

**FIRST CAPITAL REIT ANNOUNCES SOLID THIRD QUARTER 2024 RESULTS  
DRIVEN BY CONTINUED STRENGTH IN LEASING**

**Toronto, Ontario (October 29, 2024)** - First Capital Real Estate Investment Trust (“First Capital”, “FCR”, or the “Trust”) (TSX: FCR.UN), announced financial results for the quarter ended September 30, 2024. The 2024 Third Quarter Report is available in the Investors section of the Trust's website at [www.fcr.ca](http://www.fcr.ca) and will be filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

**KEY HIGHLIGHTS FROM THE THIRD QUARTER:**

- **Same Property NOI growth of 3.7%, excluding bad debt expense (recovery) and lease termination fees**
- **Strong leasing activity, including lease renewal spreads of 12.4%**
- **Total portfolio occupancy of 96.5%, representing an increase of 60 basis points year-over-year**

*“The strong fundamentals of First Capital’s grocery anchored retail portfolio contributed to solid operating and financial results once again this quarter,” said Adam Paul, President and CEO.*

*“We are pleased with our progress and remain focused on continuing to successfully execute our strategy.”*

SELECTED FINANCIAL INFORMATION	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
Operating FFO (\$ millions) <sup>(1)(2)</sup>	<b>\$76.9</b>	\$68.8	<b>\$223.3</b>	\$185.6
FFO (\$ millions) <sup>(1)</sup>	<b>\$72.3</b>	\$68.6	<b>\$222.2</b>	\$185.9
Operating FFO per diluted unit <sup>(1)(2)</sup>	<b>\$0.36</b>	\$0.32	<b>\$1.04</b>	\$0.87
Other gains and (losses) included in FFO per diluted unit <sup>(1)</sup>	<b>(\$0.02)</b>	\$0.00	<b>(\$0.01)</b>	\$0.00
FFO per diluted unit <sup>(1)</sup>	<b>\$0.34</b>	\$0.32	<b>\$1.04</b>	\$0.87
Total Same Property NOI growth <sup>(1)(3)</sup>	<b>2.5%</b>	1.2%	<b>5.0%</b>	2.5%
Total portfolio occupancy <sup>(4)</sup>	<b>96.5%</b>	95.9%		
Total Same Property occupancy <sup>(1)(4)</sup>	<b>96.7%</b>	95.8%		
Increase (decrease) in value of investment properties, net <sup>(1)</sup>	<b>\$18.9</b>	(\$432.8)	<b>(\$53.2)</b>	(\$544.0)
Net income (loss) attributable to unitholders (\$ millions)	<b>\$81.1</b>	(\$327.5)	<b>\$172.9</b>	(\$307.9)
Net income (loss) attributable to unitholders per diluted unit	<b>\$0.38</b>	(\$1.53)	<b>\$0.81</b>	(\$1.44)
Weighted average diluted units for FFO and net income (000s)	<b>214,342</b>	213,952	<b>214,193</b>	214,407

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

<sup>(2)</sup> For the nine months ended September 30, 2024, Operating FFO includes \$Nil (September 30, 2023 - approximately \$7 million or 3 cents per unit) of non-recurring costs related to the Unitholder activism.

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

<sup>(4)</sup> As at September 30.

