



Report to Unitholders **2024**

Becoming the first call.



Primaris 





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Conestoga Mall, Waterloo, Ontario

Forward-Looking Statements and Non-GAAP Measures

ABOUT FORWARD-LOOKING STATEMENTS DISCLAIMER: This document includes statements that are forward-looking because they are based on management's expectations about the future – they are not historical facts. Forward-looking statements include statements regarding Primaris REIT's future plans and strategy, ESG Plan, Primaris' ability to transact on properties, Primaris' leverage and outlook, market opportunities, the impact of market valuation parameters to contribute to growth, including development projects, expectations regarding tenant retention and rental revenues, market growth, expected operating capital expenditures and other statements. Forward-looking statements generally can be identified by words such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans", "project", "budget" or "continue" or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect Primaris REIT's current beliefs and are based on information currently available to management. For more information and a caution about using forward-looking information, see Section 2, "Forward-Looking Statements and Financial Outlook" in the Management's Discussion and Analysis for the year ending December 31, 2024.

NON-GAAP FINANCIAL MEASURES: Certain financial measures in this document, including, but not limited to, FFO, NAV, NOI, FFO Payout Ratio, and Average Net Debt to Adjusted EBITDA are not defined terms under GAAP and therefore are not a reliable way to compare Primaris REIT to other entities. Non-GAAP measures in this document are denoted by the suffix "***". Refer to Section 1, "Basis of Presentation" – "Use of Non-GAAP Measures" and Section 12, "Non-GAAP Measures" in the Management's Discussion and Analysis for the year ending December 31, 2024.

Our Key Performance Indicators

\$4.6B

National Portfolio¹

15.0M sf

Gross leasable area¹

94.5%

In-place occupancy

BBB^(high)

Stable Investment Grade Rating

\$4.1B

Unencumbered assets¹

5.8x

Average Net Debt**
to Adjusted EBITDA**

1. Considers the acquisitions of the 50% interest in Southgate Centre, 100% interest in Oshawa Centre, and excludes Sherwood Park Mall, the disposition of which is expected to close on February 28, 2025, subject to customary closing conditions. The debt ratio is a non-GAAP ratio calculated on the basis described in the Trust Indentures. See Section 10.4, "Capital Structure".



Oshawa Centre, Oshawa, Ontario

About Us

Primaris is Canada's only enclosed shopping centre focused REIT, with ownership interests in leading enclosed shopping centres located in growing Canadian markets. The proforma 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.



Vision

To champion and elevate retail for Canadians.

Mission

One dedicated team, leveraging our specialized shopping centre platform to drive value for our stakeholders and broader communities through proactive and responsible management.

REITA Values

Respect

We value diverse perspectives, experience, and talents. We treat others the way we want and expect to be treated.

Empowerment

We are provided with the means to carry out our responsibilities to the best of our abilities and to implement creative ideas.

Integrity

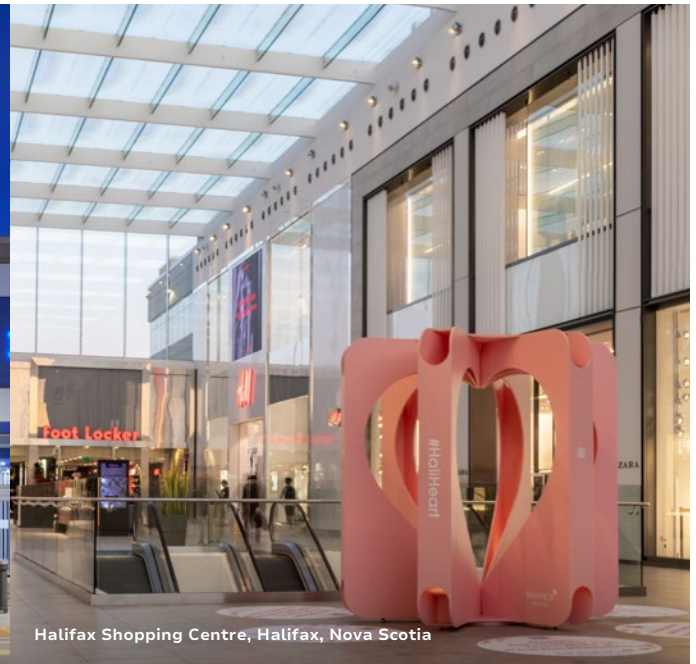
We do the right thing. We deliver on our commitments. We admit our mistakes.

Teamwork

We work together as one team toward our common goals. Teamwork is the fountain of our success.

Accountability

We hold ourselves and others accountable for our decisions and our results.



The scale and strength of the Primaris platform combined with its unique financial model provides significant flexibility and capacity to self-fund our strategy, and positions us well to pursue investment opportunities.



Letter from the Chair



Tim Pire
Chair of the Board



Dear Unitholder,

Primaris combines a unique asset class with a purposefully built balance sheet designed for resiliency. The company unites over 21-years of operational expertise with a Board of Trustees crafted to provide guidance on governance best practices and strategic direction.

Board Operations and Governance

Strong corporate governance is a key founding principal of Primaris. The Board of Trustees includes independent members, who were purposefully assembled for their collective expertise and complementary skill sets suited to today's retail property market. Together, the Board provides a tremendous strategic resource for Primaris, with collective capabilities in institutional property brokerage, investment management, real estate operations, financial strategy, public company reporting, climate, and retail technology. The Board has been focused on providing leadership and support to the management team throughout the year, as well as objective, independent and constructive views on strategy and the business. Priorities for the Board in 2024 covered many important governance matters including public reporting, overseeing the ESG program, acquisition due diligence process and approvals, risks and controls, and direct investor outreach. The Board of Trustees and the supporting committees, acting under their respective charters, provided management with direction and support, embedding governance best practices throughout.

The Canadian Consolidation Opportunity

Throughout 2024, the Primaris platform delivered very strong operational and financial results. Building upon the strong foundation constructed in the prior years, Primaris took meaningful steps forward to thoughtfully growing the portfolio through the high quality property acquisition of

Les Galeries de la Capitale, in Quebec City, Quebec. Since December 31, 2021, Primaris has acquired over \$2.4 billion of enclosed shopping centres, and sold approximately \$200 million of non-core assets, significantly augmenting portfolio composition. The leading enclosed shopping centres acquired over the past few years are performing very well, and are contributing meaningfully to FFO** and NAV** growth per unit.

Les Galeries de la Capitale is illustrative of the type of acquisitions Primaris is focused on, being market leading malls close to mass transit connectivity in a high growth Canadian market. The timely completion of the acquisition demonstrates Primaris' ability to transact on highly attractive properties, highlighting to prospective vendors that Primaris is uniquely positioned to partner with institutions that are the primary owners of market leading Canadian malls. Primaris offers potential vendors liquidity solutions, including immediate partial liquidity with the opportunity to continue to participate in the recovery of the Canadian mall sector. The completion of these transactions further validates and demonstrates support for Primaris' platform, strategy and value proposition.

Board – Unitholder Engagement

Aligned to governance best practice, during 2024, three of Primaris' Trustees, including myself, Anne Fitzgerald, Chair of the CG&N Committee, and Louis Forbes, Chair of the Audit Committee, met with Unitholders in the absence of management, to listen to investor comments and feedback, which provided insights to the Board. Topics discussed during these meetings included Board and committee structure, compensation, ESG, succession planning, disclosure, diversity, Board skills, strategy, capital structure, and capital allocation.

ESG Targets

As part of Primaris' commitment to ESG initiatives, in 2024 the REIT developed ESG targets informed by the material ESG factors and their link to business performance KPIs.

	Board of Trustees Diversity by Gender	Absolute GHG Emissions Reduction* ¹	Green Building Certifications	Employee Engagement*	Tenant Satisfaction*	GRESB
Targets	30% Female	25% reduction by 2035	100% Shopping centres LEED or BOMA BEST Certified	≥85%	≥85%	≥80 pts
Current	33% Female	4.9% reduction	100%	86%	83%	80 pts
Measurement Period	Annual	Against baseline year, 2022	Annual	Every 3 years	Annual	Annual
Actions to Achieve or Maintain Target	Achieved	Decarbonization plans including building automation system upgrades, LED retrofits, green building certifications, energy and water efficiencies, tenant education, electrification	Achieved. Ensure shopping centres remain certified, elevate certifications where possible	Achieved. Competitive benefits, rewards and recognition, work life balance programs, employee training and development	Community and tenant engagement, asset-specific action plans, affordability, effective communication, maintenance, marketing, technology and innovation	Achieved. ESG Plan execution

* Denotes a core ESG factor.

1. This target includes scope 1, 2 and select scope 3 emissions. Select scope 3 emissions includes only downstream leased assets such as tenant emissions where data is available.

The Board has established open and direct channels of communication with investors, which the Board believes is an important initiative that ensures clear investor input and feedback is incorporated into the Board's oversight of the REIT. Given the level of interest and engagement expressed by investors throughout these meetings, we intend to continue our annual outreach program.

ESG

The Board is responsible for oversight of the ESG Plan and initiatives developed by management. Anne Fitzgerald and I are members of the ESG management committee and meet with the committee approximately every two weeks. In 2024, Primaris announced its inaugural ESG targets, which were approved by the Board. Primaris is on track to achieve its stated objective to conform all elements of the ESG Plan to industry standards by December 2025, with a longer-term ambition of selectively developing a leading edge position in a number of areas. The Board is committed to a thoughtful disciplined approach to ESG and how ESG targets are incorporated into Primaris' overall strategy.

Distribution

Given Primaris' low leverage financial model, sector outlook, ongoing strong financial and operating performance, and Primaris' free cash flow generation, the Board approved a 2.4% distribution increase announced in November 2024.

Looking Forward

I thank all the Trustees for their commitment and dedication in 2024 and commend the management team for a successful year. My fellow Trustees and I are very much looking forward to what the Primaris team can accomplish in the year to come, and are very excited to guide the team on this journey.

Sincerely,



Tim Pire
Chair of the Board

Becoming The First Call.



Retailer Affordability



Primaris provides attractive and affordable locations to tenant partners through its disciplined approach to cost management.

We understand our tenants' businesses, and monitor the relation between our tenants' sales and their gross rent to ensure long term tenant satisfaction and future lease renewals.

- Use economies of scale to tender contracts portfolio wide
- Aggressively manage tax appeals to lower tax burden on tenants
- Use fixed rate utility contracts to reduce utility pricing risk, where available
- Benchmark major recoverable operating cost categories across the portfolio to identify outliers
- Prudently manage 15-year property capital plans to ensure additional rent charges are reasonable and predictable for tenants and that the properties are well maintained

Primaris focuses on retailer affordability, offering attractive and economic store locations, through a disciplined approach to cost management, achieving economies of scale from the management platform, and collaborative relationship building with tenant partners. The resulting lower cost operating structure, versus the capital-intensive requirements of super-regional malls, significantly improves retailer profitability, and therefore, tenants' willingness to commit to the Primaris shopping centres.

Retailers continuously assess the number of stores they need in any given trade area to enhance profitability while maintaining strong brand awareness. They right-size and adapt their business models to better serve the evolving needs of today's shoppers. By maintaining a disciplined cost operating structure, Primaris provides attractive and affordable shopping centres for retailers.

15-year property capital plans

Properties maintained to a high standard while keeping focus on controlling costs and adherence to our long-term capital plan

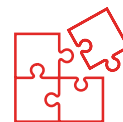


Conestoga Mall, Waterloo, Ontario

Becoming The First Call.



Scale and Consolidation Opportunity



Primaris is uniquely positioned as Canada's only REIT focused on owning and managing enclosed shopping centres, with an established, fully internal and scalable management platform and a low leverage capital structure to support growth.

Primaris targets market-leading enclosed shopping centres in growing Canadian markets that are the largest retail centres in their diverse and growing trade areas, connected to mass transit and that sit on acres of land in the centre of town.

Management believes there is a significant opportunity for Primaris to leverage its scale and consolidate the enclosed shopping centre space, a market that currently has limited institutional competition for assets. The REIT plans to leverage its scale and management capability to deliver strong financial and operating performance from its existing portfolio and take advantage of acquisition opportunities as some of Canada's largest

owners of enclosed shopping centres elect to sell some of these properties to reposition their portfolios to increase exposure to other property types. These assets are typically well-maintained and offer opportunities for Primaris to surface additional value through operating efficiencies, new leasing opportunities, and margin expansion.

\$2.4 billion

in leading enclosed shopping centre acquisitions since December 31, 2021

High Quality Property Acquisitions

On January 22, 2025, Primaris announced the acquisitions of a 50% interest in Southgate Centre and 100% interest in Oshawa Centre, two market leading regional enclosed shopping centres with all of the property characteristics Primaris is targeting with its growth strategy. Both are located in large and growing markets, with access to mass transit, and with very strong sales volumes. There is significant opportunity for growth at both centres including the conversion of tenants from variable to net rent deals, leasing up vacant space and temporarily tenanted space, and optimizing former department store space.



Southgate Centre, Edmonton, Alberta

Closing Date		1/31/2025	1/31/2025	10/1/2024
Target Acquisition Criteria		Southgate Centre	Oshawa Centre	Les Galeries de la Capitale
Market	Total Trade Area Population of +200,000	✓ Population of 1,020,300	✓ Population of 638,800	✓ Population of 824,000
	Growing Total Trade Area Population ¹	✓ 29% expected 10-year population growth	✓ 21% expected 10-year population growth	✓ 5% expected 10-year population growth
	Diversified Local Economy	✓ Energy, health and life sciences, manufacturing	✓ Manufacturing, education, financial services	✓ Technology, tourism, education and research, government, manufacturing, healthcare and life sciences, retail and services
Asset	+\$100 million Annual CRU Sales ²	✓ \$300 million	✓ \$242 million	✓ \$214 million
	Mass Rapid Transit Connection	✓ LRT and bus stations	✓ Bus terminal on site	✓ Bus terminal
	Excess Land	✓ 66% site coverage	✓ 47% site coverage	✓ 26% site coverage

¹ Environics – Expected population change 2024–2034.

² Supplementary financial measure, see Section 1, "Basis of Presentation – Use of Operating Metrics" in the Management's Discussion and Analysis for the period ending December 31, 2024.

Becoming The First Call.



Disciplined Capital Allocation



Our differentiated financial structure with very low leverage and a low payout ratio provides excess free cash flow, after distributions and operating capital expenditures, to fund our acquisition strategy. Our 2024 acquisition activity, and acquisitions to date in 2025, demonstrate the advantage of having one of the lowest leverage balance sheets among our Canadian REIT peers.

Primaris has a strong balance sheet with a conservative capital structure and a low dividend payout ratio allowing it to maintain and upgrade its properties as needed and to take advantage of strategic acquisitions.

\$325 million

in leading shopping centre acquisitions

\$500 million

unsecured debenture offerings

2.4%

distribution increase announced

\$22 million

in Unit repurchases for cancellation under the NCIB at an average discount to NAV** per unit of 34%

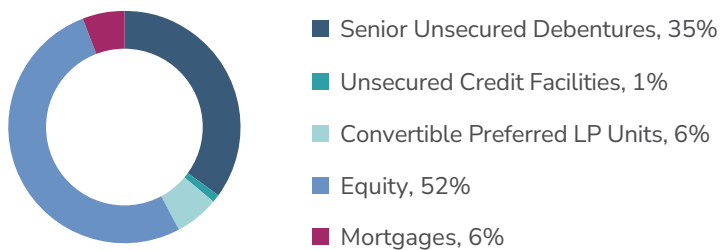
52.4%

FFO Payout Ratio**



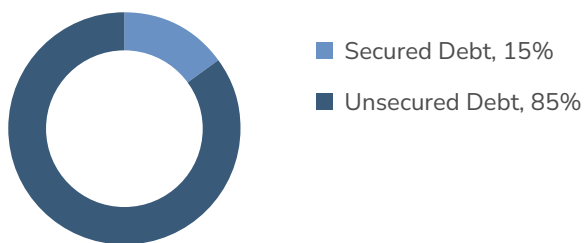
The Halifax Shopping Centre in Halifax, Nova Scotia is one of Primaris' top performing malls producing over \$1,100 in same store sales productivity and approximately \$280 million in total CRU sales volume, annually.

Capital Structure



The strength of Primaris' capital structure provides an attractive profile for public market investors and positions it as an ideal partner for institutional real estate owners. Primaris will continue to adhere to a disciplined capital allocation strategy, striving to minimize its cost of capital while maximizing value for its Unitholders.

Secured vs. Unsecured Debt



Letter from the CEO



Alex Avery
Chief Executive Officer



Fellow Unitholders,

We have now completed three full years since Primaris began trading as a stand-alone REIT. Reflecting on our journey, it seems like we started just yesterday, and an eon ago at the same time. When we first met with our investors in late 2021 and early 2022, we had a bold vision, and a lot of ambition and enthusiasm. At the same time we had very little concrete evidence to share with our investors about the investment they held in our company. We were the epitome of a “show me” story.

More than 36 months later, as a result of the hard work and execution of our talented and dedicated team, it’s not a stretch to say we have delivered on the potential we outlined in those early days. Before we get to the accomplishments, let’s talk about the advantages we enjoyed as we pursued our goals.

Primaris was created through an incredibly opportunistic spin-off process, providing a substantial public float at a time of deep skepticism in the public markets towards enclosed shopping centres. The advantage this provided to Primaris as we have pursued our goals can’t be overstated. Combined with the very low leverage and low payout ratio, Primaris was spun off in a manner that provided an ideal starting point. Being a brand new entity, but also an established business with a 20-year operating history, a deeply talented and tenured team and a very strong financial position, meant Primaris was well equipped to execute on the opportunity ahead.

With all of these structural advantages, Primaris has been focused on execution. There are two important areas of execution worth focusing on at this juncture:

1) Primaris’ portfolio construction ambitions; and 2) the REIT’s Differentiated Financial Model (“DFM”) and its importance to delivering growth in per unit FFO** and per unit NAV**.

Becoming The First Call

Primaris frames its strategic portfolio ambition as **“becoming the first call”** for retailers. In other words, Primaris wants to be the first enclosed shopping centre landlord retailers call when they want to bring their concepts to Canada, or expand their store footprints right across the country. In practical terms, that means owning a relatively large portfolio of market-leading shopping centres.

While popular opinions have varied over time on the strength and role enclosed shopping centres have played in the retail landscape, for most of their history, malls have been the “top dog” among retail property types. This is a function of a few characteristics that set malls apart, including the size and scale of a typical shopping centre with a minimum of 400,000 square feet of gross leasable area, but often much more than that – a prime location in the centre of town quite often with mass rapid transit connectivity and an abundance of free parking.

These characteristics tend to make it very difficult to develop new malls, creating a wide moat around our business. Generally, the malls in our portfolio were originally developed several decades ago on vast plots of land, periodically expanded, and the cities in which they lie, grew around them.

The main threat to malls has historically been, and continues to be, other malls located within very close proximity to each other.

