



Hudson's Bay Company Provides Updated Investor Presentation Related to Privatization Transaction

November 26, 2019

TORONTO & NEW YORK--(BUSINESS WIRE)--Nov. 26, 2019-- Hudson's Bay Company (TSX: HBC) ("HBC" or the "Company") today announced it has made available an updated investor presentation related to the proposed transaction in which HBC will become a private company, owned by certain continuing shareholders (the "Continuing Shareholders"), and the Company's other shareholders (the "Minority Shareholders") will receive \$10.30 in cash per share.

The presentation outlines that the HBC Board of Directors (excluding conflicted directors), having received the unanimous recommendation of the Special Committee, determined that the privatization transaction is in the best interest of HBC and fair to the Minority Shareholders, and emphasizes the following:

- All-cash consideration at \$10.30 per share
- Delivers immediate value at a significant market premium following HBC's efforts in recent years to realize value
 - Represents a 62% premium to unaffected closing share price on June 7, 2019, the last trading day before the Continuing Shareholders' initial proposal
 - Represents a 52% premium to 20-day average closing share price prior to the initial proposal
- Provides certainty in challenging retail and retail real estate environment

The presentation also provides details around the Special Committee's thorough evaluation process, during which the Special Committee considered a number of factors, including:

- HBC's share price underperformance despite strategic initiatives
- Significant obligations that constrain HBC's ability to return capital to shareholders
- The deteriorating retail environment
- The appraised real estate value of \$8.75 per share, including redevelopment analysis
- The limited alternatives for sale to third parties
- The offer premium and certainty of an all-cash transaction

Each shareholder's vote is important regardless of the number of shares owned. The Special Committee and the Board recommend that Minority Shareholders vote in favor of the transaction well in advance of the proxy voting deadline for the special meeting of shareholders at 10:00 a.m. ET on Friday, December 13, 2019. Shareholders who have questions or need assistance voting their proxy should contact Kingsdale Advisors, HBC's proxy solicitation advisor, by telephone toll-free at 1-866-581-0512, collect at 1-416-867-2272 or via email at contactus@kingsdaleadvisors.com.

A copy of the investor presentation and other materials regarding the transaction may be found on HBC's website at <http://investor.hbc.com/investor-relations>.

About HBC

HBC is a diversified retailer focused on driving the performance of high-quality stores and their omni-channel platforms and unlocking the value of real estate holdings. Founded in 1670, HBC is the oldest company in North America. HBC's portfolio today includes formats ranging from luxury to premium department stores to off price fashion shopping destinations, with nearly 250 stores and approximately 30,000 employees around the world. HBC's leading businesses across North America include Saks Fifth Avenue, Hudson's Bay, and Saks OFF 5TH. HBC also has significant investments in real estate joint ventures. It has partnered with Simon Property Group Inc. in the HBS Joint Venture, which owns properties in the United States. In Canada, it has partnered with RioCan Real Estate Investment Trust in the RioCan-HBC Joint Venture.

Forward-Looking Statements

Certain statements made in this news release are forward-looking statements within the meaning of applicable securities laws, including, but not limited to, statements with respect to the rationale of the Special Committee and the Board of Directors for recommending the privatization transaction, the timing of steps to be completed in connection with the transaction, and other statements that are not material facts. Often but not always, forward-looking statements can be identified by the use of forward-looking terminology such as "may", "will", "expect", "believe", "estimate", "plan", "could", "should", "would", "outlook", "forecast", "anticipate", "foresee", "continue" or the negative of these terms or variations of them or similar terminology.

Although HBC believes that the forward-looking statements in this news release are based on information and assumptions that are current, reasonable and complete, these statements are by their nature subject to a number of factors that could cause actual results to differ materially from management's expectations and plans as set forth in such forward-looking statements, including, without limitation, the following factors, many of which are beyond HBC's control and the effects of which can be difficult to predict: (a) the possibility that the transaction will not be completed on the terms and conditions, or on the timing, currently contemplated, and that it may not be completed at all, due to a failure to obtain or satisfy, in a timely manner or otherwise, required shareholder and regulatory approvals and other conditions of closing necessary to complete the transaction or for other reasons; (b) risks related to tax matters; (c) the possibility of adverse reactions or changes in business relationships resulting from the announcement or completion of the transaction; (d) risks relating to HBC's ability to retain and attract key personnel during the interim period; (e) the possibility of litigation relating to the transaction; (g) credit, market, currency, operational, real estate, liquidity and funding risks generally and relating specifically to

the transaction, including changes in economic conditions, interest rates or tax rates; (h) risks and uncertainties relating to information management, technology, supply chain, product safety, changes in law, competition, seasonality, commodity price and business; and (i) other risks inherent to the Company's business and/or factors beyond its control which could have a material adverse effect on the Company or the ability to consummate the transaction.

HBC cautions that the foregoing list of important factors and assumptions is not exhaustive and other factors could also adversely affect its results. For more information on the risks, uncertainties and assumptions that could cause HBC's actual results to differ from current expectations, please refer to the "Risk Factors" sections of HBC's Annual Information Form dated May 3, 2019 and Management Information Circular dated November 14, 2019, as well as HBC's other public filings, available at www.sedar.com and at www.hbc.com.

The forward-looking statements contained in this news release describe HBC's expectations at the date of this news release and, accordingly, are subject to change after such date. Except as may be required by applicable Canadian securities laws, HBC does not undertake any obligation to update or revise any forward-looking statements contained in this news release, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on these forward-looking statements.

View source version on businesswire.com: <https://www.businesswire.com/news/home/20191126005828/en/>

Source: Hudson's Bay Company

Investor Relations:

Jennifer Bewley, 646-802-4631

jennifer.bewley@hbc.com

Media:

Special Committee

Sard Verbinnen & Co.

Liz Zale and Paul Scarpetta, 212-687-8080

Meghan Gavigan, 415-618-8750

HBC-SVC@sardverb.com

Company

Andrew Blecher, 646-802-4030

press@hbc.com