FIRST CAPITAL

2025
FIRST QUARTER REPORT

Certain statements contained in this MD&A constitute forward-looking statements and information within the meaning of applicable securities law. Other statements concerning First Capital's objectives and strategies and Management's beliefs, plans, estimates and intentions also constitute forward-looking statements. Forward-looking statements can generally be identified by the expressions "anticipate", "believe", "plan", "estimate", "project", "expect", "intend", "outlook", "objective", "may", "will", "should", "continue" and similar expressions. The forward-looking statements are not historical facts but, rather, reflect First Capital's current expectations regarding future results or events and are based on information currently available to Management.

Certain material factors and assumptions were applied in providing these forward-looking statements. Forward-looking information involves numerous assumptions such as rental income (including assumptions on timing of lease-up, development coming online and levels of percentage rent), interest rates, tenant defaults, borrowing costs (including the underlying interest rates and credit spreads), the general availability of capital and the stability of the capital markets, the ability of the Trust to make loans at the same rate or in the same amount as repaid loans, amount of development costs, capital expenditures, operating costs and corporate expenses, level and timing of acquisitions of income-producing properties, the Trust's ability to complete dispositions and the timing, terms and anticipated benefits of any such dispositions, the Trust's ability to redevelop, sell or enter into partnerships with respect to the future incremental density it has identified in its portfolio, number of units outstanding, the Trust's ability to qualify as a real estate investment trust under the Tax Act, and numerous other factors. Management believes that the expectations reflected in forward-looking statements are based upon reasonable assumptions; however, Management can give no assurance that actual results will be consistent with these forward-looking statements.

These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the matters discussed in the "Risks and Uncertainties" section of First Capital's MD&A for the year ended December 31, 2024 and the matters discussed under "Risk Factors" in First Capital's current Annual Information Form. Factors that could cause actual results or events to differ materially from those expressed, implied or projected by forward-looking statements, in addition to those factors referenced above, include, but are not limited to: general economic conditions; real property ownership; tenant financial difficulties, defaults and bankruptcies; the relative illiquidity of real property; 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; the availability and cost of equity and debt capital to finance the Trust's business, including the repayment of existing indebtedness as well as development, intensification and acquisition activities; changes in interest rates and credit spreads; organizational structure; changes to credit ratings; the availability of a new competitive supply of retail properties which may become available either through construction, lease or sublease; the Trust's ability to: execute on its three-year Strategic Roadmap - Discipline | Stability | Growth, including with respect to (i) dispositions, (ii) financial growth and (iii) leverage reduction objectives, capitalize on competitive advantages, optimize portfolio assets and accelerate value delivered to its investors and stakeholders, remain ahead of changing market conditions, surface unrecognized value, reach its demographic targets and ensure the Trust retains its best-in-class position; unexpected costs or liabilities related to acquisitions, development and construction; geographic and tenant concentration; residential development, sales and leasing; compliance with financial covenants; changes in governmental regulation; environmental liability and compliance costs; unexpected costs or liabilities related to dispositions; challenges associated with the integration of acquisitions into the Trust; uninsured losses and First Capital's ability to obtain insurance coverage at a reasonable cost; risks in joint ventures; unitholder activism; investments subject to credit and market risk; loss of key personnel; the ability of tenants to maintain necessary licenses, certifications and accreditations and risks and uncertainties related to the effects of pandemics, epidemics or other outbreaks further described in First Capital's MD&A for the year ended December 31, 2024.

Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, a forward-looking statement speaks only as of the date on which such statement is made. First Capital undertakes no obligation to publicly update any such 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 MD&A are made as of May 6, 2025 and are qualified by these cautionary statements.

COMPANY PROFILE

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

Business and Strategy Overview

Our business

First Capital Real Estate Investment Trust, with **$9.2 billion** in assets acquires, develops, owns and operates open-air grocery-anchored shopping centres in neighbourhoods with the strongest demographics in Canada.

Our purpose

Through the expertise and collaboration of our team, we create thriving properties which generate value for tenants, investors and our neighbourhoods. Thriving properties...Thriving neighbourhoods.

Our open-air grocery-anchored shopping centres are designed to be vibrant places that meet the needs of everyday life- they bring together people, retail shops and services, as well as public art, with the benefit of close proximity to public transit.

Our operations

YYZ
TORONTO HEADQUARTERS

FCR.UN
LISTED ON TSX

136
NEIGHBOURHOODS

21.9M
SQ. FT. OF GLA

>2,400
TENANTS

364
EMPLOYEES

Our values and our corporate responsibility and sustainability program define our culture

Read more about our approach to corporate responsibility and sustainability in our most recent Impact Report at www.fcr.ca/esg

Collaboration
One Team, One Purpose

Innovation
Freedom to challenge the status quo

Excellence
Be the best at what you do

Accountability
Deliver what you promised

Passion
Love what you do

Our investment strategy

Creating thriving properties in neighbourhoods with the strongest demographics that drive sustainable growth in cash flow and capital appreciation of our best in class portfolio.

We achieve this by:

- **Investing in high-quality, grocery-anchored shopping centres** in targeted urban and top-tier suburban neighbourhoods
- **Fully integrating retail** with other uses to create thriving urban properties
- **Optimizing the portfolio** through active asset management
- **Surfacing substantial value** in our incremental density pipeline through the rezoning and development process
- **Focusing our capital allocation** on crystallizing created value in certain development and density sites and select income properties that are not expected to contribute to our key objectives
- **Actively managing and strengthening our balance sheet** to maintain financial strength and flexibility and a competitive cost of capital with the key objectives to drive FFO, NAV and distribution per unit growth

Our target markets

We target specific urban and top-tier suburban neighbourhoods within Canada's largest and fastest growing cities.

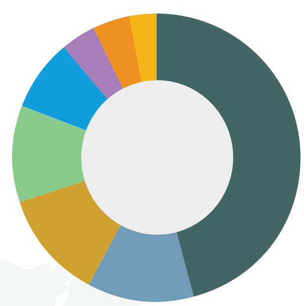
These neighbourhoods are located in Toronto, Montreal, Vancouver, Edmonton, Calgary and Ottawa. We have achieved critical mass in each of our target markets, which helps generate economies of scale and operating synergies, as well as deep local knowledge of our properties, tenants, neighbourhoods and markets in which we operate.

Within each of these markets, we own some of the best located properties in neighbourhoods with strong demographics that we expect will continue to get even stronger over time, thereby attracting the most desirable tenants with the highest rent growth potential and the most compelling opportunities for value creation.

Urban Markets

	% of Annual Minimum Rent*	% of Portfolio Value*
Greater Toronto Area	40%	47%
Greater Montreal Area	14%	12%
Greater Calgary Area	14%	12%
Greater Vancouver Area	10%	11%
Greater Edmonton Area	9%	7%
Greater Ottawa Area	5%	4%
Kitchener/Waterloo/Guelph Area	5%	4%
Other	3%	3%
Total	**100%**	**100%**

*As at March 31, 2025



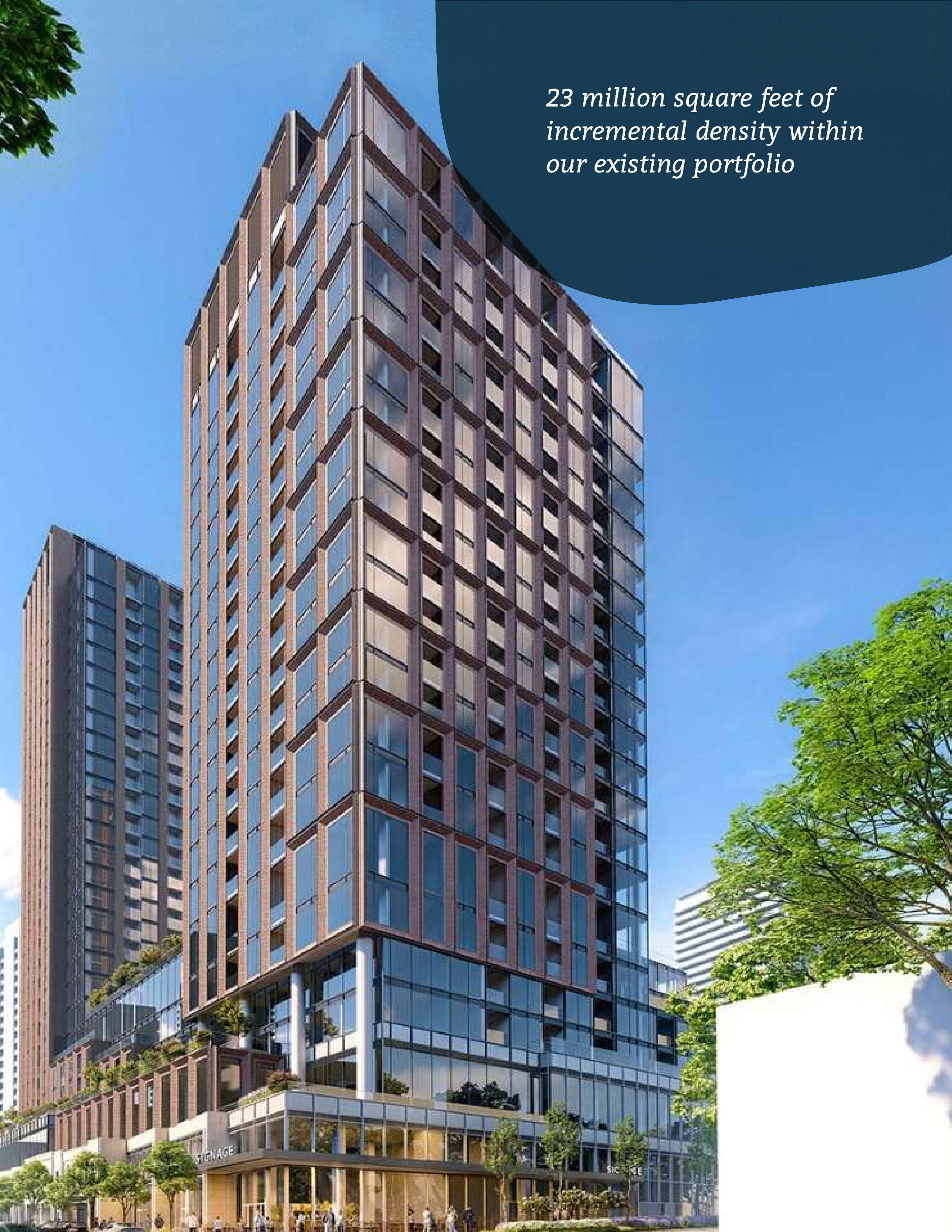
Creating thriving properties for everyday life

Currently, over 90% of our revenues come from retail tenants who provide the essential products and services consumers need everyday, including grocery stores, pharmacies, liquor stores, banks, restaurants, cafés, fitness centres, medical services, childcare facilities and other professional and personal services. In each of our properties, we strive to assemble the right mix of complementary uses to best serve the local community and contribute to thriving urban and top-tier suburban neighbourhoods.

Strategic and Diversified Retail Tenant Mix – 3,848 locations

	# of Locations	% of AMR
Grocery Stores	122	17.0
Medical, Professional & Personal Services	1,240	14.8
QSR, Chains & Cafes	921	13.3
Other Necessity-Based Retailers	376	12.6
Pharmacies	114	9.0
Banks & Credit Unions	188	8.6
Other Tenants	448	8.0
Value-Based Retailers	87	5.5
Fitness Facilities	89	4.6
Liquor Stores	85	3.0
Other Restaurants	75	1.9
Daycare & Learning Centres	103	1.7

As at March 31, 2025



23 million square feet of incremental density within our existing portfolio

DISCIPLINE | STABILITY | GROWTH

Our high quality portfolio

Category	Value (billions)
Core Properties	**$7.2**
Other Properties[1]	$1.6
Total Real Estate Investments	**$8.8**

[1] Includes residential development inventory

Core Properties

Stable, grocery-anchored assets with strong growth profiles

176	~$7.2B	~82%	~5.7%
PROPERTIES	VALUE	REAL ESTATE INVESTMENTS	RUN-RATE NOI YIELD

York Mills Gardens


Edmonton Brewery District

Strandherd Crossing

Place Michelet

Seton Gateway

Cranston Market

Actively managing our assets

Proactive management of our portfolio is a core competency and an important part of our strategy.

Proactive management means we continually invest in our properties to ensure they retain their market leading position. We strive to maintain the highest standards in design, appearance and customer amenities in our properties including the addition of public art installations and enhancing connectivity to transit and the local community. We are highly focused on maximizing the value and competitive position of our properties, by proactively evolving our tenant mix to attract the right tenants with the highest rent growth potential.

Our executive leadership team is centralized at our head office in Toronto, which ensures that best practices, procedures and standards are applied consistently across our operating markets through local teams.

33 public art installations across our portfolio

Corporate Responsibility And Sustainability

Corporate Responsibility and Sustainability (“sustainability’) at First Capital encompasses all aspects of our environmental, social and governance (ESG) practices.

Sustainability has always been integral to the responsible management of every aspect of our business and the mitigation of various risks. By taking a holistic approach to ESG, we are focused on reducing our environmental impact while creating thriving and dynamic urban neighbourhoods and at the same time, delivering long-term value for our stakeholders. Simply put, it makes good business sense.

To support our commitment to sustainability leadership, we have in place robust capabilities to measure and report on our progress and to continually assess and improve our environmental programs each year. We recognize that our leadership in sustainability practices is important to our tenants and investors, as well as our employees and the communities in which we operate. We are committed to transparency and ensuring that our sustainability reporting is accurate, meaningful and accessible to all stakeholder groups. We employ a full-time Vice President of ESG who is responsible for leading sustainability reporting initiatives and driving continuous ESG engagement and improvement across our organization, including through co-chairing our ESG Taskforce with our Chief Operating Officer.

First Capital published its first corporate responsibility and sustainability report in 2009. Since 2010, we have had a third-party conduct limited assurance on selected sustainability performance indicators, including greenhouse gas emissions and energy use. We have used the Global Reporting Initiative (GRI) framework for corporate responsibility reporting since 2011.

In addition to GRI, we include disclosures aligned with the Sustainability Accounting Standards Board (SASB), the United Nations Sustainable Development Goals (UNSDGs), and the Task Force on Climate-related Financial Disclosures (TCFD). We also respond annually to the Global Real Estate Sustainability Benchmark (GRESB) survey and the Carbon Disclosure Project’s (CDP) Climate Change questionnaire.

We recognize that our employees are at the core of our success and have well-developed programs promoting career development and supporting continuing education, including through tuition subsidies. First Capital encourages employee engagement and innovation through a value awards program, among other initiatives and also encourages employees to become unitholders through a unit purchase plan. First Capital is committed to the highest ethical standards, upholding a strict Anti-Corruption Compliance Policy and Code of Conduct and Ethics. As an entity with a social conscience, we are committed to giving back to communities in which we operate by participating in charitable initiatives that support vulnerable parts of the population through our FCR Thriving Neighbourhoods Foundation and by promoting environmental improvements that help neighbourhoods thrive.

We believe that sound and effective governance is essential to our performance and have adopted a governance framework that reflects our values, ensures that effective governance practices are followed and that the Board of Trustees (the “Board”) functions independently of Management. First Capital endorses the principle that the Board should have a balance of skills, experience and diversity. We believe that diverse Boards have enhanced decision-making abilities that lead to improved oversight and promote better overall governance.

Our strength in ESG standards and disclosure is validated through numerous ratings, including achieving:

Ranked 2nd in the 2024 GRESB Development Benchmark with a score of 92
Ranked 5th in the 2024 GRESB Standing Investments Benchmark with a score of 79

'AA' rating, in the Morgan Stanley Capital International (MSCI) ESG Ratings assessment in 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

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Awarded Prime status for Corporate ESG Performance by Institutional Shareholder Services in 2024

Environmental

Reduce our carbon emissions and energy use

- Greenhouse gas (GHG) emissions reduction target approved by Science Based Initiative (SBTi): **46% reduction in Scope 1 & 2** emissions by 2030 (2019 base year) with a long term goal of reaching net-zero by 2050, or sooner
- **19% reduction in Scope 1 & 2** GHG emissions since 2019 base year (2019-2024)
- **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
- Only REIT listed as a top 30 Canadian company in Sustainalytics 'Road to Net Zero' Ranking

Promote sustainable transportation

- **99% of our portfolio** is located within a 5-minute walk of public transit
- Average **Walk Score of 84** (very walkable)
- **Over 300 electric vehicle charging stations** installed across our portfolio; FCR supports the expansion of EV infrastructure in Canada and we continue to increase our network of EV charging stations at our properties

Achieve green building certifications

- **80%** of our portfolio is **BOMA BEST** certified, as of December 31, 2024
- **20%** of our portfolio is certified to **LEED**, as of December 31, 2024
- **Certify new construction** projects to Leadership in Energy and Environmental Design (LEED) standards (subject to tenant acceptance)
- **First Canadian Retail REIT** to achieve the WELL Health-Safety Rating for Facility Operations & Management, totalling 7.1 million square feet

Effectively manage climate change risk and resilience

- First Canadian REIT to be a signatory in support of the Task Force on Climate-Related Financial Disclosures (TCFD)
- **Formed an FCR TCFD Task Force** comprised of senior leaders from across business functions. The Task Force performed a climate scenario analysis to assess the magnitude of the financial impacts associated with climate-related risks and opportunities

Social

Foster an engaged and diverse workforce

- **57% of management positions are held by females;** We have strong gender diversity metrics through all levels of the organization
- Employee led **Everyone Belongs Council** published its first Impact Report and launched its 2024-2026 Action Plan

Be one of the best places to work

- Recognized by the Globe and Mail as one of the **Greater Toronto's Top Employers** for the fifth time in six years (2020 - 2022, 2024 - 2025)
- Selected for inclusion in **"The Career Directory"** for 2021 - 2025 as one of Canada's Best Employers for Recent Graduates
- Named one of **Canada's Top Small and Medium Employers** for the fifth time in six years (2020 - 2022, 2024 - 2025)
- 1 of 93 companies to be included in the Globe and Mail's **2025 Report on Business Women Lead Here** list
- **80%** employee engagement score in 2024

Improving the communities in which we operate

- **Launched the FCR Thriving Neighbourhoods Foundation in 2020** and have since **raised $1.3 million** in donations through employee-led charitable giving to fight food insecurity and mental health initiatives
- **Raised over $270,000** for Community Food Centres Canada at FCR Thriving Neighbourhoods Foundation's third annual Commercial Real Estate Softball Classic tournament
- In 2024, **97% of FCR staff volunteered** to support local charities in our communities
- Long-standing support of public arts, now with **33 installations across our portfolio**

Governance

Maintain a strong governance framework

- Reflects our **values**
- Adheres to **effective governance practices**
- Ensures the **Board functions independently** of management
- Promotes **diversity** in considering optimal board composition

Strive to be a governance leader

- Continuously adopt **new and improved** governance practices
- **Reviewing our annual governance scores from ISS,** the Globe and Mail Board Games and other similar rankings with our Board
- **Highest ranked REIT** in the Globe and Mail's comprehensive governance ranking of Canada's corporate boards for 2024
- **Follow recommendations** as governance standards evolve
- **Providing opportunities for our unitholders** to communicate directly with our Board

At First Capital, we aspire to uphold our position as an industry leader in ESG. We strive for performance excellence at our properties and new developments, creating thriving, healthy, sustainable urban neighbourhoods. We foster a vibrant corporate culture that ensures equal opportunity and well-being for all employees. Through our actions we will continue to create long-term value for all of our stakeholders. For more information on the Company's ESG practices, please refer to the latest ESG report on the Company's website at **www.fcr.ca/esg.**

MD&A

MANAGEMENT'S DISCUSSION AND ANALYSIS

Table of Contents

Management’s Discussion and Analysis of Financial Position and Results of Operations

INTRODUCTION

This Management’s Discussion and Analysis (“MD&A”) of the financial position and results of operations of First Capital Real Estate Investment Trust (“First Capital”, “FCR” or the “Trust”) is intended to provide readers with an assessment of performance and summarize the financial position and results of operations for the three months ended March 31, 2025 and 2024. It should be read in conjunction with the Trust’s audited annual consolidated financial statements for the years ended December 31, 2024 and 2023. Additional information, including First Capital's current Annual Information Form, is available on the SEDAR+ website at www.sedarplus.ca and on the FCR website at www.fcr.ca.

All dollar amounts are in thousands of Canadian dollars, unless otherwise noted. Historical results and percentage relationships contained in First Capital’s unaudited interim and audited annual consolidated financial statements and MD&A, including trends which might appear, should not be taken as indicative of its future operations. The information contained in this MD&A is based on information available to Management and is dated as of May 6, 2025.

CURRENT BUSINESS ENVIRONMENT AND OUTLOOK

The first quarter of 2025 was subject to an unusually high degree of financial market volatility in Canada and around the globe. This volatility was spurred by escalating and varying measures with respect to U.S. trade policy and tariffs with Canada and the rest of the world.

In the United States, the economy is showing signs of slowing amid recent policy uncertainty and deteriorating sentiment. In April the International Monetary Fund cut its 2025 outlook for global growth to 2.8%, down from 3.3% in January. In the face of these reduced outlooks, inflation expectations have risen. Hence, the US central bank has maintained its policy rate at 4.25% - 4.5% so far in 2025. If tariff measures remain in place, the US economy may slow dramatically, but inflation may also prove sticky. This scenario presents a challenge for the US Federal Reserve and global central banks.

In Canada, the economy is also showing signs of slowing. Here too, tariff measures and rhetoric have begun to adversely impact consumer and business confidence. Consumption, residential investment, and business spending all appear to have weakened in the first quarter. Following February’s eight-month high inflation reading of 2.6% (impacted notably by the end of a two-month GST/HST holiday), March’s inflation rate slipped to 2.3%, largely due to lower gasoline prices, travel and tour prices. Notwithstanding the easing, core measures of inflation remain somewhat elevated. Against this, Canada’s labour market continues to be soft with March’s unemployment rate ticking up to 6.7% amidst slower population growth and rising uncertainty with respect to the cross-border and international trade environment.

Since commencing its rate cutting cycle in June 2024, the Bank of Canada has cumulatively reduced the policy rate by 225 basis points – including two cuts totaling 50 basis points in the first quarter of 2025. At its April meeting the Bank held the overnight rate unchanged, as it weighed the decelerating economic backdrop against the uncertain outlook for inflation. In assessing the outlook, the Bank’s April Monetary Policy report presented two scenarios that explored different paths for US trade policy. The first is that uncertainty remains elevated, but overall tariff measures are limited in scope. In this scenario, Canadian growth weakens temporarily and inflation remains around the 2% target. The second scenario, assumed further trade/tariff escalation, pushing Canada’s economy into a recession this year, with inflation rising temporarily above 3% by next year. Overall, the Bank’s Governing Council has noted that it will continue to assess the timing and force of the potential easing of inflation from a weaker economy, relative to upward inflationary pressures related to trade policy and tariffs.

First Capital’s high-quality grocery-anchored and mixed-use portfolio continues to be resilient and has a demonstrated track record of high and steady occupancy, and producing strong cash collections, solid leasing volumes, and growth in its average net rental rate over the longer term.

Property Portfolio, Core Competencies and Competitive Advantages

First Capital is a leader in acquiring, developing, owning, and operating open-air grocery-anchored centres as well as securing the right to develop significant additional density through rezoning. With these two foundational Core Competencies, First Capital is further differentiated from its peers by several competitive advantages which include its Core Portfolio of multi-tenant, grocery-anchored shopping centres and its sizable density pipeline.

FCR's Core Portfolio of grocery-anchored shopping centres has a value of approximately $7.2 billion and comprises approximately 82% of First Capital's total real estate investments. The Core Portfolio has the highest in place rents, the highest average historical lease renewal lifts, the highest population density and is the most connected to public transit relative to its publicly listed Canadian peers. The Core Portfolio is primarily located in urban and top-tier suburban neighbourhoods within Canada's largest and fastest growing cities, and its curated tenant mix typically includes pharmacy, liquor, banks, medical services, and an array of other complementary providers of daily necessity goods and services. FCR's Real Estate Services Team continues to focus on property improvements, customer amenities, and merchandising mix or tenant uses that are most in demand to serve the communities and neighbourhoods in which the Trust operates.

First Capital's portfolio of future development sites is comprised of a density pipeline of approximately 23 million square feet which exceeds the gross leasable area of FCR's current property portfolio. The density pipeline is primarily located in high growth neighbourhoods with exceptional demographics within Toronto, Montreal and Vancouver.

Three-year Strategic Roadmap: Discipline|Stability|Growth

In February 2024, the Trust announced its three-year Strategic Roadmap centered around financial growth and leverage reduction objectives. The Roadmap is focused on the key objectives of stability and growth in FFO, Net Asset Value and distributions per unit, coupled with a continued strengthening of key credit metrics.

First Capital's operating activities are focused upon managing its Core Portfolio of multi-tenant grocery-anchored centres to their maximum potential as it relates to growth in same-property net operating income and long-term value appreciation.

First Capital's investment activities are focused on retail development and redevelopment of core grocery-anchored shopping centres, select tuck-in and multi-tenant grocery-anchored shopping centre acquisitions, its entitlements program, and the development of strategic mixed-use properties where the REIT will typically have an ownership interest within the 25% to 50% range.

Asset divestitures will continue to be focused on FCR's density and development properties and other non-grocery-anchored properties. Collectively, these assets are classified as ´Other properties´ and ´Residential development inventory´ in FCR's MD&A. This pool of assets currently comprises approximately 18% of FCR's total real estate investments and has a value of approximately $1.6 billion.

During the first quarter of 2025, First Capital continued to execute on its strategy, with $72 million of previously announced dispositions completed, including Sheridan Plaza and 895 Lawrence Ave. E., both located in Toronto.

These asset sales were consistent with the REIT's capital allocation objectives of crystallizing created value in certain development and density sites, as well as select income properties that are not multi-tenant grocery-anchored shopping centres. As of March 31, 2025, the Trust has classified $164.5 million, at First Capital's share, of its assets as held for sale.

