	4,633
Contributions from (distributions to) non-controlling interest, net	—	—	—	—	1,390	1,390
Distributions <i>(Note 13(b))</i>	(45,836)	—	—	(45,836)	—	(45,836)
<b>March 31, 2024</b>	<b>\$ 1,162,133</b>	<b>\$ 1,511</b>	<b>\$ 2,804,226</b>	<b>\$ 3,967,870</b>	<b>\$ 64,300</b>	<b>\$ 4,032,170</b>

<i>(unaudited)</i> <i>(thousands of dollars)</i>	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Trust Units	Total Unitholders' Equity	Non-Controlling Interest	Total Equity
			<i>(Note 13(a))</i>			
December 31, 2022	\$ 1,445,238	\$ 14,496	\$ 2,819,639	\$ 4,279,373	\$ 55,922	\$ 4,335,295
Changes during the period:						
Net income (loss)	48,738	—	—	48,738	452	49,190
Repurchase of Trust Units <i>(Note 13(a))</i>	(2,720)	—	(17,023)	(19,743)	—	(19,743)
Options, deferred units, restricted units and performance units, net	—	—	3,943	3,943	—	3,943
Other comprehensive income (loss)	—	1,865	—	1,865	—	1,865
Contributions from (distributions to) non-controlling interest, net	—	—	—	—	424	424
Distributions <i>(Note 13(b))</i>	(46,048)	—	—	(46,048)	—	(46,048)
March 31, 2023	\$ 1,445,208	\$ 16,361	\$ 2,806,559	\$ 4,268,128	\$ 56,798	\$ 4,324,926

Refer to accompanying notes to the unaudited interim condensed consolidated financial statements.

# Interim Condensed Consolidated Statements of Cash Flows

<i>(unaudited)</i>	Three months ended March 31		
<i>(thousands of dollars)</i>	Note	2024	2023
<b>OPERATING ACTIVITIES</b>			
Net income (loss)		\$ 74,927	\$ 49,190
Adjustments for:			
(Increase) decrease in value of investment properties, net	3	(301)	7,372
(Increase) decrease in value of hotel property	5	—	(3,646)
Interest expense	17	39,074	37,268
Amortization expense		597	1,343
Share of (profit) loss from joint ventures	4	(2,699)	(982)
Cash interest paid associated with operating activities	17	(47,157)	(44,168)
Items not affecting cash and other items	24(a)	3,486	(375)
Net changes in other working capital items	24(b)	(38,149)	(17,283)
Cash provided by (used in) operating activities		29,778	28,719
<b>FINANCING ACTIVITIES</b>			
Mortgage borrowings, net of financing costs	10	—	232,544
Mortgage principal instalment payments	10	(9,210)	(8,604)
Credit facilities, net advances (repayments)	10	(242,411)	(127,201)
Issuance of senior unsecured debentures, net of issue costs	11	298,490	—
Settlement of hedges		1,747	(4,990)
Repurchase of Trust Units	13(a)	—	(19,743)
Payment of distributions	13(b)	(45,832)	(46,125)
Net contributions from (distributions to) non-controlling interest	23	1,390	424
Cash provided by (used in) financing activities		4,174	26,305
<b>INVESTING ACTIVITIES</b>			
Acquisition of investment properties	3(c)	(33,453)	(15,740)
Net proceeds from property dispositions	3(d)	126,582	1,490
Distributions from joint ventures	4	1,303	975
Contributions to joint ventures	4	(3,076)	(751)
Capital expenditures on investment properties	3(a)	(29,301)	(21,853)
Changes in investing-related prepaid expenses and other liabilities		(18,108)	(16,600)
Changes in loans, mortgages and other assets	24(c)	(1,166)	44,412
Cash provided by (used in) investing activities		42,781	(8,067)
Net increase (decrease) in cash and cash equivalents		76,733	46,957
Cash and cash equivalents, beginning of year		87,421	32,694
Cash and cash equivalents, end of period	24(d)	\$ 164,154	\$ 79,651

Refer to accompanying notes to the unaudited interim condensed consolidated financial statements.

# Notes to the Interim Condensed Consolidated Financial Statements

## 1. DESCRIPTION OF THE TRUST

First Capital Real Estate Investment Trust ("First Capital", "FCR", or the "Trust") is an unincorporated, open-ended mutual fund trust governed by the laws of Ontario, Canada, and established pursuant to a declaration of trust dated October 16, 2019, as may be amended from time to time (the "Declaration of Trust"). First Capital owns, operates and develops grocery-anchored, open-air centres in neighbourhoods with the strongest demographics in Canada. The Trust is listed on the Toronto Stock Exchange ("TSX") under the symbol "FCR.UN", and its head office is located at 85 Hanna Avenue, Suite 400, Toronto, Ontario, M6K 3S3.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

### (a) Statement of compliance

These unaudited interim condensed consolidated financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB"), and as such, do not include all of the disclosures that would be included in audited annual consolidated financial statements. These unaudited interim condensed consolidated financial statements should be read in conjunction with First Capital's audited annual consolidated financial statements for the years ended December 31, 2023 and 2022.

### (b) Basis of presentation

These unaudited interim condensed consolidated financial statements are prepared on a going concern basis and have been presented in Canadian dollars rounded to the nearest thousand, unless otherwise indicated. These unaudited interim condensed consolidated financial statements have been prepared by applying the same accounting policies, assessments of estimates and judgments, and methods of computation as compared with the most recent audited annual consolidated financial statements.

### (c) Approval of unaudited interim condensed consolidated financial statements

These unaudited interim condensed consolidated financial statements were approved by the Board of Trustees and authorized for issue on April 30, 2024.

### 3. INVESTMENT PROPERTIES

#### (a) Activity

The following tables summarize the changes in First Capital’s investment properties for the three months ended March 31, 2024 and year ended December 31, 2023:

	Three months ended March 31, 2024			
	Income-Producing Properties	Properties under Construction	Density & Development Land	Total
Balance at beginning of year	\$ 7,827,543	\$ 123,342	\$ 288,375	\$ 8,239,260
Acquisitions	33,453	—	—	33,453
Capital expenditures	19,495	8,729	1,077	29,301
Contribution of net assets from equity accounted joint venture	—	—	60,028	60,028
Developments transferred offline / online, net	21,117	(26,149)	5,032	—
Increase (decrease) in value of investment properties, net	5,735	(337)	(5,097)	301
Straight-line rent and other changes	877	—	(28)	849
Dispositions	(68,033)	—	(79,220)	(147,253)
Balance at end of period	\$ 7,840,187	\$ 105,585	\$ 270,167	\$ 8,215,939
Investment properties	\$ 7,751,387	\$ 67,035	\$ 247,267	\$ 8,065,689
Assets classified as held for sale	88,800	38,550	22,900	150,250
Total	\$ 7,840,187	\$ 105,585	\$ 270,167	\$ 8,215,939

	Year ended December 31, 2023			
	Income-Producing Properties	Properties under Construction	Density & Development Land	Total
Balance at beginning of year	\$ 8,213,224	\$ 89,029	\$ 325,535	\$ 8,627,788
Acquisitions	62,324	—	15,740	78,064
Capital expenditures	67,043	48,854	27,126	143,023
Developments transferred offline / online, net	(2,628)	(9,234)	11,862	—
Increase (decrease) in value of investment properties, net	(462,839)	(5,307)	44,548	(423,598)
Straight-line rent and other changes	30	—	—	30
Dispositions	(49,611)	—	(136,436)	(186,047)
Balance at end of year	\$ 7,827,543	\$ 123,342	\$ 288,375	\$ 8,239,260
Investment properties	\$ 7,725,176	\$ 87,492	\$ 258,317	\$ 8,070,985
Assets classified as held for sale	102,367	35,850	30,058	168,275
Total	\$ 7,827,543	\$ 123,342	\$ 288,375	\$ 8,239,260

Investment properties with a fair value of \$2.9 billion (December 31, 2023 – \$2.9 billion) are pledged as security for \$1.4 billion (December 31, 2023 – \$1.5 billion) in mortgages and secured credit facilities.

