

FIRST CAPITAL REIT REPORTS SOLID FIRST QUARTER 2026 RESULTS

Toronto, Ontario (May 5, 2026) - First Capital Real Estate Investment Trust (“First Capital”, “FCR”, or the “Trust”) (TSX: FCR.UN), announced financial results for the quarter ended March 31, 2026. The 2026 First Quarter Report is available in the Investors section of the Trust's website at www.fcr.ca and will be filed on SEDAR+ at www.sedarplus.ca.

KEY HIGHLIGHTS FROM THE FIRST QUARTER:

- **Operating FFO per unit of \$0.35, representing YoY growth of 7.6%**
- **Same Property NOI growth of 6.3%, excluding bad debt expense (recovery) and lease termination fees**
- **Lease renewal lift of 16.4% on strong leasing volume**
- **Total portfolio occupancy of 97.2%, representing an increase of 30 basis points year-over-year**

“We are pleased to report another strong quarter of operating and financial results, highlighted by record occupancy, solid same-property NOI growth and robust lease renewal spreads which contributed to strong FFO per unit growth,” said Adam Paul, President & CEO.

“I am extremely grateful for and proud of the FCR team. Together, we have built a consistent track record of strong results through the disciplined execution of a well-defined strategy”. Mr. Paul continued, “This foundation positioned FCR for success and culminated in last month's announced agreement to be acquired at a record unit price.”

Key Earnings Metrics (\$ millions unless otherwise noted)	Three months ended March 31	
	2026	2025
Operating FFO ⁽¹⁾	74.3	68.9
Operating FFO per diluted unit ⁽¹⁾	\$0.35	\$0.32
FFO ⁽¹⁾	74.3	67.7
FFO per diluted unit ⁽¹⁾	\$0.35	\$0.32
Net income (loss) attributable to unitholders	92.2	84.4
Net income (loss) attributable to unitholders per diluted unit	\$0.43	\$0.39
Weighted average diluted units for FFO and net income (000s)	215,048	214,502

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

Key Operating Performance and Capital Allocation Metrics <i>(\$ millions unless otherwise noted)</i>	Three months ended March 31	
	2026	2025
Operating Metrics		
Total Same Property NOI growth excluding lease termination fees and bad debt expense/ (recovery) ⁽¹⁾⁽²⁾	6.3%	5.3%
Total Same Property NOI growth ⁽¹⁾⁽²⁾	6.4%	(0.1%)
Total portfolio occupancy ⁽³⁾	97.2%	96.9%
Total Same Property occupancy ⁽¹⁾⁽³⁾	97.3%	97.0%
Lease renewal volume (square feet)	578,000	511,000
Lease renewal lift (first year rent of renewal term)	16.4%	13.6%
Lease renewal lift (average rent of renewal term)	20.1%	18.7%
Average Net Rental Rate per occupied square foot	\$24.81	\$24.23

Capital Allocation

Acquisition of investment properties	5.2	22.2
Development expenditures ⁽⁴⁾	22.5	17.4
Investment in residential inventory ⁽⁴⁾	15.2	18.3
Property disposition proceeds ⁽⁴⁾	7.5	72.0

Key Balance Sheet Metrics

Key Balance Sheet Metrics <i>(\$ millions unless otherwise noted)</i>	March 31		December 31
	2026	2025	2025
Total assets ⁽⁵⁾	9,297.7	9,183.1	9,230.1
Assets held for sale ⁽⁵⁾	122.6	164.5	106.0
Net Debt ⁽⁴⁾	4,096.7	4,026.7	4,052.9
Increase (decrease) in fair value of investment properties, net ⁽¹⁾⁽⁷⁾	30.0	2.5	44.2
Unencumbered assets ⁽⁴⁾	6,525.9	6,259.8	6,267.6
Net Asset Value per unit	\$22.81	\$22.06	\$22.57
Net debt to total assets ⁽⁴⁾⁽⁶⁾	44.1%	44.6%	44.1%
Net debt to Adjusted EBITDA ⁽⁴⁾	9.1x	8.9x	9.1x

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

⁽²⁾ Prior periods as reported; not restated to reflect current period categories.

⁽³⁾ As at March 31.

⁽⁴⁾ Reflects joint ventures proportionately consolidated.

⁽⁵⁾ Presented in accordance with IFRS.