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, 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
- Property dispositions totaling approximately $750 million 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

Managing the balance sheet

Consistent with the Trust's Roadmap, First Capital is well positioned to continue to strengthen its financial position through debt reduction and an improving cost of capital over the long-term, with a targeted net debt to EBITDA ratio in the low-8x range by the end of 2026. As at March 31, 2025, First Capital's net debt to EBITDA ratio was 8.9x.

As at March 31, 2025, the Trust had unencumbered properties with an IFRS value of approximately $6.3 billion and a net debt to asset ratio of 44.6% as well as a net debt to Adjusted EBITDA ratio that improved to 8.9x from 9.3x year over year.

Normal Course Issuer Bid ("NCIB")

Commencing on May 18, 2022, First Capital implemented an NCIB pursuant to which it may repurchase its trust units for cancellation. The substantial disconnect that currently exists between the intrinsic value of the REIT's units and their publicly traded price presents a significant opportunity to generate value through the repurchase of trust units. Therefore, from time to time, the purchase of FCR trust units at certain market prices below NAV presents an attractive use of the REIT's capital that should afford additional value and liquidity for the issued and outstanding units, while benefiting remaining Unitholders by increasing their proportionate equity interest in the REIT. On May 16, 2024, First Capital received TSX approval for the renewal of its NCIB pursuant to which it may repurchase and cancel up to 21,113,939 of its outstanding units until May 20, 2025. Cumulatively from May 2022 to March 31, 2025, the REIT has repurchased 7.9 million Trust units for approximately $120.1 million.

Lending activities

First Capital provides co-owner financing, priority mortgages and mezzanine loans to third parties in connection with certain transactions and partnerships. These loans and mortgages receivable are secured and can provide FCR with the opportunity to acquire full or partial interests in the underlying assets that are consistent with its investment strategy through rights, options or negotiated transactions. Therefore, in addition to generating interest income and fees, these lending activities provide an alternative means to obtaining purchase options and/or participation in projects which may otherwise have not been accessible. Additionally, from time to time, FCR partners with experienced real estate lenders and investment companies whose primary business is lending which helps to mitigate risk.

As of March 31, 2025, FCR's loans and mortgages receivable totaling $96.5 million (December 31, 2024 - $95.8 million) are secured primarily by interests in investment properties or shares of entities owning investment properties which helps to mitigate the risk of non-payment.

Development initiatives

Management continually monitors economic and capital market forces and their potential impact on the portfolio, including properties under development. As of March 31, 2025, FCR had approximately 0.8 million square feet under active development, including residential inventory. First Capital believes that the strategy to develop, own and operate properties that meet the needs of everyday urban life in Canada's most densely populated neighbourhoods will provide value over the long term in the assets in which it invests.

Outlook

The major shift in direction of US trade policy has increased uncertainty, created new risks to economic growth, and raised inflation expectations. Financial markets have been shaken by the serial US tariff announcements, postponements, and renewed threats of escalation, as well as reciprocal tariffs by other countries around the globe. Overall, this heightened uncertainty makes it particularly challenging to project GDP growth and inflation in Canada and globally, and this is reflected via the Bank of Canada's approach to scenario- as opposed to point-forecasting.

With this as the backdrop, the Bank of Canada held its policy rate at 2.75% in its April meeting, after seven consecutive interest rate cuts totaling 225 basis points since June of 2024. The Bank's decision weighed the decelerating economic backdrop against the uncertain outlook for potentially higher inflation. The Bank has stated that its monetary policy will continue to remain focused on price stability and that it is not able to resolve trade uncertainty or "offset the impacts of a trade war".

Certain aspects of the Trust's business and operations that could potentially be impacted include rental income, occupancy, leasing terms and tenant improvements, future demand for space, and market rents, all of which impact the underlying value of investment properties. In the current environment, the Trust continues to achieve strong leasing metrics with a robust new and renewal lease pipeline coupled with upward trending market rental rates. First Capital believes, based on its exceptionally high-quality portfolio which has always been focused on everyday essentials, that it will continue to attract high tenant demand for its space.

First Capital will continue to be guided by its corporate responsibility and sustainability program, and values. The core beliefs of collaboration, innovation, excellence, accountability, and passion continue to be demonstrated throughout all areas of the organization.

NON-IFRS FINANCIAL MEASURES

In addition to measures determined in accordance with IFRS® Accounting Standards ("IFRS"), First Capital uses non-IFRS financial measures to analyze its financial performance. In Management's view, such non-IFRS financial measures are commonly accepted and meaningful indicators of financial performance in the real estate industry and provide useful supplemental information to both Management and investors. These measures do not have a standardized meaning prescribed under IFRS and therefore may not be comparable to similar measures presented by other real estate entities, and should not be construed as an alternative to other financial measures determined in accordance with IFRS.

The following describe the non-IFRS measures First Capital currently uses in evaluating its financial performance.

Proportionate Interest

"Proportionate interest" or "Proportionate share" is defined by Management as First Capital's proportionate share of revenues, expenses, assets and liabilities in all of its real estate investments. Under IFRS, FCR's seven equity accounted joint ventures are presented on one line item in the consolidated balance sheets and the consolidated statements of income (loss), in aggregate. In the "Non-IFRS Reconciliations and Financial Measures" section of this MD&A, Management presents a consolidated balance sheet and income statement as if its joint ventures were proportionately consolidated. In addition, Management presents certain tables relating to its portfolio by geographic region, enterprise value, and debt metrics on a proportionate basis to enhance the relevance of the information presented. The presentation of financial information at FCR's proportionate interest provides a useful and more detailed view of the operation and performance of First Capital's business and how Management operates and manages the business. This presentation also depicts the extent to which the underlying assets are leveraged, which are included in First Capital's debt metrics. In addition, FCR's lenders require Management to calculate its debt metrics on a proportionate interest basis.

To achieve the proportionate presentation of its seven equity accounted joint ventures, Management allocates FCR's proportionate share of revenues, expenses, assets, and liabilities to each relevant line item which replaces the one line presentation found in the IFRS consolidated financial statements. In addition, under IFRS, FCR exercises control over two partially owned ventures and consolidates 100% of the revenues, expenses, assets, and liabilities in the consolidated financial statements. In the reconciliations, the partially owned ventures are also presented as if they were proportionately consolidated. To achieve the proportionate presentation of its partially owned ventures, Management subtracts the non-controlling interest's share (the portion FCR doesn't own) of revenue, expenses, assets, and liabilities on each relevant line item. FCR does not independently control its joint ventures that are accounted for using the equity method, and the proportionate presentation of these joint ventures does not necessarily represent FCR's legal claim to such items.

Net Operating Income

Net Operating Income ("NOI") is defined by Management as property rental revenue less property operating costs. NOI is a commonly used metric for analyzing real estate performance in Canada by real estate industry analysts, investors and Management. Management believes that NOI is useful in analyzing the operating performance of First Capital's portfolio.

Total Same Property NOI

Total Same Property NOI ("SP NOI") is defined by Management as NOI from properties categorized as "Same Property — stable" and "Same Property with redevelopment" (see definitions under "Real Estate Investments — Investment Property Categories" section of this MD&A). NOI from properties that have been (i) acquired, (ii) disposed, (iii) included in major redevelopment, ground-up development, properties under construction, and density and development land or (iv) held for sale are excluded from the determination of SP NOI. SP NOI is presented at FCR's proportionate interest on a cash basis, as it excludes straight-line rent. Management believes that SP NOI is a useful measure in understanding period over period changes in cash NOI for its Same Property portfolio due to occupancy, rental rates, operating costs and realty taxes. A reconciliation from SP NOI to total NOI can be found in the "Results of Operations - Net Operating Income" section of this MD&A.

Same Property — Stable NOI

Same Property — stable NOI is defined by Management as NOI from stable properties where the only significant activities are leasing and ongoing maintenance (see complete definition under "Real Estate Investments — Investment Property Categories" section of this MD&A). Management believes that Same Property — stable NOI is a useful measure in understanding period over period changes in cash NOI for its largest category of properties.

Funds from Operations

Funds from Operations ("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. A reconciliation from net income (loss) to FFO can be found in the "Non-IFRS Reconciliations and Financial Measures — FFO, AFFO and ACFO" section of this MD&A.

Operating Funds from Operations

In addition to REALPAC FFO described above, Management also discloses Operating Funds from Operations ("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.

Adjusted Funds from Operations

Adjusted Funds from Operations ("AFFO") is a supplementary 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 AFFO 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 AFFO to be a meaningful financial measure of recurring economic earnings and relevant in understanding First Capital's ability to service it's debt, fund capital expenditures and pay distributions to Unitholders. AFFO is defined as FFO less amortization of straight-line rents, regular and recoverable maintenance capital expenditures, and incremental leasing costs. A reconciliation from FFO to AFFO can be found in the "Non-IFRS Reconciliations and Financial Measures — FFO, AFFO and ACFO" section of this MD&A.

Adjusted Cash Flow from Operations

Adjusted Cash Flow from Operations ("ACFO") is a supplementary measure First Capital began using in 2017 to measure operating cash flow generated from the business. FCR calculates ACFO in accordance with the recommendations of REALPAC as published in its most recent guidance on "Adjusted Cashflow From Operations (ACFO) for IFRS" dated January 2023.

Management considers ACFO a meaningful metric to measure operating cash flows as it represents sustainable cash available to pay distributions to Unitholders. ACFO includes a number of adjustments to cash flow from operations under IFRS including, eliminating seasonal and non-recurring fluctuations in working capital, adding cash flows associated with equity accounted joint ventures and deducting actual revenue sustaining capital expenditures and actual capital expenditures recoverable from tenants. Lastly, ACFO includes an adjustment to exclude the non-controlling interest's portion of cash flow from operations under IFRS, attributed to FCR's consolidated joint venture. A reconciliation of cash flow from operations under IFRS to ACFO can be found in the "Non-IFRS Reconciliations and Financial Measures — FFO, AFFO and ACFO" section of this MD&A.

Weighted average units outstanding for OFFO and FFO

For purposes of calculating per unit amounts for OFFO and FFO, the weighted average number of diluted units outstanding includes the weighted average outstanding Trust Units as at the end of the period; and assumes conversion of all outstanding Deferred Units, Restricted Units, Performance Units and any dilutive Options as at the end of the period.

OFFO, FFO, AFFO and ACFO Payout Ratios

OFFO, FFO, AFFO and ACFO payout ratios are supplementary non-IFRS measures used by Management to assess the sustainability of First Capital's distribution payments. OFFO and FFO payout ratios are calculated using distributions declared per unit divided by the OFFO and FFO per unit. The AFFO payout ratio is calculated using distributions declared per unit divided by AFFO per unit. The ACFO payout ratio is calculated on a rolling four quarter basis by dividing total cash distributions paid by ACFO over the same period. Management considers a rolling four quarter ACFO payout ratio more relevant than a payout ratio in any given quarter due to the impact of seasonal fluctuations in ACFO period over period.

Enterprise Value

Enterprise value is the sum of the principal or par value amounts of First Capital's net debt on a proportionate basis and the market value of FCR's Trust Units outstanding at the respective quarter end date. This measure is used by FCR to assess the total amount of capital employed in generating returns to Unitholders.

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.

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization, ("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.

Unencumbered Aggregate Assets

Unencumbered aggregate assets represents the value of assets that have not been pledged as security under a credit agreement or mortgage. The unencumbered aggregate asset value ratio is calculated as unencumbered aggregate assets divided by the principal amount of unsecured debt, which consists of bank indebtedness, unsecured credit facilities and senior unsecured debentures. This ratio is used by Management to assess the flexibility of First Capital to obtain various forms of debt financing at a reasonable cost of capital.

Net Asset Value

Net Asset Value ("NAV") represents the proportionate share of First Capital's total assets less the proportionate share of its total liabilities excluding deferred tax liabilities.

NAV per diluted unit represents NAV, as calculated above, adjusted for the exclusion of the unit-based compensation plan liability and for the proceeds to be received upon the exercise of outstanding options divided by the number of diluted units outstanding as at the end of the period. For purposes of calculating diluted per unit amounts for NAV, the number of diluted units outstanding includes all outstanding Trust Units as at the end of the period and assumes conversion of outstanding Deferred Units, Restricted Units, Performance Units and Options as at the end of the period. Management believes that NAV is useful to financial statement users who consider it a key measure of the intrinsic value of the Trust.

OPERATING METRICS

First Capital presents certain operating metrics and portfolio statistics in the MD&A, which include neighbourhood count, property category, GLA, occupancy, weighted average rate per occupied square foot, top 40 tenants, development pipeline, and renewal activities. FCR uses these operating metrics to monitor and measure operational performance period over period. To align FCR's GLA reporting with its ownership interest in its properties, unless otherwise noted, all GLA is presented at FCR's ownership interest (19.1 million square feet at its ownership interest compared to 21.9 million square feet at 100% as at March 31, 2025). First Capital's operating metrics and GLA excludes residential GLA totaling 125,000 square feet, at its ownership interest, as amounts are not significant at this time. In measuring performance or allocating resources, the Trust does not distinguish or group its operations on a geographical or any other basis and, accordingly, has a single reportable segment for disclosure purposes.

SUMMARY CONSOLIDATED INFORMATION AND HIGHLIGHTS

For the three months ended March 31		2025		2024
Revenues, Income and Cash Flows [1]				
Revenues and other income	**$**	**189,932**	$	197,303
NOI [2]	**$**	**112,359**	$	112,213
Increase (decrease) in value of investment properties, net	**$**	**4,004**	$	301
Net income (loss) attributable to Unitholders	**$**	**84,422**	$	74,797
Net income (loss) per unit attributable to Unitholders (diluted)	**$**	**0.39**	$	0.35
Weighted average number of units - diluted (in thousands)		**214,502**		213,988
Cash provided by operating activities	**$**	**29,493**	$	29,778
Distributions				
Distributions declared	**$**	**47,249**	$	45,836
Distributions declared per unit	**$**	**0.2225**	$	0.216
Cash distributions paid	**$**	**46,782**	$	45,832
Cash distributions paid per unit	**$**	**0.2203**	$	0.216

As at March 31		2025		2024
Financial Information [1]				
Investment properties [3]	**$**	**8,223,671**	$	8,215,939
Total assets	**$**	**9,183,109**	$	9,245,786
Mortgages [3]	**$**	**1,235,410**	$	1,329,018
Credit facilities	**$**	**730,238**	$	918,626
Senior unsecured debentures	**$**	**2,095,187**	$	1,897,436
Unitholders' equity	**$**	**3,981,972**	$	3,967,870
Net Asset Value per unit [2]	**$**	**22.06**	$	22.10
Capitalization and Leverage				
Trust Units outstanding (in thousands)		**212,421**		212,242
Enterprise value [2]	**$**	**7,529,552**	$	7,408,668
Net debt to total assets [2] [4]		**44.6%**		44.9%
Net debt to Adjusted EBITDA [2] [4]		**8.9x**		9.3x
Weighted average term to maturity on mortgages, fixed rate unsecured term loans and senior unsecured debentures (years)		**3.5**		3.3

As at March 31	2025	2024
Operational Information		
Number of neighbourhoods	**136**	139
GLA (square feet) - at 100%	**21,934,000**	22,232,000
GLA (square feet) - at ownership interest	**19,098,000**	19,384,000
Occupancy - Same Property - stable [2]	**97.0%**	96.2%
Total portfolio occupancy	**96.9%**	96.2%
Development pipeline and adjacent land (GLA) [5]		
Commercial pipeline (primarily retail)	**718,000**	691,000
Residential pipeline	**22,132,000**	22,461,000
Weighted average rate per occupied square foot	**$ 24.23**	$ 23.62
Commercial GLA developed and transferred online - at ownership interest [6]	**—**	69,000
Cost of GLA developed and brought online – at FCR's share	**$ —**	$ 26,150
Same Property - stable NOI - increase (decrease) over prior period [2] [7]	**(0.3%)**	7.9%
Total Same Property NOI - increase (decrease) over prior period [2] [7]	**(0.1%)**	7.8%

For the three months ended March 31	2025	2024
Funds from Operations [2] [4]		
OFFO	**$ 68,899**	$ 78,055
OFFO per diluted unit	**$ 0.32**	$ 0.36
OFFO payout ratio	**69.3%**	59.2%
FFO	**$ 67,740**	$ 81,629
FFO per diluted unit	**$ 0.32**	$ 0.38
FFO payout ratio	**70.5%**	56.6%
Weighted average number of units - diluted (in thousands)	**214,502**	213,988
Adjusted Funds from Operations [2] [4]		
AFFO	**$ 55,496**	$ 73,156
AFFO per diluted unit	**$ 0.26**	$ 0.34
AFFO payout ratio	**86.0%**	63.2%
Weighted average number of units - diluted (in thousands)	**214,502**	213,988
Adjusted Cash Flow from Operations [2] [4]		
ACFO	**$ 44,612**	$ 45,188
ACFO payout ratio on a rolling four quarter basis	**83.7%**	76.5%

(1) As presented in First Capital's IFRS consolidated financial statements, except for weighted average number of diluted units and per unit amounts.
(2) Refer to the "Non-IFRS Financial Measures" section of this MD&A.
(3) Includes properties and mortgages classified as held for sale.
(4) Reflects joint ventures proportionately consolidated. Total assets excludes cash balances. Refer to the "Non-IFRS Financial Measures – *Proportionate Interest*" section of this MD&A.
(5) At First Capital's ownership interest.
(6) During the three months ended March 31.
(7) Calculated based on the year-to-date NOI. Prior period amounts not restated for current period property categories.

BUSINESS AND OPERATIONS REVIEW

Real Estate Investments

Investment Property Categories

First Capital categorizes its properties for the purposes of evaluating operating performance including Total Same Property NOI. This enables FCR to better reflect its development, redevelopment and repositioning activities on its properties, including density and land use intensification, and its completed and planned disposition activities. In addition, FCR revises comparative information to reflect property categories consistent with current period status. The property categories are as follows:

Total Same Property consisting of:

Same Property – stable **–** includes stable properties where the only significant activities are leasing and ongoing maintenance. Properties that will be undergoing a redevelopment in a future period, including adjacent parcels of land, and those having planning activities underway are also in this category until such development activities commence. At that time, the property will be reclassified to either Same Property with redevelopment or to major redevelopment.

Same Property with redevelopment **–** includes properties that are largely stable, including adjacent parcels of land, but are undergoing incremental redevelopment or expansion activities (pads or building extensions) which intensify the land use. Such redevelopment activities often include façade, parking, lighting and building upgrades.

Major redevelopment **–** includes properties in planning or recently completed multi-year redevelopment projects with significant intensification, reconfiguration and building and tenant upgrades.

Ground-up development **–** consists of recently completed new construction, either on a vacant land parcel typically situated in an urban area or on an urban land site with conversion of an existing vacant building to retail use.

Properties under construction **–** consists of properties under major redevelopment or ground-up development that are under active construction.

Density and Development land – comprises land sites where there are no development activities underway, except for those in the planning stage and certain zoned or unzoned sites where specific density value has been ascribed.

Acquisitions and dispositions **–** consists of properties acquired during the period including those in close proximity to existing properties. Dispositions include information for properties disposed of in the period.

Assets classified as held for sale **–** consists of properties that meet the held for sale criteria under IFRS.

First Capital has applied the above property categorization to the fair value, capital expenditures as well as leasing and occupancy activity on its portfolio, and to its Same Property NOI analysis to further assist in understanding FCR's real estate activities and its operating and financial performance.

Portfolio Overview

The Trust's Core Portfolio of grocery-anchored shopping centres had a value of approximately $7.2 billion as at March 31, 2025 consistent with December 31, 2024.

As at and for the three months ended *(millions of dollars)*					**March 31, 2025**
Portfolio	**Income-Producing Properties**	**Properties Under Construction**	**Density and Development Land**	**Proportionate Interest [1]**	**Net Operating Income [1]**
Core Portfolio	$ **7,135**	$ **45**	$ **57**	$ **7,237**	$ **103**
Other properties	**773**	**130**	**372**	**1,275**	**11**
Total Portfolio	$ **7,908**	$ **175**	$ **429**	$ **8,512**	$ **114**
Residential development inventory				**286**	
Total real estate investments				$ **8,798**	

[1] At First Capital's proportionate interest. Refer to the "Non-IFRS Financial Measures" section of this MD&A.

As at and for the twelve months ended *(millions of dollars)*					December 31, 2024
Portfolio	Income-Producing Properties	Properties Under Construction	Density and Development Land	Proportionate Interest (1)	Net Operating Income (1)
Core Portfolio	$ 7,126	$ 7	$ 57	$ 7,190	$ 404
Other properties	844	122	369	1,335	51
Total Portfolio	$ 7,970	$ 129	$ 426	$ 8,525	$ 455
Residential development inventory				267	
Total real estate investments				$ 8,792	

(1) At First Capital's proportionate interest. Refer to the "Non-IFRS Financial Measures" section of this MD&A.

As at March 31, 2025, First Capital had interests in 136 neighbourhoods, which were 96.9% occupied with a total GLA of 19.1 million square feet at FCR's ownership interest (21.9 million square feet at 100%) and a fair value of $8.5 billion. This compares to 138 neighbourhoods, which were 96.8% occupied with a total GLA of 19.3 million square feet at FCR's ownership interest (22.1 million square feet at 100%) and a fair value of $8.5 billion as at December 31, 2024.

The Same Property portfolio includes properties sub-categorized in Same Property – stable and Same Property with redevelopment. The Same Property portfolio is comprised of 127 neighbourhoods with a total GLA of 18.3 million square feet at FCR's ownership interest (21.1 million square feet at 100%) and a fair value of $7.6 billion. These properties represent 93% of FCR's neighbourhood count, 96% of its GLA at FCR's ownership interest and 90% of its fair value as at March 31, 2025.

The balance of FCR's real estate assets consists of properties which are in various stages of redevelopment, properties acquired in 2025 or 2024 and properties in close proximity to them, as well as properties held for sale.

First Capital's portfolio based on property categorization is summarized as follows:

As at			**March 31, 2025**					December 31, 2024		
Property Type (1)	**% of Total GLA**	**GLA (000's sq. ft.)**	**Fair Value (2)**	**Occupancy**	**Weighted Average Rate per Occupied Square Foot**	% of Total GLA	GLA (000's sq. ft.)	Fair Value (2)	Occupancy	Weighted Average Rate per Occupied Square Foot
Same Property – stable	**94.9%**	**18,124**	**$ 7,582**	**97.0%**	**$ 24.22**	93.8%	18,112	$ 7,544	97.0%	$ 24.06
Same Property with redevelopment	**1.0%**	**196**	**56**	**99.4%**	**17.53**	1.0%	196	52	97.5%	17.85
Total Same Property	**95.9%**	**18,320**	**7,638**	**97.0%**	**24.15**	94.8%	18,308	7,596	97.0%	23.99
Major redevelopment	**2.6%**	**505**	**182**	**94.8%**	**23.12**	2.8%	530	214	91.1%	23.36
Properties under construction (3)	**—%**	**—**	**126**	**—%**	**—**	—%	—	83	—%	—
Acquisitions (4)	**0.4%**	**74**	**59**	**100.0%**	**39.71**	0.3%	64	42	98.4%	39.11
Density and Development land (5) (6)	**0.5%**	**94**	**343**	**88.2%**	**41.56**	0.5%	100	361	89.5%	41.76
Investment properties classified as held for sale	**0.6%**	**105**	**164**	**93.3%**	**17.79**	0.6%	106	157	93.4%	17.74
Dispositions (7)	**—%**	**—**	**—**	**—%**	**—**	1.0%	200	72	99.2%	16.65
Total	**100.0%**	**19,098**	**$ 8,512**	**96.9%**	**$ 24.23**	100.0%	19,308	$ 8,525	96.8%	$ 24.00

(1) Prior periods restated to reflect current period property categories.
(2) At FCR's proportionate interest, including investment properties classified as held for sale as at March 31, 2025 and December 31, 2024, respectively.
(3) Approximately $49 million (December 31, 2024 - $46 million) of properties under construction is included in investment properties classified as held for sale as at March 31, 2025.
(4) Includes current year and prior year acquisitions.
(5) Approximately $17 million (December 31, 2024 - $Nil) of density and development land is included in acquisitions as at March 31, 2025.
(6) Approximately $69 million (December 31, 2024 - $65 million) of density and development land is included in investment properties classified as held for sale as at March 31, 2025.
(7) Comparative information presented relates to 2025 dispositions that have been completed and no longer form part of these metrics as at March 31, 2025.

First Capital's portfolio by major market is summarized as follows:

As at	**March 31, 2025**							December 31, 2024						
(millions of dollars, except other data) Area	**Number of Neighbour-hoods**	**GLA (000's sq. ft.)**	**Fair Value[1]**	**% of Total Fair Value**	**Occupancy**	**Weighted Average Rate per Occupied Square Foot**	**% of Annual Minimum Rent**	Number of Neighbour-hoods	GLA (000's sq. ft.)	Fair Value[1]	% of Total Fair Value	Occupancy	Weighted Average Rate per Occupied Square Foot	% of Annual Minimum Rent
Greater Toronto	**44**	**6,489**	**$ 3,955**	**47%**	**97.1%**	**$ 28.19**	**40%**	46	6,703	$ 4,006	47%	96.8%	$ 27.71	40%
Greater Montreal	**27**	**3,582**	**1,055**	**12%**	**94.6%**	**18.99**	**14%**	27	3,583	1,046	12%	94.9%	18.83	14%
Greater Calgary	**15**	**2,413**	**1,008**	**12%**	**97.2%**	**26.41**	**14%**	15	2,408	999	12%	96.9%	26.29	14%
Greater Vancouver	**14**	**1,581**	**963**	**11%**	**98.4%**	**29.30**	**10%**	14	1,583	954	11%	97.9%	29.00	10%
Greater Edmonton	**10**	**2,204**	**600**	**7%**	**96.1%**	**19.86**	**9%**	10	2,202	599	7%	96.1%	19.76	9%
Greater Ottawa	**12**	**1,021**	**344**	**4%**	**99.0%**	**20.89**	**5%**	12	1,021	339	4%	98.8%	20.76	5%
KW/Guelph [2]	**5**	**1,052**	**366**	**4%**	**99.7%**	**20.68**	**5%**	5	1,052	362	4%	98.7%	20.60	5%
Other	**9**	**756**	**221**	**3%**	**98.7%**	**19.03**	**3%**	9	756	220	3%	98.9%	18.87	3%
Total	**136**	**19,098**	**$ 8,512**	**100%**	**96.9%**	**$ 24.23**	**100%**	138	19,308	$ 8,525	100%	96.8%	$ 24.00	100%

(1) At FCR's proportionate interest, including investment properties classified as held for sale as at March 31, 2025 and December 31, 2024, respectively.
(2) Includes Kitchener, Waterloo, and Guelph Area.

