



Primaris REIT Provides Leasing and Status Update on Former Anchor Space

Toronto, Ontario – December 10, 2025 - Primaris Real Estate Investment Trust (“Primaris” or the “REIT”) (TSX: PMZ.UN) is pleased to provide an update on leasing and redevelopment progress for its former anchor space, following the full disclaimer of all remaining Hudson’s Bay Company (“HBC”) leases across its national enclosed shopping centre platform.

Primaris now has full control of all 1.3 million square feet (sq.ft) of former HBC gross leasable area (“GLA”) and 0.5 million square feet of former Sears space, and has accelerated negotiations with retailers. The REIT’s leasing strategy is twofold: firstly, execute long term leases with single tenant and multi-tenant configurations, (“Re-leasing Plans”) where appropriate; and secondly, repurpose and subdivide space (“Redevelopment Plans”), to accommodate multiple large format tenants, and/or high-value commercial retail units (“CRU”). During the design, permitting, and planning process, Primaris is executing short term leases with reputable tenants, to restore rental income until Re-leasing and Redevelopment Plans are executed.

Highlights of Progress to Date

- 516,000 sq.ft of former HBC space leased to single tenant users with minimal capital from Primaris;
- Walmart is the previously announced 139,000 sq.ft. tenant at the former Sears space at Lime Ridge Mall;
- 303,000 sq.ft. of former Sears GLA to be demolished at Les Galeries de la Capitale and Oshawa Centre to facilitate retail outparcel development and land sales to mixed use developers;
- Strong inbound tenant interest for remaining spaces has further accelerated since the final HBC leases disclaimed;
- Total repositioning costs across all 11 HBC spaces is estimated at \$125 million to \$150 million over the next three years and with expected yields of 7% to 12% on properties where Primaris expects to invest capital; Total repositioning costs of Sears spaces, including demolitions, expected to be \$20 million to \$30 million;
- 70.8 acres of land released from no build and parking ratio restrictions, with an estimated value of between \$150 million and over \$250 million depending on the timing and uses of the land. This value is not currently included in IFRS fair values, but will be added to IFRS fair values once the value surfacing events transpire;
- Master-planning underway for 6,300 residential units across Les Galeries de la Capitale, Orchard Park, Place d’Orleans, and Sunridge Mall on excess lands slated for sale; and
- No change to Primaris’ 2025 or 2026 guidance.

“The departure of Canada’s final department store is an enormous opportunity for Primaris, providing maximum flexibility for revitalization through reinvestment and remerchandising, as well as substantial land sales. It is an incredible time in the retail property landscape to regain control of these spaces, with a strong landlords’ leasing market, and no shopping centre development underway,” said Patrick Sullivan, President and Chief Operating Officer. “There are many international and national tenants struggling to find expansion space in Canada. Primaris is in advanced discussions with a number of credit worthy retailers, and we expect to enter into agreements in the coming months.”

“We have regained control of space that has gone many years without investment, giving us the opportunity to revitalize and dramatically improve the productivity of some of the best located, but recently least productive space in our portfolio,” added Alex Avery, Chief Executive Officer. “Perhaps even more impactful is the 70.8 acres of land no longer subject to “no-builds,” as well as adjacent lands now more suitable for development. Owned by the REIT, the value of these lands that were previously sterilized from productive use for several decades into the future, now substantially exceeds the entire cost of the Re-leasing and Redevelopment Plans. HBC’s departure will deliver a significant increase in income for Primaris that more than fully pays for itself. While it will take time to surface this value, we estimate that these lands could be valued at between \$150 million and \$250 million or more, depending on timing and ultimate use.”

The Final Chapter is The Best Chapter

Investor concerns about replacing HBC tenancies reflect the headwinds retail landlords faced with the closures of Target in 2015 and Sears in 2018. Department store closures have been a feature of the Canadian retail landscape for decades, including Simpson's in 1991, Woodward's in 1993, Woolco in 1994, Kmart in 1998, and Eaton's in 1999. The era of successful conventional department store anchors in Canada ended long ago, but it has taken many years for these anchors to ultimately exit the retailer landscape. The current chapter is the final chapter in this story.

Primaris has been preparing for years to regain control of HBC spaces and advancing Re-leasing and Redevelopment Plans. This final chapter of the department store era in Canada offers particularly advantageous characteristics including:

- During its last 10 years, HBC was among the historically least productive department store anchors, drawing few consumers, paying very low rent, and holding the most restrictive lease terms among its predecessors;
- Previous department store closures occurred during periods of significant new development of retail space in Canada. Today, there has been minimal new development of retail space in Canada over the last 10 years while Canada's population has grown 17%;
- While the earlier department store closures released some site restrictions including "no builds," "parking ratios," and other tenancy restrictions, those closures failed to liberate control of these sites to landlords, due to the remaining overlapping and redundant site restrictions in the remaining anchor tenant leases;
- Primaris and other Canadian retail landlords have substantially more experience navigating the replacement of failed department store anchors, in an increasingly strong landlord's leasing market; and
- Canadian malls have evolved substantially over the past 20 years, with reduced anchor tenant relevance as CRU tenants have drawn shoppers out of the department stores and into the corridors of the mall due to their specialized and targeted offering, with the aggregate sales volume of the mall becoming the "anchor".