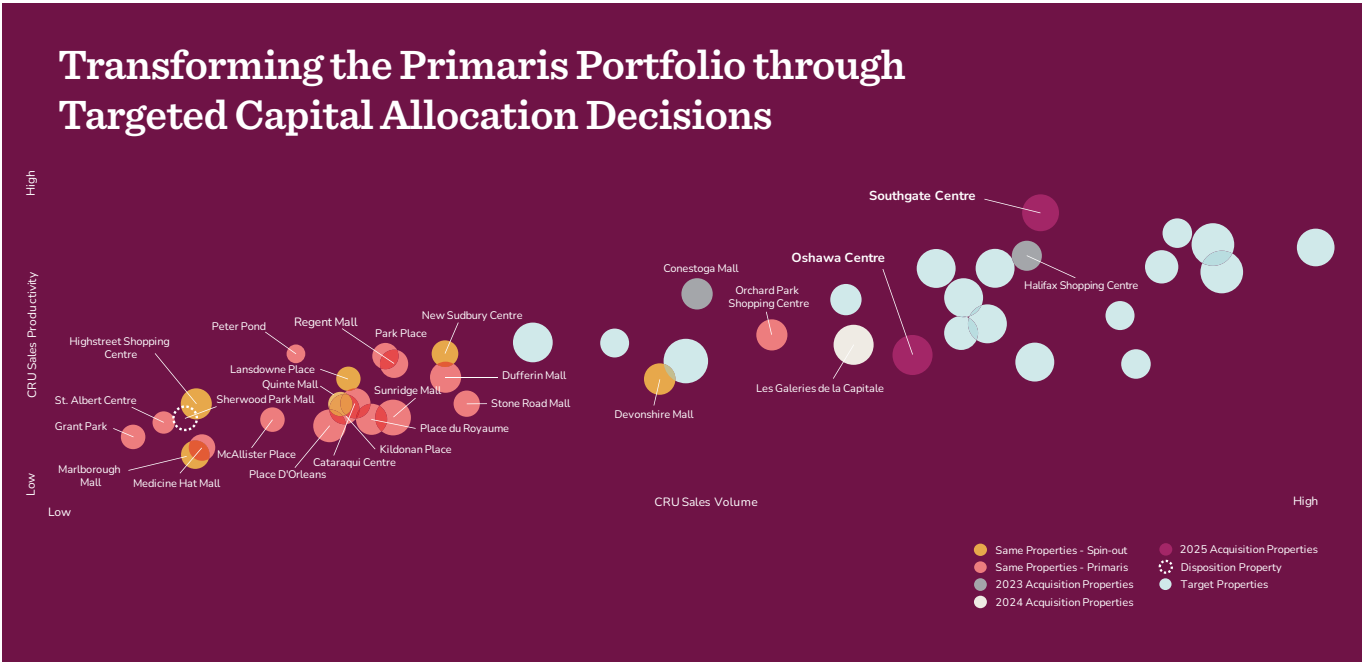
You can see how we define “market leading” by looking at our acquisition criteria, which includes aggregate CRU sales volume of at least \$100 million a year, markets with populations no less than 200,000 people, and generally being the most productive mall in the market, as measured by sales per square foot.

When viewed holistically, our acquisition criteria results in a portfolio of properties in growing Canadian cities, that are the primary retail node in their market, and that attract the most productive retailers with the highest demand from consumers.

Becoming the first call defines Primaris’ strategic ambition by describing the role we want to play in the businesses of our customers, being both retailers and consumers. By positioning Primaris this way, we expect the REIT to have the most defensible competitive position among retail landlords and also, well positioned to capture upside by participating in the success of Canada’s most successful retailers.

We are pleased to report that over the past three years, Primaris has acquired 11 new shopping centres totalling \$2.4 billion, that move the REIT significantly closer to its **first call** ambition. The bubble chart below shows our mall portfolio plotted on two axis; the horizontal axis measures aggregate CRU sales, while the vertical axis measures tenant sales productivity per square foot. The size of the bubble is the mall’s gross leaseable area. The **red** bubbles are the malls Primaris owned prior to the spin-off at the end of 2021, comprised of 16 enclosed malls, most of which are the largest retail centre in their markets. Notably, Orchard Park stands out amongst that group as having a significantly higher aggregate CRU sales and the highest sales productivity per square foot. As such, Orchard Park was the mall most sought after by tenants in the portfolio.

The **golden** bubbles are the malls acquired concurrent with the spin-out transaction, which added very important critical scale to our business. Among other things, this transaction provided us with size and enabled Primaris to be included in the S&P/TSX Capped REIT Index, affording Primaris access to the unsecured credit market with an investment grade credit rating, and increasing the number of locations we could offer to our retailer tenants. It also added Devonshire Mall, another highly sought after location with high aggregate sales and sales productivity to our portfolio.



In 2023 we added Conestoga Mall and the Halifax Shopping Centre, followed by Les Galeries de la Capitale in 2024, and now Oshawa Centre and Southgate Centre in early 2025. The addition of each of these shopping centres enhanced Primaris' relevance to retailers, and furthered our strategic objective of **becoming the first call** for retailers. To frame the progress made in our portfolio composition since 2021,

the portfolio today has seen a seven-fold increase in the number of properties with an average annual mall CRU tenant sales over \$160 million. These additions to Primaris' portfolio are designed to deliver higher internal growth in the form of net operating income growth, which drives NAV** per unit growth, FFO** per unit growth and ultimately distribution per unit growth.

Achievements since 2022:

BBB (high)

investment grade credit rating

\$1.5 billion

unsecured debenture program

\$2.4 billion

of acquisitions

340 bps

in-place occupancy improvement

800+ bps

improvement in recovery ratios

+1,800

executed leases

4.2% to 10.7%

growth in same properties cash NOI**, each year

Comprehensive

3-year ESG strategy

4 annual

distribution increases

7% FFO**

per unit growth

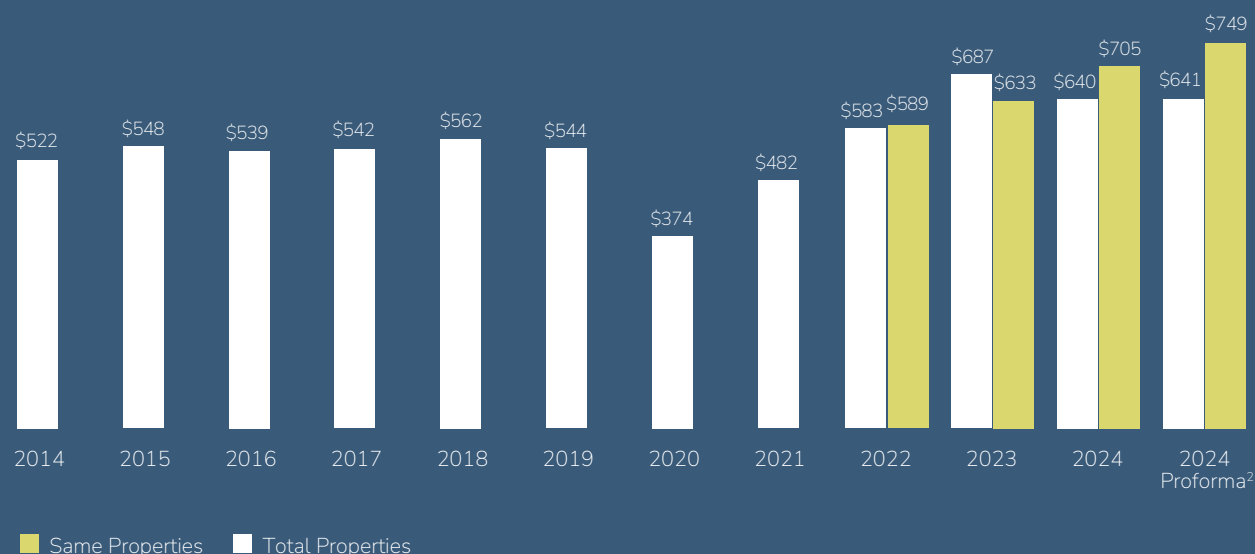
**#1 Total
Unitholder
Return**

among S&P/TSX Capped REIT Index constituents in 2022, 2024, and over the past three years

6

ESG Targets

Strong Enclosed Mall Same Store Sales Productivity¹



¹ Supplementary financial measure, see Section 1, "Basis of Presentation – Use of Operating Metrics" in the Management's Discussion and Analysis for the period ending December 31, 2024.

² Considers the acquisitions of the 50% interest in Southgate Centre, 100% interest in Oshawa Centre, and excludes Sherwood Park Mall, the disposition of which is expected to close on February 28, 2025, subject to customary closing conditions.

Differentiated Financial Model

Turning to the REIT's DFM and its role in delivering growth in per unit FFO** and per unit NAV**, while we have made significant progress in demonstrating the value of our financial model, the best is yet to come.

In terms of progress, Primaris has grown FFO** per unit by 7% over the three years 2022-2024, an above average growth rate relative to its Canadian retail REIT peer group. What makes this particularly remarkable is that Primaris experienced a ~255 bp increase in its weighted average interest rate during this period, resulting in an approximate \$0.46 per unit increase in interest expense. In 2024, FFO** per unit rose from \$1.58 to \$1.69 per unit. The combined \$0.56 per unit of growth and interest rate headwind was overcome by a combination of strong NOI** growth, acquisitions, retained free cash flow and unit repurchases completed under the NCIB.

With essentially all debt now fixed rate, maturities laddered out across the next seven years, and a weighted average interest rate of 5.28%, interest rate headwinds are now behind Primaris, and the growth rate of FFO** per unit should benefit from the continued contributions of NOI** growth, acquisitions, retained free cash flow and NCIB activity.

Primaris' NAV** per unit has been remarkably stable over the past three years, an impressive outcome as interest rates and cap rates rose significantly. As the Bank of Canada increased its target overnight interest rate by 475 bps, market valuation parameters including terminal capitalization rates, discount rates and initial "going-in" capitalization rates all rose significantly, presenting headwinds to the value of Primaris' portfolio and all real estate assets.

Despite these headwinds, Primaris' NAV** has remained within a 2.5% range since the spin-off. Volatility in NAV** per unit is reduced by Primaris' low leverage model, its strong NOI** growth, which we believe will continue, a low FFO Payout Ratio**, and high retained free cash flow.

Now that the Bank of Canada has commenced its cutting cycle, reducing its target overnight rate by 200 bps to date, we expect the impact of market valuation parameters to reverse course, and in turn contribute to growth in Primaris' NAV**, rather than acting as a headwind in coming quarters. Combined with the above noted positive factors, we expect to see sustained attractive growth in NAV** per unit over the next few years, and indefinitely, supported by the benefits of the DFM.



Lansdowne Place, Peterborough, Ontario



Sunridge Mall, Calgary, Alberta



The benefits of the DFM to both FFO** per unit and NAV** per unit are clear: lower leverage and more retained free cash flow deliver more consistent and sustained higher growth in both metrics. For most of the history of Canadian REITs, structurally falling interest rates benefited higher leverage, and higher payout ratio business models. For nearly 30 years there wasn't a single 10-year Government of Canada bond that matured with a coupon lower than the prevailing 10-year bond yield. During this period, the largest single contributor to FFO** per unit growth was refinancing maturing debt at lower interest rates.

That era is over, and whether interest rates remain low or rise, Primaris' Differentiated Financial Model provides: 1) lower sensitivity to interest rates; 2) structurally higher cashflow growth; 3) lower reliance on external capital to fund growth; and 4) substantially more financial flexibility to pursue value enhancing strategies.

The Years Ahead

As we look forward to 2025 and beyond, we see a long runway of opportunity to drive growth out of our existing portfolio, and a variety of acquisition opportunities that can enhance our value proposition with retailers. We are well positioned to capitalize on these opportunities with the right team and platform, and the right financial model for the road ahead.

Key to all of Primaris' successes are the dedicated efforts of our entire team of nearly 700 employees, and the support of all of our investors. We are thankful for their support, and will continue to work to deliver on the potential we see in our business.

Sincerely,

Alex Avery
Chief Executive Officer

Milestones

March

Grand opening of **Simons** in the **Halifax Shopping Centre** in Halifax, Nova Scotia

June

GRESB Submission

Sale of **Garden City Square** in Winnipeg, Manitoba

August

\$500 million unsecured debenture offering

September

Board – **Unitholder Engagement**

Investor Day in Halifax

Sale of **Sunridge Plaza** in Calgary, Alberta

October

Les Galeries de la Capitale in Quebec City, Quebec acquired

Closed **\$74.7 billion** bought deal treasury and secondary equity offering

November

2.4% distribution increase announced

December

Second **Annual ESG Report**

Inaugural **ESG Targets**

Sale of **Edinburgh Market Place** in Guelph, Ontario

Extended term of **\$600 million** unsecured **credit facility** to 2028



PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

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PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

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PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

This Management Discussion and Analysis ("MD&A") of the results of operations and financial position of Primaris Real Estate Investment Trust ("Primaris" or the "Trust") for the three months and years ended December 31, 2024 and 2023, should be read in conjunction with the Trust's consolidated financial statements and the accompanying notes for the years ended December 31, 2024 and 2023 (the "Financial Statements"), as prepared in accordance with IFRS accounting standards as issued by the International Accounting Standards Board ("IASB"). Additional information is available on the SEDAR+ website at www.sedarplus.ca and on the Primaris website at www.primarisreit.com. For greater certainty, Primaris' website is not incorporated by reference and does not form part of the MD&A.

Primaris owns, manages, leases and develops retail properties in Canada. These properties are typically retail centres in growing Canadian markets or major retail centres that are the leading centre in their trade areas. The properties are predominantly enclosed shopping centres.

1. BASIS OF PRESENTATION

Primaris' Series A trust units (the "Trust Units" or "Units") are listed on the Toronto Stock Exchange (the "TSX") and are traded under the symbol "PMZ.UN". All dollar amounts in this MD&A are in thousands of Canadian dollars, except per unit amounts and where otherwise stated. Historical results, including trends which might appear, should not be taken as indicative of future operations or results.

In measuring performance, or allocating resources, management does not distinguish or group its operations into any sub-segments. As such, the Trust's operating results are presented as a single reportable segment which comprises the ownership, management and development of its investment properties located across Canada.

At December 31, 2024, Primaris holds 7 properties in co-ownerships (see Section 7.2, "Co-ownership Arrangements") and this MD&A includes only the Trust's proportionate ownership of those co-owned properties.

Use of Non-GAAP Measures

The Financial Statements have been prepared in accordance with IFRS accounting standards as issued by the IASB; however, in this MD&A, a number of measures are presented which do not have a standardized meaning prescribed under generally accepted accounting principles ("GAAP") in accordance with IFRS. These non-GAAP measures 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"). Non-GAAP measures in this MD&A are denoted by the suffix "***".

Management believes these non-GAAP measures are useful to assessing the Trust's performance period over period and its ability to meet its financial obligations. However, none of the 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.

In Section 12, "Non-GAAP Measures", each of the non-GAAP measures and ratios used in this MD&A are defined and management's reasons as to why it believes the measures are useful to investors are described. Section 12 also provides a cross reference to the location of the applicable quantitative reconciliation for each non-GAAP measure to the most directly comparable GAAP financial measure in the Financial Statements.

Use of Operating Metrics

Primaris uses certain operating metrics to monitor and measure the operational performance of its portfolio. Operating metrics in this MD&A include, among others, weighted average net rent per occupied square foot ("sq. ft."), total commercial retail unit ("CRU") sales volume, same stores sales volume, and same stores sales productivity. These operating metrics, which may constitute supplementary financial measures as defined in NI 52-112, are not derived from directly comparable measures contained in the Financial Statements but may be used by management and disclosed on a

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periodic basis to depict the historical or future expected operating performance of the Trust's portfolio. For an explanation of the composition of weighted average net rent per occupied square foot see Section 8.2, "Weighted Average Net Rent". For an explanation of the composition of total CRU sales volume, same store sales volume and same store sales productivity, see Section 8.4, "Tenant Sales".

Primaris also uses certain non-financial operating metrics to describe its portfolio and portfolio operation performance. Non-financial operating metrics in this MD&A include, among others, number of investment properties, site coverage, store count, gross leasable area ("GLA"), occupied GLA, in-place occupancy, committed occupancy, long-term in-place occupancy, and weighted average lease term. For the relationship of in-place occupancy to committed occupancy and to long-term in-place occupancy see Section 8.1, "Occupancy". For greater certainty, the portfolio operating metrics in the MD&A include only the Trust's proportionate ownership of the 7 properties held in co-ownerships (see Section 7.2, "Co-ownership Arrangements"). At December 31, 2024, the Trust's portfolio GLA was 13.3 million square feet including the proportionate ownership of GLA of those co-owned properties, as compared to 14.2 million square feet at a notional 100% ownership interest for all properties.

2. FORWARD-LOOKING STATEMENTS AND FINANCIAL OUTLOOK

Certain information in this MD&A contains forward-looking information within the meaning of applicable securities laws (also known as forward-looking statements) including, among others, forward-looking statements made under Section 3, "Business Overview and Strategy", Section 4, "Current Business Environment and Outlook", and Section 7.4, "Redevelopment and Development", as well as further statements made or implied relating to Primaris' future plans, including Primaris' ESG initiatives and objectives, management's expectations regarding the growth of the markets in which its shopping centres are located, management's belief that bricks and mortar stores are and will continue to be essential to the omni-channel strategy of retailers, management's belief that the improving enclosed mall and retail environment will lead to rising rents for financially strong retailers and that there will be significant opportunities for growth and for attractive acquisitions, management's expectations for re-leasing Comark space, management's belief that Primaris can maintain financial stability and strength in the current interest rate environment, Primaris' expected credit losses, expectations regarding tenant retention and closures, the expected rental revenues from leases with replacement tenants, including any offset of a reduction in gross revenues relating to store closures, expected revenue growth from contractual rent steps, the significant revenue opportunity represented by percentage rent participation, the state of the retail market, expected operating capital expenditures, discount rates, terminal capitalization rates and cash flow models used to estimate fair values, management's expectations regarding the Trust's leverage and portfolio quality, management's expectations regarding future distributions, management's belief that Primaris has sufficient funds and liquidity for future commitments, management's expectation to be able to meet all of the Trust's ongoing obligations, expected benefits from activities under the normal course issuer bid, expected benefits or future results and performance relating to acquisitions, and management's belief that Primaris satisfies certain prescribed conditions relating to the nature of its assets and revenue under the *Income Tax Act (Canada)* (the "Tax Act"). Forward-looking statements generally can be identified by words such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans", "project", "budget" or "continue" or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect Primaris' current beliefs and are based on information currently available to management.

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 forward-looking statements contained in this MD&A.

