



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, 2025 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, 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.

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 5, 2026 and are qualified by these cautionary statements.

COMPANY PROFILE

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

Business and Strategy Overview

Our business

First Capital Real Estate Investment Trust, with **\$9.3 billion** in assets, owns and operates, acquires, and develops 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



135
NEIGHBOURHOODS



21.8M
SQ. FT. OF GLA



2,400
TENANTS



368
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/sustainability



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



DISCIPLINE | STABILITY | GROWTH

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



DISCIPLINE | STABILITY | GROWTH

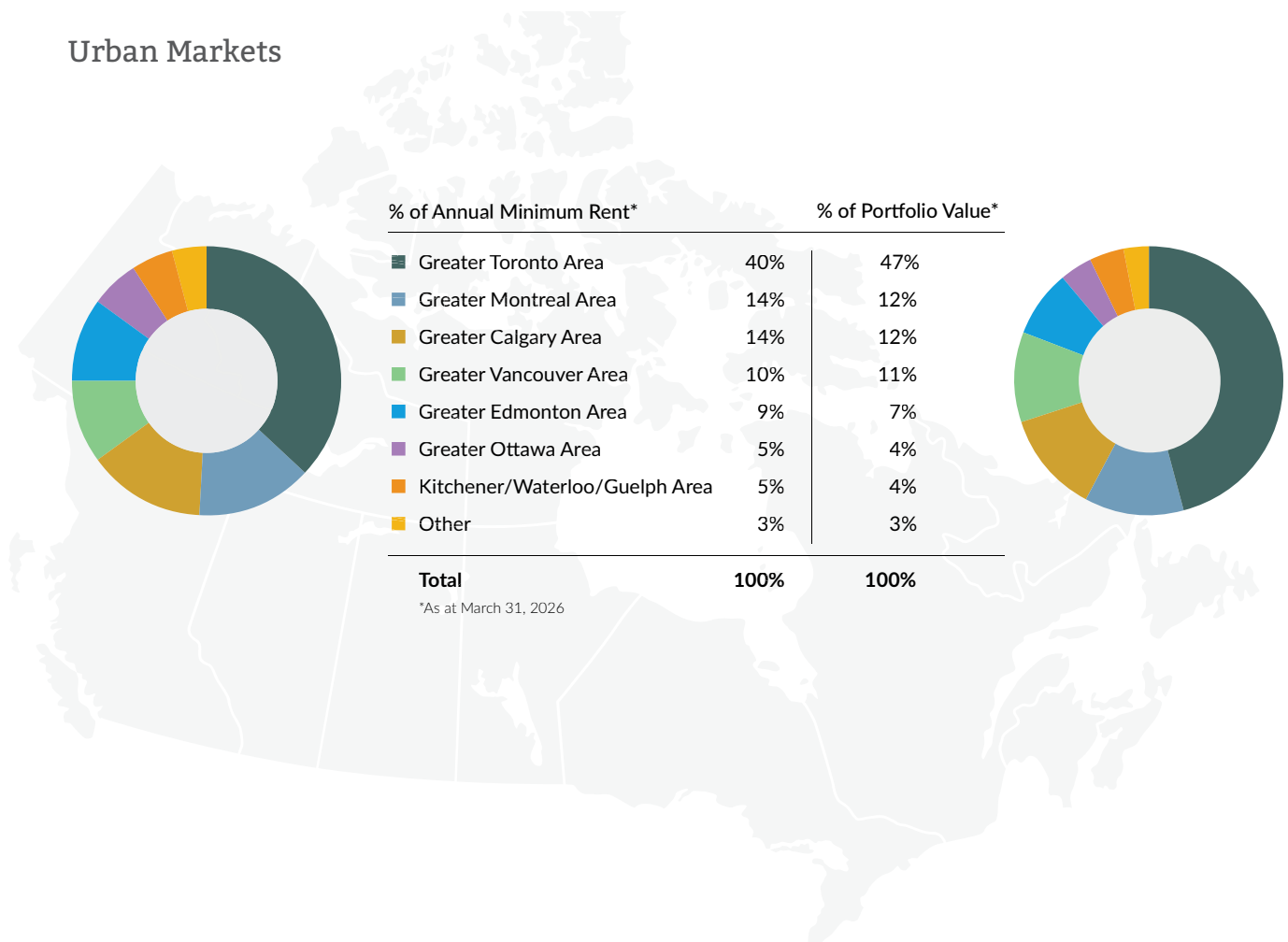
Our target markets

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



DISCIPLINE | STABILITY | GROWTH

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	119	17.1	
Medical, Professional & Personal Services	1,236	14.6	
QSR, Chains & Cafes	919	13.4	
Other Necessity-Based Retailers	365	12.0	
Pharmacies	112	9.2	
Banks & Credit Unions	190	8.6	
Other Tenants	458	8.1	
Value-Based Retailers	89	5.5	
Fitness Facilities	92	4.8	
Liquor Stores	82	3.0	
Other Restaurants	83	2.0	
Daycare & Learning Centres	103	1.7	

*23 million square feet of
incremental density within
our existing portfolio*



DISCIPLINE | STABILITY | GROWTH

Our high quality portfolio

Category	Value (billions)
Core Properties	\$7.5
Other Properties ⁽¹⁾	\$1.5
Total Real Estate Investments	\$9.0

⁽¹⁾ Includes residential development inventory

Core Properties

Stable, grocery-anchored assets with strong growth profiles

176 PROPERTIES **~\$7.5B** VALUE **~84%** REAL ESTATE INVESTMENTS **~5.7%** RUN-RATE NOI YIELD



York Mills Gardens



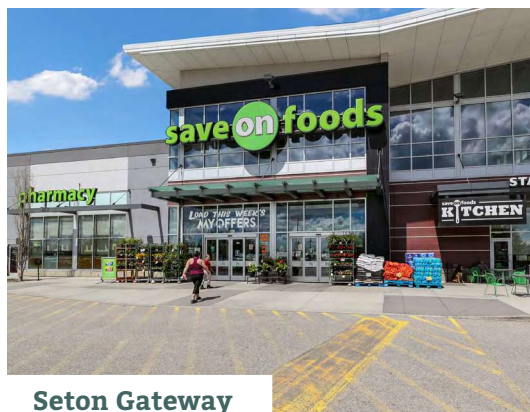
Edmonton Brewery District



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 4th in the 2025 GRESB Development Benchmark with a score of 94
Ranked 6th in the 2025 GRESB Standing Investments Benchmark with a score of 80



'AA' rating, in the Morgan Stanley Capital International (MSCI) ESG Ratings assessment in 2026



Awarded Gold Green Lease Leader Recognition by the Institute for Market Transformation (IMT) and the U.S. Department of Energy's Better Building Alliance (2023-2025)



Awarded Prime status for Corporate ESG Performance by Institutional Shareholder Services in 2026



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)
- Following the Climate Action Forum, FCR **published the Climate Action Roadmap** which outlines six key pathways with 22 actionable steps that retail tenants, landlords, and their partners can take – both independently and together – to overcome barriers and accelerate decarbonization
- Recognized by Sustainalytics as a **Regional ESG Top-Rated Company in 2025**

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

- **79%** of our portfolio is **BOMA BEST** certified, as of December 31, 2025
- **21%** of our portfolio is certified to **LEED**, as of December 31, 2025
- **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 6.6 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)
- Completed climate risk screening for full portfolio using third-party climate analytics platform
- **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

- 54% 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 sixth time in seven years (2020 - 2022, 2024 - 2026)
- Selected for inclusion in "**The Career Directory**" for 2021 - 2026 as one of Canada's Best Employers for Recent Graduates
- Named one of **Canada's Top Small and Medium Employers** for the sixth time in seven years (2020 - 2022, 2024 - 2026)
- 1 of 85 companies to be included in the Globe and Mail's **2026 Report on Business Women Lead Here** list
- 77% employee engagement score in 2025

Improving the communities in which we operate

- Launched the **FCR Thriving Neighbourhoods Foundation in 2020** and have since **raised over \$1.6 million** in donations through employee-led charitable giving to fight food insecurity and mental health initiatives
- In 2025, over **97% of FCR staff volunteered** to support local charities in our communities
- Raised over **\$220,000** for Right to Food at FCR Thriving Neighbourhoods Foundation's fourth annual Commercial Real Estate Softball Classic tournament
- 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
- **Follow recommendations** as governance standards evolve
- **Providing opportunities for our unitholders** to communicate directly with our Board

For more information on the Company's Sustainability practices, please refer to the latest Sustainability Impact Report on the Company's website at www.fcr.ca/sustainability.

MD&A

MANAGEMENT'S DISCUSSION AND ANALYSIS

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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, 2026 and 2025. It should be read in conjunction with the Trust's audited annual consolidated financial statements for the years ended December 31, 2025 and 2024. 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 5, 2026.

CURRENT BUSINESS ENVIRONMENT AND OUTLOOK

The recent escalation of conflict in the Middle East has dramatically increased global energy prices, which in turn have increased inflation expectations and added to financial market volatility. Canada's headline Consumer Price Index increased 2.4% year-over-year in March, up from 1.8% in February, in large part due to soaring energy prices, especially gasoline. The Bank of Canada's preferred core inflation measures continue to hover above the Bank's 2% target and the risks remain skewed upward with time, due to the pass-through of higher global energy prices into producer and ultimately consumer prices.

These new challenges are in the face of moderating economic momentum in Canada in early 2026. Domestic demand remains subdued, reflecting weaker household spending, softer residential investment, and cautious business capital expenditures. Moreover, slowing immigration and a cooling labour market are expected to act as additional headwinds to consumption growth through the remainder of the year. RBC Economics forecasts Canadian real GDP growth of approximately 1.1% in 2026, representing a deceleration from 2025 but reflecting continued expansion driven increasingly by productivity and per capita gains rather than population growth.

Overall, monetary policy is expected to remain supportive but cautious. Since initiating its easing cycle in mid-2024, the Bank of Canada has reduced the policy rate by 275 basis points and has held the overnight rate at 2.25% since October 2025. Governing Council continues to view the current policy stance as appropriately balanced to support economic activity while maintaining inflation close to target, particularly as the Canadian economy undergoes a period of structural adjustment related to trade reconfiguration and demographic shifts. The Bank has signaled a preference to remain on hold in the near term as it assesses the impact of global developments on inflation and growth.

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 owning and operating, acquiring and developing 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 \$7.5 billion and comprises approximately 84% 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 16% of FCR's total real estate investments and has a value of approximately \$1.5 billion.

During the first quarter of 2026, First Capital continued to execute on its strategy, with \$7.5 million of dispositions completed. 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, 2026, the Trust has classified \$122.6 million, at First Capital's share, of its assets as held for sale.

Agreement to be Acquired by KingSett Capital and Choice Properties REIT and FCR's Business Plan and Key Objectives

On April 16, 2026, the Trust 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. 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.

In the context of its three-year business plan, FCR has previously outlined specific key objectives and expectations with respect to OFFO per unit growth, Net Debt to Adjusted EBITDA, average annual same-property NOI growth, investments into development and redevelopment, development deliveries, and property dispositions. FCR continues to track towards these objectives and expectations. However, in the period prior to the transaction closing, the Trust is subject to certain operating covenants that may limit its activities and in turn impact the achievement of its previously stated key objectives.

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, 2026, First Capital's net debt to adjusted EBITDA ratio was 9.1x.

As at March 31, 2026, the Trust had unencumbered properties with an IFRS value of approximately \$6.5 billion and a net debt to asset ratio of 44.1%.

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, 2025, First Capital received TSX approval for the renewal of its NCIB pursuant to which it may repurchase and cancel up to 21,120,181 of its outstanding units until May 20, 2026. Cumulatively from May 2022 to March 31, 2026, 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, 2026, FCR's loans and mortgages receivable totaling \$124.2 million (December 31, 2025 - \$121.2 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, 2026, FCR had approximately 0.7 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 global economy as well as Canada's has remained resilient in the face of the ongoing uncertainty associated with the escalating Middle East conflict, U.S. trade policy, and tariffs. As such, the environment remains volatile, and 2026 GDP growth is expected to be subdued.

Overall, central banks are proceeding cautiously and they continue to assess how rising energy prices, U.S. tariffs and changing trade relationships might impact GDP growth and inflation in Canada and globally. With the backdrop of a weaker economy and elevated uncertainty surrounding growth and inflation, The Bank of Canada has held the policy rate at 2.25% since October 2025. The Bank stated that it will continue to assess the impact of US tariffs and trade policy uncertainty, as well as the ongoing conflict in the Middle East on growth and inflation and are ready to respond as needed.

First Capital's portfolio occupancy is currently at the high end of its long-term range and occupancy rates across grocery anchored shopping centres more broadly are also high. Replacement costs for grocery anchored shopping centres are generally in excess of market values for existing centres, and therefore the new supply pipeline across this retail real estate segment remains very low. Tenant demand for physical space across the sizable majority of First Capital's tenant categories remains strong, as retailers are still playing catch up with their store footprints following several years of strong Canadian population growth. Moreover, the physical storefront remains the most profitable point-of-sale for most retailers. These factors, combined with the necessity-based nature of the goods and services provided by most of the REIT's tenants, provide confidence in First Capital's ability to maintain stability in key operating and financial metrics in the face of broader macro-economic and geopolitical uncertainty.

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 fair

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 its 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 if applicable.

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 (18.9 million square feet at its ownership interest compared to 21.8 million square feet at 100% as at March 31, 2026). First Capital's operating metrics and GLA excludes residential GLA totaling 120,000 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	2026	2025
Revenues, Income and Cash Flows ⁽¹⁾		
Revenues and other income	\$ 195,675	\$ 189,932
NOI ⁽²⁾	\$ 116,994	\$ 112,359
Increase (decrease) in fair value of investment properties, net	\$ 29,567	\$ 4,004
Net income (loss) attributable to Unitholders	\$ 92,220	\$ 84,422
Net income (loss) per unit attributable to Unitholders (diluted)	\$ 0.43	\$ 0.39
Weighted average number of units - diluted (in thousands)	215,048	214,502
Cash provided by operating activities	\$ 37,260	\$ 29,493
Distributions		
Distributions declared	\$ 48,447	\$ 47,249
Distributions declared per unit	\$ 0.228	\$ 0.2225
Cash distributions paid	\$ 48,050	\$ 46,782
Cash distributions paid per unit	\$ 0.2262	\$ 0.2203
As at March 31		
Financial Information ⁽¹⁾		
Investment properties ⁽³⁾	\$ 8,378,266	\$ 8,223,671
Total assets	\$ 9,297,664	\$ 9,183,109
Mortgages	\$ 1,085,051	\$ 1,235,410
Credit facilities	\$ 610,235	\$ 730,238
Senior unsecured debentures	\$ 2,291,963	\$ 2,095,187
Unitholders' equity	\$ 4,866,395	\$ 3,981,972
Net Asset Value per unit ⁽²⁾	\$ 22.81	\$ 22.06
Capitalization and Leverage		
Trust Units outstanding (in thousands)	212,555	212,421
Enterprise value ⁽²⁾	\$ 8,479,625	\$ 7,529,552
Net debt to total assets ^{(2) (4)}	44.1%	44.6%
Net debt to Adjusted EBITDA ^{(2) (4)}	9.1x	8.9x
Weighted average term to maturity on mortgages, fixed rate unsecured term loans and senior unsecured debentures (years)	4.4	3.5

⁽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 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.

