



Primaris REIT Provides Business Update Following Spin-Off & Completion of HOOPP Transaction

Index Inclusion, Estimated NAVPU \$22, Industry Leading Credit Metrics, \$700 Million Credit Facility

TORONTO, Jan. 4, 2022 /CNW/ - Primaris Real Estate Investment Trust ("Primaris REIT" or "Primaris") (TSX: PMZ.UN) today provides a business update following the completion of H&R REIT's spin-off of Primaris REIT into a new stand-alone, publicly traded real estate investment trust, which closed on December 31, 2021.

"Primaris REIT begins 2022 as a newly independent Canadian REIT with a strong balance sheet, an exceptional team and operating platform, and a sizable market opportunity," said Alex Avery, Chief Executive Officer of Primaris REIT.

Approval from the Toronto Stock Exchange (the "TSX") for the listing and posting for trading of the Primaris REIT Units has been received, and Primaris REIT Units will begin trading on the TSX under the trading symbol "PMZ.UN" on January 5, 2022.

Concurrent with the commencement of trading of PMZ.UN, Primaris REIT is expected to be added to all indices where H&R REIT is a constituent, including the S&P/TSX Composite Index and S&P/TSX Capped REIT Index.

\$800 Million HOOPP Transaction Complete, Bolstering Scale, Diversification

Immediately following the spin-off, Primaris REIT completed the acquisition of six shopping centres and two additional properties from Healthcare of Ontario Pension Plan (HOOPP) for \$800 million, consisting of \$600 million of REIT units, with the balance paid in cash. The acquired properties provide Primaris REIT with added economies of scale, geographic and tenant diversification, and makes the REIT a stronger partner for retailers.

"With the HOOPP acquisition, Primaris REIT can leverage the benefits of scale to enhance operating performance," said Patrick Sullivan, President & Chief Operating Officer of Primaris REIT. "Nearly 100 new employees joined Primaris REIT as part of the acquisition, and the process of integrating these new assets into the Primaris platform is already well advanced."

Robust Liquidity, Industry Leading Credit Metrics

Primaris also announces today that it has closed on a \$700 million credit facility with a syndicate of Canadian banks led by CIBC, Scotiabank and BMO and including RBC, TD and Desjardins. The availability on the credit facility will reduce from \$700 million to \$400 million on June 30, 2023, and has a maturity date of December 31, 2024.

"Primaris REIT begins 2022 with robust liquidity and a differentiated balance sheet and financial model," said Rags Davloor, Chief Financial Officer of Primaris REIT. "The REIT's strong financial position is demonstrated by its low approximately 29% debt to appraised value of assets¹, and significant undrawn capacity on its new syndicated credit facility. Accordingly, we are pursuing an investment grade credit rating and expect to access the unsecured debenture market in 2022."

As of January 4, 2022, Primaris REIT's principal balance sheet items include:

- Investment properties valued at \$3.2 billion at Primaris' share, as described in H&R REIT's Management Information Circular dated November 5, 2021, available on H&R REIT's SEDAR profile at www.sedar.com
- \$930 million of total debt, including:
 - \$580 million of assumed mortgage debt
 - \$350 million outstanding balance on credit facility
- Approximately 101.6 million total issued and outstanding Primaris REIT units, including 3.3 million exchangeable units

Reflecting the above noted balance sheet items and working capital balances, management estimates net asset value per unit ("NAVPU")² at approximately \$22.00 per Primaris REIT unit.

About Primaris REIT

Primaris REIT is Canada's only enclosed shopping centre focused REIT, with ownership interests primarily in enclosed shopping centres that are dominant in their trade areas. The portfolio totals 11.4 million square feet and is valued at approximately \$3.2 billion at Primaris' share. Economies of scale are achieved through its fully internal, vertically integrated, full-service national management platform. Primaris REIT is very well-capitalized and is exceptionally well positioned to take advantage of market opportunities at an extraordinary moment in the evolution of the Canadian retail property landscape.

Non-GAAP Financial Measures

This press release contains references to NAVPU or "net asset value per unit" which is a non-GAAP financial measure. The term NAVPU does not have any standardized meaning according to GAAP and therefore may not be comparable to similar measures presented by other issuers. There is no comparable GAAP financial measure presented in Primaris' consolidated financial statements and thus no applicable quantitative reconciliation for such non-GAAP financial measure. Management believes that the measure provides information useful to its unitholders in understanding Primaris REIT's financial position and performance, and may assist in the evaluation of Primaris REIT's business relative to that of its peers. This data is furnished to provide additional information and does not have any standardized meaning prescribed by GAAP. Accordingly, it should not be considered in isolation or as a substitute for measures of performance or financial position prepared in accordance with GAAP, and is not necessarily indicative of other metrics presented in accordance with GAAP. Existing NAVPU of Primaris REIT is not necessarily predictive of Primaris REIT's future performance or the NAVPU of Primaris Ras at any future date.

¹ Calculated by dividing total indebtedness of \$930 million by total appraised value of investment properties of \$3.2 billion.

² non-GAAP ratio. See "Non-GAAP Financial Measures" in this press release.

Forward-looking Information

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 statements with respect to the listing and trading of Primaris REIT Units, the

inclusion of Primaris REIT in certain indices, the integration of the HOOPP acquisition, Primaris REIT's pursuit of an investment grade credit rating, its expectation of accessing the unsecured debenture market in 2022 and Primaris REIT's NAVPU, and other statements contained in this release that are not historical facts. Such forward-looking statements reflect Primaris' current beliefs and are based on information currently available to management. These statements are not guarantees of future performance or events and are based on Primaris' estimates and assumptions that are subject to risks and uncertainties, including those set forth in H&R REIT's management information circular dated November 5, 2021 and in Primaris' materials filed with the Canadian securities regulatory authorities from time to time, which could cause the actual results and performance of 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 Primaris believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. There can be no assurance that the proposed transaction will occur or that the anticipated benefits will be realized. The proposed transaction could be modified, restructured or terminated. All forward-looking statements in this news release are qualified by these cautionary statements. These forward-looking statements are made as of today and Primaris, except as required by applicable law, assumes no obligation to update or revise them to reflect new information or the occurrence of future events or circumstances.

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.

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