

First Capital REIT Comments on Litigation By Sandpiper and Artis REIT

Toronto, Ontario (January 9, 2023) - First Capital REIT (“**First Capital**” or the “**REIT**”) (TSX: FCR.UN) today commented on the litigation initiated by Sandpiper Group and Artis Real Estate Investment Trust (TSX: AX.UN) (together, the “**Activist Unitholders**”) regarding the timing of First Capital’s annual and special meeting of unitholders (the “**Meeting**”) to be held on Tuesday, May 16, 2023 (the “**Meeting Date**”):

“The REIT, acting in the best interests of all unitholders and stakeholders, scheduled the Meeting approximately six weeks earlier than the date its annual meeting of unitholders has been held in recent years. The Activist Unitholders have taken issue with the Meeting Date and purport to have grave concerns with First Capital’s Enhanced Capital Allocation and Portfolio Optimization Plan (the “**Portfolio Optimization Plan**”), which they cite as pretext to force a unitholder meeting to be held by March 1, 2023.

The Activist Unitholders’ claims do not reconcile with their conduct and representations:

- In discussions with First Capital’s board of trustees and senior management in October 2022, the Activist Unitholders expressed their support for the REIT’s real estate strategy and the Portfolio Optimization Plan.
- Despite their prior expressions of support, and despite having waited almost three months after the announcement of the Portfolio Optimization Plan and the King High Line transaction, the Activist Unitholders now cite the Portfolio Optimization Plan as the basis for the earlier Meeting they are seeking.
- The Activist Unitholders misrepresent the attempts by the board of trustees to work constructively with them. Samir Manji unilaterally disengaged from discussions when confronted with the question of how the Activist Unitholders would manage the inherent conflict of interest raised by their original demand to appoint the President and CEO of Artis, the Chair of Artis’ board of trustees and another Artis trustee to First Capital’s board of trustees. The Activist Unitholders then constructed an adjusted slate of trustee nominees that attempts to obscure Mr. Manji’s self-interested agenda.

FCR will continue to engage constructively with unitholders in a manner that is in the best interests of all unitholders, and not just Samir Manji. First Capital also notes that a significant number of unitholders have expressed their support for the Portfolio Optimization Plan, with numerous sell-side analysts also recognizing its merits in their published research.

The REIT assures unitholders that it will not be distracted from executing against the Portfolio Optimization Plan or pressured to waste the REIT’s resources by holding two unitholder meetings in quick succession. Instead, First Capital reiterates its commitment to execute against its Portfolio Optimization Plan in a prudent and commercially appropriate manner as it works to create value for all unitholders.”

Unitholders will receive detailed information about the matters to be presented at the Meeting and information about how to vote in a management information circular in advance of the Meeting. Unitholders should read the information carefully before deciding how to vote. In the

meantime, there is no need for unitholders to take any action in respect of the Meeting.

Advisors

Kingsdale Advisors is acting as strategic shareholder advisor to First Capital. Gagnier Communications is acting as communications advisor to First Capital. Stikeman Elliott LLP is acting as legal counsel to the Board of Trustees. RBC Capital Markets is acting as financial advisor to First Capital.

About First Capital REIT (TSX: FCR.UN)

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

FORWARD-LOOKING STATEMENT ADVISORY

This press release contains forward-looking statements and information within the meaning of applicable securities law, including but not limited to the Activist Unitholders, the Meeting and matters relating thereto. 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, 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 release 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 the impact of the ongoing pandemic, epidemics or other outbreaks on First Capital which are described in First Capital's MD&A for the year ended December 31, 2021 under the heading "Risks and Uncertainties - Ongoing Pandemic, Epidemics or New Outbreaks". Additionally, forward-looking statements are subject to those risks and uncertainties discussed in First Capital's MD&A for the year ended December 31, 2021 and in its current Annual Information Form. Readers, therefore, should not place undue reliance on any such forward-looking statements. First Capital undertakes no obligation to publicly update any such forward-looking statement or to reflect new information or the occurrence of future events or circumstances except as required by applicable securities law. All forward-looking statements in this press release are made as of the date hereof and are qualified by these cautionary statements. For further information:

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