As at March 31	2026	2025
Operational Information		
Number of neighbourhoods	135	136
GLA (square feet) - at 100%	21,783,000	21,934,000
GLA (square feet) - at ownership interest	18,947,000	19,098,000
Occupancy - Same Property - stable ⁽¹⁾	97.3%	97.0%
Total portfolio occupancy	97.2%	96.9%
Development pipeline and adjacent land (GLA) ⁽³⁾		
Commercial pipeline (primarily retail)	905,000	718,000
Residential pipeline	22,132,000	22,132,000
Weighted average rate per occupied square foot	\$ 24.81	\$ 24.23
Commercial GLA developed and transferred online - at ownership interest ⁽⁴⁾	28,000	—
Cost of GLA developed and brought online – at FCR's share	\$ 15,451	\$ —
Same Property - stable NOI - increase (decrease) over prior period ⁽¹⁾⁽⁵⁾	6.4%	(0.3%)
Total Same Property NOI - increase (decrease) over prior period ⁽¹⁾⁽⁵⁾	6.4%	(0.1%)
<hr/>		
For the three months ended March 31	2026	2025
Funds from Operations ⁽¹⁾⁽²⁾		
OFFO	\$ 74,306	\$ 68,899
OFFO per diluted unit	\$ 0.35	\$ 0.32
OFFO payout ratio	66.0%	69.3%
FFO	\$ 74,252	\$ 67,740
FFO per diluted unit	\$ 0.35	\$ 0.32
FFO payout ratio	66.0%	70.5%
Weighted average number of units - diluted (in thousands)	215,048	214,502
<hr/>		
Adjusted Funds from Operations ⁽¹⁾⁽²⁾		
AFFO	\$ 61,831	\$ 55,496
AFFO per diluted unit	\$ 0.29	\$ 0.26
AFFO payout ratio	79.3%	86.0%
Weighted average number of units - diluted (in thousands)	215,048	214,502
<hr/>		
Adjusted Cash Flow from Operations ⁽¹⁾⁽²⁾		
ACFO	\$ 45,100	\$ 44,612
ACFO payout ratio on a rolling four quarter basis	84.1%	83.7%

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

⁽²⁾ Reflects joint ventures proportionately consolidated. Total assets excludes cash balances. Refer to the "Non-IFRS Financial Measures – Proportionate Interest" section of this MD&A.

⁽³⁾ At First Capital's ownership interest.

⁽⁴⁾ During the three months ended March 31.

⁽⁵⁾ 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 \$7.5 billion as at March 31, 2026 and December 31, 2025, respectively.

As at and for the three months ended (millions of dollars)						March 31, 2026
Portfolio	Income-Producing Properties	Properties Under Construction	Density and Development Land	Proportionate Interest ⁽¹⁾	Net Operating Income ⁽¹⁾	
Core Portfolio	\$ 7,432	\$ 36	\$ 67	\$ 7,535	\$ 108	
Other properties	694	155	255	1,104	11	
Total Portfolio	\$ 8,126	\$ 191	\$ 322	\$ 8,639	\$ 119	
Residential development inventory				352		
Total real estate investments				\$ 8,991		

⁽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, 2025	
Portfolio	Income-Producing Properties		Properties Under Construction	Density and Development Land		Proportionate Interest ⁽¹⁾	Net Operating Income ⁽¹⁾
Core Portfolio	\$	7,387	\$ 32	\$	61	\$ 7,480	\$ 424
Other properties		700			255	1,097	42
Total Portfolio	\$	8,087	\$ 174	\$	316	\$ 8,577	\$ 466
Residential development inventory						336	
Total real estate investments					\$	8,913	

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

As at March 31, 2026, First Capital had interests in 135 neighbourhoods, which were 97.2% occupied with a total GLA of 18.9 million square feet at FCR's ownership interest (21.8 million square feet at 100%) and a fair value of \$8.6 billion. This compares to 136 neighbourhoods, which were 97.1% occupied with a total GLA of 18.9 million square feet at FCR's ownership interest (21.8 million square feet at 100%) and a fair value of \$8.6 billion as at December 31, 2025.

The Same Property portfolio includes properties sub-categorized in Same Property – stable and Same Property with redevelopment. The Same Property portfolio is comprised of 126 neighbourhoods with a total GLA of 18.7 million square feet at FCR's ownership interest (21.5 million square feet at 100%) and a fair value of \$8.0 billion. These properties represent 93% of FCR's neighbourhood count, 98% of its GLA at FCR's ownership interest and 93% of its fair value as at March 31, 2026.

The balance of FCR's real estate assets consists of properties which are in various stages of redevelopment, properties acquired in 2026 or 2025 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, 2026					December 31, 2025				
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	97.9%	18,547	\$ 7,974	97.3%	\$ 24.70	98.0%	18,568	\$ 7,932	97.2%	\$ 24.62
Same Property with redevelopment	0.6%	108	25	100.0%	15.88	0.6%	108	25	100.0%	15.84
Total Same Property	98.5%	18,655	7,999	97.3%	24.65	98.6%	18,676	7,957	97.2%	24.57
Major redevelopment	0.5%	108	80	88.8%	50.50	0.4%	79	77	98.7%	48.42
Properties under construction ⁽³⁾	—%	—	136	—%	—	—%	—	122	—%	—
Acquisitions ⁽⁴⁾	—%	10	25	100.0%	39.88	—%	10	20	100.0%	39.88
Density and Development land ^{(5) (6) (7)}	0.4%	69	276	82.4%	56.45	0.4%	69	275	82.8%	56.38
Investment properties classified as held for sale	0.6%	105	123	93.3%	9.67	0.6%	105	118	93.3%	16.24
Dispositions ⁽⁷⁾	—%	—	—	—%	—	—%	9	8	100.0%	14.00
Total	100.0%	18,947	\$ 8,639	97.2%	\$ 24.81	100.0%	18,948	\$ 8,577	97.1%	\$ 24.73

⁽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, 2026 and December 31, 2025, respectively.

⁽³⁾ Approximately \$56 million (December 31, 2025 - \$52 million) of properties under construction is included in investment properties classified as held for sale as at March 31, 2026.

⁽⁴⁾ Includes current year and prior year acquisitions.

⁽⁵⁾ Approximately \$25 million (December 31, 2025 - \$20 million) of density and development land is included in acquisitions as at March 31, 2026.

⁽⁶⁾ Approximately \$21 million (December 31, 2025 - \$21 million) of density and development land is included in investment properties classified as held for sale as at March 31, 2026.

⁽⁷⁾ Comparative information presented relates to 2026 dispositions that have been completed and no longer form part of these metrics as at March 31, 2026.

MANAGEMENT'S DISCUSSION AND ANALYSIS – continued

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

As at	March 31, 2026								December 31, 2025						
(millions of dollars, except other data)	Number of Neighbourhoods	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 Neighbourhoods	GLA (000's sq. ft.)	Fair Value ⁽¹⁾	% of Total Fair Value	Occupancy	Weighted Average Rate per Occupied Square Foot	% of Annual Minimum Rent	
Area															
Greater Toronto	44	6,471	\$ 3,970	47%	96.9%	\$ 28.69	40%	44	6,464	\$ 3,925	47%	97.2%	\$ 28.75	40%	
Greater Montreal	25	3,527	1,049	12%	95.9%	19.35	14%	26	3,536	1,055	12%	95.8%	19.39	14%	
Greater Calgary	15	2,437	1,059	12%	97.3%	27.08	14%	15	2,409	1,052	12%	98.2%	26.72	14%	
Greater Vancouver	14	1,581	983	11%	98.7%	30.03	10%	14	1,581	974	11%	98.4%	29.72	10%	
Greater Edmonton	10	2,103	600	7%	95.6%	20.72	9%	10	2,130	600	7%	93.7%	20.69	9%	
Greater Ottawa	13	1,021	362	4%	99.5%	21.21	5%	13	1,021	362	4%	99.3%	21.13	5%	
KW/Guelph ⁽²⁾	5	1,052	386	4%	99.9%	21.34	5%	5	1,052	379	4%	99.9%	21.06	5%	
Other	9	755	230	3%	98.9%	19.57	3%	9	755	230	3%	99.0%	19.23	3%	
Total	135	18,947	\$ 8,639	100%	97.2%	\$ 24.81	100%	136	18,948	\$ 8,577	100%	97.1%	\$ 24.73	100%	

⁽¹⁾ At FCR's proportionate interest, including investment properties classified as held for sale as at March 31, 2026 and December 31, 2025, 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, 2026			
(millions of dollars)	Consolidated Balance Sheet	Adjustments for Proportionate Interest	Proportionate Interest ⁽²⁾	
Balance at beginning of year	\$ 8,318	\$ 259	\$ 8,577	
Acquisitions				
Investment properties and additional adjacent spaces	5	—	5	
Development activities and property improvements	32	—	32	
Increase (decrease) in fair value of investment properties, net	30	—	30	
Dispositions	(8)	—	(8)	
Other changes	1	2	3	
Balance at end of period⁽¹⁾	\$ 8,378	\$ 261	\$ 8,639	

⁽¹⁾ Includes assets classified as held for sale as at March 31, 2026 totaling \$123 million (\$123 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, 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	28	—	28	
Development activities and property improvements	147	7	154	
Increase (decrease) in fair value of investment properties, net	80	(36)	44	
Dispositions	(176)	—	(176)	
Other changes	2	—	2	
Balance at end of year⁽¹⁾	\$ 8,318	\$ 259	\$ 8,577	

⁽¹⁾ Includes assets classified as held for sale as at December 31, 2025 totaling \$106 million (\$106 million at First Capital's share) of investment properties.

⁽²⁾ Refer to the "Non-IFRS Financial Measures" section of this MD&A.

2026 Acquisitions

Income-producing properties and other

During the three months ended March 31, 2026, First Capital purchased a parcel of excess land adjacent to an existing FCR-owned shopping centre located in Milton for \$5.2 million, as summarized in the table below:

Count	Property Name	City/Province	Quarter Acquired	Interest Acquired	GLA (sq. ft.)	Acres	Acquisition Cost (in millions)
1.	Derry Heights Plaza (land)	Milton, ON	Q1	100%	—	4.1	\$ 5.2
	Total				—	4.1	\$ 5.2

2026 Dispositions

During the three months ended March 31, 2026, First Capital completed \$7.5 million of dispositions located in Toronto and Montreal, as summarized in the table below:

Count	Property Name	City/Province	Quarter Sold	Interest Sold	GLA (sq. ft.)	Acres	Gross Sales Price (in millions)
1.	Place Jean-Talon	Montreal, QC	Q1	100%	9,200	0.2	
2.	Yorkville Condo	Toronto, ON	Q1	100%	2,832	—	
	Total				12,032	0.2	\$ 7.5

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS – continued

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

Three months ended March 31	2026			2025		
	Capital Expenditures	Adjustments for Proportionate Interest	Proportionate Interest ⁽¹⁾	Capital Expenditures	Adjustments for Proportionate Interest	Proportionate Interest ⁽¹⁾
Revenue sustaining	\$ 5,442	\$ 315	\$ 5,757	\$ 6,554	\$ (5)	\$ 6,549
Revenue enhancing	770	(3)	767	6,591	27	6,618
Expenditures recoverable from tenants	3,277	—	3,277	1,371	—	1,371
Development expenditures	22,020	438	22,458	15,556	1,807	17,363
Sub-total	\$ 31,509	\$ 750	\$ 32,259	\$ 30,072	\$ 1,829	\$ 31,901
Residential Inventory	\$ 15,970	\$ (766)	\$ 15,204	\$ 15,104	\$ 3,222	\$ 18,326
Total	\$ 47,479	\$ (16)	\$ 47,463	\$ 45,176	\$ 5,051	\$ 50,227

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

Capital expenditures for the three months ended March 31, 2026 were \$47.5 million, which was \$2.8 million lower than the same prior year period, in large part due to lower 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, 2026 and December 31, 2025:

As at and for the three months ended (millions of dollars)						March 31, 2026
Property Type	Valuation Method	Fair Value	Adjustments for Proportionate Interest	Proportionate Interest ⁽¹⁾	Net Operating Income ⁽¹⁾	
Same Property - stable	DCF ⁽²⁾	\$ 7,832	\$ 142	\$ 7,974	\$ 116	
Same Property with redevelopment	DCF ⁽²⁾	25	—	25	1	
Total Same Property		\$ 7,857	\$ 142	\$ 7,999	\$ 117	
Major redevelopment	DCF ⁽²⁾ , Cost ⁽²⁾	79	1	80	1	
Properties under construction ⁽³⁾	DCF ⁽²⁾ , Cost ⁽²⁾	136	—	136	—	
Acquisitions	DCF ⁽²⁾ , Cost ⁽²⁾	25	—	25	—	
Density and Development Land ⁽⁴⁾⁽⁵⁾	Cost ⁽²⁾ , comparable land sales	158	118	276	1	
Assets classified as held for sale	DCF ⁽²⁾ , comparable land sales	123	—	123	—	
Total investment properties		\$ 8,378	\$ 261	\$ 8,639	\$ 119	
NOI related to other investments					—	
Total NOI					\$ 119	

⁽¹⁾ At First Capital's proportionate interest for the three months ended March 31, 2026. 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 \$56 million (\$56 million at First Capital's share) of properties under construction is included in assets classified as held for sale.

⁽⁴⁾ Approximately \$21 million (\$21 million at First Capital's share) of density and development land is included in assets classified as held for sale.

⁽⁵⁾ Approximately \$25 million (\$25 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, 2025		
Property Type ⁽¹⁾	Valuation Method	Fair Value	Adjustments for Proportionate Interest	Proportionate Interest ⁽²⁾	Net Operating Income ⁽²⁾	
Same Property - stable	DCF ⁽³⁾	\$ 7,790	\$ 142	\$ 7,932	\$ 455	
Same Property with redevelopment	DCF ⁽³⁾	25	—	25	2	
Total Same Property		\$ 7,815	\$ 142	\$ 7,957	\$ 457	
Major redevelopment	DCF ⁽³⁾ , Cost ⁽³⁾	77	—	77	4	
Properties under construction ⁽⁴⁾	DCF ⁽³⁾ , Cost ⁽³⁾	122	—	122	—	
Acquisitions	DCF ⁽³⁾ , Cost ⁽³⁾	20	—	20	—	
Density and Development Land ⁽⁵⁾⁽⁶⁾	Cost ⁽³⁾ , comparable land sales	158	117	275	3	
Assets classified as held for sale	DCF ⁽³⁾ , comparable land sales	118	—	118	2	
Dispositions	N/A	8	—	8	1	
Total investment properties		\$ 8,318	\$ 259	\$ 8,577	\$ 467	
NOI related to other investments					(1)	
Total NOI					\$ 466	

⁽¹⁾ Prior periods restated to reflect current period property categories.

⁽²⁾ At First Capital's proportionate interest for the twelve months ended December 31, 2025. 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 \$52 million (\$52 million at First Capital's share) of properties under construction is included in assets classified as held for sale.

⁽⁵⁾ Approximately \$21 million (\$21 million at First Capital's share) of density and development land is included in assets classified as held for sale.

⁽⁶⁾ Approximately \$20 million (\$20 million at First Capital's share) of density and development land is included in acquisitions.

The majority of the Trust's portfolio is valued under the Income Approach using the discounted cash flow ("DCF") method. As at March 31, 2026, the weighted average valuation yields (stabilized overall capitalization, terminal capitalization and discount rates) used in valuing those investment properties under the Income Approach remained consistent when compared to December 31, 2025 yields.

During the three months ended March 31, 2026, as part of its normal course internal valuations, the Trust made revisions to the cash flow models on certain properties. As a result, an overall net increase in the fair value of investment properties was recorded in the amount of \$29.6 million (\$30.0 million at FCR's share) for the three months ended March 31, 2026.

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, 2026 and December 31, 2025:

As at March 31, 2026	Stabilized Capitalization Rate		
	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⁾	5.5%	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.

MANAGEMENT'S DISCUSSION AND ANALYSIS – continued

As at December 31, 2025	Stabilized Capitalization Rate		
	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	6.5%	6.3%	5.5%-7.5%
Greater Ottawa	5.9%	6.0%	5.5%-6.5%
KW/Guelph ⁽¹⁾	5.5%	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, 2026, the Trust's share of properties under construction, residential inventory and density and development land totaled approximately \$865 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.

