Primaris REIT Announces $60 Million Disposition; HBC, NCIB, & Financing Updates

Toronto, Ontario – April 1, 2025 - Primaris Real Estate Investment Trust ("Primaris" or the "REIT") (TSX: PMZ.UN) announced today significant progress on its disposition program that supports its capital recycling objectives, and provided additional commentary on its Hudson's Bay Company ("HBC") tenancy.

Disposition

On March 31, 2025, Primaris closed on the sale of St. Albert Centre in St. Albert, Alberta, for $60.0 million to a private real estate operator. The sale price includes a $10 million vendor-take-back loan maturing in one year bearing interest at a rate of 6.0% per annum. St. Albert Centre is anchored by a 93,300 square foot HBC.

The REIT also closed on the previously announced sale of Sherwood Park Mall, Sherwood Park Professional Centre, and excess land ("Sherwood Park Mall"), in Sherwood Park, Alberta for $107.0 million to a private retail operator and developer on February 28, 2025.

"These strategic dispositions further demonstrate our track record of executing on our well-defined growth strategy focused on market leading shopping centres in growing Canadian markets," said Alex Avery, Chief Executive Officer. "Considering property transactions year to date, we have enhanced the appeal of our enclosed shopping centre portfolio, to our retailer tenants and shoppers, driving the portfolio's annual same store sales productivity from $705 per square foot as at December 31, 2024, to approximately $752 per square foot on a pro forma basis."

The dispositions were sold at IFRS fair value, with the use of proceeds allocated to future acquisitions, repurchase, and cancellation of units under the REIT's Normal Course Issuer Bid ("NCIB"), and general trust purposes.

Sherwood Park Mall and St. Albert Centre were both unencumbered.

The below table summarizes the REIT's dispositions year to date:

Property Name	Location	Type	Gross Leasable Area ("GLA")	In-place Occupancy	Total CRU Sales Volume[1] ($'000)	Same Stores Sales Productivity[1] ($'000)	Disposition Price (millions)	Closing Date
Sherwood Park Mall	Sherwood Park, AB	Enclosed shopping centre	415,237	94.7 %	$ 38,799	$ 575	$ 107.0	February 28, 2025
St. Albert Centre	St. Albert, AB	Enclosed shopping centre	352,812	97.3 %	$ 35,396	$ 556	$ 60.0	March 31, 2025
			768,049		**$ 74,195**		**$ 167.0**	

[1] Commercial retail unit ("CRU") tenants that lease units up to 15,000 square feet and include food court and kiosk tenants. As at or for the year ended December 31, 2024. Supplementary financial measure, see "Use of Operating Metrics" below.

HBC Tenancy Update

As at March 31, 2025, the REIT's exposure to HBC is as follows:

- 9 HBC locations totaling 1,031,000 square feet of GLA;
- 14th largest tenant by annualized minimum rent;
- Approximately $10.8 million of gross rental revenue, per annum;
- $9.94 weighted average gross rent per occupied square foot;
- Approximately $4.5 million net rental revenue per annum, or 1.4% of total annualized minimum rent;
- $4.33 weighted average net rent per occupied square foot; and
- In addition to the 9 owned HBC locations, the shadow-anchor HBC located at Devonshire Mall in Windsor, Ontario is owned by an unrelated HBC joint venture.

"Primaris REIT has been preparing for the departure of HBC as its department store peers downsized and ceased operations over the past 15 years, including Zellers, Target and Sears," said Patrick Sullivan, President and Chief Operating Officer. "The departure of Canada's final conventional department store will enable future value creation for our stakeholders, paving the way for optimal use of space that better reflects the evolving needs and desires of the growing communities."

Primaris continues to closely monitor HBC's Companies Creditor Arrangement Act ("CCAA") process. As has been publicly reported, all HBC locations in Primaris' portfolio have commenced liquidation, and are not expected to continue operations beyond June 30, 2025. As a result of declining operating performance, significant deferred capital maintenance, and very limited consumer foot traffic draw, Primaris believes that the departure of HBC's tenancy will be beneficial to the REIT over the medium term, and sees significant upside in the longer term.