⁽⁶⁾ Total assets excludes cash balances.

⁽⁷⁾ For the three months ended March 31, 2026 and 2025, and year ended December 31, 2025 at the Trust's proportionate interest.

EARNINGS HIGHLIGHTS

- **Operating FFO per Diluted Unit of \$0.35:** Operating Funds from Operations of \$74.3 million increased \$5.4 million, or \$0.02 per unit, over prior year. Supported by strong operating metrics, the increase in Operating FFO year-over-year was primarily due to higher NOI of \$4.9 million and lower corporate expenses over the prior year period.

- **FFO per Diluted Unit of \$0.35:** Funds From Operations of \$74.3 million increased \$6.5 million, or \$0.03 per unit, over prior year. The increase was driven by higher Operating FFO of \$5.4 million, and a year-over-year increase in other gains (losses) and (expenses) of \$1.1 million. These other gains (losses) and (expenses) are comprised primarily of mark-to-market (non-cash) gains and losses related to derivative financial instruments employed by First Capital to reduce its borrowing costs and fix the rate of interest on certain variable-rate term loans. Over the life of each loan, the cumulative gain or loss on the related derivative instruments is expected to net to \$Nil. Additionally, the Trust incurred \$1.2 million of legal and advisory fees associated with the privatization of FCR and the 2025 tax reorganization during the first quarter of 2026.
- **Net Income (Loss) Attributable to Unitholders:** For the three months ended March 31, 2026, First Capital recognized net income (loss) attributable to Unitholders of \$92.2 million or \$0.43 per diluted unit compared to \$84.4 million or \$0.39 per diluted unit for the prior year period. The increase in net income over prior year was primarily due to a \$30.0 million increase in fair value of investment property recognized in the first quarter of 2026 versus a \$2.5 million increase in fair value of investment property recognized in the first quarter of 2025, on a proportionate basis. The increase was partially offset by a change in deferred income taxes of \$17.7 million over the prior year period.

OPERATING PERFORMANCE AND CAPITAL ALLOCATION HIGHLIGHTS

- **Same Property NOI Growth:** Total Same Property NOI increased 6.4% over the prior year period. The growth was primarily due to rental rate growth and higher year-over-year occupancy. Same Property NOI excluding bad debt expense (recovery) and lease termination fees increased 6.3%.
- **Portfolio Occupancy:** On a quarter-over-quarter basis, total portfolio occupancy increased 0.1% to 97.2% at March 31, 2026, from 97.1% at December 31, 2025. On a year-over-year basis, total portfolio occupancy increased 0.3% from 96.9% at March 31, 2025 to 97.2% at March 31, 2026.
- **Lease Renewal Rate Increase:** During the quarter, net rental rates increased 16.4% on a volume of 578,000 square feet of lease renewals, when comparing the rental rate in the first year of the renewal term to the rental rate in the last year of the expiring term. Net rental rates on leases renewed in the quarter increased 20.1% when comparing the average rental rate over the renewal term to the rental rate in the last year of the expiring term owing to higher contractual growth rates embedded within the renewed lease terms.
- **Average Net Rental Rate:** The portfolio average net rental rate increased by 0.3% or \$0.08 per square foot over the prior quarter to a record \$24.81 per square foot, primarily due to rent escalations and renewal lifts, largely offset by tenant openings, net of tenant closures.
- **Property Investments:** During the first quarter, First Capital invested approximately \$43 million into property development, redevelopment, residential inventory and acquisitions, including a parcel of excess land adjacent to an existing FCR-owned shopping centre located in Milton for \$5.2 million.

- **Property Dispositions:** During the first quarter, First Capital completed approximately \$8 million of previously announced dispositions.

BALANCE SHEET HIGHLIGHTS

First Capital's March 31, 2026 net debt to Adjusted EBITDA multiple was 9.1x, consistent with December 31, 2025 and a 0.2x increase from 8.9x at March 31, 2025. First Capital's March 31, 2026 liquidity position was approximately \$0.6 billion, including \$611 million of availability on revolving credit facilities and \$31 million of cash on a proportionate basis. As at March 31, 2026, First Capital had approximately \$6.5 billion of unencumbered assets, representing 70% of total assets.

