Primaris REIT Announces Landmark Transaction of Trophy Shopping Centre Demonstrating its Ability to Execute on Growth Strategy

Toronto, Ontario – June 19, 2023 - Primaris Real Estate Investment Trust ("Primaris" or the "Trust") (TSX: PMZ.UN) announced today that it has agreed to acquire Conestoga Mall in Waterloo, Ontario from Ivanhoé Cambridge, for aggregate consideration of $270.0 million, to be satisfied by a combination of cash and equity. This high quality asset acquisition is consistent with Primaris' previously expressed growth strategy, to own and acquire market leading shopping malls.

"This landmark transaction is the culmination of months of collaboration with Ivanhoé Cambridge, and further validates and demonstrates support for Primaris' platform, strategy and value proposition," said Alex Avery, Chief Executive Officer. "Since the inception of Primaris REIT, we have been very clear about the significant opportunity to acquire additional market leading Canadian shopping centres. Primaris is uniquely positioned as a potential buyer, with institutional scale as the third largest owner-operator of enclosed shopping centres in Canada with proforma assets of approximately $3.5 billion, a very well capitalized balance sheet, a differentiated financial model and a mandate for growth."

"Conestoga was identified early in the process of evaluating potential acquisition targets for a number of notable characteristics, including its leading market position, strong sales performance, mass rapid transit connection and its attractive location within a growing market," said Patrick Sullivan, President and Chief Operating Officer. "Our team is very excited to add Conestoga Mall to our property portfolio, with significant income growth potential consistent with the growth we see ahead for our existing assets. With new and exciting retailers unique in the market including Apple, Lululemon and Nespresso, Conestoga Mall is amongst the top 15 most productive malls in Canada and will be highly accretive to Primaris' overall portfolio quality."

Rags Davloor, Chief Financial Officer added, "Our differentiated financial model, including very low leverage, a low payout ratio and significant retained free cash flow is a major strategic advantage for Primaris. We are very pleased to be able to execute a transaction of this quality while preserving our industry leading financial metrics within target ranges."

Annie Houle, Head of Canada at Ivanhoé Cambridge commented, "We are very pleased to have executed this transaction with Primaris REIT, given their commitment to continue to unlock the full potential of this established shopping mall in the Kitchener-Waterloo area. Primaris REIT's defined business strategy, experienced management platform and prudent capital management supports this new investment."

Transaction Highlights

- Aggregate consideration of $270.0 million, comprised of:
    - $165.0 million of cash;
    - $25.0 million of series A units of the Trust ("REIT Units") at an issue price of the lower of $21.49 per REIT Unit, or the NAV** per REIT Unit disclosed in the Trust's most recently published Management's Discussion and Analysis ("MD&A") at the time of closing (such lower price, the "Issue Price"); and
    - $80.0 million of 6.0% Exchangeable Preferred Units (the "Preferred Units") in a newly formed subsidiary limited partnership, which Preferred Units shall be exchangeable into REIT Units in certain circumstances at an exchange price equal to the Issue Price per REIT Unit, subject to customary adjustments. The Preferred Units shall rank senior to any outstanding classes of units of the limited partnership with respect to distributions and rights upon liquidation, wind-up and dissolution;
- Conestoga Mall is unencumbered; and
- Expected closing in July 2023, subject to the satisfaction of customary closing conditions, including the approvals of the Toronto Stock Exchange and under the Competition Act (Canada).

Conestoga Mall Property Highlights

- Leading regional enclosed shopping centre in the high growth market of Kitchener-Waterloo, Ontario;
- Immediately adjacent to Conestoga station, on the 19-station ION light rail mass rapid transit system;
- 585,000 square foot mall (excluding Zehrs) located on 49.8 acres of land, for an approximate 31.0% site coverage;
- $982 same store sales productivity and annual all store sales volume of $180.8 million;
- 94.4% in-place occupancy;
- $46.0 million redevelopment completed in 2018;
- Large format tenants include HBC, Galaxy Cinema, Sport Chek, Indigo and H&M, and shadow-anchored by Zehrs with direct access to the mall; and
- Unique commercial retail unit (CRU) tenants to the region include Apple, Lululemon, Nespresso, with other notable CRU tenants including Aritzia, Sephora, Aerie, Old Navy and RW & Co.

