

FIRST CAPITAL REIT ANNOUNCES SOLID FIRST QUARTER 2024 RESULTS SUPPORTED BY STRENGTH IN LEASING AND CONTINUED EXECUTION OF CAPITAL ALLOCATION STRATEGY

Toronto, Ontario (April 30, 2024) - First Capital Real Estate Investment Trust (“First Capital”, “FCR”, or the “Trust”) (TSX: FCR.UN), announced financial results for the quarter ended March 31, 2024. The 2024 First Quarter Report is available in the Investors section of the Trust’s website at www.fcr.ca and has been filed on SEDAR+ at www.sedarplus.ca.

KEY HIGHLIGHTS FROM THE FIRST QUARTER:

- **Operating FFO per unit of \$0.36**
- **Strong leasing activity, including lease renewal spreads of 11%**
- **Improved Net Debt to EBITDA ratio to 9.3x**

“The strong fundamentals underpinning First Capital’s grocery anchored retail portfolio together with the successful execution of our capital allocation strategy continues to deliver solid operating and financial results,” said Adam Paul, President and CEO.

“The first quarter of 2024 was characterized by healthy leasing metrics, solid earnings growth and a stronger balance sheet, all of which will serve us well as we look ahead.”

SELECTED FINANCIAL INFORMATION	Three months ended March 31	
	2024	2023
Operating FFO (\$ millions) ⁽¹⁾⁽²⁾	\$78.1	\$53.7
FFO (\$ millions) ⁽¹⁾	\$81.6	\$53.5
Operating FFO per diluted unit ⁽¹⁾⁽²⁾	\$0.36	\$0.25
Other gains and (losses) included in FFO per diluted unit ⁽¹⁾	\$0.02	\$0.00
FFO per diluted unit ⁽¹⁾	\$0.38	\$0.25
Total Same Property NOI growth ⁽¹⁾⁽³⁾	7.8%	4.0%
Total portfolio occupancy ⁽⁴⁾	96.2%	96.2%
Total Same Property occupancy ⁽¹⁾⁽⁴⁾	96.2%	96.2%
Increase (decrease) in value of investment properties, net ⁽¹⁾	\$2.1	(\$6.6)
Net income (loss) attributable to unitholders (\$ millions)	\$74.8	\$48.7
Net income (loss) attributable to unitholders per diluted unit	\$0.35	\$0.23
Weighted average diluted units for FFO and net income (000s)	213,988	215,262

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

⁽²⁾ For the three months ended March 31, 2024, Operating FFO includes \$Nil (March 31, 2023 - approximately \$7 million or 3 cents per unit) of non-recurring costs related to the Unitholder activism.

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

⁽⁴⁾ As at March 31.

FIRST QUARTER OPERATIONAL AND FINANCIAL HIGHLIGHTS

- **Same Property NOI Growth:** Total Same Property NOI increased 7.8% over the prior year period, 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. Same Property NOI 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. Notwithstanding this short-term impact, One Bloor East is now 100% leased to an exceptional roster of tenants.
- **Portfolio Occupancy:** On a quarter-over-quarter and year-over-year basis, total portfolio occupancy was stable at 96.2%, respectively.
- **Lease Renewal Rate Increase:** Net rental rates increased 11.0% on a volume of 466,000 square feet of lease renewals, when comparing the rental rate in the first year of the renewal term to the rental rate in the last year of the expiring term. Net rental rates on leases renewed in the quarter increased 13.5% when comparing the average rental rate over the renewal term to the rental rate in the last year of the expiring term.
- **Average Net Rental Rate:** The portfolio average net rental rate increased by 1.2% or \$0.28 per square foot over the prior quarter to a record \$23.62 per square foot, primarily due to tenant openings, net of closures, rent escalations and renewal lifts.
- **Property Investments:** First Capital invested approximately \$78 million into its properties during the first quarter, primarily through development, redevelopment and the acquisition of the remaining 50% interest in Seton Gateway. Located in Calgary, Alberta on a 12.4 acre site within the Seton master-planned community, Seton Gateway is a 128,000 square foot open-air shopping centre that is anchored by a 45,000 square foot Save-On-Foods store and a 18,500 square foot Shoppers Drug Mart. Across a strong roster of 25 necessity based tenants, Seton Gateway is 100% occupied and is expected to benefit from continued strong population growth in its trade-area over the foreseeable future.
- **Property Dispositions:** Consistent with the capital allocation objective of crystallizing created value in certain development and density sites, and select income properties that are not multi-tenant grocery-anchored shopping centres, First Capital completed approximately \$147 million of previously announced property sales during the quarter. Dispositions included (i) the 50% interest in the Royal Orchard development site, located in Thornhill, ON, (ii) Yonge-Davis Centre, located in Newmarket, ON, (iii) Circa Residences (68 residential rental suites), located in Richmond, BC, (iv) a 41.7% interest in 1071 King St. W., located in Toronto, ON (reducing FCR's interest to 25%) and, (v) 71 King St. W., a small medical office building located in Mississauga, ON.