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, 2026, First Capital's portfolio is comprised of 18.9 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, 2026, Management had identified approximately 23.0 million square feet of incremental density which currently exceeds FCR's existing portfolio of 18.9 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, 2026	Square feet (in thousands)			Recognized to date ⁽²⁾	Value recognized ⁽¹⁾⁽²⁾ (in millions)
	Commercial	Residential	Total ⁽¹⁾		
Properties under construction	105	260	365	365	\$ 191
Density and development land					
Medium term	1,000	9,200	10,200		
Long term	(100)	3,000	2,900		
Very long term	(100)	9,300	9,200		
	800	21,500	22,300	6,441	\$ 322
Residential inventory	—	372	372	372	\$ 352
Total development pipeline	905	22,132	23,037	7,178	\$ 865

⁽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 7.2 million or 31% of FCR's 23.0 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 \$322 million, or \$50 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 at March 31, 2026 ⁽¹⁾ (in millions)		Unencumbered	Encumbered	Fair Value
Development land	Unzoned	\$ 29	\$ 11	\$ 40
	Zoned	150	—	150
	Total	179	11	190
IPP with density	Unzoned	5	28	33
	Zoned	99	—	99
	Total	104	28	132
Value of density and development land		\$ 283	\$ 39	\$ 322

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

The remaining 15.9 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, 2026 (in thousands of square feet)	Incremental Density Pipeline	
	Total	% of Total
Greater Toronto Area	13,475	58.5%
Greater Montreal Area	4,631	20.1%
Greater Vancouver Area	2,246	9.7%
Greater Ottawa Area	2,060	8.9%
Greater Edmonton Area	565	2.5%
Greater Calgary Area	60	0.3%
Total development pipeline	23,037	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, 2026, entitlement submissions to date total approximately 17.5 million square feet representing 76% of FCR's 23.0 million incremental density pipeline. To date, 10.8 million square feet has been zoned and the Trust expects up to one million square feet of existing entitlement submissions to be zoned throughout the remainder of 2026.

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	8,183	996	9,179	317	8,862	5,901
3. 2020 Entitlement Applications	2,903	197	3,100	143	2,957	1,571
4. 2021 Entitlement Applications	1,507	20	1,527	104	1,423	1,147
5. 2022 Entitlement Applications	1,636	46	1,682	78	1,604	652
6. 2023 Entitlement Applications	1,423	62	1,485	106	1,379	771
7. 2024 Entitlement Applications	1,581	60	1,641	27	1,614	1,264
8. 2025 Entitlement Applications	1,712	47	1,759	46	1,713	—
Total Entitlement Applications Submitted	21,931	2,135	24,066	996	23,070	14,889
Dispositions and other ⁽³⁾	(5,028)	(744)	(5,772)	(209)	(5,563)	(4,094)
Total Entitlement Applications Submitted - net	16,903	1,391	18,294	787	17,507	10,795

⁽¹⁾ Certain prior period entitlement application data has been updated to reflect subsequent resubmissions.

⁽²⁾ As at March 31, 2026, 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 7.0 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. Cedarbrae Mall (future phases)	Cedarbrae	Toronto, ON	100%
10. Le Campanile	Nun's Island	Montreal, QC	100%
11. Place Michelet	Saint - Leonard	Montreal, QC	100%
12. Westmount Shopping Centre (future phases)	Westmount	Edmonton, AB	100%
13. Scott 72 Shopping Centre	120 St./72 Ave.	Delta, BC	100%
14. Semiahmoo (future phases)	South Surrey	Surrey, BC	100%
15. Gloucester City Centre (future phases)	Gloucester	Ottawa, ON	50%
16. 801 Columbia Street	Shops at New West	New Westminster, BC	100%

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.

2026 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.

During the first quarter of 2026, First Capital completed the transfer of 28,000 square feet of new incremental retail space to the income-producing portfolio at a total value of \$15.5 million. Approximately 17,000 square feet of the retail space transferred became occupied at an average rental rate of \$59.62 per square foot or approximately \$1.0 million in annual NOI.

For the three months ended March 31, 2026, First Capital had tenant closures for redevelopment of 24,000 square feet at an average rental rate of \$23.27 per square foot, all of which was slated for demolition.

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, 2026 are as follows:

As at March 31, 2026					Estimated GLA/GFA under development (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	—	—	3	3
Humbertown Shopping Centre (Phase III), Toronto, ON ⁽³⁾	100%	Retail	H2 2026	—	—	39	39
400 King St. W., Toronto, ON	35%	Mixed-Use (condo)	H2 2026	225	151	—	151
		Mixed-Use (retail)	H2 2026	—	—	12	12
1071 King St. W., Toronto, ON	25%	Mixed-Use (rental)	H2 2027	75	49	1	50
Yonge & Roselawn, Toronto, ON	50% ⁽⁴⁾	Mixed-Use (rental)	H1 2028	318	211	32	243
138 Yorkville Ave., Toronto, ON	33%	Mixed-Use (condo)	H2 2030	25	98	—	98
		Mixed-Use (retail)	H2 2030	—	—	18	18
Total at FCR's share ⁽²⁾				748	632	105	737

⁽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 11,000 square feet of major tenant space that will remain in occupancy through the re-development period.

⁽⁴⁾ As at March 31, 2026, 25% of this project is classified as held for sale.

As at March 31, 2026		Value recognized ⁽¹⁾ (in millions)			
Project	Properties Under Construction ⁽¹⁾	Residential Development Inventory ⁽¹⁾	Total ⁽¹⁾	Estimated Costs to Complete ⁽¹⁾	
Edenbridge Condos, Toronto, ON (residential)	—	104	104	6	
Edenbridge Condos, Toronto, ON (retail)	3	—	3	1	
Humbertown Shopping Centre (Phase III), Toronto, ON	26	—	26	9	
400 King St. W., Toronto, ON (residential)	—	135	135	21	
400 King St. W., Toronto, ON (retail)	7	—	7	2	
1071 King St. W., Toronto, ON	26	—	26	25	
Yonge & Roselawn, Toronto, ON	112	—	112	152	
Sub-total at FCR's share ⁽¹⁾	\$ 174	\$ 239	\$ 413	\$ 216	
138 Yorkville Ave., Toronto, ON (residential)	—	113	113	TBD	
138 Yorkville Ave., Toronto, ON (retail)	17	—	17	TBD	
Total at FCR's share ⁽¹⁾	\$ 191	\$ 352	\$ 543	\$ 216	

⁽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. Closings of all sold units will be completed in April 2026. Two of the three retail spaces at grade have been leased and are commencing tenant fit-out. The Trust's 50% co-development partner in the project is Tridel.

Humbertown Shopping Centre (Phase 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 are now open for business.

Phase 2 includes a 10,000 square foot expansion of the former undersized Loblaws store. Loblaws is in possession and completing the fitout of their newly-expanded space, with reopening scheduled for 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 635 suites and approximately 34,000 square feet of street front retail GLA located over two levels. The building's structure was completed in the third quarter of 2025. Exterior work including window installation is progressing well, with completion expected in April. Interior finishing work is underway, with plumbing, drywall and kitchens being installed. 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.

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. The building's structure was completed in the first quarter of 2026. Precast and window installation is well underway, reaching the tenth floor. The Trust's co-development partners in the project are Hullmark and Woodbourne.

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 was recently certified as a Net Zero Carbon-design building by the Canada Green Building Council. Structural formwork is well underway, with construction progressing to the seventh floor of the podium. Installation of facade elements and mechanical and electrical components commenced during the first quarter of 2026. The Trust's co-development partner in the project is Woodbourne.

138 Yorkville

138 Yorkville Avenue, Toronto, is a 31-storey ultra-luxury condominium tower that includes approximately 75 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

MANAGEMENT'S DISCUSSION AND ANALYSIS – continued

neighbourhood, and it will be integrated into the REIT's Yorkville Village shopping centre. Construction of the underground structure is complete, and above-grade structural formwork is now underway. The Trust's co-development partner in the project is Greybrook Realty Partners.

Leasing and Occupancy

As at March 31, 2026, total portfolio and Same Property occupancy increased 0.3%, to 97.2% and 97.3%, respectively, compared to March 31, 2025 occupancy rates primarily due to tenant openings, net of closures. Total portfolio and Same Property occupancy increased 0.1%, respectively, compared to December 31, 2025 occupancy rates.

For the three months ended March 31, 2026, the monthly average occupancy for the total portfolio was 96.8% compared to 96.8%, and the Same Property portfolio occupancy was 96.9% compared to 96.9% for the same prior year period, respectively.

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

As at	March 31, 2026			December 31, 2025		
<i>(square feet in thousands)</i>	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	18,043	97.3%	\$ 24.70	18,039	97.2%	\$ 24.62
Same Property with redevelopment	108	100.0%	15.88	108	100%	15.84
Total Same Property	18,151	97.3%	24.65	18,147	97.2%	24.57
Major redevelopment	96	88.8%	50.50	79	98.7%	48.42
Investment properties classified as held for sale	98	93.3%	9.67	98	93.3%	16.24
Total portfolio before acquisitions and dispositions	18,345	97.2%	24.70	18,324	97.2%	24.63
Acquisitions ⁽¹⁾	10	100.0%	39.88	10	100.0%	39.88
Dispositions ⁽²⁾	—	—%	—	9	100%	14.00
Density and Development land	57	82.4%	56.45	57	82.8%	56.38
Total ⁽³⁾	18,412	97.2%	\$ 24.81	18,400	97.1%	\$ 24.73

⁽¹⁾ Includes current year and prior year acquisitions.

⁽²⁾ Comparative information presented relates to 2026 dispositions that have been completed and no longer form part of these metrics as at March 31, 2026.

⁽³⁾ At FCR's ownership interest.

During the three months ended March 31, 2026, First Capital completed 578,000 square feet of lease renewals across the portfolio. First Capital achieved a 16.4% 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, 2026, First Capital achieved a 20.1% 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 0.3% from \$24.73 as at December 31, 2025 to \$24.81 as at March 31, 2026 primarily due to rent escalations and renewal lifts, largely offset by tenant openings, net of tenant closures.

Changes in First Capital's gross leasable area and occupancy for the total portfolio for the three months ended March 31, 2026 are set out below:

Three months ended March 31, 2026	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, 2025 ⁽²⁾	18,147	97.2%	\$ 24.57	253	92.7%	\$ 36.10	—	—%	548	2.9%	18,948	97.1%	\$ 24.73
Tenant possession	163		14.48	42		1.35	—		(205)		—		11.78
Tenant closures	(141)		(24.31)	(42)		(16.86)	—		183		—		(22.59)
Tenant closures for redevelopment	(24)		(23.27)	—		—	24		—		—		(23.27)
Developments – tenants coming online ⁽³⁾	—		—	17		59.62	—		11		28		59.62
Redevelopments – tenant possession	—		—	—		—	—		—		—		—
Demolitions	—		—	—		—	(24)		—		(24)		—
Reclassification	6		—	—		—	—		(2)		4		—
Total portfolio before Q1 2026 acquisitions and dispositions	18,151	97.3%	\$ 24.65	270	89.6%	\$ 35.23	—	—%	535	2.8%	18,956	97.2%	\$ 24.80
Acquisitions (at date of acquisition)	—	—%	—	—	—%	—	—	—%	—	—	—	—%	—
Dispositions (at date of disposition)	—	—%	—	(9)	100.0%	(14.00)	—	—%	—	—	(9)	100.0%	(14.00)
March 31, 2026	18,151	97.3%	\$ 24.65	261	89.3%	\$ 35.98	—	—%	535	2.8%	18,947	97.2%	\$ 24.81
Renewals	578		\$ 24.34	—		\$ —	—		—		578		\$ 24.34
Renewals – expired	(578)		\$ (20.91)	—		\$ —	—		—		(578)		\$ (20.91)
Net change per square foot from renewals			\$ 3.43			\$ —							\$ 3.43
% Increase on renewal of expiring rents (first year of renewal term)			16.4%			—%							16.4%
% increase on renewal of expiring rents (average rate in renewal term)													20.1%

⁽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 – 2026 Development and Redevelopment Coming Online and Space Going Offline" section of this MD&A.

Top Forty Tenants

As at March 31, 2026, 54.8% of First Capital's annualized minimum rent came from its top 40 tenants (December 31, 2025 – 54.7%). Of these rents, 72.3% (December 31, 2025 – 71.6%) 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 5.5 years as at March 31, 2026, 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")	92	1,936	10.5%	10.9%	A (low)	BBB+	
2.	Sobeys	48	1,360	7.4%	5.3%	BBB	BBB-	
3.	Metro	32	837	4.5%	3.1%	BBB (high)	BBB	
4.	Canadian Tire	20	735	4.0%	3.1%	BBB	BBB	
5.	TD Canada Trust	43	196	1.1%	2.1%	AA	A+	Aa1
6.	Dollarama	55	494	2.7%	2.0%	BBB (high)	BBB	Baa2
7.	Walmart	9	904	4.9%	1.9%		AA	Aa2
8.	Save-On-Foods	8	316	1.7%	1.8%			
9.	GoodLife Fitness	26	473	2.6%	1.8%			
10.	RBC Royal Bank	36	192	1.0%	1.7%	AA (high)	AA-	Aa1
Top 10 Tenants Total		369	7,443	40.4%	33.7%			
11.	Scotiabank	29	134	0.7%	1.6%	AA	A+	Aa2
12.	CIBC	33	168	0.9%	1.4%	AA	A+	Aa2
13.	LCBO	21	190	1.0%	1.3%	AA	AA-	Aa3
14.	RONA	4	368	2.0%	1.3%			
15.	Winners	12	287	1.6%	1.2%		A	A2
16.	Restaurant Brands International	53	117	0.6%	1.1%		BB	Ba3
17.	Longo's	5	196	1.1%	1.1%			
18.	BMO	25	105	0.6%	1.0%	AA	A+	Aa2
19.	Rexall	15	117	0.6%	1.0%			
20.	London Drugs	7	172	0.9%	0.9%			
21.	Recipe Unlimited	28	107	0.6%	0.8%	BB (high)	BB	
22.	Petsmart	7	118	0.6%	0.7%		B+	B2
23.	Altea Active	1	32	0.2%	0.7%			
24.	Staples	7	141	0.8%	0.6%		B-	B3
25.	Whole Foods Market	2	90	0.5%	0.6%		AA-	A1
26.	McDonald's	19	70	0.4%	0.6%		BBB+	Baa1
27.	Starbucks	31	43	0.2%	0.5%		BBB+	Baa1
28.	Pusateri's	1	35	0.2%	0.5%			
29.	Subway	51	52	0.3%	0.5%			
30.	Pet Valu	20	59	0.3%	0.4%			
31.	Williams-Sonoma	2	38	0.2%	0.4%			
32.	The Home Depot	2	153	0.8%	0.4%	A	A	A2
33.	Anytime Fitness	14	70	0.4%	0.4%			
34.	The Beer Store	8	45	0.2%	0.3%	AA	AA-	Aa3
35.	SNDL	13	40	0.2%	0.3%			
36.	Alberta Health Services	5	74	0.4%	0.3%	AA	AA-	Aa2
37.	Bulk Barn	13	55	0.3%	0.3%			
38.	CLSC ⁽³⁾	1	73	0.4%	0.3%	AA (low)	A+	Aa2
39.	Equinox	1	33	0.2%	0.3%			
40.	Yum! Brands	21	33	0.2%	0.3%		BB+	Ba2
Top 40 Tenants Total		820	10,658	57.8%	54.8%			

⁽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, 2026, 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⁾	100	138	0.7%	\$ 3,170	0.6%	\$ 23.01
2026	218	684	3.6%	15,981	3.2%	23.37
2027	590	2,551	13.5%	63,989	12.7%	25.08
2028	585	3,007	15.9%	71,756	14.2%	23.86
2029	583	2,748	14.5%	67,542	13.4%	24.58
2030	547	2,148	11.4%	60,599	12.0%	28.21
2031	398	1,858	9.8%	54,600	10.8%	29.39
2032	172	981	5.2%	25,381	5.0%	25.88
2033	147	774	4.1%	21,617	4.3%	27.93
2034	160	840	4.4%	29,148	5.8%	34.69
2035	182	1,062	5.6%	38,661	7.6%	36.39
2036	114	704	3.7%	22,204	4.4%	31.55
Thereafter	59	917	4.8%	30,497	6.0%	33.29
Total or Weighted Average	3,855	18,412	97.2%	\$ 505,145	100.0%	\$ 27.44

⁽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 5.0 years as at March 31, 2026, excluding contractual renewal options, but including month-to-month and other short-term leases.

