Form **8937**
(December 2017)
Department of the Treasury
Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

► See separate instructions.

OMB No. 1545-0123

Part I Reporting Issuer

1 Issuer's name H&R Real Estate Investment Trust			2 Issuer's employer identification number (EIN)
3 Name of contact for additional information Schuyler Levine	4 Telephone No. of contact (416) 631-5001		5 Email address of contact slevine@hr-reit.com
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 500-3625 Dufferin Street			7 City, town, or post office, state, and ZIP code of contact Toronto, Ontario M3K 1N4 Canada
8 Date of action 12/31/2021	9 Classification and description Stock		
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► See attachment.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► See attachment.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► See attachment.

Part II Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See attachment.

18 Can any resulting loss be recognized? ▶ See attachment.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See attachment.

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ Date ▶ January 13, 2022

Print your name ▶ Schuyler Levine Title ▶ Vice President, Taxation

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

H&R Real Estate Investment Trust

Attachment to IRS FORM 8937

The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the "Code") and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations relating to the effects of the Distribution (as defined below) on the tax basis of the units of H&R Real Estate Investment Trust ("H&R REIT") and the allocation of tax basis between the H&R REIT units and units of Primaris Real Estate Investment Trust ("Primaris REIT") pursuant to the Distribution.

The information contained herein does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of unitholders. For example, the foregoing assumes that no unitholder held units of H&R REIT for any period during which H&R REIT was treated as a passive foreign investment company for federal income tax purposes. Neither H&R REIT nor Primaris REIT provides tax advice to its unitholders and any examples provided herein are merely illustrative. Unitholders are urged to consult their own tax advisors regarding their particular circumstances and the consequences of the Distribution to them, including the applicability and effect of all federal, state and local, and foreign tax laws.

Line 14 – Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action.

On December 31, 2021, pursuant to a statutory plan of arrangement (the "Arrangement"), H&R REIT effected a series of steps that resulted in the pro rata transfer of the units of Primaris REIT to the unitholders of H&R REIT (the "Distribution"). In the Distribution, the unitholders of H&R REIT received one unit of Primaris REIT for every four units of H&R REIT held immediately prior to the closing of the Arrangement.

Any fractional Primaris REIT units were redeemed for no consideration.

Line 15 – Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.

As a result of the Distribution, H&R REIT unitholders should allocate their aggregate tax basis in their H&R REIT units held immediately prior to the Distribution among the Primaris REIT units received in the Distribution and the H&R REIT units in respect of which the Primaris REIT units were received in proportion to their relative fair market values immediately after the Distribution. Please see Line 16 below for an illustrative application of such an approach.

Line 16 – Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.

U.S. federal income tax laws provide that the allocation of the aggregate tax basis described in Line 15 above should be based on the relative fair market values of the H&R REIT units and Primaris REIT units immediately after the Distribution. Fair market value generally is the price at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the facts. The U.S. tax laws; however, do not provide any guidance on the determination of the fair market value of the H&R REIT and Primaris REIT units. You should consult your own tax advisor to determine the appropriate fair market values as there may be many potential ways to determine the fair market value of the H&R REIT and Primaris REIT units. For example, one method, as more fully described in the Management Information Circular with respect to the proposed Arrangement involving H&R REIT dated November 5, 2021 (the "Circular"), estimates that approximately 27% of the value is attributable to Primaris REIT. Based on this method of determining fair market value, a H&R REIT unitholder's pre-distribution tax basis in each H&R REIT unit should be allocated 73% to the H&R REIT unit and 27% to the Primaris REIT unit received with respect to the H&R REIT unit. It should be noted that, per the Circular, H&R REIT may update, through a posting on H&R REIT's website, the foregoing estimate of value shortly following the Distribution. Unitholders are not bound by the approach illustrated above and may, in consultation with their tax advisors, use another approach in determining fair market values for the H&R REIT units and Primaris REIT units.

Line 17 – List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.

The applicable Code sections upon which the tax treatment is based are sections 355, 358 and 368.

Line 18 – Can any resulting loss be recognized?

Generally, no loss would be recognized for tax purposes as a result of the Distribution. A H&R REIT unitholder who receives cash in lieu of fractional units of Primaris REIT will recognize gain or loss equal to the difference between the amount of cash received, if any, and the tax basis in his or her fractional unit. The deductibility of capital losses is subject to limitations under the Code.

Line 19 – Provide any other information necessary to implement the adjustment, such as the reportable year.

The Distribution was consummated on December 31, 2021. For a H&R REIT unitholder whose taxable year is the calendar year, the reportable tax year is 2021.