



First Capital REIT Announces Strategic Partnership with Pemberton Group to Develop the Former Christie Cookie Site in Toronto

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Toronto, Ontario (August 3, 2021) - First Capital REIT (“First Capital”) (TSX: FCR.UN) announced today that it has expanded its relationship with Pemberton Group (“Pemberton”), through a strategic partnership to develop the 28-acre development site located at 2150 Lake Shore Boulevard West at Park Lawn Road in Toronto (the “Development Site”) into a sustainable and inclusive master-planned, mixed-use, transit-oriented neighbourhood.

First Capital is exercising a previously secured option to purchase its existing partner’s 50% interest in the Development Site for approximately \$56 million and has entered into a firm agreement to sell a 50% interest in the Development Site to Pemberton for \$156 million. First Capital will maintain its 50% interest.

On a standalone basis, the transactions demonstrate a meaningful value-enhancing exercise for First Capital. Over the REIT’s Q2 and Q3 2021 reporting periods, the transactions are expected to positively impact Net Asset Value and Net Asset Value per unit by at least \$175 million and \$0.80, respectively.

While First Capital’s master planning, placemaking and entitlements expertise has resulted in tremendous progress to-date, there is much more value to be realized through what will be a multi-phase property development program spanning many years. Adding Pemberton Group as a strategic, well-aligned partner is an important step forward in our objective of maximizing the potential, both qualitatively and financially, of this large-scale project.

First Capital initially acquired the Development Site in 2016, with a vision to transform this large brownfield site in the City of Toronto into a thriving mixed-use, transit-oriented community. Through a rigorous selection process culminating in 2018, First Capital engaged Allies & Morrison, a world-renowned practice of architects and urbanists, to help bring the project vision to life. Completing a lengthy entitlements process and having engaged with the local community, the City of Toronto, and other stakeholders, First Capital has made very substantial progress over the last few years amending the use permissions, converting most of the Development Site into a Regeneration Area from its previous Employment Lands designation. Over the past 18 months, First Capital has been working closely with the City of Toronto to advance the Secondary Plan and associated Official Plan and Zoning By-Law Amendments for the Development Site.

On May 6, 2021, Toronto City Council approved the Secondary Plan and Zoning By-law which governs the Development Site. It is expected that the Zoning By-Law implementing the proposed master plan will come into full force and effect by the end of this year. The achievement of these milestones over the past few years has significantly impacted the value of the Development Site as it enters the next phase, which will include significant site and transit infrastructure improvements, followed by residential and mixed-use construction. Accordingly, it is now the appropriate time for First Capital to enhance the project’s development team with an aligned and strategic partner.

Pemberton’s deep residential development, community building and large-scale construction expertise will be a vital asset to the project’s expected 7.5 million square feet of residential, retail, and commercial



uses along with significant community uses. The master plan has been carefully designed to include many elements reminiscent of a complete community: two large public parks, two civic squares, provision for two elementary schools, a covered retail Galleria, public library, community recreation centre, public daycares and a multi-modal transit hub integrating TTC and upcoming GO train service to unlock the mobility potential for the community. Consistent with its commitment to inclusivity, First Capital has designed the project to provide a wide range of housing options, with approximately 750 affordable housing units and a minimum of 3,000 family-oriented units.

Adam Paul, President and CEO of First Capital, said, “This transaction represents a significant milestone for our Christie Cookie property owing to the tremendous efforts of our team over the last few years. Looking ahead, we see enormous potential still to be realized through the next phases of the development, including large scale construction. Accordingly, we are thrilled to expand our relationship with Pemberton Group. As a strategic partner with a shared vision, Pemberton’s deep experience in building large scale community developments will augment First Capital’s retail and mixed-use real estate operating and development expertise.”

First Capital will act as development manager of the retail and commercial component of the mixed-use buildings and will act as property and leasing manager of the retail and commercial components upon completion. Pemberton will provide all construction management services for the project and will act as development manager in connection with the residential and infrastructure components of the project.

Closing of the transaction is scheduled to occur by the end of Q3 and remains subject to certain closing conditions typical for transactions of this type. The purchase price will be paid in three instalments of \$56 million due on the closing date, \$50 million on or before December 31, 2022, and the remaining \$50 million on or before the fifth anniversary of the closing date (with interest payable commencing January 2023).

An aerial image of 2150 Lake Shore Boulevard West and rendering of the completed project are provided on page 4 of this press release.

About First Capital REIT (TSX: FCR.UN)

First Capital is a leading owner, operator and developer of grocery anchored and mixed-use properties located in Canada’s largest cities. First Capital’s focus is on creating thriving urban neighbourhoods to generate value for businesses, residents, communities, and our investors.

Forward Looking Statement Advisory

This press release contains forward-looking statements and information within the meaning of applicable securities law, including statements regarding the closing and anticipated impact of the transactions and future development of the site. The forward-looking statements are not historical facts but rather reflect First Capital’s current expectations and are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. Such risks and uncertainties include, among others, the failure to successfully complete the transactions, the failure to develop the site or to develop the site in a manner consistent with the renderings included at the end of this release, and/or failure to achieve the anticipated impact of the transactions and REIT’s broader strategy, including but not limited to, the successful development of the site, reduction of leverage and strengthening of the REIT’s balance sheet, as well as the matters discussed under “Risks and Uncertainties” in First Capital Realty’s Management’s Discussion and Analysis for the year ended



December 31, 2020 as well as under “Risk Factors” 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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2150 Lake Shore Boulevard West – Site aerial facing east towards downtown Toronto



2150 Lake Shore Boulevard West – Aerial rendering of the completed project, facing north



Source: Allies and Morrison

Note: Rendering is for illustrative purposes. Elements of the completed project may differ.