Investment in Joint Ventures

As at March 31, 2026, 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, 2026	December 31, 2025
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	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.

MANAGEMENT'S DISCUSSION AND ANALYSIS – continued

The following table reconciles the changes in First Capital's interests in its equity accounted joint ventures for the three months ended March 31, 2026 and year ended December 31, 2025:

	March 31, 2026	December 31, 2025
Balance at beginning of year	\$ 285,432	\$ 320,042
Contributions to equity accounted joint ventures	576	6,842
Distributions from equity accounted joint ventures	(1,392)	(5,712)
Share of profit (loss) from equity accounted joint ventures	1,307	(35,740)
Balance at end of period	\$ 285,923	\$ 285,432

Loans, Mortgages and Other Assets

As at	March 31, 2026	December 31, 2025
Non-current		
Loans and mortgages receivable classified as amortized cost (a)	\$ 52,745	\$ 50,447
Other investments	12,564	13,444
Due from co-owners (b)	95,536	90,027
Total non-current	160,845	153,918
Current		
Loans and mortgages receivable classified as amortized cost (a)	71,437	70,718
FVTPL investments in securities (c)	3,598	3,557
Total current	75,035	74,275
Total	\$ 235,880	\$ 228,193

- (a) Loans and mortgages receivable are secured by interests in investment properties or shares of entities owning investment properties. As at March 31, 2026, these receivables bear interest at weighted average effective interest rates of 8.4% (December 31, 2025 – 8.3%) and mature between 2026 and 2030.
- (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 \$84.8 million (December 31, 2025 - \$80.3 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	2026	2025
Property rental revenue			
Base rent ⁽¹⁾		\$ 115,293	\$ 111,376
Operating cost recoveries		34,204	32,870
Realty tax recoveries		32,666	31,461
Lease termination fees		152	121
Percentage rent		415	604
Straight-line rent adjustment		1,172	2,350
Prior year operating cost and tax recovery adjustments		407	691
Temporary tenants, storage, parking and other		5,398	4,894
Total Property rental revenue	2.9%	\$ 189,707	\$ 184,367
Property operating costs			
Recoverable operating expenses		36,434	36,116
Recoverable realty tax expense		36,309	35,706
Prior year realty tax expense (recovery)		(7)	24
Other operating costs and adjustments ⁽²⁾		(23)	162
Total Property operating costs		\$ 72,713	\$ 72,008
NOI ⁽³⁾	4.1%	\$ 116,994	\$ 112,359
NOI margin		61.7%	60.9%

⁽¹⁾ Includes residential revenue.

⁽²⁾ Includes residential operating costs and bad debt expense (recovery). For the three months ended March 31, 2026, bad debt expense (recovery) totaled (\$0.1) million (three months ended March 31, 2025 - (\$0.1) million).

⁽³⁾ Refer to the "Non-IFRS Financial Measures" section of this MD&A.

For the three months ended March 31, 2026, total NOI increased \$4.6 million compared to the prior year period, primarily due to higher base rent and higher net operating cost and tax recoveries year over year, partially offset by lower adjustments in straight-line rent.

For the three months ended March 31, 2026, property operating costs include \$7.0 million (three months ended March 31, 2025 – \$6.9 million) related to employee compensation.

Same Property NOI Growth

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

	% change	Three months ended March 31	
		2026	2025
Property rental revenue			
Base rent ⁽¹⁾		\$ 115,229	\$ 110,034
Operating cost recoveries		34,071	32,330
Realty tax recoveries		32,520	30,919
Lease termination fees		152	121
Percentage rent		415	587
Prior year operating cost and tax recovery adjustments		340	687
Temporary tenants, storage, parking and other		5,341	4,818
Total Same Property rental revenue		188,068	179,496
Property operating costs			
Recoverable operating expenses		36,163	35,306
Recoverable realty tax expense		35,596	34,474
Prior year realty tax expense		(7)	24
Other operating costs and adjustments ⁽²⁾		533	918
Total Same Property operating costs		72,285	70,722
Total Same Property NOI ⁽³⁾	6.4%	\$ 115,783	\$ 108,774
Major redevelopment		604	743
Acquisitions – 2026		—	—
Acquisitions – 2025		82	75
Assets classified as held for sale		162	369
Dispositions – 2026		19	22
Dispositions – 2025		125	1,007
Straight-line rent adjustment		1,178	2,400
Development land		860	501
NOI at First Capital's proportionate interest ⁽³⁾	4.3%	\$ 118,813	\$ 113,891
NOI related to equity accounted joint ventures & NCI		(1,819)	(1,532)
NOI per consolidated statements of income (loss)		\$ 116,994	\$ 112,359
NOI margin		61.7%	60.9%

⁽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	
	2026	2025 ⁽¹⁾
Same Property – Stable	6.4%	(0.3%)
Same Property with redevelopment	15.7%	38.2%
Total Same Property NOI Growth ⁽²⁾	6.4%	(0.1%)

⁽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, 2026, 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%.

Interest and Other Income

	Three months ended March 31	
	2026	2025
Interest, dividend and distribution income from cash, marketable securities and other investments	\$ 614	\$ 1,239
Interest income from loans and mortgages receivable at amortized cost	2,537	2,126
Fees and other income	2,817	2,200
Total	\$ 5,968	\$ 5,565

For the three months ended March 31, 2026, interest and other income increased \$0.4 million, over the prior year period primarily due to higher loan interest income earned as a result of higher loans and mortgages receivable outstanding year over year.

Interest Expense

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

	Three months ended March 31	
	2026	2025
Mortgages	\$ 11,479	\$ 12,498
Credit facilities	6,685	8,505
Senior unsecured debentures	26,539	23,118
Interest capitalized	(5,063)	(5,136)
Interest expense	\$ 39,640	\$ 38,985

For the three months ended March 31, 2026, interest expense increased \$0.7 million, compared to the prior year period primarily due to the the year over year net activity in senior unsecured debentures (issuances exceeding repayments), largely offset by the repayment of fixed rate unsecured term loans and mortgages year over year.

During the three months ended March 31, 2026 and 2025, approximately 11.3% or \$5.1 million, and 11.6% or \$5.1 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	
	2026	2025
Salaries, wages and benefits	\$ 8,982	\$ 8,622
Unit-based compensation	2,559	2,684
Other corporate costs	3,365	4,007
Total corporate expenses	14,906	15,313
Amounts capitalized to investment properties under development	(1,902)	(1,899)
Corporate expenses	\$ 13,004	\$ 13,414

For the three months ended March 31, 2026, gross corporate expenses, before capitalization, decreased by \$0.4 million, over the prior year period primarily due to lower other corporate costs incurred year over year.

MANAGEMENT'S DISCUSSION AND ANALYSIS – continued

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, 2026 and 2025, approximately \$1.9 million and \$1.9 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	2026		2025	
	Consolidated Statements of Income (Loss)	Included in FFO	Consolidated Statements of Income (Loss)	Included in FFO
Unrealized gain (loss) on marketable securities	\$ 41	\$ 41	\$ 100	\$ 100
Transaction costs associated with privatization of FCR ⁽¹⁾	(900)	(900)	—	—
Pre-selling costs of residential inventory	(175)	(175)	(202)	(202)
Investment properties selling costs	(271)	—	(1,511)	—
Restructuring and advisory costs ⁽²⁾	(251)	(251)	—	—
Gain (loss) on foreign currency translation	(2,524)	(2,524)	102	102
Gain (loss) on mark-to-market of derivatives ⁽³⁾	3,943	3,943	(1,088)	(1,088)
Total per consolidated statements of income (loss)	\$ (137)	\$ 134	\$ (2,599)	\$ (1,088)
Investment property selling costs applicable to NCI	—	—	15	—
Other gains (losses) and (expenses) under equity accounted joint ventures ⁽⁴⁾	(188)	(188)	(71)	(71)
Total at First Capital's proportionate interest ⁽⁵⁾	\$ (325)	\$ (54)	\$ (2,655)	\$ (1,159)

⁽¹⁾ The Trust incurred \$0.9 million in legal and advisory fees for the three months ended March 31, 2026 related to the privatization of FCR.

⁽²⁾ The Trust incurred \$0.3 million in restructuring and advisory costs for the three months ended March 31, 2026 related to the tax reorganization completed in the fourth quarter of 2025, including legal and tax advisory fees.

⁽³⁾ 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.

⁽⁴⁾ Other gains (losses) and (expenses) under equity accounted joint ventures, included in FFO, is comprised of pre-selling costs of residential inventory of \$0.2 million (March 31, 2025 - \$0.1 million).

⁽⁵⁾ Refer to the "Non-IFRS Financial Measures" section of this MD&A.

For the three months ended March 31, 2026, First Capital recognized \$0.1 million in other losses in its consolidated statement of income (loss) compared to \$2.6 million in other losses for the prior year period. The \$2.5 million net decrease in other losses over prior year is primarily due to a \$5.0 million increase in unrealized gains on the mark to market of derivatives, partially offset by a \$2.6 million increase in losses on foreign currency translation year over year.

Income Taxes

For the three months ended March 31, 2026 and 2025, deferred income tax expense (recovery) totaled \$0.5 million compared to (\$17.3) million over the prior year period. The change in deferred income tax expense (recovery) over the prior year period is largely as a result of the internal tax reorganization in the fourth quarter of 2025 whereby the Trust's organizational structure was simplified by eliminating First Capital Realty Inc. ("FCRI") as the Trust's wholly-owned corporate subsidiary (also a Mutual Fund Corporation) that owned, directly and indirectly, all of First Capital's real property portfolio.

Net Income (Loss) Attributable to Unitholders

For the three months ended March 31, 2026, net income (loss) attributable to Unitholders was \$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 \$7.8 million 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.

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, 2026	December 31, 2025
Liabilities (principal amounts outstanding)		
Bank indebtedness	\$ 8,988	\$ —
Mortgages ⁽¹⁾	1,175,472	1,268,973
Credit facilities ⁽¹⁾	643,444	546,421
Senior unsecured debentures	2,300,000	2,300,000
Total Debt ⁽¹⁾	\$ 4,127,904	\$ 4,115,394
Cash and cash equivalents ⁽¹⁾	(31,159)	(62,446)
Net Debt ⁽¹⁾⁽²⁾	\$ 4,096,745	\$ 4,052,948
Equity market capitalization ⁽³⁾	4,382,880	4,015,351
Enterprise value ⁽¹⁾	\$ 8,479,625	\$ 8,068,299
Trust Units outstanding (000's)	212,555	212,452
Closing market price	\$ 20.62	\$ 18.90

⁽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, 2026 and December 31, 2025. 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.

Key Metrics

The ratios below include measures not specifically defined in IFRS.

As at	March 31, 2026	December 31, 2025
Weighted average effective interest rate on mortgages, fixed rate unsecured term loans and senior unsecured debentures	4.6%	4.5%
Weighted average maturity on mortgages, fixed rate unsecured term loans and senior unsecured debentures (years)	4.4	4.5
Net debt to total assets ⁽¹⁾	44.1%	44.1%
Net debt to Adjusted EBITDA ⁽¹⁾	9.1	9.1
Unencumbered aggregate assets ⁽¹⁾	\$ 6,525,897	\$ 6,267,574
Unencumbered aggregate assets to unsecured debt, based on fair value ⁽¹⁾	2.4	2.4
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.

MANAGEMENT'S DISCUSSION AND ANALYSIS – continued

The Net debt to Adjusted EBITDA ratio remained consistent at 9.1x, as of March 31, 2026, primarily due to an increase in net debt of \$44 million, offset by a \$6 million increase in adjusted EBITDA on a rolling four quarter basis.

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 fair 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.

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, 2026 and 2025:

	Three months ended March 31	
	2026	2025
Net income (loss) attributable to Unitholders	\$ 92,220	\$ 84,422
Add (deduct) ⁽¹⁾ :		
Deferred income tax expense (recovery)	426	(17,262)
Interest Expense	40,557	39,918
Amortization expense	760	652
(Increase) decrease in fair value of investment properties	(29,992)	(2,543)
Increase (decrease) in value of unit-based compensation	7,718	(1,452)
Incremental leasing costs	2,209	1,924
Abandoned transaction (costs) recovery	5	8
Other non-cash and/or non-recurring items	325	2,655
Adjusted EBITDA ⁽¹⁾	\$ 114,228	\$ 108,322

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

Credit Ratings

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.

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, 2026 is summarized in the table below:

As at March 31, 2026	Mortgages ⁽¹⁾	Credit Facilities/Bank Indebtedness ⁽¹⁾	Senior Unsecured Debentures	Total	% Due
2026 (remainder of the year)	\$ 31,723	\$ 229,709	\$ —	\$ 261,432	6.5%
2027	101,294	164,985	500,000	766,279	19.2%
2028	173,054	—	200,000	373,054	9.3%
2029	257,650	215,541	—	473,191	11.8%
2030	203,617	8,988	200,000	412,605	10.3%
2031	61,921	—	300,000	361,921	9.0%
2032	19,695	—	300,000	319,695	8.0%
2033	191,912	—	300,000	491,912	12.3%
2034	47,147	—	250,000	297,147	7.4%
2035	—	—	250,000	250,000	6.2%
	\$ 1,088,013	\$ 619,223	\$ 2,300,000	\$ 4,007,236	100.0%
Add (deduct): unamortized deferred financing costs, premiums and discounts, net	(2,962)	—	(8,037)	(10,999)	
Total	\$ 1,085,051	\$ 619,223	\$ 2,291,963	\$ 3,996,237	

⁽¹⁾ Principal amounts outstanding for mortgages and credit facilities on a proportionate basis is \$1,175,472 and \$643,444, respectively.

