FIRST CAPITAL

FIRST CAPITAL REIT REPORTS SECOND QUARTER 2026 RESULTS

Toronto, Ontario (July 27, 2026) - First Capital Real Estate Investment Trust ("First Capital", "FCR", or the "Trust") (TSX: FCR.UN), announced financial results for the quarter ended June 30, 2026. The 2026 Second Quarter Report is available in the Investors section of the Trust's website at www.fcr.ca and will be filed on SEDAR+ at www.sedarplus.ca.

KEY HIGHLIGHTS FROM THE SECOND QUARTER:

- ***Operating FFO per unit of $0.35, representing YoY growth of 2.3%***
- ***Same Property NOI growth of 2.5%, excluding bad debt expense (recovery) and lease termination fees***
- ***Lease renewal lift of 14.4% on strong leasing volume***
- ***Total portfolio occupancy of 97.1%***

Key Earnings Metrics	*Three months ended June 30*		*Six months ended June 30*	
($ millions unless otherwise noted)	**2026**	2025	**2026**	2025
Operating FFO [1]	**74.7**	72.8	**149.1**	141.7
Operating FFO per diluted unit [1]	**$0.35**	$0.34	**$0.69**	$0.66
FFO [1]	**59.5**	73.5	**133.7**	141.2
FFO per diluted unit [1]	**$0.28**	$0.34	**$0.62**	$0.66
Net income (loss) attributable to unitholders	**24.2**	63.5	**116.4**	147.9
Net income (loss) attributable to unitholders per diluted unit	**$0.11**	$0.30	**$0.54**	$0.69
Weighted average diluted units for FFO and net income (000s)	**215,667**	214,729	**215,447**	214,616

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

Key Operating Performance and Capital Allocation Metrics	*Three months ended June 30*		*Six months ended June 30*	
($ millions unless otherwise noted)	**2026**	2025	**2026**	2025
Operating Metrics				
Total Same Property NOI growth excluding lease termination fees and bad debt expense/(recovery) (1)(2)	**2.5%**	6.2%	**4.4%**	5.7%
Total Same Property NOI growth (1)(2)	**2.4%**	5.6%	**4.4%**	2.8%
Total portfolio occupancy (3)			**97.1%**	97.2%
Total Same Property occupancy (1)(3)			**97.3%**	97.2%
Lease renewal volume (square feet)	**612,000**	626,000	**1,190,000**	1,137,000
Lease renewal lift (first year rent of renewal term)	**14.4%**	16.2%	**15.3%**	15.0%
Lease renewal lift (average rent of renewal term)	**19.4%**	20.9%	**19.7%**	19.9%
Average Net Rental Rate per occupied square foot			**$24.95**	$24.44
Capital Allocation				
Acquisition of investment properties	**2.4**	—	**7.6**	22.2
Development expenditures (4)	**23.8**	21.3	**46.3**	38.6
Investment in residential inventory (4)	**13.5**	15.9	**28.7**	34.2
Property disposition proceeds (4)	**12.7**	2.4	**20.2**	74.4

Key Balance Sheet Metrics		June 30	December 31
($ millions unless otherwise noted)	**2026**	2025	2025
Total assets (5)	**9,400.0**	9,389.1	9,230.1
Assets held for sale (5)	**129.2**	176.3	106.0
Net Debt (4)	**4,080.2**	4,065.2	4,052.9
Increase (decrease) in fair value of investment properties, net (1)(7)	**127.0**	7.0	44.2
Unencumbered assets (4)	**6,554.6**	6,556.9	6,267.6
Net Asset Value per unit	**$22.81**	$22.20	$22.57
Net debt to total assets (4)(6)	**44.0%**	44.6%	44.1%
Net debt to Adjusted EBITDA (4)	**9.0x**	9.0x	9.1x

