

## FIRST CAPITAL REIT REPORTS STRONG FOURTH QUARTER AND FULL-YEAR 2024 RESULTS

**Toronto, Ontario (February 11, 2025)** - First Capital Real Estate Investment Trust (“First Capital”, “FCR”, or the “Trust”) (TSX: FCR.UN), announced financial results for the fourth quarter and year ended December 31, 2024. The 2024 Fourth 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 FOURTH QUARTER:

- **Same Property NOI growth of 3.4%, excluding bad debt expense (recovery) and lease termination fees**
- **Strong leasing activity, including lease renewal spreads of 12.7%**
- **Total portfolio occupancy of 96.8%, representing an increase of 60 basis points year-over-year**
- **Announced a 3% increase to monthly distributions on December 16, 2024, effective January 2025**

“Early in 2024, we outlined our strategic plan to investors. I am pleased to say that we are tracking well against the metrics we presented and remain well positioned to achieve our three-year objectives,” said Adam Paul, President and CEO.

“Touching specifically on two key metrics, FCR delivered 2024 normalized OFFO per unit growth of nearly 6% (15% reported) in 2024 versus the plan’s annual average target of at least 3%,” Mr. Paul continued. “Turning to the balance sheet, debt to EBITDA also improved significantly throughout 2024 and is similarly tracking well against our plan.”

SELECTED FINANCIAL INFORMATION	Three months ended December 31		Year ended December 31	
	2024	2023	2024	2023
Operating FFO (\$ millions) <sup>(1)(2)</sup>	\$67.7	\$67.7	\$291.0	\$253.3
FFO (\$ millions) <sup>(1)</sup>	\$67.5	\$58.0	\$289.7	\$244.0
Operating FFO per diluted unit <sup>(1)(2)</sup>	\$0.32	\$0.32	\$1.36	\$1.18
Other gains and (losses) included in FFO per diluted unit <sup>(1)</sup>	\$0.00	(\$0.05)	(\$0.01)	(\$0.04)
FFO per diluted unit <sup>(1)</sup>	\$0.31	\$0.27	\$1.35	\$1.14
Total Same Property NOI growth <sup>(1)(3)</sup>	2.7%	(1.8%)	4.4%	1.3%
Total portfolio occupancy <sup>(4)</sup>	96.8%	96.2%		
Total Same Property occupancy <sup>(1)(4)</sup>	97.0%	96.2%		
Increase (decrease) in value of investment properties, net <sup>(1)</sup>	\$3.6	\$167.6	(\$49.6)	(\$376.4)
Net income (loss) attributable to unitholders (\$ millions)	\$32.1	\$173.8	\$204.9	(\$134.1)
Net income (loss) attributable to unitholders per diluted unit	\$0.15	\$0.81	\$0.96	(\$0.63)
Weighted average diluted units for FFO and net income (000s)	214,355	213,855	214,234	214,268

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

<sup>(2)</sup> For the year ended December 31, 2024, Operating FFO includes \$Nil (December 31, 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 December 31.

#### FOURTH QUARTER OPERATIONAL AND FINANCIAL HIGHLIGHTS

- **Same Property NOI Growth:** Total Same Property NOI increased 2.7% over the prior year period. Same Property NOI excluding bad debt expense (recovery) and lease termination fees increased 3.4%. The growth was primarily due to higher base rent.
- **Portfolio Occupancy:** On a quarter-over-quarter basis, total portfolio occupancy increased 0.3% to 96.8% at December 31, 2024, from 96.5% at September 30, 2024.
- **Lease Renewal Rate Increase:** Net rental rates increased 12.7% on a volume of 749,000 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 18.5% when comparing the average rental rate over the renewal term to the rental rate in the last year of the expiring term owing to higher contractual growth rates negotiated for the renewed lease terms.
- **Average Net Rental Rate:** The portfolio average net rental rate increased by 0.6% or \$0.15 per square foot over the prior quarter to a record \$24.00 per square foot, primarily due to renewal lifts and rent escalations.
- **Property Investments:** First Capital invested approximately \$57 million into its properties during the fourth quarter, primarily through development and redevelopment.
- **Property Dispositions:** During the fourth quarter, First Capital continued to execute on its strategy, with \$105 million of dispositions completed or under firm agreement, including (i) 1629-1633 The Queensway, Etobicoke (ii) its 50% interest in 200 West Esplanade, North Vancouver and (iii) Sheridan Plaza, Toronto which is an all cash transaction and scheduled to close by the end of the first quarter of 2025.
- **Balance Sheet and Liquidity:** First Capital's December 31, 2024 net debt to Adjusted EBITDA multiple was 8.7x, an improvement from 9.9x at December 31, 2023. First Capital's December 31, 2024 liquidity position was approximately \$0.9 billion, including \$698 million of availability on revolving credit facilities and \$159 million of cash on a proportionate basis.
- **Operating FFO per Diluted Unit of \$0.32:** Operating Funds from Operations of \$67.7 million, or \$0.32 per unit, remained consistent with prior year. On a year-over-year basis, NOI increased \$5.1 million, or \$0.02 per unit, primarily driven by higher base rent, largely offset by higher interest expense and corporate G&A for a total of \$4.8 million, or \$0.02 per unit.
- **FFO per Diluted Unit of \$0.31:** Funds From Operations of \$67.5 million increased \$9.4 million, or \$0.04 per unit, over prior year. The increase was primarily driven by a year-over-year increase in other gains (losses) and (expenses) of \$9.5 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.