Primaris has updated its longstanding re-tenanting, redevelopment, and repurposing plans in relation to each of the locations with significant analysis and evaluation of alternatives. As a result, Primaris is ready to act, at first opportunity.

Financing Activity

On March 26, 2025, Primaris entered into and borrowed on a $100.0 million bilateral non-revolving term facility maturing January 4, 2028, with a one-year extension at Primaris' option. The bilateral non-revolving term facility bears interest at variable rates of either: (i) Prime plus 0.25% per annum, or (ii) Adjusted Canadian Overnight Repo Rate Average plus 1.25% per annum. The proceeds of the drawdown were used to repay debt on the syndicated revolving term facility and for general trust purposes. Concurrently, Primaris entered into an interest rate swap for $50.0 million at an effective rate of 3.960%. This bilateral non-revolving term facility was arranged by Desjardins Capital Markets.

On March 28, 2025, Primaris repaid $133.1 million aggregate principal of the maturing Series B senior unsecured debentures, which paid a 4.267% interest rate. $100.0 million of this repayment was prefunded by a maturing term deposit which was placed in August 2024 with a portion of the proceeds from the issuance of $500 million Series E and F senior unsecured debentures.

Proforma these financings and the disposition of St. Albert Centre, Primaris has full availability on its undrawn $600.0 million unsecured revolving credit facility, and has a cash balance of $35.0 million at March 31, 2025.

Normal Course Issuer Bid Activity

Due to Primaris' strong differentiated financial model, recent dispositions and the continued deep approximate 30% discount to the REIT's most recently published Net Asset Value ("NAV**") per Unit at which Primaris REIT units trade, management continues to allocate significant available funds to buy back units for cancellation under the REIT's NCIB. In 2025 the REIT has repurchased 1,755,309 units for approximately $26.8 million through March 31, 2025 at an average price of $15.24 per unit. Repurchases under the NCIB in 2025 have already exceeded all repurchases completed in 2024,

which totaled 1,534,500 for a total of approximately $23.4 million at an average price per unit of approximately $14.26, representing a discount to NAV** of approximately 34.0%.

Management continues to view repurchasing units under its NCIB as highly attractive and expects to continue to deploy capital for further repurchases for the foreseeable future.

About Primaris Real Estate Investment Trust

Primaris is Canada's only enclosed shopping centre focused REIT, with ownership interests in leading enclosed shopping centres located in growing Canadian markets. The current portfolio totals 15.0 million square feet, valued at approximately $4.6 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.

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: HBC’s CCAA process and the impact thereof on the REIT; expectations regarding HBC’s leases and the REIT’s plans in respect of this space covered thereby and timing for such plans to be realized; and the REIT’s growth strategy, including future acquisitions of market leading shopping centres in growing Canadian markets. 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 Trust’s Annual 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.

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.

Use of Operating Metrics

Primaris uses certain financial metrics to monitor and measure the operational performance of its portfolio. Such operating metrics in this news release include CRU sales volume, same stores sales productivity, weighted average gross rent per occupied square foot and weighted average gross rent per occupied square foot. These operating metrics may constitute supplementary financial measures as defined in National Instrument 52-112, Non-GAAP and Other Financial Measures Disclosure. These supplementary measures are not disclosed in the Trust’s financial statements but may be used by management and disclosed on a periodic basis to depict historical or future expected financial performance, financial position or cash flow. For an explanation of the composition of CRU sales volume and same stores sales productivity, see “Section 8, "Operational Performance” – “Tenant Sales” in the Trust’s annual 2024 MD&A, which explanations are incorporated by reference herein. For an explanation of the composition of weighted average net rent per occupied square foot see Section 8.2, "Weighted Average Net Rent" in the Trust’s annual 2024 MD&A, which explanation is incorporated by reference herein. The Trust’s annual 2024 MD&A is available on SEDAR+ at www.sedarplus.com. Weighted average gross rent per occupied square foot is defined as total annual gross rent divided by occupied GLA.

Primaris also uses certain non-financial metrics to describe its portfolio and portfolio operation performance. Such non-financial operating metrics in this news release include, among others, in-place occupancy, which is calculated by dividing occupied square feet by total GLA.

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