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Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking statements include the assumptions described herein, including under Section 4, "Current Business Environment and Outlook"; that the general economy is currently volatile; interest rate volatility will remain in part due to the changing trading policies with the United States; and debt markets will continue to provide access to capital at a reasonable cost. Additional risks and uncertainties include, among other things, risks related to: owning and operating real property; real property valuations; geographic concentration of properties; credit risk and tenant concentration; reliance on anchor tenants and tenant bankruptcies; lease rollover risk; competition for real property investments; asset class concentration risk; construction risks; supply chain risks; development risks; capital expenditures risk; co-ownership interest in properties; amusement park operations risk; financial markets and liquidity risk; cyber security risk; environmental and climate change risk; litigation risk; general uninsured losses; dependence on key personnel, talent management and succession planning; potential acquisitions, investment and disposition opportunities and joint venture arrangements; potential undisclosed liabilities associated with acquisitions; Trust Unit price risk; availability of cash for distributions; ability to access capital markets; dilution; unitholder liability; redemption right risk; tax risk, and additional tax risk applicable to the Trust's unitholders (the "Unitholders"). Certain of these risks, and others, are discussed in more detail under the Enterprise Risks and Risk Management section of this MD&A.

Primaris cautions that these lists of factors, risks, and uncertainties are not exhaustive. Other risks and uncertainties not presently known to Primaris could also cause actual results or events to differ materially from those expressed in its forward-looking statements. Although the forward-looking statements contained in this MD&A are based upon what Primaris believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements.

Certain forward-looking information included in this MD&A may also be considered "financial outlook" for purposes of applicable securities law, including statements under Section 4, "Current Business Environment and Outlook" - "2025 Financial Outlook". Financial outlook about the Trust's prospective results of operations including, without limitation, anticipated funds from operations** ("FFO") per unit, anticipated cash net operating income** ("Cash NOI") and Same Properties Cash NOI** growth, impact on rental revenue of contractual rent-steps, anticipated general and administrative expenses, anticipated operating capital expenditures, anticipated redevelopment capital expenditures, anticipated straight-line rental adjustment to revenue, anticipated growth in occupancy, and the Trust's December 2027 targets for a number of key metrics including in-place occupancy, annual same properties Cash NOI** growth, acquisition and disposition activity, annual FFO** per unit growth, and annual distribution growth, is subject to the same assumptions, risk factors, limitations, and qualifications as set forth above, in the Trust's annual information form and in the section entitled "Enterprise Risks and Risk Management" herein. The Trust and management believe that such financial outlook was 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. Financial outlook contained in this MD&A was made as of the date of this MD&A and was provided for the purpose of providing further information about the Trust's prospective financial performance. Readers are cautioned that the financial outlook 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 and financial outlook contained in this MD&A. All forward-looking statements and financial outlook in this MD&A are qualified by these cautionary statements. These forward-looking statements and financial outlook are made as of February 13, 2025, 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.

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3. BUSINESS OVERVIEW AND STRATEGY

Business Overview

Primaris is Canada's only enclosed shopping centre focused REIT, with ownership interests primarily in enclosed shopping centres in Canadian markets. At December 31, 2024, the portfolio totaled 37 properties and 13.3 million square feet of GLA. Economies of scale are achieved through its fully internal, vertically integrated, full-service national management platform. Primaris' scale, portfolio composition, and capital structure are designed to enable Primaris to grow and succeed in the evolving retail landscape.

Primaris' vision is to champion and elevate retail for Canadians. By operating as one dedicated team, leveraging its specialized shopping centre platform, Primaris' mission is to drive value for its stakeholders and broader communities through proactive and responsible management. Primaris is committed to execute on its strategy while acting in a manner consistent with its core values.

Strategy

Primaris' strategy focuses on three key pillars.

1. Retailer affordability through operational management

Primaris focuses on retailer affordability, offering attractive and economic store locations, through a disciplined approach to cost management, achieving economies of scale from the management platform, and collaborative relationship building with tenant partners. The resulting lower cost operating structure, versus the capital-intensive requirements of super-regional malls, significantly improves retailer profitability, and therefore, tenants' willingness to commit to the Primaris shopping centres.

Retailers continuously assess the number of stores they need in any given trade area to enhance profitability while maintaining strong brand awareness. They right-size and adapt their business models to better serve the evolving needs of today's shoppers. By maintaining a disciplined cost operating structure, Primaris provides attractive and affordable shopping centres for retailers.

2. Scale and consolidation opportunity

Management believes there is a significant opportunity for Primaris to leverage its scale and consolidate the enclosed shopping centre space, a market that currently has limited institutional competition for assets. Primaris is uniquely positioned as Canada's only REIT focused on owning and managing enclosed shopping centres, with an established, fully internal and scalable management platform and a low leverage capital structure to support growth. The Trust plans to leverage its scale and management capability to deliver strong financial and operating performance from its existing portfolio and take advantage of acquisition opportunities as some of Canada's largest owners of enclosed shopping centres elect to sell some of these properties to reposition their portfolios to increase exposure to other property types. These assets are typically well-maintained and offer opportunities for Primaris to surface additional value through operating efficiencies, new leasing opportunities, and margin expansion. Since December 31, 2021, Primaris has acquired approximately \$2.4 billion of leading enclosed shopping centres.

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3. Disciplined capital allocation

Primaris has a strong balance sheet with a conservative capital structure and a low dividend payout ratio allowing it to maintain and upgrade its properties as needed and to take advantage of strategic acquisitions. The strength of Primaris' capital structure provides an attractive profile for public market investors and positions it as an ideal partner for institutional real estate owners. Primaris will continue to adhere to a disciplined capital allocation strategy, striving to minimize its cost of capital while maximizing value for its Unitholders.

Primaris established certain targets for managing the Trust's financial condition and maintaining a conservative capital structure. The table below depicts the Trust's performance relative to those established targets.

As at or for the year ended December 31, (unaudited)	2024	Targets
Average Net Debt** to Adjusted EBITDA**	5.8x	4.0x – 6.0x
Funds from Operations Payout Ratio**	52.4 %	45% - 50%
Secured debt to Total Debt**	14.7 %	<40%

** Denotes a non-GAAP measure. See Section 1, "Basis of Presentation" – "Use of Non-GAAP Measures" and Section 12, "Non-GAAP Measures".

4. CURRENT BUSINESS ENVIRONMENT AND OUTLOOK

Economic Environment - Interest Rates and Inflation

On January 29, 2025, the Bank of Canada ("BoC") announced its sixth consecutive rate reduction moving the overnight interest rate to 3.00%. The reduction of 25 bps represented a slower pace compared to the previous two rate reductions of 50 bps. On the same day, the US Federal Reserve held interest rates steady, referencing an economy where inflation remains above target, growth continues, and the unemployment rate is low.

The new U.S. administration is considering sweeping tariffs on its imports and these measures could be highly disruptive to the Canadian economy. Tariffs affect spending, trade flows, government revenue, exchange rates, employment rates, gross domestic production, and inflation. The ultimate scale, breadth, timing, and duration of any U.S. tariffs remain highly uncertain, as does the potential impacts to the Canadian economy. In response to this uncertainty, the BoC downgraded its GDP growth forecast.

Primaris' conservative capital structure provides on-going financial stability and strength. As at the date of this MD&A, Primaris has: \$342 million drawn on its \$600 million unsecured revolving credit facility; cash on hand of approximately \$12 million; and a BBB (high) issuer rating. As at or for the year ended December 31, 2024, Primaris had \$3.6 billion of unencumbered assets (or \$2.2 billion of unencumbered assets in excess of unsecured debt); a FFO Payout Ratio** of 52.4%; and an Average Net Debt** to Adjusted EBITDA** ratio of 5.8x.

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Economic Environment - Population Growth and Barriers to Entry

Management believes the current economic environment for enclosed mall ownership in Canada is strong, aided by steady employment and consumer spending, combined with very limited new supply of retail space.

Population growth is expected to continue in Canada, but at a slower pace than the last few years. With the rising cost of living in Canada's largest cities, many medium-sized cities are experiencing above average population growth, including many where Primaris owns malls.

Despite the population growth, the supply of quality retail space in Canada is limited and contracting. New construction has been constrained due to the high costs of construction and the challenge in finding large land parcels in densely populated communities. The majority of the vacancies that resulted from failed department store anchors, such as Target and Sears, have largely been absorbed or demolished. In addition, a number of existing malls are being downsized or repurposed in favour of mixed-use and residential developments or other uses, resulting in less retail GLA per capita.

Over the past decade, certain traditional department store anchors have either closed or had their leases restructured, which has removed development constraints, thereby increasing the land value where Primaris malls are located. Many of Primaris' properties are at the center of their communities, located close to major transportation nodes and public transit, with broad zoning permitting a wide range of uses beyond retail, enabling potential future value creation.

The Evolution of and Outlook for Canadian Enclosed Shopping Centres

Over the last two decades, the enclosed shopping centre space has been very dynamic. Beginning in 2005, there was significant income growth and investment interest in the enclosed shopping centre space supported by retailers increasing store counts, high occupancy, and rising rents. During this period, investment demand was strong and asset pricing was high. By 2015, Canadian retail property began a significant transition. Target Canada declared bankruptcy and left the Canadian marketplace, with Sears following suit in 2018. Department store closures coincided with the onset of e-commerce headwinds, which reduced retailer space demand, drove capitalization rates higher, and pushed investment property values lower.

The COVID-19 pandemic had a further profound negative impact on the Canadian enclosed shopping centre industry, with mandated closures in several jurisdictions and capacity constraints in others. While the economic impacts and disruption of societal norms caused by the pandemic are beyond debate, management believes there were two significant ways in which the pandemic improved the outlook for the enclosed shopping centre industry.

Firstly, while retailer bankruptcies and store closures were costly for landlords, the resulting overall financial health of the remaining tenant base was substantially improved.

Secondly, although the pandemic sharply accelerated e-commerce adoption and market penetration, the collective learned experience of the retailing industry concluded that bricks and mortar retail stores anchor a successful omni-channel retail platform. Consumer-centric, omni-channel retailing reveals a complementary relationship between bricks and mortar and e-commerce retailing, supported by clear data showing effective offerings in each channel support stronger total sales.

Primaris' shopping centres are typically the largest retail property in their respective trade areas, providing tenants with a prime retail distribution hub for in-store pickup and/or delivery.

Management believes that the Canadian shopping centre space is healthy, with significant opportunity for growth as occupancy levels continue to recover and rents increase. Management views the current retail environment to be populated by retailers that are financially stronger than in the past, with significant adaptability and strong omni-channel platforms, and shopping centres are less dependent on anchor tenants than in the past. Management also anticipates further growth through acquisitions, as institutional shopping centre owners may be considering rebalancing their portfolios by selling assets that fit Primaris' target acquisition profile.

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The Canadian Advantage

Management believes that the Canadian retail property landscape is structurally different from that of the United States, resulting in a more stable investing and operating environment for enclosed malls in Canada.

- Canada's population distribution is significantly more concentrated relative to that of the U.S. and Canada has approximately one-third less retail square footage per capita, resulting in higher sales productivity that supports higher rents and higher values;
- Canada's lending environment is predominantly a recourse debt market, resulting in more balance sheet lending and less securitization, all of which create a more stable and reliable lending environment;
- No like-kind exchange mechanism exists in Canadian tax legislation to defer capital gains recognition, substantially reducing speculative development activity and transaction volumes;
- The landscape in Canada features fewer established retailers in each retail category, resulting in less competition and higher retailer profit margins;
- Canada's broad social safety net creates a larger consumer concentration in the lower and middle income categories, resulting in a very stable, value-oriented consumer profile;
- Canada's tenant base has a higher concentration of essential services and offerings; and
- Management believes that Canada has substantially completed its department store closure process.

Results of 2024 Guidance

The previously published guidance for the full year of 2024 has been reproduced again below and presented against the results achieved for the year ended December 31, 2024.

(unaudited)	2024 Guidance	2024 Results	MD&A Section Reference
Occupancy	Increase of 0.8% to 1.0%	Increase of 1.4%	Section 8.1, "Occupancy"
Contractual rent steps in rental revenue	\$2.7 to \$2.9 million	\$2.8 million	Section 9.1, "Components of Net Income (Loss)"
Straight-line rent adjustment in rental revenue	\$4.8 to \$5.0 million	\$7.3 million	Section 9.1, "Components of Net Income (Loss)"
Same Properties Cash NOI** growth	3.0% to 4.0%	Increase of 4.5%	Section 9.1, "Components of Net Income (Loss)"
Cash NOI** - run rate	\$273 - \$278 million	\$280.5 million	Section 9.1, "Components of Net Income (Loss)"
General and administrative expenses	\$32 to \$34 million	\$35.7 million	Section 9.1, "Components of Net Income (Loss)"
Operating capital expenditures	Recoverable Capital \$16 to \$18 million Leasing Capital \$20 to \$25 million	Recoverable Capital \$18.7 million Leasing Capital \$22.4 million	Section 8.7, "Operating Capital Expenditures"
Redevelopment capital expenditures	\$40 to \$45 million	\$49.3 million	Section 7.4, "Redevelopment and Development"
FFO** per unit ¹	\$1.66 to \$1.68 per unit fully diluted	\$1.690 per unit fully diluted	Section 9.2, "FFO** and AFFO***"

** Denotes a non-GAAP measure. See Section 1, "Basis of Presentation" – "Use of Non-GAAP Measures" and Section 12, "Non-GAAP Measures".

¹ Units outstanding and weighted average diluted units outstanding assumes the exchange of exchangeable preferred units in subsidiary limited partnerships of the Trust that are exchangeable into Trust Units ("Convertible Preferred LP Units"). See Section 10.6, "Unit Equity and Distributions".

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2025 Financial Outlook

Management discloses financial outlook statements for the purpose of providing further information about the Trust's prospective results of operations. These statements are based on factors and assumptions, such as historical trends, current conditions, and expected developments. Management believes that such financial outlook statements have been prepared on a reasonable basis, reflecting management's best estimates and judgements. However, because these financial outlook statements are subjective and subject to numerous risks, they should not be relied on as necessarily indicative of future results.

Disciplined capital allocation is a key pillar to Primaris' strategy. To this end, Primaris established targets for managing the Trust's financial condition (see Section 3, "Business Overview and Strategy"). In addition to its established targets, Primaris provided guidance for the full year of 2025 as follows:

(unaudited)	2025 Guidance	Additional Notes	MD&A Section Reference
Occupancy	Increase of 0.8% to 1.0%		Section 8.1, "Occupancy"
Contractual rent steps in rental revenue	\$3.4 to \$3.8 million		Section 9.1, "Components of Net Income (Loss)"
Straight-line rent adjustment in rental revenue	\$6.8 to \$7.2 million		Section 9.1, "Components of Net Income (Loss)"
Same Properties Cash NOI** growth	3.0% to 4.0%	Same Properties includes 35 properties, excludes Northland (under redevelopment) and the acquisitions of Galeries de la Capitale, Oshawa Centre and Southgate Centre	Section 9.1, "Components of Net Income (Loss)"
Cash NOI**	\$318 - \$323 million	Includes the impact of the January 31, 2025 acquisitions and approximately \$300 million of dispositions throughout the year	Section 9.1, "Components of Net Income (Loss)"
General and administrative expenses	\$36 to \$38 million		Section 9.1, "Components of Net Income (Loss)"
Operating capital expenditures	Recoverable Capital \$18 to \$20 million Leasing Capital \$20 to \$24 million		Section 8.7, "Operating Capital Expenditures"
Redevelopment capital expenditures	\$48 to \$50 million	Primarily attributable to Devonshire Mall and Northland	Section 7.4, "Redevelopment and Development"
FFO** per unit ¹	\$1.70 to \$1.75 per unit fully diluted	Includes the impact of the January 31, 2025 acquisitions and approximately \$300 million of dispositions throughout the year	Section 9.2, "FFO** and AFFO**"

** Denotes a non-GAAP measure. See Section 1, "Basis of Presentation" – "Use of Non-GAAP Measures" and Section 12, "Non-GAAP Measures".

¹ Units outstanding and weighted average diluted units outstanding assumes the exchange of exchangeable preferred units in subsidiary limited partnerships of the Trust that are exchangeable into Trust Units ("Convertible Preferred LP Units"). See Section 10.6, "Unit Equity and Distributions".

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In the press release dated September 24, 2024, Primaris released targets for the period ending December 31, 2027. These targets are not guidance, but are an outlook based on the execution of Primaris' strategic pillars.

(unaudited)	3 Year Targets	Progress to Date	Additional Notes	MD&A Section Reference
In-place Occupancy	96.0%		In-place occupancy was 92.4% at December 31, 2023 In-place occupancy was 94.5% at December 31, 2024	Section 8.1, "Occupancy"
Annual Same Properties Cash NOI** growth	3% - 4%		Growth for the year ended December 31, 2023 was 5.4% Growth for the year ended December 31, 2024 was 4.5%	Section 9.1, "Components of Net Income (Loss)"
Acquisitions	> \$1 billion	\$910 million	October 1, 2024 - Les Galeries de la Capitale January 31, 2025 - Oshawa Centre and Southgate Centre	Section 7.3, "Transactions"
Dispositions	> \$500 million	\$138 million	December 13, 2024 - Edinburgh Market Place February 28, 2025 - Sherwood Park Mall and Professional Centre ²	Section 7.3, "Transactions"
Annual FFO** per unit ¹ growth (fully diluted)	4.0% to 6.0%		Growth for the year ended December 31, 2023 was 0.5% Growth for the year ended December 31, 2024 was 6.4%	Section 9.2, "FFO** and AFFO**"
Annual Distribution Growth	2% - 4%		In November 2022 announced a 2.5% increase In November 2023 announced a 2.4% increase In November 2024 announced a 2.4% increase	Section 10.6, "Unit Equity and Distributions"

** Denotes a non-GAAP measure. See Section 1, "Basis of Presentation" – "Use of Non-GAAP Measures" and Section 12, "Non-GAAP Measures".

¹ Per weighted average diluted units outstanding calculated on a diluted basis, assuming the exchange of Convertible Preferred LP Units for Trust Units. See Section 10.6, "Unit Equity and Distributions".

² Closing subject to customary closing conditions.

Readers are cautioned that there is a significant risk that actual results for the year ending December 31, 2025 and the Trust's actual performance against the December 2027 targets as set forth above will vary from the financial outlook statements provided in this MD&A and that such variations may be material. See Section 2, "Forward-Looking Statements and Financial Outlook" for further cautions on material factors, assumptions, risks and uncertainties that could impact the financial outlook statements.

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5. ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG")

In 2022, Primaris developed a Board-led three-year ESG strategic plan that aligns to the Trust's vision, mission, core values, and strategy, and supports long-term value creation. The 2023-2025 ESG strategic plan (the "ESG Plan") identifies Primaris' key ESG priorities, goals, actions, and performance measures. The ESG Plan has evolved over time as Primaris progresses and adapts to the changing needs of operating and investing environments.

The ESG Plan aligns to current investor focused ESG standards and frameworks:

- Sustainability Accounting Standards Board ("SASB") Real Estate Standard (IF-RE);
- recommendations of the Task Force on Climate-Related Financial Disclosures ("TCFD");
- Canadian Sustainability Disclosure Standards ("CSDS") S1 and S2 standards; and
- GRESB, the global ESG benchmark for real assets.

Primaris is on track to achieve its stated objective to conform all elements of the ESG Plan to industry standards by December 2025, with a longer-term ambition of selectively developing a leading-edge position in a number of areas. The Trust follows a detailed three-year implementation roadmap, alongside the ESG Plan, to achieve the objectives.