### THIRD QUARTER OPERATIONAL AND FINANCIAL HIGHLIGHTS

- **Same Property NOI Growth:** Total Same Property NOI increased 2.5% over the prior year period. The growth was primarily due to higher base rent and higher net operating cost and tax recoveries, partially offset by a year-over-year decrease in bad debt recovery of \$1.1 million to \$Nil in the third quarter of 2024. 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 0.2% to 96.5% at September 30, 2024, from 96.3% at June 30, 2024. On a year-over-year basis, total portfolio occupancy increased 0.6% to 96.5% at September 30, 2024, from 95.9% at September 30, 2023.
- **Lease Renewal Rate Increase:** Net rental rates increased 12.4% on a volume of 437,000 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 16.9% 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 higher contractual growth rates negotiated for the renewed lease terms.
- **Average Net Rental Rate:** The portfolio average net rental rate increased by 0.5% or \$0.12 per square foot over the prior quarter to a record \$23.85 per square foot, primarily due to renewal lifts and rent escalations.
- **Property Investments:** First Capital invested approximately \$52 million into its properties during the third quarter, primarily through development and redevelopment.
- **Property Dispositions:** During the third quarter, First Capital entered into a firm agreement to sell its 50% interest in 200 West Esplanade, North Vancouver for approximately \$29 million. The property is encumbered by a secured construction facility that will be assumed by the purchaser on closing, which is expected in the fourth quarter of 2024. As at September 30, 2024, the Trust classified \$236 million of investment properties as held for sale.
- **Balance Sheet and Liquidity:** First Capital's September 30, 2024 net debt to Adjusted EBITDA multiple was 9.0x, an improvement from 9.9x at December 31, 2023. First Capital's September 30, 2024 liquidity position was approximately \$0.8 billion, including \$698 million of availability on revolving credit facilities and \$67 million of cash on a proportionate basis. As at September 30, 2024, remaining 2024 debt maturities were only \$39 million.
- **Operating FFO per Diluted Unit of \$0.36:** Operating Funds from Operations of \$76.9 million increased \$8.0 million, or \$0.04 per unit, over the prior year period. The increase was primarily due to higher interest and other income of \$9.6 million owing to the recognition of a density bonus payment of \$11.3 million in connection with a previously sold property. This increase was partially offset by a non-recurring legal settlement of \$3.8 million recognized in the third quarter of 2023. Excluding these identified items, Operating FFO increased \$0.5 million or approximately 1% over the prior year period.

- **FFO per Diluted Unit of \$0.34:** Funds From Operations of \$72.3 million increased \$3.7 million, or \$0.02 per unit, over the prior year period. The increase was primarily driven by higher Operating FFO of \$8.0 million, partially offset by a year-over-year decrease in other gains (losses) and (expenses) of \$4.3 million. These other gains (losses) and (expenses) are comprised primarily of mark-to-market (non-cash) gains and losses related to derivative financial instruments employed by First Capital to reduce its borrowing costs and fix the rate of interest on certain variable-rate term loans. Over the life of each loan, the cumulative gain or loss on the related derivative instruments is expected to net to \$Nil.
- **Net Income (Loss) Attributable to Unitholders:** For the three months ended September 30, 2024, First Capital recognized net income (loss) attributable to Unitholders of \$81.1 million or \$0.38 per diluted unit compared to (\$327.5) million or (\$1.53) per diluted unit for the prior year period. The increase in net income over prior year was primarily due to a \$432.8 million decrease in the fair value of investment property in the third quarter of 2023 versus an \$18.9 million increase in fair value recognized in the third quarter of 2024, on a proportionate basis.
- **Advancing ESG initiatives:** First Capital continued to demonstrate leadership in Environmental, Social and Governance (“ESG”) matters throughout the third quarter, which included the following highlights:
  - Ranked *2nd* in the 2024 GRESB Development Benchmark (Peer Group: North America, Retail), with a score of 92
  - Ranked *5th* in the 2024 GRESB Standing Investments Benchmark (Peer Group: North America, Retail, Listed), with a score of 79
  - Unveiled a new public art installation at Centre Wilderton in Montreal titled "JASPER" by Michel Archambault as part of FCR's long running Art Program which now stands at 33 installations across the portfolio
  - Raised more than \$275,000 for Community Food Centres Canada through the FCR Thriving Neighbourhoods Foundation's third annual Commercial Real Estate Softball Classic tournament which took place in September

## FINANCIAL AND OTHER HIGHLIGHTS

As at (\$ millions)	2024	September 30 2023	December 31 2023
Total assets <sup>(1)</sup>	<b>\$9,168</b>	\$9,164	\$9,185
Assets held for sale <sup>(1)</sup>	<b>\$236</b>	\$181	\$168
Unencumbered assets <sup>(2)</sup>	<b>\$6,205</b>	\$5,985	\$6,010
Net Asset Value per unit	<b>\$21.92</b>	\$21.26	\$21.95
Net debt to total assets <sup>(2)(3)</sup>	<b>45.2%</b>	46.3%	45.0%
Net debt to Adjusted EBITDA <sup>(2)</sup>	<b>9.0x</b>	10.1x	9.9x
Weighted average term of fixed-rate debt (years) <sup>(2)</sup>	<b>3.7</b>	3.1	3.3

<sup>(1)</sup> Presented in accordance with IFRS.

<sup>(2)</sup> Reflects joint ventures proportionately consolidated.

<sup>(3)</sup> Total assets excludes cash balances.

## MANAGEMENT CONFERENCE CALL AND WEBCAST

First Capital invites you to participate at 2:00 p.m. (ET) on Tuesday, October 29, 2024, in a live conference call with senior management to discuss financial results for the third quarter ended September 30, 2024.