Investment Properties

A continuity of First Capital's investment in its property acquisitions, dispositions, development and portfolio improvement activities is as follows:

	Three months ended March 31, 2025		
(millions of dollars)	**Consolidated Balance Sheet**	**Adjustments for Proportionate Interest**	**Proportionate Interest [2]**
Balance at beginning of year	**$ 8,237**	**$ 288**	**$ 8,525**
Acquisitions			
Investment properties and additional adjacent spaces	**22**	**—**	**22**
Development activities and property improvements	**30**	**2**	**32**
Increase (decrease) in value of investment properties, net	**4**	**(1)**	**3**
Dispositions	**(72)**	**—**	**(72)**
Other changes	**3**	**(1)**	**2**
Balance at end of period [1]	**$ 8,224**	**$ 288**	**$ 8,512**

(1) Includes assets classified as held for sale as at March 31, 2025 totaling $164 million ($164 million at First Capital's share) of investment properties.
(2) Refer to the "Non-IFRS Financial Measures" section of this MD&A.

	Year ended December 31, 2024		
(millions of dollars)	Consolidated Balance Sheet	Adjustments for Proportionate Interest	Proportionate Interest [2]
Balance at beginning of year	$ 8,239	$ 377	$ 8,616
Acquisitions			
Investment properties and additional adjacent spaces	33	—	33
Development activities and property improvements	124	11	135
Contribution of net assets from equity accounted joint venture	60	(60)	—
Increase (decrease) in value of investment properties, net	(8)	(42)	(50)
Dispositions	(218)	1	(217)
Other changes	7	1	8
Balance at end of year [1]	$ 8,237	$ 288	$ 8,525

(1) Includes assets classified as held for sale as at December 31, 2024 totaling $197 million ($197 million at First Capital's share) of investment properties.
(2) Refer to the "Non-IFRS Financial Measures" section of this MD&A.

2025 Acquisitions

Income-producing properties and other

During the three months ended March 31, 2025, First Capital acquired one property located in midtown Toronto for $22.2 million, as summarized in the table below:

Count	Property Name	City/Province	Quarter Acquired	Interest Acquired	GLA (sq. ft.)	Acreage	Acquisition Cost (in millions)
1.	1549 Avenue Rd. (Royal Lighting)	Toronto, ON	Q1	100%	10,564	0.6	$ 22.2
	Total				10,564	0.6	$ 22.2

2025 Dispositions

During the three months ended March 31, 2025, First Capital completed $72.0 million of dispositions located in Toronto, as summarized in the table below:

Count	Property Name	City/Province	Quarter Sold	Interest Sold	GLA (sq. ft.)	Acreage	Gross Sales Price (in millions)
1.	895 Lawrence Ave. E.	Toronto, ON	Q1	100%	29,288	1.9	
2.	Sheridan Plaza	Toronto, ON	Q1	100%	170,746	12.5	
	Total				200,034	14.4	$ 72.0

Capital Expenditures

Capital expenditures are incurred by First Capital for maintaining and/or renovating its existing properties. In addition, FCR also incurs expenditures for the purposes of expansion, redevelopment, ground-up development as well as condominium and townhome development activities.

Revenue sustaining capital expenditures are required for maintaining First Capital's property infrastructure and revenues from leasing of existing space. Revenue sustaining capital expenditures are generally not recoverable from tenants. However, certain leases provide the ability to recover from tenants, over time, a portion of capital expenditures to maintain the physical aspects of FCR's properties. Revenue sustaining capital expenditures generally include tenant improvement costs related to new and renewal leasing, and capital expenditures required to maintain the physical aspects of the properties, such as roof replacements and resurfacing of parking lots.

Revenue enhancing capital expenditures are those expenditures that increase the revenue generating ability of FCR's properties. Revenue enhancing capital expenditures are incurred in conjunction with or in contemplation of a development or redevelopment strategy, a strategic repositioning after an acquisition, or in advance of a planned disposition to maximize the potential sale price. First Capital owns and actively seeks to acquire older, well-located properties in urban locations, where expenditures tend to be higher when they are subsequently repaired or redeveloped to meet FCR's standards.

Capital expenditures incurred in development and redevelopment projects include pre-development costs, direct construction costs, leasing costs, tenant improvements, borrowing costs, overhead including applicable salaries and direct costs of internal staff directly attributable to the projects under active development.

Capital expenditures on investment properties and residential inventory by type are summarized in the table below:

Three months ended March 31			2025			2024
	Capital Expenditures	**Adjustments for Proportionate Interest**	**Proportionate Interest [1]**	Capital Expenditures	Adjustments for Proportionate Interest	Proportionate Interest [1]
Revenue sustaining	**$ 6,554**	**$ (5)**	**$ 6,549**	$ 3,229	$ (5)	$ 3,224
Revenue enhancing	**6,591**	**27**	**6,618**	11,716	(83)	11,633
Expenditures recoverable from tenants	**1,371**	**—**	**1,371**	2,231	—	2,231
Development expenditures	**15,556**	**1,807**	**17,363**	12,125	2,414	14,539
Sub-total	**$ 30,072**	**$ 1,829**	**$ 31,901**	$ 29,301	$ 2,326	$ 31,627
Residential Inventory	**$ 15,104**	**$ 3,222**	**$ 18,326**	$ 7,451	$ 4,978	$ 12,429
Total	**$ 45,176**	**$ 5,051**	**$ 50,227**	$ 36,752	$ 7,304	$ 44,056

(1) Refer to the "Non-IFRS Financial Measures" section of this MD&A.

Capital expenditures for the three months ended March 31, 2025 were $50.2 million, which was $6.2 million higher than the same prior year period, in large part due to increased development spend at the Trust's three active residential projects.

Valuation of Investment Properties

The approach selected for valuing investment properties depends on the type of property and other factors such as stage of development. The components of First Capital's investment properties for the purposes of calculating fair values were as follows as at March 31, 2025 and December 31, 2024:

As at and for the three months ended *(millions of dollars)*					**March 31, 2025**
Property Type	**Valuation Method**	**Fair Value**	**Adjustments for Proportionate Interest**	**Proportionate Interest [1]**	**Net Operating Income [1]**
Same Property - stable	DCF [2]	**$ 7,435**	**$ 147**	**$ 7,582**	**$ 108**
Same Property with redevelopment	DCF [2]	**56**	**—**	**56**	**1**
Total Same Property		**$ 7,491**	**$ 147**	**$ 7,638**	**$ 109**
Major redevelopment	DCF [2], Cost [2]	**182**	**—**	**182**	**3**
Properties under construction [3]	DCF [2], Cost [2]	**125**	**1**	**126**	**—**
Acquisitions	DCF [2], Cost [2]	**59**	**—**	**59**	**1**
Density and Development Land [4] [5]	Cost [2], comparable land sales	**203**	**140**	**343**	**1**
Assets classified as held for sale	DCF [2], comparable land sales	**164**	**—**	**164**	**—**
Dispositions	N/A	**—**	**—**	**—**	**1**
Total investment properties		**$ 8,224**	**$ 288**	**$ 8,512**	**$ 115**
NOI related to other investments					**(1)**
Total NOI					**$ 114**

(1) At First Capital's proportionate interest for the three months ended March 31, 2025. Refer to the "Non-IFRS Financial Measures" section of this MD&A.
(2) Discounted Cash Flow ("DCF") is a valuation method under the Income Approach. At cost where cost approximates fair value.
(3) Approximately $49 million ($49 million at First Capital's share) of properties under construction is included in assets classified as held for sale.
(4) Approximately $69 million ($69 million at First Capital's share) of density and development land is included in assets classified as held for sale.
(5) Approximately $17 million ($17 million at First Capital's share) of density and development land is included in acquisitions.

As at and for the twelve months ended *(millions of dollars)*						December 31, 2024
Property Type [1]	Valuation Method	Fair Value	Adjustments for Proportionate Interest	Proportionate Interest [2]	Net Operating Income [2]
Same Property - stable	DCF [3]	$ 7,395	$ 149	$ 7,544	$ 427
Same Property with redevelopment	DCF [3]	52	—	52	3
Total Same Property		$ 7,447	$ 149	$ 7,596	$ 430
Major redevelopment	DCF [3], Cost [3]	214	—	214	11
Properties under construction [4]	DCF [3], Cost [3]	82	1	83	—
Acquisitions	DCF [3], Cost [3]	42	—	42	2
Density and Development Land [5]	Cost [3], comparable land sales	223	138	361	4
Assets classified as held for sale	DCF [3], comparable land sales	157	—	157	1
Dispositions	N/A	72	—	72	7
Total investment properties		$ 8,237	$ 288	$ 8,525	$ 455
NOI related to other investments					—
Total NOI					$ 455

(1) Prior periods restated to reflect current period property categories.
(2) At First Capital's proportionate interest for the twelve months ended December 31, 2024. Refer to the "Non-IFRS Financial Measures" section of this MD&A.
(3) Discounted Cash Flow ("DCF") is a valuation method under the Income Approach. At cost where cost approximates fair value.
(4) Approximately $46 million ($46 million at First Capital's share) of properties under construction is included in assets classified as held for sale.
(5) Approximately $65 million ($65 million at First Capital's share) of density and development land is included in assets classified as held for sale.

The majority of the Trust's portfolio is valued under the Income Approach using the discounted cash flow ("DCF") method. As at March 31, 2025, the weighted average valuation yields (stabilized overall capitalization, terminal capitalization and discount rates) used in valuing those investment properties under the Income Approach did not materially change from December 31, 2024.

During the three months ended March 31, 2025, as part of its normal course internal valuations, the Trust made revisions to the cash flow models and yields on certain properties, and revalued certain development lands when considering comparable land sales and market activity. As a result, an overall net increase in the value of investment properties was recorded in the amount of $4.0 million ($2.5 million at FCR's share) for the three months ended March 31, 2025.

The associated stabilized capitalization rates by major market for FCR's investment properties valued under the Income Approach were as follows as at March 31, 2025 and December 31, 2024:

As at March 31, 2025	**Stabilized Capitalization Rate**		
Area	**Weighted Average**	**Median**	**Range**
Greater Toronto	**5.2%**	**5.3%**	**4.0%-6.5%**
Greater Montreal	**6.1%**	**6.0%**	**5.3%-7.3%**
Greater Calgary	**5.9%**	**6.0%**	**5.5%-6.8%**
Greater Vancouver	**4.8%**	**4.8%**	**4.5%-5.8%**
Greater Edmonton	**6.6%**	**6.3%**	**5.5%-7.5%**
Greater Ottawa	**5.9%**	**6.0%**	**5.5%-6.5%**
KW/Guelph [1]	**5.6%**	**5.5%**	**5.3%-6.0%**
Other	**5.9%**	**5.9%**	**5.3%-6.8%**
Weighted Average	**5.5%**	**5.5%**	**4.0%-7.5%**

(1) Includes Kitchener, Waterloo, and Guelph Area.

As at December 31, 2024	Stabilized Capitalization Rate		
Area	Weighted Average	Median	Range
Greater Toronto	5.2%	5.3%	4.0%-6.5%
Greater Montreal	6.1%	6.0%	5.3%-7.3%
Greater Calgary	5.9%	6.0%	5.5%-6.8%
Greater Vancouver	4.8%	4.8%	4.3%-5.8%
Greater Edmonton	6.6%	6.3%	5.5%-7.5%
Greater Ottawa	6.0%	6.0%	5.5%-6.5%
KW/Guelph (1)	5.6%	5.5%	5.3%-6.0%
Other	5.9%	5.9%	5.3%-6.8%
Weighted Average	5.5%	5.5%	4.0%-7.5%

(1) Includes Kitchener, Waterloo, and Guelph Area.

Property Development Activities

As at March 31, 2025, the Trust's share of properties under construction, residential inventory and density and development land totaled approximately $890 million. These non-income producing properties represent approximately 10% of the Trust's total portfolio value and consists of development land, adjacent land parcels, properties slated for redevelopment with limited income and properties in active development. As at March 31, 2025, the invested cost of these non-income producing properties was $876 million as compared to a fair value of $890 million. Cumulative gains of approximately $14 million have been recognized to date and are expected to grow over time as development projects are entitled, advanced and completed.

Development and redevelopment activities are completed selectively, based on opportunities in First Capital's properties or in the markets where FCR operates. First Capital's development activities include redevelopment of stable properties, major redevelopment, and ground-up projects. Additionally, properties under development include land with future development potential. All commercial development activities are strategically managed to reduce risk, and properties are generally developed after obtaining anchor tenant lease commitments. Individual commercial buildings within a development are generally constructed only after obtaining lease commitments on a substantial portion of the space.

Development Pipeline

As at March 31, 2025, First Capital's portfolio is comprised of 19.1 million square feet of GLA at FCR's ownership interest. Substantially all of this GLA is located in Canada's six largest urban growth markets which are undergoing significant land use intensification. As such, Management has identified meaningful incremental density available for future development within its existing portfolio. As at March 31, 2025, Management had identified approximately 22.9 million square feet of incremental density which currently exceeds FCR's existing portfolio of 19.1 million square feet.

Management undertakes a quarterly review of its entire portfolio and updates all of its future incremental density. Management stratifies the density by expected project commencement time frame. Medium term includes project commencement expected within the next 7 years, long term between 8 and 15 years and very long term beyond 15 years. First Capital's incremental density is classified by type between commercial and residential. Commercial density primarily consists of retail density.

As a substantial part of the portfolio is located in urban markets where significant land use intensification continues to occur, Management expects future incremental density will continue to grow and provide First Capital with increased opportunity to redevelop its generally low density properties.

A breakdown of the properties under construction, density and development land, and residential inventory within the portfolio by component and type is as follows:

As at March 31, 2025	Square feet *(in thousands)*				Value recognized [1][2] *(in millions)*
	Commercial	Residential	Total [1]	Recognized to date [2]	
Properties under construction	**118**	**260**	**378**	**378**	**$ 175**
Density and development land					
Medium term	800	10,200	11,000		
Long term	(100)	3,500	3,400		
Very long term	(100)	7,800	7,700		
	600	**21,500**	**22,100**	**6,895**	**$ 429**
Residential inventory	**—**	**372**	**372**	**372**	**$ 286**
Total development pipeline	**718**	**22,132**	**22,850**	**7,645**	**$ 890**

(1) At First Capital's proportionate interest. Refer to the "Non-IFRS Financial Measures" section of this MD&A.
(2) Represents the density that has been valued and included as part of the fair value of investment properties and the cost of residential inventory on the proportionate balance sheet.

First Capital determines its course of action with respect to its potential residential density on a case by case basis given the specifics of each property. First Capital's course of action for each property may include selling the property, selling the residential density rights, entering into a joint venture with a partner to develop the property or undertaking the development of the property on its own. Approximately 7.6 million or 33% of FCR's 22.9 million square feet of identified incremental density has been at least partially included as part of the fair value of investment properties and the cost of residential inventory on the proportionate balance sheet.

The value of the Trust's density and development land recognized in the Trust's proportionate balance sheet totaling $429 million, or $62 per buildable square foot, as presented below, consists of development land and adjacent land parcels, future pad developments and properties slated for redevelopment with limited income. As of March 31, 2025, the invested cost of the density and development land recognized in the Trust's proportionate balance sheet totaled $428 million representing acquisition cost and pre-development costs to date.

As at March 31, 2025 [1] *(in millions)*		**Unencumbered**	**Encumbered**	**Fair Value**
Development land	Unzoned	$ 58	$ 11	$ 69
	Zoned	167	—	167
	Total	**225**	**11**	**236**
IPP with density	Unzoned	31	28	59
	Zoned	134	—	134
	Total	**165**	**28**	**193**
Value of density and development land		**$ 390**	**$ 39**	**$ 429**

(1) At First Capital's proportionate interest. Refer to the "Non-IFRS Financial Measures" section of this MD&A.

The remaining 15.2 million square feet of identified incremental density may be included in the value of the property in the future, based on certain factors including the expiry or removal of tenant encumbrances and zoning approvals. The majority of the incremental residential density is located above income-producing shopping centres or their parking area.

Development Pipeline by Urban Market

A breakdown of FCR's properties under construction, density and development land, and residential inventory by urban market is as follows:

As at March 31, 2025 *(in thousands of square feet)*	Incremental Density Pipeline	
	Total	% of Total
Greater Toronto Area	14,262	62.5%
Greater Montreal Area	4,508	19.7%
Greater Vancouver Area	2,135	9.3%
Greater Ottawa Area	1,288	5.6%
Greater Edmonton Area	569	2.5%
Greater Calgary Area	88	0.4%
Total development pipeline	**22,850**	**100.0%**

Entitlements Program

First Capital has a program in place to seek entitlements for the incremental density within its portfolio. Entitlement applications are submitted based on gross floor area ("GFA").

As of March 31, 2025, entitlement submissions to date total approximately 17.1 million square feet representing 75% of FCR's 22.9 million incremental density pipeline. To date, 9.2 million square feet has been zoned and the Trust expects up to 1.3 million square feet of existing entitlement submissions to be zoned throughout 2025.

Entitlement Applications [(1)]	000's of square feet submitted for (at FCR's share):					
	Residential	Commercial	Total	Existing	Incremental	Zoned
1. Pre-2019 Entitlement Applications [(2)]	2,986	707	3,693	175	3,518	3,583
2. 2019 Entitlement Applications	8,349	1,020	9,369	317	9,052	5,901
3. 2020 Entitlement Applications	2,903	197	3,100	143	2,957	1,571
4. 2021 Entitlement Applications	1,428	14	1,442	104	1,338	528
5. 2022 Entitlement Applications	1,655	37	1,692	78	1,614	652
6. 2023 Entitlement Applications	1,642	69	1,711	106	1,605	—
7. 2024 Entitlement Applications	1,556	59	1,615	27	1,588	—
Total Entitlement Applications Submitted	**20,519**	**2,103**	**22,622**	**950**	**21,672**	**12,235**
Dispositions and other [(3)]	(3,992)	(713)	(4,705)	(162)	(4,543)	(3,073)
Total Entitlement Applications Submitted - net	**16,527**	**1,390**	**17,917**	**788**	**17,129**	**9,162**

(1) Certain prior period entitlement application data has been updated to reflect subsequent resubmissions.
(2) As at March 31, 2025, all pre-2019 entitlement applications have been approved with final zoning as indicated above.
(3) Includes properties that have been fully or partially disposed of or reclassified out of density and development land for which entitlements had been previously submitted.

First Capital has approximately 7.2 million square feet of additional incremental density primarily related to the properties listed below, where entitlements have yet to be submitted.

Additional Incremental Density

	Property	Neighbourhood	City, Province	Ownership Interest %
1.	Cliffcrest Plaza	Cliffcrest	Toronto, ON	100%
2.	Pemberton Plaza	Pemberton	North Vancouver, BC	100%
3.	Olde Oakville (future phases)	South Oakville	Oakville, ON	100%
4.	Appleby Square	Appleby	Burlington, ON	100%
5.	1000 Wellington St.	Griffintown	Montreal, QC	100%
6.	Centre Commercial Domaine	Longue-Pointe	Montreal, QC	100%
7.	Galeries Normandie	Hwy. 15/Rue de Salaberry	Montreal, QC	100%
8.	College Square	Nepean	Ottawa, ON	50%
9.	Place Anjou (future phase)	Anjou	Anjou, QC	100%
10.	Cedarbrae Mall (future phases)	Cedarbrae	Toronto, ON	100%
11.	Le Campanile	Nun's Island	Montreal, QC	100%
12.	Place Michelet	Saint - Leonard	Montreal, QC	100%
13.	5500 Dundas West	Etobicoke	Toronto, ON	100%
14.	Plaza Baie d'Urfe	West Island	Montreal, QC	100%
15.	Westmount Shopping Centre (future phases)	Westmount	Edmonton, AB	100%
16.	Scott 72 Shopping Centre	120 St./72 Ave.	Delta, BC	100%
17.	Semiahmoo (future phases)	South Surrey	Surrey, BC	100%
18.	Gloucester City Centre (future phases)	Gloucester	Ottawa, ON	50%

FCR continues to review each of its properties and has identified meaningful incremental density in properties that have not progressed to the point of inclusion in First Capital's incremental density pipeline, that Management expects may be included in the future.

2025 Development and Redevelopment Coming Online and Space Going Offline

Development and redevelopment coming online includes both leased and unleased space transferred from development to income-producing properties at completion of construction. Costs transferred to income-producing properties often involves judgment in cost allocations related to the space transferred in the period relative to the total project. Therefore, the cost per square foot transferred in any one period may not be indicative of the total project cost per square foot.

For the three months ended March 31, 2025, First Capital had tenant closures for redevelopment of 30,000 square feet at an average rental rate of $18.49 per square foot, of which 20,000 square feet was demolished.

Active Development and Redevelopment Activities

Consistent with its strategy of long-term ownership and value creation, First Capital's developments are completed based on the highest standards in architecture, construction, choice of materials, lighting, parking, vehicular access, pedestrian amenities and accessibility, as well as development to Leadership in Energy and Environmental Design ("LEED") standards. Prospectively, First Capital's development program also strives to achieve net zero carbon certification, where feasible.

As construction on large projects occurs in phases, there continues to be ongoing lease negotiations in various stages with retailers for the planned space. Leasing of residential apartments begins as the project is nearing completion.

Highlights of First Capital's active projects as at March 31, 2025 are as follows:

As at March 31, 2025					Estimated GLA/GFA upon completion (thousands of square feet) [2]		
Project	Ownership Interest %	Type	Target Completion Date [1]	Estimated Number of Residential Units [2]	Residential [2]	Commercial [2]	Total [2]
Edenbridge Condos, Toronto, ON	50%	Mixed-Use (condo)	H1 2026	105	123	—	123
		Mixed-Use (retail)	H1 2026	—	—	4	4
Humbertown Shopping Centre (Phases II & III), Toronto, ON [3]	100%	Retail	H2 2026	—	—	50	50
400 King St. W., Toronto, ON	35%	Mixed-Use (condo)	H2 2026	219	151	—	151
		Mixed-Use (retail)	H2 2026	—	—	12	12
1071 King St. W., Toronto, ON	25%	Mixed-Use (retail)	H1 2027	75	49	1	50
Yonge & Roselawn, Toronto, ON	50% [4]	Mixed-Use (rental)	H2 2027	318	211	33	244
138 Yorkville Ave., Toronto, ON	33%	Mixed-Use (condo)	H2 2030	23	98	—	98
		Mixed-Use (retail)	H2 2030	—	—	18	18
Total at FCR's share [2]				**740**	**632**	**118**	**750**

[1] H1 and H2 refer to the first six months of the year and the last six months of the year, respectively.
[2] At First Capital's proportionate interest. Refer to the "Non-IFRS Financial Measures" section of this MD&A.
[3] GLA shown above is net of 41,000 square feet of major tenant space that will remain in occupancy through the re-development period.
[4] As at March 31, 2025, 25% of this project is classified as held for sale.

As at March 31, 2025	Investment at cost [1] (in millions)			Value recognized [1] (in millions)			
Project	Incurred to Date [1]	Estimated to Complete [1]	Total [1]	Properties Under Construction [1]	Income-Producing Properties [1]	Residential Development Inventory [1]	Total [1]
Edenbridge Condos, Toronto, ON (residential)	$ 86	$ 27	$ 113	$ —	$ —	$ 86	$ 86
Edenbridge Condos, Toronto, ON (retail)	3	1	4	3	—	—	3
Humbertown Shopping Centre (Phases II & III), Toronto, ON	37	27	64	37			37
400 King St. W., Toronto, ON (residential)	94	57	151	—	—	106	106
400 King St. W., Toronto, ON (retail)	8	3	11	5	—	—	5
1071 King St. W., Toronto, ON	8	38	46	17	—	—	17
Yonge & Roselawn, Toronto, ON	103	203	306	98	—	—	98
Sub-total at FCR's share [1]	$ 339	$ 356	$ 695	$ 160	$ —	$ 192	$ 352
138 Yorkville Ave., Toronto, ON (residential)	94	TBD	TBD	—	—	94	94
138 Yorkville Ave., Toronto, ON (retail)	15	TBD	TBD	15	—	—	15
Total at FCR's share [1]	**$ 448**	**$ 356**	**$ 804**	**$ 175**	**$ —**	**$ 286**	**$ 461**

[1] At First Capital's proportionate interest. Refer to the "Non-IFRS Financial Measures" section of this MD&A.

Edenbridge Condominiums

Edenbridge on the Kingsway, Etobicoke, is a 9-storey condominium development that includes 209 luxury suites and approximately 7,000 square feet of retail GLA at grade. The project is located on the southeast corner of the REIT's Humbertown Shopping Centre and 89% of the units have been pre-sold. Interior finishing of the suites is well underway with fitout of amenities and common area spaces nearing completion. The project is targeting initial occupancy in August 2025. The Trust's 50% co-development partner in the project is Tridel.

Humbertown Shopping Centre (Phases II & III)

Humbertown Shopping Centre, Toronto, is undergoing a transformative retail renovation that will reposition the centre to better accommodate key retailers in their preferred formats and add previously missing uses to the merchandising mix. FCR secured redevelopment rights in its favour, and as such, was able to enter into new leases at market rents with existing and new retailers in order to facilitate the centre's redevelopment.