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, 2026 are set out below:

Three months ended March 31, 2026	Amount	Weighted Average Effective Interest Rate
Balance at beginning of year	\$ 1,178,037	3.9%
Mortgage repayments	(85,421)	3.3%
Scheduled amortization on mortgages	(7,641)	—%
Amortization of financing costs and net premium	76	—%
Balance at end of period	\$ 1,085,051	4.0%

The maturity profile, including scheduled amortization, of First Capital's mortgages as at March 31, 2026 is summarized in the table below:

As at March 31, 2026	Scheduled Amortization	Payments on Maturity	Total	Weighted Average Effective Interest Rate
2026 (remainder of the year)	\$ 22,784	\$ 8,939	\$ 31,723	3.1%
2027	29,568	71,726	101,294	3.6%
2028	27,331	145,723	173,054	3.8%
2029	20,770	236,880	257,650	3.5%
2030	13,662	189,955	203,617	3.4%
2031	6,966	54,955	61,921	3.5%
2032	6,934	12,761	19,695	4.3%
2033	1,689	190,223	191,912	5.1%
2034	532	46,615	47,147	5.5%
	\$ 130,236	\$ 957,777	\$ 1,088,013	4.0%
Add: unamortized deferred financing costs and premiums and discounts, net			(2,962)	
Total			\$ 1,085,051	

MANAGEMENT'S DISCUSSION AND ANALYSIS – continued

As at March 31, 2026, 100% (December 31, 2025 – 100%) of the outstanding mortgages bore interest at fixed interest rates. The average remaining term on mortgages outstanding was 4.3 years as at March 31, 2026 on \$1.1 billion of mortgages (4.2 years as at December 31, 2025 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, 2026 are summarized in the table below:

As at March 31, 2026	Borrowing Capacity	Amounts Drawn	Bank Indebtedness and Outstanding Letters of Credit	Available to be Drawn	Interest Rates	Maturity Date
Unsecured Operating Facilities						
Revolving unsecured operating facility ⁽¹⁾	\$ 100,000	\$ (80,184)	\$ —	\$ 19,816	CORRA + 1.55% or Prime + 0.25% or SOFR + 1.35%	September 12, 2027
Revolving unsecured operating facility	150,000	—	—	150,000	CORRA + 1.55% or Prime + 0.25% or SOFR + 1.35%	August 31, 2028
Revolving unsecured operating facility	450,000	—	(9,218)	440,782	CORRA + 1.75% or Prime + 0.45% or SOFR + 1.55%	June 30, 2030
Fixed rate unsecured term loan ⁽²⁾⁽³⁾⁽⁵⁾	150,000	(153,266)	—	—	5.985%	October 20, 2026
Fixed rate unsecured term loan ⁽²⁾	200,000	(200,000)	—	—	5.80%	January 31, 2029
Secured Construction Facilities						
Secured construction facility	10,000	(9,202)	—	798	Greater of 5.70% or Prime + 1.25%	June 1, 2026
Secured construction facility	62,665	(60,486)	(537)	1,642	CORRA + 2.90% or Prime + 1.00%	October 1, 2026
Secured construction facility ⁽⁴⁾	115,061	(84,801)	(702)	29,558	CORRA + 2.60%	February 1, 2027
Secured construction facility	178,500	(15,541)	(3,701)	159,258	CORRA + 1.95% or Prime + 0.85%	November 1, 2029
Secured Facility						
Secured facility	6,755	(6,755)	—	—	CORRA + 1.75% or Prime + 0.45%	December 19, 2026
Sub-Total	\$ 1,422,981	\$ (610,235)	\$ (14,158)	\$ 801,854		
Proportionate Adjustments - Secured Construction Facilities						
Secured construction facility ⁽⁶⁾	71,450	(57,903)	—	13,547	CORRA + 2.95% or Prime + 1.00%	September 30, 2026
Secured construction facility applicable to NCI	(33,507)	24,694	205	(8,608)		
Total	\$ 1,460,924	\$ (643,444)	\$ (13,953)	\$ 806,793		

⁽¹⁾ The Trust has drawn in U.S. dollars the equivalent of CAD\$50.0 million which was revalued at CAD\$50.2 million as at March 31, 2026. In addition, the Trust had drawn \$30.0 million in Canadian dollars as at March 31, 2026.

⁽²⁾ 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.

⁽³⁾ The Trust has drawn in U.S. dollars the equivalent of CAD\$150.0 million which was revalued at CAD\$153.3 million as at March 31, 2026.

⁽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, 2026			Interest Rate		Remaining Term to Maturity	Principal Outstanding
Series	Maturity Date	Interest Payment Dates	Coupon	Effective	(years)	
V	January 22, 2027	January 22, July 22	3.46%	3.54%	0.8	\$ 200,000
U	July 12, 2027	January 12, July 12	3.75%	3.82%	1.3	300,000
A	March 1, 2028	March 1, September 1	3.45%	3.54%	1.9	200,000
D	June 3, 2030	June 3, December 3	4.51%	4.62%	4.2	200,000
B	March 1, 2031	March 1, September 1	5.57%	5.67%	4.9	300,000
C	June 12, 2032	June 12, December 12	5.46%	5.54%	6.2	300,000
E	June 13, 2033	June 13, December 13	4.83%	4.91%	7.2	300,000
F	February 15, 2034	February 15, August 15	4.46%	4.54%	7.9	250,000
G	February 15, 2035	February 15, August 15	4.76%	4.83%	8.9	250,000
Weighted Average or Total			4.55%	4.64%	5.0	\$ 2,300,000

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

During the year ended December 31, 2025, the Trust completed the issuance of \$800 million principal amount of senior unsecured debentures, and repaid its 4.32% Series S and 3.60% Series T senior unsecured debentures, respectively, in the amount of \$600 million collectively.

Unitholders' Equity

Unitholders' equity amounted to \$4.9 billion as at March 31, 2026, compared to Unitholders' equity of \$4.8 billion as at December 31, 2025. As at May 5, 2026, there were 212.6 million Trust Units outstanding.

Normal Course Issuer Bid ("NCIB")

On May 16, 2025, 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 21,120,181 of its outstanding units until May 20, 2026. For the three months ended March 31, 2026 and 2025, the Trust acquired no units under the NCIB. Since the inception of the NCIB on May 18, 2022, through to March 31, 2026, 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, 2026, First Capital had 4.9 million unit options outstanding, with an average exercise price of \$19.98, which, if exercised, would result in First Capital receiving proceeds of \$98.6 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, 2026	December 31, 2025
Total available under credit facilities	\$ 802	\$ 890
Cash and cash equivalents	\$ 24	\$ 54
Unencumbered aggregate assets	\$ 6,526	\$ 6,268

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, 2026, and availability on existing credit facilities, address substantially all of the contractual 2026 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	
	2026	2025
Cash provided by (used in) operating activities	\$ 37,260	\$ 29,493
Cash provided by (used in) financing activities	(34,546)	(45,935)
Cash provided by (used in) investing activities	(32,657)	12,109
Net change in cash and cash equivalents	\$ (29,943)	\$ (4,333)

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

	Three months ended March 31	
	2026	2025
Cash provided by operating activities	\$ 37,260	\$ 29,493
Distributions declared	(48,447)	(47,249)
Excess (shortfall) of cash provided by operating activities over distributions declared ⁽¹⁾	\$ (11,187)	\$ (17,756)

⁽¹⁾ A 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, 2026 is set out below:

As at March 31, 2026	Payments due by period				
	Remainder of 2026	2027 to 2028	2029 to 2030	Thereafter	Total
Scheduled mortgage principal amortization	\$ 22,784	\$ 56,899	\$ 34,432	\$ 16,121	\$ 130,236
Mortgage principal repayments on maturity	8,939	217,449	426,835	304,554	957,777
Credit facilities and bank indebtedness	229,709	164,985	224,529	—	619,223
Senior unsecured debentures	—	700,000	200,000	1,400,000	2,300,000
Interest obligations ⁽¹⁾	130,295	277,628	205,738	177,012	790,673
Land leases (expiring between 2027 and 2061)	515	1,279	1,265	14,387	17,446
Contractually committed costs to complete current development projects ⁽²⁾	93,488	79,208	—	—	172,696
Other commitments	3,664	—	—	—	3,664
Total contractual obligations	\$ 489,394	\$ 1,497,448	\$ 1,092,799	\$ 1,912,074	\$ 4,991,715

⁽¹⁾ Interest obligations include expected interest payments on mortgages and credit facilities as at March 31, 2026 (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 \$34.2 million of outstanding letters of credit issued by financial institutions to support certain of FCR's contractual obligations and \$9.0 million of bank overdrafts.

As of March 31, 2026, contractually committed costs related to the Trust's development projects is \$172.7 million (\$168.5 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.

Commitments and Contingencies

- 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.
- First Capital is contingently liable, jointly and severally or as guarantor, for approximately \$161.1 million (December 31, 2025 – \$159.6 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.
- First Capital is contingently liable by way of letters of credit in the amount of \$34.2 million (December 31, 2025 – \$48.4 million), issued by financial institutions on FCR's behalf in the ordinary course of business.
- 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, 2025 – \$0.7 million) with a total obligation of \$17.4 million (December 31, 2025 – \$17.6 million).
- First Capital has outstanding purchase and other capital commitments in the amount of \$176.4 million (December 31, 2025 – \$212.6 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, 2026			December 31, 2025		
	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	\$ 8,255,691	\$ 260,272	\$ 8,515,963	\$ 8,212,408	\$ 259,091	\$ 8,471,499
Residential development inventory	299,688	51,876	351,564	283,718	52,641	336,359
Loans, mortgages and other assets	235,880	(27,822)	208,058	228,193	(26,216)	201,977
Cash and cash equivalents	23,673	7,486	31,159	53,616	8,830	62,446
Amounts receivable	19,753	4,670	24,423	13,803	2,240	16,043
Other assets	51,143	19,106	70,249	43,255	13,692	56,947
Deferred tax assets	3,338	—	3,338	3,706	—	3,706
Investment in joint ventures	285,923	(285,923)	—	285,432	(285,432)	—
Assets classified as held for sale	122,575	—	122,575	105,950	—	105,950
Total assets	\$ 9,297,664	\$ 29,665	\$ 9,327,329	\$ 9,230,081	\$ 24,846	\$ 9,254,927
LIABILITIES						
Mortgages	\$ 1,085,051	\$ 85,413	\$ 1,170,464	\$ 1,178,037	\$ 85,788	\$ 1,263,825
Credit facilities	610,235	33,209	643,444	511,982	34,439	546,421
Bank indebtedness	8,988	—	8,988	—	—	—
Senior unsecured debentures	2,291,963	—	2,291,963	2,291,591	—	2,291,591
Deferred tax liabilities	4,693	(1,366)	3,327	4,611	(1,343)	3,268
Accounts payable and other liabilities	352,739	(9,991)	342,748	350,178	(18,534)	331,644
Total liabilities	4,353,669	107,265	4,460,934	4,336,399	100,350	4,436,749
EQUITY						
Unitholders' equity	4,866,395	—	4,866,395	4,818,178	—	4,818,178
Non-controlling interest	77,600	(77,600)	—	75,504	(75,504)	—
Total equity	4,943,995	(77,600)	4,866,395	4,893,682	(75,504)	4,818,178
Total liabilities and equity	\$ 9,297,664	\$ 29,665	\$ 9,327,329	\$ 9,230,081	\$ 24,846	\$ 9,254,927

⁽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	2026						2025
	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	\$ 189,707	\$ 3,528	\$ 193,235	\$ 184,367	\$ 3,898	\$ 188,265	
Property operating costs	72,713	1,709	74,422	72,008	2,366	74,374	
Net operating income	116,994	1,819	118,813	112,359	1,532	113,891	
Other income and (expenses)							
Interest and other income	5,968	189	6,157	5,565	306	5,871	
Interest expense	(39,640)	(917)	(40,557)	(38,985)	(933)	(39,918)	
Corporate expenses	(13,004)	53	(12,951)	(13,414)	50	(13,364)	
Abandoned transaction costs	(5)	—	(5)	(8)	—	(8)	
Amortization expense	(515)	(245)	(760)	(576)	(76)	(652)	
Share of profit from joint ventures	1,307	(1,307)	—	(1,180)	1,180	—	
Other gains (losses) and (expenses)	(137)	(188)	(325)	(2,599)	(56)	(2,655)	
(Increase) decrease in value of unit-based compensation	(7,718)	—	(7,718)	1,452	—	1,452	
Increase (decrease) in fair value of investment properties, net	29,567	425	29,992	4,004	(1,461)	2,543	
	(24,177)	(1,990)	(26,167)	(45,741)	(990)	(46,731)	
Income (loss) before income taxes	92,817	(171)	92,646	66,618	542	67,160	
Deferred income tax expense (recovery)	450	(24)	426	(17,262)	—	(17,262)	
Net income (loss)	\$ 92,367	\$ (147)	\$ 92,220	\$ 83,880	\$ 542	\$ 84,422	
Net income (loss) attributable to:							
Unitholders	\$ 92,220	\$ —	\$ 92,220	\$ 84,422	\$ —	\$ 84,422	
Non-controlling interest	147	(147)	—	(542)	542	—	
	\$ 92,367	\$ (147)	\$ 92,220	\$ 83,880	\$ 542	\$ 84,422	
Net income (loss) per unit attributable to Unitholders:							
Basic	\$ 0.43			\$ 0.40			
Diluted	\$ 0.43			\$ 0.39			

⁽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:

<i>Three months ended March 31</i>	2026	2025
Net income (loss) attributable to Unitholders	\$ 92,220	\$ 84,422
Add (deduct):		
(Increase) decrease in fair value of investment properties ⁽¹⁾	(29,992)	(2,543)
Adjustment for equity accounted joint ventures ⁽²⁾	245	76
Adjustment for capitalized interest related to equity accounted joint ventures ⁽²⁾	1,155	1,079
Incremental leasing costs ⁽³⁾	2,209	1,924
Increase (decrease) in value of unit-based compensation ⁽⁴⁾	7,718	(1,452)
Investment property selling costs ⁽¹⁾	271	1,496
Deferred income taxes (recovery) ⁽¹⁾	426	(17,262)
FFO ⁽⁵⁾	\$ 74,252	\$ 67,740
Deduct: Other (gains) losses and expenses included in FFO ⁽⁶⁾	54	1,159
OFFO ⁽⁵⁾	\$ 74,306	\$ 68,899

⁽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:

<i>Three months ended March 31</i>	% change	2026	2025
Net operating income		\$ 118,813	\$ 113,891
Interest and other income		6,157	5,871
Interest expense ⁽¹⁾		(39,402)	(38,839)
Corporate expenses ⁽²⁾		(10,742)	(11,440)
Abandoned transaction (costs) recovery		(5)	(8)
Amortization expense		(515)	(576)
OFFO ⁽⁴⁾	7.8%	\$ 74,306	\$ 68,899
Other gains (losses) and (expenses) ⁽³⁾		(54)	(1,159)
FFO ⁽⁴⁾	9.6%	\$ 74,252	\$ 67,740
OFFO per diluted unit	7.6%	\$ 0.35	\$ 0.32
FFO per diluted unit	9.3%	\$ 0.35	\$ 0.32
Weighted average number of units – diluted (in thousands)	0.3%	215,048	214,502

⁽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, 2026, OFFO of \$74.3 million, or \$0.35 per unit, increased \$5.4 million, or \$0.02 per unit, over the prior year period. 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.

For the three months ended March 31, 2026, FFO of \$74.3 million, or \$0.35 per unit, increased \$6.5 million or \$0.03 per unit, over the prior year period. 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 is expected to net to \$Nil. Additionally, the Trust incurred \$1.2 million of legal and advisory fees associated with the privatization of FC REIT and the 2025 tax reorganization during the first quarter of 2026.

Adjusted Funds from Operations

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

<i>Three months ended March 31</i>	% change	2026	2025
FFO ⁽¹⁾		\$ 74,252	\$ 67,740
Add (deduct):			
Revenue sustaining capital expenditures		(5,757)	(6,549)
Recoverable capital expenditures		(3,277)	(1,371)
Incremental leasing costs		(2,209)	(1,924)
Straight-line rent adjustment		(1,178)	(2,400)
AFFO ⁽¹⁾	11.4%	\$ 61,831	\$ 55,496
AFFO per diluted unit	11.1%	\$ 0.29	\$ 0.26
Weighted average number of units – diluted (in thousands)	0.3%	215,048	214,502

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

For the three months ended March 31, 2026, AFFO increased \$6.3 million, or \$0.03 per unit, over the prior year period primarily due to higher FFO.

Adjusted Cash Flow from Operations

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

<i>Three months ended March 31</i>	2026	2025
Cash provided by operating activities	\$ 37,260	\$ 29,493
Add (deduct):		
Working capital adjustments ⁽¹⁾	15,174	21,053
Adjustment for equity accounted joint ventures	1,459	1,590
Revenue sustaining capital expenditures	(5,756)	(6,549)
Recoverable capital expenditures	(3,277)	(1,371)
Leasing costs on properties under development	552	481
Non-controlling interest	(312)	(85)
ACFO ⁽²⁾	\$ 45,100	\$ 44,612

⁽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, 2026, ACFO of \$45.1 million was largely consistent with the prior year period.

ACFO Payout Ratio

First Capital's ACFO payout ratio for the four quarters ended March 31, 2026 is calculated as follows:

	Twelve months ended March 31, 2026		Q1 2026	Q4 2025	Q3 2025	Q2 2025
ACFO ⁽¹⁾	\$	225,660	\$ 45,100	\$ 58,192	\$ 58,660	\$ 63,708
Cash distributions paid		189,855	48,050	47,270	47,269	47,266
ACFO payout ratio ⁽¹⁾		84.1%				

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

MANAGEMENT'S DISCUSSION AND ANALYSIS – continued

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 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, 2026, the ACFO payout was 84.1% (March 31, 2025 - 83.7%).

