



Dear fellow First Capital Unitholders:

On behalf of the Board of Trustees (the "**Board**") and management of First Capital Real Estate Investment Trust ("**First Capital**" or the "**REIT**"), we are pleased to invite you to attend the special meeting of the unitholders of the REIT ("**Unitholders**") on June 23, 2026 at 10:00 a.m. (Toronto time) (the "**Meeting**"), to consider approval of the proposed acquisition of First Capital pursuant to an arrangement (the "**Arrangement**") involving, among others, KingSett Real Estate Growth LP No. 8 ("**KingSett**") and Choice Properties Real Estate Investment Trust ("**Choice**") in a transaction valued at approximately \$9.4 billion, including the assumption of certain debt, in accordance with the terms of an arrangement agreement dated April 16, 2026 (as the same may be amended, supplemented or otherwise modified from time to time, the "**Arrangement Agreement**").

Pursuant to the Arrangement Agreement, each outstanding unit of the REIT (each, a "**REIT Unit**") will be acquired by a limited partnership formed by KingSett and other investors and participating Unitholders will be entitled to receive for each REIT Unit held, a combination of \$19.24 in cash and 0.3186 of a unit (each whole unit, a "**Choice Unit**") in the capital of Choice (collectively, the "**Arrangement Consideration per Unit**"). Based on the closing price of Choice Units on the Toronto Stock Exchange ("**TSX**") on April 15, 2026 (the last trading day prior to the announcement of the Arrangement), the Arrangement Consideration per Unit represents a total implied value of \$24.40 per REIT Unit, and represents approximately a 17% premium to the 20-day volume-weighted average price of the REIT Units on the TSX for the period ended April 15, 2026 and approximately an 11.7% premium to the closing price of the REIT Units on the TSX on April 15, 2026. The actual value of the Arrangement Consideration per Unit received by Unitholders will depend on the market price of the Choice Units on the TSX at the time of closing and such actual value of the Arrangement Consideration per Unit may be more or less than \$24.40 per REIT Unit.

At the Meeting, Unitholders will be asked to consider and vote on a special resolution (the "**Arrangement Resolution**") to approve the proposed Arrangement to be implemented by way of a plan of arrangement under the *Canada Business Corporations Act* and the *Trustee Act (Ontario)* involving First Capital, 17853335 Canada Inc., Premier Acquisition LP (the "**Purchaser**"), an entity formed by KingSett and other investors to facilitate the proposed Arrangement, KingSett and Choice. Under the terms of the Arrangement, Choice will acquire approximately \$5.0 billion of high-quality retail assets from First Capital which will be funded through a combination of the issuance of 68.6 million Choice Units to the Purchaser for cash (which will be distributed by the Purchaser to Unitholders and other securityholders of the REIT as part of the aggregate consideration payable under the Arrangement), a \$0.6 billion equity investment from George Weston Limited, the assumption of First Capital's \$2.3 billion of outstanding senior unsecured debentures and approximately \$0.4 billion of existing in-place mortgages, and the issuance of new unsecured debentures by Choice. As part of the series of transactions contemplated by the Arrangement, KingSett, through the Purchaser, will indirectly acquire First Capital's remaining approximately \$4.4 billion asset portfolio by acquiring all of the issued and outstanding REIT Units in consideration for cash, financed on a fully committed basis, and the delivery of the Choice Units.

THE BOARD UNANIMOUSLY RECOMMENDS THAT THE UNITHOLDERS VOTE THEIR REIT UNITS IN FAVOUR OF THE ARRANGEMENT RESOLUTION.

The Board formed a special committee of independent trustees (the "**Special Committee**") to, among other things, evaluate the proposal received from KingSett and Choice and other potential alternatives available to First Capital, direct and supervise the negotiations of the proposed Arrangement with the assistance of its outside legal counsel and financial advisors and make recommendations to the Board. The Arrangement is the result of extensive

negotiations among representatives of, and advisors to, the parties involved, as more particularly set forth in the accompanying management information circular (the "**Circular**").