Phase 1 involved a full renovation of the centre's south wing. Completed in the second half of 2024, all Phase 1 tenants have taken possession of their new spaces, and many are now open for business.

Phase 2 includes a 10,000 square foot expansion of the former undersized Loblaws store. Construction is well underway, with Loblaws scheduled to reopen in Q2 2026.

Phase 3 began alongside Phase 2 to minimize the duration of disruption at the centre. This phase includes the removal of the interior common area in the north wing of the former mall, as well as the relocation and expansion of Shoppers Drug Mart. The new Shoppers store will benefit from an improved store layout and enhanced frontage near Loblaws and LCBO. Several new units will be created as part of this phase, including much-needed space for restaurant uses. Phase 3 is expected to be completed in the second half of 2026.

400 King

400 King Street West, Toronto, is a 47-storey condominium development that includes 617 suites and approximately 34,000 square feet of street front retail GLA located over two levels. Structural forming of the 37th floor is underway and exterior precast and window installation is underway. As of quarter end, 98% of the units have been pre-sold. The Trust's co-development partners in the project are Plazacorp and Main & Main.

Yonge & Roselawn

Yonge and Roselawn, Toronto, is a two-tower mixed-use development project located just north of the Yonge & Eglinton intersection. The project includes 636 purpose-built rental residential units between the two buildings, reaching 24 and 30 storeys, respectively. A substantial 2-storey retail podium is included at grade, incorporating two existing heritage facades along the Yonge streetfront. In addition to the inclusion of a new public park on the site, the project includes an extensive geothermal heating and cooling system and is targeting Net Zero Carbon and LEED Gold certifications. The project recently reached its 75% slab-on-grade milestone, with work continuing to complete the underground component of the project. The Trust's co-development partner in the project is Woodbourne.

1071 King Street West

1071 King Street West, Toronto, is a 17-storey mixed-use development project located at the gateway to Liberty Village. The project includes 298 purpose-built rental units within an iconic flatiron building, along with streetfront retail, a new neighbourhood park, and a future connection to the West Toronto Railpath. Structural forming of the ground floor is nearing completion. The Trust's co-development partners in the project are Hullmark and Woodbourne.

138 Yorkville

138 Yorkville Avenue, Toronto, is a 31-storey ultra-luxury condominium tower that includes approximately 70 large-size suites and approximately 40,000 square feet of high-end retail at its base. Located on the northeast corner of Avenue Road and Yorkville Avenue, the property is situated prominently at the "gateway" to Toronto's prestigious Yorkville neighbourhood, and it will be integrated into the REIT's Yorkville Village shopping centre. Construction of the underground structure is underway. The Trust's co-development partner in the project is Greybrook Realty Partners.

Leasing and Occupancy

As at March 31, 2025, total portfolio and Same Property occupancy increased 0.7% and 0.8% to 96.9% and 97.0%, respectively, compared to March 31, 2024 occupancy rates primarily due to tenant openings, net of closures. Total portfolio occupancy increased 0.1%, while Same Property occupancy remained stable compared to December 31, 2024 occupancy rates.

For the three months ended March 31, 2025, the monthly average occupancy for the total portfolio was 96.8% compared to 96.1%, and the Same Property portfolio occupancy was 97.0% compared to 96.1% for the same prior year period, respectively.

Occupancy of First Capital's portfolio by property categorization was as follows:

As at	**March 31, 2025**			December 31, 2024		
(square feet in thousands)	**Total Occupied Square Feet**	**% Occupied**	**Weighted Average Rate per Occupied Square Foot**	Total Occupied Square Feet	% Occupied	Weighted Average Rate per Occupied Square Foot
Same Property – stable	**17,581**	**97.0%**	**$ 24.22**	17,562	97.0%	$ 24.06
Same Property with redevelopment	**195**	**99.4%**	**17.53**	191	97.5%	17.85
Total Same Property	**17,776**	**97.0%**	**24.15**	17,753	97.0%	23.99
Major redevelopment	**478**	**94.8%**	**23.12**	483	91.1%	23.36
Investment properties classified as held for sale	**98**	**93.3%**	**17.79**	99	93.4%	17.74
Total portfolio before acquisitions and dispositions	**18,352**	**96.9%**	**24.09**	18,335	96.8%	23.94
Acquisitions [(1)]	**74**	**100.0%**	**39.71**	63	98.4%	39.11
Dispositions [(2)]	**—**	**—%**	**—**	199	99.2%	16.65
Density and Development land	**83**	**88.2%**	**41.56**	89	89.5%	41.76
Total [(3)]	**18,509**	**96.9%**	**$ 24.23**	18,686	96.8%	$ 24.00

(1) Includes current year and prior year acquisitions.
(2) Comparative information presented relates to 2025 dispositions that have been completed and no longer form part of these metrics as at March 31, 2025.
(3) At FCR's ownership interest.

During the three months ended March 31, 2025, First Capital completed 511,000 square feet of lease renewals across the portfolio. First Capital achieved a 13.6% lease renewal rate increase when comparing the per square foot net rental rate in the first year of the renewal term to the per square foot net rental rate of the last year of the expiring term. For the three months ended March 31, 2025, First Capital achieved a 18.7% lease renewal rate increase when comparing the average net rental rate over the renewal term to the net rental rate in the last year of the expiring term.

The average rental rate per occupied square foot for the total portfolio increased 1.0% from $24.00 as at December 31, 2024 to $24.23 as at March 31, 2025 primarily due to rent escalations, renewal lifts and dispositions.

Changes in First Capital's gross leasable area and occupancy for the total portfolio for the three months ended March 31, 2025 are set out below:

Three months ended March 31, 2025	Total Same Property			Major redevelopment, ground-up, acquisitions, dispositions, density & development land			Vacancy				Total Portfolio [1]		
	Occupied Square Feet (thousands)	%	Weighted Average Rate per Occupied Square Foot	Occupied Square Feet (thousands)	%	Weighted Average Rate per Occupied Square Foot	Under Redevelop-ment Square Feet (thousands)	%	Vacant Square Feet (thousands)	%	Total Square Feet (thousands)	Occupied Square Feet %	Weighted Average Rate per Occupied Square Foot
December 31, 2024 [2]	**17,753**	**97.0%**	**$ 23.99**	**933**	**93.3%**	**$ 24.16**	**10**	**0.1%**	**612**	**3.2%**	**19,308**	**96.8%**	**$ 24.00**
Tenant possession	91		25.41	27		12.34	—		(118)		—		22.40
Tenant closures	(71)		(16.28)	(8)		(28.70)	—		79		—		(17.47)
Tenant closures for redevelopment	—		—	(30)		(18.49)	30		—		—		(18.49)
Developments – tenants coming online [3]	—		—	—		—	—		—		—		—
Redevelopments – tenant possession	—		—	—		—	—		—		—		—
Demolitions	—		—	—		—	(26)		—		(26)		—
Reclassification	3		—	(1)		—	(10)		13		5		—
Total portfolio before Q1 2025 acquisitions and dispositions	17,776	97.0%	$ 24.15	921	95.3%	$ 24.05	4	—%	586	3.0%	19,287	96.9%	$ 24.14
Acquisitions (at date of acquisition)	—	—%	—	11	100.0%	39.88	—	—%	—		11	100.0%	39.88
Dispositions (at date of disposition)	—	—%	—	(199)	99.2%	(16.98)	—	—%	(1)		(200)	99.2%	(16.98)
March 31, 2025	**17,776**	**97.0%**	**$ 24.15**	**733**	**94.3%**	**$ 26.18**	**4**	**—%**	**585**	**3.1%**	**19,098**	**96.9%**	**$ 24.23**
Renewals	503		$ 25.12	8		$ 11.17					511		$ 24.91
Renewals – expired	(503)		$ (22.11)	(8)		$ (10.47)					(511)		$ (21.93)
Net change per square foot from renewals			$ 3.01			$ 0.70							$ 2.98
% Increase on renewal of expiring rents (first year of renewal term)			13.6%			6.7%							13.6%
% increase on renewal of expiring rents (average rate in renewal term)													18.7%

(1) At FCR's ownership interest.
(2) Opening balances have been adjusted to reflect the current period presentation.
(3) For further discussion of development and redevelopment coming online and under development vacancy, refer to the "Property Developments Activities – 2025 Development and Redevelopment Coming Online and Space Going Offline" section of this MD&A.

Top Forty Tenants

As at March 31, 2025, 55.1% of First Capital's annualized minimum rent came from its top 40 tenants (December 31, 2024 – 55.8%). Of these rents, 71.1% (December 31, 2024 – 71.1%) came from tenants that have investment grade credit ratings and who represent many of Canada's leading grocery stores, pharmacies, national and discount retailers, financial institutions and other familiar retailers. The weighted average remaining lease term for First Capital's top 10 tenants was 5.7 years as at March 31, 2025, excluding contractual renewal options.

Rank	Tenant [1] [2]	Number of Stores	Square Feet (thousands)	Percent of Total Gross Leasable Area	Percent of Total Annualized Minimum Rent	DBRS Credit Rating	S&P Credit Rating	Moody's Credit Rating
1.	Loblaw Companies Limited ("Loblaw")	95	1,932	10.4%	10.6%	BBB (high)	BBB+	
2.	Sobeys	49	1,383	7.5%	5.4%	BBB	BBB-	
3.	Canadian Tire	19	693	3.7%	3.1%	BBB	BBB	
4.	Metro	33	843	4.6%	3.0%	BBB (high)	BBB	
5.	TD Canada Trust	43	196	1.1%	2.0%	AA (high)	A+	Aa2
6.	Dollarama	52	467	2.5%	1.9%	BBB	BBB	Baa2
7.	Walmart	9	904	4.9%	1.9%		AA	Aa2
8.	Save-On-Foods	8	316	1.7%	1.9%			
9.	GoodLife Fitness	25	466	2.5%	1.7%			B2
10.	RBC Royal Bank	36	192	1.0%	1.7%	AA (high)	AA-	Aa1
Top 10 Tenants Total		**369**	**7,392**	**39.9%**	**33.2%**			
11.	Scotiabank	29	134	0.7%	1.6%	AA	A+	Aa2
12.	CIBC	33	168	0.9%	1.4%	AA	A+	Aa2
13.	RONA	4	361	2.0%	1.4%			
14.	Winners	13	306	1.7%	1.3%		A	A2
15.	LCBO	21	190	1.0%	1.3%	AA	AA-	Aa3
16.	Rexall	17	138	0.7%	1.1%			
17.	Restaurant Brands International	52	116	0.6%	1.1%		BB	Ba3
18.	Longo's	5	196	1.1%	1.1%			
19.	BMO	25	105	0.6%	1.1%	AA	A+	Aa2
20.	London Drugs	7	172	0.9%	0.9%			
21.	Recipe Unlimited	27	104	0.6%	0.8%			
22.	Petsmart	7	118	0.6%	0.7%		B+	B2
23.	Altea Active	1	32	0.2%	0.7%			
24.	Staples	7	140	0.8%	0.6%		B-	B3
25.	Toys "R" Us	4	141	0.8%	0.6%			
26.	Whole Foods Market	2	90	0.5%	0.6%		AA-	A1
27.	Starbucks	32	45	0.2%	0.6%		BBB+	Baa1
28.	McDonald's	19	70	0.4%	0.5%		BBB+	Baa1
29.	Pusateri's	1	35	0.2%	0.5%			
30.	Subway	54	53	0.3%	0.5%			
31.	The Beer Store	10	59	0.3%	0.5%	AA	AA-	Aa3
32.	Pet Valu	20	59	0.3%	0.4%			
33.	Williams-Sonoma	2	38	0.2%	0.4%			
34.	The Home Depot	2	153	0.8%	0.4%	A	A	A2
35.	Anytime Fitness	13	66	0.4%	0.3%			
36.	Alcanna Inc.	13	40	0.2%	0.3%			
37.	Bulk Barn	13	55	0.3%	0.3%			
38.	CLSC [3]	1	73	0.4%	0.3%	AA (low)	A+	Aa2
39.	Yum! Brands	21	33	0.2%	0.3%		BB+	Ba2
40.	Michaels	3	54	0.3%	0.3%		B-	B3
Top 40 Tenants Total		**827**	**10,736**	**58.1%**	**55.1%**			

(1) The names noted above may be the names of the parent entities and are not necessarily the covenants under the leases.
(2) Tenants noted include all banners of the respective retailer.
(3) Centre local de services communautaires.

Lease Maturity Profile

First Capital's lease maturity profile for its portfolio as at March 31, 2025, excluding any contractual renewal options, is as follows:

Maturity Date	Number of Locations	Occupied Square Feet (thousands)	Percent of Total Square Feet	Annualized Minimum Rent at Expiration (thousands)	Percent of Total Annualized Minimum Rent	Average Annual Minimum Rent per Square Foot at Expiration
Month-to-month tenants [1]	115	174	0.9%	$ 4,085	0.8%	$ 23.50
2025	277	1,024	5.4%	23,042	4.7%	22.49
2026	509	1,757	9.2%	45,519	9.2%	25.91
2027	600	2,732	14.3%	67,890	13.7%	24.85
2028	575	3,089	16.2%	74,109	15.0%	23.99
2029	578	2,626	13.7%	64,690	13.1%	24.64
2030	423	1,704	8.9%	49,677	10.0%	29.16
2031	162	950	5.0%	26,448	5.3%	27.84
2032	148	890	4.7%	22,612	4.6%	25.41
2033	141	738	3.9%	21,323	4.3%	28.89
2034	165	825	4.3%	29,221	5.9%	35.42
2035	117	842	4.4%	30,260	6.1%	35.94
Thereafter	62	1,158	6.0%	36,349	7.3%	31.35
Total or Weighted Average	3,872	18,509	96.9%	$ 495,225	100.0%	$ 26.76

[1] Includes tenants on over hold including renewals and extensions under negotiation, month-to-month tenants and tenants in space at properties with future redevelopment.

The weighted average remaining lease term for the portfolio was 5.1 years as at March 31, 2025, excluding contractual renewal options, but including month-to-month and other short-term leases.

Investment in Joint Ventures

As at March 31, 2025, First Capital had interests in seven joint ventures that it accounts for using the equity method. First Capital's joint ventures are as follows:

Name of Entity	Name of Property/Business Activity	Location	Effective Ownership March 31, 2025	Effective Ownership December 31, 2024
Aukland and Main Developments LP	Station Place	Toronto, ON	**35.4%**	35.4%
College Square General Partnership	College Square	Ottawa, ON	**50.0%**	50.0%
Edenbridge Kingsway (Humbertown)	Humbertown Condos (Phase 1)	Toronto, ON	**50.0%**	50.0%
Fashion Media Group GP Ltd.	Toronto Fashion Week events	Toronto, ON	**78.0%**	78.0%
FC Urban Properties, LP	199 Avenue Rd.	Toronto, ON	**20.0%**	20.0%
Lakeshore Development LP	2150 Lake Shore Blvd. W.	Toronto, ON	**50.0%**	50.0%
Stackt Properties LP	Shipping Container marketplace	Toronto, ON	**94.0%**	94.0%

First Capital has determined that these investments are joint ventures as all decisions regarding their activities are made unanimously between First Capital and its partners.

The following table reconciles the changes in First Capital's interests in its equity accounted joint ventures for the three months ended March 31, 2025 and year ended December 31, 2024:

	March 31, 2025	December 31, 2024
Balance at beginning of year	$ 320,042	$ 404,504
Contributions to equity accounted joint ventures	576	20,037
Distributions from equity accounted joint ventures	(1,547)	(5,533)
Distribution of net assets from equity accounted joint venture	—	(60,028)
Share of profit (loss) from equity accounted joint ventures	(1,180)	(38,938)
Balance at end of period	$ 317,891	$ 320,042

On February 28, 2024, Green Capital Limited Partnership was dissolved and the net assets distributed to its limited partners. The Trust held a 50% interest in the partnership and received net assets of $60.0 million. Concurrently with the dissolution, the Trust sold its 50% interest in the Royal Orchard property for net proceeds of $59.7 million.

Loans, Mortgages and Other Assets

As at	March 31, 2025	December 31, 2024
Non-current		
Loans and mortgages receivable classified as amortized cost (a)	$ 23,460	$ 14,178
Other investments	12,506	12,506
Due from co-owners (b)	68,537	62,044
Total non-current	104,503	88,728
Current		
Loans and mortgages receivable classified as amortized cost (a)	73,052	81,657
FVTPL investments in securities (c)	3,346	3,246
Total current	76,398	84,903
Total	$ 180,901	$ 173,631

(a) Loans and mortgages receivable are secured by interests in investment properties or shares of entities owning investment properties. As at March 31, 2025, these receivables bear interest at weighted average effective interest rates of 8.6% (December 31, 2024 – 8.9%) and mature between 2025 and 2028.

(b) The Trust has contributed equity to one of its co-ownerships whereas its partners made draws on the co-ownership's new credit facility to fund the co-ownership's development project. The due from co-owners in the principal amount of $61.4 million (December 31, 2024 - $55.8 million) equals the Trust's proportionate share of the co-ownership's credit facility draws. As there is no right of offset for these two financial instruments they are presented on a gross basis on the consolidated balance sheets.

(c) From time to time, First Capital invests in publicly traded real estate and related securities. These securities are recorded at market value. Realized and unrealized gains and losses on FVTPL securities are recorded in other gains (losses) and (expenses).

RESULTS OF OPERATIONS

Net Operating Income

First Capital's net operating income for its portfolio is presented below:

	Three months ended March 31		
	% change	**2025**	2024
Property rental revenue			
Base rent [1]		**$111,376**	$109,500
Operating cost recoveries		**32,870**	30,258
Realty tax recoveries		**31,461**	30,981
Lease termination fees		**121**	5,584
Percentage rent		**604**	667
Straight-line rent adjustment		**2,350**	1,010
Prior year operating cost and tax recovery adjustments		**691**	60
Temporary tenants, storage, parking and other		**4,894**	4,829
Total Property rental revenue	**0.8%**	**184,367**	182,889
Property operating costs			
Recoverable operating expenses		**36,116**	33,806
Recoverable realty tax expense		**35,706**	35,221
Prior year realty tax expense (recovery)		**24**	(162)
Other operating costs and adjustments [2]		**162**	1,811
Total Property operating costs		**72,008**	70,676
NOI [3]	**0.1%**	**$112,359**	$112,213
NOI margin		**60.9%**	61.4%

[1] Includes residential revenue.
[2] Includes residential operating costs and bad debt expense (recovery). For the three months ended March 31, 2025, bad debt expense (recovery) totaled ($0.1) million (three months ended March 31, 2024 - $Nil).
[3] Refer to the "Non-IFRS Financial Measures" section of this MD&A.

For the three months ended March 31, 2025, total NOI increased $0.1 million compared to the same prior year period. The increase was primarily due to higher base rent and straight-line rent, and lower non-recoverable operating costs, largely offset by lower lease termination fees. Excluding bad debt expense (recovery) and lease termination fees, total NOI increased $5.5 million compared to the same prior year period.

For the three months ended March 31, 2025, property operating costs include $6.9 million (three months ended March 31, 2024 – $6.4 million) related to employee compensation.

Same Property NOI Growth

First Capital's net operating income for its portfolio by property category is presented below:

	Three months ended March 31		
	% change	**2025**	2024
Property rental revenue			
Base rent [1]		**$107,437**	$104,813
Operating cost recoveries		**31,571**	28,825
Realty tax recoveries		**30,240**	29,732
Lease termination fees		**121**	5,584
Percentage rent		**540**	636
Prior year operating cost and tax recovery adjustments		**695**	28
Temporary tenants, storage, parking and other		**4,758**	4,322
Total Same Property rental revenue		**175,362**	173,940
Property operating costs			
Recoverable operating expenses		**34,389**	32,037
Recoverable realty tax expense		**33,653**	33,516
Prior year realty tax expense		**24**	(146)
Other operating costs and adjustments [2]		**882**	2,056
Total Same Property operating costs		**68,948**	67,463
Total Same Property NOI [3]	**(0.1%)**	**$106,414**	$106,477
Major redevelopment		**2,744**	2,676
Acquisitions – 2025		**75**	—
Acquisitions – 2024		**622**	407
Assets classified as held for sale		**338**	426
Dispositions – 2025		**844**	861
Dispositions – 2024		**(11)**	1,116
Straight-line rent adjustment		**2,400**	1,026
Development land		**465**	965
NOI at First Capital's proportionate interest [3]	**(0.1%)**	**$113,891**	$113,954
NOI related to equity accounted joint ventures & NCI		**(1,532)**	(1,741)
NOI per consolidated statements of income (loss)		**$112,359**	$112,213
NOI margin		**60.9%**	61.4%

(1) Includes residential revenue.
(2) Includes residential operating costs and bad debt expense.
(3) Refer to the "Non-IFRS Financial Measures" section of this MD&A.

The components of Same Property ("SP") NOI growth and comparisons to the same prior year period are as follows:

	Three months ended March 31	
	2025	2024 [1]
Same Property – Stable	**(0.3%)**	7.9%
Same Property with redevelopment	**38.2%**	4.8%
Total Same Property NOI Growth [2]	**(0.1%)**	7.8%

(1) Prior periods as reported; not restated to reflect current period property categories.
(2) Refer to the "Non-IFRS Financial Measures" section of this MD&A.

For the three months ended March 31, 2025, SP NOI excluding bad debt expense (recovery) and lease termination fees increased 5.3% mainly due to higher base rent. Total Same Property NOI decreased by $0.1 million, or 0.1%, over the same 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.

Interest and Other Income

Three months ended March 31		**2025**		2024
Interest, dividend and distribution income from cash, marketable securities and other investments	**$**	**1,239**	$	912
Interest income from loans and mortgages receivable at amortized cost		**2,126**		2,769
Fees and other income [1]		**2,200**		10,733
Total	**$**	**5,565**	$	14,414

[1] For the three months ended March 31, 2024, fees and other income includes a $9.5 million fee related to the assignment of a purchase and sale agreement for a parcel of land.

For the three months ended March 31, 2025, interest and other income decreased $8.8 million, over the same prior year period primarily due to a $9.5 million assignment fee, recognized in the first quarter of 2024, related to a small development parcel located in Montreal.

Interest Expense

First Capital’s interest expense by type is as follows:

Three months ended March 31		**2025**		2024
Mortgages	**$**	**12,498**	$	13,321
Credit facilities		**8,505**		12,595
Senior unsecured debentures		**23,118**		17,749
Interest capitalized		**(5,136)**		(4,591)
Interest expense	**$**	**38,985**	$	39,074

For the three months ended March 31, 2025, interest expense remained consistent with the same prior year period.

During the three months ended March 31, 2025 and 2024, approximately 11.6% or $5.1 million, and 10.5% or $4.6 million, respectively, of interest expense was capitalized to real estate investments under active development or redevelopment as well as for land or properties held for development.

Corporate Expenses

First Capital's corporate expenses are as follows:

Three months ended March 31		**2025**		2024
Salaries, wages and benefits	**$**	**8,622**	$	8,626
Unit-based compensation		**2,684**		2,362
Other corporate costs		**4,007**		3,990
Total corporate expenses		**15,313**		14,978
Amounts capitalized to investment properties under development		**(1,899)**		(2,153)
Corporate expenses	**$**	**13,414**	$	12,825

For the three months ended March 31, 2025, gross corporate expenses, before capitalization, increased by $0.3 million, over the same prior year period primarily due to higher unit-based compensation expense incurred in the first quarter of 2025 relative to the first quarter of 2024.

First Capital manages substantially all acquisitions, development and redevelopment and leasing activities internally. Certain internal costs directly related to development, including salaries and related costs for planning, zoning, construction and so forth, are capitalized in accordance with IFRS to development projects as incurred. During the three months ended March 31, 2025 and 2024, approximately $1.9 million and $2.2 million, respectively, of compensation-related and other corporate expenses were capitalized to real estate investments for properties undergoing development or redevelopment projects. Amounts capitalized are based on development and pre-development projects underway. Changes in capitalized corporate expenses are primarily the result of timing of completion of development and redevelopment projects and First Capital's current level of pre-development and early redevelopment activity.

Other Gains (Losses) and (Expenses)

First Capital's other gains, losses and expenses are as follows:

Three months ended March 31	**2025**		2024	
	Consolidated Statements of Income (Loss)	**Included in FFO**	Consolidated Statements of Income (Loss)	Included in FFO
Unrealized gain (loss) on marketable securities	**$ 100**	**$ 100**	$ 35	$ 35
Pre-selling costs of residential inventory	**(202)**	**(202)**	(3)	(3)
Investment properties selling costs	**(1,511)**	**—**	(2,287)	—
Gain (loss) on foreign currency translation	**102**	**102**	(7,022)	(7,022)
Gain (loss) on mark-to-market of derivatives [1]	**(1,088)**	**(1,088)**	10,603	10,603
Total per consolidated statements of income (loss)	**$ (2,599)**	**$ (1,088)**	$ 1,326	$ 3,613
Investment property selling costs applicable to NCI	**15**	**—**	—	—
Other gains (losses) and (expenses) under equity accounted joint ventures [2]	**(71)**	**(71)**	(39)	(39)
Total at First Capital's proportionate interest [3]	**$ (2,655)**	**$ (1,159)**	$ 1,287	$ 3,574

[1] The Trust enters into cross-currency swap derivatives to manage interest rate risk and foreign currency risk on its US denominated variable rate debt instruments.
[2] Other gains (losses) and (expenses) under equity accounted joint ventures, included in FFO, is comprised of pre-selling costs of residential inventory of $71.0 thousand (March 31, 2024 - $39.0 thousand).
[3] Refer to the "Non-IFRS Financial Measures" section of this MD&A.

For the three months ended March 31, 2025, First Capital recognized $2.6 million in other losses in its consolidated statement of income (loss) compared to $1.3 million in other gains for the same prior year period. The $3.9 million net increase in other losses over prior year is primarily due to mark to market (non-cash) fluctuations on outstanding derivative financial instruments employed by the Trust to reduce its borrowing costs and fix the rate of interest on certain variable-rate term loans. Also contributing to the variance is the movement in the US to CDN dollar exchange rate driving gains or losses on the translation of the Trust's US denominated debt.