## (b) Investment property valuation

Stabilized overall capitalization, terminal and discount rates for investment properties valued under the Income Approach are set out in the table below:

As at	March 31, 2024	December 31, 2023
Weighted Average Total		
Overall Capitalization Rate	5.5%	5.5%
Terminal Capitalization Rate	5.7%	5.6%
Discount Rate	6.4%	6.3%

The majority of the Trust's portfolio is valued under the Income Approach using the discounted cash flow ("DCF") method. As at March 31, 2024, the weighted average valuation yields (stabilized overall capitalization, terminal capitalization and discount rates) used in valuing those investment properties under the Income Approach did not materially change from December 31, 2023.

For the three months ended March 31, 2024, as part of its normal course internal valuations, the Trust made revisions to the cash flow models on certain properties. As a result, an overall net increase in the value of investment properties was recorded in the amount of \$0.3 million (\$2.1 million at FCR's share) for the three months ended March 31, 2024.

The sensitivity of the fair values of investment properties to stabilized overall capitalization rates as at March 31, 2024 is set out in the table below:

As at March 31, 2024	(millions of dollars)
(Decrease) Increase in stabilized overall capitalization rate	Resulting increase (decrease) in fair value of investment properties
(1.00%)	\$ 1,813
(0.75%)	\$ 1,288
(0.50%)	\$ 815
(0.25%)	\$ 388
0.25%	\$ (354)
0.50%	\$ (679)
0.75%	\$ (977)
1.00%	\$ (1,252)

Additionally, a 1% increase or decrease in stabilized net operating income ("SNOI") would result in a \$81 million increase or a \$81 million decrease, respectively, in the fair value of investment properties. SNOI is not a measure defined by IFRS. SNOI reflects stable property operations, assuming a certain level of vacancy, capital and operating expenditures required to maintain a stable occupancy rate. The average vacancy rates used in determining SNOI for non-anchor tenants generally range from 2% to 5%. A 1% increase in SNOI coupled with a 0.25% decrease in the stabilized capitalization rate would result in an increase in the fair value of investment properties of \$473 million, and a 1% decrease in SNOI coupled with a 0.25% increase in the stabilized capitalization rate would result in a decrease in the fair value of investment properties of \$432 million.

## (c) Investment properties – Acquisitions

For the three months ended March 31, 2024 and 2023, First Capital acquired investment properties as follows:

Three months ended March 31	2024	2023
Total purchase price, including acquisition costs	\$ 33,453	\$ 15,740
Total cash paid	\$ 33,453	\$ 15,740

#### (d) Assets classified as held for sale and dispositions

First Capital has certain assets classified as held for sale. These assets typically include a mix of properties where FCR's value-enhancing objectives have been achieved or those that are considered to be non-core to the business, and are as follows:

As at	March 31, 2024	December 31, 2023
Aggregate fair value	\$ 150,250	\$ 168,275
Mortgages secured by assets classified as held for sale	\$ —	\$ 8,998
Weighted average effective interest rate of mortgages secured by assets classified as held for sale	—%	3.2%

The decrease of \$18.0 million in assets classified as held for sale from December 31, 2023 primarily arose from completed dispositions during the first quarter of 2024, partially offset by the addition of new investment properties classified as held for sale, in line with the REIT's capital allocation objectives.

For the three months ended March 31, 2024 and 2023, First Capital sold investment properties as follows:

Three months ended March 31	Note	2024	2023
Total selling price		\$ 147,253	\$ 1,600
Property selling costs	19	(2,287)	(110)
Proceeds included in corporate and other amounts receivable <sup>(1)</sup>	7	(18,384)	—
Net cash proceeds		\$ 126,582	\$ 1,490

<sup>(1)</sup> Proceeds from the sale of the Trust's 41.7% interest in 1071 King Street West will be received in the fourth quarter of 2024.

## 4. INVESTMENT IN JOINT VENTURES

As at March 31, 2024, First Capital had interests in seven joint ventures that it accounts for using the equity method. First Capital's joint ventures are as follows:

Name of Entity	Name of Property/Business Activity	Location	Effective Ownership	
			March 31, 2024	December 31, 2023
Aukland and Main Developments LP	Station Place	Toronto, ON	35.4%	35.4%
College Square General Partnership	College Square	Ottawa, ON	50.0%	50.0%
Edenbridge Kingsway (Humbertown)	Humbertown Condos (Phase 1)	Toronto, ON	50.0%	50.0%
Fashion Media Group GP Ltd.	Toronto Fashion Week events	Toronto, ON	78.0%	78.0%
FC Urban Properties, LP	199 Avenue Rd.	Toronto, ON	20.0%	20.0%
Green Capital Limited Partnership <sup>(1)</sup>	Royal Orchard	Markham, ON	—%	50.0%
Lakeshore Development LP	2150 Lake Shore Blvd. W.	Toronto, ON	50.0%	50.0%
Stackt Properties LP	Shipping Container marketplace	Toronto, ON	94.0%	94.0%

<sup>(1)</sup> During the first quarter of 2024, Green Capital Limited Partnership was dissolved and the net assets distributed to its limited partners.

First Capital has determined that these investments are joint ventures as all decisions regarding their activities are made unanimously between First Capital and its partners.

The following table reconciles the changes in First Capital's interests in its equity accounted joint ventures for the three months ended March 31, 2024 and year ended December 31, 2023:

	Note	March 31, 2024	December 31, 2023
Balance at beginning of year		\$ 404,504	\$ 357,122
Contributions to equity accounted joint ventures		3,076	6,554
Distributions from equity accounted joint ventures		(1,303)	(4,599)
Disposition of equity accounted joint venture		—	(3,074)
Distribution of net assets from equity accounted joint venture	3(a)	(60,028)	—
Share of income (loss) from equity accounted joint ventures		2,699	48,501
Balance at end of period		\$ 348,948	\$ 404,504

On June 9, 2023, the Trust sold its 50% interest of the partnership units in the ONE Restaurant for \$5.0 million. The sale was subject to working capital and closing adjustments of \$0.9 million with the Trust receiving net proceeds of \$4.1 million. The total gain on investment of \$1.0 million was recognized in other gains (losses) and (expenses) during the second quarter of 2023.

On February 28, 2024, Green Capital Limited Partnership was dissolved and the net assets distributed to its limited partners. The Trust held a 50% interest in the partnership and received net assets of \$60.0 million. Concurrent with the dissolution, the Trust sold its 50% interest in the Royal Orchard property for net proceeds of \$59.7 million.

As at March 31, 2024, there were approximately \$33.9 million of outstanding commitments and no contingent liabilities for the seven equity accounted joint ventures.

## 5. HOTEL PROPERTY

First Capital owned a 100% interest in the Hazelton Hotel ("hotel property") located in Toronto, Ontario. The hotel property is a mixed-use luxury hotel located in Yorkville Village.