ADVANCING ENVIRONMENTAL AND SOCIAL INITIATIVES

First Capital continued to demonstrate leadership in Environmental and Social matters throughout the first quarter, which included the following highlights:

- Named one of "Canada's Top Small and Medium Employers" for 2026
- Included in the Globe and Mail's "2026 Report on Business Women Lead Here" list
- Selected for inclusion in "The Career Directory" for 2026 as one of Canada's Best Employers for recent graduates
- Received a "AA" rating in the Morgan Stanley Capital International (MSCI) ESG Ratings assessment in 2026
- Awarded Prime Status for Corporate ESG Performance by Institutional Shareholder Services in 2026

GOVERNANCE UPDATE

On April 14, 2026, following the election of the Board of Trustees at its Annual and Special Meeting, First Capital announced that all trustee nominees had been re-elected. The committees of the Board have been constituted as follows:

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

SUBSEQUENT EVENTS

On April 16, 2026, the Trust announced it had entered into an agreement to be acquired by KingSett Capital and Choice Properties REIT, in a unit and cash transaction valued at approximately \$9.4 billion, including the assumption of certain debt. Under the terms of the agreement, First Capital unitholders will receive consideration of \$19.24 in cash and 0.3186 units of Choice Properties per First Capital unit. Based on the closing unit price of Choice Properties on April 15, 2026 (the last trading day prior to the announcement of the Transaction), the implied value of the total consideration equates to \$24.40 per First Capital unit. The actual value of the consideration received by unitholders will depend on the market price of Choice Properties units at the time of closing and may be more or less than \$24.40 per First Capital unit. The Transaction will be implemented by way of a statutory plan of arrangement and be subject to unitholder approvals to be obtained at a special meeting of First Capital unitholders to be held on June 23, 2026. In addition to unitholder approval, the Transaction is subject to court approval, compliance with the *Competition Act* (Canada) and certain other closing conditions customary in transactions of this nature.

On April 16, 2026, DBRS upgraded FCR's Issuer Rating and Senior Unsecured Debentures credit rating to BBB (high) from BBB and maintained the positive trends.

MANAGEMENT CONFERENCE CALL AND WEBCAST

As a result of the April 16th announcement in connection with the acquisition of FCR by KingSett Capital and Choice Properties REIT, the live conference call and webcast with senior management previously scheduled for 2:00 p.m. (ET) on Wednesday, May 6, 2026 has been cancelled.

First Capital's financial statements and MD&A for the first quarter are available on its website at www.fcr.ca in the 'Investors' section, and on the Canadian Securities Administrators' website at www.sedarplus.ca.

ABOUT FIRST CAPITAL REIT (TSX: FCR.UN)

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

NON-IFRS FINANCIAL MEASURES

First Capital prepares and releases unaudited interim and audited annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"). As a complement to results provided in accordance with IFRS, First Capital discloses certain non-IFRS financial measures in this press release, including but not limited to FFO, Operating FFO, NOI, Same Property NOI, and proportionate interest. Since these non-IFRS measures do not have standardized meanings prescribed by IFRS, they may not be comparable to similar measures reported by other issuers. First Capital uses and presents the above non-IFRS measures as management believes they are commonly accepted and meaningful financial measures of operating performance. Reconciliations of certain non-IFRS measures to their nearest IFRS measures are included below. These non-IFRS measures should not be construed as alternatives to net income (loss) or cash flow from operating activities determined in accordance with IFRS as measures of First Capital's operating performance.

Funds from Operations ("FFO")

FFO is a recognized measure that is widely used by the real estate industry, particularly by publicly traded entities that own and operate income-producing properties. First Capital calculates FFO in accordance with the recommendations of the Real Property Association of Canada ("REALPAC") as published in its most recent guidance on "Funds from Operations and Adjusted Funds From Operations for IFRS" dated January 2022. Management considers FFO a meaningful additional financial measure of operating performance, as it excludes fair value gains and losses on investment properties as well as certain other items included in FCR's net income (loss) that may not be the most appropriate determinants of the long-term operating performance of FCR, such as investment property selling costs; tax on gains or losses on disposals of properties; deferred income taxes; fair value gains or losses on unit-based compensation; and any gains, losses or transaction costs recognized in business combinations. FFO provides a perspective on the financial performance of FCR that is not immediately apparent from net income (loss) determined in accordance with IFRS.