- **Announced 3% Distribution Increase:** On December 16, 2024, the REIT's Board of Trustees approved a 3.0% distribution increase to a monthly rate of \$0.074167 per unit from \$0.072 formerly. Equating to an annualized rate of \$0.89 per unit, the increase was effective for the January distribution to unitholders of record as of January 31, 2025, and will be paid on February 18, 2025.
- **Net Income (Loss) Attributable to Unitholders:** For the three months ended December 31, 2024, First Capital recognized net income (loss) attributable to Unitholders of \$32.1 million or \$0.15 per diluted unit compared to \$173.8 million or \$0.81 per diluted unit for the prior year period. The decrease in net income over prior year was primarily due to a \$167.6 million increase in the fair value of investment property in the fourth quarter of 2023 versus a \$3.6 million increase in fair value recognized in the fourth quarter of 2024, on a proportionate basis.

#### ANNUAL OPERATIONAL AND FINANCIAL HIGHLIGHTS

- **Same Property NOI Growth:** Total Same Property NOI increased 4.4% over prior year, 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 3.3%, primarily due to higher base rent in 2024 relative to 2023.
- **Portfolio Occupancy:** On a year-over-year basis, total portfolio occupancy increased by 0.6%, to 96.8% at December 31, 2024, from 96.2% at December 31, 2023.
- **Lease Renewal Rate Increase:** Net rental rates increased 12.5% on 2,372,000 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 during 2024 increased 17.3% 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.
- **Growth in Average Net Rental Rate:** The portfolio average net rental rate increased \$0.66 to a record \$24.00 per square foot representing year over year growth of 2.8%. The strong growth was primarily due to rent escalations, renewal lifts, acquisitions and dispositions.
- **Property Investments:** First Capital invested approximately \$223 million into its properties during 2024, primarily through development, redevelopment and the acquisition of the remaining 50% interest in Seton Gateway.
- **Property Dispositions:** During 2024, First Capital completed or entered into firm agreements for \$317 million of property disposition and related transactions. Reflecting FCR's disciplined approach to asset sales, the collective transaction values equated to an in-place yield that is less than 3% and an average premium to IFRS carrying value of more than 50%. FCR remains on track to meet the key objectives of its three-year business plan, where the ongoing disposition of development sites and select low-yielding income properties will be an

important contributor. As at December 31, 2024, the Trust classified \$197 million of investment properties as held for sale.

- **Advancing ESG initiatives:** First Capital continued to demonstrate leadership in Environmental, Social and Governance (“ESG”) matters throughout 2024, which included the following highlights:
  - Recognized by the Globe and Mail as one of "Greater Toronto's Top Employers" for 2024
  - Named one of "Canada's Top Small and Medium 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
  - Highest ranked public REIT in the Globe and Mail's comprehensive ranking of Canada's corporate boards for 2024
  - 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
  - Only REIT listed as a top 30 Canadian company in Sustainalytics 'Road to Net Zero' Ranking for our strong low carbon transition rating management score
  - Achieved a 19% reduction in Scope 1 & 2 absolute GHG emissions since 2019 base year (2019 to 2023)
  - Hosted our second Collaboration for Climate Action Forum in November 2024, bringing together major retail tenants and peer landlords for a solutions focused discussion around the decarbonization of retail buildings in Canada
  - 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 public art installations across the portfolio
  - Raised more than \$400,000 for Community Food Centres Canada through FCR's Thriving Neighbourhoods Foundation in 2024
- **Operating FFO per Diluted Unit of \$1.36:** Operating Funds from Operations of \$291.0 million increased \$37.7 million , or \$0.18 per unit, over prior year. The increase was primarily due to higher NOI of \$23.1 million driven by base rent, straight-line rent and lease termination fees, partially offset by higher interest expense of \$11.4 million due to the increased activity of debenture issuances in 2024 and higher interest rates. Additionally, interest and other income increased \$21.9 million owing to the recognition of a \$9.5 million assignment fee related to a small development parcel located in Montreal as well as a density bonus payment of \$11.3 million in connection with a previously sold property, recognized in the first and third quarters of 2024, respectively.
- **FFO per Diluted Unit of \$1.35:** Funds from Operations of \$289.7 million increased \$45.7 million, or \$0.21 per unit, over the prior year. The increase was primarily driven by higher Operating FFO of \$37.7 million and a year-over-year increase in other gains (losses) and (expenses) of \$8.0 million.
- **Net Income (Loss) Attributable to Unitholders:** For the year ended December 31, 2024, First Capital recognized net income (loss) attributable to Unitholders of \$204.9 million or \$0.96 per diluted unit compared to (\$134.1) million or (\$0.63) per diluted unit for the prior year. The increase in net income was primarily due

