FIRST CAPITAL REIT ANNOUNCES STRONG SECOND QUARTER 2024 RESULTS WITH ROBUST LEASING ACTIVITY SUPPORTING 8% OPERATING FFO PER UNIT GROWTH

Toronto, Ontario (July 30, 2024) - First Capital Real Estate Investment Trust ("First Capital", "FCR", or the "Trust") (TSX: FCR.UN), announced financial results for the quarter ended June 30, 2024. The 2024 Second 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 SECOND QUARTER:

- ***Operating FFO per unit of $0.32, representing year-over-year growth of 8.4%***
- ***Same Property NOI growth of 4.6%***
- ***Lease renewal spreads of 13.2%***
- ***Improved Net Debt to EBITDA ratio to 9.2x***

"I am pleased with the successful execution of our strategy and strong leasing activity which continue to deliver solid operating and financial results. Looking ahead, we remain well positioned and on-track to achieve the key one- and three-year objectives we presented earlier this year at our Investor Day," said Adam Paul, President and CEO.

SELECTED FINANCIAL INFORMATION	*Three months ended June 30*		*Six months ended June 30*	
	2024	2023	**2024**	2023
Operating FFO ($ millions) (1)(2)	**$68.4**	$63.0	**$146.4**	$116.8
FFO ($ millions) (1)	**$68.2**	$63.8	**$81.6**	$53.5
Operating FFO per diluted unit (1)(2)	**$0.32**	$0.29	**$0.68**	$0.54
Other gains and (losses) included in FFO per diluted unit (1)	**$0.00**	$0.00	**$0.02**	$0.00
FFO per diluted unit (1)	**$0.32**	$0.30	**$0.70**	$0.55
Total Same Property NOI growth (1)(3)	**4.6%**	2.2%	**6.2%**	3.0%
Total portfolio occupancy (4)	**96.3%**	95.9%		
Total Same Property occupancy (1)(4)	**96.4%**	95.8%		
Increase (decrease) in value of investment properties, net (1)	**($74.2)**	($104.5)	**($72.2)**	($111.2)
Net income (loss) attributable to unitholders ($ millions)	**$16.9**	($29.0)	**$91.7**	$19.7
Net income (loss) attributable to unitholders per diluted unit	**$0.08**	($0.14)	**$0.43**	$0.09
Weighted average diluted units for FFO and net income (000s)	**214,287**	214,056	**214,137**	214,648

(1) *Refer to "Non-IFRS Financial Measures" section of this press release.*
(2) *For the six months ended June 30, 2024, Operating FFO includes $Nil (June 30, 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 June 30.*

SECOND QUARTER OPERATIONAL AND FINANCIAL HIGHLIGHTS

- **Same Property NOI Growth:** Total Same Property NOI increased 4.6% over the prior year period. The growth was primarily due to higher base rent, lower non-recoverable expenditures, and a year-over-year increase in bad debt recovery of $0.9 million. Same Property NOI excluding bad debt expense (recovery) and lease termination fees increased 3.7%.