- **\$300 Million Series B Senior Unsecured Debenture Offering:** On March 1, 2024, First Capital completed the issuance of \$300 million aggregate principal amount of Series B senior unsecured debentures (the "Debentures") on a private placement basis. The Debentures were issued at par, bear interest at a rate of 5.572% per annum and mature on March 1, 2031. Inclusive of the benefit of bond forward hedges, the REIT's all-in interest rate on the Debentures is 5.481% per annum. During the quarter, net proceeds from the offering were used to repay \$250 million of floating rate unsecured term loans and for general Trust purposes.
- **Balance Sheet and Liquidity:** First Capital's March 31, 2024 net debt to Adjusted EBITDA multiple was 9.3x, an improvement from 9.9x at December 31, 2023. First Capital's March 31, 2024 liquidity position was \$867 million, including \$698 million of availability on revolving credit facilities and \$169 million of cash on a proportionate basis.
- **Operating FFO per Diluted Unit of \$0.36:** Operating Funds from Operations increased \$24.3 million, or \$0.11 per unit, over the prior year period. Supported by strong operating metrics and higher lease termination income, Operating FFO 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 Operating FFO for the first quarter of 2023 includes approximately \$7 million (\$0.03 per unit) of expenses related to unitholder activism.
- **FFO per Diluted Unit of \$0.38:** Funds From Operations of \$81.6 million increased \$28.1 million, or \$0.13 per unit, over the prior year period. The increase was driven by higher Operating FFO of \$24.3 million and a year-over-year increase in other gains (losses) and (expenses) of \$3.8 million.
- **Net Income (Loss) Attributable to Unitholders:** For the three months ended March 31, 2024, First Capital recognized net income (loss) attributable to Unitholders of \$74.8 million or \$0.35 per diluted unit compared to \$48.7 million or \$0.23 per diluted unit for the prior year period. The 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.
- **Advancing ESG initiatives:** First Capital continued to demonstrate leadership in Environmental, Social and Governance ("ESG") matters throughout the first quarter, which included the following highlights:
 - Named one of "Canada's Top Small and Medium Employers" for 2024
 - Recognized by the Globe and Mail as one of "Greater Toronto's Top Employers" for 2024
 - Included in the Globe and Mail's "2024 Report on Business Women Lead Here" list
 - Selected for inclusion in "The Career Directory" for 2024 as one of Canada's Best Employers for recent graduates
 - 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
 - Listed as a top 30 Canadian company in Sustainalytics 'Road to Net Zero' Ranking for our strong low carbon transition rating management score

FINANCIAL AND OTHER HIGHLIGHTS

As at		March 31	December 31
(\$ millions)	2024	2023	2023
Total assets ⁽¹⁾	\$9,246	\$9,642	\$9,185
Assets held for sale ⁽¹⁾	\$150	\$327	\$168
Unencumbered assets ⁽²⁾	\$6,042	\$6,254	\$6,010
Net Asset Value per unit	\$22.10	\$23.48	\$21.95
Net debt to total assets ⁽²⁾⁽³⁾	44.9%	44.6%	45.0%
Net debt to Adjusted EBITDA ⁽²⁾	9.3x	10.4x	9.9x
Weighted average term of fixed-rate debt (years) ⁽²⁾	3.3	3.5	3.3

⁽¹⁾ Presented in accordance with IFRS.

