



## SANDPIPER GROUP

### **Sandpiper Makes Court Application to Put Owners First**

**VANCOUVER, BC, January 9, 2023** – Sandpiper Group (“Sandpiper”), owning together with its joint actor, Artis Real Estate Investment Trust, approximately 9% of the outstanding units of First Capital Real Estate Investment Trust (“First Capital”, “FCR” or the “REIT”)(TSX: FCR.UN), is making an application to the Ontario Superior Court (Commercial List) to have the special meeting of unitholders to replace four trustees on the FCR Board (the “Meeting”) take place on March 1, 2023, or as soon as practicable thereafter.

#### **IMMEDIATE CHANGE IS REQUIRED TO MAXIMIZE VALUE FOR ALL UNITHOLDERS**

The application follows Sandpiper expressing concerns to First Capital regarding its decision to hold the Meeting on May 16, 2023 - more than five months after the date of Sandpiper’s requisition.

In the interim, First Capital has disposed of and will continue to dispose of assets under its newly announced Enhanced Capital Allocation and Portfolio Optimization Plan that was only disclosed to unitholders after the last annual meeting. First Capital has disclosed that this plan includes the disposal of assets with gross proceeds of approximately \$1 billion by the end of 2024. Within a week of announcing its plan, First Capital reported the sale of King High Line, a “generational asset” that is “near impossible to acquire,” as previously described by FCR.

Sandpiper does not have confidence in the current Chairman and Board of the REIT to oversee the latest plan and maximize value. Sandpiper believes significant and immediate change is required so as to protect and maximize value for all of the owners of FCR. Therefore, after the announcement of the plan and the disposition of the King High Line asset, in early October 2022, Sandpiper met with the REIT to convey their thoughts and presented a Board refreshment proposal which was rejected. Since an agreement could not be reached, Sandpiper initiated a detailed and rigorous process that culminated in requisitioning the Meeting on December 12, 2022.

Sandpiper is concerned that the REIT will dispose of one or more crown jewel assets before the Meeting date of May 16, 2023, set by FCR. Any such disposition cannot be unwound. Sandpiper therefore believes it is in the best interest of unitholders to hold the Meeting at the earliest date possible.

In advance of the application, Sandpiper advised First Capital that they would be willing to accept a May 16<sup>th</sup> Meeting date provided the REIT refrain from carrying out dispositions under its Enhanced Capital Allocation and Portfolio Optimization Plan in the interim. Consistent with its responses to unitholder concerns raised in the past, First Capital refused to compromise and rejected Sandpiper’s proposal, once again demonstrating that they do not put owners first.

“It is very unfortunate that under the current Chairman’s leadership, the Board and CEO of FCR continue to ignore the rights of unitholders. We respectfully requested a reasonable Meeting date to allow unitholders, the real owners of the REIT, to have a say in FCR’s plan going forward, but that is not what occurred,” said Samir Manji, CEO and Founder of Sandpiper Group. “FCR’s Board and CEO have established a plan that was never endorsed by FCR’s owners. On the contrary, several unitholders have publicly expressed serious concerns about it. This should compel any diligent Board

to conclude that the best course of action is to let the owners have their say as soon as possible. Instead, by delaying the Meeting for more than five months, while they continue to implement a plan that unitholders have not validated and that will in many respects be irreversible, the Board and CEO are demonstrating indifference to the opinions of their unitholders. A growing number of concerned unitholders believe that the Board and CEO's proposed plan is not going to maximize value for the owners, but rather that it will diminish value every time a trophy asset is sold.

"We are extremely grateful to our fellow FCR unitholders who have reached out with encouragement and support for the efforts being made by Sandpiper on behalf of all owners. With over \$300 million invested in FCR, which is tellingly almost 30 times more than the cumulative investment held by all nine of the incumbent trustees, we will not relent and will continue to work hard to maximize value for all unitholders, including to ensure that unitholders have a timely say on the future of the REIT."

For more information about our **plan to maximize value for all FCR unitholders**, please visit our website: [www.puttingownerscapitalfirst.com](http://www.puttingownerscapitalfirst.com)

## **ADVISORS**

Sandpiper has retained Morrow Sodali (Canada) Ltd. as its strategic shareholder services advisor. The Special Situations Group at Norton Rose Fulbright Canada LLP is acting as legal counsel.

## **SANDPIPER GROUP**

Sandpiper is a Vancouver-based private equity firm focused on investing in real estate through direct property investments and securities. For more information about Sandpiper, visit: [www.sandpipergroup.ca](http://www.sandpipergroup.ca).

## **FOR MORE INFORMATION:**

Vinay Panchal  
Senior Associate, Capital Markets and Investor Relations  
Sandpiper Group  
Phone: 604-558-4885  
Email: [vinay@sandpipergroup.ca](mailto:vinay@sandpipergroup.ca)

Navdeep Gill  
Chief Financial Officer  
Sandpiper Group  
Phone: 604-558-4885  
Email: [navdeep@sandpipergroup.ca](mailto:navdeep@sandpipergroup.ca)

## **Additional Information**

On December 12, 2022, Sandpiper and its joint actor requisitioned the Board of Trustees of First Capital to call the Meeting for the purpose of replacing certain incumbent members of the Board with nominees of Sandpiper ("**Concerned Unitholders Nominees**"). Although First Capital has called an annual and special meeting that is currently scheduled to take place on May 16, 2023, Sandpiper is not soliciting proxies in connection with the Meeting and unitholders are not being asked at this time to execute a proxy in favour of the Concerned Unitholders Nominees or any other resolutions set forth in the requisition. Notwithstanding the foregoing, Sandpiper is voluntarily providing the disclosure required under section 9.2(4) of National Instrument 51-102 – Continuous Disclosure Obligations in accordance with securities laws applicable to public broadcast solicitations. In

connection therewith, certain information regarding, among other things, the Concerned Unitholders Nominees nominated by Sandpiper to serve as Trustees of First Capital, has been provided by Sandpiper in its press release dated December 12, 2022 (the "**Nominee Announcement**") under the sections entitled "Information Concerning the Concerned Unitholders Nominees" and "Additional Information". A copy of this news release, as well as the Nominee Announcement, has been filed by Sandpiper and is available for review on First Capital's SEDAR profile at: [www.sedar.com](http://www.sedar.com).