On June 9, 2023, First Capital sold its 100% interest in the hotel property. The total sale price before closing costs was \$105.0 million. First Capital recognized a cumulative gain on the sale of the hotel property of \$8.9 million that was recognized in retained earnings in accordance with the Trust's accounting policy for the hotel. The Trust also incurred closing costs of \$1.2 million, which were expensed in 'Other gains (losses) and (expenses)' in the consolidated statements of income (loss) for the year ended December 31, 2023.

The following table summarizes the invested cost of the assets sold and net gain recognized in retained earnings as at the disposition date:

Sale price	\$	105,000
Closing adjustments <sup>(1)</sup>		(1,023)
Sale price, net	\$	103,977
Hotel Property, invested cost		(94,331)
Working capital, net <sup>(1)</sup>		(741)
<b>Net gain on disposal of hotel property <sup>(2)</sup></b>	<b>\$</b>	<b>8,905</b>
Sale price, net	\$	103,977
Property selling costs		(1,202)
Net proceeds received	\$	102,775

<sup>(1)</sup> Excludes cash.

<sup>(2)</sup> In accordance with the revaluation model accounting for the hotel property, the gain of \$8.9 million was transferred directly to retained earnings upon sale.



## 6. LOANS, MORTGAGES AND OTHER ASSETS

As at	March 31, 2024	December 31, 2023
<b>Non-current</b>		
Loans and mortgages receivable classified as amortized cost (a)	\$ 33,674	\$ 57,509
Other investments	11,393	11,393
Due from co-owners (b)	46,107	41,944
<b>Total non-current</b>	<b>91,174</b>	<b>110,846</b>
<b>Current</b>		
Loans and mortgages receivable classified as amortized cost (a)	99,968	73,718
FVTPL investments in securities (c)	2,836	2,801
<b>Total current</b>	<b>102,804</b>	<b>76,519</b>
<b>Total</b>	<b>\$ 193,978</b>	<b>\$ 187,365</b>

(a) Loans and mortgages receivable are secured by interests in investment properties or shares of entities owning investment properties. As at March 31, 2024, these receivables bear interest at weighted average effective interest rates of 8.6% (December 31, 2023 – 8.6%) and mature between 2024 and 2027.

(b) The Trust has contributed equity to one of its co-ownerships whereas its partners made draws on the co-ownership's new credit facility to fund the co-ownership's development project. The due from co-owners in the principal amount of \$42.4 million equals the Trust's proportionate share of the co-ownership's credit facility draws. As there is no right of offset for these two financial instruments they are presented on a gross basis on the consolidated balance sheets.

(c) From time to time, First Capital invests in publicly traded real estate and related securities. These securities are recorded at market value. Realized and unrealized gains and losses on FVTPL securities are recorded in other gains (losses) and (expenses).

## 7. AMOUNTS RECEIVABLE

As at	Note	March 31, 2024	December 31, 2023
Tenant receivables (net of allowance for expected credit losses of \$6.2 million; December 31, 2023 – \$6.2 million)		\$ 29,681	\$ 20,063
Corporate and other amounts receivable <sup>(1)</sup>	3(d)	18,729	330
<b>Total</b>		<b>\$ 48,410</b>	<b>\$ 20,393</b>

<sup>(1)</sup> Corporate and other amounts receivable include \$18.4 million, related to the sale of the Trust's 41.7% interest in 1071 King Street West, which will be received in the fourth quarter of 2024.

First Capital determines its allowance for expected credit losses on a tenant-by-tenant basis considering lease terms, credit risk, industry conditions and the status of the tenant's account, among other factors.

The change in the allowance for expected credit losses is summarized below:

As at	March 31, 2024	December 31, 2023
Allowance for expected credit losses, beginning of year	\$ 6,203	\$ 9,499
Receivables written off during the period	(102)	(2,236)
Additional provision (recovery) and other adjustments recorded during the period	145	(1,060)
<b>Allowance for expected credit losses, end of period</b>	<b>\$ 6,246</b>	<b>\$ 6,203</b>

## 8. OTHER ASSETS

As at	Note	March 31, 2024	December 31, 2023
<b>Non-current</b>			
Fixtures, equipment and computer hardware and software (net of accumulated amortization of \$25.4 million; December 31, 2023 – \$24.8 million)		\$ 7,377	\$ 7,182
Deferred financing costs on credit facilities (net of accumulated amortization of \$10.2 million; December 31, 2023 – \$9.8 million)		4,313	4,628
Environmental indemnity and insurance proceeds receivable	12(a)	694	525
Derivatives at fair value	22	21,454	18,608
Other non-current assets		900	768
<b>Total non-current</b>		<b>34,738</b>	<b>31,711</b>
<b>Current</b>			
Deposits and costs on investment properties under option		8,112	3,746
Prepaid expenses		17,227	10,723
Other deposits		250	250
Restricted cash		12,482	2,858
Derivatives at fair value	22	1,972	5,094
<b>Total current</b>		<b>40,043</b>	<b>22,671</b>
<b>Total</b>		<b>\$ 74,781</b>	<b>\$ 54,382</b>

## 9. CAPITAL MANAGEMENT

First Capital manages its capital, taking into account the long-term business objectives of the Trust, to provide stability and reduce risk while generating an acceptable return on investment to Unitholders over the long term. The Trust's capital structure currently includes Trust Units, Exchangeable Units, senior unsecured debentures, mortgages, credit facilities, bank term loans and bank indebtedness, which together provide First Capital with financing flexibility to meet its capital needs. Primary uses of capital include development activities, acquisitions, capital improvements and leasing costs. The actual level and type of future financings to fund these capital requirements will be determined based on prevailing interest rates, various costs of debt and/or equity capital, property and capital market conditions and Management's general view of the required leverage in the business.

Components of the Trust's capital are set out in the table below:

As at	March 31, 2024	December 31, 2023
<b>Liabilities (principal amounts outstanding)</b>		
Mortgages	\$ 1,332,606	\$ 1,341,817
Credit facilities	918,626	1,153,907
Mortgages under equity accounted joint ventures (at the Trust's interest)	90,509	90,794
Credit facilities under equity accounted joint venture (at the Trust's interest)	13,852	8,659
Senior unsecured debentures	1,900,000	1,600,000
	<b>4,255,593</b>	<b>4,195,177</b>
Equity market capitalization <sup>(1)</sup>	<b>3,334,319</b>	<b>3,254,907</b>
<b>Total capital employed</b>	<b>\$ 7,589,912</b>	<b>\$ 7,450,084</b>
Trust Units outstanding (000's)	<b>212,242</b>	<b>212,184</b>
Closing market price	\$ 15.71	\$ 15.34

<sup>(1)</sup> Equity market capitalization is the market value of FCR's units outstanding at a point in time.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – continued**

First Capital is subject to financial covenants in agreements governing its senior unsecured debentures and its credit facilities. In accordance with the terms of the Trust's credit agreements, all ratios are calculated with joint ventures proportionately consolidated. As at March 31, 2024, First Capital remains in compliance with all of its applicable financial covenants.

The following table summarizes a number of First Capital's key ratios:

As at	Measure/ Covenant	March 31, 2024	December 31, 2023
Net debt to total assets <sup>(1)</sup>	≤65%	<b>44.9%</b>	45.0%
Unencumbered aggregate assets to unsecured debt, using 10 quarter average capitalization rate <sup>(1)</sup>	>1.3	<b>2.3</b>	2.4
Unitholders' equity, using four quarter average (billions) <sup>(2)</sup>	>\$2.0B	<b>\$ 4.0</b>	\$ 4.1
Secured indebtedness to total assets <sup>(2)</sup>	≤35%	<b>16.7%</b>	16.8%
<b><i>For the rolling four quarters ended</i></b>			
Interest coverage (Adjusted EBITDA to interest expense) <sup>(2)</sup>	>1.65	<b>2.4</b>	2.3
Fixed charge coverage (Adjusted EBITDA to debt service) <sup>(2)</sup>	>1.50	<b>2.0</b>	1.9

<sup>(1)</sup> Total assets excludes cash balances.