(1) *Refer to "Non-IFRS Financial Measures" section of this press release.*
(2) *Prior periods as reported; not restated to reflect current period categories.*
(3) *As at June 30.*
(4) *Reflects joint ventures proportionately consolidated.*
(5) *Presented in accordance with IFRS.*
(6) *Total assets excludes cash balances.*
(7) *For the six months ended June 30, 2026 and 2025, and year ended December 31, 2025 at the Trust's proportionate interest.*

FIRST CAPITAL

EARNINGS HIGHLIGHTS

- **Operating FFO per Diluted Unit of $0.35:** Operating Funds from Operations of $74.7 million increased $2.0 million, or $0.01 per unit, over the same prior year period. The increase in Operating FFO for the second quarter of 2026 was primarily due to higher NOI of $2.3 million and higher interest and other income of $2.1 million including $3.4 million of profits from the sale of residential condominiums recognized this quarter, partially offset by higher corporate G&A and interest expense.
- **FFO per Diluted Unit of $0.28:** Funds From Operations of $59.5 million decreased $14.0 million, or $0.07 per unit, over the same prior year period. The decrease was driven by a year-over-year decrease in other gains (losses) and (expenses) of $16.0 million, partially offset by higher Operating FFO of $2.0 million. The decrease was primarily due to $14.8 million of legal and advisory fees incurred in connection with the privatization of FCR.
- **Net Income (Loss) Attributable to Unitholders:** For the three months ended June 30, 2026, First Capital recognized net income (loss) attributable to Unitholders of $24.2 million or $0.11 per diluted unit compared to $63.5 million or $0.30 per diluted unit for the prior year period. The decrease in net income over prior year was primarily due to a $71.4 million residential development inventory impairment loss largely relating to a change in strategy for the 138 Yorkville Avenue ultra-luxury condominium project as a result of the previously announced agreement for FCR to be acquired, as well as $36.3 million of estimated credit losses recognized on loans receivable also connected with the project. These losses were partially offset by a year-over-year increase of $92.6 million related to the fair value of investment property, on a proportionate basis. Additionally, the Trust recognized an increase in the fair value of non-cash compensation plans of $15.8 million year-over-year as a result of FCR's announced transaction with Kingsett Capital and Choice Properties REIT.

OPERATING PERFORMANCE AND CAPITAL ALLOCATION HIGHLIGHTS

- **Same Property NOI Growth:** Total Same Property NOI increased 2.4% over the prior year period primarily due to rental rate growth. Same Property NOI excluding bad debt expense (recovery) and lease termination fees increased 2.5%. Same property NOI growth was adversely impacted by approximately 55 basis points during the second quarter due to the de-leasing initiatives at Westmount Shopping Centre, Edmonton. Under the REIT’s 2026 business plan, a major redevelopment of this property had commenced early in the second quarter, which would have excluded the shopping centre from the same property category. In accordance with the Arrangement Agreement with KingSett Capital and Choice Properties REIT, the redevelopment of the property has been paused and therefore Westmount Shopping Centre remains in the same property category.
- **Portfolio Occupancy:** On a quarter-over-quarter and year-over-year basis, total portfolio occupancy decreased 0.1% to 97.1% at June 30, 2026, from 97.2% at March 31, 2026 and June 30, 2025, respectively.

- **Lease Renewal Rate Increase**: During the quarter, net rental rates increased 14.4% on a volume of 612,000 square feet of lease renewals, when comparing the rental rate in the first year of the renewal term to the rental rate in the last year of the expiring term. Net rental rates on leases renewed in the quarter increased 19.4% when comparing the average rental rate over the renewal term to the rental rate in the last year of the expiring term owing to higher contractual growth rates embedded within the renewed lease terms.
- **Average Net Rental Rate**: The portfolio average net rental rate increased by 0.6% or $0.14 per square foot over the prior quarter to a record $24.95 per square foot, primarily due to rent escalations and renewal lifts.
- **Property Investments:** During the second quarter, First Capital invested approximately $40 million into property development, redevelopment, residential inventory and acquisitions.
- **Property Dispositions:** During the second quarter, First Capital completed the disposition of 121 Scollard Street, located in Toronto, for $13 million.

