FIRST CAPITAL

FIRST CAPITAL REIT REPORTS SOLID FIRST QUARTER 2025 RESULTS DRIVEN BY CONTINUED STRENGTH IN LEASING

Toronto, Ontario (May 6, 2025) - First Capital Real Estate Investment Trust ("First Capital", "FCR", or the "Trust") (TSX: FCR.UN), announced financial results for the quarter ended March 31, 2025. The 2025 First Quarter Report is available in the Investors section of the Trust's website at www.fcr.ca and will be filed on SEDAR+ at www.sedarplus.ca.

KEY HIGHLIGHTS FROM THE FIRST QUARTER:

- ***Operating FFO per unit of $0.32***
- ***Same Property NOI growth of 5.3%, excluding bad debt expense (recovery) and lease termination fees***
- ***Strong leasing activity, including lease renewal spreads of 13.6%***
- ***Total portfolio occupancy of 96.9%, matching all-time high***

"We are pleased to start 2025 with another quarter of strong operating and financial results, underpinned by continued strength in leasing and execution of our capital allocation strategy" said Adam Paul, President and CEO.

"Excellent fundamentals for our high-quality grocery-anchored retail space positions us well to navigate the current environment while continuing to deliver stability and growth in cash flow."

Key Earnings Metrics	*Three months ended March 31*	
($ millions unless otherwise noted)	**2025**	2024
Operating FFO [(1)]	**68.9**	78.1
Operating FFO per diluted unit [(1)]	**$0.32**	$0.36
FFO [(1)]	**67.7**	81.6
FFO per diluted unit [(1)]	**$0.32**	$0.38
Net income (loss) attributable to unitholders	**84.4**	74.8
Net income (loss) attributable to unitholders per diluted unit	**$0.39**	$0.35
Weighted average diluted units for FFO and net income (000s)	**214,502**	213,988

[(1)] *Refer to "Non-IFRS Financial Measures" section of this press release.*

Key Operating Performance and Capital Allocation Metrics	*Three months ended March 31*	
($ millions unless otherwise noted)	**2025**	2024
Operating Metrics		
Total Same Property NOI growth excluding lease termination fees and bad debt expense (1)(2)	**5.3%**	2.3%
Total Same Property NOI growth (1)(2)	**(0.1%)**	7.8%
Total portfolio occupancy (3)	**96.9%**	96.2%
Total Same Property occupancy (1)(3)	**97.0%**	96.2%
Lease renewal volume (square feet)	**511,000**	466,000
Lease renewal lift (first year rent of renewal term)	**13.6%**	11.0%
Lease renewal lift (average rent of renewal term)	**18.7%**	13.5%
Average Net Rental Rate per occupied square foot	**$24.23**	$23.62
Capital Allocation		
Acquisition of investment properties	**22.2**	33.5
Development expenditures (4)	**17.4**	14.5
Investment in residential inventory (4)	**18.3**	12.4
Property disposition proceeds (4)	**72.0**	147.3

Key Balance Sheet Metrics	March 31		December 31
($ millions unless otherwise noted)	**2025**	2024	2024
Total assets (5)	**9,183.1**	9,245.8	9,181.2
Assets held for sale (5)	**164.5**	150.3	196.6
Net Debt (4)	**4,026.7**	4,074.3	4,019.1
Increase (decrease) in value of investment properties, net (1)	**2.5**	2.1	3.6
Unencumbered assets (4)	**6,259.8**	6,041.5	6,249.8
Net Asset Value per unit	**$22.06**	$22.10	$22.05
Net debt to total assets (4)(6)	**44.6%**	44.9%	44.5%
Net debt to Adjusted EBITDA (4)	**8.9x**	9.3x	8.7x

(1) *Refer to "Non-IFRS Financial Measures" section of this press release.*
(2) *Prior periods as reported; not restated to reflect current period categories.*
(3) *As at March 31.*
(4) *Reflects joint ventures proportionately consolidated.*
(5) *Presented in accordance with IFRS.*
(6) *Total assets excludes cash balances.*

EARNINGS HIGHLIGHTS

- **Operating FFO per Diluted Unit of $0.32:** Operating Funds from Operations of $68.9 million decreased $9.2 million, or $0.04 per unit, over the same prior year period. The decrease is primarily driven by a $9.5 million ($0.04 per unit) assignment fee related to a small development parcel located in Montreal received in the first quarter of 2024.
- **FFO per Diluted Unit of $0.32:** Funds From Operations of $67.7 million decreased $13.9 million, or $0.07 per unit, over the same prior year period. The decrease was primarily driven by the $9.5 million assignment fee received in 2024 referenced above and a year-over-year decrease in other gains (losses) and (expenses) of