⁽²⁾ Reflects joint ventures proportionately consolidated.

⁽³⁾ Total assets excludes cash balances.

MANAGEMENT CONFERENCE CALL AND WEBCAST

First Capital invites you to participate at 2:00 p.m. (ET) on Wednesday, May 1, 2024, in a live conference call with senior management to discuss financial results for the first quarter ended March 31, 2024.

First Capital's financial statements and MD&A for the first quarter will be released prior to the call and will be available on its website at www.fcr.ca in the 'Investors' section, and on the Canadian Securities Administrators' website at www.sedarplus.ca.

Teleconference

You can participate in the live conference by dialing 416-406-0743 or toll-free 1-800-898-3989 with access code 2094812#. The call will be accessible for replay until May 8, 2024, by dialing 905-694-9451 or toll-free 1-800-408-3053 with access code 3686415#.

Webcast

To access the live audio webcast and conference call presentation, please go to First Capital's website or click on the following link [Q1 2024 Conference Call](#). The webcast will be accessible for replay in the 'Investors' section of the website.

ABOUT FIRST CAPITAL REIT (TSX: FCR.UN)

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

NON-IFRS FINANCIAL MEASURES

First Capital prepares and releases unaudited interim and audited annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"). As a complement to results provided in accordance with IFRS, First Capital discloses certain non-IFRS financial measures in this press release, including but not limited to FFO, Operating FFO, NOI, Same Property NOI, and proportionate interest. Since these non-IFRS measures do not have standardized meanings prescribed by IFRS, they may not be comparable to similar measures reported by other issuers. First Capital uses and presents the above non-IFRS measures as management believes they are commonly accepted and meaningful financial measures of operating performance. Reconciliations of certain non-IFRS measures to their nearest IFRS measures are included below. These non-IFRS measures should not be construed as alternatives to net income (loss) or cash flow from operating activities determined in accordance with IFRS as measures of First Capital's operating performance.

Funds from Operations ("FFO")

FFO is a recognized measure that is widely used by the real estate industry, particularly by publicly traded entities that own and operate income-producing properties. First Capital calculates FFO in accordance with the recommendations of the Real Property Association of Canada ("REALPAC") as published in its most recent guidance on "Funds from Operations and Adjusted Funds From Operations for IFRS" dated January 2022. Management considers FFO a meaningful additional financial measure of operating performance, as it excludes fair value gains and losses on investment properties as well as certain other items included in FCR's net income (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.

Operating Funds from Operations ("OFFO")

In addition to REALPAC FFO described above, Management also discloses 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.

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 (\$ millions)	2024	2023
Net income (loss) attributable to Unitholders	\$ 74.8	\$ 48.7
Add (deduct):		
(Increase) decrease in value of investment properties ⁽¹⁾	\$ (2.1)	\$ 6.6
(Increase) decrease in value of hotel property ⁽¹⁾	\$ —	\$ (3.6)
Adjustment for equity accounted joint ventures ⁽²⁾	\$ 0.2	\$ 1.4
Adjustment for capitalized interest related to equity accounted joint ventures ⁽²⁾	\$ 1.0	\$ 0.8
Incremental leasing costs ⁽³⁾	\$ 2.0	\$ 2.0
Amortization expense ⁽⁴⁾	\$ —	\$ 0.1
Increase (decrease) in value of Exchangeable Units ⁽⁵⁾	\$ —	\$ (0.1)
Increase (decrease) in value of unit-based compensation ⁽⁶⁾	\$ 2.3	\$ (2.5)
Investment property selling costs ⁽¹⁾	\$ 2.3	\$ 0.1
Deferred income taxes (recovery) ⁽¹⁾	\$ 1.2	\$ (0.2)
FFO	\$ 81.6	\$ 53.5
Other gains (losses) and (expenses) ⁽⁷⁾	\$ (3.6)	\$ 0.2
OFFO	\$ 78.1	\$ 53.7

⁽¹⁾ At FCR's proportionate interest.