The Special Committee, following receipt and review of the fairness opinions from each of RBC Dominion Securities Inc. and National Bank Financial Inc. (the "**Opinions**") and after consulting with outside legal counsel and financial advisors, unanimously recommended that the Board approve the Arrangement Agreement and the Arrangement and recommend that Unitholders vote their REIT Units **IN FAVOUR** of the Arrangement Resolution.

The Board, following receipt and review of the Opinions and careful consideration of, among other things, the unanimous recommendation of the Special Committee, and after consulting with outside legal counsel and financial advisors, unanimously determined that the Arrangement is fair, from a financial point of view, to the Unitholders (other than KingSett and its affiliates) and the Arrangement is in the best interests of the Unitholders (other than KingSett and its affiliates), and unanimously recommends that Unitholders vote their REIT Units **IN FAVOUR** of the Arrangement Resolution.

In evaluating the Arrangement and making its recommendation, each of the Special Committee and the Board carefully considered the Arrangement and consulted with, and received advice from, its financial, legal and other advisors, as well as senior management of the REIT. The Special Committee and the Board reviewed a significant amount of information and considered a number of factors in making their recommendations to Unitholders to vote their REIT Units in favour of the Arrangement Resolution, including the following:

- ***Immediate and Significant Premium to Market Price*** – under the Arrangement, Unitholders will receive, for each REIT Unit, \$19.24 in cash and 0.3186 of a Choice Unit. Based on the closing price of the Choice Units on the TSX on April 15, 2026 (the last trading day prior to the announcement of the Arrangement), the Arrangement Consideration per Unit had an implied value of \$24.40 per REIT Unit, representing a premium of: (a) approximately 17% to the 20-day volume-weighted average price of the REIT Units on the TSX for the period ended April 15, 2026; (b) approximately 11.7% to the closing price of the REIT Units on the TSX on April 15, 2026; (c) approximately 21% to the 90-day volume-weighted average price of the REIT Units on the TSX for the period ended April 15, 2026; and (d) approximately 7% to the REIT's net asset value of \$22.81 per REIT Unit as of March 31, 2026. The actual value of the Arrangement Consideration per Unit will depend on the market price of the Choice Units at the time of closing and such actual value of the Arrangement Consideration per Unit may be more or less than \$24.40 per REIT Unit.
- ***Certainty of Value and Participation in Upside of Choice Units*** – the cash component of the Arrangement Consideration per Unit, which represents approximately 79% of the Arrangement Consideration per Unit, based on the implied value of the Arrangement Consideration per Unit as at April 15, 2026, provides Unitholders with certainty of value and immediate liquidity for a significant portion of the Arrangement Consideration per Unit, and removes the risks associated with the REIT remaining an independent public entity, including challenges of acquiring and developing assets on an accretive basis as well as external factors such as macroeconomic factors, changes in interest rates, access to and pricing of debt and equity capital, capitalization rates, political conditions and capital markets conditions that are beyond the control of the REIT, the Board and the management team. At the same time, ownership of the Choice Unit component of the Arrangement Consideration per Unit, which forms part and represents approximately 21% of the Arrangement Consideration per Unit, provides Unitholders with a meaningful opportunity to participate in the near and long-term growth of Choice following the completion of the Arrangement. In particular, upon completion of the Arrangement, Choice will have acquired properties of the REIT representing approximately 55% of the gross asset value of the REIT's properties, significantly enhancing Choice's portfolio and positioning it as one of Canada's preeminent owners of high-quality commercial and residential real estate. The Special Committee and the Board believe that the mixed consideration structure provides Unitholders with immediate liquidity and certainty of value while also providing the opportunity for Unitholders to benefit from Choice's real estate platform going forward.
- ***Compelling Value Relative to Alternatives*** – the Special Committee and the Board, in consultation with their legal and financial advisors, and based upon the business, operations, financial condition, earnings and prospects of the REIT, as well as their collective knowledge of the current and prospective environment

in which the REIT operates (including economic and market conditions in the real estate industry), thoroughly assessed the relative benefits, risks and potential timelines of various alternatives reasonably available to the REIT. In doing so, the Special Committee and the Board had regard to the Board's prior engagement with multiple credible counterparties, none of whose proposals were determined to be actionable from a value and transaction certainty standpoint, as well as the risk-adjusted view of the value that could reasonably be expected to be realized from continued execution of the REIT's existing Three Year Plan (as defined in the Circular). Having considered these alternatives and having regard to, among other things, the premium offered, the mixed cash and unit consideration structure and the credibility and financial capacity of KingSett and Choice, the Special Committee and the Board concluded that entering into the Arrangement Agreement was the most favourable alternative reasonably available to the REIT and its Unitholders.