To provide context for how much the mall business has changed, in 2010 HBC and Sears were Primaris' largest and third largest tenants accounting for 9.5% of total minimum rent and occupying 29.4% of GLA. Both tenants paid well below market rents, had begun to decline in relevance with consumers, and represented significant credit risks. It was in this era that enclosed malls developed a reputation for having more discretionary and higher credit risk tenancy.

Replacing the Target and Sears tenancies dramatically shifted the tenant and credit profile of our business, with a wide range of retailers including grocery, pharmacy, and other national and international high-credit quality tenants growing in store count, GLA, and minimum rent contributions. By December 31, 2024, HBC was Primaris' 11th largest tenant contributing only 1.4% of total minimum rent and occupying 7.0% of GLA. Primaris' top five tenants were Canadian Tire, Walmart, Loblaws, TJX and Bell Canada. These top five tenants contributed combined 16.5% of minimum rent and occupied 23.1% of total GLA.

The new tenants replacing former HBC locations will serve to further diversify and strengthen our tenant base, and revitalize our shopping centres. As at September 30, 2025, and proforma the Promenades St-Bruno acquisition, Primaris REIT's same store sales productivity was \$800 per square foot, an all-time high, and up more than 50% from Q4 2021.

The following table illustrates the progress on Primaris' anticipated Re-leasing and Redevelopment Plans for the eleven vacant HBC boxes and four former Sears locations.

As at or for the period ended December 9, 2025 (unaudited)		Progress to date						
(\$ and square feet ("SF") in thousands, unless otherwise indicated)	Anchor GLA at Share (SF)	GLA at Share Leased (SF)	Storeys	Strategy	Plan Details	Tenants	Possession; Opening	
HBC Locations								
Les Galeries de la Capitale Quebec City, QC	163.0	81.5	2	Re-leasing	Floor 1: short-term lease, minimal capex Floor 2: possibly large format tenants /restaurants	Les Ailes de la Mode	Q1/26; Q2/26	
Medicine Hat Mall Medicine Hat, AB	93.2	93.2	1	Re-leasing	Short-term lease, minimal capex	Urban Behaviour	Q1/26; Q2/26	
Place d'Orleans Shopping Centre (50% owned) Orleans, ON	57.8		2	Re-leasing	Long-term lease, minimal capex			
Sunridge Mall Calgary, AB	161.3	80.0	2	Re-leasing	Floor 1: short-term lease, minimal capex Floor 2: considering options	Zellers	Q1/26; Q2/26	
Catarauqui Town Centre (50% owned) Kingston, ON	56.5		2	Re-leasing	Either short-term lease or subdivide, 2-3 tenants			
Disclaimed: June 16, 2025	531.8	254.7						
Promenades St-Bruno Montreal, QC	130.7	130.7	2	Re-leasing	Short-term lease, minimal capex	Les Ailes de la Mode	Q1/26; Q2/26	
Conestoga Mall Waterloo, ON	130.6	130.6	1	Redevelopment	Short-term lease, minimal capex	Urban Behaviour	Q4/25; Q1/26	
Lime Ridge Mall Hamilton, ON	125.3		2	Re-leasing	Active negotiations for 2-3 large format tenants			
Orchard Park Shopping Centre Kelowna, BC	127.3		1	Redevelopment	Plan to demolish & replace with new CRU & large format tenants			
Oshawa Centre Oshawa, ON	122.6		2	Re-leasing	Active negotiations for 2-3 large format tenants			
Southgate Centre (50% owned) Edmonton, AB	118.3		3	Re-leasing	Single tenant or subdivide for large format tenants			
Disclaimed: November 27, 2025	754.8	261.3						
Total former HBC spaces	1,286.6	516.0			Anticipated capital expenditures of \$125 million to \$150 million			
Sears Locations								
Lime Ridge Mall Hamilton, ON	139.0	139.0	2	Re-leased	20-year lease	Walmart	Q4/25; Q1/27	
Park Place Mall Lethbridge, AB	106.3		1	Re-leasing	Single tenant or subdivide for large format tenants			
Total former HBC and Sears spaces to be retained	1,531.9	655.0						
Sears Locations								
Les Galeries de la Capitale Quebec City, QC	180.0		2	Redevelopment	Demolition and repurpose for residential density Currently leased on short term basis			
Oshawa Centre Oshawa, ON	123.0		1	Redevelopment	To be demolished in 2026 to create outparcel development/sales			
Total former Sears spaces to be demolished	303.0				Anticipated capital expenditures of \$20 million to \$30 million			
Total former HBC and Sears spaces	1,834.9							
Total Sears spaces	548.3							