Net Asset Value

The following table provides FCR's calculation of NAV for the three months ended March 31, 2026 and year ended December 31, 2025:

<i>As at</i>	March 31, 2026		December 31, 2025	
Unitholders' equity	\$	4,866,395	\$	4,818,178
Unit-based compensation plan liability		51,331		43,179
Implied option proceeds ⁽²⁾		98,623		98,623
Net Asset Value ("NAV") ⁽¹⁾	\$	5,016,349	\$	4,959,980
Trust Units		212,555		212,452
Unit Options		4,935		4,935
Restricted and Performance Units		1,921		1,896
Deferred Units		501		475
Total units outstanding - diluted (000's)		219,912		219,758
NAV per unit - diluted ⁽¹⁾	\$	22.81	\$	22.57

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

⁽²⁾ 4.9 million unit options outstanding with an average exercise price of \$19.98 (December 31, 2025 - 4.9 million unit options outstanding with an average exercise price of \$19.98).

The increase in NAV per diluted unit from \$22.57 to \$22.81 is primarily driven by retained FFO and an increase in the fair value of investment property for the three months ended March 31, 2026.

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 January 15, 2026, First Capital announced a 2.5% increase of its monthly distribution to Unitholders from \$0.074167 per unit to \$0.076 per unit, or \$0.912 on an annualized basis. The increase was effective for First Capital's January 2026 distribution, payable to Unitholders in February 2026.

The following chart specifies distributions declared by First Capital:

		Three months ended March 31	
		2026	2025
Distributions declared per unit	\$	0.228	\$ 0.2225

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.

		Three months ended March 31									
		2026	2025	2026	2025	2026	2025	2026	2025		
		FCR ⁽¹⁾		Guarantors ⁽²⁾		Non-Guarantors ⁽²⁾		Consolidation Adjustments ⁽³⁾		Total Consolidated	
Property rental revenue	\$	—	\$ 78	\$ 191	\$ 108	\$ —	\$ —	\$ (1)	\$ (2)	\$ 190	\$ 184
NOI ⁽⁴⁾	\$	—	\$ 48	\$ 117	\$ 65	\$ —	\$ —	\$ —	\$ (1)	\$ 117	\$ 112
Net income (loss) attributable to Unitholders	\$	92	\$ 84	\$ 124	\$ 125	\$ —	\$ (1)	\$ (124)	\$ (124)	\$ 92	\$ 84

		As at March 31, 2026				
		FCR ⁽¹⁾	Guarantors ⁽²⁾	Non-Guarantors ⁽²⁾	Consolidation Adjustments ⁽³⁾	Total Consolidated
Current assets	\$	125	\$ 415	\$ 182	\$ (157)	\$ 565
Non-current assets	\$	3,258	\$ 9,127	\$ 209	\$ (3,861)	\$ 8,733
Current liabilities	\$	182	\$ 126	\$ 89	\$ 461	\$ 858
Non-current liabilities	\$	2,799	\$ 1,230	\$ 36	\$ (569)	\$ 3,496

		As at December 31, 2025				
		FCR ⁽¹⁾	Guarantors ⁽²⁾	Non-Guarantors ⁽²⁾	Consolidation Adjustments ⁽³⁾	Total Consolidated
Current assets	\$	59	\$ 473	\$ 175	\$ (157)	\$ 550
Non-current assets	\$	3,289	\$ 9,024	\$ 203	\$ (3,836)	\$ 8,680
Current liabilities	\$	140	\$ 63	\$ 3	\$ 364	\$ 570
Non-current liabilities	\$	2,721	\$ 1,399	\$ 116	\$ (470)	\$ 3,766

⁽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 and Non-Guarantor subsidiaries, respectively.

⁽³⁾ 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.

⁽⁴⁾ 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 FCRI Properties LP and First Capital Holdings Trust. FCRI Properties LP and First Capital Holdings Trust are the significant subsidiaries of the Trust and are wholly owned.

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.

QUARTERLY FINANCIAL INFORMATION

	2026		2025			2024		
<i>(unit counts in thousands)</i>	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Property rental revenue	\$ 189,707	\$ 185,377	\$ 181,297	\$ 180,196	\$ 184,367	\$ 180,372	\$ 174,016	\$ 176,247
Net operating income ⁽¹⁾	\$ 116,994	\$ 116,775	\$ 114,896	\$ 115,906	\$ 112,359	\$ 112,916	\$ 109,818	\$ 112,341
Net income (loss) attributable to Unitholders	\$ 92,220	\$ 849,522	\$ 66,605	\$ 63,481	\$ 84,422	\$ 32,081	\$ 81,107	\$ 16,948
Net income (loss) per unit attributable to Unitholders:								
Basic	\$ 0.43	\$ 4.00	\$ 0.31	\$ 0.30	\$ 0.40	\$ 0.15	\$ 0.38	\$ 0.08
Diluted	\$ 0.43	\$ 3.95	\$ 0.31	\$ 0.30	\$ 0.39	\$ 0.15	\$ 0.38	\$ 0.08
OFFO ⁽¹⁾	\$ 74,306	\$ 72,310	\$ 71,630	\$ 72,778	\$ 68,899	\$ 67,664	\$ 76,861	\$ 68,384
OFFO per diluted unit ⁽¹⁾	\$ 0.35	\$ 0.34	\$ 0.33	\$ 0.34	\$ 0.32	\$ 0.32	\$ 0.36	\$ 0.32
FFO ⁽¹⁾	\$ 74,252	\$ 68,354	\$ 69,632	\$ 73,451	\$ 67,740	\$ 67,485	\$ 72,340	\$ 68,248
FFO per diluted unit ⁽¹⁾	\$ 0.35	\$ 0.32	\$ 0.32	\$ 0.34	\$ 0.32	\$ 0.31	\$ 0.34	\$ 0.32
Weighted average number of diluted units outstanding	215,048	214,897	214,836	214,729	214,502	214,355	214,342	214,287
Cash provided by operating activities	\$ 37,260	\$ 68,343	\$ 49,089	\$ 59,786	\$ 29,493	\$ 79,837	\$ 51,870	\$ 72,305
AFFO ⁽¹⁾	\$ 61,831	\$ 52,535	\$ 55,856	\$ 56,420	\$ 55,496	\$ 43,330	\$ 58,875	\$ 55,236
AFFO per diluted unit ⁽¹⁾	\$ 0.29	\$ 0.24	\$ 0.26	\$ 0.26	\$ 0.26	\$ 0.20	\$ 0.27	\$ 0.26
ACFO ⁽¹⁾	\$ 45,100	\$ 58,192	\$ 58,660	\$ 63,708	\$ 44,612	\$ 43,748	\$ 67,649	\$ 64,147
Distribution declared per unit	\$ 0.2280	\$ 0.2225	\$ 0.2225	\$ 0.2225	\$ 0.2225	\$ 0.216	\$ 0.216	\$ 0.216
Total assets	\$ 9,297,664	\$ 9,230,081	\$ 9,174,988	\$ 9,389,085	\$ 9,183,109	\$ 9,181,173	\$ 9,167,729	\$ 9,476,116
Total mortgages and credit facilities	\$ 1,695,286	\$ 1,690,019	\$ 1,886,893	\$ 1,823,475	\$ 1,965,648	\$ 1,967,121	\$ 2,179,420	\$ 2,245,167
Unitholders' equity	\$ 4,866,395	\$ 4,818,178	\$ 4,019,296	\$ 4,000,496	\$ 3,981,972	\$ 3,946,100	\$ 3,958,090	\$ 3,934,573

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

	2026	2025				2024		
<i>(unit counts in thousands)</i>	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Other								
Number of neighbourhoods	135	136	136	136	136	138	138	138
GLA - at 100% (in thousands)	21,783	21,784	21,813	21,864	21,934	22,145	22,247	22,222
GLA - at ownership interest (in thousands)	18,947	18,948	18,980	19,027	19,098	19,308	19,407	19,379
Monthly average occupancy %	96.8%	97.0%	97.1%	97.0%	96.8%	96.5%	96.2%	96.2%
Total portfolio occupancy %	97.2%	97.1%	97.1%	97.2%	96.9%	96.8%	96.5%	96.3%

⁽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, 2026 and 2025 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 2025 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, 2026, there is no change to the assessment of the material accounting policies most affected by estimates and judgments as detailed in FCR's 2025 Annual Report.

Future Changes in Accounting Policies

The IASB has issued a new IFRS accounting standard, IFRS 18, "Presentation and Disclosure in Financial Statements" ("IFRS 18"). IFRS 18 is not yet adopted by First Capital and will have an impact on future periods. These changes are described in detail below:

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.

Material Accounting Policy Changes

Refer to Note 2(d) of the unaudited interim condensed consolidated financial statements for the three months ended March 31, 2026 for details on the impact of material accounting policy changes.

CONTROLS AND PROCEDURES

As at March 31, 2026, 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, 2026 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, 2025, 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.

In addition to the business risks described above, unitholders should consider risks related to the Transaction, including the following: the satisfaction of closing conditions outside First Capital'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 First Capital's ability to solicit additional interest from third parties and the potential obligation to pay a termination fee; restrictions on First Capital'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. Unitholders are directed to the management information circular of the Trust to be filed in connection with the special meeting of unitholders to be held on June 23, 2026, which will be available on SEDAR+ at www.sedarplus.ca and on FCR's website at www.fcr.ca once filed, for a more detailed description of the risks associated with the Transaction, together with the material change report of the Trust dated April 16, 2026, which is available on SEDAR+ at www.sedarplus.ca and on FCR's website at www.fcr.ca.



INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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Interim Condensed Consolidated Balance Sheets

As at (thousands of dollars)	Note	March 31, 2026 (unaudited)	December 31, 2025 (audited)
ASSETS			
Non-current Assets			
Real Estate Investments			
Investment properties	3	\$ 8,255,691	\$ 8,212,408
Investment in joint ventures	4	285,923	285,432
Loans, mortgages and other assets	5	160,845	153,918
Total non-current real estate investments		8,702,459	8,651,758
Other non-current assets	7	26,837	24,264
Deferred tax assets	19	3,338	3,706
Total non-current assets		8,732,634	8,679,728
Current Assets			
Cash and cash equivalents	23(d)	23,673	53,616
Loans, mortgages and other assets	5	75,035	74,275
Residential development inventory		299,688	283,718
Amounts receivable	6	19,753	13,803
Other current assets	7	24,306	18,991
		442,455	444,403
Assets classified as held for sale	3(d)	122,575	105,950
Total current assets		565,030	550,353
Total assets		\$ 9,297,664	\$ 9,230,081
LIABILITIES			
Non-current Liabilities			
Mortgages	9	\$ 988,182	\$ 1,053,864
Credit facilities	9	295,725	288,299
Senior unsecured debentures	10	2,092,091	2,291,591
Other liabilities	11	115,445	128,031
Deferred tax liabilities	19	4,693	4,611
Total non-current liabilities		3,496,136	3,766,396
Current Liabilities			
Bank indebtedness	9	8,988	—
Mortgages	9	96,869	124,173
Credit facilities	9	314,510	223,683
Senior unsecured debentures	10	199,872	—
Accounts payable and other liabilities	11	237,294	222,147
Total current liabilities		857,533	570,003
Total liabilities		4,353,669	4,336,399
EQUITY			
Unitholders' equity	12	4,866,395	4,818,178
Non-controlling interest	22	77,600	75,504
Total equity		4,943,995	4,893,682
Total liabilities and equity		\$ 9,297,664	\$ 9,230,081

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)

<i>(unaudited)</i>	Three months ended March 31		
<i>(thousands of dollars)</i>	Note	2026	2025
Property rental revenue	\$	189,707	\$ 184,367
Property operating costs		72,713	72,008
Net operating income	14	116,994	112,359
Other income and (expenses)			
Interest and other income	15	5,968	5,565
Interest expense	16	(39,640)	(38,985)
Corporate expenses	17	(13,004)	(13,414)
Abandoned transaction (costs) recovery		(5)	(8)
Amortization expense		(515)	(576)
Share of profit (loss) from joint ventures	4	1,307	(1,180)
Other gains (losses) and (expenses)	18	(137)	(2,599)
(Increase) decrease in value of unit-based compensation	13	(7,718)	1,452
Increase (decrease) in fair value of investment properties, net	3	29,567	4,004
		(24,177)	(45,741)
Income (loss) before income taxes		92,817	66,618
Deferred income tax expense (recovery)	19	450	(17,262)
Net income (loss)		\$ 92,367	\$ 83,880
Net income (loss) attributable to:			
Unitholders	12	\$ 92,220	\$ 84,422
Non-controlling interest	22	147	(542)
		\$ 92,367	\$ 83,880

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

Interim Condensed Consolidated Statements of Comprehensive Income (Loss)

<i>(unaudited)</i>		Three months ended March 31	
<i>(thousands of dollars)</i>	Note	2026	2025
Net income (loss)		\$ 92,367	\$ 83,880
Other comprehensive income (loss)			
Unrealized gain (loss) on cash flow hedges ⁽¹⁾		1,754	(5,618)
Reclassification of net (gain) loss on cash flow hedges to net income (loss)		543	797
		2,297	(4,821)
Deferred tax expense (recovery)	19	—	(1,880)
Other comprehensive income (loss)		2,297	(2,941)
Comprehensive income (loss)		\$ 94,664	\$ 80,939
Comprehensive income (loss) attributable to:			
Unitholders	12	\$ 94,517	\$ 81,481
Non-controlling interest	22	147	(542)
		\$ 94,664	\$ 80,939

⁽¹⁾ Items that will 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

<i>(unaudited)</i> <i>(thousands of dollars)</i>	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Trust Units	Total Unitholders' Equity	Non-Controlling Interest	Total Equity
			<i>(Note 12(a))</i>			
December 31, 2025	\$ 2,029,682	\$ (19,249)	\$ 2,807,745	\$ 4,818,178	\$ 75,504	\$ 4,893,682
Changes during the period:						
Net income (loss)	92,220	—	—	92,220	147	92,367
Options, deferred units, restricted units and performance units, net	—	—	2,147	2,147	—	2,147
Other comprehensive income (loss)	—	2,297	—	2,297	—	2,297
Contributions from (distributions to) non-controlling interest, net	—	—	—	—	1,949	1,949
Distributions <i>(Note 12(b))</i>	(48,447)	—	—	(48,447)	—	(48,447)
March 31, 2026	\$ 2,073,455	\$ (16,952)	\$ 2,809,892	\$ 4,866,395	\$ 77,600	\$ 4,943,995

<i>(unaudited)</i> <i>(thousands of dollars)</i>	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Trust Units	Total Unitholders' Equity	Non-Controlling Interest	Total Equity
			<i>(Note 12(a))</i>			
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 <i>(Note 12(b))</i>	(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

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

Interim Condensed Consolidated Statements of Cash Flows

<i>(unaudited)</i>		Three months ended March 31	
<i>(thousands of dollars)</i>	Note	2026	2025
OPERATING ACTIVITIES			
Net income (loss)		\$ 92,367	\$ 83,880
Adjustments for:			
(Increase) decrease in fair value of investment properties, net	3	(29,567)	(4,004)
Interest expense	16	39,640	38,985
Amortization expense		515	576
Share of (profit) loss from joint ventures	4	(1,307)	1,180
Cash interest paid associated with operating activities	16	(33,448)	(41,765)
Items not affecting cash and other items	23(a)	8,388	(15,869)
Net changes in other working capital items	23(b)	(39,328)	(33,490)
Cash provided by (used in) operating activities		37,260	29,493
FINANCING ACTIVITIES			
Mortgage principal instalment payments	9	(7,641)	(8,542)
Mortgage repayments	9	(85,421)	—
Credit facilities, net advances (repayments)	9	104,617	6,934
Payment of distributions	12(b)	(48,050)	(46,782)
Net contributions from (distributions to) non-controlling interest	22	1,949	2,455
Cash provided by (used in) financing activities		(34,546)	(45,935)
INVESTING ACTIVITIES			
Acquisition of investment properties	3(c)	(5,160)	(22,246)
Net proceeds from property dispositions	3(d)	7,229	70,489
Distributions from joint ventures	4	1,392	1,547
Contributions to joint ventures	4	(576)	(576)
Capital expenditures on investment properties	3(a)	(31,509)	(30,072)
Changes in investing-related prepaid expenses and other liabilities		(3,388)	(7,310)
Changes in loans, mortgages and other assets	23(c)	(645)	277
Cash provided by (used in) investing activities		(32,657)	12,109
Net increase (decrease) in cash and cash equivalents		(29,943)	(4,333)
Cash and cash equivalents, beginning of year		53,616	150,291
Cash and cash equivalents, end of period	23(d)	\$ 23,673	\$ 145,958

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 and operates, acquires, and develops open-air grocery-anchored shopping 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.