$4.7 million ($0.02 per unit). 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 March 31, 2025, First Capital recognized net income (loss) attributable to Unitholders of $84.4 million or $0.39 per diluted unit compared to $74.8 million or $0.35 per diluted unit for the same prior year period. The increase in net income over prior year was primarily due to a $18.5 million increase in deferred income tax recovery, partially offset by a year-over-year decrease in interest and other income of $8.8 million.

OPERATING PERFORMANCE AND CAPITAL ALLOCATION HIGHLIGHTS

- **Same Property NOI Growth:** Total Same Property NOI excluding bad debt expense (recovery) and lease termination fees increased 5.3% mainly due to higher base rent. Total Same Property NOI decreased 0.1% over the prior year period primarily due to a $5.5 million settlement with Nordstrom recognized in the first quarter of 2024 with respect to the early termination of its lease at One Bloor East.
- **Portfolio Occupancy:** On a quarter-over-quarter basis, total portfolio occupancy increased 0.1% to 96.9% at March 31, 2025, from 96.8% at December 31, 2024. On a year-over-year basis, total portfolio occupancy increased 0.7% from 96.2% at March 31, 2024 to 96.9% at March 31, 2025.
- **Lease Renewal Rate Increase**: During the quarter, net rental rates increased 13.6% on a volume of 511,000 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 18.7% 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 throughout the renewed lease terms.
- **Average Net Rental Rate**: The portfolio average net rental rate increased by 1.0% or $0.23 per square foot over the prior quarter to a record $24.23 per square foot.
- **Property Investments:** During the first quarter, First Capital invested $58 million into property development and redevelopment and acquisitions, including the $22 million purchase of 1549 Avenue Road, Toronto. This strategic acquisition, which had been previously under contract and was included in FCR's re-zoning application, completes First Capital's Avenue and Lawrence Assembly in Toronto. During the fourth quarter of 2024, FCR secured approval from the Ontario Land Tribunal for its Official Plan and Zoning By-Law Amendment applications related to the Avenue and Lawrence Assembly. These approvals provide for 660,000 square feet of gross floor area through a mixed-use development across two mid-rise buildings including 679 residential units and 47,000 square feet of retail area.
- **Property Dispositions:** First Capital continued to execute on its capital allocation strategy including property dispositions. During the first quarter, First Capital completed $72 million of previously announced dispositions,

including Sheridan Plaza and 895 Lawrence Ave. E., both located in Toronto. Subsequent to quarter end, the Trust entered into a firm agreement to sell a development site in Montreal for approximately $33 million.

BALANCE SHEET HIGHLIGHTS

First Capital's March 31, 2025 net debt to Adjusted EBITDA multiple was 8.9x, a 0.2x increase from 8.7x at December 31, 2024 and an improvement of 0.4x from March 31, 2024. First Capital's March 31, 2025 liquidity position was approximately $0.8 billion, including $676 million of availability on revolving credit facilities and $152 million of cash on a proportionate basis. As at March 31, 2025, First Capital had approximately $6.3 billion of unencumbered assets, representing 68% of total assets.

THREE YEAR BUSINESS PLAN AND KEY OBJECTIVES

First Capital’s three-year business plan to year-end 2026 is on-track and remains focused upon achieving two key objectives:

1. Generating annual OFFO per unit growth of at least 3% on average over the three year timeframe; and
2. Achieving a Net Debt to Adjusted EBITDA ratio that is in the low-8x range by year-end 2026;

To achieve the two key objectives stated above and updating for results to-date and the current outlook, FCR has assumed and expects the following:

- Average annual same-property NOI growth of at least 3%
- An aggregate investment of approximately $500 million into property development and redevelopment
- Development completions, including residential inventory deliveries, of approximately $300 million ($200 million formerly)
- Property dispositions totaling approximately $750 million ($1 billion formerly), 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
- 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

PEOPLE AND CULTURE

First Capital continued to demonstrate leadership in its approach to People and Culture and employee engagement, which included the following highlights in the first quarter:

- Named one of "Canada's Top Small and Medium Employers" for 2025
- Recognized by the Globe and Mail as one of "Greater Toronto's Top Employers" for 2025
- Included in the Globe and Mail's "2025 Report on Business Women Lead Here" list
- Included in "The Career Directory" for 2025 as one of Canada's Best Employers for recent graduates

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GOVERNANCE UPDATE

On April 1, 2025, following the election of the Board of Trustees at its Annual General Meeting, First Capital announced that Vivian Abdelmessih and Gary Whitelaw had joined its Board of Trustees. The committees of the Board have been constituted as follows.