ESG Commitment

In addition to adhering to environmental laws and regulations, Primaris is committed to achieving its business objectives, while acting in a manner consistent with its core values and commitment to best practices. This includes consideration of the impacts that its assets have on the environment and the communities where they operate, as well as fostering strong relationships with employees, tenants, transaction counterparties, and investors.

Material ESG-Related Risks and Opportunities

The ESG materiality assessment, conducted in 2022, identified the inherent ESG-related risks and opportunities that need to be managed by Primaris. In the ESG materiality assessment, the definition of material is based on whether or not the information would affect financial decisions by capital market participants if the information was omitted or misstated. Material ESG factors that are currently impacting, or have the potential to impact, company value, performance, or access to capital within the short term and are likely to remain financially material over longer timeframes are considered core to the ESG Plan. The Trust's material ESG risk and opportunity factors are organized under the key elements as follows:

Environment	Social	Governance
Reduce the environmental footprint and use resources efficiently	Be an inclusive employer and landlord of choice, and provide community gathering places	Integrate ESG into strong governance and disclosure practices
Energy management ^c	Tenant relations ^c	Business ethics and transparency ^c
GHG ¹ emissions and climate change ^c	Employee relations ^c	Supply chain
Water and waste management	Community relations	
Tenant sustainability impacts		
Green buildings		

^c Core ESG factors.

¹ Greenhouse gas ("GHG").

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The ESG Plan is aligned with Primaris' business objectives and supports long-term value creation. The table below illustrates the alignment between the Trust's ESG-related risks and opportunity factors with the three key pillars which underlying its strategy.

Material ESG Risk and Opportunity Factors	Strategic Pillars		
	Retailer Affordability	Scale and Consolidation Opportunity	Disciplined Capital Allocation
Environmental factors			
Energy management	strong alignment	moderate alignment	moderate alignment
GHG emissions and climate change	moderate alignment	moderate alignment	moderate alignment
Water and waste management	strong alignment	moderate alignment	moderate alignment
Tenant sustainability impacts	strong alignment	moderate alignment	
Green buildings	moderate alignment	moderate alignment	moderate alignment
Social factors			
Tenant relations	strong alignment	strong alignment	
Employee relations	moderate alignment	weak alignment	weak alignment
Community relations	moderate alignment	weak alignment	weak alignment
Governance factors			
Business ethics and transparency	weak alignment	weak alignment	weak alignment
Supply chain	moderate alignment	weak alignment	weak alignment

Furthermore, many of the key performance indicators and metrics that management uses to monitor the Trust's performance against the Trust's strategy also align with material ESG risk and opportunity factors (indicated by shaded areas in the table below).

Strategic Pillars		
Retailer Affordability	Scale and Consolidation Opportunity	Disciplined Capital Allocation
Gross rent to tenant sales <15%	Canadian markets with growing populations	Average Net Debt** to Adjusted EBITDA** in the target range 4.0x - 6.0x
Amortization relative to common area maintenance costs <20%	Trade area population of >200,000	
Improve recovery ratios	Diversified economic drivers	FFO Payout Ratio** in the target range 45% - 50%
Property tax expense management	CRU annual sales volume >\$100 million	
Disciplined tendering and procurement	Excess land located proximate to mass transit	Secured debt to Total Debt**
Green lease language		Maintain investment grade credit rating
		Laddered debt maturity profile
		Sustainability-linked / green financing

** Denotes a non-GAAP measure. See Section 1, "Basis of Presentation" – "Use of Non-GAAP Measures" and Section 12, "Non-GAAP Measures".

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ESG Governance Structure and Systems

The success of the ESG Plan relies on commitment and oversight from the Board. The Trust's Compensation, Governance and Nominating Committee (the "CG&N Committee") oversees and monitors Primaris' performance against the ESG Plan.

The CG&N Committee is responsible for overseeing management's identification and assessment of social and sustainability matters as well as climate-related issues, including, but not limited to, monitoring the Trust's progress on integrating its material ESG factors and climate-related factors into business strategy and decision making, and adopting ESG and climate-related policies. The CG&N Committee also reviews and approves periodic ESG reports and monitors ongoing compliance with the reported initiatives. Two members of the Board attend management's regularly scheduled ESG management committee meetings to gain insight into implementation of ESG initiatives under the ESG Plan and assess the potential for the advancement of the ESG strategy, policies and practices. The Chair of the CG&N Committee and the Chief Financial Officer lead the ESG management committee which is comprised of senior leaders across the organization. The Board's ability to provide effective oversight is supported by the Trust's governance structure and processes.

Key aspects of the Trust's ESG governance structure and systems include:

- ESG training for the Board and designation of one Trustee as climate expert;
- Inclusion of ESG oversight in CG&N Committee Charter;
- Review of ESG disclosure controls included in Audit Committee Charter;
- Chair of the CG&N Committee leads the ESG management committee (two Trustees on the ESG management committee);
- Chief Financial Officer designated as the senior executive accountable for ESG program oversight, with the support of a dedicated resource, the Vice President, Investor Relations and ESG;
- Quarterly reporting to Board on progress against ESG Plan; and
- ESG materiality assessment to be updated every three years.

ESG Targets

In 2024, as part of Primaris' ESG Plan, the Trust developed ESG targets informed by the material ESG factors and their link to key performance indicators. These targets represent a further demonstration of the ESG commitment. The table below illustrates the Trust's ESG targets and progress to date.

Metric	Target	Current	Measurement Period	Actions to Achieve or Maintain Target
Board of Trustees Diversity by Gender	30% Female	33% Female	Annual	Achieved
Absolute GHG Emissions Reduction ¹	25% reduction by 2035	4.9% reduction	Against baseline year: 2022	Decarbonization plan aligned to TCFD
Green Building Certifications	100% shopping centres LEED or BOMA BEST Certified	100%	Annual	Achieved. Ensure shopping centres remain certified, elevate certifications where possible
Employee Engagement	≥85%	86%	Every 3 years	Achieved. Competitive benefits, employee training and development
Tenant Satisfaction	≥85%	83%	Annual	Asset-specific action plans
GRESB Score	≥80 pts	80 pts	Annual	Achieved. ESG Plan execution

¹ This target includes scope 1, 2 and select scope 3 emissions. Select scope 3 emissions includes downstream leased assets such as tenant emissions.

PRIMARIS REAL ESTATE INVESTMENT TRUST

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Key 2024 Milestones in ESG Journey

ESG activities in 2024 culminated with the publication of Primaris' second annual ESG report, which included the publication of Primaris' inaugural ESG targets. In 2024, Primaris has completed the following ESG activities:

- Implemented systems to collect and manage environmental and social data;
- Determined 6 environmental and social metrics, 5 of which are core ESG factors, where targets were set: GHG emissions reduction, green building certifications, tenant and employee engagement and satisfaction, and GRESB score;
- Entered into a sub-metering pilot program;
- Updated the Board quarterly on information technology and cybersecurity;
- Completed second annual GRESB submission, achieving a score of 3 green stars, or a 15 point improvement to 80;
- Completed second annual CDP Corporate Questionnaire;
- Integrated ESG factors into tenant satisfaction survey;
- Integrated ESG questions into annual employee performance review process; and
- Incorporated green lease language into standard lease form.

Next Steps

In 2025, Primaris will be focused on:

- Assessing and developing a decarbonization plan aligned to TCFD to achieve its GHG emissions reduction target;
- Developing an operational plan and budget for reducing climate exposure;
- Designing reporting requirements to meet the anticipated CSDS S1 and S2 reporting standards;
- Enhancing, measuring, and monitoring the tenant community engagement program;
- Reviewing and updating the ESG materiality assessment, roadmap, and ESG Plan; and
- Continuing to support community engagement programs at the Trust's shopping centres.

ESG is an essential component in Primaris' overall strategy from both risk mitigation and opportunity optimization standpoints. For more information on the Trust's ESG Plan, see the 2024 ESG Report, published in December 2024, available on the ESG section on Primaris' website found [here](#). For greater certainty, neither the 2024 ESG Report nor the ESG section of the Primaris website is incorporated by reference herein and they do not form part of the MD&A.

This section of the MD&A, titled "Environmental, Social and Governance", may contain forward-looking information within the meaning of applicable securities legislation which reflects the Trust's current expectations regarding future events. Although the Trust believes that the expectations reflected in such forward-looking information are reasonable, assessing forward-looking ESG metrics and risks, in particular climate metrics and risks, is more complex and longer-term in nature than traditional business metrics and risks. The information in this section reflects what the Trust believes is the best available data. The Trust's ability to achieve its ESG goals is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond the Trust's control, that could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking information and may require the Trust to adjust its ESG initiatives, activities, or plans to reflect a changing landscape.

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Management's Discussion and Analysis

6. SUMMARY OF SELECTED FINANCIAL AND OPERATIONAL INFORMATION

As at or for the years ended December 31, (in thousands of Canadian dollars unless otherwise indicated) (unaudited)	2024	2023	2022
Number of investment properties	37	39	35
Gross leasable area (in millions of square feet) (at Primaris' share)	13.3	12.5	10.9
Long-term in-place occupancy	90.4 %	89.0 %	87.6 %
In-place occupancy	94.5 %	92.4 %	91.1 %
Committed occupancy	95.6 %	94.2 %	91.5 %
Weighted average net rent per occupied square foot ¹	\$ 25.28	\$ 25.14	\$ 24.23
Weighted average lease term (in years)	4.2	4.3	4.5
Same stores sales productivity ^{1,2}	\$ 640	\$ 633	\$ 589
Total assets	\$ 4,267,432	\$ 3,899,634	\$ 3,201,781
Total liabilities	\$ 2,106,483	\$ 1,795,707	\$ 1,114,152
Total rental revenue	\$ 501,925	\$ 410,970	\$ 380,064
Cash flow from (used in) operating activities	\$ 168,321	\$ 166,690	\$ 156,216
Distributions per Trust Unit	\$ 0.842	\$ 0.822	\$ 0.802
Cash Net Operating Income** ("Cash NOI")	\$ 280,506	\$ 227,122	\$ 206,057
Same Properties ² Cash NOI** growth ³	4.5 %	5.4 %	10.7 %
Net income (loss)	\$ 79,473	\$ 102,271	\$ (12,080)
Net income (loss) per unit ⁴	\$ 0.712	\$ 0.964	\$ (0.124)
Funds from Operations** ("FFO") per unit ⁴ - average diluted	\$ 1.690	\$ 1.588	\$ 1.580
FFO** per unit growth	6.5 %	—	—
FFO Payout Ratio**	52.4 %	52.1 %	50.7 %
Adjusted Funds from Operations** ("AFFO") per unit ⁴ - average diluted	\$ 1.157	\$ 1.129	\$ 1.226
AFFO** per unit growth	2.5 %	—	—
AFFO Payout Ratio**	76.5 %	73.3 %	65.4 %
Weighted average units outstanding ⁴ - diluted (in thousands)	108,295	99,714	100,597

** Denotes a non-GAAP measure. See Section 1, "Basis of Presentation" – "Use of Non-GAAP Measures" and Section 12, "Non-GAAP Measures".

¹ Supplementary financial measure, see Section 1, "Basis of Presentation" - "Use of Operating Metrics".

² Properties owned throughout the entire 24 months ended December 31, 2024, excluding properties under development or major redevelopment, are referred to as "Same Properties".

³ Prior period amounts not restated for current period property categories.

⁴ Units outstanding and weighted average diluted units outstanding assumes the exchange of Convertible Preferred LP Units for Trust Units. See Section 10.6, "Unit Equity and Distributions".

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Management's Discussion and Analysis

6. SUMMARY OF SELECTED FINANCIAL AND OPERATIONAL INFORMATION (continued)

As at or for the years ended December 31, (in thousands of Canadian dollars unless otherwise indicated) (unaudited)	2024	2023	2022
Net Asset Value** ("NAV") per unit outstanding ¹	\$ 21.55	\$ 21.54	\$ 21.49
Average Net Debt** to Adjusted EBITDA**	5.8x	5.6x	5.0x
Interest Coverage** ²	3.0x	3.6x	5.3x
Liquidity ³	\$ 589,774	\$ 654,323	\$ 176,954
Unencumbered assets	\$ 3,646,922	\$ 3,362,901	\$ 2,863,844
Unencumbered assets to unsecured debt	2.5x	2.8x	3.6x
Secured debt as a percent of Total Debt**	14.7 %	19.7 %	21.4 %
Total Debt** to Total Assets** ²	40.3 %	38.3 %	31.5 %
Fixed rate debt as a percent of Total Debt**	98.0 %	100.0 %	75.8 %
Weighted average term to debt maturity - Total Debt** (in years)	4.0	3.6	3.2
Weighted average interest rate of Total Debt**	5.28 %	5.11 %	4.87 %

** Denotes a non-GAAP measure. See Section 1, "Basis of Presentation" – "Use of Non-GAAP Measures" and Section 12, "Non-GAAP Measures".

¹ Units outstanding and weighted average diluted units outstanding assumes the exchange of Convertible Preferred LP Units for Trust Units. See Section 10.6, "Unit Equity and Distributions".

² Calculated on the basis described in the trust indenture and supplemental indentures that govern the Trust's senior unsecured debentures (collectively, the "Trust Indentures"). See Section 10.4, "Capital Structure".

³ Liquidity is defined as the sum of cash and cash equivalents and the undrawn balances on Primaris' various unsecured credit facilities

Year End Highlights

As at the year ended December 31, 2024:

- 94.5% in-place occupancy, compared to 93.4% as at September 30, 2024 and 92.4% as at December 31, 2023;
- \$25.28 weighted average net rent per occupied square foot, compared to \$25.38 at September 30, 2024 and \$25.14 at December 31, 2023;
- \$640 same store sales productivity for the year ended December 31, 2024 (year ended December 31, 2023 - \$633) (a supplementary financial measure see Section 1, "Basis of Presentation" - "Use of Operating Metrics");
- 5.8x Average Net Debt** to Adjusted EBITDA**, compared to 5.8x as at September 30, 2024 and 5.6x as at December 31, 2023;
- 40.3% Total Debt** to Total Assets** ratio (38.7% calculated using Total Debt** less of cash and cash equivalents and term deposit);
- 14.7% ratio of secured debt to Total Debt**;
- \$589.8 million in liquidity; and
- \$21.55 NAV** per unit outstanding.

During the year ended December 31, 2024:

- +4.5% Same Properties Cash NOI** growth (+9.1% for the fourth quarter);
- +4.8% average increase in base rent for renewing leases considering initial year only (7.0% average increase considering contractual increases during new lease term);

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Management's Discussion and Analysis

- 2.1 million square feet of space renewed or leased;
- \$1.690 FFO** per unit (average diluted), representing a 6.5% increase over the prior year, and a 52.4% FFO Payout Ratio** (\$0.460, representing a 14.5% increase over the prior year period, and 48.9%, respectively, for the three months ending December 31, 2024);
- Completed the acquisition of Les Galeries de la Capitale in Quebec City, Quebec adding 988 thousand square feet to GLA;
- Sold \$77 million of non-core assets;
- Issued \$500 million aggregate principal amount of senior unsecured debentures at an effective weighted average interest rate of 5.12%;
- Extended the maturity of the \$600 million unsecured revolving credit facility to January 4, 2028;
- Increased the distribution rate by 2.4%, from \$0.84 to \$0.86 per unit per annum, effective December 31, 2024; and
- Purchased for cancellation 1,534,500 Units under the normal course issuer bid ("NCIB") at an average price per unit of approximately \$14.26, representing a discount to NAV** of approximately 34.0% (in the fourth quarter cancelled 390,000 Units at an average price of approximately \$15.97, or a discount to NAV** of approximately 25.9%).

Subsequent to December 31, 2024, Primaris:

- Acquired a 50% interest in Southgate Centre in Edmonton, Alberta and a 100% ownership interest in Oshawa Centre in Oshawa, Ontario for aggregate consideration of \$585.0 million, consisting of \$335.0 million of cash, \$75.0 million of Trust Units, or 3,437,214 Units, and \$175.0 million of 6.25% Convertible Preferred LP Units in a newly formed subsidiary limited partnership, that are exchangeable into 8,020,165 Trust Units, which closed on January 31, 2025;
- Waived conditions on the disposal of Sherwood Park Mall, Sherwood Park Professional Centre, and a parcel of excess land for cash proceeds of \$107.0 million, before disposition costs, which is expected to closed February 28, 2025 subject to customary closing conditions; and
- Purchased for cancellation an additional 320,000 Units under the automatic share purchase plan ("ASPP") for consideration of \$4.8 million as of February 13, 2025, for total NCIB purchases since inception of 10,149,300 Units at an average price of \$13.91, or a discount to NAV** of approximately 35.5%.

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Management's Discussion and Analysis

7. INVESTMENT PROPERTIES

Primaris owns, manages, leases, and develops retail properties in Canada. On December 31, 2024, the portfolio consisted of 37 properties, which are located in growing, Canadian markets to reduce concentration risk and to enhance the long-term reliability of its revenue stream.

The shopping centre portion of the portfolio comprises 25 assets nationwide (including 24 enclosed malls) and is situated on approximately 900 acres of land. The properties are located close to major transportation nodes and public transit, with broad zoning permitting a wide range of uses beyond retail, enabling potential future value creation. The shopping centres generated approximately 90% of the Trust's Cash NOI** for the year ended December 31, 2024.

On December 31, 2024, Primaris' top 10 properties, measured by Cash NOI**, represented approximately 49% of the portfolio GLA, and approximately 60% of the portfolio fair value.

For the year ended or as at December 31, 2024		Cash NOI** (rolling 4-quarters)	In-place Occupancy	GLA	Site Coverage
(\$ millions and thousands of square feet, unless otherwise indicated) (unaudited)					
Orchard Park Shopping Centre	Kelowna, BC	\$ 23.2	99.8 %	651	37 %
Halifax Shopping Centre	Halifax, NS	22.7	97.7 %	574	80 %
Les Galeries de la Capitale ¹	Quebec City, QC	21.4	99.0 %	988	26 %
Conestoga Mall ¹	Waterloo, ON	18.2	98.3 %	666	39 %
Dufferin Mall	Toronto, ON	18.2	98.8 %	574	74 %
Sunridge Mall	Calgary, AB	16.7	94.9 %	804	37 %
Devonshire Mall	Windsor, ON	16.6	92.6 %	671	31 %
Stone Road Mall	Guelph, ON	13.3	97.3 %	496	42 %
Highstreet Shopping Centre (open air)	Abbotsford, BC	11.7	93.7 %	544	73 %
New Sudbury Centre	Sudbury, ON	10.6	98.7 %	487	33 %
Top 10 properties		\$ 172.6	97.1 %	6,455	

¹ Estimated annual Cash NOI** for acquisitions made in 2024 (see Section 7.3, "Transactions").