On November 24, 2025, the Trust's unitholders, approved an internal tax reorganization that was completed by way of a plan of arrangement (the "Arrangement"). The Arrangement simplified First Capital's organizational structure by eliminating First Capital Realty Inc. ("FCRI") as the Trust's wholly-owned corporate subsidiary that owned, directly and indirectly, all of First Capital's real property portfolio. The Arrangement was completed and became effective on November 30, 2025. Following the Arrangement, First Capital now holds substantially all of its real property portfolio through flow-through entities, namely subsidiary partnerships and trusts.

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, 2025 and 2024.

(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) Adoption of Amended IFRS Pronouncements

Amendments to IFRS 9 and IFRS 7

Effective January 1, 2026, the Trust adopted amendments to IFRS 9, "Financial Instruments" and IFRS 7, "Financial Instruments: Disclosures". The amendments clarify the timing of recognition and derecognition for a financial asset or financial liability, including clarifying that a financial liability is derecognized on the settlement date. The amendments also introduce an accounting policy choice to derecognize financial liabilities settled using an electronic payment system before the settlement date, if specific conditions are met. Further, the amendments clarify the classification of financial assets with features linked to environmental, social and corporate governance via additional guidance on the assessment of contingent features. In addition, the amendments also require additional disclosures for investments in equity instruments classified at fair value through other comprehensive income.

The amendments had no material impact on the consolidated financial statements of First Capital.

(e) 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 5, 2026.

3. INVESTMENT PROPERTIES

(a) Activity

The following tables summarize the changes in First Capital's investment properties for the three months ended March 31, 2026 and year ended December 31, 2025:

	Three months ended March 31, 2026				
	Income-Producing Properties	Properties under Construction	Density & Development Land	Total	
Balance at beginning of year	\$ 7,932,794	\$ 186,622	\$ 198,942	\$ 8,318,358	
Acquisitions	—	—	5,160	5,160	
Capital expenditures	11,292	19,491	726	31,509	
Developments transferred offline/online, net	15,077	(15,452)	375	—	
Increase (decrease) in fair value of investment properties, net	29,778	815	(1,026)	29,567	
Straight-line rent and other changes	1,172	—	—	1,172	
Dispositions	(7,500)	—	—	(7,500)	
Balance at end of period	\$ 7,982,613	\$ 191,476	\$ 204,177	\$ 8,378,266	
Investment properties	\$ 7,936,913	\$ 135,701	\$ 183,077	\$ 8,255,691	
Assets classified as held for sale	45,700	55,775	21,100	122,575	
Total	\$ 7,982,613	\$ 191,476	\$ 204,177	\$ 8,378,266	

	Year ended December 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	—	—	27,693	27,693	
Capital expenditures	65,323	71,076	10,500	146,899	
Developments transferred offline/online, net	(54,578)	12,393	42,185	—	
Increase (decrease) in fair value of investment properties, net	124,845	(24,704)	(20,354)	79,787	
Straight-line rent and other changes	2,903	—	51	2,954	
Dispositions	(76,225)	—	(99,750)	(175,975)	
Balance at end of year	\$ 7,932,794	\$ 186,622	\$ 198,942	\$ 8,318,358	
Investment properties	\$ 7,899,594	\$ 134,872	\$ 177,942	\$ 8,212,408	
Assets classified as held for sale	33,200	51,750	21,000	105,950	
Total	\$ 7,932,794	\$ 186,622	\$ 198,942	\$ 8,318,358	

Investment properties with a fair value of \$2.4 billion (December 31, 2025 – \$2.6 billion) are pledged as security for \$1.3 billion (December 31, 2025 – \$1.3 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, 2026	December 31, 2025
Weighted Average Total		
Overall Capitalization Rate	5.5%	5.5%
Terminal Capitalization Rate	5.7%	5.7%
Discount Rate	6.5%	6.5%

The majority of the Trust's portfolio is valued under the Income Approach using the discounted cash flow ("DCF") method. As at March 31, 2026, the weighted average valuation yields (stabilized overall capitalization, terminal capitalization and discount rates) used in valuing those investment properties under the Income Approach remained consistent when compared to December 31, 2025 yields.

During the three months ended March 31, 2026, as part of its normal course internal valuations, the Trust made revisions to the cash flow models on certain properties. As a result, an overall net increase in the fair value of investment properties was recorded in the amount of \$29.6 million (\$30.0 million at FCR's share) for the three months ended March 31, 2026.

The sensitivity of the fair values of investment properties to stabilized overall capitalization rates as at March 31, 2026 is set out in the table below:

As at March 31, 2026	(millions of dollars)
(Decrease) Increase in stabilized overall capitalization rate	Resulting increase (decrease) in fair value of investment properties
(1.00%)	\$ 1,789
(0.75%)	\$ 1,272
(0.50%)	\$ 806
(0.25%)	\$ 384
0.25%	\$ (351)
0.50%	\$ (672)
0.75%	\$ (968)
1.00%	\$ (1,242)

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Additionally, a 1% increase or decrease in stabilized net operating income ("SNOI") would result in a \$81 million increase or a \$81 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 \$469 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 \$428 million.

(c) Investment properties – Acquisitions

For the three months ended March 31, 2026 and 2025, First Capital acquired investment properties as follows:

Three months ended March 31		2026	2025
Total purchase price, including acquisition costs	\$	5,160	\$ 22,246
Total cash paid	\$	5,160	\$ 22,246

(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, 2026	December 31, 2025
Aggregate fair value	\$	122,575	\$ 105,950

For the three months ended March 31, 2026 and 2025, First Capital sold investment properties as follows:

Three months ended March 31	Note	2026	2025
Total selling price		\$ 7,500	\$ 72,000
Property selling costs	18	(271)	(1,511)
Net cash proceeds (costs)		\$ 7,229	\$ 70,489

4. INVESTMENT IN JOINT VENTURES

As at March 31, 2026, 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, 2026	December 31, 2025
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	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, 2026 and year ended December 31, 2025:

	March 31, 2026	December 31, 2025
Balance at beginning of year	\$ 285,432	\$ 320,042
Contributions to equity accounted joint ventures	576	6,842
Distributions from equity accounted joint ventures	(1,392)	(5,712)
Share of income (loss) from equity accounted joint ventures	1,307	(35,740)
Balance at end of period	\$ 285,923	\$ 285,432

As at March 31, 2026, there were approximately \$0.7 million of outstanding commitments, \$0.6 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, 2026	December 31, 2025
Non-current		
Loans and mortgages receivable classified as amortized cost (a)	\$ 52,745	\$ 50,447
Other investments	12,564	13,444
Due from co-owners (b)	95,536	90,027
Total non-current	160,845	153,918
Current		
Loans and mortgages receivable classified as amortized cost (a)	71,437	70,718
FVTPL investments in securities (c)	3,598	3,557
Total current	75,035	74,275
Total	\$ 235,880	\$ 228,193

(a) Loans and mortgages receivable are secured by interests in investment properties or shares of entities owning investment properties. As at March 31, 2026, these receivables bear interest at weighted average effective interest rates of 8.4% (December 31, 2025 – 8.3%) and mature between 2026 and 2030.

(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 \$84.8 million (December 31, 2025 - \$80.3 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, 2026	December 31, 2025
Tenant receivables (net of allowance for expected credit losses of \$3.5 million; December 31, 2025 – \$3.5 million)	\$ 18,386	\$ 13,153
Corporate and other amounts receivable	1,367	650
Total	\$ 19,753	\$ 13,803

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, 2026	December 31, 2025
Allowance for expected credit losses, beginning of year	\$ 3,478	\$ 4,544
Receivables written off during the period	—	(1,420)
Additional provision (recovery) and other adjustments recorded during the period	44	354
Allowance for expected credit losses, end of period	\$ 3,522	\$ 3,478

7. OTHER ASSETS

As at	Note	March 31, 2026	December 31, 2025
Non-current			
Fixtures, equipment and computer hardware and software (net of accumulated amortization of \$7.9 million; December 31, 2025 – \$7.4 million)		\$ 5,226	\$ 5,570
Deferred financing costs on credit facilities (net of accumulated amortization of \$7.3 million; December 31, 2025 – \$6.9 million)		2,652	2,904
Environmental indemnity and insurance proceeds receivable	11(a)	325	385
Derivatives at fair value	21	8	539
Other non-current assets ⁽¹⁾		18,626	14,866
Total non-current		26,837	24,264
Current			
Deposits and costs on investment properties under option		431	431
Prepaid expenses		19,208	10,878
Restricted cash		2,442	5,077
Derivatives at fair value	21	701	51
Other current assets		1,524	2,554
Total current		24,306	18,991
Total		\$ 51,143	\$ 43,255

⁽¹⁾ Other non-current assets includes a \$13.3 million (December 31, 2025 - \$12.9 million) long-term density bonus 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, 2026	December 31, 2025
Liabilities (principal amounts outstanding)		
Bank indebtedness	\$ 8,988	\$ —
Mortgages	1,088,013	1,181,074
Credit facilities	610,235	511,982
Mortgages under equity accounted joint ventures (at the Trust's interest)	87,459	87,899
Credit facilities under equity accounted joint venture (at the Trust's interest)	57,903	57,809
Senior unsecured debentures	2,300,000	2,300,000
	4,152,598	4,138,764
Equity market capitalization ⁽¹⁾	4,382,880	4,015,351
Total capital employed	\$ 8,535,478	\$ 8,154,115
Trust Units outstanding (000's)	212,555	212,452
Closing market price	\$ 20.62	\$ 18.90

⁽¹⁾ Equity market capitalization is the market value of FCR's units outstanding at March 31, 2026 and December 31, 2025. 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, 2026, 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, 2026	December 31, 2025
Net debt to total assets ⁽¹⁾	≤65%	44.1%	44.1%
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	\$ 4.4	\$ 4.2
Secured indebtedness to total assets ⁽²⁾	≤35%	14.9%	15.8%
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	2.1	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,

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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, 2026	December 31, 2025
Fixed rate mortgages	\$ 1,085,051	\$ 1,178,037
Unsecured facilities	433,450	350,923
Secured facilities	176,785	161,059
Mortgages and credit facilities	\$ 1,695,286	\$ 1,690,019
Current	\$ 411,379	\$ 347,856
Non-current	1,283,907	1,342,163
Total	\$ 1,695,286	\$ 1,690,019

Mortgages and secured facilities are secured by First Capital's investment properties. As at March 31, 2026, approximately \$2.4 billion (December 31, 2025 – \$2.6 billion) of investment properties out of \$8.4 billion (December 31, 2025 – \$8.3 billion) (Note 3(a)) had been pledged as security under the mortgages and the secured facilities.

As at March 31, 2026, mortgages bear coupon interest at a weighted average coupon rate of 3.9% (December 31, 2025 – 4.0%) and mature in the years ranging from 2026 to 2034. The weighted average effective interest rate on all mortgages as at March 31, 2026 is 4.0% (December 31, 2025 – 3.9%).

Principal repayments of mortgages outstanding as at March 31, 2026 are as follows:

	Scheduled Amortization	Payments on Maturity	Total	Weighted Average Effective Interest Rate
2026 (remainder of the year)	\$ 22,784	\$ 8,939	\$ 31,723	3.1%
2027	29,568	71,726	101,294	3.6%
2028	27,331	145,723	173,054	3.8%
2029	20,770	236,880	257,650	3.5%
2030	13,662	189,955	203,617	3.4%
2031 to 2034	16,121	304,554	320,675	4.9%
	\$ 130,236	\$ 957,777	\$ 1,088,013	4.0%
Unamortized deferred financing costs and premiums, net			(2,962)	
Total			\$ 1,085,051	

First Capital's credit facilities as at March 31, 2026 are summarized in the table below:

As at March 31, 2026	Borrowing Capacity	Amounts Drawn	Bank Indebtedness and Outstanding Letters of Credit	Available to be Drawn	Interest Rates	Maturity Date
Unsecured Operating Facilities						
Revolving unsecured operating facility ⁽¹⁾	\$ 100,000	\$ (80,184)	\$ —	\$ 19,816	CORRA + 1.55% or Prime + 0.25% or SOFR + 1.35%	September 12, 2027
Revolving unsecured operating facility	150,000	—	—	150,000	CORRA + 1.55% or Prime + 0.25% or SOFR + 1.35%	August 31, 2028
Revolving unsecured operating facility	450,000	—	(9,218)	440,782	CORRA + 1.75% or Prime + 0.45% or SOFR + 1.55%	June 30, 2030
Fixed rate unsecured term loan ⁽²⁾⁽³⁾⁽⁵⁾	150,000	(153,266)	—	—	5.985%	October 20, 2026
Fixed rate unsecured term loan ⁽²⁾	200,000	(200,000)	—	—	5.80%	January 31, 2029
Secured Construction Facilities						
Secured construction facility	10,000	(9,202)	—	798	Greater of 5.70% or Prime + 1.25%	June 1, 2026
Secured construction facility	62,665	(60,486)	(537)	1,642	CORRA + 2.90% or Prime + 1.00%	October 1, 2026
Secured construction facility ⁽⁴⁾	115,061	(84,801)	(702)	29,558	CORRA + 2.60%	February 1, 2027
Secured construction facility	178,500	(15,541)	(3,701)	159,258	CORRA + 1.95% or Prime + 0.85%	November 1, 2029
Secured Facility						
Secured facility	6,755	(6,755)	—	—	CORRA + 1.75% or Prime + 0.45%	December 19, 2026
Sub-Total	\$ 1,422,981	\$ (610,235)	\$ (14,158)	\$ 801,854		
Secured Construction Facility						
Secured construction facility ⁽⁶⁾	71,450	(57,903)	—	13,547	CORRA + 2.95% or Prime + 1.00%	September 30, 2026
Total	\$ 1,494,431	\$ (668,138)	\$ (14,158)	\$ 815,401		

⁽¹⁾ The Trust has drawn in U.S. dollars the equivalent of CAD\$50.0 million which was revalued at CAD\$50.2 million as at March 31, 2026. In addition, the Trust had drawn \$30.0 million in Canadian dollars as at March 31, 2026.

⁽²⁾ 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.

⁽³⁾ The Trust has drawn in U.S. dollars the equivalent of CAD\$150.0 million which was revalued at CAD\$153.3 million as at March 31, 2026.

⁽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		Interest Rate			March 31, 2026	December 31, 2025
Series	Maturity Date	Coupon	Effective	Principal Outstanding	Liability	Liability
V	January 22, 2027	3.46%	3.54%	\$ 200,000	\$ 199,872	\$ 199,834
U	July 12, 2027	3.75%	3.82%	300,000	299,737	299,687
A	March 1, 2028	3.45%	3.54%	200,000	199,675	199,634
D	June 3, 2030	4.51%	4.62%	200,000	199,209	199,166
B	March 1, 2031	5.57%	5.67%	300,000	298,797	298,745
C	June 12, 2032	5.46%	5.54%	300,000	298,727	298,683
E	June 13, 2033	4.83%	4.91%	300,000	298,559	298,518
F	February 15, 2034	4.46%	4.54%	250,000	248,696	248,662
G	February 15, 2035	4.76%	4.83%	250,000	248,691	248,662
Weighted Average or Total		4.55%	4.64%	\$ 2,300,000	\$ 2,291,963	\$ 2,291,591
Current				\$ 200,000	\$ 199,872	\$ —
Non-current				2,100,000	2,092,091	2,291,591
Total				\$ 2,300,000	\$ 2,291,963	\$ 2,291,591

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

During the year ended December 31, 2025, the Trust completed the issuance of \$800 million principal amount of senior unsecured debentures, and repaid its 4.32% Series S and 3.60% Series T senior unsecured debentures, respectively, in the amount of \$600 million collectively.