<sup>(2)</sup> Calculations required under the Trust's credit facility agreements or indentures governing the senior unsecured debentures.

The above ratios include measures not specifically defined in IFRS. Certain calculations are required pursuant to debt covenants and are meaningful measures for this reason. Measures used in these ratios are defined below:

- Debt consists of principal amounts outstanding on credit facilities and mortgages, and the par value of senior unsecured debentures;
- Net debt is calculated as Debt, as defined above, reduced by cash balances at the end of the period;
- Secured indebtedness includes mortgages and any draws under the secured facilities that are collateralized against investment property;
- 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, Exchangeable Units and unit-based compensation; other gains (losses) and (expenses); and other non-cash or non-recurring items. The Trust also adjusts for incremental leasing costs, which is a recognized adjustment to Funds from Operations, in accordance with the recommendations of the Real Property Association of Canada;
- Fixed charges include regular principal and interest payments and capitalized interest in the calculation of interest expense; and
- Unencumbered assets include the value of assets that have not been pledged as security under any credit agreement or mortgage. The unencumbered asset value ratio is calculated as unencumbered assets divided by the principal amount of the unsecured debt, which consists of the bank indebtedness, unsecured bank term loans, unsecured credit facilities, and senior unsecured debentures.

## 10. MORTGAGES AND CREDIT FACILITIES

As at	March 31, 2024	December 31, 2023
Fixed rate mortgages	\$ 1,329,018	\$ 1,338,041
Unsecured facilities	798,930	1,041,908
Secured facilities	119,696	111,999
Mortgages and credit facilities	\$ 2,247,644	\$ 2,491,948
Current	\$ 281,908	\$ 171,222
Mortgages classified as held for sale	—	8,998
Non-current	1,965,736	2,311,728
Total	\$ 2,247,644	\$ 2,491,948

Mortgages and secured facilities are secured by First Capital's investment properties. As at March 31, 2024, approximately \$2.9 billion (December 31, 2023 – \$2.9 billion) of investment properties out of \$8.2 billion (December 31, 2023 – \$8.2 billion) (Note 3(a)) had been pledged as security under the mortgages and the secured facilities.

As at March 31, 2024, mortgages bear coupon interest at a weighted average coupon rate of 3.7% (December 31, 2023 – 3.7%) and mature in the years ranging from 2024 to 2033. The weighted average effective interest rate on all mortgages as at March 31, 2024 is 3.8% (December 31, 2023 – 3.8%).

Principal repayments of mortgages outstanding as at March 31, 2024 are as follows:

	Scheduled Amortization	Payments on Maturity	Total	Weighted Average Effective Interest Rate
2024 (remainder of the year)	\$ 26,330	\$ 108,478	\$ 134,808	3.7%
2025	33,423	66,970	100,393	3.8%
2026	29,860	94,360	124,220	3.2%
2027	28,258	79,863	108,121	3.6%
2028	25,643	145,723	171,366	3.8%
2029 to 2033	42,264	651,434	693,698	3.9%
	\$ 185,778	\$ 1,146,828	\$ 1,332,606	3.8%
Unamortized deferred financing costs and premiums, net			(3,588)	
Total			\$ 1,329,018	

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – continued**

First Capital’s credit facilities as at March 31, 2024 are summarized in the table below:

As at March 31, 2024	Borrowing Capacity	Amounts Drawn	Bank Indebtedness and Outstanding Letters of Credit	Available to be Drawn	Interest Rates	Maturity Date
<b>Unsecured Operating Facilities</b>						
Revolving unsecured operating facility	\$ 100,000	\$ —	\$ —	\$ 100,000	BA + 1.25% or Prime + 0.25% or SOFR + 1.35%	April 20, 2025
Revolving unsecured operating facility	150,000	—	—	150,000	BA + 1.25% or Prime + 0.25% or SOFR + 1.35%	August 31, 2025
Revolving unsecured operating facility	450,000	—	(2,000)	448,000	BA + 1.45% or Prime + 0.45% or SOFR + 1.55%	June 30, 2028
Fixed rate unsecured term loan <sup>(1)(2)</sup>	100,000	(100,000)	—	—	5.00%	January 9, 2025
Fixed rate unsecured term loans <sup>(2)(3)</sup>	250,000	(250,000)	—	—	3.39%	April 14, 2025 -April 14, 2026
Fixed rate unsecured term loan <sup>(2)</sup>	100,000	(100,000)	—	—	3.27%	April 15, 2026
Fixed rate unsecured term loan <sup>(2)(4)(7)</sup>	150,000	(148,930)	—	1,070	5.985%	October 20, 2026
Fixed rate unsecured term loan <sup>(2)</sup>	200,000	(200,000)	—	—	5.804%	January 31, 2029
<b>Secured Construction Facilities</b>						
Secured construction facility	19,321	(19,321)	—	—	Prime - 0.25%	June 1, 2024
Secured construction facility	62,665	(46,950)	(537)	15,178	BA + 2.50% or Prime + 1.00%	October 1, 2025
Secured construction facility <sup>(5)</sup>	141,509	(42,357)	(295)	98,857	BA + 2.30%	February 1, 2027
<b>Secured Facilities</b>						
Secured facility	4,313	(4,313)	—	—	BA + 1.45% or Prime + 0.45%	September 27, 2024
Secured facility	6,755	(6,755)	—	—	CORRA + 1.75% or Prime + 0.45%	December 19, 2024
<b>Sub-Total</b>	<b>\$ 1,734,563</b>	<b>\$ (918,626)</b>	<b>\$ (2,832)</b>	<b>\$ 813,105</b>		
<b>Secured Construction Facility</b>						
Secured construction facility <sup>(6)</sup>	71,450	(13,852)	—	57,598	BA + 2.65% or Prime + 1.00%	November 28, 2025
<b>Total</b>	<b>\$ 1,806,013</b>	<b>\$ (932,478)</b>	<b>\$ (2,832)</b>	<b>\$ 870,703</b>		

<sup>(1)</sup> The Trust has the option to extend the unsecured term loan for an additional two years, to January 9, 2027.

<sup>(2)</sup> These unsecured term loans are variable rate debt instruments. The Trust has entered into swaps which fix the rate of interest over their respective terms to maturity.

<sup>(3)</sup> As at March 31, 2024, \$75.0 million of the unsecured term loans is due April 14, 2025. The remaining \$175.0 million is due April 14, 2026.

<sup>(4)</sup> The Trust has drawn in U.S. dollars the equivalent of CAD\$150.0 million which was revalued at CAD\$148.9 million as at March 31, 2024.

<sup>(5)</sup> The borrowing capacity is reduced by the Trust’s equity injections into the project where it has chosen not to draw on the facility and other adjustments in accordance with the facility agreement.

<sup>(6)</sup> This secured construction facility relates to one of the Trust’s joint ventures that is equity accounted.

<sup>(7)</sup> The Trust has the option to extend the unsecured term loan for an additional two years, to October 20, 2028.

