



H&R REIT and Primaris REIT Announce Completion of Plan of Arrangement and HOOPP Transaction

Primaris to commence trading independently on January 5, 2022

Toronto, January 4, 2022 – H&R Real Estate Investment Trust (“H&R”) (TSX: HR.UN) and Primaris Real Estate Investment Trust (“Primaris”) (TSX: PMZ.UN) jointly announced today that the internal reorganization of H&R pursuant to which H&R’s enclosed shopping mall business and certain other assets were spun-out to Primaris was completed on December 31, 2021. The transaction was implemented by way of a statutory plan of arrangement (the “Arrangement”) and H&R unitholders received one unit of Primaris for every four units of H&R held immediately prior to closing of the Arrangement.

“We are pleased to reach this significant milestone in the strategic repositioning of H&R REIT, which is a product of the considerable time and effort of management and the board in consulting with investors, evaluating strategic options, and executing several significant strategic transactions,” said Tom Hofstedter, President & CEO of H&R REIT. “H&R REIT enters 2022 with a more focused portfolio, clear strategic direction, and the resources to create and surface value for unitholders.”

“With the support and careful consideration of H&R REIT, Primaris REIT today begins a new phase of its evolution, extremely well positioned as an independent Canadian REIT,” said Alex Avery, Chief Executive Officer of Primaris REIT. “The entire Primaris team extends a sincere note of appreciation to Tom, the board of H&R REIT, and to unitholders, for the support and patience required to complete the strategic repositioning and spin-off.”

H&R contributed 27 properties with an appraised value of approximately \$2.4 billion. The properties were secured with debt totalling approximately \$723 million. Such appraised value, net of debt, equates to a net asset value of the Primaris spin-out of \$5.57 per H&R unit before any working capital adjustments, which will be finalized with the reporting of 2021 results.

Immediately following the Arrangement, Primaris acquired from the Healthcare of Ontario Pension Plan (“HOOPP”) an additional portfolio of eight properties (the “HOOPP Transaction”) with an appraised value of \$0.8 billion. As a result of the Arrangement and the HOOPP Transaction, Primaris now owns interests in 35 properties with an appraised value of approximately \$3.2 billion as at September 30, 2021, encompassing 11.4 million square feet of gross leasable area. Including debt owing to HOOPP pursuant to the HOOPP Transaction, Primaris has approximately \$930 million of debt outstanding.

Pursuant to the Arrangement and the HOOPP Transaction, an aggregate of approximately 98.25 million units of Primaris were issued. Primaris also issued approximately 3.34 million exchangeable units. These exchangeable units are exchangeable into Primaris units at any time and are entitled to receive the same amount of distributions as a regular unit of Primaris. The combined number of units issued amounts to approximately 101.6 million units with H&R unitholders receiving approximately 74% and HOOPP receiving approximately 26% of Primaris’ units.

The Arrangement forms part of H&R’s previously announced strategic repositioning plan to transform from a diversified REIT into a simplified, growth-oriented REIT with increased multi-residential and industrial exposure, surfacing value through a significant development pipeline. In addition, as a result of the

Arrangement, H&R's secured debt has been reduced by approximately \$580 million for the outstanding mortgage balances on the Primaris properties.

As a result of the Arrangement and the HOOPP Transaction, Primaris, led by Alex Avery as Chief Executive Officer, Patrick Sullivan as President and Chief Operating Officer and Rags Davloor as Chief Financial Officer, has been established as one of the four largest enclosed shopping centre platforms in Canada, with a fully-internalized management platform and a strong independent board of trustees.

Trading in H&R's units will continue on a "due bill" basis through the close of trading on January 4, 2022. H&R unitholders who sell their H&R units prior to the close of trading on January 4, 2022 will be selling their units together with the Primaris units received pursuant to the Arrangement. At the start of trading on January 5, 2022, units of H&R will trade on an "ex-distribution" basis and the units of H&R will resume regular trading without any "due bill" entitlement, reflecting that the Arrangement has been completed and that the Primaris units will no longer trade together with the H&R units.

At the start of trading on January 5, 2022, units of Primaris will commence trading on the TSX on a regular-way basis under the ticker "PMZ.UN".

About H&R REIT

H&R REIT is one of Canada's largest real estate investment trusts with total post-Primaris spin-off *pro forma* assets of approximately \$10.7 billion as at September 30, 2021. H&R REIT has ownership interests in a North American portfolio comprised primarily of high-quality office, industrial and residential properties comprising over 29.4 million square feet post-Primaris spin off. H&R is currently undergoing a five-year, strategic repositioning to transform into a simplified, growth-oriented company focusing on multi-residential and industrial properties to surface significant value for unitholders.

About Primaris REIT

Primaris REIT is Canada's only enclosed shopping centre focused REIT. Primaris REIT owns interests in primarily enclosed shopping centres aggregating 11.4 million square feet and valued at approximately \$3.2 billion at Primaris REIT's share. Primaris REIT is fully independent, with a differentiated low-leverage financial profile and a fully internal, vertically integrated, at scale management platform.

Forward-looking Statements

Certain statements in this news release contain forward-looking statements within the meaning of applicable securities laws (also known as forward-looking statements). These forward-looking statements include, but are not limited to, H&R's and Primaris' respective plans, objectives, expectations and intentions, including the execution of further strategic transactions by H&R and H&R's ability to surface value for unitholders of H&R. Such forward-looking statements reflect H&R's and Primaris' respective current beliefs and are based on information currently available to management of H&R and Primaris. These statements are not guarantees of future performance or events and are based on H&R's and Primaris' estimates and assumptions that are subject to risks and uncertainties, including those set forth in H&R's management information circular dated November 5, 2021 and in H&R's and Primaris' materials filed with the Canadian securities regulatory authorities from time to time, which could cause the actual results and performance of H&R or Primaris to differ materially from the forward-looking statements contained in this news release. Although the forward-looking statements contained in this news release are based upon what H&R and Primaris respectively believe are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. All forward-looking statements in this news release are qualified by these cautionary statements. These forward-looking statements are made as of today and neither H&R nor Primaris, except as required by applicable law, assume any obligation to update or revise them to reflect new information or the occurrence of future events or circumstances.

Additional information regarding H&R is available at www.hr-reit.com and on www.sedar.com. For more information regarding H&R, please contact Larry Froom, H&R REIT (416) 635-7520, or e-mail info@hr-reit.com.

Additional information regarding Primaris is available at www.primarisreit.com and on www.sedar.com. For more information, please contact Alex Avery, Primaris REIT (416) 642-7800, or e-mail info@primarisreit.com.