11. ACCOUNTS PAYABLE AND OTHER LIABILITIES

As at	Note	March 31, 2026	December 31, 2025
Non-current			
Asset retirement obligations (a)		\$ 811	\$ 932
Ground leases payable		8,045	8,128
Derivatives at fair value	21	11,976	17,552
Unit-based compensation plans	13(c)	3,786	10,470
Other liabilities (b)		90,827	90,949
Total non-current		115,445	128,031
Current			
Trade payables and accruals		56,128	59,613
Construction and development payables		47,004	46,200
Unit-based compensation plans	13(c)	47,545	32,709
Distributions payable	12(b)	16,154	15,757
Interest payable		29,315	24,517
Tenant deposits		41,148	43,351
Total current		237,294	222,147
Total		\$ 352,739	\$ 350,178

- (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 \$0.3 million (December 31, 2025 - \$0.4 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 \$52.4 million (December 31, 2025 - \$52.5 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, 2026		December 31, 2025	
	Number of Trust Units	Value of Trust Units	Number of Trust Units	Value of Trust Units
Balance at beginning of year	212,452	\$ 2,807,745	212,323	\$ 2,805,551
Exercise of options and settlement of any restricted, performance and deferred trust units	103	2,147	129	2,194
Balance at end of period	212,555	\$ 2,809,892	212,452	\$ 2,807,745

On May 16, 2025, 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 21,120,181 of its outstanding units until May 20, 2026.

For the three months ended March 31, 2026 and 2025, the Trust acquired no units under the NCIB. Since the inception of the NCIB on May 18, 2022, through to March 31, 2026, 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 \$0.228 per Trust Unit for the three months ended March 31, 2026 (three months ended March 31, 2025 - \$0.2225 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, 2026, 4.9 million unit options were outstanding (December 31, 2025 - 4.9 million).

The outstanding options as at March 31, 2026 have exercise prices ranging from \$15.53 - \$21.24 (December 31, 2025 - \$15.53 - \$21.24).

During the three months ended March 31, 2026, \$9.0 thousand (three months ended March 31, 2025 - \$31.0 thousand) was recorded as an expense related to stock options.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – continued

Three months ended March 31	2026		2025	
	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	4,935	\$ 19.98	5,280	\$ 19.90
Expired	—	—	(47)	19.96
Outstanding at end of period	4,935	\$ 19.98	5,233	\$ 19.89

The assumptions used to measure the fair value of the unit options under the Black-Scholes model (level 2) as at March 31, 2026 and 2025 were as follows:

As at March 31	2026	2025
Expected Trust Unit price volatility	15.58% - 19.81%	15.95% - 22.12%
Expected life of options	0.1 - 3.9 years	0.2 - 4.6 years
Expected distribution yield	4.42%	5.40%
Risk free interest rate	2.26% - 3.01%	2.49% - 2.63%

(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	2026		2025	
<i>(in thousands)</i>	DUs	RUs / PUs	DUs	RUs / PUs
Outstanding at beginning of year	475	1,896	395	1,606
Granted (a) (b)	21	—	22	460
Performance Factor adjustment	—	120	—	143
Distributions reinvested	5	21	6	24
Exercised	—	(103)	—	(397)
Forfeited	—	(13)	—	(6)
Outstanding at end of period	501	1,921	423	1,830
Expense recorded for the period	\$542	\$2,030	\$453	\$2,315

(a) The fair value of the DUs granted during the three months ended March 31, 2026 was \$0.4 million (three months ended March 31, 2025 – \$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, 2026 was \$Nil (three months ended March 31, 2025 – \$4.8 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, 2026 was \$Nil (three months ended March 31, 2025 – \$3.0 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
Grant date	February 20, 2025
PUs granted (thousands)	175
Term to expiry	3 years
Weighted average volatility rate	21.2%
Weighted average correlation	79.3%
Weighted average total Unitholder return	(2.6%)
Weighted average risk free interest rate	2.81%
Fair value (thousands)	\$2,986

(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, 2026, the carrying value of the unit-based compensation liability was \$51.3 million (December 31, 2025 – \$43.2 million)(Note 11). FCR's liability for unit-based compensation plans have increased since the beginning of the year which resulted in a revaluation loss of \$7.7 million (March 31, 2025 - revaluation gain of \$1.5 million) in the consolidated statements of income (loss) due to (i) an increase in the Trust Unit's price since December 31, 2025 and (ii) a larger number of vested units outstanding that have yet to be converted to Trust Units.

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	2026	2025
Property rental revenue			
Base rent ⁽¹⁾		\$ 115,293	\$ 111,376
Operating cost recoveries		34,204	32,870
Realty tax recoveries		32,666	31,461
Lease termination fees		152	121
Percentage rent		415	604
Straight-line rent adjustment		1,172	2,350
Prior year operating cost and tax recovery adjustments		407	691
Temporary tenants, storage, parking and other		5,398	4,894
Total Property rental revenue	2.9%	\$ 189,707	\$ 184,367
Property operating costs			
Recoverable operating expenses		36,434	36,116
Recoverable realty tax expense		36,309	35,706
Prior year realty tax expense (recovery)		(7)	24
Other operating costs and adjustments ⁽²⁾		(23)	162
Total Property operating costs		\$ 72,713	\$ 72,008
Total NOI	4.1%	\$ 116,994	\$ 112,359
NOI margin		61.7%	60.9%

⁽¹⁾ Includes residential revenue.

⁽²⁾ Includes residential operating costs and bad debt expense (recovery). For the three months ended March 31, 2026, bad debt expense (recovery) totaled (\$0.1) million (three months ended March 31, 2025 - (\$0.1) million).

For the three months ended March 31, 2026, property operating costs include \$7.0 million (three months ended March 31, 2025 – \$6.9 million) related to employee compensation.

15. INTEREST AND OTHER INCOME

Three months ended March 31	Note	2026	2025
Interest, dividend and distribution income from cash, marketable securities and other investments	5	\$ 614	\$ 1,239
Interest income from loans and mortgages receivable at amortized cost	5	2,537	2,126
Fees and other income		2,817	2,200
Total		\$ 5,968	\$ 5,565

16. INTEREST EXPENSE

Three months ended March 31	Note	2026	2025
Mortgages	9	\$ 11,479	\$ 12,498
Credit facilities	9	6,685	8,505
Senior unsecured debentures	10	26,539	23,118
Total interest expense		44,703	44,121
Interest capitalized to investment properties under development		(5,063)	(5,136)
Interest expense		\$ 39,640	\$ 38,985
Change in accrued interest		(4,798)	4,160
Coupon interest rate in excess of effective interest rate on senior unsecured debentures		(3)	246
Coupon interest rate in excess of effective interest rate on assumed mortgages		—	1
Amortization of deferred financing costs		(1,391)	(1,627)
Cash interest paid associated with operating activities		\$ 33,448	\$ 41,765

17. CORPORATE EXPENSES

Three months ended March 31	2026	2025
Salaries, wages and benefits	\$ 8,982	\$ 8,622
Unit-based compensation	2,559	2,684
Other corporate costs	3,365	4,007
Total corporate expenses	14,906	15,313
Amounts capitalized to investment properties under development	(1,902)	(1,899)
Corporate expenses	\$ 13,004	\$ 13,414

18. OTHER GAINS (LOSSES) AND (EXPENSES)

Three months ended March 31	2026	2025
Unrealized gain (loss) on marketable securities	\$ 41	\$ 100
Transaction costs associated with privatization of FCR ⁽¹⁾	(900)	—
Pre-selling costs of residential inventory	(175)	(202)
Investment property selling costs	(271)	(1,511)
Restructuring and advisory costs ⁽²⁾	(251)	—
Gain (loss) on foreign currency translation	(2,524)	102
Gain (loss) on mark-to-market of derivatives ⁽³⁾	3,943	(1,088)
Total	\$ (137)	\$ (2,599)

⁽¹⁾ The Trust incurred \$0.9 million in legal and advisory fees for the three months ended March 31, 2026 related to the privatization of FCR.

⁽²⁾ The Trust incurred \$0.3 million in restructuring and advisory costs for the three month ended March 31, 2026 related to the Arrangement, including legal and tax advisory fees.

⁽³⁾ 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 for only income taxes pertaining to its corporate subsidiaries.

On November 24, 2025, the Trust's unitholders, approved an internal tax reorganization that was completed by way of a plan of arrangement (the "Arrangement"). The Arrangement simplified First Capital's organizational structure by eliminating First Capital Realty Inc. ("FCRI") as the Trust's wholly-owned corporate subsidiary (also a Mutual Fund Corporation) that owned, directly and indirectly, all of First Capital's real property portfolio. The Arrangement was completed and became effective on November 30, 2025.

Following the Arrangement, First Capital now holds substantially all of its real property portfolio through flow-through entities, namely subsidiary partnerships and trusts. The Trust continues to own a small number of properties through corporate subsidiaries. As a result, substantially all of the Trust's historical deferred tax liability was remeasured and the resulting deferred tax recovery was recognized in the consolidated statements of income (loss) and comprehensive income (loss) for the year ended December 31, 2025. Any deferred tax assets or liabilities that were originally recorded directly in other comprehensive income were remeasured through the same accounts following the tax reorganization. The REIT received an Advance Income Tax Ruling from the Canada Revenue Agency in connection with the Arrangement.

The following reconciles the expected tax expense computed at the statutory tax rate to the actual tax expense (recovery) for the three months ended March 31, 2026 and 2025.

	Three months ended March 31	
	2026	2025
Increase (decrease) in income taxes due to:		
Deferred income tax expense (recovery) applicable to corporate subsidiaries	\$ 450	\$ (17,262)
Deferred income tax expense (recovery)	\$ 450	\$ (17,262)

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, 2026, Loblaw Companies Limited ("Loblaw") is FCR's largest tenant and accounts for 10.9% 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – continued

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, 2026 is set out below:

As at March 31, 2026	Payments due by period				
	Remainder of 2026	2027 to 2028	2029 to 2030	Thereafter	Total
Scheduled mortgage principal amortization	\$ 22,784	\$ 56,899	\$ 34,432	\$ 16,121	\$ 130,236
Mortgage principal repayments on maturity	8,939	217,449	426,835	304,554	957,777
Credit facilities and bank indebtedness	229,709	164,985	224,529	—	619,223
Senior unsecured debentures	—	700,000	200,000	1,400,000	2,300,000
Interest obligations ⁽¹⁾	130,295	277,628	205,738	177,012	790,673
Land leases (expiring between 2027 and 2061)	515	1,279	1,265	14,387	17,446
Contractually committed costs to complete current development projects ⁽²⁾	93,488	79,208	—	—	172,696
Other commitments	3,664	—	—	—	3,664
Total contractual obligations	\$ 489,394	\$ 1,497,448	\$ 1,092,799	\$ 1,912,074	\$ 4,991,715

⁽¹⁾ Interest obligations include expected interest payments on mortgages and credit facilities as at March 31, 2026 (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, 2026, there was \$0.4 billion (December 31, 2025 – \$0.4 billion) of cash advances drawn against First Capital’s unsecured credit facilities.

In addition, as at March 31, 2026, First Capital had \$34.2 million (December 31, 2025 – \$48.4 million) of outstanding letters of credit issued by financial institutions primarily to support certain of FCR’s contractual obligations and \$9.0 million (December 31, 2025 – \$Nil) of bank overdrafts.

(d) Unit price risk

First Capital is exposed to Trust Unit price risk through the issuance of unit-based compensation. Unit-based compensation liabilities are recorded at their fair value based on market trading prices. Unit-based compensation negatively impacts net income when the Trust Unit price rises and positively impacts net 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, 2026			December 31, 2025		
	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	\$ 3,598	\$ —	\$ —	\$ 3,557	\$ —	\$ —
Other investments	—	—	12,564	—	—	13,444
Derivatives at fair value – assets	—	709	—	—	590	—
Financial Liabilities						
Unit-based compensation plans	—	51,331	—	—	43,179	—
Derivatives at fair value – liabilities	—	11,976	—	—	17,552	—
Fair value of financial instruments measured at amortized cost						
Financial Assets						
Loans and mortgages receivable	\$ —	\$ —	\$ 124,379	\$ —	\$ —	\$ 121,417
Financial Liabilities						
Mortgages	—	1,069,448	—	—	1,162,965	—
Credit facilities	—	610,235	—	—	511,982	—
Senior unsecured debentures	—	2,322,593	—	—	2,347,709	—

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, 2026, the interest rates ranged from 4.4% to 4.7% (December 31, 2025 – 4.0% to 4.6%). The fair values of First Capital's asset (liability) hedging instruments are as follows:

	Designated as Hedging Instrument	Maturity as at March 31, 2026	March 31, 2026	December 31, 2025
Derivative assets				
Interest rate swaps	Yes	March 2027 - December 2030	\$ 526	\$ 590
Cross currency swaps	No	April 2026	183	—
Total			\$ 709	\$ 590
Derivative liabilities				
Interest rate swaps	Yes	January 2029 - May 2034	\$ 8,905	\$ 10,722
Cross-currency swaps	No	October 2028	3,071	6,830
Total			\$ 11,976	\$ 17,552

22. SUBSIDIARIES WITH NON-CONTROLLING INTEREST

As at March 31, 2026, 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.

Name of Entity	Primary Investment	Effective Ownership	
		March 31, 2026	December 31, 2025
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.

23. SUPPLEMENTAL CASH FLOW INFORMATION

(a) Items not affecting cash and other items

Three months ended March 31	Note	2026	2025
Straight-line rent adjustment	14	\$ (1,172)	\$ (2,350)
Unit-based compensation expense	13	2,581	2,798
Unrealized (gain) loss on marketable securities classified as FVTPL	18	(41)	(100)
Investment property selling costs	18	271	1,511
(Gain) loss on foreign currency translation	18	2,524	(102)
(Gain) loss on mark-to-market of derivatives	18	(3,943)	1,088
Increase (decrease) in value of unit-based compensation	13	7,718	(1,452)
Deferred income tax expense (recovery)	19	450	(17,262)
Total		\$ 8,388	\$ (15,869)

(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	2026	2025
Amounts receivable	\$ (5,951)	\$ (4,575)
Prepaid expenses	(8,330)	(5,808)
Trade payables and accruals	(5,833)	(7,592)
Tenant security and other deposits	(2,203)	(3,205)
Residential development inventory	(15,970)	(15,104)
Other working capital changes	(1,041)	2,794
Total	\$ (39,328)	\$ (33,490)

(c) Changes in loans, mortgages and other assets

Three months ended March 31	2026	2025
Advances of loans and mortgages receivable	\$ (1,525)	\$ (13,661)
Repayments of loans and mortgages receivable	—	13,938
Other investments, net	880	—
Total	\$ (645)	\$ 277

(d) Cash and cash equivalents

As at	March 31, 2026	December 31, 2025
Cash and cash equivalents	\$ 23,673	\$ 53,616

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 \$161.1 million (December 31, 2025 – \$159.6 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 \$34.2 million (December 31, 2025 – \$48.4 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, 2025 – \$0.7 million) with a total obligation of \$17.4 million (December 31, 2025 – \$17.6 million).
- (e) First Capital has outstanding purchase and other capital commitments in the amount of \$176.4 million (December 31, 2025 – \$212.6 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 FCRI Properties LP and First Capital Holdings Trust. FCRI Properties LP and First Capital Holdings Trust are the significant subsidiaries of the Trust and are wholly owned.

26. 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.

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Vivian Abdelmessih
Trustee

Leonard Abramsky
Trustee

Ian Clarke
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