Income Taxes

For the three months ended March 31, 2025 and 2024, deferred income tax expense (recovery) totaled ($17.3) million compared to $1.2 million over the same prior year period. The $18.5 million swing in deferred income tax expense (recovery) over the same prior year period was primarily due to the Trust's decision to defer the crystallization of certain accrued capital gains in response to the government's cancellation of the proposed increase to the capital gains inclusion rate for dispositions after June 24, 2024.

Net Income (Loss) Attributable to Unitholders

For the three months ended March 31, 2025, net income (loss) attributable to Unitholders was $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 $9.6 million 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.

CAPITAL STRUCTURE AND LIQUIDITY

Total Capital Employed

The real estate business is capital intensive by nature. First Capital’s capital structure is key to financing growth and providing sustainable cash distributions to Unitholders. In the real estate industry, financial leverage is used to enhance rates of return on invested capital. Management believes that the combination of debt and equity in FCR's capital structure provides stability and reduces risk, while generating an acceptable return on investment, taking into account the long-term business strategy of First Capital.

As at		**March 31, 2025**		December 31, 2024
Liabilities (principal amounts outstanding)				
Mortgages [1]	**$**	**1,327,631**	$	1,336,596
Credit facilities [1]		**751,519**		741,449
Senior unsecured debentures		**2,100,000**		2,100,000
Total Debt [1]	**$**	**4,179,150**	$	4,178,045
Cash and cash equivalents [1]		**(152,418)**		(158,941)
Net Debt [1] [2]	**$**	**4,026,732**	$	4,019,104
Equity market capitalization [3]		**3,502,820**		3,600,991
Enterprise value [1]	**$**	**7,529,552**	$	7,620,095
Trust Units outstanding (000's)		**212,421**		212,323
Closing market price	**$**	**16.49**	$	16.96

(1) At First Capital's proportionate interest. Refer to the "Non-IFRS Financial Measures" section of this MD&A.

(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 March 31, 2025 and December 31, 2024. 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 EBITDA

Adjusted EBITDA is a non-IFRS measure that 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. First Capital also adjusts for incremental leasing costs, which is a recognized adjustment to FFO, in accordance with the recommendations of REALPAC.

The following table reconciles First Capital's net income (loss) to Adjusted EBITDA for the three months ended March 31, 2025 and 2024:

Three months ended March 31		**2025**		2024
Net income (loss) attributable to Unitholders	**$**	**84,422**	$	74,797
Add (deduct) [1]:				
Deferred income tax expense (recovery)		**(17,262)**		1,202
Interest Expense		**39,918**		40,077
Amortization expense		**652**		754
(Increase) decrease in value of investment properties		**(2,543)**		(2,065)
Increase (decrease) in value of unit-based compensation		**(1,452)**		2,297
Incremental leasing costs		**1,924**		1,992
Abandoned transaction (costs) recovery		**8**		31
Other non-cash and/or non-recurring items		**2,655**		(1,287)
Adjusted EBITDA [1]	**$**	**108,322**	$	117,798

(1) At First Capital's proportionate interest. Refer to the "Non-IFRS Financial Measures" section of this MD&A.

Key Metrics

The ratios below include measures not specifically defined in IFRS.

As at	**March 31, 2025**	December 31, 2024
Weighted average effective interest rate on mortgages, fixed rate unsecured term loans and senior unsecured debentures	**4.3%**	4.3%
Weighted average maturity on mortgages, fixed rate unsecured term loans and senior unsecured debentures (years)	**3.5**	3.7
Net debt to total assets [(1)]	**44.6%**	44.5%
Net debt to Adjusted EBITDA [(1)]	**8.9**	8.7
Unencumbered aggregate assets [(1)]	**$ 6,259,825**	$ 6,249,755
Unencumbered aggregate assets to unsecured debt, based on fair value [(1)]	**2.3**	2.3
Adjusted EBITDA interest coverage [(1)]	**2.4**	2.4

(1) Calculated with joint ventures proportionately consolidated in accordance with FCR's debt covenants. Total assets excludes cash balances. Refer to the "Non-IFRS Financial Measures" section of this MD&A.

The Net debt to Adjusted EBITDA ratio increased by 0.2x to 8.9x, as of March 31, 2025, primarily due to an increase in net debt of $7.6 million.

Measures used in these ratios are defined below:

- Debt consists of principal amounts outstanding on credit facilities and mortgages, and the par value of senior unsecured debentures;
- Net debt is calculated as Debt, as defined above, reduced by cash balances at the end of the period;
- 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 value of investment properties and unit-based compensation; other gains (losses) and (expenses); and other non-cash or non-recurring items on a proportionate basis. The Trust also adjusts for incremental leasing costs, which is a recognized adjustment to Funds from Operations, in accordance with the recommendations of the REALPAC;
- Unencumbered assets include the value of assets that have not been pledged as security under any credit agreement or mortgage. The unencumbered asset value ratio is calculated as unencumbered assets divided by the principal amount of the unsecured debt, which consists of the bank indebtedness, unsecured bank term loans, unsecured credit facilities and senior unsecured debentures.

Credit Ratings

On June 10, 2024, DBRS confirmed FCR's Issuer Rating and Senior Unsecured Debentures rating at BBB and changed the trend to positive from stable.

According to DBRS, a credit rating in the BBB category is generally an indication of adequate credit quality and an acceptable capacity for the payment of financial obligations. DBRS indicates that BBB rated obligations may be vulnerable to future events. A rating trend, expressed as positive, stable or negative, provides guidance in respect of DBRS’ opinion regarding the outlook for the rating in question.

Outstanding Debt and Principal Maturity Profile

The maturity profile including scheduled amortization of First Capital's mortgages and credit facilities as well as its senior unsecured debentures as at March 31, 2025 is summarized in the table below:

As at March 31, 2025	Mortgages (1)	Credit Facilities (2)	Senior Unsecured Debentures	Total	% Due
2025 (remainder of the year)	$ 91,612	$ 128,946	$ 300,000	$ 520,558	12.8%
2026	124,472	339,847	300,000	764,319	18.8%
2027	100,824	61,445	500,000	662,269	16.2%
2028	172,359	—	200,000	372,359	9.1%
2029	256,924	200,000	—	456,924	11.3%
2030	185,117	—	200,000	385,117	9.5%
2031	61,536	—	300,000	361,536	8.9%
2032	6,533	—	300,000	306,533	7.5%
2033	191,912	—	—	191,912	4.7%
2034	47,147	—	—	47,147	1.2%
	$ 1,238,436	$ 730,238	$ 2,100,000	$ 4,068,674	100.0%
Add (deduct): unamortized deferred financing costs, premiums and discounts, net	(3,026)	—	(4,813)	(7,839)	
Total	**$ 1,235,410**	**$ 730,238**	**$ 2,095,187**	**$ 4,060,835**	

(1) Principal amount outstanding for mortgages on a proportionate basis is $1,327,631.
(2) Principal amount outstanding for credit facilities on a proportionate basis is $751,519.

First Capital's strategy is to manage its long-term debt by staggering maturity dates in order to mitigate risk associated with short-term volatility in the debt markets. First Capital also intends to maintain financial flexibility to support a reasonable cost of debt and equity capital over the long term.

Mortgages

The changes in First Capital's mortgages during the three months ended March 31, 2025 are set out below:

Three months ended March 31, 2025	Amount	Weighted Average Effective Interest Rate
Balance at beginning of year	$ 1,243,786	3.9%
Scheduled amortization on mortgages	(8,542)	—%
Amortization of financing costs and net premium	166	—%
Balance at end of period	**$ 1,235,410**	**3.9%**

The maturity profile, including scheduled amortization, of First Capital's mortgages as at March 31, 2025 is summarized in the table below:

As at March 31, 2025	Scheduled Amortization	Payments on Maturity	Total	Weighted Average Effective Interest Rate
2025 (remainder of the year)	$ 24,642	$ 66,970	$ 91,612	3.8%
2026	30,112	94,360	124,472	3.2%
2027	29,098	71,726	100,824	3.6%
2028	26,636	145,723	172,359	3.8%
2029	20,044	236,880	256,924	3.5%
2030	13,067	172,050	185,117	3.3%
2031	6,580	54,956	61,536	3.5%
2032	6,533	—	6,533	N/A
2033	1,689	190,223	191,912	5.1%
2034	532	46,615	47,147	5.5%
	$ 158,933	**$ 1,079,503**	**$ 1,238,436**	**3.9%**
Add: unamortized deferred financing costs and premiums and discounts, net			(3,026)	
Total			**$ 1,235,410**	

As at March 31, 2025, 100% (December 31, 2024 – 100%) of the outstanding mortgages bore interest at fixed interest rates. The average remaining term on mortgages outstanding was 4.6 years as at March 31, 2025 on $1.2 billion of mortgages (4.8 years as at December 31, 2024 on $1.2 billion of mortgages) after reflecting borrowing activity and repayments during the period.

Credit Facilities

First Capital's credit facilities as at March 31, 2025 are summarized in the table below:

As at March 31, 2025	Borrowing Capacity	Amounts Drawn	Outstanding Letters of Credit	Available to be Drawn	Interest Rates	Maturity Date
Unsecured Operating Facilities						
Revolving unsecured operating facility	$ 100,000	$ —	$ —	$ 100,000	CORRA + 1.55% or Prime + 0.25% or SOFR + 1.35%	September 13, 2026
Revolving unsecured operating facility	150,000	—	—	150,000	CORRA + 1.55% or Prime + 0.25% or SOFR + 1.35%	August 31, 2027
Revolving unsecured operating facility	450,000	—	(23,727)	426,273	CORRA + 1.75% or Prime + 0.45% or SOFR + 1.55%	June 30, 2029
Fixed rate unsecured term loans [(1)(2)]	250,000	(250,000)	—	—	3.39%	April 14, 2025 -April 14, 2026
Fixed rate unsecured term loan [(1)(3)(5)]	150,000	(158,092)	—	—	5.985%	October 20, 2026
Fixed rate unsecured term loan [(1)]	200,000	(200,000)	—	—	5.80%	January 31, 2029
Secured Construction Facilities						
Secured construction facility	62,665	(53,946)	(537)	8,182	CORRA + 2.80% or Prime + 1.00%	October 1, 2025
Secured construction facility [(4)]	130,530	(61,445)	(702)	68,383	CORRA + 2.60%	February 1, 2027
Secured Facilities						
Secured facility	6,755	(6,755)	—	—	CORRA + 1.75% or Prime + 0.45%	December 19, 2026
Sub-Total	**$ 1,499,950**	**$ (730,238)**	**$ (24,966)**	**$ 752,838**		
Proportionate Adjustments - Secured Construction Facilities						
Secured construction facility [(6)]	71,450	(39,173)	—	32,277	CORRA + 2.95% or Prime + 1.00%	November 28, 2025
Secured construction facility applicable to NCI	(38,010)	17,892	205	(19,913)		
Total	**$ 1,533,390**	**$ (751,519)**	**$ (24,761)**	**$ 765,202**		

(1) These unsecured term loans are variable rate debt instruments. The Trust has entered into swaps which fix the rate of interest over their respective terms to maturity.
(2) As at March 31, 2025, $75.0 million of the unsecured term loans is due April 14, 2025. The remaining $175.0 million is due April 14, 2026.
(3) The Trust has drawn in U.S. dollars the equivalent of CAD$150.0 million which was revalued at CAD$158.1 million as at March 31, 2025.
(4) The borrowing capacity is reduced by the Trust's equity injections into the project where it has chosen not to draw on the facility and other adjustments in accordance with the facility agreement.
(5) The Trust has the option to extend the unsecured term loan for an additional two years, to October 20, 2028.
(6) This secured construction facility relates to one of the Trust's joint ventures that is equity accounted.

First Capital has the ability under its unsecured credit facilities to draw funds based on Canadian bank prime rates or Canadian Overnight Repo Rate Average ("CORRA rates") for Canadian dollar-denominated borrowings, and secured overnight financing rates ("SOFR rates") or U.S. prime rates for U.S. dollar-denominated borrowings. Concurrently with the U.S. dollar draws, the Trust enters into cross-currency swaps to exchange its U.S. dollar borrowings into Canadian dollar borrowings.

Senior Unsecured Debentures

As at March 31, 2025			Interest Rate		Remaining Term to Maturity	Principal Outstanding
Series	Maturity Date	Interest Payment Dates	Coupon	Effective	(years)	
S	July 31, 2025	January 31, July 31	4.32%	4.24%	0.3	300,000
T	May 6, 2026	May 6, November 6	3.60%	3.57%	1.1	300,000
V	January 22, 2027	January 22, July 22	3.46%	3.54%	1.8	200,000
U	July 12, 2027	January 12, July 12	3.75%	3.82%	2.3	300,000
A	March 1, 2028	March 1, September 1	3.45%	3.54%	2.9	200,000
D	June 3, 2030	June 3, December 3	4.51%	4.62%	5.2	200,000
B	March 1, 2031	March 1, September 1	5.57%	5.67%	5.9	300,000
C	June 12, 2032	June 12, December 12	5.46%	5.54%	7.2	300,000
Weighted Average or Total			**4.33%**	**4.37%**	**3.3**	**$ 2,100,000**

Interest on the senior unsecured debentures is payable semi-annually and principal is payable on maturity.

On March 1, 2024, the Trust completed the issuance of $300 million principal amount of Series B senior unsecured debentures due March 1, 2031. These debentures bear interest at a coupon rate of 5.57% per annum, payable semi-annually commencing September 1, 2024.

On June 12, 2024, the Trust completed the issuance of $300 million principal amount of Series C senior unsecured debentures due June 12, 2032. These debentures bear interest at a coupon rate of 5.46% per annum, payable semi-annually commencing December 12, 2024.

On August 30, 2024, upon maturity, the Trust repaid its remaining 4.79% Series R senior unsecured debentures in the amount of $281.0 million.

On November 1, 2024, the Trust completed the issuance of $200 million principal amount of Series D senior unsecured debentures due June 3, 2030. These debentures bear interest at a coupon rate of 4.51% per annum, payable semi-annually commencing June 3, 2025.

Unitholders' Equity

Unitholders’ equity amounted to $4.0 billion as at March 31, 2025, compared to Unitholders' equity of $3.9 billion as at December 31, 2024.

As at May 6, 2025, there were 212.4 million Trust Units outstanding.

Normal Course Issuer Bid (“NCIB”)

On May 16, 2024, First Capital received TSX approval for the renewal of its Normal Course Issuer Bid ("NCIB") pursuant to which it may repurchase and cancel up to 21,113,939 of its outstanding units until May 20, 2025.

For the three months ended March 31, 2025 and 2024, the Trust acquired no units under the NCIB. On a cumulative basis, as of March 31, 2025, the Trust has acquired and cancelled 7.9 million Units at a weighted average purchase price of $15.15 per unit, for a total cost of $120.1 million.

Unit Options

As at March 31, 2025, First Capital had 5.2 million unit options outstanding, with an average exercise price of $19.89, which, if exercised, would result in First Capital receiving proceeds of $104.1 million.

Liquidity

Liquidity risk exists due to the possibility of First Capital not being able to generate sufficient cash flow, and/or not having access to sufficient debt and equity capital to fund its ongoing operations and growth and to refinance or meet existing payment obligations. First Capital manages its liquidity risk by staggering debt maturities, renegotiating expiring credit arrangements proactively, using revolving credit facilities, maintaining a large pool of unencumbered assets, and issuing equity when deemed appropriate.

Sources of liquidity primarily consist of cash flow from operations, cash and cash equivalents, and available capacity under First Capital's existing revolving credit facilities. If necessary, FCR is also able to obtain financing on its unencumbered assets.

The following table summarizes First Capital's liquidity position:

As at (millions of dollars)	**March 31, 2025**	December 31, 2024
Total available under credit facilities	**$ 753**	$ 785
Cash and cash equivalents	**$ 146**	$ 150
Unencumbered aggregate assets	**$ 6,260**	$ 6,250

First Capital has historically used mortgages, credit facilities, senior unsecured debentures, convertible debentures and equity issuances to finance its growth and repay debt. The actual level and type of future borrowings will be determined based on prevailing interest rates, various costs of debt and equity capital, capital market conditions and Management's view of the appropriate leverage for the business. Management believes that it has sufficient resources to meet its operational and investing requirements in the near and longer term based on the availability of capital.

Planned and completed financings subsequent to March 31, 2025, and availability on existing credit facilities, address substantially all of the contractual 2025 debt maturities and contractually committed costs to complete current development projects.

Cash Flows

Cash flow from operating activities represents First Capital's primary source of liquidity for servicing debt and funding planned revenue sustaining expenditures, corporate expenses and distributions to Unitholders. Interest and other income and cash on hand are other sources of liquidity.

	Three months ended March 31	
	2025	2024
Cash provided by (used in) operating activities	**$ 29,493**	$ 29,778
Cash provided by (used in) financing activities	**(45,935)**	4,174
Cash provided by (used in) investing activities	**12,109**	42,781
Net change in cash and cash equivalents	**$ (4,333)**	$ 76,733

The following table presents the excess (shortfall) of cash provided by operating activities over distributions declared:

	Three months ended March 31	
	2025	2024
Cash provided by operating activities	**$ 29,493**	$ 29,778
Distributions declared	**(47,249)**	(45,836)
Excess (shortfall) of cash provided by operating activities over distributions declared	**$ (17,756)**	$ (16,058)

For the three months ended March 31, 2025 and 2024, distributions declared exceeded cash flows provided by operating activities by $17.8 million and $16.1 million, respectively, representing a return of capital. This shortfall is financed through the use of First Capital's credit facilities and proceeds from investing activities.

Management does not believe that a shortfall in any given quarter is indicative of First Capital's sustainable cash flows due to the impact of seasonal fluctuations in its cash flows period over period. Please refer to Management's discussion on ACFO and AFFO, supplemental non-IFRS financial measures used to evaluate and monitor First Capital's sustainable cash available to pay distributions to Unitholders.

Contractual Obligations

An analysis of First Capital’s contractual maturities of its material financial liabilities and other contractual commitments, as at March 31, 2025 is set out below:

As at March 31, 2025	Payments due by period				
	Remainder of 2025	2026 to 2027	2028 to 2029	Thereafter	Total
Scheduled mortgage principal amortization	$ 24,642	$ 59,210	$ 46,680	$ 28,401	$ 158,933
Mortgage principal repayments on maturity	66,970	166,086	382,603	463,844	1,079,503
Credit facilities	128,946	401,292	200,000	—	730,238
Senior unsecured debentures	300,000	800,000	200,000	800,000	2,100,000
Interest obligations (1)	120,762	241,043	158,017	112,534	632,356
Land leases (expiring between 2027 and 2061)	509	1,335	1,265	15,008	18,117
Contractually committed costs to complete current development projects (2)	69,591	50,609	—	—	120,200
Other commitments	4,636	—	—	—	4,636
Total contractual obligations	**$ 716,056**	**$ 1,719,575**	**$ 988,565**	**$ 1,419,787**	**$ 4,843,983**

(1) Interest obligations include expected interest payments on mortgages and credit facilities as at March 31, 2025 (assuming balances remain outstanding through to maturity) and senior unsecured debentures, as well as standby credit facility fees.
(2) Includes amounts related to equity accounted joint ventures.

First Capital had $53.5 million of outstanding letters of credit issued by financial institutions to support certain of FCR’s contractual obligations and $Nil of bank overdrafts.

As of March 31, 2025, contractually committed costs related to the Trust's development projects is $120.2 million ($109.7 million at First Capital's interest). These contractual and potential obligations primarily consist of construction contracts and additional planned development expenditures and are expected to be funded in the normal course as the work is completed.

Contingencies

(a) First Capital is involved in litigation and claims which arise from time to time in the normal course of business. None of these contingencies, individually or in aggregate, would result in a liability that would have a significant adverse effect on the financial position of FCR.

(b) First Capital is contingently liable, jointly and severally or as guarantor, for approximately $194.9 million (December 31, 2024 – $194.1 million) to various lenders in connection with certain third-party obligations, including, without limitation, loans advanced to its joint arrangement partners secured by the partners’ interest in the joint arrangements and underlying assets.

(c) First Capital is contingently liable by way of letters of credit in the amount of $53.5 million (December 31, 2024 – $31.4 million), issued by financial institutions on FCR's behalf in the ordinary course of business.

(d) First Capital has obligations as lessee under long-term leases for land. Annual commitments under these ground leases are approximately $0.7 million (December 31, 2024 – $0.7 million) with a total obligation of $18.1 million (December 31, 2024 – $18.3 million).

NON-IFRS RECONCILIATIONS AND FINANCIAL MEASURES

Reconciliation of Consolidated Balance Sheets to First Capital's Proportionate Interest

The following table provides a reconciliation of First Capital's consolidated balance sheets, as presented in its unaudited interim condensed consolidated financial statements, to its proportionate interest.

As at		**March 31, 2025**			December 31, 2024	
	Consolidated Balance Sheet (1)	**Adjustments for Proportionate Interest**	**Proportionate Interest** (2)	Consolidated Balance Sheet (1)	Adjustments for Proportionate Interest	Proportionate Interest (2)
ASSETS						
Investment properties	**$ 8,059,221**	**$ 288,296**	**$ 8,347,517**	$ 8,040,375	$ 287,877	$ 8,328,252
Residential development inventory	**242,407**	**43,259**	**285,666**	227,303	40,037	267,340
Loans, mortgages and other assets	**180,901**	**(19,959)**	**160,942**	173,631	(18,068)	155,563
Cash and cash equivalents	**145,958**	**6,460**	**152,418**	150,291	8,650	158,941
Amounts receivable	**19,024**	**2,822**	**21,846**	14,449	3,495	17,944
Other assets	**53,257**	**2,003**	**55,260**	58,457	1,865	60,322
Investment in joint ventures	**317,891**	**(317,891)**	**—**	320,042	(320,042)	—
Assets classified as held for sale	**164,450**	**—**	**164,450**	196,625	—	196,625
Total assets	**$ 9,183,109**	**$ 4,990**	**$ 9,188,099**	$ 9,181,173	$ 3,814	$ 9,184,987
LIABILITIES						
Mortgages	**$ 1,235,410**	**$ 86,888**	**$ 1,322,298**	$ 1,226,031	$ 87,249	$ 1,313,280
Credit facilities	**730,238**	**21,281**	**751,519**	723,335	18,114	741,449
Senior unsecured debentures	**2,095,187**	**—**	**2,095,187**	2,094,992	—	2,094,992
Deferred tax liabilities	**739,654**	**(1,231)**	**738,423**	760,148	(1,231)	758,917
Mortgages classified as held for sale	**—**	**—**	**—**	17,755	—	17,755
Accounts payable and other liabilities	**330,736**	**(32,036)**	**298,700**	344,813	(32,319)	312,494
Total liabilities	**5,131,225**	**74,902**	**5,206,127**	5,167,074	71,813	5,238,887
EQUITY						
Unitholders' equity	**3,981,972**	**—**	**3,981,972**	3,946,100	—	3,946,100
Non-controlling interest	**69,912**	**(69,912)**	**—**	67,999	(67,999)	—
Total equity	**4,051,884**	**(69,912)**	**3,981,972**	4,014,099	(67,999)	3,946,100
Total liabilities and equity	**$ 9,183,109**	**$ 4,990**	**$ 9,188,099**	$ 9,181,173	$ 3,814	$ 9,184,987

(1) The consolidated balance sheets have been presented on a non-classified basis for purposes of this reconciliation.
(2) Refer to the "Non-IFRS Financial Measures" section of this MD&A.

Reconciliation of Consolidated Statements of Income (Loss) to First Capital's Proportionate Interest

The following table provides a reconciliation of First Capital's consolidated statements of income (loss), as presented in its unaudited interim condensed consolidated financial statements, to its proportionate interest.

Three months ended March 31		**2025**				2024
	Consolidated Statements of Income (Loss)	**Adjustment to proportionate interest**	**Proportionate interest (1)**	Consolidated Statements of Income (Loss)	Adjustment to proportionate interest	Proportionate interest (1)
Property rental revenue	**$ 184,367**	**$ 3,898**	**$ 188,265**	$ 182,889	$ 3,361	$ 186,250
Property operating costs	**72,008**	**2,366**	**74,374**	70,676	1,620	72,296
Net operating income	**112,359**	**1,532**	**113,891**	112,213	1,741	113,954
Other income and (expenses)						
Interest and other income	**5,565**	**306**	**5,871**	14,414	202	14,616
Interest expense	**(38,985)**	**(933)**	**(39,918)**	(39,074)	(1,003)	(40,077)
Corporate expenses	**(13,414)**	**50**	**(13,364)**	(12,825)	61	(12,764)
Abandoned transaction costs	**(8)**	**—**	**(8)**	(31)	—	(31)
Amortization expense	**(576)**	**(76)**	**(652)**	(597)	(157)	(754)
Share of profit from joint ventures	**(1,180)**	**1,180**	**—**	2,699	(2,699)	—
Other gains (losses) and (expenses)	**(2,599)**	**(56)**	**(2,655)**	1,326	(39)	1,287
(Increase) decrease in value of unit-based compensation	**1,452**	**—**	**1,452**	(2,297)	—	(2,297)
Increase (decrease) in value of investment properties, net	**4,004**	**(1,461)**	**2,543**	301	1,764	2,065
	(45,741)	**(990)**	**(46,731)**	(36,084)	(1,871)	(37,955)
Income (loss) before income taxes	**66,618**	**542**	**67,160**	76,129	(130)	75,999
Deferred income tax expense (recovery)	**(17,262)**	**—**	**(17,262)**	1,202	—	1,202
Net income (loss)	**$ 83,880**	**$ 542**	**$ 84,422**	$ 74,927	$ (130)	$ 74,797
Net income (loss) attributable to:						
Unitholders	**$ 84,422**	**$ —**	**$ 84,422**	$ 74,797	$ —	$ 74,797
Non-controlling interest	**(542)**	**542**	**—**	130	(130)	—
	$ 83,880	**$ 542**	**$ 84,422**	$ 74,927	$ (130)	$ 74,797
Net income (loss) per unit attributable to Unitholders:						
Basic	**$ 0.40**			$ 0.35		
Diluted	**$ 0.39**			$ 0.35		

(1) Refer to the "Non-IFRS Financial Measures" section of this MD&A.