- **Audit and Risk Committee:** Ian Clarke will continue to serve as Chair and Leonard Abramsky, Dayna Gibbs, Ira Gluskin, Al Mawani and Vivian Abdelmessih have been appointed as committee members
- **Governance and Sustainability Committee:** Al Mawani will continue to serve as Chair and Vivian Abdelmessih, Paul Douglas, Dayna Gibbs, Annalisa King and Gary Whitelaw have been appointed as committee members
- **People and Compensation Committee:** Annalisa King will continue to serve as Chair and Leonard Abramsky, Gary Whitelaw, Ian Clarke and Ira Gluskin have been appointed as committee members

MANAGEMENT CONFERENCE CALL AND WEBCAST

First Capital invites you to attend the live conference call at 2:00 p.m. (ET) on Wednesday, May 7, 2025, with senior management to discuss financial results for the first quarter ended March 31, 2025.

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 attend the live conference call by dialing 416-340-2217 or toll-free 1-800-806-5484 with access code 5713675#. The call will be accessible for replay until May 14, 2025, by dialing 905-694-9451 or toll-free 1-800-408-3053 with access code 6518189#.

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 2025 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; 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)*		**2025**		2024
Net income (loss) attributable to Unitholders	**$**	**84.4**	$	74.8
Add (deduct):				
(Increase) decrease in value of investment properties [1]	**$**	**(2.5)**	$	(2.1)
Adjustment for equity accounted joint ventures [2]	**$**	**0.1**	$	0.2
Adjustment for capitalized interest related to equity accounted joint ventures [2]	**$**	**1.1**	$	1.0
Incremental leasing costs [3]	**$**	**1.9**	$	2.0
Increase (decrease) in value of unit-based compensation [4]	**$**	**(1.5)**	$	2.3
Investment property selling costs [1]	**$**	**1.5**	$	2.3
Deferred income taxes (recovery) [1]	**$**	**(17.3)**	$	1.2
FFO	**$**	**67.7**	$	81.6
Other gains (losses) and (expenses) [5]	**$**	**1.2**	$	(3.6)
OFFO	**$**	**68.9**	$	78.1

[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 fair value adjustments on unit-based compensation plans in accordance with the recommendations of REALPAC.*
[5] *At FCR's proportionate interest, adjusted to exclude investment property selling costs in accordance with the recommendations of REALPAC.*

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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, 2025**		December 31, 2024
Liabilities (principal amounts outstanding)				
Mortgages [1]	**$**	**1,327.6**	$	1,336.6
Credit facilities [1]		**751.5**		741.4
Senior unsecured debentures		**2,100.0**		2,100.0
Total Debt [1]	**$**	**4,179.2**	$	4,178.0
Cash and cash equivalents [1]		**(152.4)**		(158.9)
Net Debt [1] [2]	**$**	**4,026.7**	$	4,019.1
Equity market capitalization [3]		**3,502.8**		3,601.0
Enterprise value [1]	**$**	**7,529.6**	$	7,620.1
Trust Units outstanding (000's)		**212,421**		212,323
Closing market price	**$**	**16.49**	$	16.96

[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 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)*		**2025**		2024
Net income (loss) attributable to Unitholders	**$**	**84.4**	$	74.8
Add (deduct) [1]:				
Deferred income tax expense (recovery)		**(17.3)**		1.2
Interest Expense		**39.9**		40.1
Amortization expense		**0.7**		0.8
(Increase) decrease in value of investment properties		**(2.5)**		(2.1)
Increase (decrease) in value of unit-based compensation		**(1.5)**		2.3
Incremental leasing costs		**1.9**		2.0
Other non-cash and/or non-recurring items		**2.7**		(1.3)
Adjusted EBITDA [1]	**$**	**108.3**	$	117.8

[1] *At First Capital's proportionate interest.*

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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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