Significant NOI Growth Potential**

Similar to the Trust's existing owned portfolio, Conestoga Mall offers significant NOI** growth potential over the next few years, as operating and financial performance normalizes, and as Primaris' full-service management platform integrates and operates the property. Opportunities to increase operating income at Conestoga Mall include:

- Lease up of approximately 58,000 square feet of vacant or temporary tenanted space to strong tenants at market rents;
- the conversion of tenants on preferred rent deals to standard market leases; and
- Primaris intends to leverage it scalable management platform to deploy its cost management strategy.

Mass Rapid Transit Connectivity In High Growth Market

Conestoga station is the final station of the 19-station ION light rail mass rapid transit system that commenced operations in late 2019. ION ridership has grown to 1.4 million riders per month. The existing route connects Conestoga station to both the University of Waterloo and Wilfrid Laurier University, with Phase 2 of the ION system expected to add eight further stations, fully connecting Cambridge to the existing Kitchener-Waterloo light rail network.

Conestoga Mall is the market leading enclosed shopping centre in the region, with a high average total trade area household income of $112,400. It is located in a growing region with a population of 515,700 and is an approximate one-hour drive to Toronto Pearson Airport. Sometimes referred to as Silicon Valley North, or the Technology Triangle, the region is home to many technology companies, incubators, and universities, including the Perimeter Institute for Theoretical Physics, Wilfrid Laurier University and the University of Waterloo.

As the Kitchener-Waterloo region continues to grow, and ION ridership continues to grow, Primaris expects to benefit from being immediately adjacent to the Conestoga station.

Please see the presentation titled "Conestoga Mall" on Primaris' investor relations website for additional details.

Proforma Primaris Portfolio

The consideration payable by Primaris allows Primaris to maintain its best-in-class capital structure and financial leverage metrics within the Trust's previously disclosed target range. Upon closing, Conestoga Mall will become the Trust's highest sales productivity property, and second highest all store sales volume property, after Orchard Park Mall in Kelowna, British Columbia. Primaris anticipates the below proforma metrics:

- Based on the 3.0% to 5.0% Same Property Cash NOI** growth guidance provided in the Q1 2023 MD&A, and assuming a July 2023 closing, Cash NOI** for the 2023 fiscal year is anticipated to be in the range of $220 million to $224 million (Cash NOI** for the year ended December 31, 2022 was $206.1 million); and
- Average Net Debt** to Adjusted EBITDA** is anticipated to remain within target range of 4.0x to 6.0x.

(unaudited)		Primaris REIT		Conestoga Mall		**Proforma Primaris REIT**
All Store Sales Volume ($'000)[1]	$	1,717,918	$	180,800	**$**	**1,898,718**
Same Store Sales Productivity ($'000 per square foot)[1]	$	605	$	982	**$**	**628**
Total Trade Area Population		6,575,800		515,700		**7,091,500**
Total Trade Area Average Household Income	$	112,800	$	112,400	**$**	**112,700**
2022 Mall Traffic		95,961,600		6,672,400		**102,634,000**
Site Coverage		34 %		31 %		**34 %**

[1] For the rolling twelve-month period ended February 28, 2023 for Primaris REIT and for the year ended December 31, 2022 for Conestoga Mall. Supplementary financial measure, see "Use of Operating Metrics" below.

Advisors

CBRE Limited acted as real estate advisors and TD Securities acted as financial advisors to Ivanhoé Cambridge.

Real Asset Strategies Inc. is acting as investor relations advisor to Primaris REIT.

About Primaris Real Estate Investment Trust

Primaris is Canada's only enclosed shopping centre focused REIT, with ownership interests primarily in the leading enclosed shopping centres in growing markets. The current portfolio totals 10.9 million square feet valued at approximately $3.1 billion at Primaris' share. Economies of scale are achieved through its fully internal, vertically integrated, full-service national management platform. Primaris 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.

About Ivanhoé Cambridge

Ivanhoé Cambridge develops and invests in high-quality real estate properties, projects and companies that are shaping the urban fabric in dynamic cities around the world. It does so responsibly, with a view to generate long-term performance. Ivanhoé Cambridge is committed to creating living spaces that foster the well-being of people and communities, while reducing its environmental footprint. Ivanhoé Cambridge holds interests in 1,500 buildings, primarily in the industrial and logistics, office, residential and retail sectors. Ivanhoé Cambridge held C$77 billion in real estate assets as of December 31, 2022 and is a real estate subsidiary of CDPQ, a global investment group.