First Capital's financial statements and MD&A for the third quarter will be released prior to the call and will be available on its website at [www.fcr.ca](http://www.fcr.ca) in the 'Investors' section, and on the Canadian Securities Administrators' website at [www.sedarplus.ca](http://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 5419028#. The call will be accessible for replay until November 5, 2024, by dialing 905-694-9451 or toll-free 1-800-408-3053 with access code 4950440#.

### Webcast

To access the live audio webcast and conference call presentation, please go to First Capital's website or click on the following link [Q3 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 and nine months ended September 30, respectively (\$ millions)	2024	2023	2024	2023
Net income (loss) attributable to Unitholders	\$ 81.1	\$ (327.5)	\$ 172.9	\$ (307.9)
Add (deduct):				
(Increase) decrease in value of investment properties <sup>(1)</sup>	\$ (18.9)	\$ 432.8	\$ 53.2	\$ 544.0
(Increase) decrease in value of hotel property <sup>(1)</sup>	\$ —	\$ —	\$ —	\$ (3.6)
Adjustment for equity accounted joint ventures <sup>(2)</sup>	\$ 0.1	\$ 0.1	\$ 0.3	\$ 1.8
Adjustment for capitalized interest related to equity accounted joint ventures <sup>(2)</sup>	\$ 1.1	\$ 0.9	\$ 3.0	\$ 2.6
Incremental leasing costs <sup>(3)</sup>	\$ 1.8	\$ 1.7	\$ 5.7	\$ 5.6
Amortization expense <sup>(4)</sup>	\$ —	\$ —	\$ —	\$ 0.2
Increase (decrease) in value of Exchangeable Units <sup>(5)</sup>	\$ —	\$ (0.1)	\$ —	\$ (0.2)
Increase (decrease) in value of unit-based compensation <sup>(6)</sup>	\$ 10.2	\$ (2.2)	\$ 9.3	\$ (8.2)
Investment property selling costs <sup>(1)</sup>	\$ 0.2	\$ 1.2	\$ 2.8	\$ 2.7
Deferred income taxes (recovery) <sup>(1)</sup>	\$ (3.2)	\$ (38.3)	\$ (25.0)	\$ (51.1)
FFO	\$ 72.3	\$ 68.6	\$ 222.2	\$ 185.9
Other gains (losses) and (expenses) <sup>(7)</sup>	\$ 4.5	\$ 0.2	\$ 1.1	\$ (0.3)
OFFO	\$ 76.9	\$ 68.8	\$ 223.3	\$ 185.6

<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> 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)	September 30, 2024		December 31, 2023	
<b>Liabilities (principal amounts outstanding)</b>				
Mortgages <sup>(1)</sup>	\$	1,342.5	\$	1,432.6
Credit facilities <sup>(1)</sup>		942.2		1,151.2
Senior unsecured debentures		1,900.0		1,600.0
Total Debt <sup>(1)</sup>	\$	4,184.7	\$	4,183.8
Cash and cash equivalents <sup>(1)</sup>		(67.2)		(92.5)
Net Debt <sup>(1)(2)</sup>	\$	4,117.5	\$	4,091.3
Equity market capitalization <sup>(3)</sup>		3,981.0		3,254.9
Enterprise value <sup>(1)</sup>	\$	8,098.6	\$	7,346.2
Trust Units outstanding (000's)		212,323		212,184
Closing market price	\$	18.75	\$	15.34

<sup>(1)</sup> At First Capital's proportionate interest.

<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 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 nine months ended September 30, respectively (\$ millions)	2024		2023	
Net income (loss) attributable to Unitholders	\$	81.1	\$	(327.5)
Add (deduct) <sup>(1)</sup> :				
Deferred income tax expense (recovery)		(3.2)		(38.3)
Interest Expense		44.3		40.2
Amortization expense		0.7		0.8
(Increase) decrease in value of investment properties		(18.9)		432.8
(Increase) decrease in value of hotel property		—		—
Increase (decrease) in value of Exchangeable Units		—		(0.1)
Increase (decrease) in value of unit-based compensation		10.2		(2.2)
Incremental leasing costs		1.8		1.7
Other non-cash and/or non-recurring items		4.7		1.4
Adjusted EBITDA <sup>(1)</sup>	\$	120.7	\$	108.8
	\$	348.9	\$	304.2

<sup>(1)</sup> 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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