BALANCE SHEET HIGHLIGHTS

First Capital's June 30, 2026 net debt to Adjusted EBITDA multiple was 9.0x, a 0.1x decrease from 9.1x at December 31, 2025 and consistent with June 30, 2025. First Capital's June 30, 2026 liquidity position was approximately $0.6 billion, including $559 million of availability on revolving credit facilities and $39 million of cash on a proportionate basis. As at June 30, 2026, First Capital had approximately $6.6 billion of unencumbered assets, representing 70% of total assets.

TRANSACTION UPDATE

On June 23, 2026, a special meeting of unitholders of First Capital (the "Unitholders"), was held, whereby the Unitholders voted in favour of a special resolution approving the previously announced plan of arrangement (the "Arrangement") pursuant to the arrangement agreement dated April 16, 2026 between, among others, First Capital, Choice Properties REIT and KingSett Capital. Pursuant to the terms of the Arrangement, Unitholders will be entitled to receive, for each outstanding unit of First Capital held, a combination of $19.24 in cash and 0.3186 of a unit of Choice Properties REIT. Further, on June 25, 2026, the Ontario Superior Court of Justice (Commercial List) issued a final order approving the Arrangement. The transaction is expected to close in the fourth quarter of 2026, assuming that required approvals are obtained and all other conditions are satisfied.

ABOUT FIRST CAPITAL REIT (TSX: FCR.UN)

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

FIRST CAPITAL

NON-IFRS FINANCIAL MEASURES

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

Funds from Operations ("FFO")

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

Operating Funds from Operations ("OFFO")

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

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

Three and six months ended June 30, respectively *($ millions)*		**2026**		2025		**2026**		2025
Net income (loss) attributable to Unitholders	**$**	**24.2**	$	63.5	**$**	**116.4**	$	147.9
Add (deduct):								
(Increase) decrease in fair value of investment properties [1]		**(97.0)**		(4.4)		**(127.0)**		(7.0)
Adjustment for equity accounted joint ventures [2]		**0.1**		0.1		**0.3**		0.2
Adjustment for capitalized interest related to equity accounted joint ventures [2]		**1.2**		1.1		**2.3**		2.2
Incremental leasing costs [3]		**2.1**		2.0		**4.3**		3.9
Impairment of residential development inventory [4]		**71.4**		—		**71.4**		—
Expected credit losses on loans and mortgages receivable [5]		**36.3**		—		**36.3**		—
Increase (decrease) in value of unit-based compensation [6]		**20.0**		4.1		**27.7**		2.7
Investment property selling costs [1]		**0.4**		0.2		**0.7**		1.7
Deferred income taxes (recovery) [1]		**0.8**		6.8		**1.2**		(10.4)
FFO	**$**	**59.5**	$	73.5	**$**	**133.7**	$	141.2
Other gains (losses) and (expenses) [7]		**15.3**		(0.7)		**15.3**		0.5
OFFO	**$**	**74.7**	$	72.8	**$**	**149.1**	$	141.7

(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 impairment of residential development inventory in accordance with the recommendations of REALPAC.
(5) Adjustment to exclude expected credit losses on loans and mortgages receivable in accordance with the recommendations of REALPAC.
(6) Adjustment to exclude fair value adjustments on unit-based compensation plans in accordance with the recommendations of REALPAC.
(7) At FCR's proportionate interest, adjusted to exclude investment property selling costs in accordance with the recommendations of REALPAC.