to a \$376.4 million decrease in the fair value of investment property for the year ended 2023 versus a \$49.6 million decrease in fair value recognized during the year ended 2024, on a proportionate basis.

## FINANCIAL AND OTHER HIGHLIGHTS

As at (\$ millions)	December 31 <b>2024</b>	December 31 2023
Total assets <sup>(1)</sup>	<b>\$9,181</b>	\$9,194
Assets held for sale <sup>(1)</sup>	<b>\$197</b>	\$168
Unencumbered assets <sup>(2)</sup>	<b>\$6,250</b>	\$6,019
Net Asset Value per unit	<b>\$22.05</b>	\$21.95
Net debt to total assets <sup>(2)(3)</sup>	<b>44.5%</b>	45.0%
Net debt to Adjusted EBITDA <sup>(2)</sup>	<b>8.7x</b>	9.9x
Weighted average term of fixed-rate debt (years) <sup>(2)</sup>	<b>3.7</b>	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 Wednesday, February 12, 2025, in a live conference call with senior management to discuss financial results for the fourth quarter and year ended December 31, 2024.

First Capital's financial statements and MD&A for the fourth 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 1247278#. The call will be accessible for replay until February 19, 2025, by dialing 905-694-9451 or toll-free 1-800-408-3053 with access code 9301821#.

### Webcast

To access the live audio webcast and conference call presentation, please go to First Capital's website or click on the following link [Q4 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 and years ended December 31, respectively (\$ millions)	2024	2023	2024	2023
Net income (loss) attributable to Unitholders	\$ 32.1	\$ 173.8	\$ 204.9	\$ (134.1)
Add (deduct):				
(Increase) decrease in value of investment properties <sup>(1)</sup>	\$ (3.6)	\$ (167.6)	\$ 49.6	\$ 376.4
(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	\$ 0.4	\$ 1.9
Adjustment for capitalized interest related to equity accounted joint ventures <sup>(2)</sup>	\$ 1.1	\$ 0.9	\$ 4.1	\$ 3.6
Incremental leasing costs <sup>(3)</sup>	\$ 1.8	\$ 1.8	\$ 7.6	\$ 7.4
Amortization expense <sup>(4)</sup>	\$ —	\$ —	\$ —	\$ 0.2
Increase (decrease) in value of Exchangeable Units <sup>(5)</sup>	\$ —	\$ 0.1	\$ —	\$ (0.1)
Increase (decrease) in value of unit-based compensation <sup>(6)</sup>	\$ (3.9)	\$ 1.9	\$ 5.4	\$ (6.2)
Investment property selling costs <sup>(1)</sup>	\$ 0.6	\$ 0.7	\$ 3.4	\$ 3.3
Deferred income taxes (recovery) <sup>(1)</sup>	\$ 39.3	\$ 46.3	\$ 14.3	\$ (4.8)
<b>FFO</b>	<b>\$ 67.5</b>	<b>\$ 58.0</b>	<b>\$ 289.7</b>	<b>\$ 244.0</b>
Other gains (losses) and (expenses) <sup>(7)</sup>	\$ 0.2	\$ 9.7	\$ 1.3	\$ 9.3
<b>OFFO</b>	<b>\$ 67.7</b>	<b>\$ 67.7</b>	<b>\$ 291.0</b>	<b>\$ 253.3</b>

<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.







## 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 REIT's three-year business plan on its stated objectives, including FFO growth, distribution growth and improved debt ratios, as well as the REIT's ability to execute its disposition program and the anticipated contribution of dispositions to the REIT's three-year business plan objectives. 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 business plan to achieve its stated objectives, 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, 2024. Additionally, forward-looking statements are subject to those risks and uncertainties discussed in First Capital's MD&A for the year ended December 31, 2024 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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