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

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

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

⁽⁵⁾ Adjustment to exclude distributions and fair value adjustments on Exchangeable Units in accordance with the recommendations of REALPAC.

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

⁽⁷⁾ At FCR's proportionate interest, adjusted to exclude investment property selling costs in accordance with the recommendations of REALPAC.

Net Debt

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

As at (\$ millions)	March 31, 2024	December 31, 2023
Liabilities (principal amounts outstanding)		
Mortgages ⁽¹⁾	\$ 1,423.1	\$ 1,432.6
Credit facilities ⁽¹⁾	920.1	1,151.2
Senior unsecured debentures	1,900.0	1,600.0
Total Debt ⁽¹⁾	\$ 4,243.3	\$ 4,183.8
Cash and cash equivalents ⁽¹⁾	(168.9)	(92.5)
Net Debt ^{(1) (2)}	\$ 4,074.3	\$ 4,091.3
Equity market capitalization ⁽³⁾	3,334.3	3,254.9
Enterprise value ⁽¹⁾	\$ 7,408.7	\$ 7,346.2
Trust Units outstanding (000's)	212,242	212,184
Closing market price	\$ 15.71	\$ 15.34

⁽¹⁾ At First Capital's proportionate interest.

⁽²⁾ Net Debt is a non-IFRS measure that is calculated as the sum of total debt including principal amounts outstanding on credit facilities and mortgages, bank indebtedness and the par value of senior unsecured debentures reduced by the cash balances at the end of the period on a proportionate basis.

⁽³⁾ Equity market capitalization is the market value of FCR's units outstanding at a point in time. The measure is not defined by IFRS, does not have a standard definition and, as such, may not be comparable to similar measures disclosed by other issuers.

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

Adjusted EBITDA is a measure used by Management in the computation of certain debt metrics. Adjusted EBITDA, is calculated as net income (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.

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

Three months ended March 31 (\$ millions)	2024	2023
Net income (loss) attributable to Unitholders	\$ 74.8	\$ 48.7
Add (deduct) ⁽¹⁾ :		
Deferred income tax expense (recovery)	1.2	(0.2)
Interest Expense	40.1	38.3
Amortization expense	0.8	2.7
(Increase) decrease in value of investment properties	(2.1)	6.6
(Increase) decrease in value of hotel property	—	(3.6)
Increase (decrease) in value of Exchangeable Units	—	(0.1)
Increase (decrease) in value of unit-based compensation	2.3	(2.5)
Incremental leasing costs	2.0	2.0
Other non-cash and/or non-recurring items	(1.3)	0.3
Adjusted EBITDA ⁽¹⁾	\$ 117.8	\$ 92.4

⁽¹⁾ At First Capital's proportionate interest.



FORWARD-LOOKING STATEMENT ADVISORY

This press release contains forward-looking statements and information within the meaning of applicable securities law, including with respect to the anticipated execution and impact of the three-year Strategic Roadmap - Discipline|Stability|Growth. These forward-looking statements are not historical facts but, rather, reflect First Capital's current expectations and are subject to risks and uncertainties that could cause the outcome to differ materially from current expectations. Such risks and uncertainties include, among others, First Capital's ability to close all announced disposition transactions and execute on its three-year Strategic Roadmap - Discipline|Stability|Growth, general economic conditions; tenant financial difficulties, defaults and bankruptcies; increases in operating costs, property taxes and income taxes; First Capital's ability to maintain occupancy and to lease or re-lease space at current or anticipated rents; development, intensification and acquisition activities; residential development, sales and leasing; risks in joint ventures; environmental liability and compliance costs and uninsured losses; and risks and uncertainties related to pandemics, epidemics or other outbreaks on First Capital which are described in First Capital's MD&A for the year ended December 31, 2023. Additionally, forward-looking statements are subject to those risks and uncertainties discussed in First Capital's MD&A for the year ended December 31, 2023 and in its current Annual Information Form. Readers, therefore, should not place undue reliance on any such forward-looking statements.

First Capital undertakes no obligation to publicly update any such forward-looking statement or to reflect new information or the occurrence of future events or circumstances except as required by applicable securities law. All forward-looking statements in this press release are made as of the date hereof and are qualified by these cautionary statements.

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