Net Debt

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

As at *($ millions)*		**June 30, 2026**		December 31, 2025
Liabilities (principal amounts outstanding)				
Bank indebtedness	**$**	**9.6**	$	—
Mortgages [1]		**1,149.6**		1,269.0
Credit facilities [1]		**659.9**		546.4
Senior unsecured debentures		**2,300.0**		2,300.0
Total Debt [1]	**$**	**4,119.0**	$	4,115.4
Cash and cash equivalents [1]		**(38.9)**		(62.4)
Net Debt [1] [2]	**$**	**4,080.2**	$	4,052.9
Equity market capitalization [3]		**4,918.5**		4,015.4
Enterprise value [1]	**$**	**8,998.7**	$	8,068.3
Trust Units outstanding (000's)		**212,555**		212,452
Closing market price	**$**	**23.14**	$	18.90

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

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

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

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

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

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

Three and six months ended June 30, respectively *($ millions)*		**2026**		2025		**2026**		2025
Net income (loss) attributable to Unitholders	**$**	**24.2**	$	63.5	**$**	**116.4**	$	147.9
Add (deduct) [1]:								
Deferred income tax expense (recovery)		**0.8**		6.8		**1.2**		(10.4)
Interest Expense		**41.2**		40.4		**81.8**		80.3
Amortization expense		**0.6**		0.7		**1.4**		1.4
(Increase) decrease in fair value of investment properties		**(97.0)**		(4.4)		**(127.0)**		(7.0)
Impairment of residential development inventory		**71.4**		—		**71.4**		—
Expected credit losses on loans and mortgages receivable		**36.3**		—		**36.3**		—
Increase (decrease) in value of unit-based compensation		**20.0**		4.1		**27.7**		2.7
Incremental leasing costs		**2.1**		2.0		**4.3**		3.9
Other non-cash and/or non-recurring items		**15.7**		(0.4)		**16.0**		2.2
Adjusted EBITDA [1]	**$**	**115.3**	$	112.7	**$**	**229.5**	$	221.0

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

FORWARD-LOOKING STATEMENT ADVISORY

This press release contains forward-looking statements and information within the meaning of applicable securities law, including with respect to the anticipated execution and impact of the REIT's three-year business plan on its stated objectives, including FFO growth, distribution growth and improved debt ratios, as well as the REIT's ability to execute its disposition program and the anticipated contribution of dispositions to the REIT's three-year business plan objectives. These forward-looking statements are not historical facts but, rather, reflect First Capital's current expectations and are subject to risks and uncertainties that could cause the outcome to differ materially from current expectations. Such risks and uncertainties include, among others, First Capital's ability to close all announced disposition transactions and execute on its three-year business plan to achieve its stated objectives, general economic conditions; tenant financial difficulties, defaults and bankruptcies; increases in operating costs, property taxes and income taxes; First Capital's ability to maintain occupancy and to lease or re-lease space at current or anticipated rents; development, intensification and acquisition activities; residential development, sales and leasing; risks in joint ventures; environmental liability and compliance costs and uninsured losses; and risks and uncertainties related to pandemics, epidemics or other outbreaks on First Capital which are described in First Capital's MD&A for the year ended December 31, 2025. In particular, the acquisition of First Capital REIT (the "Arrangement") 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), 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 REIT 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 Arrangement is completed. Additionally, statements regarding the Arrangement, including the proposed timing and various steps contemplated in respect of the Arrangement, the ability to complete the Arrangement and the other transactions contemplated by the Arrangement Agreement, including the parties' ability to satisfy the conditions to the consummation of the Arrangement, the receipt of the required regulatory approval, third party consents 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 Arrangement, and statements regarding the plans, objectives and intentions of First Capital and the other parties to the Arrangement, including concerning the Arrangement, are forward-looking statements. Forward-looking statements are also subject to those risks and uncertainties discussed in First Capital's MD&A for the year ended December 31, 2025, MD&A for the second quarter ended June 30, 2026 and in its current Annual Information Form. Readers, therefore, should not place undue reliance on any such forward-looking statements.

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

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For further information:

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

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

www.fcr.ca

TSX: FCR.UN