- ***Distributions During the Interim Period*** – the REIT is permitted to continue to declare and pay regular monthly distributions to Unitholders through to the closing of the Arrangement, in an amount not exceeding \$0.076 per REIT Unit per month. This will allow Unitholders to continue to receive a regular distribution, and to benefit from the continued operations of the REIT, through to the closing of the Arrangement.
- ***Fairness Opinions*** – receipt by both the Board and the Special Committee of the Opinions in which RBC Dominion Securities Inc. and National Bank Financial Inc. concluded that, based on and subject to the limitations, qualifications and assumptions set forth therein, the Arrangement Consideration per Unit to be received by Unitholders pursuant to the Arrangement is fair, from a financial point of view, to the Unitholders (other than KingSett and its affiliates). National Bank Financial Inc. will receive a fixed fee for the rendering of its Opinion which is not contingent on the outcome of the Arrangement.
- ***Role and Independence of the Special Committee*** – the negotiations leading to the execution of the Arrangement Agreement were supervised by the Special Committee, which is comprised entirely of independent trustees and was advised by experienced and qualified independent legal and financial advisors. The Special Committee took an active and independent role in evaluating, supervising and overseeing the process and the negotiation of the Arrangement and the Arrangement Agreement. The Special Committee had no obligation to recommend the Arrangement or any other transaction and had retained the authority to reject any proposals made.
- ***Arrangement Agreement Terms and Deal Protections*** – the Arrangement Agreement is the result of a comprehensive negotiation process that was undertaken at arm's length with the oversight and participation of the Special Committee advised by experienced and qualified legal and financial advisors and resulted in terms and conditions that are reasonable in the judgment of the Special Committee and the Board. In particular, the Arrangement Agreement contains customary "fiduciary out" provisions pursuant to which the Board may, in certain circumstances and prior to obtaining the approval by the Unitholders of the Arrangement consider, accept and enter into a definitive agreement with respect to a Superior Proposal (as defined in the Circular), subject to the Purchaser's customary right to match. The voting and support agreements entered into by each of the trustees and officers of the REIT automatically terminate upon, among other circumstances, the REIT entering into a definitive agreement with respect to a Superior Proposal. The Special Committee has been advised, and believes, that the termination fee of \$187.5 million, payable by the REIT in the event the Arrangement Agreement is terminated in connection with a Superior Proposal or a Change in Recommendation (each as defined in the Circular), is reasonable in the circumstances and only payable in customary and limited circumstances. The Arrangement Agreement also contains interim operating covenants that are reasonable in light of the expected time period between signing and closing.
- ***No Financing Condition and Reasonable Likelihood of Completion*** – the Arrangement is not subject to any due diligence condition or financing condition. The obligations of the Purchaser and Choice to complete the Arrangement are subject to a limited number of conditions that the Special Committee and the Board believe are reasonable in the circumstances and can be achieved within the timeframe contemplated by the Arrangement Agreement, with closing currently expected in the fourth quarter of 2026.