FFO, OFFO, AFFO and ACFO

Funds from 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		**2025**		2024
Net income (loss) attributable to Unitholders	**$**	**84,422**	$	74,797
Add (deduct):				
(Increase) decrease in value of investment properties [1]		**(2,543)**		(2,065)
Adjustment for equity accounted joint ventures [2]		**76**		157
Adjustment for capitalized interest related to equity accounted joint ventures [2]		**1,079**		962
Incremental leasing costs [3]		**1,924**		1,992
Increase (decrease) in value of unit-based compensation [4]		**(1,452)**		2,297
Investment property selling costs [1]		**1,496**		2,287
Deferred income taxes (recovery) [1]		**(17,262)**		1,202
FFO [5]	**$**	**67,740**	$	81,629
Deduct: Other gains (losses) and (expenses) included in FFO [6]		**1,159**		(3,574)
OFFO [5]	**$**	**68,899**	$	78,055

(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) Refer to the "Non-IFRS Financial Measures" section of this MD&A.
(6) At FCR's proportionate interest, adjusted to exclude investment property selling costs in accordance with the recommendations of REALPAC.

Operating Funds from Operations

The components of OFFO and FFO at proportionate interest are as follows:

Three months ended March 31	% change		**2025**		2024
Net operating income		**$**	**113,891**	$	113,954
Interest and other income			**5,871**		14,616
Interest expense [1]			**(38,839)**		(39,115)
Corporate expenses [2]			**(11,440)**		(10,772)
Abandoned transaction (costs) recovery			**(8)**		(31)
Amortization expense			**(576)**		(597)
OFFO [4]	(11.7%)	**$**	**68,899**	$	78,055
Other gains (losses) and (expenses) [3]			**(1,159)**		3,574
FFO [4]	(17.0%)	**$**	**67,740**	$	81,629
OFFO per diluted unit	(12.0%)	**$**	**0.32**	$	0.36
FFO per diluted unit	(17.2%)	**$**	**0.32**	$	0.38
Weighted average number of units – diluted (in thousands)	0.2%		**214,502**		213,988

(1) Includes an adjustment to capitalize interest related to FCR's equity accounted joint ventures in accordance with the recommendations of REALPAC.
(2) Includes an adjustment to capitalize incremental leasing costs in accordance with the recommendations of REALPAC.
(3) At FCR's proportionate interest, adjusted to exclude investment property selling costs in accordance with the recommendations of REALPAC.
(4) Refer to the "Non-IFRS Financial Measures" section of this MD&A.

For the three months ended March 31, 2025, OFFO of $68.9 million, or $0.32 per unit, 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.

For the three months ended March 31, 2025, FFO decreased $13.9 million, or $0.07 per unit, over the same prior year period. The decrease was primarily driven by lower Operating FFO of $9.2 million 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.

Adjusted Funds from Operations

A reconciliation from FFO to AFFO can be found in the table below:

Three months ended March 31	% change	2025	2024
FFO [1]		**$ 67,740**	$ 81,629
Add (deduct):			
Revenue sustaining capital expenditures		**(6,549)**	(3,224)
Recoverable capital expenditures		**(1,371)**	(2,231)
Incremental leasing costs		**(1,924)**	(1,992)
Straight-line rent adjustment		**(2,400)**	(1,026)
AFFO [1]	(24.1%)	**$ 55,496**	$ 73,156
AFFO per diluted unit	(24.3%)	**$ 0.26**	$ 0.34
Weighted average number of units – diluted (in thousands)	0.2%	**214,502**	213,988

(1) Refer to the "Non-IFRS Financial Measures" section of this MD&A.

For the three months ended March 31, 2025, AFFO decreased $17.7 million, or $0.08 per unit, primarily due to lower FFO and higher capital expenditures.

Adjusted Cash Flow from Operations

A reconciliation of cash provided by operating activities to ACFO is presented below:

Three months ended March 31	2025	2024
Cash provided by operating activities	**$ 29,493**	$ 29,778
Add (deduct):		
Working capital adjustments [1]	**21,053**	19,747
Adjustment for equity accounted joint ventures	**1,590**	675
Revenue sustaining capital expenditures	**(6,549)**	(3,224)
Recoverable capital expenditures	**(1,371)**	(2,231)
Leasing costs on properties under development	**481**	498
Non-controlling interest	**(85)**	(55)
ACFO [2]	**$ 44,612**	$ 45,188

(1) Working capital adjustments primarily include adjustments for prepaid as well as accrued property taxes as their levels vary considerably over the course of the year as well as certain other adjustments as specified in the most recent REALPAC guidance on ACFO issued in January 2023.
(2) Refer to the "Non-IFRS Financial Measures" section of this MD&A.

For the three months ended March 31, 2025, ACFO totaled $44.6 million compared to $45.2 million for the same prior year period. The $0.6 million decrease in ACFO was primarily due to higher capital expenditures, partially offset by changes in working capital year-over-year.

ACFO Payout Ratio

First Capital's ACFO payout ratio for the four quarters ended March 31, 2025 is calculated as follows:

	Twelve months ended March 31, 2025	**Q1 2025**	**Q4 2024**	**Q3 2024**	**Q2 2024**
ACFO [1]	**$ 220,156**	$ 44,612	$ 43,748	$ 67,649	$ 64,147
Cash distributions paid	**184,338**	46,782	45,862	45,850	45,844
ACFO payout ratio [1]	**83.7%**				

(1) Refer to the "Non-IFRS Financial Measures" section of this MD&A.

First Capital's ACFO payout ratio for the four quarters ended March 31, 2024 is calculated as follows:

		Twelve months ended March 31, 2024		Q1 2024		Q4 2023		Q3 2023		Q2 2023
ACFO [1]	$	239,779	$	45,188	$	66,346	$	55,458	$	72,787
Cash distributions paid		183,364		45,832		45,819		45,845		45,868
ACFO payout ratio [1]		76.5%								

[1] Refer to the "Non-IFRS Financial Measures" section of this MD&A.

First Capital considers a rolling four quarter payout ratio (cash distributions / ACFO) to be more relevant than a payout ratio in any given quarter due to seasonal fluctuations in ACFO. For the four quarters ended March 31, 2025, the ACFO payout was 83.7% (March 31, 2024 - 76.5%).

Net Asset Value

The following table provides FCR's calculation of NAV for the three months ended March 31, 2025 and year ended December 31, 2024:

As at		**March 31, 2025**		December 31, 2024
Unitholders' equity	**$**	**3,981,972**	$	3,946,100
Deferred tax liabilities		**738,423**		758,917
Net Asset Value (NAV) [1]	**$**	**4,720,395**	$	4,705,017
Units outstanding		**212,421**		212,323
NAV per unit - diluted [2]	**$**	**22.06**	$	22.05

[1] Refer to the "Non-IFRS Financial Measures" section of this MD&A.

[2] Adjusted for 2.3 million Deferred Units, Restricted Units and Performance Units and 5.2 million unit options outstanding with an average exercise price of $19.89 (implied option proceeds of $104.1 million) and the exclusion of the unit-based compensation plan liability.

For the three months ended March 31, 2025, NAV per diluted unit of $22.06 remained consistent with prior year end.

DISTRIBUTIONS

Distributions on the Trust Units are declared at the discretion of the Board of Trustees. In determining the annual level or monthly amount of distributions, the Board of Trustees considers many factors including the macro economic and industry specific environment, common industry cash distribution practices, investor expectations, capital market conditions, forecasted cash flows and debt metrics, anticipated capital requirements, estimated taxable income, and the overall financial condition of the Trust.

The Trust does not use net income (loss), as calculated in accordance with IFRS, as the basis to determine the annual distribution rate. Net income (loss) is impacted by non-cash adjustments, including fair value changes to investment properties, and is not equivalent to taxable income and therefore is expected to vary from the distributions declared.

On December 16, 2024, First Capital announced a 3% increase of its monthly distribution to Unitholders from $0.072 per unit to $0.074167 per unit, or $0.89 on an annualized basis. The increase is effective for First Capital's January 2025 distribution, payable to Unitholders in February 2025.

The following chart specifies distributions declared by First Capital:

Three months ended March 31 (in dollars)		**2025**		2024
Distributions declared per unit	**$**	**0.2225**	$	0.216

SUMMARY OF FINANCIAL RESULTS OF LONG-TERM DEBT GUARANTORS

First Capital's senior unsecured debentures are guaranteed by the wholly owned subsidiaries of the Trust, other than nominee subsidiaries and inactive subsidiaries. All such current and future wholly owned subsidiaries will provide a guarantee of the debentures. In the case of default by First Capital, the indenture trustee will, subject to the indenture, be entitled to seek redress from such wholly owned subsidiaries for the guaranteed obligations in the same manner and upon the same terms that it may seek to enforce the obligations of First Capital. These guarantees are intended to eliminate structural subordination, which arises as a consequence of a significant portion of First Capital's assets being held primarily in two significant subsidiaries.

The following tables present select consolidating summary information for First Capital for the periods identified below presented separately for (i) First Capital (denoted as FCR), as issuer; (ii) guarantor subsidiaries; (iii) non-guarantor subsidiaries; (iv) consolidation adjustments; and (v) the total consolidated amounts.

(millions of dollars)										Three months ended March 31
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
	FCR [1]		Guarantors [2]		Non-Guarantors [3]		Consolidation Adjustments [4]		Total Consolidated	
Property rental revenue	**$ 78**	$ 81	**$ 108**	$ 103	**$ —**	$ —	**$ (2)**	$ (1)	**$ 184**	$ 183
NOI [5]	**$ 48**	$ 51	**$ 65**	$ 62	**$ —**	$ —	**$ (1)**	$ (1)	**$ 112**	$ 112
Net income (loss) attributable to Unitholders	**$ 84**	$ 75	**$ 125**	$ 112	**$ (1)**	$ —	**$ (124)**	$ (112)	**$ 84**	$ 75

(millions of dollars)					As at March 31, 2025
	FCR [1]	Guarantors [2]	Non-Guarantors [3]	Consolidation Adjustments [4]	Total Consolidated
Current assets	**$ 780**	**$ (109)**	**$ 151**	**$ (147)**	**$ 675**
Non-current assets	**$ 4,057**	**$ 5,540**	**$ 191**	**$ (1,280)**	**$ 8,508**
Current liabilities	**$ 726**	**$ 91**	**$ 4**	**$ 2**	**$ 823**
Non-current liabilities	**$ 6,199**	**$ (1,885)**	**$ 97**	**$ (102)**	**$ 4,309**

(millions of dollars)					As at December 31, 2024
	FCR [1]	Guarantors [2]	Non-Guarantors [3]	Consolidation Adjustments [4]	Total Consolidated
Current assets	$ 607	$ 93	$ 143	$ (140)	$ 703
Non-current assets	$ 4,138	$ 5,642	$ 186	$ (1,488)	$ 8,478
Current liabilities	$ 672	$ 86	$ 3	$ 7	$ 768
Non-current liabilities	$ 6,279	$ (1,871)	$ 92	$ (101)	$ 4,399

(1) This column represents FCR and all of its subsidiaries; FCR's subsidiaries are presented under the equity method.
(2) This column represents the aggregate of all Guarantor subsidiaries.
(3) This column represents the aggregate of all Non-Guarantor subsidiaries.
(4) This column includes the necessary amounts to eliminate the inter-company balances between FCR, the Guarantors, and Non-Guarantors to arrive at the information for FCR on a consolidated basis.
(5) Refer to the "Non-IFRS Financial Measures" section of this MD&A.

RELATED PARTY TRANSACTIONS

Subsidiaries of the Trust

The unaudited interim condensed consolidated financial statements include the financial statements of First Capital Real Estate Investment Trust and all of its subsidiaries, including First Capital Realty Inc., First Capital REIT Limited Partnership and First Capital Holdings Trust. First Capital Realty Inc. and First Capital Holdings Trust are the significant subsidiaries of the Trust and are wholly owned.

QUARTERLY FINANCIAL INFORMATION

	2025	2024				2023		
(unit counts in thousands)	**Q1**	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Property rental revenue	**$ 184,367**	$ 180,372	$ 174,016	$ 176,247	$ 182,889	$ 171,184	$ 168,883	$ 171,904
Net operating income [1]	**$ 112,359**	$ 112,916	$ 109,818	$ 112,341	$ 112,213	$ 108,756	$ 106,938	$ 106,510
Net income (loss) attributable to Unitholders	**$ 84,422**	$ 32,081	$ 81,107	$ 16,948	$ 74,797	$ 173,801	$ (327,546)	$ (29,049)
Net income (loss) per unit attributable to Unitholders:								
Basic	**$ 0.40**	$ 0.15	$ 0.38	$ 0.08	$ 0.35	$ 0.82	$ (1.54)	$ (0.14)
Diluted	**$ 0.39**	$ 0.15	$ 0.38	$ 0.08	$ 0.35	$ 0.81	$ (1.53)	$ (0.14)
OFFO [1]	**$ 68,899**	$ 67,664	$ 76,861	$ 68,384	$ 78,055	$ 67,699	$ 68,832	$ 63,041
OFFO per diluted unit [1]	**$ 0.32**	$ 0.32	$ 0.36	$ 0.32	$ 0.36	$ 0.32	$ 0.32	$ 0.30
FFO [1]	**$ 67,740**	$ 67,485	$ 72,340	$ 68,248	$ 81,629	$ 58,043	$ 68,615	$ 63,784
FFO per diluted unit [1]	**$ 0.32**	$ 0.31	$ 0.34	$ 0.32	$ 0.38	$ 0.27	$ 0.32	$ 0.30
Weighted average number of diluted units outstanding	**214,502**	214,355	214,342	214,287	213,988	213,855	213,952	214,056
Cash provided by operating activities	**$ 29,493**	$ 79,837	$ 51,870	$ 72,305	$ 29,778	$ 90,083	$ 41,910	$ 67,022
AFFO [1]	**$ 55,496**	$ 43,330	$ 58,875	$ 55,236	$ 73,156	$ 43,878	$ 58,961	$ 55,897
AFFO per diluted unit [1]	**$ 0.26**	$ 0.20	$ 0.27	$ 0.26	$ 0.34	$ 0.21	$ 0.28	$ 0.26
ACFO [1]	**$ 44,612**	$ 43,748	$ 67,649	$ 64,147	$ 45,188	$ 66,346	$ 55,458	$ 72,787
Distribution declared per unit	**$ 0.2225**	$ 0.216	$ 0.216	$ 0.216	$ 0.216	$ 0.216	$ 0.216	$ 0.216
Total assets	**$ 9,183,109**	$ 9,181,173	$ 9,167,729	$ 9,476,116	$ 9,245,786	$ 9,194,301	$ 9,163,855	$ 9,596,650
Total mortgages and credit facilities	**$ 1,965,648**	$ 1,967,121	$ 2,179,420	$ 2,245,167	$ 2,247,644	$ 2,491,948	$ 2,353,650	$ 2,349,517
Unitholders' equity	**$ 3,981,972**	$ 3,946,100	$ 3,958,090	$ 3,934,573	$ 3,967,870	$ 3,933,377	$ 3,820,718	$ 4,194,618
Other								
Number of neighbourhoods	**136**	138	138	138	139	142	143	144
GLA - at 100% (in thousands)	**21,934**	22,145	22,247	22,222	22,232	22,298	22,307	22,334
GLA - at ownership interest (in thousands)	**19,098**	19,308	19,407	19,379	19,384	19,368	19,400	19,425
Monthly average occupancy %	**96.8%**	96.5%	96.2%	96.2%	96.1%	95.9%	95.8%	96.0%
Total portfolio occupancy %	**96.9%**	96.8%	96.5%	96.3%	96.2%	96.2%	95.9%	95.9%

[1] Refer to the "Non-IFRS Financial Measures" section of this MD&A.

CRITICAL ACCOUNTING ESTIMATES

First Capital's unaudited interim condensed consolidated financial statements for the three months ended March 31, 2025 and 2024 have been prepared in accordance with IAS 34, "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB"). The unaudited interim condensed consolidated financial statements have been prepared by applying the same accounting policies and methods of computation as compared with the most recent audited annual consolidated financial statements.

First Capital's 2024 Annual Report contains a discussion of the material accounting policies most affected by estimates and judgments used in the preparation of the consolidated financial statements, being the accounting policies relating to estimates of fair values of investment properties, valuation of financial instruments both for disclosure and measurement purposes, and estimating deferred tax assets and liabilities. Management determined that as at March 31, 2025, there is no change to the assessment of the material accounting policies most affected by estimates and judgments as detailed in FCR's 2024 Annual Report.

Future Changes in Accounting Policies

The IASB has issued new standards to supersede amendments to an existing standard. These changes are not yet adopted by First Capital and could have an impact on future periods. These changes are described in detail below:

IFRS 18, "Presentation and Disclosure in Financial Statements"

In April 2024, the IASB issued IFRS 18, "Presentation and Disclosure in Financial Statements" ("IFRS 18"), which replaces IAS 1, "Presentation of Financial Statements". IFRS 18 aims to improve the comparability and transparency of communication in financial statements by introducing a number of new requirements:

(i) classify income and expenses in the statement of profit or loss into categories such as, operating, investing, financing, income taxes and discontinued operations as well as present defined subtotals;

(ii) provide note disclosure on management-defined performance measures that are used in communications outside the entity's financial statements;

(iii) enhance the aggregation or disaggregation of information to ensure that items are classified and aggregated based on shared characteristics and material information is not obscured; and

(iv) implement narrow scope amendments that have been made to IAS 7 "Statement of Cash Flows", IAS 34 "Interim Financial Reporting", and other minor amendments to other standards. Some requirements previously included within IAS 1 have been moved to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", which has been renamed IAS 8 "Basis of Preparation of Financial Statements".

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, and requires retrospective application. Early adoption is permitted but will need to be disclosed. Management is evaluating the impact of IFRS 18, including the impact of the amendments to the other accounting standards, on First Capital's consolidated financial statements.

CONTROLS AND PROCEDURES

As at March 31, 2025, the Chief Executive Officer and the Chief Financial Officer of First Capital, with the assistance of other staff and Management of FCR to the extent deemed necessary, have designed FCR’s disclosure controls and procedures to provide reasonable assurance that information required to be disclosed in the various reports filed or submitted by FCR under securities legislation is recorded, processed, summarized and reported accurately and have designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

In the design of its internal controls over financial reporting, First Capital used the 2013 framework published by the Committee of Sponsoring Organizations of the Treadway Commission.

First Capital did not make any changes in its internal controls over financial reporting during the quarter ended March 31, 2025 that have had, or are reasonably likely to have, a material effect on FCR's internal controls over financial reporting. On an ongoing basis, FCR will continue to analyze its controls and procedures for potential areas of improvement.

Management does recognize that any controls and procedures, no matter how well designed and operated, can only provide reasonable assurance and not absolute assurance of achieving the desired control objectives. In the unforeseen event that lapses in the disclosure controls and procedures or internal controls over financial reporting occur and/or mistakes happen, First Capital intends to take the necessary steps to minimize the consequences thereof.

RISKS AND UNCERTAINTIES

First Capital, as an owner of income-producing properties and development properties, is exposed to numerous business risks in the normal course of its business that can impact both short- and long-term performance. Income-producing and development properties are affected by general economic conditions and local market conditions such as oversupply of similar properties or a reduction in tenant demand. It is the responsibility of Management, under the supervision of the Board of Trustees, to identify and, to the extent possible, mitigate or minimize the impact of all such business risks. The major categories of risk First Capital encounters in conducting its business and some of the actions it takes to mitigate these risks are included in its MD&A for the year ended December 31, 2024, as well as its most current Annual Information Form, which provides a detailed description of these and other risks that may affect FCR. These documents are available on SEDAR+ at www.sedarplus.ca and on FCR's website at www.fcr.ca.

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INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Table of Contents

Interim Condensed Consolidated Balance Sheets

As at *(thousands of dollars)*	Note	**March 31, 2025** **(unaudited)**	December 31, 2024 (audited)
ASSETS			
Non-current Assets			
Real Estate Investments			
Investment properties	3	**$ 8,059,221**	$ 8,040,375
Investment in joint ventures	4	**317,891**	320,042
Loans, mortgages and other assets	5	**104,503**	88,728
Total non-current real estate investments		**8,481,615**	8,449,145
Other non-current assets	7	**26,183**	28,947
Total non-current assets		**8,507,798**	8,478,092
Current Assets			
Cash and cash equivalents	23(d)	**145,958**	150,291
Loans, mortgages and other assets	5	**76,398**	84,903
Residential development inventory		**242,407**	227,303
Amounts receivable	6	**19,024**	14,449
Other current assets	7	**27,074**	29,510
		510,861	506,456
Assets classified as held for sale	3(d)	**164,450**	196,625
Total current assets		**675,311**	703,081
Total assets		**$ 9,183,109**	$ 9,181,173
LIABILITIES			
Non-current Liabilities			
Mortgages	9	**$ 1,051,439**	$ 1,127,171
Credit facilities	9	**601,292**	595,716
Senior unsecured debentures	10	**1,795,109**	1,794,854
Other liabilities	11	**121,140**	121,208
Deferred tax liabilities	19	**739,654**	760,148
Total non-current liabilities		**4,308,634**	4,399,097
Current Liabilities			
Mortgages	9	**183,971**	98,860
Credit facilities	9	**128,946**	127,619
Senior unsecured debentures	10	**300,078**	300,138
Accounts payable and other liabilities	11	**209,596**	223,605
		822,591	750,222
Mortgages classified as held for sale	3(d), 9	**—**	17,755
Total current liabilities		**822,591**	767,977
Total liabilities		**5,131,225**	5,167,074
EQUITY			
Unitholders' equity	12	**3,981,972**	3,946,100
Non-controlling interest	22	**69,912**	67,999
Total equity		**4,051,884**	4,014,099
Total liabilities and equity		**$ 9,183,109**	$ 9,181,173

Refer to accompanying notes to the unaudited interim condensed consolidated financial statements.

Approved by the Board of Trustees:

Ian Clarke,
Trustee

Adam E. Paul,
Trustee

Interim Condensed Consolidated Statements of Income (Loss)

(unaudited)		Three months ended March 31	
(thousands of dollars)	**Note**	**2025**	2024
Property rental revenue		**$ 184,367**	$ 182,889
Property operating costs		**72,008**	70,676
Net operating income	14	**112,359**	112,213
Other income and (expenses)			
Interest and other income	15	**5,565**	14,414
Interest expense	16	**(38,985)**	(39,074)
Corporate expenses	17	**(13,414)**	(12,825)
Abandoned transaction (costs) recovery		**(8)**	(31)
Amortization expense		**(576)**	(597)
Share of profit (loss) from joint ventures	4	**(1,180)**	2,699
Other gains (losses) and (expenses)	18	**(2,599)**	1,326
(Increase) decrease in value of unit-based compensation	13	**1,452**	(2,297)
Increase (decrease) in value of investment properties, net	3	**4,004**	301
		(45,741)	(36,084)
Income (loss) before income taxes		**66,618**	76,129
Deferred income tax expense (recovery)	19	**(17,262)**	1,202
Net income (loss)		**$ 83,880**	$ 74,927
Net income (loss) attributable to:			
Unitholders	12	**$ 84,422**	$ 74,797
Non-controlling interest	22	**(542)**	130
		$ 83,880	$ 74,927

Refer to accompanying notes to the unaudited interim condensed consolidated financial statements.

Interim Condensed Consolidated Statements of Comprehensive Income (Loss)

(unaudited)			Three months ended March 31		
(thousands of dollars)	**Note**		**2025**		2024
Net income (loss)		**$**	**83,880**	$	74,927
Other comprehensive income (loss)					
Unrealized gain (loss) on cash flow hedges [1]	23(b)		**(5,618)**		6,665
Reclassification of net (gain) loss on cash flow hedges to net income (loss)	23(b)		**797**		930
			(4,821)		7,595
Deferred tax expense (recovery)	19		**(1,880)**		2,962
Other comprehensive income (loss)			**(2,941)**		4,633
Comprehensive income (loss)		**$**	**80,939**	$	79,560
Comprehensive income (loss) attributable to:					
Unitholders	12	**$**	**81,481**	$	79,430
Non-controlling interest	22		**(542)**		130
		$	**80,939**	$	79,560

[1] Items that may subsequently be reclassified to net income (loss).
Refer to accompanying notes to the unaudited interim condensed consolidated financial statements.

Interim Condensed Consolidated Statements of Changes in Equity

(unaudited) *(thousands of dollars)*	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Trust Units	Total Unitholders' Equity	Non-Controlling Interest	Total Equity
			(Note 12(a))			
December 31, 2024	**$ 1,154,708**	**$ (14,159)**	**$ 2,805,551**	**$ 3,946,100**	**$ 67,999**	**$ 4,014,099**
Changes during the period:						
Net income (loss)	84,422	—	—	84,422	(542)	83,880
Options, deferred units, restricted units and performance units, net	—	—	1,640	1,640	—	1,640
Other comprehensive income (loss)	—	(2,941)	—	(2,941)	—	(2,941)
Contributions from (distributions to) non-controlling interest, net	—	—	—	—	2,455	2,455
Distributions *(Note 12(b))*	(47,249)	—	—	(47,249)	—	(47,249)
March 31, 2025	**$ 1,191,881**	**$ (17,100)**	**$ 2,807,191**	**$ 3,981,972**	**$ 69,912**	**$ 4,051,884**

(unaudited) *(thousands of dollars)*	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Trust Units	Total Unitholders' Equity	Non-Controlling Interest	Total Equity
			(Note 12(a))			
December 31, 2023	$ 1,133,172	$ (3,122)	$ 2,803,327	$ 3,933,377	$ 62,780	$ 3,996,157
Changes during the period:						
Net income (loss)	74,797	—	—	74,797	130	74,927
Options, deferred units, restricted units and performance units, net	—	—	899	899	—	899
Other comprehensive income (loss)	—	4,633	—	4,633	—	4,633
Contributions from (distributions to) non-controlling interest, net	—	—	—	—	1,390	1,390
Distributions *(Note 12(b))*	(45,836)	—	—	(45,836)	—	(45,836)
March 31, 2024	$ 1,162,133	$ 1,511	$ 2,804,226	$ 3,967,870	$ 64,300	$ 4,032,170

Refer to accompanying notes to the unaudited interim condensed consolidated financial statements.

