



First Capital Sets the Record Straight on Sandpiper’s Misleading Statements

Toronto, Ontario (February 27, 2023) - First Capital REIT’s (“**First Capital**” or the “**REIT**”) (TSX: FCR.UN) board of trustees (the “**Board**”) is addressing a February 24, 2023 letter from Samir Manji, CEO of Sandpiper Group (“**Sandpiper**”) and CEO of Artis Real Estate Investment Trust (TSX: AX.UN) (“**Artis**”) to First Capital’s unitholders that included a number of mischaracterizations.

The Board has repeatedly engaged in good faith with Sandpiper and Artis (the “**Sandpiper Group**”) in an effort to avoid the cost and distraction associated with a proxy contest. As demonstrated in the support and cooperation agreement reached with Vision Capital and Ewing Morris, the Board is willing to find compromises that are beneficial to all unitholders. Unfortunately, the Sandpiper Group’s demands continue to be self-serving, unreasonable, not in the best interest of First Capital and its unitholders, and disproportionate relative to their ownership interest.

Sandpiper and Artis have a troubling track record. Sandpiper has a history of value destruction at other REITs, including Artis, and a pattern of self-dealing, poor corporate governance and self-enrichment. Artis has been fundamentally changed, to the detriment of its unitholders, by Mr. Manji and his fellow Sandpiper nominees since they acquired control of its board of trustees. Mr. Manji, who is the CEO of both Sandpiper and Artis, has substantial conflicts of interest.

Extensive without prejudice discussions preceded our proposal to appoint an independent, non-Sandpiper trustee to the Board. This proposal was an attempt, after much back and forth, to grant the Sandpiper Group representation on our refreshed Board while guarding against the conflicts posed by Mr. Manji. Mr. Manji’s characterization of it, including of the time that he had to consider it, is misleading. His outright rejection of this proposal makes it clear that he is intent on installing himself on the Board to advance the interests of Sandpiper and Artis, rather than those of First Capital and its unitholders.

The Board continues to focus on ensuring that First Capital is positioned to drive value for all unitholders. It has constructively engaged and continues to engage with all unitholders and has also acted decisively to respond to unitholder feedback in a balanced, pragmatic and considered manner. This is reflected in the REIT’s successful Enhanced Capital Allocation and Portfolio Optimization Plan and the refreshed Board that will be presented to unitholders for their support.

Unitholders will receive detailed information about the matters to be presented at the annual and special meeting of unitholders to be held on March 28, 2023 (the “**Meeting**”), and the Board has every confidence that unitholders will carefully consider that information before deciding how to vote. At this time, there is no need for unitholders to take any action in respect of the Meeting.

First Capital 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. 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 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, 2022 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, 2022, 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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