First Capital has the ability under its unsecured credit facilities to draw funds based on Canadian bank prime rates, Canadian bankers’ acceptances (“BA rates”) and Canadian Overnight Repo Rate Average (“CORRA rates”) for Canadian dollar-denominated borrowings, and secured overnight financing rates (“SOFR rates”) or U.S. prime rates for U.S. dollar-denominated borrowings. Concurrently with the U.S. dollar draws, the Trust enters into cross-currency swaps to exchange its U.S. dollar borrowings into Canadian dollar borrowings.

## 11. SENIOR UNSECURED DEBENTURES

As at		Interest Rate		March 31, 2024		December 31, 2023	
Series	Maturity Date	Coupon	Effective	Principal Outstanding	Liability	Liability	Liability
R	August 30, 2024	4.79%	4.72%	\$ 300,000	\$ 300,082	\$	300,131
S	July 31, 2025	4.32%	4.24%	300,000	300,312		300,366
T	May 6, 2026	3.60%	3.57%	300,000	300,255		300,282
V	January 22, 2027	3.46%	3.54%	200,000	199,573		199,537
U	July 12, 2027	3.75%	3.82%	300,000	299,351		299,305
A	March 1, 2028	3.45%	3.54%	200,000	199,358		199,320
B	March 1, 2031	5.57%	5.66%	300,000	298,505		—
Weighted Average or Total		4.21%	4.22%	\$ 1,900,000	\$ 1,897,436	\$	1,598,941
Current				\$ 300,000	\$ 300,082	\$	300,131
Non-current				1,600,000	1,597,354		1,298,810
Total				\$ 1,900,000	\$ 1,897,436	\$	1,598,941

Interest on the senior unsecured debentures is payable semi-annually and principal is payable on maturity.

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

On March 1, 2024, the Trust completed the issuance of \$300 million principal amount of Series B senior unsecured debentures due March 1, 2031. These debentures bear interest at a coupon rate of 5.57% per annum, payable semi-annually commencing September 1, 2024.

## 12. ACCOUNTS PAYABLE AND OTHER LIABILITIES

As at	Note	March 31, 2024	December 31, 2023
<b>Non-current</b>			
Asset retirement obligations (a)		\$ 1,516	\$ 1,365
Ground leases payable		8,415	8,438
Derivatives at fair value	22	9,789	21,891
Unit-based compensation plans	14(c)	2,649	6,586
Other liabilities (b)		89,081	89,096
Total non-current		111,450	127,376
<b>Current</b>			
Trade payables and accruals		55,541	67,727
Construction and development payables		55,039	47,878
Unit-based compensation plans	14(c)	20,415	15,422
Distributions payable	13(b)	15,281	15,277
Interest payable		17,504	27,061
Tenant deposits		36,122	40,948
Derivatives at fair value	22	—	3,695
Total current		199,902	218,008
Total		\$ 311,352	\$ 345,384

(a) First Capital has obligations for environmental remediation at certain sites within its property portfolio. FCR has also recognized a related environmental indemnity and insurance proceeds receivable totaling \$0.7 million (December 31, 2023 - \$0.5 million) in other assets (Note 8).

- (b) Other liabilities includes a loan payable to one of the Trust's joint ventures in the amount of \$53.2 million in relation to mortgage proceeds received by the joint venture. The loan proceeds were concurrently advanced to the Trust and to the joint venture's other limited partners by way of a new loan arrangement that cannot be eliminated in the consolidated financial statements under IFRS.

### 13. UNITHOLDERS' EQUITY

The Declaration of Trust authorizes the issuance of an unlimited number of Trust Units and special voting units:

**Trust Units:** Each Trust Unit is transferable and represents an equal, undivided beneficial interest in the Trust and any distributions from the Trust and entitles the holder to one vote at a meeting of Unitholders. With certain restrictions, a Unitholder has the right to require First Capital to redeem its Trust Units on demand. Upon receipt of a redemption notice by First Capital, all rights to and under the Trust Units tendered for redemption shall be surrendered and the holder thereof shall be entitled to receive a price per unit as determined by a market formula and shall be paid in accordance with the conditions provided for in the Declaration of Trust.

**Special Voting Units:** Each Exchangeable Unit is accompanied by one special voting unit which provides the holder thereof with a right to vote on matters respecting the Trust.

#### (a) Trust Units

The following table sets forth the particulars of First Capital's Trust Units outstanding:

As at	March 31, 2024		December 31, 2023	
	Number of Trust Units	Value of Trust Units	Number of Trust Units	Value of Trust Units
Balance at beginning of year	212,184	\$ 2,803,327	213,518	\$ 2,819,639
Trust Units repurchased	—	—	(1,692)	(22,339)
Exercise of options and settlement of any restricted, performance and deferred trust units	58	899	298	5,106
Conversion of Exchangeable Units	—	—	60	921
Balance at end of period	212,242	\$ 2,804,226	212,184	\$ 2,803,327

On May 16, 2023, First Capital received TSX approval for the renewal of its Normal Course Issuer Bid ("NCIB") pursuant to which it may repurchase and cancel up to 21,148,491 of its outstanding Units until May 17, 2024.

For the three months ended March 31, 2024, the Trust acquired and cancelled Nil Units (March 31, 2023 - 1.3 million Units) at a weighted average purchase price of N/A (March 31, 2023 - \$15.32 per unit), for a total cost of \$Nil (March 31, 2023 - \$19.7 million). The excess of the purchase price over the carrying amount of the Units purchased, representing the unit price increase over the weighted average historical issuance price, was recorded as a reduction to retained earnings of \$Nil (March 31, 2023 - \$2.7 million). On a cumulative basis, as of March 31, 2024, the Trust has acquired and cancelled 7.9 million Units at a weighted average purchase price of \$15.15 per unit, for a total cost of \$120.1 million.

#### (b) Distributions

First Capital declared monthly distributions totaling \$0.216 per Trust Unit for the three months ended March 31, 2024 (three months ended March 31, 2023 - \$0.216 per Trust Unit).

## 14. UNIT-BASED COMPENSATION PLANS

### (a) Unit Option Plan

The Trust previously offered a Unit Option Plan to employees and officers. Options granted under the Plan expire 10 years from the date of grant and vest over five years. Effective January 1, 2022, no further options were granted under the Unit Option Plan. As at March 31, 2024, 5.5 million unit options were outstanding (December 31, 2023 - 5.6 million).

The outstanding options as at March 31, 2024 have exercise prices ranging from \$15.53 - \$21.24 (December 31, 2023 – \$15.53 - \$21.24).

During the three months ended March 31, 2024, \$0.1 million (three months ended March 31, 2023 – \$0.1 million) was recorded as an expense related to stock options.

Three months ended March 31	2024		2023	
	Number of Trust Units Issuable (in thousands)	Weighted Average Exercise Price	Number of Trust Units Issuable (in thousands)	Weighted Average Exercise Price
Outstanding at beginning of year	5,621	\$ 19.79	6,275	\$ 19.76
Expired	(113)	17.77	(197)	18.97
Outstanding at end of period	5,508	\$ 19.83	6,078	\$ 19.79

The assumptions used to measure the fair value of the unit options under the Black-Scholes model (level 2) as at March 31, 2024 and 2023 were as follows:

As at March 31	2024	2023
Expected Trust Unit price volatility	13.38% - 29.13%	18.18% - 31.71%
Expected life of options	0.1 - 5.5 years	0.2 - 6.2 years
Expected distribution yield	5.47%	5.47%
Risk free interest rate	3.50% - 4.93%	2.88% - 4.46%

### (b) Trust Unit arrangements

First Capital's Trust Unit plans include a Trustees' Deferred Unit ("DU") plan and a Restricted Unit ("RU") plan that provides for the issuance of Restricted Units and Performance Units ("PU"). Under the DU and RU arrangements, a participant is entitled to receive one Trust Unit, or equivalent cash value for RU arrangements only, at First Capital's option, (i) in the case of a DU, upon redemption by the holder after the date that the holder ceases to be a Trustee of FCR and any of its subsidiaries (the "Retirement Date") but no later than December 15 of the first calendar year commencing after the Retirement Date, and (ii) in the case of an RU, on the third anniversary of the grant date. Under the PU arrangement, a participant is entitled to receive Nil – 2.0 Trust Units per PU granted, or equivalent cash value at First Capital's option, on the third anniversary of the grant date. Holders of units granted under each plan receive distributions in the form of additional units when First Capital declares distributions on its Trust Units.