Interim Condensed Consolidated Statements of Cash Flows

(unaudited)		Three months ended March 31	
(thousands of dollars)	**Note**	**2025**	2024
OPERATING ACTIVITIES			
Net income (loss)		**$ 83,880**	$ 74,927
Adjustments for:			
(Increase) decrease in value of investment properties, net	3	**(4,004)**	(301)
Interest expense	16	**38,985**	39,074
Amortization expense		**576**	597
Share of (profit) loss from joint ventures	4	**1,180**	(2,699)
Cash interest paid associated with operating activities	16	**(41,765)**	(47,157)
Items not affecting cash and other items	23(a)	**(15,869)**	3,486
Net changes in other working capital items	23(b)	**(33,490)**	(38,149)
Cash provided by (used in) operating activities		**29,493**	29,778
FINANCING ACTIVITIES			
Mortgage principal instalment payments	9	**(8,542)**	(9,210)
Credit facilities, net advances (repayments)	9	**6,934**	(242,411)
Issuance of senior unsecured debentures, net of issue costs	10	**—**	298,490
Settlement of hedges, net		**—**	1,747
Payment of distributions	12(b)	**(46,782)**	(45,832)
Net contributions from (distributions to) non-controlling interest	22	**2,455**	1,390
Cash provided by (used in) financing activities		**(45,935)**	4,174
INVESTING ACTIVITIES			
Acquisition of investment properties	3(c)	**(22,246)**	(33,453)
Net proceeds from property dispositions	3(d)	**70,489**	126,582
Distributions from joint ventures	4	**1,547**	1,303
Contributions to joint ventures	4	**(576)**	(3,076)
Capital expenditures on investment properties	3(a)	**(30,072)**	(29,301)
Changes in investing-related prepaid expenses and other liabilities		**(7,310)**	(18,108)
Changes in loans, mortgages and other assets	23(c)	**277**	(1,166)
Cash provided by (used in) investing activities		**12,109**	42,781
Net increase (decrease) in cash and cash equivalents		**(4,333)**	76,733
Cash and cash equivalents, beginning of year		**150,291**	87,421
Cash and cash equivalents, end of period	23(d)	**$ 145,958**	$ 164,154

Refer to accompanying notes to the unaudited interim condensed consolidated financial statements.

Notes to the Interim Condensed Consolidated Financial Statements

1. DESCRIPTION OF THE TRUST

First Capital Real Estate Investment Trust ("First Capital", "FCR", or the "Trust") is an unincorporated, open-ended mutual fund trust governed by the laws of Ontario, Canada, and established pursuant to a declaration of trust dated October 16, 2019, as may be amended from time to time (the "Declaration of Trust"). First Capital owns, operates and develops grocery-anchored, open-air centres in neighbourhoods with the strongest demographics in Canada. The Trust is listed on the Toronto Stock Exchange ("TSX") under the symbol "FCR.UN", and its head office is located at 85 Hanna Avenue, Suite 400, Toronto, Ontario, M6K 3S3.

2. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Statement of compliance

These unaudited interim condensed consolidated financial statements have been prepared in accordance with IAS 34, “Interim Financial Reporting” as issued by the International Accounting Standards Board (“IASB”), and as such, do not include all of the disclosures that would be included in audited annual consolidated financial statements. These unaudited interim condensed consolidated financial statements should be read in conjunction with First Capital’s audited annual consolidated financial statements for the years ended December 31, 2024 and 2023.

(b) Basis of presentation

These unaudited interim condensed consolidated financial statements are prepared on a going concern basis and have been presented in Canadian dollars rounded to the nearest thousand, unless otherwise indicated. These unaudited interim condensed consolidated financial statements have been prepared by applying the same accounting policies, assessments of estimates and judgments, and methods of computation as compared with the most recent audited annual consolidated financial statements.

(c) Future Changes in Accounting Policies

IFRS 18, "Presentation and Disclosure in Financial Statements"

In April 2024, the IASB issued IFRS 18, "Presentation and Disclosure in Financial Statements" ("IFRS 18"), which replaces IAS 1, "Presentation of Financial Statements". IFRS 18 aims to improve the comparability and transparency of communication in financial statements by introducing a number of new requirements:

(i) classify income and expenses in the statement of profit or loss into categories such as, operating, investing, financing, income taxes and discontinued operations as well as present defined subtotals;

(ii) provide note disclosure on management-defined performance measures that are used in communications outside the entity's financial statements;

(iii) enhance the aggregation or disaggregation of information to ensure that items are classified and aggregated based on shared characteristics and material information is not obscured; and

(iv) implement narrow scope amendments that have been made to IAS 7 "Statement of Cash Flows", IAS 34 "Interim Financial Reporting", and other minor amendments to other standards. Some requirements previously included within IAS 1 have been moved to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", which has been renamed IAS 8 "Basis of Preparation of Financial Statements".

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, and requires retrospective application. Early adoption is permitted but will need to be disclosed. Management is evaluating the impact of IFRS 18, including the impact of the amendments to the other accounting standards, on First Capital's consolidated financial statements.

(d) Approval of unaudited interim condensed consolidated financial statements

These unaudited interim condensed consolidated financial statements were approved by the Board of Trustees and authorized for issue on May 6, 2025.

3. INVESTMENT PROPERTIES

(a) Activity

The following tables summarize the changes in First Capital's investment properties for the three months ended March 31, 2025 and year ended December 31, 2024:

				Three months ended March 31, 2025
	Income-Producing Properties	**Properties under Construction**	**Density & Development Land**	**Total**
Balance at beginning of year	**$ 7,870,526**	**$ 127,857**	**$ 238,617**	**$ 8,237,000**
Acquisitions	**—**	**—**	**22,246**	**22,246**
Capital expenditures	**12,396**	**11,804**	**5,872**	**30,072**
Developments transferred offline/online, net	**(83,042)**	**34,757**	**48,285**	**—**
Increase (decrease) in value of investment properties, net	**30,186**	**(329)**	**(25,853)**	**4,004**
Straight-line rent and other changes	**2,349**	**—**	**—**	**2,349**
Dispositions	**(72,000)**	**—**	**—**	**(72,000)**
Balance at end of period	**$ 7,760,415**	**$ 174,089**	**$ 289,167**	**$ 8,223,671**
Investment properties	**$ 7,714,015**	**$ 125,139**	**$ 220,067**	**$ 8,059,221**
Assets classified as held for sale	**46,400**	**48,950**	**69,100**	**164,450**
Total	**$ 7,760,415**	**$ 174,089**	**$ 289,167**	**$ 8,223,671**

				Year ended December 31, 2024
	Income-Producing Properties	Properties under Construction	Density & Development Land	Total
Balance at beginning of year	$ 7,827,543	$ 123,342	$ 288,375	$ 8,239,260
Acquisitions	33,453	—	—	33,453
Capital expenditures	83,990	31,798	7,980	123,768
Contribution of net assets from equity accounted joint venture (Note 4)	—	—	60,028	60,028
Developments transferred offline/online, net	33,163	(32,556)	(607)	—
Increase (decrease) in value of investment properties, net	24,483	5,273	(37,911)	(8,155)
Straight-line rent and other changes	7,044	—	(28)	7,016
Dispositions	(139,150)	—	(79,220)	(218,370)
Balance at end of year	$ 7,870,526	$ 127,857	$ 238,617	$ 8,237,000
Investment properties	$ 7,739,226	$ 81,932	$ 219,217	$ 8,040,375
Assets classified as held for sale	131,300	45,925	19,400	196,625
Total	$ 7,870,526	$ 127,857	$ 238,617	$ 8,237,000

Investment properties with a fair value of $2.6 billion (December 31, 2024 – $2.7 billion) are pledged as security for $1.4 billion (December 31, 2024 – $1.4 billion) in mortgages and secured credit facilities.

(b) Investment property valuation

Stabilized overall capitalization, terminal and discount rates for investment properties valued under the Income Approach are set out in the table below:

As at	March 31, 2025	December 31, 2024
Weighted Average Total		
Overall Capitalization Rate	**5.5%**	5.5%
Terminal Capitalization Rate	**5.7%**	5.7%
Discount Rate	**6.5%**	6.4%

The majority of the Trust's portfolio is valued under the Income Approach using the discounted cash flow ("DCF") method. As at March 31, 2025, the weighted average valuation yields (stabilized overall capitalization, terminal capitalization and discount rates) used in valuing those investment properties under the Income Approach did not materially change from December 31, 2024.

During the three months ended March 31, 2025, as part of its normal course internal valuations, the Trust made revisions to the cash flow models and yields on certain properties, and revalued certain development lands when considering comparable land sales and market activity. As a result, an overall net increase in the value of investment properties was recorded in the amount of $4.0 million ($2.5 million at FCR's share) for the three months ended March 31, 2025.

The sensitivity of the fair values of investment properties to stabilized overall capitalization rates as at March 31, 2025 is set out in the table below:

As at March 31, 2025		*(millions of dollars)*
(Decrease) Increase in stabilized overall capitalization rate		Resulting increase (decrease) in fair value of investment properties
(1.00%)	$	1,759
(0.75%)	$	1,250
(0.50%)	$	792
(0.25%)	$	377
0.25%	$	(345)
0.50%	$	(661)
0.75%	$	(952)
1.00%	$	(1,221)

Additionally, a 1% increase or decrease in stabilized net operating income ("SNOI") would result in a $80 million increase or a $80 million decrease, respectively, in the fair value of investment properties. SNOI is not a measure defined by IFRS. SNOI reflects stable property operations, assuming a certain level of vacancy, capital and operating expenditures required to maintain a stable occupancy rate. The average vacancy rates used in determining SNOI for non-anchor tenants generally range from 2% to 5%. A 1% increase in SNOI coupled with a 0.25% decrease in the stabilized capitalization rate would result in an increase in the fair value of investment properties of $461 million, and a 1% decrease in SNOI coupled with a 0.25% increase in the stabilized capitalization rate would result in a decrease in the fair value of investment properties of $421 million.

(c) Investment properties – Acquisitions

For the three months ended March 31, 2025 and 2024, First Capital acquired investment properties as follows:

Three months ended March 31		2025		2024
Total purchase price, including acquisition costs	**$**	**22,246**	$	33,453
Total cash paid	**$**	**22,246**	$	33,453

(d) Assets classified as held for sale and dispositions

First Capital has certain assets classified as held for sale. These assets typically include a mix of properties where FCR's value-enhancing objectives have been achieved or those that are considered to be non-core to the business, and are as follows:

As at		**March 31, 2025**		December 31, 2024
Aggregate fair value	**$**	**164,450**	$	196,625
Mortgages secured by assets classified as held for sale	**$**	**—**	$	17,755
Weighted average effective interest rate of mortgages secured by assets classified as held for sale		**N/A**		3.5%

For the three months ended March 31, 2025 and 2024, First Capital sold investment properties as follows:

Three months ended March 31	Note		**2025**		2024
Total selling price		**$**	**72,000**	$	147,253
Property selling costs	18		**(1,511)**		(2,287)
Proceeds included in corporate and other amounts receivable [1]			**—**		(18,384)
Net cash proceeds (costs)		**$**	**70,489**	$	126,582

[1] Proceeds from the sale of the Trust's 41.7% interest in 1071 King Street West was received in the fourth quarter of 2024.

4. INVESTMENT IN JOINT VENTURES

As at March 31, 2025, First Capital had interests in seven joint ventures that it accounts for using the equity method. First Capital's joint ventures are as follows:

			Effective Ownership	
Name of Entity	Name of Property/Business Activity	Location	**March 31, 2025**	December 31, 2024
Aukland and Main Developments LP	Station Place	Toronto, ON	**35.4%**	35.4%
College Square General Partnership	College Square	Ottawa, ON	**50.0%**	50.0%
Edenbridge Kingsway (Humbertown)	Humbertown Condos (Phase 1)	Toronto, ON	**50.0%**	50.0%
Fashion Media Group GP Ltd.	Toronto Fashion Week events	Toronto, ON	**78.0%**	78.0%
FC Urban Properties, LP	199 Avenue Rd.	Toronto, ON	**20.0%**	20.0%
Lakeshore Development LP	2150 Lake Shore Blvd. W.	Toronto, ON	**50.0%**	50.0%
Stackt Properties LP	Shipping Container marketplace	Toronto, ON	**94.0%**	94.0%

First Capital has determined that these investments are joint ventures as all decisions regarding their activities are made unanimously between First Capital and its partners.

The following table reconciles the changes in First Capital's interests in its equity accounted joint ventures for the three months ended March 31, 2025 and year ended December 31, 2024:

	Note		**March 31, 2025**		December 31, 2024
Balance at beginning of year		**$**	**320,042**	$	404,504
Contributions to equity accounted joint ventures			**576**		20,037
Distributions from equity accounted joint ventures			**(1,547)**		(5,533)
Distribution of net assets from equity accounted joint venture	3(a)		**—**		(60,028)
Share of income (loss) from equity accounted joint ventures			**(1,180)**		(38,938)
Balance at end of period		**$**	**317,891**	$	320,042

On February 28, 2024, Green Capital Limited Partnership was dissolved and the net assets distributed to its limited partners. The Trust held a 50% interest in the partnership and received net assets of $60.0 million. Concurrent with the dissolution, the Trust sold its 50% interest in the Royal Orchard property for net proceeds of $59.7 million.

As at March 31, 2025, there were approximately $10.2 million of outstanding commitments, $5.4 million of outstanding letters of credit issued by financial institutions and no contingent liabilities for the seven equity accounted joint ventures.

5. LOANS, MORTGAGES AND OTHER ASSETS

As at	March 31, 2025	December 31, 2024
Non-current		
Loans and mortgages receivable classified as amortized cost (a)	**$ 23,460**	$ 14,178
Other investments	**12,506**	12,506
Due from co-owners (b)	**68,537**	62,044
Total non-current	**104,503**	88,728
Current		
Loans and mortgages receivable classified as amortized cost (a)	**73,052**	81,657
FVTPL investments in securities (c)	**3,346**	3,246
Total current	**76,398**	84,903
Total	**$ 180,901**	$ 173,631

(a) Loans and mortgages receivable are secured by interests in investment properties or shares of entities owning investment properties. As at March 31, 2025, these receivables bear interest at weighted average effective interest rates of 8.6% (December 31, 2024 – 8.9%) and mature between 2025 and 2028.

(b) The Trust has contributed equity to one of its co-ownerships whereas its partners made draws on the co-ownership's new credit facility to fund the co-ownership's development project. The due from co-owners in the principal amount of $61.4 million (December 31, 2024 - $55.8 million) equals the Trust's proportionate share of the co-ownership's credit facility draws. As there is no right of offset for these two financial instruments they are presented on a gross basis on the consolidated balance sheets.

(c) From time to time, First Capital invests in publicly traded real estate and related securities. These securities are recorded at market value. Realized and unrealized gains and losses on FVTPL securities are recorded in other gains (losses) and (expenses).

6. AMOUNTS RECEIVABLE

As at	March 31, 2025	December 31, 2024
Tenant receivables (net of allowance for expected credit losses of $4.5 million; December 31, 2024 – $4.5 million)	**$ 18,662**	$ 13,948
Corporate and other amounts receivable	**362**	501
Total	**$ 19,024**	$ 14,449

First Capital determines its allowance for expected credit losses on a tenant-by-tenant basis considering lease terms, credit risk, industry conditions and the status of the tenant's account, among other factors.

The change in the allowance for expected credit losses is summarized below:

As at	March 31, 2025	December 31, 2024
Allowance for expected credit losses, beginning of year	**$ 4,544**	$ 6,203
Receivables written off during the period	**(162)**	(1,534)
Additional provision (recovery) and other adjustments recorded during the period	**96**	(125)
Allowance for expected credit losses, end of period	**$ 4,478**	$ 4,544

7. OTHER ASSETS

As at	Note	March 31, 2025	December 31, 2024
Non-current			
Fixtures, equipment and computer hardware and software (net of accumulated amortization of $27.9 million; December 31, 2024 – $27.3 million)		**$ 6,758**	$ 6,986
Deferred financing costs on credit facilities (net of accumulated amortization of $6.5 million; December 31, 2024 – $6.2 million)		**3,311**	3,586
Environmental indemnity and insurance proceeds receivable	11(a)	**597**	561
Derivatives at fair value	21	**2,090**	4,844
Other non-current assets [1]		**13,427**	12,970
Total non-current		**26,183**	28,947
Current			
Deposits and costs on investment properties under option		**470**	4,647
Prepaid expenses		**16,398**	10,590
Restricted cash		**3,180**	3,045
Derivatives at fair value	21	**806**	809
Other current assets		**6,220**	10,419
Total current		**27,074**	29,510
Total		**$ 53,257**	$ 58,457

[1] Other non-current assets includes an $11.6 million long-term bonus density payment owing to the Trust related to a previously sold property which received final zoning approval in the third quarter of 2024.

8. CAPITAL MANAGEMENT

First Capital manages its capital, taking into account the long-term business objectives of the Trust, to provide stability and reduce risk while generating an acceptable return on investment to Unitholders over the long term. The Trust's capital structure currently includes Trust Units, senior unsecured debentures, mortgages, credit facilities, bank term loans and bank indebtedness, which together provide First Capital with financing flexibility to meet its capital needs. Primary uses of capital include development activities, acquisitions, capital improvements and leasing costs. The actual level and type of future financings to fund these capital requirements will be determined based on prevailing interest rates, various costs of debt and/or equity capital, property and capital market conditions and Management's general view of the required leverage in the business.

Components of the Trust's capital are set out in the table below:

As at	March 31, 2025	December 31, 2024
Liabilities (principal amounts outstanding)		
Mortgages	**$ 1,238,436**	$ 1,246,977
Credit facilities	**730,238**	723,335
Mortgages under equity accounted joint ventures (at the Trust's interest)	**89,195**	89,619
Credit facilities under equity accounted joint venture (at the Trust's interest)	**39,173**	34,355
Senior unsecured debentures	**2,100,000**	2,100,000
	4,197,042	4,194,286
Equity market capitalization [1]	**3,502,820**	3,600,991
Total capital employed	**$ 7,699,862**	$ 7,795,277
Trust Units outstanding (000's)	**212,421**	212,323
Closing market price	**$ 16.49**	$ 16.96

[1] Equity market capitalization is the market value of FCR's units outstanding at March 31, 2025 and December 31, 2024. 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.

First Capital is subject to financial covenants in agreements governing its senior unsecured debentures and its credit facilities. In accordance with the terms of the Trust's credit agreements, all ratios are calculated with joint ventures proportionately consolidated. As at March 31, 2025, First Capital remains in compliance with all of its applicable financial covenants.

The following table summarizes a number of First Capital's key ratios:

As at	Measure/ Covenant	**March 31, 2025**	December 31, 2024
Net debt to total assets [1]	≤65%	**44.6%**	44.5%
Unencumbered aggregate assets to unsecured debt, using 10 quarter average capitalization rate [1]	>1.3	**2.4**	2.4
Unitholders' equity, using four quarter average (billions) [2]	>$2.0B	**$ 4.0**	$ 4.0
Secured indebtedness to total assets [2]	≤35%	**16.0%**	16.0%
For the rolling four quarters ended			
Interest coverage (Adjusted EBITDA to interest expense) [2]	>1.65	**2.4**	2.4
Fixed charge coverage (Adjusted EBITDA to debt service) [2]	>1.50	**2.0**	2.0

(1) Total assets excludes cash balances.
(2) Calculations required under the Trust's credit facility agreements or indentures governing the senior unsecured debentures.

The above ratios include measures not specifically defined in IFRS. Certain calculations are required pursuant to debt covenants and are meaningful measures for this reason. Measures used in these ratios are defined below:

- Debt consists of principal amounts outstanding on credit facilities and mortgages, and the par value of senior unsecured debentures;
- Net debt is calculated as Debt, as defined above, reduced by cash balances at the end of the period;
- Secured indebtedness includes mortgages and any draws under the secured facilities that are collateralized against investment property;
- Adjusted EBITDA, is calculated as net income, adding back income tax expense; interest expense; and amortization and excluding the increase or decrease in the fair value of investment properties and unit-based compensation; other gains (losses) and (expenses); and other non-cash or non-recurring items. The Trust also adjusts for incremental leasing costs, which is a recognized adjustment to Funds from Operations, in accordance with the recommendations of the Real Property Association of Canada;
- Fixed charges include regular principal and interest payments and capitalized interest in the calculation of interest expense; and
- Unencumbered assets include the value of assets that have not been pledged as security under any credit agreement or mortgage. The unencumbered asset value ratio is calculated as unencumbered assets divided by the principal amount of the unsecured debt, which consists of the bank indebtedness, unsecured bank term loans, unsecured credit facilities, and senior unsecured debentures.

9. MORTGAGES AND CREDIT FACILITIES

As at	March 31, 2025	December 31, 2024
Fixed rate mortgages	**$ 1,235,410**	$ 1,243,786
Unsecured facilities	**608,092**	608,188
Secured facilities	**122,146**	115,147
Mortgages and credit facilities	**$ 1,965,648**	$ 1,967,121
Current	**$ 312,917**	$ 226,479
Mortgages classified as held for sale	**—**	17,755
Non-current	**1,652,731**	1,722,887
Total	**$ 1,965,648**	$ 1,967,121

Mortgages and secured facilities are secured by First Capital's investment properties. As at March 31, 2025, approximately $2.6 billion (December 31, 2024 – $2.7 billion) of investment properties out of $8.2 billion (December 31, 2024 – $8.2 billion) (Note 3(a)) had been pledged as security under the mortgages and the secured facilities.

As at March 31, 2025, mortgages bear coupon interest at a weighted average coupon rate of 3.8% (December 31, 2024 – 3.8%) and mature in the years ranging from 2025 to 2034. The weighted average effective interest rate on all mortgages as at March 31, 2025 is 3.9% (December 31, 2024 – 3.9%).

Principal repayments of mortgages outstanding as at March 31, 2025 are as follows:

	Scheduled Amortization	Payments on Maturity	Total	Weighted Average Effective Interest Rate
2025 (remainder of the year)	$ 24,642	$ 66,970	$ 91,612	3.8%
2026	30,112	94,360	124,472	3.2%
2027	29,098	71,726	100,824	3.6%
2028	26,636	145,723	172,359	3.8%
2029	20,044	236,880	256,924	3.5%
2030 to 2034	28,401	463,844	492,245	4.3%
	$ 158,933	**$ 1,079,503**	**$ 1,238,436**	**3.9%**
Unamortized deferred financing costs and premiums, net			(3,026)	
Total			**$ 1,235,410**	

First Capital's credit facilities as at March 31, 2025 are summarized in the table below:

As at March 31, 2025	Borrowing Capacity	Amounts Drawn	Outstanding Letters of Credit	Available to be Drawn	Interest Rates	Maturity Date
Unsecured Operating Facilities						
Revolving unsecured operating facility	$ 100,000	$ —	$ —	$ 100,000	CORRA + 1.55% or Prime + 0.25% or SOFR + 1.35%	September 13, 2026
Revolving unsecured operating facility	150,000	—	—	150,000	CORRA + 1.55% or Prime + 0.25% or SOFR + 1.35%	August 31, 2027
Revolving unsecured operating facility	450,000	—	(23,727)	426,273	CORRA + 1.75% or Prime + 0.45% or SOFR + 1.55%	June 30, 2029
Fixed rate unsecured term loans [(1)(2)]	250,000	(250,000)	—	—	3.39%	April 14, 2025 -April 14, 2026
Fixed rate unsecured term loan [(1)(3)(5)]	150,000	(158,092)	—	—	5.985%	October 20, 2026
Fixed rate unsecured term loan [(1)]	200,000	(200,000)	—	—	5.80%	January 31, 2029
Secured Construction Facilities						
Secured construction facility	62,665	(53,946)	(537)	8,182	CORRA + 2.80% or Prime + 1.00%	October 1, 2025
Secured construction facility [(4)]	130,530	(61,445)	(702)	68,383	CORRA + 2.60%	February 1, 2027
Secured Facilities						
Secured facility	6,755	(6,755)	—	—	CORRA + 1.75% or Prime + 0.45%	December 19, 2026
Sub-Total	**$ 1,499,950**	**$ (730,238)**	**$ (24,966)**	**$ 752,838**		
Secured Construction Facility						
Secured construction facility [(6)]	71,450	(39,173)	—	32,277	CORRA + 2.95% or Prime + 1.00%	November 28, 2025
Total	**$ 1,571,400**	**$ (769,411)**	**$ (24,966)**	**$ 785,115**		

(1) These unsecured term loans are variable rate debt instruments. The Trust has entered into swaps which fix the rate of interest over their respective terms to maturity.
(2) As at March 31, 2025, $75.0 million of the unsecured term loans is due April 14, 2025. The remaining $175.0 million is due April 14, 2026.
(3) The Trust has drawn in U.S. dollars the equivalent of CAD$150.0 million which was revalued at CAD$158.1 million as at March 31, 2025.
(4) The borrowing capacity is reduced by the Trust's equity injections into the project where it has chosen not to draw on the facility and other adjustments in accordance with the facility agreement.
(5) The Trust has the option to extend the unsecured term loan for an additional two years, to October 20, 2028.
(6) This secured construction facility relates to one of the Trust's joint ventures that is equity accounted.