As at December 31, 2024					Total Portfolio				Shopping Centres ¹				Other Properties ²	
(\$ millions and thousands of square feet, unless otherwise indicated) (unaudited)							In-place				In-place			
	Fair Value	Count	GLA	Occupancy	Fair Value	Count	GLA	Occupancy	Fair Value	Count	GLA	Occupancy	GLA	Occupancy
Ontario	\$ 1,592.6	10	4,759	94.0 %	\$ 1,580.5	9	4,494	94.4 %	265	87.3 %				
Alberta	979.7	16	4,017	92.3 %	742.3	7	3,229	92.7 %	788	90.7 %				
British Columbia	537.1	2	1,196	97.0 %	537.1	2	1,196	97.0 %	—	— %				
Maritime provinces	493.5	5	1,634	97.0 %	414.5	3	1,015	98.3 %	619	94.7 %				
Manitoba	104.5	2	403	94.0 %	104.5	2	403	94.0 %	—	— %				
Quebec	359.2	2	1,292	97.5 %	359.2	2	1,292	97.5 %	—	— %				
Portfolio³	\$ 4,066.6	37	13,301	94.5 %	\$ 3,738.0	25	11,629	94.9 %	1,672	91.7 %				

¹ Shopping centres include 24 enclosed malls and 1 open air centre, Highstreet Shopping Centre in Abbotsford, BC.

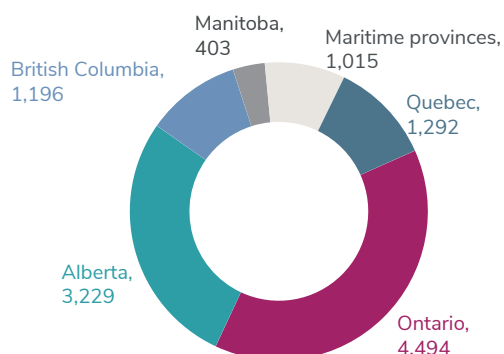
² Other properties include 7 plazas, 4 office buildings, and 1 industrial building.

³ Includes investment properties classified as assets held for sale of \$239.9 million.

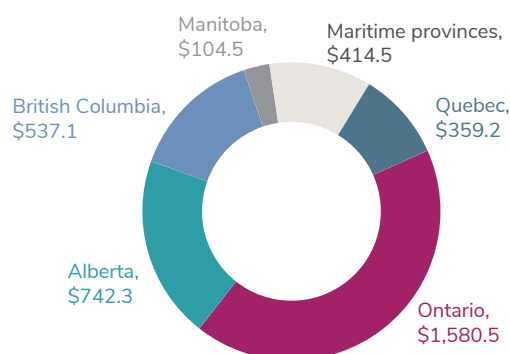
PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

Shopping Centres GLA by Province ('000 sq. ft.)



Shopping Centres Value by Province (\$ millions)



Investment Properties Classified as Held for Sale

Management is continuously reviewing the Trust's portfolio of investment properties to identify non-core assets for potential dispositions to provide capital to recycle into acquisitions of high quality enclosed malls. As at December 31, 2024, management classified three parcels of excess land and nine income-producing properties, with a fair value of \$239.9 million, as held for sale (December 31, 2023 - \$89.9 million). These land parcels and income-producing properties are considered non-core assets.

7.1 Valuation

The fair value of Primaris' investment property portfolio as at December 31, 2024 and December 31, 2023 was as follows:

As at (\$ millions) (unaudited)	December 31, 2024	December 31, 2023
Income-producing properties	\$ 3,919.6	\$ 3,634.3
Land held for development	147.0	151.0
Investment properties	\$ 4,066.6	\$ 3,785.3
Classified as:		
Investment properties	\$ 3,826.6	\$ 3,695.4
Investment properties classified as assets held for sale	239.9	89.9
	\$ 4,066.6	\$ 3,785.3

The value attributed to land held for development relates to Dufferin Mall. Primaris has received severance and full entitlement for the Dufferin Grove project from the City of Toronto.

Income-producing properties are measured at fair value, primarily determined using the discounted cash flow method. Under this methodology, discount rates are applied to projected annual operating cash flows, generally over a minimum of 10 years, and a terminal value is calculated based on a capitalization rate applied to the estimated NOI** in the terminal year. The fair value of income-producing properties reflects, among other things, rental income from current leases and assumptions about rental income from future leases in light of current market conditions.

Land held for development is valued either by direct comparison to land sales or, when possible, based on commercial and residential sale prices from comparable multi-residential developments net of total project costs and developer's profits.

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The Trust's portfolio is valued internally. As part of management's internal valuation program, the Trust considers external valuations performed by independent national real estate valuation firms for a cross-section of properties that represent the different geographical locations and asset classes across the Trust's portfolio.

The following table discloses the investment properties which were externally appraised in 2024, detailing the fair value as at the end of the quarter in which the property was externally appraised and management's updates to those values, if any, as at December 31, 2024. Comparative data is presented for the properties appraised in 2023.

As at (\$ millions) (unaudited)	2024			2023	
	Number of Properties	Value of Properties		Number of Properties	Value as at December 31, 2023
		As at Quarter End Appraised	As at December 31, 2024		
March 31	4	\$ 234.1	\$ 231.0	3	\$ 144.2
June 30	3	\$ 132.9	123.0	5	162.4
September 30	4	\$ 138.9	144.1	3	329.4
December 31	12	\$ 2,470.8	2,470.8	17	2,286.4
Year-to-date total	23		\$ 2,968.9	28	\$ 2,922.4
Percentage of total portfolio	62.2%		73.0 %	71.8%	77.2 %

Valuations are most sensitive to changes in discount and terminal capitalization rates. Primaris' valuation inputs are supported by market data and reports from independent nationally recognized valuations firms. Below is a summary of the key rates used in the valuation process for Primaris' income-producing properties for the quarters ended:

(unaudited)	Going-in Year-one Capitalization Rate		Discount Rate		Terminal Capitalization Rate	
	Weighted Average	Range	Weighted Average	Range	Weighted Average	Range
	As at					
December 31, 2024	7.25%	5.29% - 12.70%	8.42%	7.13% - 10.50%	7.39%	6.13% - 9.50%
September 30, 2024	7.22%	5.03% - 12.83%	8.38%	7.13% - 10.50%	7.35%	6.13% - 9.50%
June 30, 2024	7.19%	5.35% - 13.37%	8.32%	7.13% - 10.50%	7.30%	6.13% - 9.50%
March 31, 2024	7.16%	5.75% - 13.53%	8.34%	7.13% - 10.50%	7.31%	6.13% - 9.50%
December 31, 2023	7.12%	5.83% - 13.91%	8.34%	7.13% - 10.50%	7.31%	6.13% - 9.50%
December 31, 2022	6.91%	3.65% - 9.49%	8.22%	6.75% - 10.00%	7.19%	5.75% - 9.00%
December 31, 2021	6.10%	4.89% - 8.01%	7.63%	5.25% - 8.75%	6.57%	5.25% - 9.50%

Primaris recorded unfavourable adjustments to the fair value of investment properties of \$66.4 million for the year ended December 31, 2024. The drivers of the fair value adjustments are listed below.

(\$ millions) (unaudited)			
For the periods ended December 31, 2024		Three months	Year end
Land held for development	\$	(4.0)	\$ (4.0)
Acquisitions		(3.3)	(3.3)
Other income-producing properties:			
Discount and terminal capitalization rates impacts		(13.7)	(41.7)
NOI**, capital expenditures, and other cash flow variable impacts		(14.1)	(17.4)
Adjustment to fair value of investment properties	\$	(35.1)	\$ (66.4)

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Management's Discussion and Analysis

7.2 Co-ownership Arrangements

Primaris has co-ownership interests in several properties, as listed below, that are subject to joint control and are accounted for as joint operations. This MD&A includes Primaris' proportionate share of the GLA, fair value of investment properties, debt, and NOI** of these properties. Primaris performs the management services on behalf of the co-owners of these properties for which it earns fee income (see Section 9.1, "Components of Net Income (Loss)").

Property	Location	Ownership interest as at	
		December 31, 2024	December 31, 2023
McAllister Place	Saint John, NB	50%	50%
Regent Mall	Fredericton, NB	50%	50%
Place Du Royaume	Chicoutimi, QC	50%	50%
Place D'Orleans Shopping Centre	Ottawa, ON	50%	50%
Cataraqui Town Centre	Kingston, ON	50%	50%
Grant Park	Winnipeg, MB	50%	50%
Kildonan Place	Winnipeg, MB	50%	50%

7.3 Transactions

Acquisitions

On January 31, 2025, Primaris completed the acquisitions of a 50% co-ownership interest in Southgate Centre in Edmonton, Alberta and a 100% interest in Oshawa Centre in Oshawa, Ontario. Southgate Centre added 846 thousand square feet of GLA on 39 acres of land, for approximately 66% site coverage. Oshawa Centre totals 1.2 million square feet of GLA on 79 acres of land, for approximately 47% site coverage.

On October 1, 2024, Primaris completed the acquisition of Les Galeries de la Capitale, a leading regional enclosed shopping centre in Canada's seventh largest population centre, Quebec City, Quebec. The shopping centre comprises 1 million square feet on 91 acres of land, for an approximate 26% site coverage. The shopping centre is BOMA BEST platinum certified and boasts a recently renovated amusement park with 18 attractions.

On June 10, 2024, Primaris purchased the grocery store building connected to Conestoga Mall in Waterloo, Ontario and the associated land for \$19.7 million before transaction costs.

On November 30, 2023, Primaris acquired the Halifax Shopping Complex, in Halifax, Nova Scotia (which includes the Halifax Shopping Centre, the Halifax Annex, and the Mumford Professional Centre), and on July 12, 2023, Primaris acquired Conestoga Mall, in Waterloo, Ontario.

Acquisitions	Location	Property Type	Acquisition Year
Halifax Shopping Centre	Halifax, Nova Scotia	Enclosed mall	2023
Halifax Annex	Halifax, Nova Scotia	Open air centre	2023
Mumford Professional Centre	Halifax, Nova Scotia	Professional centre	2023
Conestoga Mall ¹	Waterloo, Ontario	Enclosed mall	2023
Les Galeries de la Capitale	Quebec City, Quebec	Enclosed mall	2024
Oshawa Centre	Oshawa, Ontario	Enclosed mall	2025
Southgate Centre (50% co-ownership interest)	Edmonton, Alberta	Enclosed mall	2025

¹ Includes the grocery store acquired in June 2024 that is connected to the mall.

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Management's Discussion and Analysis

Dispositions

The table below summarizes the Trust's dispositions since January 1, 2024:

Property Name	Location	Type	Gross Leasable Area	In-place Occupancy	Disposition Price ¹ (\$ millions)	Closing Date
Garden City Square	Winnipeg, MB	Open air, non-grocery anchored centre	162,258	100.0 %	\$ 31.0	June 21, 2024
Sunridge Plaza	Calgary, AB	Open air, non-grocery anchored centre	35,252	100.0 %	14.2	September 30, 2024
Edinburgh Market Place	Guelph, ON	Open air, grocery anchored centre	113,349	100.0 %	31.5	December 13, 2024
Sherwood Park Mall and Sherwood Park Professional Centre ²	Sherwood Park, AB	Enclosed shopping centre and professional centre	415,237	94.7 %	107.0	February 28, 2025
			726,096		\$ 183.7	

¹ Before transactions costs.

² Closing subject to customary closing conditions.

The sale of Sherwood Park Mall, in Sherwood Park, Alberta, will be the Trust's first enclosed shopping centre disposition.

7.4 Redevelopment and Development

Capital expenditures, excluding capitalized interest, were \$49.3 million in the year ended December 31, 2024 for redevelopment projects, which includes the project to de-mall Northland (formerly Northland Village), the demolition and re-demise of the former anchor space at Devonshire Mall, the addition of serviced pads for tenants, and master planning excess lands on various sites.

As shown in the table below, redevelopment projects have been completed at three properties which added \$2.5 million of incremental rent for the year ended December 31, 2024.

Property	Tenants	GLA	Rent Commencement
Quinte Mall, Belleville, Ontario	Winners	30,000	Q1 2023
Medicine Hat Mall, Medicine Hat, Alberta	Freshco	35,000	Q3 2023
Northland, Calgary, Alberta	Winners, Edo Japan, Cha House	31,900	Q3/Q4 2023
Northland, Calgary, Alberta	Dollarama, LensCrafters, Cobs Bread	20,300	Q1 2024
Northland, Calgary, Alberta	Northland Village Dental, Paramount Animal Hospital, Adrenalin Source	35,400	Q2 2024
Northland, Calgary, Alberta	Vera's Burger	1,900	Q3 2024
Northland, Calgary, Alberta	Goodlife Fitness, Chipotle, Popeye's Louisiana Kitchen	17,000	Q4 2024

Primaris also has ongoing construction projects to deliver bank pads at Lansdowne Place, in Peterborough, Ontario, at Marlborough Mall, in Calgary, Alberta, and at Kildonan Place, in Winnipeg, Manitoba.

Management continues to review various options for the former Sears spaces that remains to be addressed at Park Place Mall in Lethbridge, Alberta and at the newly acquired Les Galeries de la Capitale in Quebec City, Quebec.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

Halifax Shopping Centre

The redevelopment of the former Sears space at the Halifax Shopping Centre was completed in the first quarter of 2024. The costs of the project were factored into the acquisition purchase price and were not reflected in Primaris' capital expenditures, as such costs were the responsibility of the vendor. The redevelopment project added the below tenants to the shopping centre.

Tenants	GLA	Rent Commencement
Simons	56,200	Q1 2024
PetSmart	15,100	Q1 2024
Winners	38,500	Q2 2024
Dollarama	12,900	Q2 2024

Devonshire Mall

Given the significant opportunity at Devonshire Mall, Primaris formalized an asset management plan which includes the demolition of the former two-level Sears space. In October 2024, demolition was completed and site works commenced to create a new entrance to the mall with improved sight-lines from the bordering streets. The development of the new entrance will include the construction of approximately 29,000 square feet for the relocation of Sport Chek and approximately 18,000 square feet for the relocation of Marks to bring additional traffic flow to a formerly quiet section of the mall. Master plan work has commenced on approximately 18 acres of land to the north of the mall, which has already attracted significant interest for retail and hospitality uses.

The redevelopment project will be completed over multiple phases with total spend estimated in the range of \$28 to \$30 million. Project-to-date spending was approximately \$12 million as at December 31, 2024. Approximately \$0.2 million of interest was capitalized to the project for the year ended December 31, 2024.

Northland

Northland (formerly Northland Village), situated on 32 acres in northwest Calgary, Alberta, is being redeveloped into a 390,000 square foot mixed-use development of retail and office space. Walmart, Best Buy, and Winners will remain as large format tenants of the retail development. Approximately 2 acres were sold in 2022 to a third-party residential developer that has substantially completed the construction of 219 rental residential units. In the summer of 2022, the interior portion of Northland was demolished, Walmart completed a renovation to their store, and Primaris commenced construction of a fully pre-leased outparcel building. Projected redevelopment costs for the project are estimated in the range of \$120 to \$125 million with an anticipated return on the project of approximately 6.5% to 7.0%.

The redevelopment project will be completed over multiple phases as leases are signed for new pads on the site. Project-to-date spending was approximately \$115 million as at December 31, 2024 and future redevelopment costs relate to the construction of additional pads as new leases are signed. Approximately \$3.5 million of interest was capitalized to the project for the year ended December 31, 2024.

Upon completion, the property GLA is expected to total approximately 390,000 square feet. Approximately 370,000 square feet is completed or under development, leaving approximately 20,000 square feet of future development of additional pads.

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The table below details the expected rent commencement dates for the Northland tenants as construction is completed.

Tenants	GLA in square feet	Rent Commencement
Walmart, Best Buy (open throughout redevelopment)	168,000	N/A
Winners	29,650	Q3 2023
Edo Japan, Cha House	2,250	Q4 2023
Dollarama, Cobs Bread, LensCrafters	20,300	Q1 2024
Northland Village Dental, Paramount Animal Hospital, Adrenalin Source	35,400	Q2 2024
Vera's Burgers	1,900	Q3 2024
Goodlife Fitness (relocation), Chipotle, Popeye's Louisiana Kitchen	38,000	Q4 2024
Craft Cellars, Supplement King, Noodlebox, Leela Eco Spa, Firehouse Subs, Curious Hair Skin Body, Denim & Smith Barbershops, Stacked Pancake House	14,000	Q3 2025
Italian Centre Shop, Haidilao Hot Pot, TBD	53,800	Q1 2026

Dufferin Mall

Dufferin Mall is located on Dufferin Street just south of Bloor Street West in a high-density urban neighbourhood in central Toronto, Ontario. Within 250 meters of the Dufferin subway station, Dufferin Mall is a 575,000 square foot enclosed shopping centre, situated on 21 acres, and anchored by Walmart, No Frills, Marshalls, Winners, City of Toronto, Toys "R" Us, Urban Planet and H&M. Primaris has received severance and city approvals to redevelop approximately 4 acres of underutilized land, primarily parking lot, into a mixed-use centre that builds on the success of Dufferin Mall by adding over 1,100 residential units, a public park, and additional new retail uses (referred to as "Dufferin Grove"). Management is considering alternative plans to monetize the value of the land such as a sale or through a joint venture.

Guidance

Management expects redevelopment capital expenditures to be in the range of \$48 to \$50 million for the 2025 fiscal year, primarily related to work at Northland and Devonshire Mall (see Section 4, "Current Business Environment and Outlook").

Management's current estimates and assumptions are subject to change. Such change may be material to the Trust. Although the estimated expenditures are based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these projections and expenditures may, therefore, materially differ from management's current estimates. In addition, there is no assurance that all of these projects will be undertaken, and if they are, there are no assurances as to the costs or completion timelines.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

8. OPERATIONAL PERFORMANCE

Primaris' leasing activities are focused on driving value by actively managing the tenant and merchandising mix at its investment properties. The future performance of income-producing properties is a function of a number of factors, with the principal factors being occupancy rates, rental rates, retail sales performance, and the contractual rent increases over the life of the leases. These factors may be impacted in the short-term by seasonal impacts of the retail industry.

8.1 Occupancy

In addition to in-place occupancy, management considers:

- Long-term in-place occupancy which is calculated as in-place occupancy excluding leases with an original term of less than one year.
- Committed occupancy which is calculated as in-place occupancy plus the added occupancy from executed lease contracts that have future commencement dates.

As at December 31, 2024, the Trust's portfolio had long-term in-place occupancy of 90.4%, in-place occupancy of 94.5%, and committed occupancy of 95.6%.

	December 31, 2024	December 31, 2023
Long-term in-place occupancy	90.4%	89.0%
Add: Short-term leases	4.1%	3.4%
In-place occupancy	94.5%	92.4%
Add: Committed leases	1.1%	1.8%
Committed occupancy - portfolio	95.6%	94.2%

In addition to the portfolio occupancy level, management reviews the occupancy results for the shopping centres that have been continuously in operation for the duration of the 24 months measurement period. As at December 31, 2024, the Same Properties shopping centres¹ had long-term in-place occupancy of 89.9%, in-place occupancy of 94.0%, and committed occupancy of 95.3%.