Three months ended March 31	2024		2023	
(in thousands)	DUs	RUs / PUs	DUs	RUs / PUs
Outstanding at beginning of year	450	1,261	402	1,083
Granted (a) (b)	24	468	23	417
Performance Factor adjustment	—	42	—	—
Distributions reinvested	6	18	5	15
Exercised	—	(228)	—	(287)
Forfeited	—	(18)	—	(11)
Outstanding at end of period	480	1,543	430	1,217
Expense recorded for the period	\$463	\$1,793	\$432	\$1,867



**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – continued**

- (a) The fair value of the DUs granted during the three months ended March 31, 2024 was \$0.4 million (three months ended March 31, 2023 – \$0.3 million), measured based on First Capital’s prevailing Trust Unit price on the date of grant. The fair value of the RUs granted during the three months ended March 31, 2024 was \$4.6 million (three months ended March 31, 2023 – \$4.7 million), measured based on First Capital’s Trust Unit price on the date of grant.
- (b) The fair value of the PUs granted during the three months ended March 31, 2024 was \$3.6 million (three months ended March 31, 2023 – \$3.0 million). The fair value is calculated using the Monte-Carlo simulation model based on the assumptions below as well as a market adjustment factor based on the total Unitholder return of First Capital’s Trust Units relative to the S&P/TSX Capped REIT Index and relative to a customized index of publicly-listed peers.

Three months ended March 31	<b>2024</b>	2023
Grant date	<b>March 8, 2024</b>	February 16, 2023
PUs granted (thousands)	<b>180</b>	154
Term to expiry	<b>3 years</b>	3 years
Weighted average volatility rate	<b>21.4%</b>	32.5%
Weighted average correlation	<b>75.1%</b>	76.5%
Weighted average total Unitholder return	<b>9.4%</b>	6.6%
Weighted average risk free interest rate	<b>3.79%</b>	3.87%
Fair value (thousands)	<b>\$3,626</b>	\$3,038

**(c) Increase (decrease) in the value of unit-based compensation**

First Capital’s unit-based compensation plans are accounted for as cash-settled awards. Therefore, outstanding Unit Options, Deferred Units, Restricted Units and Performance Units are recognized as a liability and carried at fair value through profit and loss. As at March 31, 2024, the carrying value of the unit-based compensation liability was \$23.1 million (December 31, 2023 – \$22.0 million)(Note 12). For the three months ended March 31, 2024, FCR recognized an increase in the value of the unit-based compensation plans which resulted in a revaluation loss of \$2.3 million in the consolidated statements of income (loss) due to an increase in the Trust Unit’s price since December 31, 2023.

## 15. NET OPERATING INCOME

### Net Operating Income by Component

First Capital's net operating income by component is presented below:

	Three months ended March 31		
	% change	2024	2023
Property rental revenue			
Base rent <sup>(1)</sup>	\$	109,500	\$ 106,868
Operating cost recoveries		30,258	29,778
Realty tax recoveries		30,981	30,519
Lease termination fees		5,584	135
Percentage rent		667	644
Straight-line rent adjustment		1,010	291
Prior year operating cost and tax recovery adjustments		60	124
Temporary tenants, storage, parking and other <sup>(2)</sup>		4,829	7,651
<b>Total Property rental revenue</b>	<b>3.9%</b>	<b>182,889</b>	<b>176,010</b>
Property operating costs			
Recoverable operating expenses		33,806	33,729
Recoverable realty tax expense		35,221	34,652
Prior year realty tax expense (recovery)		(162)	(8)
Other operating costs and adjustments <sup>(3)</sup>		1,811	4,584
<b>Total Property operating costs</b>		<b>70,676</b>	<b>72,957</b>
<b>Total NOI</b>	<b>8.9%</b>	<b>\$ 112,213</b>	<b>\$ 103,053</b>
<b>NOI margin</b>		<b>61.4%</b>	<b>58.5%</b>

<sup>(1)</sup> Includes residential revenue.

<sup>(2)</sup> Includes hotel property revenue.

<sup>(3)</sup> Includes residential operating costs, hotel property operating costs and bad debt expense (recovery).

For the three months ended March 31, 2024, property operating costs include \$6.4 million (three months ended March 31, 2023 – \$6.4 million) related to employee compensation.

## 16. INTEREST AND OTHER INCOME

	Note	Three months ended March 31	
		2024	2023
Interest, dividend and distribution income from marketable securities and other investments	6	\$ 912	\$ 662
Interest income from loans and mortgages receivable classified as FVTPL	6	—	19
Interest income from loans and mortgages receivable at amortized cost	6	2,769	2,645
Fees and other income <sup>(1)</sup>		10,733	1,265
<b>Total</b>		<b>\$ 14,414</b>	<b>\$ 4,591</b>

<sup>(1)</sup> For the three months ended March 31, 2024, fees and other income include a \$9.5 million fee related to the assignment of a purchase and sale agreement for a parcel of land.

## 17. INTEREST EXPENSE

	Note	Three months ended March 31	
		2024	2023
Mortgages	10	\$ 13,930	\$ 13,473
Credit facilities	10	12,595	10,125
Senior unsecured debentures	11	17,140	18,509
Distributions on Exchangeable Units <sup>(1)</sup>		—	13
Total interest expense		43,665	42,120
Interest capitalized to investment properties under development		(4,591)	(4,852)
Interest expense		\$ 39,074	\$ 37,268
Change in accrued interest		9,557	8,417
Coupon interest rate in excess of effective interest rate on senior unsecured debentures		369	387
Coupon interest rate in excess of effective interest rate on assumed mortgages		2	4
Amortization of deferred financing costs		(1,845)	(1,908)
Cash interest paid associated with operating activities		\$ 47,157	\$ 44,168

<sup>(1)</sup> The distributions declared on the Exchangeable Units are accounted for as interest expense.

## 18. CORPORATE EXPENSES

	Three months ended March 31	
	2024	2023
Salaries, wages and benefits	\$ 8,626	\$ 8,540
Unit-based compensation	2,362	2,354
Other corporate costs <sup>(1)</sup>	3,990	10,977
Total corporate expenses	14,978	21,871
Amounts capitalized to investment properties under development	(2,153)	(2,342)
Corporate expenses	\$ 12,825	\$ 19,529

<sup>(1)</sup> Includes \$Nil in legal, advisory and settlement costs related to the Unitholder activism for the three months ended March 31, 2024 (three months ended March 31, 2023 - approximately \$7 million).