While plans may evolve and change, the current Redevelopment Plans across HBC and Sears spaces encompass approximately 560,900 sq.ft., with the remaining 1,274,000 sq.ft. allocated to Re-Leasing Plans. Approximately half of the \$125 million to \$150 million total expected HBC-related capital expenditures relate to the Redevelopment Plans at Orchard Park and Conestoga, and are expected to offer yields on cost of 7% to 12%, while the Re-leasing Plans are expected to involve individually smaller capital commitments and offer very high average returns on capital.

The following table compares HBC's weighed average net rent with the remainder of Primaris' portfolio, highlighting the opportunity for future rent growth. The 11 HBC locations totaled 1,286,600 sq.ft. with an average minimum rent of \$4.18 per sq.ft., equating to \$5.4 million, annually. The below table represents information as at September 30, 2025, and is adjusted to include Promenades St-Bruno which was acquired on October 10, 2025.

<i>(per occupied sq.ft. unless otherwise indicated)</i>	Weighted Average Net Rent as at September 30, 2025	Weighted Average Net Rent Proforma as at December 9, 2025	GLA Proportions Proforma as at December 10, 2025
CRU tenants	\$ 47.81	\$ 49.13	45 %
Large format tenants (excluding HBC)	\$ 16.65	\$ 17.16	55 %
Weighted average net rent¹	\$ 30.29	\$ 31.42	100 %
HBC	\$ 4.18	\$ 4.18	

¹ Supplementary financial measure, see "Use of Operating Metrics".

The table below lists the no-build area restrictions embedded in the HBC leases, which were subsequently removed when the leases were disclaimed. Further flexibility has been achieved with the elimination of parking requirement restrictions.

<i>(unaudited)</i>	Total Site Acres (at share)	Site Coverage	Formerly Restricted Acres Released	Residential Master Planning Underway (number of units)
Cataraqui Town Centre	39.2	25 %	5.2	
Conestoga Mall	51.2	37 %	2.2	
Les Galeries de la Capitale	93.1	21 %	31.7	5,000
Lime Ridge Mall	60.7	19 %	0.0	
Medicine Hat Mall	51.3	24 %	11.9	
Orchard Park Shopping Centre	49.4	39 %	0.0	300
Oshawa Centre	80.7	29 %	0.0	
Place d'Orleans Shopping Centre	21.7	32 %	5.7	500
Promenades St-Bruno	154.0	11 %	2.8	
Southgate Centre	22.1	39 %	0.0	
Sunridge Mall	66.8	17 %	11.3	500
	690.2		70.8	6,300

Chronology

On March 7, 2025, HBC commenced proceedings under the Companies' Creditors Arrangement Act (CCAA). On May 26, 2025, HBC announced a proposed assignment, subject to court approval, of 28 HBC locations, including five Primaris sites totaling approximately 624,000 sq.ft. On June 16, 2025, the five other HBC locations in the Primaris portfolio that were not the subject of the proposal assignment, representing approximately 532,000 sq.ft., were disclaimed. Subsequently, on October 24, 2025, the court rejected the proposed assignment of 25 of the leases, including the five Primaris leases from the May 26th proposal, and on October 28, 2025, Primaris received disclaimer notices for all remaining HBC leases, which were formally disclaimed on November 27, 2025. In addition, Primaris obtained control of the vacant HBC box at Promenades St-Bruno upon acquisition on October 10, 2025, adding approximately 131,000 sq.ft. to its inventory.

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 15.6 million sq.ft., valued at approximately \$5.4 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

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 its leasing strategy for the former HBC space, as well as timing therefor, estimated values thereof, related expenses and target yields on properties where Primaris expects to invest capital. 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 REIT's management's discussion and analysis for the three months and years ended December 31, 2024 and 2023, as updated by the REIT's most recently filed subsequent interim management's discussion and analysis, which are 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.

Use of Operating Metrics

Primaris uses certain operating metrics to monitor and measure the operational performance of its portfolio. Certain operating metrics in this news release, including weighted average net rent, may constitute supplementary financial measures as defined in National Instrument 52-112, Non-GAAP and Other Financial Measures Disclosure. These supplementary measures are not derived from directly comparable measures contained in the REIT'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 REIT. Weighted average net rent is calculated by multiplying the occupied GLA for each lease by its current base rent per square foot.

For more information:

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