	December 31, 2024	December 31, 2023
Long-term in-place occupancy	89.9%	88.4%
Add: Short-term leases	4.1%	4.2%
In-place occupancy	94.0%	92.6%
Add: Committed leases	1.3%	1.1%
Committed occupancy - Same Property shopping centres¹	95.3%	93.7%

¹ Properties owned throughout the entire 24 months ended December 31, 2024, excluding properties under development or major redevelopment, are referred to as "Same Properties". Shopping centres classified as Same Properties include 21 enclosed malls and 1 open air centre, Highstreet Shopping Centre in Abbotsford, BC.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

In-place Occupancy

Occupied GLA as at December 31, 2024 was higher than as at December 31, 2023 due to positive absorption and acquisition activity.

(thousands of square feet, unless otherwise indicated)	Gross Leasable Area	Occupied GLA	In-place Occupancy
December 31, 2023	12,482	11,532	92.4 %
Tenant departures:			
Net rent tenants		(206)	
Gross rent tenants		(253)	
Percent rent in lieu tenants		(119)	
		(578)	
Tenant possessions:			
Net rent tenants		472	
Gross rent tenants		270	
Percent rent in lieu tenants		123	
		865	
Development activity		—	
Acquisition activity	1,067	1,057	
Disposition activity	(311)	(311)	
Other activity including remeasurements	63	2	
December 31, 2024	13,301	12,567	94.5 %
Tenant renewals:			
Square footage renewed (in thousands)		2,106	
Renewal rate		88.1 %	

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

In-place occupancy increased 2.1% from December 31, 2023 to 94.5% at December 31, 2024. In-place occupancy for Same Properties increased 0.8% from December 31, 2023 to 93.5% at December 31, 2024.

Average in-place occupancy is calculated by averaging the occupied square feet and total GLA for each month in the measurement period. Same Properties average in-place occupancy rate for the year ended December 31, 2024 was 92.4%, an increase of 1.7% from December 31, 2023.

As at	2024 Count	In-place Occupancy	
		December 31, 2024	December 31, 2023
Shopping centres ¹	22	94.0%	92.6%
Other properties ²	9	86.6%	93.6%
Same Properties occupancy³	31	93.5%	92.7%
Acquisitions ⁴	5	97.7%	90.1%
Property under redevelopment ⁵	1	96.5%	94.8%
In-place occupancy excluding dispositions	37	94.5%	92.2%
Dispositions ⁶	3	N/A	99.1%
In-place occupancy		94.5%	92.4%
Same Properties average in-place occupancy			
Three months ended	31	93.3%	91.5%
Year ended	31	92.4%	90.7%

¹ Shopping centres classified as Same Properties include 21 enclosed malls and 1 open air centre, Highstreet Shopping Centre in Abbotsford, BC.

² Other properties classified as Same Properties include 5 plazas, 3 office buildings, and 1 industrial building.

³ Properties owned throughout the entire 24 months ended December 31, 2024, excluding properties under development or major redevelopment, are referred to as "Same Properties".

⁴ Acquisitions includes 3 enclosed malls and 2 other properties (see Section 7.3, "Transactions").

⁵ Northland in Calgary, Alberta.

⁶ Dispositions represents the sales of Garden City Square in Winnipeg, Manitoba, Sunridge Plaza in Calgary, Alberta, and Edinburgh Market Place in Guelph, Ontario.

Primaris' tenant base includes:

- Commercial retail unit ("CRU") tenants that lease units up to 15,000 square feet and include food court and kiosk tenants;
- Large format tenants that lease units in excess of 15,000 square feet; and
- Office tenants that are ancillary to the retail mix of tenants.

The following table illustrates the breakdown of in-place occupancy for the Same Properties shopping centres between CRU and large format tenants.

As at	GLA Proportions	In-place Occupancy	
	December 31, 2024	December 31, 2024	December 31, 2023
CRU tenants	42%	92.9%	91.7%
Large format tenants	58%	94.9%	93.3%
Same Properties shopping centres¹	100%	94.0%	92.6%

¹ Properties owned throughout the entire 24 months ended December 31, 2024, excluding properties under development or major redevelopment, are referred to as "Same Properties". Shopping centres classified as Same Properties include 21 enclosed malls and 1 open air centre, Highstreet Shopping Centre in Abbotsford, BC.

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Management's Discussion and Analysis

8.2 Weighted Average Net Rent

Weighted average net rent per occupied square foot is a supplementary financial measure, see Section 1, "Basis of Presentation" - "Use of Operating Metrics". The weighted average net rent per square foot is calculated by multiplying the occupied GLA for each lease by its current base rent per square foot, and dividing that sum by the total occupied GLA for all such leases. Primaris calculates the weighted average net rent per occupied square foot to understand the impact of period-over-period change in occupancy and tenant composition and the realization of contractual rental rate changes embedded in lease agreements. The calculation excludes specialty leasing tenants and rent-free periods which are short-term in nature. Tenants paying percent rent in lieu of base rent are also excluded from the calculation to avoid estimating rental revenue amounts. The resulting calculation captures approximately 90% of the occupied GLA.

The following table illustrates the change in weighted average net rent for in-place leases from December 31, 2023 to December 31, 2024.

<i>(per occupied square foot unless otherwise indicated)</i>	Weighted Average Net Rent	Change in Weighted	Change in Occupied	Weighted Average
As at	December 31, 2024	Average Net Rent	GLA (in thousands of square feet)	Net Rent
				December 31, 2023
CRU tenants	\$ 43.26	\$ 0.64	317	\$ 42.62
Large format tenants	\$ 14.37	\$ 0.24	758	\$ 14.13
Weighted average net rent¹	\$ 25.28	\$ 0.14	1,075	\$ 25.14

¹ Supplementary financial measure, see Section 1, "Basis of Presentation" - "Use of Operating Metrics".

The increase in weighted average net rent was primarily driven by the acquisition of Les Galeries de la Capitale on October 1, 2024.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

8.3 Leasing Activity

During the three months ended December 31, 2024, Primaris completed 137 leasing deals totaling 0.6 million square feet. This leasing activity has primarily impacted the Trust's committed occupancy rate as, for the most part, the lease agreements have future commencement dates. Rising rent spreads on renewing leases reflect rising tenant demand for space and the recovery in tenant sales performance.

The Primaris net lease structure typically incorporates annual or biannual contractual rent increases to capture economic gains on a timely basis rather than waiting for the lease expiration date.

				Considering Only Initial Net Rent ²		Considering Contractual Net Rent Increases		Tenant Allowances and Leasing Costs		
(unaudited)			Weighted Average Lease Term (in years)	Weighted Average Net Rent ¹ (per occupied square foot)	Weighted Average Spread on Renewing Rents		Weighted Average Net Rent ¹ (per occupied square foot)	Weighted Average Spread on Renewing Rents		
For the three months ended December 31, 2024	Lease Count	GLA (thousands of square feet)							Lease Count	Costs per square foot ³
CRU										
New tenants	26	55	8.2	\$ 40.20			\$ 43.90			
Renewing tenants	75	151	3.9	\$ 45.70	5.8%		\$ 46.70	8.7%		
	101	206		\$ 44.20			\$ 45.90		17	\$ 62
Large format										
New tenants	3	37	8.3	\$ 22.60			\$ 23.00			
Renewing tenants	9	291	5.2	\$ 13.00	2.6%		\$ 13.20	3.1%		
	12	328		\$ 14.10			\$ 14.30		5	\$ 85
Office										
New tenants	2	2	7.0	\$ 18.00			\$ 19.70			
Renewing tenants	3	4	4.7	\$ 22.60	22.2%		\$ 23.40	26.2%		
	5	6		\$ 21.40			\$ 22.40		2	\$ 12
Short-term ⁴ and percent rent in lieu										
	19	107	N/A	N/A			N/A			
Total leasing	137	647								
Renewing net rent leases	87	446			5.3%			7.6%		

¹ Supplementary financial measure, see Section 1, "Basis of Presentation" - "Use of Operating Metrics".

² Consistent with prior years' presentation.

³ Average commitment per square foot for tenant allowances and leasing costs for the leases with such terms.

⁴ Leases with an original term of less than one year.

Included in renewing leases are leases renewed at contractual fixed rates. Excluding fixed rate renewals would have no impact to the results for the weighted average spread for renewing leases for CRU or large format tenants.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

During the year ended December 31, 2024, Primaris completed 577 leasing deals totaling 2.1 million square feet.

(unaudited)				Considering Only Initial Net Rent ²		Considering Contractual Net Rent Increases		Tenant Allowances and Leasing Costs	
				Weighted Average Net Rent ¹ (per occupied square foot)	Weighted Average Spread on Renewing Rents	Weighted Average Net Rent ¹ (per occupied square foot)	Weighted Average Spread on Renewing Rents	Lease Count	Costs per square foot ³
For the year ended December 31, 2024	Lease Count	GLA (thousands of square feet)	Weighted Average Lease Term (in years)						
CRU									
New tenants	100	224	7.9	\$ 39.50		\$ 43.40			
Renewing tenants	319	661	3.9	\$ 44.40	5.2%	\$ 45.50	7.5%		
	419	885		\$ 43.10		\$ 45.00		56	\$ 50
Large format									
New tenants	12	226	10.9	\$ 20.00		\$ 22.00			
Renewing tenants	18	542	5.3	\$ 16.10	2.6%	\$ 16.40	4.3%		
	30	768		\$ 17.30		\$ 18.00		13	\$ 68
Office									
New tenants	9	14	6.5	\$ 13.70		\$ 15.00			
Renewing tenants	17	43	4.0	\$ 18.50	9.2%	\$ 18.80	10.8%		
	26	57		\$ 17.40		\$ 17.90		5	\$ 6
Short-term⁴ and percent rent in lieu									
	102	413	N/A	N/A		N/A			
Total leasing	577	2,123							
Renewing net rent leases	354	1,246			4.8%		7.0%		

¹ Supplementary financial measure, see Section 1, "Basis of Presentation" - "Use of Operating Metrics".

² Consistent with prior years' presentation.

³ Average commitment per square foot for tenant allowances and leasing costs for the leases with such terms.

⁴ Leases with an original term of less than one year.

Included in the leasing activity, for the three months and year ended December 31, 2024, were 19 and 102, respectively, leases that were for a lease term of less than one year or for percentage rent in lieu of base rent.

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Short-term and percentage rent in lieu of base rent lease structures have always been a tool to manage tenant relocations and the timing of development plans. However, during the pandemic, leases structured as percentage rent in lieu of base rent were more prevalent to assist tenants and to maintain occupancy rates. As these leases mature, management anticipates moving tenants back to traditional lease structures. At December 31, 2024, percentage rent in lieu of base rent leases were in place for 0.6 million square feet of GLA, or 3.1% of in-place leases, and had a weighted average lease term of approximately 2.7 years.

Percentage Rent in Lieu of Base Rent Leases		
As at	Number of Leases	Portion of Leases by Count ¹
December 31, 2024²	92	3.1 %
September 30, 2024	80	3.2 %
June 30, 2024	90	3.6 %
March 31, 2024	99	4.0 %
December 31, 2023 ³	122	4.8 %
September 30, 2023 ⁴	121	5.3 %
June 30, 2023	128	5.9 %
March 31, 2023	155	7.1 %
December 31, 2022	169	7.7 %
September 30, 2022	177	8.1 %
June 30, 2022	181	8.3 %
March 31, 2022	184	8.5 %

¹ Lease count excludes short-term leases.

² The change in the number of leases from the prior quarter was impacted by the addition of 8 leases from the Galeries de la Capitale acquisition.

³ The change in the number of leases from the prior quarter was impacted by the addition of 6 leases from the Halifax Shopping Complex acquisition.

⁴ The change in the number of leases from the prior quarter was impacted by the addition of 10 leases from the Conestoga Mall acquisition.

8.4 Tenant Sales

Tenant sales are important metrics for Primaris and are typically only reported by CRU tenants operating in enclosed malls (tenants that lease up to 15,000 square feet). Analysis of tenant sales enables proactive management of merchandising, the identification of trends, and insights into tenant financial health in advance of any formal corporate disclosures.

Total CRU sales volume, same stores sales volume, and same stores sales productivity are supplementary financial measures, see Section 1, "Basis of Presentation" - "Use of Operating Metrics". Total CRU sales volume is the total of sales during the twelve-month period for all CRU tenants operating during that time period, whether the tenant was in continual operation for the entire twelve-month period or not. Same stores sales volume (used in calculating same stores sales productivity) includes only sales from CRU tenants that were operating continually for a 24-month period. Same stores sales productivity is calculated as same stores sales volume divided by the GLA contributing to the same stores sales volume. Management uses same stores sales productivity to assess the period-over-period performance of the enclosed malls and to monitor tenant financial health.

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Management's Discussion and Analysis

Tenant sales for enclosed malls owned and operated in the following years were as follows:

For the years ended			December 31, 2024		December 31, 2023	
			Total CRU Sales Volume ²	Same Stores Sales Productivity ²	Total CRU Sales Volume ²	Same Stores Sales Productivity ²
(\$ thousands, and \$ thousands per square foot) (unaudited)			In-place Occupancy ¹			
Cataraqui Town Centre	Kingston, ON	81.1 %	\$ 85,048	\$ 592	\$ 84,777	\$ 586
Devonshire Mall	Windsor, ON	92.6 %	166,523	764	165,173	749
Dufferin Mall	Toronto, ON	98.8 %	108,397	652	107,400	681
Grant Park Shopping Centre	Winnipeg, MB	96.7 %	24,605	508	24,990	503
Kildonan Place	Winnipeg, MB	91.3 %	81,686	565	81,346	563
Lansdowne Place	Peterborough, ON	87.4 %	78,916	748	77,561	745
Marlborough Mall	Calgary, AB	92.4 %	41,152	423	42,284	428
McAllister Place	Saint John, NB	98.5 %	63,655	552	62,828	548
Medicine Hat Mall	Medicine Hat, AB	96.6 %	41,708	441	43,680	450
New Sudbury Centre	Sudbury, ON	98.7 %	119,867	821	107,589	727
Orchard Park Shopping Centre	Kelowna, BC	99.8 %	197,604	810	194,480	800
Park Place Mall ³	Lethbridge, AB	76.2 %	92,501	709	94,362	699
Peter Pond Mall	Fort McMurray, AB	98.3 %	73,241	793	69,212	799
Place D'Orleans Shopping Centre	Orleans, ON	87.6 %	75,608	565	78,028	553
Place du Royaume	Chicoutimi, QC	92.5 %	90,203	532	90,144	522
Quinte Mall	Belleville, ON	97.0 %	85,832	579	80,304	589
Regent Mall	Fredericton, NB	99.5 %	96,095	749	93,723	738
Sherwood Park Mall	Sherwood Park, AB	97.3 %	38,799	575	39,226	556
St. Albert Centre	St. Albert, AB	97.3 %	35,396	556	33,482	549
Stone Road Mall	Guelph, ON	97.3 %	111,269	603	109,351	615
Sunridge Mall	Calgary, AB	94.9 %	91,423	539	95,369	558
Same Properties enclosed malls		94.0 %	\$ 1,799,528	\$ 640	\$ 1,775,309	\$ 633
Conestoga Mall	Waterloo, ON	98.3 %	181,468	952	175,588	951
Halifax Shopping Centre	Halifax, NS	97.7 %	277,379	1,104	261,670	1,090
Les Galeries de la Capitale	Quebec City, QC	99.0 %	213,543	863	—	—
Total enclosed malls		94.5 %	\$ 2,471,918	\$ 705	\$ 2,212,567	\$ 687

¹ In-place occupancy as at December 31, 2024.

² Supplementary financial measure, see Section 1, "Basis of Presentation" - "Use of Operating Metrics" and as described above.

³ Occupancy impacted by vacant former Sears' space.

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Management's Discussion and Analysis

8.5 Lease Maturities

As at December 31, 2024, the weighted average lease term for the portfolio was 4.2 years (December 31, 2023 – 4.3 years), 3.4 years for CRU tenants, and 5.6 years for large format tenants. The following table sets out the lease maturity profile for the Trust's portfolio and the weighted average net rent per occupied square foot based on the rental rate in the year such leases mature.

Year of Maturity	Number of Leases Maturing	Occupied GLA (in thousands of square feet)	% of Occupied GLA	Weighted Average Net Rent per Occupied Square Foot ²
Portfolio:				
Short-term ¹	141	237	1.9%	\$ 38.97
2025	640	1,495	11.9%	\$ 33.15
2026	419	1,744	13.9%	\$ 24.90
2027	340	1,528	12.2%	\$ 26.90
2028	344	1,332	10.6%	\$ 29.26
2029	332	1,595	12.7%	\$ 28.85
Thereafter	560	4,636	36.8%	\$ 23.73
Total portfolio	2,776	12,567	100.0%	\$ 26.92
CRU tenants only:				
Short-term ¹	140	221	1.8%	\$ 40.89
2025	628	1,081	8.6%	\$ 41.04
2026	392	689	5.5%	\$ 45.02
2027	298	495	3.9%	\$ 47.60
2028	315	576	4.6%	\$ 47.79
2029	289	536	4.3%	\$ 50.38
Thereafter	464	1,606	12.8%	\$ 44.65
Total CRU tenants	2,526	5,204	41.5%	\$ 45.01
Large format tenants only				
Short-term ¹	1	16	0.1%	\$ 15.61
2025	12	414	3.3%	\$ 13.98
2026	27	1,055	8.4%	\$ 11.10
2027	42	1,033	8.3%	\$ 16.50
2028	29	756	6.0%	\$ 14.85
2029	43	1,059	8.4%	\$ 17.04
Thereafter	96	3,030	24.0%	\$ 16.38
Total large format tenants	250	7,363	58.5%	\$ 15.44

¹ Includes month-to-month leases and leases on overhold.

² Supplementary financial measure, see Section 1, "Basis of Presentation" - "Use of Operating Metrics". Based on rental rates in the last term of the lease.

While CRU tenants comprise approximately 40% of the portfolio's occupied GLA, they represent approximately 69% of the average minimum rent (based on the weighted average net rental rates in the last term of each expiring lease).

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Management's Discussion and Analysis

8.6 Top 30 Tenants

As at December 31, 2024, 44.8% of Primaris' annualized minimum rent came from a group of 30 tenants (December 31, 2023 - 46.6%). Primaris' top 10 tenants represent many of Canada's leading national value, staples and necessity based retailers.