- **Portfolio Occupancy:** On a quarter-over-quarter basis, total portfolio occupancy increased 0.1% to 96.3% at June 30, 2024, from 96.2% at March 31, 2024. On a year-over-year basis, total portfolio occupancy increased 0.4% to 96.3% at June 30, 2024, from 95.9% at June 30, 2023.
- **Lease Renewal Rate Increase**: Net rental rates increased 13.2% on a volume of 720,000 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 18.9% when comparing the average rental rate over the renewal term to the rental rate in the last year of the expiring term primarily owing to the higher contractual growth rates negotiated over the renewed lease terms.
- **Average Net Rental Rate**: The portfolio average net rental rate increased by 0.5% or $0.11 per square foot over the prior quarter to a record $23.73 per square foot, primarily due to rent escalations and renewal lifts.
- **Property Investments:** First Capital invested approximately $37 million into its properties during the second quarter, primarily through development and redevelopment.
- **Property Dispositions:** During and subsequent to the second quarter, First Capital entered into firm agreements for $66 million of additional dispositions, including (i) 1629-1633 The Queensway, Etobicoke and (ii) 895 Lawrence Avenue East, Toronto. The properties are debt-free and subject to all-cash purchase agreements. The dispositions are expected to close in the fourth quarter of 2024 and first quarter of 2025. Since announcing the Optimization Plan, First Capital has $710 million of property disposition and related transactions that are completed or under firm agreement. Collectively these sales have been affected at an in-place yield that is less than 3% and an average premium to IFRS carrying value of more than 20%.
- **$300 Million Series C Senior Unsecured Debenture Offering:** On June 12, 2024, First Capital completed the issuance of $300 million aggregate principal amount of Series C senior unsecured debentures (the "Debentures") on a private placement basis. The Debentures were issued at par, bear interest at a rate of 5.455% per annum and mature on June 12, 2032. Net proceeds from the offering will primarily be allocated to the repayment of the remaining Series R senior unsecured debentures maturing August 30, 2024, and for general Trust purposes.
- **Balance Sheet and Liquidity**: First Capital's June 30, 2024 net debt to Adjusted EBITDA multiple was 9.2x, an improvement from 9.9x at December 31, 2023. First Capital's June 30, 2024 liquidity position was approximately $1.2 billion, including $698 million of availability on revolving credit facilities and $457 million of cash on a proportionate basis.
- **Operating FFO per Diluted Unit of $0.32:** Operating Funds from Operations of $68.4 million increased $5.3 million, or $0.02 per unit, over the prior year period. Supported by strong operating metrics, the increase in Operating FFO for the second quarter of 2024 was primarily due to higher NOI, totaling $6.0 million.

- **FFO per Diluted Unit of $0.32:** Funds From Operations of $68.2 million increased $4.5 million, or $0.02 per unit, over the prior year period. The increase was driven by higher Operating FFO of $5.3 million, partially offset by a year-over-year decrease in other gains (losses) and (expenses) of $0.9 million.
- **Net Income (Loss) Attributable to Unitholders:** For the three months ended June 30, 2024, First Capital recognized net income (loss) attributable to Unitholders of $16.9 million or $0.08 per diluted unit compared to ($29.0) million or ($0.14) per diluted unit for the prior year period. The increase in net income over prior year was primarily due to lower fair value decreases on investment property of $30.3 million and higher deferred income tax recovery of $10.4 million, on a proportionate basis.
- **Advancing ESG initiatives:** First Capital continued to demonstrate leadership in Environmental, Social and Governance ("ESG") matters throughout the second quarter, which included the following highlights:
    - Released its 2023 ESG Report (FCR's 14th annual report) which presents the material issues and impacts of ESG activities for the past fiscal year as well as its assurance report on selected sustainability performance indicators
    - Achieved a 19% reduction in Scope 1 & 2 absolute GHG emissions since 2019 base year (2019 to 2023)
    - Released its first ever Equity, Diversity & Inclusion ("ED&I") Impact Report and 2024 to 2026 Action Plan which highlights FCR's achievements in advancing its various ED&I initiatives

FINANCIAL AND OTHER HIGHLIGHTS

As at	June 30		December 31
($ millions)	**2024**	2023	2023
Total assets [1]	**$9,476**	$9,597	$9,185
Assets held for sale [1]	**$204**	$224	$168
Unencumbered assets [2]	**$6,356**	$6,264	$6,010
Net Asset Value per unit	**$21.82**	$23.13	$21.95
Net debt to total assets [2][3]	**45.1%**	44.5%	45.0%
Net debt to Adjusted EBITDA [2]	**9.2x**	10.3x	9.9x
Weighted average term of fixed-rate debt (years) [2]	**3.6**	3.3	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, July 31, 2024, in a live conference call with senior management to discuss financial results for the second quarter ended June 30, 2024.

First Capital's financial statements and MD&A for the second 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 1247278#. The call will be accessible for replay until August 7, 2024, by dialing 905-694-9451 or toll-free 1-800-408-3053 with access code 2377749#.