Operating Funds from Operations ("OFFO")

In addition to REALPAC FFO described above, Management also discloses OFFO. Management considers OFFO as its key operating performance measure that, when compared period over period, reflects the impact of certain factors on its core operations, such as changes in net operating income, interest expense, corporate expenses and interest and other income. OFFO excludes the impact of the items in other gains (losses) and (expenses) that are not considered part of First Capital's ongoing core operations.

A reconciliation from net income (loss) attributable to Unitholders to FFO and OFFO can be found in the table below:

Three months ended March 31 (\$ millions)	2026	2025
Net income (loss) attributable to Unitholders	\$ 92.2	\$ 84.4
Add (deduct):		
(Increase) decrease in fair value of investment properties ⁽¹⁾	(30.0)	(2.5)
Adjustment for equity accounted joint ventures ⁽²⁾	0.2	0.1
Adjustment for capitalized interest related to equity accounted joint ventures ⁽²⁾	1.2	1.1
Incremental leasing costs ⁽³⁾	2.2	1.9
Increase (decrease) in value of unit-based compensation ⁽⁴⁾	7.7	(1.5)
Investment property selling costs ⁽¹⁾	0.3	1.5
Deferred income taxes (recovery) ⁽¹⁾	0.4	(17.3)
FFO	\$ 74.3	\$ 67.7
Other gains (losses) and (expenses) ⁽⁵⁾	0.1	1.2
OFFO	\$ 74.3	\$ 68.9

⁽¹⁾ At FCR's proportionate interest.

⁽²⁾ Adjustment related to FCR's equity accounted joint ventures in accordance with the recommendations of REALPAC.

⁽³⁾ Adjustment to capitalize incremental leasing costs in accordance with the recommendations of REALPAC.

⁽⁴⁾ Adjustment to exclude fair value adjustments on unit-based compensation plans in accordance with the recommendations of REALPAC.

⁽⁵⁾ At FCR's proportionate interest, adjusted to exclude investment property selling costs in accordance with the recommendations of REALPAC.

Net Debt

Net debt is a measure used by Management in the computation of certain debt metrics, providing information with respect to certain financial ratios used in assessing First Capital's debt profile. Net debt is calculated as the sum of principal amounts outstanding on credit facilities and mortgages, bank indebtedness and the par value of senior unsecured debentures reduced by the cash balances at the end of the period on a proportionate basis.

As at (\$ millions)	March 31, 2026	December 31, 2025
Liabilities (principal amounts outstanding)		
Bank indebtedness	\$ 9.0	\$ —
Mortgages ⁽¹⁾	1,175.5	1,269.0
Credit facilities ⁽¹⁾	643.4	546.4
Senior unsecured debentures	2,300.0	2,300.0
Total Debt ⁽¹⁾	\$ 4,127.9	\$ 4,115.4
Cash and cash equivalents ⁽¹⁾	(31.2)	(62.4)
Net Debt ^{(1) (2)}	\$ 4,096.7	\$ 4,052.9
Equity market capitalization ⁽³⁾	4,382.9	4,015.4
Enterprise value ⁽¹⁾	\$ 8,479.6	\$ 8,068.3
Trust Units outstanding (000's)	212,555	212,452
Closing market price	\$ 20.62	\$ 18.90

⁽¹⁾ At First Capital's proportionate interest.

⁽²⁾ Net Debt is a non-IFRS measure that is calculated as the sum of total debt including principal amounts outstanding on credit facilities and mortgages, bank indebtedness and the par value of senior unsecured debentures reduced by the cash balances at the end of the period on a proportionate basis.

⁽³⁾ Equity market capitalization is the market value of FCR's units outstanding at a point in time. The measure is not defined by IFRS, does not have a standard definition and, as such, may not be comparable to similar measures disclosed by other issuers.

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA")

Adjusted EBITDA is a measure used by Management in the computation of certain debt metrics. Adjusted EBITDA is calculated as net income (loss), adding back income tax expense, interest expense and amortization and excluding the increase or decrease in the fair value of investment properties, fair value gains or losses on unit-based compensation and other non-cash or non-recurring items on a proportionate basis. FCR also adjusts for incremental leasing costs, which is a recognized adjustment to FFO, in accordance with the recommendations of REALPAC. Management believes Adjusted EBITDA is useful in assessing the Trust's ability to service its debt, finance capital expenditures and provide for distributions to its Unitholders.