## 19. OTHER GAINS (LOSSES) AND (EXPENSES)

	Three months ended March 31	
	2024	2023
Unrealized gain (loss) on marketable securities	\$ 35	\$ (53)
Pre-selling costs of residential inventory	(3)	(75)
Investment property selling costs	(2,287)	(110)
Gain (loss) on foreign currency translation	(7,022)	560
Gain (loss) on mark-to-market of derivatives <sup>(1)</sup>	10,603	(564)
Total	\$ 1,326	\$ (242)

<sup>(1)</sup> The Trust enters into cross-currency swap derivatives to manage interest rate risk and foreign currency risk on its US denominated variable rate debt instruments.

## 20. INCOME TAXES

The Trust qualifies for the REIT Exemption and as such the Trust itself will not be subject to income taxes provided it continues to qualify as a REIT for purposes of the Act. A REIT is not taxable and not considered to be a Specified Investment Flow-Through Trust provided it complies with certain tests and distributes all of its taxable income in a taxation year to its Unitholders. The Trust is a flow-through vehicle and accounts only for income taxes pertaining to its corporate subsidiaries. The Trust's most significant corporate subsidiary, First Capital Realty Inc., is a Mutual Fund Corporation.

The following reconciles the expected tax expense (recovery) computed at the statutory tax rate to the actual tax expense for the three months ended March 31, 2024 and 2023.

	Three months ended March 31	
	2024	2023
Income tax computed at the Canadian statutory rate of Nil applicable to the Trust at March 31, 2024 and 2023	\$ —	\$ —
Increase (decrease) in income taxes due to:		
Deferred income taxes (recoveries) applicable to corporate subsidiaries	1,202	(154)
Deferred income taxes expense (recovery)	\$ 1,202	\$ (154)

## 21. RISK MANAGEMENT

In the normal course of its business, First Capital is exposed to a number of risks that can affect its operating performance. Certain of these risks, and the actions taken to manage them, are as follows:

### (a) Interest rate risk

First Capital structures its financings so as to stagger the maturities of its debt, thereby mitigating its exposure to interest rate and other credit market fluctuations. A portion of FCR's mortgages, loans and credit facilities are floating rate instruments. From time to time, FCR may enter into interest rate swap contracts, bond forwards or other financial instruments to modify the interest rate profile of its outstanding debt or highly probable future debt issuances without an exchange of the underlying principal amount.

### (b) Credit risk

Credit risk arises from the possibility that tenants and/or debtors may experience financial difficulty and be unable or unwilling to fulfill their lease commitments or loan obligations. First Capital mitigates the risk of credit loss from tenants by investing in well-located properties in urban markets that attract high quality tenants, ensuring that its tenant mix is diversified, and by limiting its exposure to any one tenant. As at March 31, 2024, Loblaw Companies Limited ("Loblaw") is FCR's largest tenant and accounts for 10.4% of FCR's annualized minimum rent and has an investment grade credit rating. Other than Loblaw, no other tenant accounts for more than 10% of the annualized minimum rent. A tenant's success over the term of its lease and its ability to fulfill its lease obligations is subject to many factors. There can be no assurance that a tenant will be able to fulfill all of its existing commitments and leases up to the expiry date. First Capital mitigates the risk of credit loss from debtors by undertaking a number of activities typical in lending arrangements including obtaining registered mortgages on the real estate properties.

First Capital's leases typically have lease terms between 5 and 20 years and may include clauses to enable periodic upward revision of the rental rates, and lease contract extension at the option of the lessee.

### (c) Liquidity risk

Real estate investments are relatively illiquid. This tends to limit First Capital's ability to sell components of its portfolio promptly in response to changing economic or investment conditions. If FCR were required to quickly liquidate its assets, there is a risk that it would realize sale proceeds of less than the current value of its real estate investments.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – continued**

An analysis of First Capital’s contractual maturities of its material financial liabilities and other contractual commitments as at March 31, 2024 is set out below:

As at March 31, 2024	Payments due by period					Total
	Remainder of 2024	2025 to 2026	2027 to 2028	Thereafter		
Scheduled mortgage principal amortization	\$ 26,330	\$ 63,283	\$ 53,901	\$ 42,264	\$ 185,778	
Mortgage principal repayments on maturity	108,478	161,330	225,586	651,434	1,146,828	
Credit facilities and bank indebtedness	30,389	645,880	42,357	200,000	918,626	
Senior unsecured debentures	300,000	600,000	700,000	300,000	1,900,000	
Interest obligations <sup>(1)</sup>	125,365	246,238	135,985	96,522	604,110	
Land leases (expiring between 2027 and 2061)	509	1,284	1,279	15,723	18,795	
Contractually committed costs to complete current development projects <sup>(2)</sup>	37,205	63,170	—	—	100,375	
Other committed costs	—	21,250	—	—	21,250	
<b>Total contractual obligations</b>	<b>\$ 628,276</b>	<b>\$ 1,802,435</b>	<b>\$ 1,159,108</b>	<b>\$ 1,305,943</b>	<b>\$ 4,895,762</b>	

<sup>(1)</sup> Interest obligations include expected interest payments on mortgages and credit facilities as at March 31, 2024 (assuming balances remain outstanding through to maturity) and senior unsecured debentures, as well as standby credit facility fees.

<sup>(2)</sup> Includes amounts related to equity accounted joint ventures.

First Capital manages its liquidity risk by staggering debt maturities; renegotiating expiring credit arrangements proactively; using secured and unsecured credit facilities, mortgages and unsecured debentures; and issuing equity when considered appropriate. As at March 31, 2024, there was \$0.8 billion (December 31, 2023 – \$1.0 billion) of cash advances drawn against First Capital’s unsecured credit facilities.

In addition, as at March 31, 2024, First Capital had \$27.6 million (December 31, 2023 – \$28.6 million) of outstanding letters of credit issued by financial institutions primarily to support certain of FCR’s contractual obligations and \$Nil (December 31, 2023 – \$Nil) of bank overdrafts.

**(d) Unit price risk**

First Capital is exposed to Trust Unit price risk as a result of the issuance of unit-based compensation. Unit-based compensation liabilities are recorded at their fair value based on market trading prices and negatively impact operating income when the Trust Unit price rises and positively impact operating income when the Trust Unit price declines.

## 22. FAIR VALUE MEASUREMENT

The fair value hierarchy of financial instruments in the unaudited interim condensed consolidated balance sheets is as follows:

As at	March 31, 2024			December 31, 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Fair value of financial instruments measured at fair value</b>						
<b>Financial Assets</b>						
FVTPL investments in securities	\$ 2,836	\$ —	\$ —	\$ 2,801	\$ —	\$ —
Other investments	—	—	11,393	—	—	11,393
Derivatives at fair value – assets	—	23,426	—	—	23,702	—
<b>Financial Liabilities</b>						
Unit-based compensation plans	—	23,064	—	—	22,008	—
Derivatives at fair value – liabilities	—	9,789	—	—	25,586	—
<b>Fair value of financial instruments measured at amortized cost</b>						
<b>Financial Assets</b>						
Loans and mortgages receivable	\$ —	\$ —	\$ 126,158	\$ —	\$ —	\$ 124,683
<b>Financial Liabilities</b>						
Mortgages	—	1,260,530	—	—	1,272,874	—
Credit facilities	—	918,626	—	—	1,153,907	—
Senior unsecured debentures	—	1,853,987	—	—	1,535,423	—

First Capital enters into derivative instruments including bond forward contracts, interest rate swaps and cross currency swaps as part of its strategy for managing certain interest rate risks as well as currency risk in relation to movements in the Canadian to U.S. exchange rate. For those derivative instruments to which First Capital has applied hedge accounting, the change in fair value for the effective portion of the derivative is recorded in OCI from the date of designation. For those derivative instruments to which First Capital does not apply hedge accounting, the change in fair value is recognized in other gains (losses) and (expenses).