First Capital has the ability under its unsecured credit facilities to draw funds based on Canadian bank prime rates or Canadian Overnight Repo Rate Average ("CORRA rates") for Canadian dollar-denominated borrowings, and secured overnight financing rates ("SOFR rates") or U.S. prime rates for U.S. dollar-denominated borrowings. Concurrently with the U.S. dollar draws, the Trust enters into cross-currency swaps to exchange its U.S. dollar borrowings into Canadian dollar borrowings.

10. SENIOR UNSECURED DEBENTURES

As at					**March 31, 2025**	December 31, 2024
		Interest Rate				
Series	Maturity Date	Coupon	Effective	**Principal Outstanding**	**Liability**	Liability
S	July 31, 2025	4.32%	4.24%	**$ 300,000**	**$ 300,078**	$ 300,138
T	May 6, 2026	3.60%	3.57%	**300,000**	**300,146**	300,173
V	January 22, 2027	3.46%	3.54%	**200,000**	**199,720**	199,683
U	July 12, 2027	3.75%	3.82%	**300,000**	**299,540**	299,492
A	March 1, 2028	3.45%	3.54%	**200,000**	**199,513**	199,474
D	June 3, 2030	4.51%	4.62%	**200,000**	**199,041**	199,001
B	March 1, 2031	5.57%	5.67%	**300,000**	**298,590**	298,541
C	June 12, 2032	5.46%	5.54%	**300,000**	**298,559**	298,490
Weighted Average or Total		4.33%	4.37%	**$ 2,100,000**	**$ 2,095,187**	$ 2,094,992
Current				**$ 300,000**	**$ 300,078**	$ 300,138
Non-current				**1,800,000**	**1,795,109**	1,794,854
Total				**$ 2,100,000**	**$ 2,095,187**	$ 2,094,992

Interest on the senior unsecured debentures is payable semi-annually and principal is payable on maturity.

On March 1, 2024, the Trust completed the issuance of $300 million principal amount of Series B senior unsecured debentures due March 1, 2031. These debentures bear interest at a coupon rate of 5.57% per annum, payable semi-annually commencing September 1, 2024.

On June 12, 2024, the Trust completed the issuance of $300 million principal amount of Series C senior unsecured debentures due June 12, 2032. These debentures bear interest at a coupon rate of 5.46% per annum, payable semi-annually commencing December 12, 2024.

On August 30, 2024, upon maturity, the Trust repaid its remaining 4.79% Series R senior unsecured debentures in the amount of $281.0 million.

On November 1, 2024, the Trust completed the issuance of $200 million principal amount of Series D senior unsecured debentures due June 3, 2030. These debentures bear interest at a coupon rate of 4.51% per annum, payable semi-annually commencing June 3, 2025.

11. ACCOUNTS PAYABLE AND OTHER LIABILITIES

As at	Note	March 31, 2025	December 31, 2024
Non-current			
Asset retirement obligations (a)		**$ 1,302**	$ 905
Ground leases payable		**8,207**	8,287
Derivatives at fair value	21	**18,286**	14,336
Unit-based compensation plans	13(c)	**3,859**	8,179
Other liabilities (b)		**89,486**	89,501
Total non-current		**121,140**	121,208
Current			
Trade payables and accruals		**55,674**	57,517
Construction and development payables		**47,732**	52,040
Unit-based compensation plans	13(c)	**22,495**	23,456
Distributions payable	12(b)	**15,755**	15,287
Interest payable		**26,324**	30,484
Tenant deposits		**41,616**	44,821
Total current		**209,596**	223,605
Total		**$ 330,736**	$ 344,813

(a) First Capital has obligations for environmental remediation at certain sites within its property portfolio. FCR has also recognized a related environmental indemnity and insurance proceeds receivable totaling $0.6 million (December 31, 2024 - $0.6 million) in other assets (Note 7).

(b) Other liabilities includes a loan payable to one of the Trust's joint ventures in the amount of $52.9 million in relation to mortgage proceeds received by the joint venture. The loan proceeds were concurrently advanced to the Trust and to the joint venture's other limited partners by way of a new loan arrangement that cannot be eliminated in the consolidated financial statements under IFRS.

12. UNITHOLDERS’ EQUITY

The Declaration of Trust authorizes the issuance of an unlimited number of Trust Units:

Trust Units: Each Trust Unit is transferable and represents an equal, undivided beneficial interest in the Trust and any distributions from the Trust and entitles the holder to one vote at a meeting of Unitholders. With certain restrictions, a Unitholder has the right to require First Capital to redeem its Trust Units on demand. Upon receipt of a redemption notice by First Capital, all rights to and under the Trust Units tendered for redemption shall be surrendered and the holder thereof shall be entitled to receive a price per unit as determined by a market formula and shall be paid in accordance with the conditions provided for in the Declaration of Trust.

(a) Trust Units

The following table sets forth the particulars of First Capital's Trust Units outstanding:

As at	March 31, 2025		December 31, 2024	
	Number of Trust Units	**Value of Trust Units**	Number of Trust Units	Value of Trust Units
Balance at beginning of year	**212,323**	**$ 2,805,551**	212,184	$ 2,803,327
Exercise of options and settlement of any restricted, performance and deferred trust units	**98**	**1,640**	139	2,224
Balance at end of period	**212,421**	**$ 2,807,191**	212,323	$ 2,805,551

On May 16, 2024, First Capital received TSX approval for the renewal of its Normal Course Issuer Bid ("NCIB") pursuant to which it may repurchase and cancel up to 21,113,939 of its outstanding units until May 20, 2025.

For the three months ended March 31, 2025 and 2024, the Trust acquired no units under the NCIB. On a cumulative basis, as of March 31, 2025, the Trust has acquired and cancelled 7.9 million Units at a weighted average purchase price of $15.15 per unit, for a total cost of $120.1 million.

(b) Distributions

First Capital declared monthly distributions totaling $0.2225 per Trust Unit for the three months ended March 31, 2025 (three months ended March 31, 2024 - $0.216 per Trust Unit).

13. UNIT-BASED COMPENSATION PLANS

(a) Unit Option Plan

First Capital's unit option plan was terminated in 2021 following the final grants issued on March 1, 2021. Any options granted prior to termination of the plan expire 10 years from the date of grant and vest over five years. As at March 31, 2025, 5.2 million unit options were outstanding (December 31, 2024 - 5.3 million).

The outstanding options as at March 31, 2025 have exercise prices ranging from $15.53 - $21.24 (December 31, 2024 – $15.53 - $21.24).

During the three months ended March 31, 2025, $31.0 thousand (three months ended March 31, 2024 – $70.0 thousand) was recorded as an expense related to stock options.

Three months ended March 31	**2025**			2024		
	Number of Trust Units Issuable (in thousands)		**Weighted Average Exercise Price**	Number of Trust Units Issuable (in thousands)		Weighted Average Exercise Price
Outstanding at beginning of year	**5,280**	**$**	**19.90**	5,621	$	19.79
Expired	**(47)**		**19.96**	(113)		17.77
Outstanding at end of period	**5,233**	**$**	**19.89**	5,508	$	19.83

The assumptions used to measure the fair value of the unit options under the Black-Scholes model (level 2) as at March 31, 2025 and 2024 were as follows:

As at March 31	**2025**	2024
Expected Trust Unit price volatility	**15.95% - 22.12%**	13.38% - 29.13%
Expected life of options	**0.2 - 4.6 years**	0.1 - 5.5 years
Expected distribution yield	**5.40%**	5.47%
Risk free interest rate	**2.49% - 2.63%**	3.50% - 4.93%

(b) Trust Unit arrangements

First Capital’s Trust Unit plans include a Trustees' Deferred Unit ("DU") plan and a Restricted Unit ("RU") plan that provides for the issuance of Restricted Units and Performance Units ("PU"). Under the DU and RU arrangements, a participant is entitled to receive one Trust Unit, or equivalent cash value for RU arrangements only, at First Capital’s option, (i) in the case of a DU, upon redemption by the holder after the date that the holder ceases to be a Trustee of FCR and any of its subsidiaries (the “Retirement Date”) but no later than December 15 of the first calendar year commencing after the Retirement Date, and (ii) in the case of an RU, on the third anniversary of the grant date. Under the PU arrangement, a participant is entitled to receive Nil – 2.0 Trust Units per PU granted, or equivalent cash value at First Capital's option, on the third anniversary of the grant date. Holders of units granted under each plan receive distributions in the form of additional units when First Capital declares distributions on its Trust Units.

Three months ended March 31		2025		2024
(in thousands)	**DUs**	**RUs / PUs**	DUs	RUs / PUs
Outstanding at beginning of year	**395**	**1,606**	450	1,261
Granted (a) (b)	**22**	**460**	24	468
Performance Factor adjustment	**—**	**143**	—	42
Distributions reinvested	**6**	**24**	6	18
Exercised	**—**	**(397)**	—	(228)
Forfeited	**—**	**(6)**	—	(18)
Outstanding at end of period	**423**	**1,830**	480	1,543
Expense recorded for the period	**$453**	**$2,315**	$463	$1,793

(a) The fair value of the DUs granted during the three months ended March 31, 2025 was $0.4 million (three months ended March 31, 2024 – $0.4 million), measured based on First Capital’s prevailing Trust Unit price on the date of grant. The fair value of the RUs granted during the three months ended March 31, 2025 was $4.8 million (three months ended March 31, 2024 – $4.6 million), measured based on First Capital’s Trust Unit price on the date of grant.

(b) The fair value of the PUs granted during the three months ended March 31, 2025 was $3.0 million (three months ended March 31, 2024 – $3.6 million). The fair value is calculated using the Monte-Carlo simulation model based on the assumptions below as well as a market adjustment factor based on the total Unitholder return of First Capital's Trust Units relative to the S&P/TSX Capped REIT Index and relative to a customized index of publicly-listed peers.

Three months ended March 31	2025	2024
Grant date	**February 20, 2025**	March 8, 2024
PUs granted (thousands)	**175**	180
Term to expiry	**3 years**	3 years
Weighted average volatility rate	**21.2%**	21.4%
Weighted average correlation	**79.3%**	75.1%
Weighted average total Unitholder return	**(2.6%)**	9.4%
Weighted average risk free interest rate	**2.81%**	3.79%
Fair value (thousands)	**$2,986**	$3,626

(c) Increase (decrease) in the value of unit-based compensation

First Capital’s unit-based compensation plans are accounted for as cash-settled awards. Therefore, outstanding Unit Options, Deferred Units, Restricted Units and Performance Units are recognized as a liability and carried at fair value through profit and loss. As at March 31, 2025, the carrying value of the unit-based compensation liability was $26.4 million (December 31, 2024 – $31.6 million)(Note 11). FCR's liability for unit-based compensation plans have decreased since December 31, 2024 which resulted in a revaluation gain of $1.5 million in the consolidated statements of income (loss) due to a decrease in the Trust Unit's price since December 31, 2024.

14. NET OPERATING INCOME

Net Operating Income by Component

First Capital's net operating income by component is presented below:

Three months ended March 31	% change		2025		2024
Property rental revenue					
Base rent [1]		**$**	**111,376**	$	109,500
Operating cost recoveries			**32,870**		30,258
Realty tax recoveries			**31,461**		30,981
Lease termination fees			**121**		5,584
Percentage rent			**604**		667
Straight-line rent adjustment			**2,350**		1,010
Prior year operating cost and tax recovery adjustments			**691**		60
Temporary tenants, storage, parking and other			**4,894**		4,829
Total Property rental revenue	**0.8%**		**184,367**		182,889
Property operating costs					
Recoverable operating expenses			**36,116**		33,806
Recoverable realty tax expense			**35,706**		35,221
Prior year realty tax expense (recovery)			**24**		(162)
Other operating costs and adjustments [2]			**162**		1,811
Total Property operating costs			**72,008**		70,676
Total NOI	**0.1%**	**$**	**112,359**	$	112,213
NOI margin			**60.9%**		61.4%

(1) Includes residential revenue.
(2) Includes residential operating costs and bad debt expense (recovery). For the three months ended March 31, 2025, bad debt expense (recovery) totaled ($0.1) million (three months ended March 31, 2024 - $Nil).

For the three months ended March 31, 2025, property operating costs include $6.9 million (three months ended March 31, 2024 – $6.4 million) related to employee compensation.

15. INTEREST AND OTHER INCOME

Three months ended March 31	Note		2025		2024
Interest, dividend and distribution income from cash, marketable securities and other investments	5	**$**	**1,239**	$	912
Interest income from loans and mortgages receivable at amortized cost	5		**2,126**		2,769
Fees and other income [1]			**2,200**		10,733
Total		**$**	**5,565**	$	14,414

(1) For the three months ended March 31, 2024, fees and other income includes a $9.5 million fee related to the assignment of a purchase and sale agreement for a parcel of land.

16. INTEREST EXPENSE

Three months ended March 31	Note		2025		2024
Mortgages	9	**$**	**12,498**	$	13,321
Credit facilities	9		**8,505**		12,595
Senior unsecured debentures	10		**23,118**		17,749
Total interest expense			**44,121**		43,665
Interest capitalized to investment properties under development			**(5,136)**		(4,591)
Interest expense		**$**	**38,985**	$	39,074
Change in accrued interest			**4,160**		9,557
Coupon interest rate in excess of effective interest rate on senior unsecured debentures			**246**		369
Coupon interest rate in excess of effective interest rate on assumed mortgages			**1**		2
Amortization of deferred financing costs			**(1,627)**		(1,845)
Cash interest paid associated with operating activities		**$**	**41,765**	$	47,157

17. CORPORATE EXPENSES

Three months ended March 31		2025		2024
Salaries, wages and benefits	**$**	**8,622**	$	8,626
Unit-based compensation		**2,684**		2,362
Other corporate costs		**4,007**		3,990
Total corporate expenses		**15,313**		14,978
Amounts capitalized to investment properties under development		**(1,899)**		(2,153)
Corporate expenses	**$**	**13,414**	$	12,825

18. OTHER GAINS (LOSSES) AND (EXPENSES)

Three months ended March 31		2025		2024
Unrealized gain (loss) on marketable securities	**$**	**100**	$	35
Pre-selling costs of residential inventory		**(202)**		(3)
Investment property selling costs		**(1,511)**		(2,287)
Gain (loss) on foreign currency translation		**102**		(7,022)
Gain (loss) on mark-to-market of derivatives [(1)]		**(1,088)**		10,603
Total	**$**	**(2,599)**	$	1,326

[(1)] The Trust enters into cross-currency swap derivatives to manage interest rate risk and foreign currency risk on its US denominated variable rate debt instruments.

19. INCOME TAXES

The Trust qualifies for the REIT Exemption and as such the Trust itself will not be subject to income taxes provided it continues to qualify as a REIT for purposes of the Act. A REIT is not taxable and not considered to be a Specified Investment Flow-Through Trust provided it complies with certain tests and distributes all of its taxable income in a taxation year to its Unitholders. The Trust is a flow-through vehicle and accounts only for income taxes pertaining to its corporate subsidiaries. The Trust's most significant corporate subsidiary, First Capital Realty Inc., is a Mutual Fund Corporation.

The following reconciles the expected tax expense (recovery) computed at the statutory tax rate to the actual tax expense for the three months ended March 31, 2025 and 2024.

Three months ended March 31		**2025**		2024
Income tax computed at the Canadian statutory rate of Nil applicable to the Trust at March 31, 2025 and 2024	**$**	**—**	$	—
Increase (decrease) in income taxes due to:				
Deferred income taxes (recoveries) applicable to corporate subsidiaries		**(17,262)**		1,202
Deferred income taxes expense (recovery)	**$**	**(17,262)**	$	1,202

20. RISK MANAGEMENT

In the normal course of its business, First Capital is exposed to a number of risks that can affect its operating performance. Certain of these risks, and the actions taken to manage them, are as follows:

(a) Interest rate risk

First Capital structures its financings so as to stagger the maturities of its debt, thereby mitigating its exposure to interest rate and other credit market fluctuations. A portion of FCR’s mortgages, loans and credit facilities are floating rate instruments. From time to time, FCR may enter into interest rate swap contracts, bond forwards or other financial instruments to modify the interest rate profile of its outstanding debt or highly probable future debt issuances without an exchange of the underlying principal amount.

(b) Credit risk

Credit risk arises from the possibility that tenants and/or debtors may experience financial difficulty and be unable or unwilling to fulfill their lease commitments or loan obligations. First Capital mitigates the risk of credit loss from tenants by investing in well-located properties in urban markets that attract high quality tenants, ensuring that its tenant mix is diversified, and by limiting its exposure to any one tenant. As at March 31, 2025, Loblaw Companies Limited (“Loblaw”) is FCR's largest tenant and accounts for 10.6% of FCR’s annualized minimum rent and has an investment grade credit rating. Other than Loblaw, no other tenant accounts for more than 10% of the annualized minimum rent. A tenant’s success over the term of its lease and its ability to fulfill its lease obligations is subject to many factors. There can be no assurance that a tenant will be able to fulfill all of its existing commitments and leases up to the expiry date. First Capital mitigates the risk of credit loss from debtors by undertaking a number of activities typical in lending arrangements including obtaining registered mortgages on the real estate properties.

First Capital’s leases typically have lease terms between 5 and 20 years and may include clauses to enable periodic upward revision of the rental rates, and lease contract extension at the option of the lessee.

(c) Liquidity risk

Real estate investments are relatively illiquid. This tends to limit First Capital’s ability to sell components of its portfolio promptly in response to changing economic or investment conditions. If FCR were required to quickly liquidate its assets, there is a risk that it would realize sale proceeds of less than the current value of its real estate investments.

An analysis of First Capital's contractual maturities of its material financial liabilities and other contractual commitments as at March 31, 2025 is set out below:

As at March 31, 2025	Payments due by period				
	Remainder of 2025	2026 to 2027	2028 to 2029	Thereafter	Total
Scheduled mortgage principal amortization	$ 24,642	$ 59,210	$ 46,680	$ 28,401	$ 158,933
Mortgage principal repayments on maturity	66,970	166,086	382,603	463,844	1,079,503
Credit facilities and bank indebtedness	128,946	401,292	200,000	—	730,238
Senior unsecured debentures	300,000	800,000	200,000	800,000	2,100,000
Interest obligations [1]	120,762	241,043	158,017	112,534	632,356
Land leases (expiring between 2027 and 2061)	509	1,335	1,265	15,008	18,117
Contractually committed costs to complete current development projects [2]	69,591	50,609	—	—	120,200
Other commitments	4,636	—	—	—	4,636
Total contractual obligations	**$ 716,056**	**$ 1,719,575**	**$ 988,565**	**$ 1,419,787**	**$ 4,843,983**

(1) Interest obligations include expected interest payments on mortgages and credit facilities as at March 31, 2025 (assuming balances remain outstanding through to maturity) and senior unsecured debentures, as well as standby credit facility fees.
(2) Includes amounts related to equity accounted joint ventures.

First Capital manages its liquidity risk by staggering debt maturities; renegotiating expiring credit arrangements proactively; using secured and unsecured credit facilities, mortgages and unsecured debentures; and issuing equity when considered appropriate. As at March 31, 2025, there was $0.6 billion (December 31, 2024 – $0.6 billion) of cash advances drawn against First Capital's unsecured credit facilities.

In addition, as at March 31, 2025, First Capital had $53.5 million (December 31, 2024 – $31.4 million) of outstanding letters of credit issued by financial institutions primarily to support certain of FCR's contractual obligations and $Nil (December 31, 2024 – $Nil) of bank overdrafts.

(d) Unit price risk

First Capital is exposed to Trust Unit price risk as a result of the issuance of unit-based compensation. Unit-based compensation liabilities are recorded at their fair value based on market trading prices and negatively impact operating income when the Trust Unit price rises and positively impact operating income when the Trust Unit price declines.

21. FAIR VALUE MEASUREMENT

The fair value hierarchy of financial instruments in the unaudited interim condensed consolidated balance sheets is as follows:

As at		**March 31, 2025**			December 31, 2024	
	Level 1	**Level 2**	**Level 3**	Level 1	Level 2	Level 3
Fair value of financial instruments measured at fair value						
Financial Assets						
FVTPL investments in securities	**$ 3,346**	**$ —**	**$ —**	$ 3,246	$ —	$ —
Other investments	**—**	**—**	**12,506**	—	—	12,506
Derivatives at fair value – assets	**—**	**2,896**	**—**	—	5,653	—
Financial Liabilities						
Unit-based compensation plans	**—**	**26,354**	**—**	—	31,635	—
Derivatives at fair value – liabilities	**—**	**18,286**	**—**	—	14,336	—
Fair value of financial instruments measured at amortized cost						
Financial Assets						
Loans and mortgages receivable	**$ —**	**$ —**	**$ 96,452**	$ —	$ —	$ 95,658
Financial Liabilities						
Mortgages	**—**	**1,217,721**	**—**	—	1,219,510	—
Credit facilities	**—**	**730,238**	**—**	—	723,335	—
Senior unsecured debentures	**—**	**2,142,114**	**—**	—	2,131,837	—

First Capital enters into derivative instruments including bond forward contracts, interest rate swaps and cross currency swaps as part of its strategy for managing certain interest rate risks as well as currency risk in relation to movements in the Canadian to U.S. exchange rate. For those derivative instruments to which First Capital has applied hedge accounting, the change in fair value for the effective portion of the derivative is recorded in OCI from the date of designation. For those derivative instruments to which First Capital does not apply hedge accounting, the change in fair value is recognized in other gains (losses) and (expenses).

The fair value of derivative instruments is determined using present value forward pricing and swap calculations at interest rates that reflect current market conditions. The models also take into consideration the credit quality of counterparties, interest rate curves and forward rate curves. As at March 31, 2025, the interest rates ranged from 4.2% to 4.7% (December 31, 2024 – 4.5% to 5.3%). The fair values of First Capital's asset (liability) hedging instruments are as follows:

	Designated as Hedging Instrument	Maturity as at March 31, 2025	**March 31, 2025**	December 31, 2024
Derivative assets				
Interest rate swaps	Yes	April 2025 - March 2027	**$ 2,896**	$ 5,653
Total			**$ 2,896**	$ 5,653
Derivative liabilities				
Interest rate swaps	Yes	January 2029 - May 2034	**$ 15,975**	$ 13,114
Cross-currency swaps	No	October 2028	**2,311**	1,222
Total			**$ 18,286**	$ 14,336

22. SUBSIDIARIES WITH NON-CONTROLLING INTEREST

As at March 31, 2025, First Capital has interests in two entities that it controls and consolidates 100% of the assets, liabilities, revenues and expenses of each entity subject to a non-controlling interest.

		Effective Ownership	
Name of Entity	Primary Investment	**March 31, 2025**	December 31, 2024
Main and Main Developments LP ("MMLP")	46.875% Interest in MMUR [1]	**67.0%**	67.0%
Maincore Equities Inc.	46.875% Interest in MMUR [1]	**70.9%**	70.9%

[1] FCR has owned a 6.25% direct interest in M+M Realty LP ("MMUR") since 2014.

First Capital controls MMLP, a subsidiary in which it holds a 67% ownership interest.

23. SUPPLEMENTAL CASH FLOW INFORMATION

(a) Items not affecting cash and other items

Three months ended March 31	**Note**	**2025**	2024
Straight-line rent adjustment	14	**$ (2,350)**	$ (1,010)
Unit-based compensation expense	13	**2,798**	2,326
Unrealized (gain) loss on marketable securities classified as FVTPL	18	**(100)**	(35)
Investment property selling costs	18	**1,511**	2,287
(Gain) loss on foreign currency translation	18	**(102)**	7,022
(Gain) loss on mark-to-market of derivatives	18	**1,088**	(10,603)
Increase (decrease) in value of unit-based compensation	13	**(1,452)**	2,297
Deferred income taxes expense (recovery)	19	**(17,262)**	1,202
Total		**$ (15,869)**	$ 3,486

(b) Net changes in other working capital items

The net changes in other working capital assets and liabilities consists of the following:

Three months ended March 31	**2025**	2024
Amounts receivable	**$ (4,575)**	$ (9,633)
Prepaid expenses	**(5,808)**	(6,504)
Trade payables and accruals	**(7,592)**	(8,533)
Tenant security and other deposits	**(3,205)**	(4,826)
Residential development inventory	**(15,104)**	(7,451)
Other working capital changes	**2,794**	(1,202)
Total	**$ (33,490)**	$ (38,149)

(c) Changes in loans, mortgages and other assets

Three months ended March 31	**2025**	2024
Advances of loans and mortgages receivable	**$ (13,661)**	$ (1,166)
Repayments of loans and mortgages receivable	**13,938**	—
Total	**$ 277**	$ (1,166)

(d) Cash and cash equivalents

As at		**March 31, 2025**		December 31, 2024
Cash and cash equivalents	**$**	**145,958**	$	150,291

24. COMMITMENTS AND CONTINGENCIES

(a) First Capital is involved in litigation and claims which arise from time to time in the normal course of business. None of these contingencies, individually or in aggregate, would result in a liability that would have a significant adverse effect on the financial position of FCR.

(b) First Capital is contingently liable, jointly and severally or as guarantor, for approximately $194.9 million (December 31, 2024 – $194.1 million) to various lenders in connection with certain third-party obligations, including, without limitation, loans advanced to its joint arrangement partners secured by the partners' interest in the joint arrangements and underlying assets.

(c) First Capital is contingently liable by way of letters of credit in the amount of $53.5 million (December 31, 2024 – $31.4 million), issued by financial institutions on FCR's behalf in the ordinary course of business.

(d) First Capital has obligations as lessee under long-term leases for land. Annual commitments under these ground leases are approximately $0.7 million (December 31, 2024 – $0.7 million) with a total obligation of $18.1 million (December 31, 2024 – $18.3 million).

25. RELATED PARTY TRANSACTIONS

Subsidiaries of the Trust

The unaudited interim condensed consolidated financial statements include the financial statements of First Capital Real Estate Investment Trust and all of its subsidiaries, including First Capital Realty Inc., First Capital REIT Limited Partnership and First Capital Holdings Trust. First Capital Realty Inc. and First Capital Holdings Trust are the significant subsidiaries of the Trust and are wholly owned.

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