A reconciliation from net income (loss) attributable to Unitholders to Adjusted EBITDA can be found in the table below:

Three months ended March 31 (\$ millions)	2026	2025
Net income (loss) attributable to Unitholders	\$ 92.2	\$ 84.4
Add (deduct) ⁽¹⁾ :		
Deferred income tax expense (recovery)	0.4	(17.3)
Interest Expense	40.6	39.9
Amortization expense	0.8	0.7
(Increase) decrease in fair value of investment properties	(30.0)	(2.5)
Increase (decrease) in value of unit-based compensation	7.7	(1.5)
Incremental leasing costs	2.2	1.9
Other non-cash and/or non-recurring items	0.3	2.7
Adjusted EBITDA ⁽¹⁾	\$ 114.2	\$ 108.3

⁽¹⁾ At First Capital's proportionate interest.

FORWARD-LOOKING STATEMENT ADVISORY

This press release contains forward-looking statements and information within the meaning of applicable securities law, including with respect to the anticipated execution and impact of the REIT's three-year business plan on its stated objectives, including FFO growth, distribution growth and improved debt ratios, as well as the REIT's ability to execute its disposition program and the anticipated contribution of dispositions to the REIT's three-year business plan objectives. These forward-looking statements are not historical facts but, rather, reflect First Capital's current expectations and are subject to risks and uncertainties that could cause the outcome to differ materially from current expectations. Such risks and uncertainties include, among others, First Capital's ability to close all announced disposition transactions and execute on its three-year business plan to achieve its stated objectives, general economic conditions; tenant financial difficulties, defaults and bankruptcies; increases in operating costs, property taxes and income taxes; First Capital's ability to maintain occupancy and to lease or re-lease space at current or anticipated rents; development, intensification and acquisition activities; residential development, sales and leasing; risks in joint ventures; environmental liability and compliance costs and uninsured losses; and risks and uncertainties related to pandemics, epidemics or other outbreaks on First Capital which are described in First Capital's MD&A for the year ended December 31, 2025. In particular, the acquisition of First Capital REIT (the "Transaction") is subject to risks and uncertainties including: the satisfaction of closing conditions outside the Trust's control, including receipt of approval under the *Competition Act* (Canada), court approval, unitholder approval and third party consents; adverse effects on existing business relationships with tenants, joint venture partners, lenders and other third parties; the ability to attract, retain and motivate key personnel; diversion of management attention from day-to-day operations; limitations on the Trust's ability to solicit additional interest from third parties and the potential obligation to pay a termination fee; restrictions on the Trust's conduct of business pending completion; fluctuations in the value of the Choice Properties units forming part of the consideration; tax consequences arising from the realization of taxable ordinary income and capital gains; and significant transaction costs and expenses regardless of whether the Transaction is completed. Additionally, statements regarding the Transaction, including the proposed timing and various steps contemplated in respect of the Transaction, the ability to complete the Transaction and the other transactions contemplated by the Arrangement Agreement, including the parties' ability to satisfy the conditions to the consummation of the Transaction, the receipt of the required unitholder approval, regulatory approval, court approval and other closing conditions customary in transactions of this nature, the possibility of any termination of the Arrangement Agreement in accordance with its terms, the expected benefits to the parties and their respective unitholders and other stakeholders of the Transaction, and statements regarding the plans, objectives and intentions of First Capital and the other parties to the Transaction, including concerning the Transaction, are forward-looking statements. Forward-looking statements are also subject to those risks and uncertainties discussed in First Capital's MD&A for the year ended December 31, 2025, MD&A for the first quarter ended March 31, 2026 and in its current Annual Information Form. Readers, therefore, should not place undue reliance on any such forward-looking statements.

First Capital undertakes no obligation to publicly update any such forward-looking statement or to reflect new information or the occurrence of future events or circumstances except as required by applicable securities law. All forward-looking statements in this press release are made as of the date hereof and are qualified by these cautionary statements.

* * * *

For further information:

Adam Paul
President & CEO
(416) 216-2081
adam.paul@fcr.ca

Neil Downey
Executive Vice President, Enterprise Strategies & CFO
(416) 530-6634
neil.downey@fcr.ca

www.fcr.ca

TSX: FCR.UN