Webcast

To access the live audio webcast and conference call presentation, please go to First Capital's website or click on the following link Q2 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.

FIRST CAPITAL

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 and six months ended June 30, respectively *($ millions)*		**2024**		2023		**2024**		2023
Net income (loss) attributable to Unitholders	**$**	**16.9**	$	(29.0)	**$**	**91.7**	$	19.7
Add (deduct):								
(Increase) decrease in value of investment properties [1]	**$**	**74.2**	$	104.5	**$**	**72.2**	$	111.2
(Increase) decrease in value of hotel property [1]	**$**	**—**	$	—	**$**	**—**	$	(3.6)
Adjustment for equity accounted joint ventures [2]	**$**	**0.1**	$	0.4	**$**	**0.2**	$	1.7
Adjustment for capitalized interest related to equity accounted joint ventures [2]	**$**	**1.0**	$	0.9	**$**	**2.0**	$	1.7
Incremental leasing costs [3]	**$**	**1.9**	$	1.8	**$**	**3.9**	$	3.8
Amortization expense [4]	**$**	**—**	$	0.1	**$**	**—**	$	0.2
Increase (decrease) in value of Exchangeable Units [5]	**$**	**—**	$	(0.1)	**$**	**—**	$	(0.1)
Increase (decrease) in value of unit-based compensation [6]	**$**	**(3.2)**	$	(3.5)	**$**	**(0.9)**	$	(5.9)
Investment property selling costs [1]	**$**	**0.3**	$	1.4	**$**	**2.6**	$	1.5
Deferred income taxes (recovery) [1]	**$**	**(23.0)**	$	(12.7)	**$**	**(21.8)**	$	(12.8)
FFO	**$**	**68.2**	$	63.8	**$**	**149.9**	$	117.3
Other gains (losses) and (expenses) [7]	**$**	**0.1**	$	(0.7)	**$**	**(3.4)**	$	(0.6)
OFFO	**$**	**68.4**	$	63.0	**$**	**146.4**	$	116.8

[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)*		**June 30, 2024**		December 31, 2023
Liabilities (principal amounts outstanding)				
Mortgages [1]	**$**	**1,412.6**	$	1,432.6
Credit facilities [1]		**932.8**		1,151.2
Senior unsecured debentures		**2,181.0**		1,600.0
Total Debt [1]	**$**	**4,526.3**	$	4,183.8
Cash and cash equivalents [1]		**(456.6)**		(92.5)
Net Debt [1] [2]	**$**	**4,069.7**	$	4,091.3
Equity market capitalization [3]		**3,120.0**		3,254.9
Enterprise value [1]	**$**	**7,189.7**	$	7,346.2
Trust Units outstanding (000's)		**212,242**		212,184
Closing market price	**$**	**14.70**	$	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 and six months ended June 30, respectively *($ millions)*		**2024**		2023		**2024**		2023
Net income (loss) attributable to Unitholders	**$**	**16.9**	$	(29.0)	**$**	**91.7**	$	19.7
Add (deduct) [1]:								
Deferred income tax expense (recovery)		**(23.0)**		(12.7)		**(21.8)**		(12.8)
Interest Expense		**42.4**		39.7		**82.5**		78.0
Amortization expense		**0.7**		1.6		**1.5**		4.3
(Increase) decrease in value of investment properties		**74.2**		104.5		**72.2**		111.2
(Increase) decrease in value of hotel property		**—**		—		**—**		(3.6)
Increase (decrease) in value of Exchangeable Units		**—**		(0.1)		**—**		(0.1)
Increase (decrease) in value of unit-based compensation		**(3.2)**		(3.5)		**(0.9)**		(5.9)
Incremental leasing costs		**1.9**		1.8		**3.9**		3.8
Other non-cash and/or non-recurring items		**0.4**		0.7		**(0.9)**		0.9
Adjusted EBITDA [1]	**$**	**110.4**	$	103.0	**$**	**228.2**	$	195.4

(1) *At First Capital's proportionate interest.*

FIRST CAPITAL

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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