The fair value of derivative instruments is determined using present value forward pricing and swap calculations at interest rates that reflect current market conditions. The models also take into consideration the credit quality of counterparties, interest rate curves and forward rate curves. As at March 31, 2024, the interest rates ranged from 5.8% to 7.0% (December 31, 2023 – 5.2% to 7.0%). The fair values of First Capital's asset (liability) hedging instruments are as follows:

	Designated as Hedging Instrument	Maturity as at March 31, 2024	March 31, 2024	December 31, 2023
<b>Derivative assets</b>				
Interest rate swaps	Yes	April 2024 - March 2027	\$ 23,426	\$ 23,702
Total			\$ 23,426	\$ 23,702
<b>Derivative liabilities</b>				
Interest rate swaps	Yes	January 2029	\$ 2,949	\$ 8,143
Cross currency swaps	No	October 2028	6,840	17,443
Total			\$ 9,789	\$ 25,586

## 23. SUBSIDIARIES WITH NON-CONTROLLING INTEREST

As at March 31, 2024, First Capital has interests in two entities that it controls and consolidates 100% of the assets, liabilities, revenues and expenses of each entity subject to a non-controlling interest.

Name of Entity	Primary Investment	Effective Ownership	
		March 31, 2024	December 31, 2023
Main and Main Developments LP ("MMLP")	46.875% Interest in MMUR <sup>(1)</sup>	67.0%	67.0%
Maincore Equities Inc.	46.875% Interest in MMUR <sup>(1)</sup>	70.9%	70.9%

<sup>(1)</sup> FCR has owned a 6.25% direct interest in M+M Realty LP ("MMUR") since 2014.

First Capital controls MMLP, a subsidiary in which it holds a 67% ownership interest.

## 24. SUPPLEMENTAL CASH FLOW INFORMATION

### (a) Items not affecting cash and other items

	Note	Three months ended March 31	
		2024	2023
Straight-line rent adjustment	15	\$ (1,010)	\$ (291)
Investment property selling costs	19	2,287	110
Unrealized (gain) loss on marketable securities classified as FVTPL	19	(35)	53
Unit-based compensation expense	14	2,326	2,425
(Gain) loss on foreign currency translation	19	7,022	(560)
Increase (decrease) in value of Exchangeable Units		—	(65)
Increase (decrease) in value of unit-based compensation	14	2,297	(2,457)
Deferred income taxes expense (recovery)	20	1,202	(154)
(Gain) loss on mark-to-market of derivatives	19	(10,603)	564
Total		\$ 3,486	\$ (375)

### (b) Net changes in other working capital items

The net changes in other working capital assets and liabilities consists of the following:

	Three months ended March 31	
	2024	2023
Amounts receivable	\$ (9,633)	\$ (2,537)
Prepaid expenses	(6,504)	(6,058)
Trade payables and accruals	(8,533)	(2,530)
Tenant security and other deposits	(4,826)	1,402
Residential development inventory	(7,451)	(6,826)
Other working capital changes	(1,202)	(734)
Total	\$ (38,149)	\$ (17,283)

### (c) Changes in loans, mortgages and other assets

	Three months ended March 31	
	2024	2023
Advances of loans and mortgages receivable	\$ (1,166)	\$ (5,133)
Repayments of loans and mortgages receivable	—	50,008
Other investments, net	—	(463)
Total	\$ (1,166)	\$ 44,412

### (d) Cash and cash equivalents

As at	March 31, 2024	December 31, 2023
Cash and cash equivalents	\$ 164,154	\$ 87,421

## 25. COMMITMENTS AND CONTINGENCIES

- (a) First Capital is involved in litigation and claims which arise from time to time in the normal course of business. None of these contingencies, individually or in aggregate, would result in a liability that would have a significant adverse effect on the financial position of FCR.
- (b) First Capital is contingently liable, jointly and severally or as guarantor, for approximately \$171.8 million (December 31, 2023 – \$168.1 million) to various lenders in connection with certain third-party obligations, including, without limitation, loans advanced to its joint arrangement partners secured by the partners' interest in the joint arrangements and underlying assets.
- (c) First Capital is contingently liable by way of letters of credit in the amount of \$27.6 million (December 31, 2023 – \$28.6 million), issued by financial institutions on FCR's behalf in the ordinary course of business.
- (d) First Capital has obligations as lessee under long-term leases for land. Annual commitments under these ground leases are approximately \$0.7 million (December 31, 2023 – \$0.7 million) with a total obligation of \$18.8 million (December 31, 2023 – \$19.0 million).

## 26. RELATED PARTY TRANSACTIONS

### Subsidiaries of the Trust

The unaudited interim condensed consolidated financial statements include the financial statements of First Capital Real Estate Investment Trust and all of its subsidiaries, including First Capital Realty Inc., First Capital REIT Limited Partnership and First Capital Holdings Trust. First Capital Realty Inc. and First Capital Holdings Trust are the significant subsidiaries of the Trust and are wholly owned.



# Unitholder Information

## HEAD OFFICE

**Shops at King Liberty**  
85 Hanna Avenue, Suite 400  
Toronto, Ontario M6K 3S3  
Tel: 416 504 4114  
Fax: 416 941 1655

## MONTREAL OFFICE

**Place Viau**  
7600 Boulevard Viau, Suite 113  
Montréal, Québec H1S 2P3  
Tel: 514 332 0031  
Fax: 514 332 5135

## CALGARY OFFICE

815 – 17th Avenue SW, Suite 200  
Calgary, Alberta T2T 0A1  
Tel: 403 257 6888  
Fax: 403 257 6899

## EDMONTON OFFICE

**Edmonton Brewery District**  
12068 – 104 Avenue, Suite 301  
Edmonton, Alberta T5K 0K2  
Tel: 780 475 3695

## VANCOUVER OFFICE

**Shops at New West**  
800 Carnarvon Street, Suite 320  
New Westminster, BC V3M 0G3  
Tel: 604 278 0056  
Fax: 604 242 0266

## TRANSFER AGENT

**Computershare Trust Company  
of Canada**  
100 University Avenue, 11th Floor  
Toronto, Ontario M5J 2Y1  
Toll-free: 1 800 564 6253

## EXECUTIVE LEADERSHIP TEAM

**Adam Paul**  
President and Chief Executive Officer

**Neil Downey**  
Executive Vice President,  
Enterprise Strategies and  
Chief Financial Officer

**Jordan Robins**  
Executive Vice President and  
Chief Operating Officer

**Carmine Francella**  
Senior Vice President,  
Real Estate Services

**Alison Harnick**  
Senior Vice President, General Counsel  
and Corporate Secretary

**Michele Walkau**  
Senior Vice President, Brand & Culture

## AUDITOR

**Ernst & Young LLP**  
Toronto, Ontario

## TRUSTEES

**Paul Douglas**  
Chair of the Board

**Leonard Abramsky**  
Trustee

**Sheila Botting**  
Trustee

**Ian Clarke**  
Trustee

**Dayna Gibbs**  
Trustee

**Ira Gluskin**  
Trustee

**Annalisa King**  
Trustee

**Al Mawani**  
Trustee

**Richard Nesbitt**  
Trustee

**Adam Paul**  
Trustee



85 HANNA AVENUE, SUITE 400, TORONTO, ONTARIO M6K 3S3