Forward-Looking Statements and Future Oriented Financial Information

Certain statements included in this news release constitute ‘‘forward-looking information’’ or “forward-looking statements” within the meaning of applicable securities laws. The words “will”, “expects”, “plans”, "estimates", “intends” and similar expressions are often intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Specific forward-looking statements made or implied in this news release include but are not limited to statements regarding: Primaris’ future results, performance, prospects and opportunities, including with respect to the closing, costs and benefits of the proposed transaction, the timing and completion of the proposed transaction, the strategy, plans and the intentions of management with respect to Conestoga Mall, and management’s expectations regarding the Trust’s leverage and portfolio quality. Forward-looking statements are provided for the purpose of presenting information about management’s current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. These statements are not guarantees of future performance and are based on estimates and assumptions that are inherently subject to risks and uncertainties. Primaris cautions that although it is believed that the assumptions are reasonable in the circumstances, actual results, performance or achievements of Primaris may differ materially from the expectations set out in the forward-looking statements. Material risk factors and assumptions include those set out in the MD&A which is available on SEDAR, and in Primaris’ other materials filed with the Canadian securities regulatory authorities from time to time. Given these risks, undue reliance should not be placed on these forward-looking statements, which apply only as of their dates. Other than as specifically required by law, Primaris undertakes no obligation to update any forward-looking statements to reflect new information, subsequent or otherwise.

Readers are cautioned that there is a significant risk that actual results will vary from the financial outlook statements provided in this press release and that such variations may be material. Certain forward-looking information included in this news release may also be considered “future-oriented financial information” or “financial outlook” for purposes of applicable securities laws (collectively, “FOFI”). FOFI about the Trust’s prospective results of operations including, without limitation, the proforma metrics presented, is subject to the same assumptions, risk factors, limitations and qualifications set out in the MD&A which is available on SEDAR, and in Primaris’ other materials filed with the Canadian securities regulatory authorities from time to time. The Trust and management believe that such FOFI have been prepared on a reasonable basis, reflecting management’s best estimates and judgments. However, because this information is subjective and subject to numerous risks, it should not be relied on as necessarily indicative of future results. FOFI contained in this news release was made as of the date of this news release and was provided for the purpose of providing further information about the Trust’s prospective results of operations. Readers are cautioned that the FOFI contained herein should not be used for purposes other than for which it is disclosed herein.

Readers are also urged to examine the Trust’s materials filed with the Canadian securities regulatory authorities from time to time as they may contain discussions on risks and uncertainties which could cause the actual results and performance of Primaris to differ materially from the forward-looking statements contained in this news release. All forward-looking statements in this news release are qualified by these cautionary statements. These forward-looking statements are made as the date of this news release and Primaris, except as required by applicable securities laws, assumes no obligation to update or revise them to reflect new information or the occurrence of future events or circumstances.

Non-GAAP Measures

The Trust’s financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”). However, Primaris also uses a number of measures which do not have a standardized meaning prescribed under generally accepted accounting principles (“GAAP”) in accordance with IFRS. These non-GAAP measures, which are denoted in this press release by the suffix “**” include non-GAAP financial measures and non-GAAP ratios, each as defined in National Instrument 52-112, Non-GAAP and Other Financial Measures Disclosure ("NI 52-112"). None of these non-GAAP measures should be construed as an alternative to financial measures calculated in accordance with

GAAP. Furthermore, these non-GAAP measures may not be comparable to similar measures presented by other real estate entities and should not be construed as an alternative to financial measures determined in accordance with IFRS. Additional information regarding these non-GAAP measures, including definitions and reconciliations to the most directly comparable GAAP figure, where applicable, can be found in the Q1 2023 MD&A which is available on the Trust's profile on SEDAR at www.sedar.com. See Section 12, "Non-GAAP Measures" of the Q1 2023 MD&A for the descriptions of each non-GAAP measure used in this press release and to find a quantitative reconciliation to the most directly comparable GAAP, applicable; Section 12, "Non-GAAP Measures" and the related quantitative reconciliations are incorporated by reference herein.

Use of Operating Metrics

Primaris uses certain operating metrics to monitor and measure the operational performance of its portfolio. Operating metrics in this news release include in-place occupancy, same store sales productivity and all store sales volume. Certain of these operating metrics, including same store sales productivity and all store sales volume, may constitute supplementary financial measures as defined in NI 52-112. These supplementary measures are not derived from directly comparable measures contained in the Trust's financial statements but may be used by management and disclosed on a periodic basis to depict the historical or future expected financial performance, financial position or cash flow of the Trust. For an explanation of the composition of all store sales volume and same store sales productivity, see "Section 8, "Operational Performance" – "Tenant Sales" in the Q1 2023 MD&A, which section is incorporated by reference herein.

For more information: **TSX: PMZ.UN** **www.primarisreit.com** **www.sedar.com**

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