Top Tenants ¹	Tenant Sector	% of Total Annualized Minimum Rent	Store Count (all banners)	Total GLA	% of Occupied GLA	WALT ² (in years)	Credit Ratings (S&P/ DBRS)
1 Canadian Tire	Value Retail	5.1%	33	838,436	6.7%	3.8	BBB / BBB
2 Walmart	Value Retail	3.6%	8	1,050,234	8.4%	6.7	AA / -
3 Loblaws	Grocery	3.3%	20	466,253	3.7%	6.0	BBB+ / BBB(H)
4 TJX	Value Retail	2.4%	20	477,112	3.8%	4.2	A / -
5 Bell Canada	Telecom	2.1%	99	68,376	0.5%	2.4	BBB / BBB(H)
6 Cineplex	Entertainment	2.0%	11	349,756	2.8%	7.3	B+ / -
7 Gap	Apparel	1.7%	20	256,760	2.0%	3.4	BB / -
8 Dollarama	Value Retail	1.7%	21	222,597	1.8%	5.8	BBB / BBB
9 Rogers	Telecom	1.5%	91	38,728	0.3%	2.4	BBB- / BBB(L)
10 Telus	Telecom	1.5%	58	47,269	0.4%	3.0	BBB / BBB
Top 10 tenants		24.9%	381	3,815,521	30.4%		
11 HBC	Dept Store	1.4%	8	883,042	7.0%	4.3	-
12 YM	Apparel	1.4%	62	378,441	3.0%	2.3	-
13 Best Buy	Other Retail	1.3%	16	186,187	1.5%	2.4	BBB+ / -
14 Indigo Books & Music	Other Retail	1.3%	14	181,638	1.4%	3.7	-
15 American Eagle Outfitters	Apparel	1.2%	19	95,144	0.8%	1.9	-
16 Sobeys Inc.	Grocery	1.2%	8	215,360	1.7%	8.6	BBB- / -
17 MTY Group	Food	1.1%	52	22,424	0.2%	3.4	-
18 La Vie en Rose	Apparel	1.1%	31	82,384	0.7%	5.4	-
19 H&M	Apparel	1.0%	13	229,300	1.8%	2.5	BBB / -
20 Essilor Luxottica	Personal Care	1.0%	31	61,663	0.5%	3.5	A / -
21 Foot Locker	Apparel	0.9%	16	60,143	0.5%	2.0	BB / -
22 Ardene	Apparel	0.9%	19	175,279	1.4%	3.8	-
23 Dynamite	Apparel	0.8%	22	73,772	0.6%	3.7	-
24 Reitmans	Apparel	0.8%	24	79,719	0.6%	1.8	-
25 Goodlife	Personal Care	0.8%	8	160,691	1.3%	8.6	-
26 Limited Brands	Apparel	0.8%	21	77,426	0.6%	2.5	BB / -
27 Sephora	Personal Care	0.8%	17	69,926	0.6%	4.7	-
28 Soft Moc	Apparel	0.7%	20	48,740	0.4%	3.5	-
29 Zale Canada	Apparel	0.7%	17	25,364	0.2%	1.3	-
30 Recipe Unlimited	Food	0.7%	24	38,919	0.3%	3.8	-
Top 30 tenants		44.8%	823	6,961,083	55.5%		

¹ The names noted above may be the names of the parent entities and are not necessarily the tenant covenants under the leases. Apparel retailer Comark, which filed for creditor protection under the Companies' Creditors Arrangement Act, was removed from the analysis. At December 31, 2024, Primaris had 36 Comark banners representing 1.6% of total annualized minimum rent or 1.0% of total gross rent, with a WALT of 0.7 years.

² Weighted average lease term ("WALT") calculated as the average remaining time in years on active leases by tenant, based on their minimum rents.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

Comark Exposure

Comark Group ("Comark") was excluded from the Top 30 Tenants table as Comark announced that it had filed for creditor protection under Canada's Companies' Creditors Arrangement Act ("CCAA") on January 7, 2025. Comark currently occupies 36 stores, operating under the banners of Bootlegger, Cleo, and Ricki's, within the Primaris portfolio. Comark is Primaris' 9th and 20th largest tenant measured by annualized minimum rent and gross rent, respectively. The majority of Comark's leases are gross rent only leases, therefore, gross rent is the better reflection of the Trust's exposure to Comark as it includes recoverable operating costs, such as common area maintenance and taxes. Primaris has intentionally maintained Comark's weighted average lease term at one-year to enable flexibility in re-leasing the Comark space. The below table outlines Primaris' exposure to Comark:

		Comark	Primaris Portfolio	% of total Primaris Portfolio
Total gross rent	\$	5,000,000	> \$500,000,000	<1.0%
CRU net rent per square foot	\$	(2.00)	\$ 42.73	-
CRU gross rent per square foot	\$	38.51	\$ 74.20	-
CRU occupied gross leasable area		114,999	4,761,000	2.4 %
CRU weighted average lease term (years)		1.0	3.5	-
Same Properties sales productivity ¹	\$	190	\$ 684	-

¹ For the rolling twelve-month period ended August 31, 2024. Supplementary financial measure, see "Use of Operating Metrics" below.

During Primaris' investor day on September 24, 2024, Primaris outlined its risk mitigation strategy for higher risk tenants. Since the pandemic, Primaris has been actively working to market the Comark space and already has plans to replace most of the stores upon expiry of the Comark leases. The Trust is in active discussions with tenants and intends to release the Comark space in the upcoming quarters.

8.7 Operating Capital Expenditures

Primaris' capital expenditures fall into two categories: (i) revenue enhancing capital expenditures that add to the earnings capacity of a property; and (ii) operating capital expenditures that are necessary to maintain the existing productive capacity of a property. Primaris endeavours to fund its operating capital expenditures from its operating cash flows in order to manage the Trust on a sustainable basis. Operating capital expenditures include:

Recoverable and non-recoverable costs: Expenditures incurred pursuant to a capital plan to maintain the productive capacity of the properties, such as parking lot resurfacing and roof replacements. Tenant leases generally provide for the ability to recover a significant portion of such costs over time.

Tenant allowances and external leasing costs: The Trust's portfolio requires ongoing investments of capital related to leasing activity. These expenditures include the Trust's obligation under various leases for the build out of tenant space and costs such as commissions and legal fees incurred in negotiating tenant leases. Leasing capital varies with tenant demand and the merchandising mix strategies of a property. Primaris actively manages its merchandising mix and leasing activities to achieve a balance of new and renewal leasing. This enables management to increase retail sales and grow rental revenue. Included in general and administrative expenses are costs associated with Primaris' internal leasing team, which might otherwise have been capitalized if the costs were incurred from a third-party service provider (see Section 9.1, "Components of Net Income (Loss)" - "General and Administrative Expenses").

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

Total operating capital expenditures and total capital expenditures for the three months and years ended December 31, 2024 and 2023 were as follows:

(\$ thousands unless otherwise indicated) (unaudited)		Three months		Year end	
For the periods ended December 31,		2024	2023	2024	2023
Recoverable costs	\$	6,969	\$ 6,738	\$ 18,736	\$ 15,236
Non-recoverable costs		582	246	797	986
Tenant allowances and external leasing costs		6,378	4,832	22,415	18,106
Total operating capital expenditures		13,929	11,816	41,948	34,328
	Percentage of revenue			8.4 %	8.4 %
Building improvements		1,020	832	2,372	3,016
Redevelopment		14,035	11,112	49,311	66,846
Capitalized interest		833	1,143	3,740	4,782
Total capital expenditures	\$	29,817	\$ 24,903	\$ 97,371	\$ 108,972

Guidance

Management estimates for the 2025 fiscal year operating capital expenditures are in the range of \$38 to \$44 million.

Management's current estimates and assumptions are subject to change. Such change may be material to the Trust. Although the estimated expenditures are based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these projections and expenditures may, therefore, materially differ from management's current estimates. In addition, there is no assurance that all of these projects will be undertaken, and if they are, there is no assurances as to the costs or completion timelines.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

9. RESULTS FROM OPERATIONS

(\$ thousands) (unaudited)	Three months		Year end	
For the periods ended December 31,	2024	2023	2024	2023
Revenue				
Base rent	\$ 73,160	\$ 60,846	\$ 272,345	\$ 225,860
Percent rent in lieu of base rent	3,512	5,186	11,931	16,322
Property tax and insurance recoveries	20,868	17,029	80,124	64,928
Property operating cost recoveries	29,393	20,148	95,359	72,414
Percentage rent	3,700	2,374	9,029	6,355
Straight-line rent adjustment	2,104	1,509	7,285	3,456
Lease surrender revenue	337	394	1,560	3,047
Specialty leasing revenue	8,223	5,782	20,102	15,926
Amusement park revenue	1,751	—	1,751	—
Parking and other sundry revenue	113	542	2,439	2,662
	143,161	113,810	501,925	410,970
Operating Costs				
Property tax and insurance expense	(27,071)	(23,395)	(105,101)	(87,056)
Recoverable property operating costs	(29,367)	(22,361)	(98,912)	(83,205)
Non-recoverable property operating costs	(2,428)	(2,146)	(5,534)	(5,232)
Amusement park operating costs	(1,154)	—	(1,154)	—
Ground rent	(468)	(496)	(1,873)	(1,852)
	(60,488)	(48,398)	(212,574)	(177,345)
Net Operating Income **	82,673	65,412	289,351	233,625
Other Income and Expenses				
Interest and other income	2,426	2,263	9,867	7,887
Net interest and other financing charges	(27,591)	(19,532)	(99,174)	(59,457)
General and administrative expenses	(11,792)	(8,571)	(35,758)	(31,012)
Impairment of long-term asset	—	(2,115)	—	(2,115)
Amortization of other assets	(286)	(398)	(1,272)	(1,521)
Net Income before adjustments to fair value	45,430	37,059	163,014	147,407
Adjustments to fair value of derivative instruments	—	(8,590)	(3,546)	(540)
Adjustments to fair value of unit-based compensation	518	(267)	(1,312)	901
Adjustments to fair value of Convertible Preferred LP Units	11,264	(4,842)	(12,302)	(5,066)
Adjustments to fair value of land held for development	(4,000)	(33,000)	(4,000)	(33,000)
Adjustments to fair value of income producing properties	(31,048)	23,493	(62,381)	(7,431)
Net income (loss)	\$ 22,164	\$ 13,853	\$ 79,473	\$ 102,271

** Denotes a non-GAAP measure. See Section 1, "Basis of Presentation" – "Use of Non-GAAP Measures" and Section 12, "Non-GAAP Measures".

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

9.1 Components of Net Income (Loss)

Revenue

(\$ thousands) (unaudited)		Three months		Year end	
For the periods ended December 31,	Count	2024	2023	2024	2023
Shopping centres ¹	22	\$ 99,636	\$ 93,935	\$ 372,280	\$ 362,294
Other properties ²	9	3,837	3,755	14,627	14,240
Same Properties ³	31	103,473	97,690	386,907	376,534
Acquisitions ⁴	5	36,433	11,780	98,512	18,053
Dispositions ⁵	3	803	2,525	6,597	9,169
Property under redevelopment ⁶	1	2,452	1,815	9,909	7,214
Revenue		\$ 143,161	\$ 113,810	\$ 501,925	\$ 410,970

¹ Shopping centres include 21 enclosed malls and 1 open air centre, Highstreet Shopping Centre in Abbotsford, BC.

² Other properties include 5 plazas, 3 office buildings, and 1 industrial building.

³ Properties owned for the entire 24 months ended December 31, 2024, excluding properties under development or major redevelopment, are referred to as "Same Properties".

⁴ Acquisitions includes 3 enclosed malls and 2 other properties (see Section 7.3, "Transactions").

⁵ Dispositions represents the sales of Garden City Square in Winnipeg, Manitoba, Sunridge Plaza in Calgary, Alberta and Edinburgh Market Place in Guelph, Ontario. (see Section 7.3, "Transactions").

⁶ Northland in Calgary, Alberta.

Three Months

The \$29.4 million, or 25.8%, increase in revenue was primarily driven by a \$24.7 million, or 21.7%, contribution from the Acquisitions and revenue increases at the Same Properties shopping centres of \$5.7 million, or 5.0%. The increase in revenue from the Same Properties shopping centres was primarily attributable to growth in operating cost recovery revenue and base rent, partially offset by declines in percentage rent in lieu of base rent.

Revenue contribution from Acquisitions includes \$1.8 million from amusement park operations (2023 - nil).

In the quarter, the property under redevelopment earned incremental rent of \$0.6 million from completed redevelopment projects (2023 - \$0.5 million) (see Section 7.4, "Redevelopment and Development").

Year end

The \$91.0 million, or 22.1%, increase in revenue was primarily driven by a \$80.5 million, or 19.6%, contribution from the Acquisitions and revenue increases at the Same Properties shopping centres of \$10.0 million, or 2.4%. The increase in revenue from the Same Properties shopping centres was primarily attributable to growth in operating cost recovery revenue and base rent, partially offset by declines in percentage rent in lieu of base rent and lease surrender revenue and lower recovery of property taxes from prior years (2024 - \$0.2 million and 2023 - \$2.4 million).

Revenue contribution from Acquisitions includes \$1.8 million from amusement park operations (2023 - nil).

In 2024, the Same Properties shopping centres and the property under redevelopment earned incremental rent of \$0.7 million and \$1.8 million, respectively, from completed redevelopment projects (2023 - \$2.0 million and nil, respectively) (see Section 7.4, "Redevelopment and Development").

PRIMARIS REAL ESTATE INVESTMENT TRUST

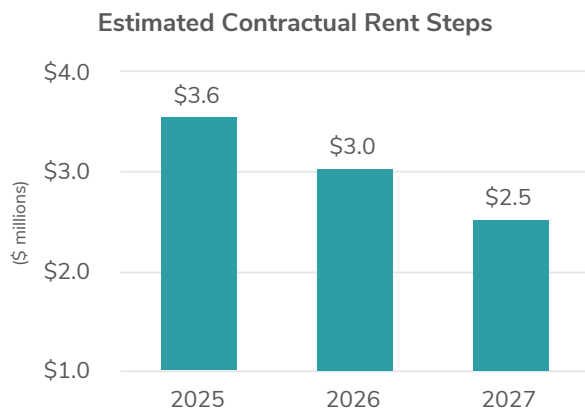
Management's Discussion and Analysis

Straight-line rent adjustment: Rental revenue includes certain non-cash amounts. Rental revenue is recorded on a straight-line basis over the full term of a lease, which results in a difference between cash rent received and revenue recognized for accounting purposes. This difference is recorded as a straight-line rent adjustment amount.

Lease surrender revenue: Lease surrender revenue is earned when a tenant returns space to Primaris before the completion of their lease term. These amounts are not earned evenly over any calendar year or time period and are not predictable.

Specialty leasing revenue: Specialty leasing revenue is unique to enclosed shopping centres. It is derived from primarily short-term leases for non-traditional retail uses, including pop-up stores, kiosks, and other seasonal uses. Specialty leasing is a valuable component of the merchandising mix strategy providing flexibility and additional leasing income for transitional and underutilized space.

Contractual rent steps: Primaris includes contractual rent steps in most of its lease agreements to capture increases during the lease contract term. The chart below illustrates the expected future Cash NOI** growth from contractual rent steps.



PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

Operating Costs

(\$ thousands) (unaudited)		Three months		Year end	
For the periods ended December 31,	Count	2024	2023	2024	2023
Shopping centres	22	\$ 41,447	\$ 41,289	\$ 160,642	\$ 159,514
Other properties	9	1,587	1,465	5,705	5,523
Same Properties ¹	31	43,034	42,754	166,347	165,037
Acquisitions	5	16,704	4,728	41,313	7,343
Dispositions	3	252	677	2,162	2,880
Property under redevelopment	1	498	239	2,752	2,085
Operating costs		\$ 60,488	\$ 48,398	\$ 212,574	\$ 177,345

¹ Properties owned for the entire 24 months ended December 31, 2024, excluding properties under development or major redevelopment, are referred to as "Same Properties".

Three Months

The \$12.1 million, or 25.0%, increase in operating costs was primarily driven by a \$12.0 million, or 24.7%, contribution from the Acquisitions.

The operating costs for the Same Properties shopping centres were slightly higher in the current quarter than in the same period of the prior year primarily due to inflation, partially offset by the favourable impact of energy contract renewal rates and lower property tax rates due to assessment settlements at several properties.

Bad debt expense for the portfolio in the current period was \$1.3 million compared to \$0.9 million in the same period of the prior year.

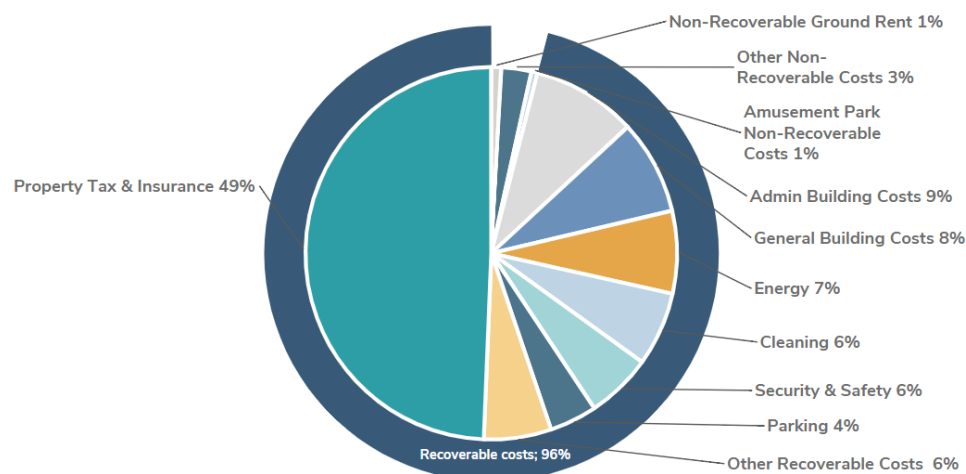
Year end

The \$35.2 million, or 19.9%, increase in operating costs was primarily driven by a \$34.0 million, or 19.2%, contribution from the Acquisitions.

The operating costs for the Same Properties shopping centres were higher in the current period than in the same period of the prior year primarily due to inflationary pressures, partially offset the favourable impact of energy contract renewal rates and lower property tax rates due to assessment settlements at several properties.

Bad debt expense for the portfolio in the current period was \$1.5 million compared to a expense of \$0.5 million in the same period of the prior year.

The chart below illustrates the recoverable and non-recoverable components of total property operating costs for the year ended December 31, 2024.



PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

Property Operating Cost Recovery Ratios

The majority of leases with tenants include clauses that allow Primaris to charge tenants for a share of the property operating costs. In addition, many leases also allow Primaris to charge an administration fee on such recovered operating costs (but not the property taxes and insurance costs). Primaris also incurs recoverable operating capital costs. Primaris pays upfront for capital projects, such as roof and parking lot replacement, and recovers these costs over time from the tenants.

The table below illustrates the calculation of the Trust's combined recovery ratio for the three months and years ended December 31, 2024 and 2023.

(\$ thousands) (unaudited)	Three months		Year End	
For the periods ended December 31,	2024	2023	2024	2023
Property tax and insurance recoveries	\$ 20,868	\$ 17,029	\$ 80,124	\$ 64,928
Property tax and insurance expense	(27,071)	(23,395)	(105,101)	(87,056)
Net property tax and insurance expense	\$ (6,203)	\$ (6,366)	\$ (24,977)	\$ (22,128)
Property tax and insurance recovery ratio	77.1%	72.8%	76.2%	74.6%
Property operating cost recoveries	\$ 29,393	\$ 20,148	\$ 95,359	\$ 72,414
Recoverable property operating costs	(29,367)	(22,361)	(98,912)	(83,205)
	100.1 %	90.1%	96.4 %	87.0%
Amortized recoverable capital	(7,658)	(5,217)	(20,929)	(14,611)
Net property operating costs and recoverable capital	\$ (7,632)	\$ (7,430)	\$ (24,482)	\$ (25,402)
Property operating costs and capital recovery ratio	79.4 %	73.1%	79.6 %	74.0%
Combined recovery ratio	78.4 %	72.9 %	78.0 %	74.3 %

Three Months

The combined recovery ratio was 5.5% higher than the same period of the prior year. The increase was driven by the conversion of leases with preferred lease terms to fully net leases and occupancy increases.