- **Credibility of KingSett Capital Inc., KingSett and Choice** – KingSett Capital Inc., KingSett and Choice have each demonstrated commitment, creditworthiness, and a consistent track record of completing large-scale real estate transactions, which is indicative of the ability of the Purchaser and Choice to complete the transactions contemplated by the Arrangement Agreement.
- **Support for the Arrangement** – members of the Board and the REIT's management, representing approximately 0.5% of the issued and outstanding REIT Units, have entered into their respective voting and support agreements pursuant to which they have agreed to vote their REIT Units in favour of the Arrangement Resolution. KingSett, which owns approximately 3.9% of the outstanding REIT Units, has also agreed to vote those REIT Units in favour of the Arrangement.
- **Two-thirds Majority and "Majority of Minority" Approvals** – the fact that the Arrangement, among other things, must be approved by not less than: (a) two-thirds (66⅔%) of votes cast thereon by Unitholders present in person (or virtually) or represented by proxy at the Meeting; and (b) as required by Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), a simple majority of the votes cast thereon by Unitholders present in person (or virtually) or represented by proxy at the Meeting, excluding REIT Units held by persons described in items (a) through (d) of Section 8.1(2) of MI 61-101.
- **Court Approval** – the Arrangement must be approved by the Ontario Superior Court of Justice (Commercial List), which will consider whether the Arrangement is fair and reasonable.
- **Dissent Rights** – registered Unitholders as at the Record Date (as defined below) who oppose the Arrangement may, upon strict compliance with certain conditions, exercise the dissent rights specified in the Interim Order and Plan of Arrangement (each as defined in the Circular) and, if ultimately successful, be entitled to be paid the fair value of their REIT Units determined as of the day immediately before the Arrangement Resolution is adopted, subject to the provisions of the Plan of Arrangement.

In the course of their deliberations, the Special Committee and the Board also considered a number of potential risks and other factors resulting from the Arrangement, including the risks described under the heading "*RISK FACTORS*" of the accompanying Circular.

Completion of the Arrangement is subject to the satisfaction of certain conditions including approval by Unitholders, the Ontario Superior Court of Justice (Commercial List), the TSX and under the *Competition Act* (Canada), and other customary conditions, as more particularly described in the accompanying Circular. It is currently expected that the Arrangement will be completed in the fourth quarter of 2026 assuming that required approvals are obtained and all other conditions are satisfied.

The enclosed Circular contains a detailed description of the Arrangement, as well as information regarding the REIT, KingSett and Choice, including the issued unit capital of Choice after giving effect to the Arrangement. The Circular also describes certain Canadian federal income tax considerations associated with the Arrangement. Please give this material careful consideration and, if you require assistance, consult your financial, tax, legal or other professional advisors to determine the particular impact (including tax impact) of the Arrangement upon you, having regard to your own particular circumstances.

Your vote is important. We encourage Unitholders to vote by proxy well in advance of the Meeting.

The REIT is conducting the Meeting in a hybrid format that will allow registered Unitholders as of the close of business on May 4, 2026 (the "**Record Date**") and duly appointed proxyholders to participate regardless of geographic location, either online virtually or in person. Registered Unitholders and duly appointed proxyholders may attend the Meeting (a) in person, at the offices of Stikeman Elliott LLP, 5300 Commerce Court West, 199 Bay Street, Toronto, Ontario, Canada, M5L 1B9, or (b) online virtually, via live audio webcast, at <https://meetings.lumiconnect.com/400-262-504-961> (case sensitive password: firstcapitalspecial2026).

Unitholders are urged to vote their REIT Units **IN FAVOUR** of the Arrangement Resolution prior to the Meeting by submitting their completed form of proxy or voting instruction form well in advance of the proxy voting deadline. To ensure your votes are counted, your proxy must be received by 10:00 a.m. (Toronto time) on June 19, 2026 (or if the Meeting is adjourned or postponed, 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) before the adjourned meeting is reconvened or the postponed meeting is convened). If you hold your REIT Units through an intermediary such as a broker or investment dealer, bank, trust company, trustee, clearing agency or other nominee, your intermediary may require you to submit your voting instruction form by an earlier date and/or time. See the "*GENERAL PROXY MATTERS – VOTING INFORMATION*" section of the accompanying Circular for additional information on how to vote your REIT Units.

If you have any questions or need assistance in your consideration of the Arrangement or with the completion and delivery of your form of proxy or voting instruction form, please contact Laurel Hill Advisory Group, our proxy solicitation agent, by calling 1-877-452-7184 (North America Toll-Free) or 416-304-0211 (outside of North America), by texting "INFO" to either number, or by emailing assistance@laurelhill.com.

We are pleased to be able to provide an opportunity for significant value to our Unitholders. Thank you for your continued support.

Yours truly,

FIRST CAPITAL REAL ESTATE INVESTMENT TRUST

(Signed) "Paul Douglas"

Paul Douglas
Chair of the Board