Considering only the Same Property shopping centres the combined recovery ratio for 2024 would be 4.1% higher than the ratio for 2023.

Year End

The combined recovery ratio was 3.7% higher than the same period of the prior year. The increase was driven by the conversion of leases from preferred lease terms to fully net leases and occupancy increases.

Property tax and insurance recoveries for 2023 included \$2.4 million recovery revenue from prior years' property tax reassessments. Excluding this amount, the combined recovery ratio for 2023 would have been 73.0%.

Considering only the Same Property shopping centres, and excluding the 2023 recovery revenue from prior years' property tax assessments, the combined recovery ratio for 2024 would be 3.3% higher than the ratio for 2023.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

Net Operating Income**

Net Operating Income** ("NOI") is calculated as revenue, as calculated in accordance with IFRS, less operating costs, as calculated in accordance with IFRS. NOI** is not a measure defined by GAAP and, as such, results may not be comparable to other real estate entities (see Section 12, "Non-GAAP Measures").

(\$ thousands) (unaudited)		Three months		Year end	
For the periods ended December 31,	Count	2024	2023	2024	2023
Shopping centres	22	\$ 58,189	\$ 52,646	\$ 211,638	\$ 202,780
Other properties	9	2,250	2,290	8,922	8,717
Same Properties ¹	31	60,439	54,936	220,560	211,497
Acquisitions	5	19,729	7,052	57,199	10,710
Dispositions	3	551	1,848	4,435	6,289
Property under redevelopment	1	1,954	1,576	7,157	5,129
Net Operating Income**		\$ 82,673	\$ 65,412	\$ 289,351	\$ 233,625

** Denotes a non-GAAP measure. See Section 1, "Basis of Presentation" – "Use of Non-GAAP Measures" and Section 12, "Non-GAAP Measures".

¹ Properties owned for the entire 24 months ended December 31, 2024, excluding properties under development or major redevelopment, are referred to as "Same Properties".

Three Months	Year End
The \$17.3 million, or 26.4%, increase in NOI** was primarily attributable to a \$12.7 million, or 19.4%, contribution from the Acquisitions and a \$5.5 million, or 8.5%, increase from the Same Properties shopping centres. The growth in the Same Properties shopping centres' NOI** was primarily attributable to increases in base rent and net operating cost recoveries, partially offset by declines in percentage rent in lieu of base rent. Bad debt expense for the portfolio in the current period was \$1.3 million compared to \$0.9 million in the same period of the prior year.	The \$55.7 million, or 23.9%, increase in NOI** was primarily attributable to a \$46.5 million, or 19.9%, contribution from the Acquisitions and a \$8.9 million, or 3.8%, increase from the Same Properties shopping centres. The growth in the Same Properties shopping centres' NOI** was primarily attributable to increases in net operating recoveries, base rent, percentage rent, and specialty leasing. This was partially offset by declines in percentage rent in lieu of base rent and lease surrender revenue, and \$2.1 million lower contribution from recovery of property taxes from prior years. Bad debt expense for the portfolio in the current period was \$1.5 million compared to an expense of \$0.5 million in the same period of the prior year.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

Cash NOI** and Same Properties Cash NOI**

Cash Net Operating Income** ("Cash NOI") is calculated as revenue, as calculated in accordance with IFRS, excluding straight-line rent adjustment and lease surrender revenue, less operating costs, as calculated in accordance with IFRS. Cash NOI** is not a measure defined by GAAP and, as such, results may not be comparable to other real estate entities (see Section 12, "Non-GAAP Measures"). Management calculates and analyzes Cash NOI** to monitor the performance of its income-producing investment properties; in particular, the period over period Cash NOI** results for properties continuously in operation for the duration of the measurement period ("Same Properties Cash NOI**").

(\$ thousands) (unaudited)	Three months		Year end	
For the periods ended December 31,	2024	2023	2024	2023
Revenue	\$ 143,161	\$ 113,810	\$ 501,925	\$ 410,970
Operating costs	(60,488)	(48,398)	(212,574)	(177,345)
Net Operating Income**	82,673	65,412	289,351	233,625
Exclude:				
Straight-line rent adjustment	(2,104)	(1,509)	(7,285)	(3,456)
Lease surrender revenue	(337)	(394)	(1,560)	(3,047)
Cash Net Operating Income**	\$ 80,232	\$ 63,509	\$ 280,506	\$ 227,122
Cash NOI** margin	57.0 %	56.8 %	56.9 %	56.2 %

** Denotes a non-GAAP measure. See Section 1, "Basis of Presentation" – "Use of Non-GAAP Measures" and Section 12, "Non-GAAP Measures".

Three Months

Cash NOI** was \$16.7 million, or 26.3%, higher than the same period of the prior year. The Acquisitions contributed \$12.3 million, or 19.3%, to the increase and Same Properties contributed \$4.9 million to the increase. These increases were partially offset by disposition activity.

The Cash NOI** margin increased 0.2% compared to the prior year period. The improvement in the Cash NOI** margin reflects the impact of converting tenants back to traditional lease structures.

Long-term leases typically include contractual rents steps. In the quarter, the Same Properties shopping centres earned incremental base rent of \$0.5 million from these contractual increases.

Year End

Cash NOI** was \$53.4 million, or 23.5%, higher than the same period of the prior year. The Acquisitions contributed \$44.4 million, or 19.5%, to the increase and Same Properties contributed \$9.2 million to the increase. These increases were partially offset by disposition activity.

The Cash NOI** margin increased 0.7% compared to the prior year period. Excluding the contribution from the recovery of property taxes from prior years, the margins would have been 56.8% for the year ended December 31, 2024 and 55.6% for the same period of the prior year, which improvement reflects the impact of converting tenants back to traditional lease structures.

Long-term leases typically include contractual rents steps. In 2024, the Same Properties shopping centres earned incremental base rent of \$2.8 million from these contractual increases.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

In the calculation of Cash NOI**, Primaris excludes straight-line rent adjustments which are the difference between cash rent received and revenue recognized for accounting purposes.

(\$ thousands) (unaudited)	Three months		Year end	
For the periods ended December 31,	2024	2023	2024	2023
Shopping centres	\$ 1,221	\$ 820	\$ 3,541	\$ 2,156
Other properties	88	97	356	460
Same Properties ¹	1,309	917	3,897	2,616
Acquisitions	551	159	2,076	273
Dispositions	—	34	249	133
Property under redevelopment	244	399	1,063	434
Straight-line rent adjustment	\$ 2,104	\$ 1,509	\$ 7,285	\$ 3,456

¹ Properties owned for the entire 24 months ended December 31, 2024, excluding properties under development or major redevelopment, are referred to as "Same Properties".

Lease surrender revenue is also excluded from the Cash NOI** calculation as the amounts are unpredictable and not necessarily comparable from one period to the next.

(\$ thousands) (unaudited)	Three months		Year end	
For the periods ended December 31,	2024	2023	2024	2023
Shopping centres	\$ 312	\$ 96	\$ 1,290	\$ 2,749
Other properties	—	—	—	—
Same Properties ¹	312	96	1,290	2,749
Acquisitions	—	—	245	—
Dispositions	—	298	—	298
Property under redevelopment	25	—	25	—
Lease surrender revenue	\$ 337	\$ 394	\$ 1,560	\$ 3,047

¹ Properties owned for the entire 24 months ended December 31, 2024, excluding properties under development or major redevelopment, are referred to as "Same Properties".

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

Management calculates and analyzes Cash NOI** to monitor the performance of its income-producing investment properties; in particular, the results of the Same Properties shopping centres.

(\$ thousands) (unaudited)		Three months		Year end	
For the periods ended December 31,	Count	2024	2023	2024	2023
Cash Net Operating Income** from:					
Shopping centres	22	\$ 56,656	\$ 51,730	\$ 206,807	\$ 197,875
Other properties	9	2,162	2,193	8,566	8,257
Same Properties Cash NOI**¹	31	58,818	53,923	215,373	206,132
Same Properties Growth		9.1 %		4.5 %	
Acquisitions	5	19,178	6,893	54,878	10,437
Dispositions	3	551	1,516	4,186	5,858
Property under redevelopment	1	1,685	1,177	6,069	4,695
Cash Net Operating Income**		\$ 80,232	\$ 63,509	\$ 280,506	\$ 227,122

** Denotes a non-GAAP measure. See Section 1, "Basis of Presentation" – "Use of Non-GAAP Measures" and Section 12, "Non-GAAP Measures".

¹ Properties owned for the entire 24 months ended December 31, 2024, excluding properties under development or major redevelopment, are referred to as "Same Properties".

Three Months	Year End
Same Properties Cash NOI** was \$4.9 million, or 9.1%, higher than the same period of the prior year. Cash NOI** for only the Same Properties shopping centres increased \$4.9 million, or 9.5%, over the same period of the prior year. The increase in the Same Properties shopping centres' Cash NOI** was primarily driven by higher revenues from base rent and net operating cost recoveries, partially offset by declines in percentage rent in lieu of base rent. Bad debt expense for the Same Properties in the current period was \$0.7 million compared to \$0.1 million in the same period of the prior year. Excluding the change in bad debt expense, the Cash NOI** growth for only the Same Properties shopping centres would have been 9.2%.	Same Properties Cash NOI** was \$9.2 million, or 4.5%, higher than the same period of the prior year. Cash NOI** for only the Same Properties shopping centres increased \$8.9 million, or 4.5%, over the same period of the prior year. The increase in the Same Properties shopping centres' Cash NOI** was primarily driven by higher revenues from base rent and net operating cost recoveries, partially offset by declines in percentage rent in lieu of base rent and lease surrender revenue, and \$2.1 million lower contribution from recovery of property taxes from prior years. Bad debt expense for the Same Properties in the current period was \$0.8 million compared to \$0.5 million in the same period of the prior year. Excluding the contribution from the recovery of property taxes from prior years and the change in bad debt expense, the Cash NOI** growth for only the Same Properties shopping centres would have been 5.8%.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

Interest and Other Income

(\$ thousands) (unaudited)	Three months		Year end	
For the periods ended December 31,	2024	2023	2024	2023
Interest income	\$ 1,619	\$ 1,588	\$ 7,026	\$ 5,263
Gain on extinguishment of debt	—	—	150	—
Property management fees	807	675	2,691	2,624
Interest and other income	\$ 2,426	\$ 2,263	\$ 9,867	\$ 7,887

Primaris earned \$1.4 million in interest income during the first three months of 2024 on the notes receivable from its co-ownership partners (for the three months and year ended December 31, 2023 - \$0.8 million and \$3.1 million, respectively). All such notes were repaid on March 28, 2024. Primaris earned \$0.1 million and \$0.2 million during the three months and year ended December 31, 2024 from the vendor take back note on the Garden City Square disposition (2023 - nil). The balance of the interest income was earned from the \$100 million August 2024 term deposit, maturing March 2025, and cash balances.

Primaris has co-ownership interests in several properties and performs the management services on behalf of the co-owners for which it earns fee income (see Section 7.2, "Co-ownership Arrangements"). The change in property management fees was due to fluctuations in leasing and development fees earned.

Net Interest and Other Financing Charges

(\$ thousands) (unaudited)	Three months		Year end	
For the periods ended December 31,	2024	2023	2024	2023
Interest on mortgages payable	\$ 2,857	\$ 2,919	\$ 12,432	\$ 11,012
Interest on senior unsecured debentures	19,264	10,058	62,819	29,317
Bank interest and charges on unsecured credit facilities	1,315	4,184	9,827	17,593
Subtotal (for use in financial condition calculations) ¹	23,436	17,161	85,078	57,922
Distributions on Convertible Preferred LP Units	3,933	1,845	13,158	2,908
Finance charge - lease liability	78	87	326	361
Amortization of financing costs	620	1,463	2,921	2,929
Amortization of debt discount	357	119	1,431	119
Less: Capitalized interest	(833)	(1,143)	(3,740)	(4,782)
Net interest and other financing charges	\$ 27,591	\$ 19,532	\$ 99,174	\$ 59,457

¹ See Section 10.4, "Capital Structure".

Three Months

The \$8.1 million increase in net interest and other financing charges was attributable to higher average borrowings primarily driven by acquisition activity, including the distributions on the Convertible Preferred LP Units, and the interest on the August 2024 debenture issuance. In 2023, Primaris recognized an additional \$0.9 million amortization expense relating to the amendment and restatement of its unsecured revolving credit facility.

Year End

The \$39.7 million increase in net interest and other financing charges was attributable to higher average borrowings primarily driven by the acquisition activity, including the distributions on the Convertible Preferred LP Units, and the November 2023 and August 2024 debenture issuances. At December 2024, the weighted average interest rate was 5.28% compared to 5.11% at December 2023. In 2023, Primaris recognized an additional \$0.9 million amortization expense relating to the amendment and restatement of its unsecured revolving credit facility.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

General and Administrative Expenses

(\$ thousands) (unaudited)	Three months		Year end	
For the periods ended December 31,	2024	2023	2024	2023
Salaries, benefits and recruiting costs	\$ 9,415	\$ 6,806	\$ 29,400	\$ 24,450
Unit-based compensation costs	1,868	1,344	6,797	4,776
Professional fees	984	545	3,009	2,482
Information technology costs	886	418	2,406	2,259
Investor relations and other public entity costs	406	308	1,320	1,243
Occupancy costs	342	818	1,521	2,469
Other	757	682	2,134	2,347
	14,658	10,921	46,587	40,026
Less: Allocations to recoverable operating costs	(2,866)	(2,350)	(10,829)	(9,014)
General and administrative expenses	\$ 11,792	\$ 8,571	\$ 35,758	\$ 31,012
Internal expenses for leases	(2,530)	(2,331)	(8,525)	(8,017)
General and administrative expenses impacting FFO**	\$ 9,262	\$ 6,240	\$ 27,233	\$ 22,995
Property revenue	\$ 143,161	\$ 113,810	\$ 501,925	\$ 410,970
General and administrative expenses impacting FFO** as a percent of rental revenue	6.5%	5.5%	5.4%	5.6%

The general and administrative expenses incurred in the year ended December 31, 2024 may not be indicative of the expenses that will be incurred in future years.

Three Months

General and administrative expenses were \$3.2 million higher than the same period in 2023. Increases to personnel costs, including approximately \$2.5 million from severance expense, bonus accruals, and the growth of the unit-based compensation program, were the primary drivers of the increase, partially offset by occupancy savings and larger allocations to the properties due to the Acquisitions.

Included in the general and administrative expenses are costs relating to full-time leasing and legal staff that can be reasonably and directly attributed to signed leases, and that would otherwise be capitalized if incurred from external sources. During the three months ended December 31, 2024, these internal leasing costs totaled \$2.5 million (2023 - \$2.3 million).

Year End

General and administrative expenses were \$4.7 million higher than for the same period in 2023. The increase was primarily attributable to personnel costs, including approximately \$4 million from severance expense, bonus accruals, and the growth of the unit-based compensation program, partially offset by occupancy savings and larger allocations to the properties due to the Acquisitions.

Included in the general and administrative expenses are costs relating to full-time leasing and legal staff that can be reasonably and directly attributed to signed leases, and that would otherwise be capitalized if incurred from external sources. During the year ended December 31, 2024, these internal leasing costs totaled \$8.5 million (2023 - \$8.0 million).

Excluding the direct leasing costs, general and administrative expenses as a percent of rental revenue declined 0.2% from the same period of the prior year.

Impairment of Long-Term Asset In the fourth quarter of 2023, Primaris incurred a charge of \$2.1 million for the impairment of a right of use asset as a result of subletting a portion of its excess head office space. The sublease was effective November 1, 2023 for a term of 12 years.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

Adjustments to Fair Value and Net Income (Loss)

(\$ thousands) (unaudited)	Three months		Year end	
For the periods ended December 31,	2024	2023	2024	2023
Net income before adjustments to fair value	\$ 45,430	\$ 37,059	\$ 163,014	\$ 147,407
Adjustments to fair value of derivative instruments	—	(8,590)	(3,546)	(540)
Adjustments to fair value of unit-based compensation	518	(267)	(1,312)	901
Adjustments to fair value of Convertible Preferred LP Units	11,264	(4,842)	(12,302)	(5,066)
Adjustments to fair value of land held for development	(4,000)	(33,000)	(4,000)	(33,000)
Adjustments to fair value of income producing properties	(31,048)	23,493	(62,381)	(7,431)
Net Income (Loss)	\$ 22,164	\$ 13,853	\$ 79,473	\$ 102,271

The Financial Statements are prepared using the historical cost method except for derivative instruments, liabilities for unit-based compensation plans, the Convertible Preferred LP Units, and investment properties, each of which is measured at fair value with any changes to fair value impacting net income (loss).

Primaris entered into interest rate swaps to economically hedge the variable interest rate associated with advances on variable rate debt. These derivative instruments are carried at their fair values, which values are impacted by changes to bond yields. Adjustments to the fair value of derivative instruments impact net income. A portion of the fair value change to derivatives, \$1.7 million, which did not relate to an economically effective hedge negatively impacted fair value in the year ended December 31, 2024.

Primaris is an open-ended trust which requires outstanding unit-based compensation grants to be recorded as liabilities and adjusted to fair value based on the closing value of the Trust Units, with the adjustment impacting net income. When the value of the Trust Units increases, there is a corresponding increase to the liability and an expense is recorded against net income. The value of the Trust Units is impacted by a number of risk factors (see Section 13, "Enterprise Risks and Risk Management"), and as such, the adjustments to fair value incurred in the past are not predictors of future adjustments.

Convertible Preferred LP Units are considered debt instruments and are required to be recorded as liabilities and adjusted to fair value, with the adjustment impacting net income. The model to value the Convertible Preferred LP Units includes assumptions on the risk-free interest rate for the expected life of the Convertible Preferred LP Units, the credit spread and ranking concession applied to the risk free rate, and the expected Trust Unit price volatility. The model also includes a number of inputs such as the closing value of the Trust Units. Adjustments to fair value incurred in the past are not predictors of future adjustments.

Primaris values its investment properties at fair value. Refer to Section 7.1, "Valuation" for a discussion of the valuation methodologies employed by the Trust and the key drivers of fair value adjustments to the Trust's investment properties. Adjustments to the fair value of the Trust's investment properties are recognized in net income.

Three Months	Year End
Net income was \$8.3 million higher than the same period in 2023. Net income before adjustments to fair value was \$8.4 million higher than the same period in 2023, primarily due to a \$17.3 million increase to NOI** for the portfolio, partially offset by a \$8.1 million increase in net interest and other financing charges.	Net income was \$22.8 million lower than the same period in 2023. Net income before adjustments to fair value was \$15.6 million higher than the same period in 2023, primarily due to a \$55.7 million increase to NOI** for the portfolio, partially offset by a \$39.7 million increase in net interest and other financing charges.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

9.2 FFO** and AFFO**

FFO** and AFFO** are non-GAAP measures (see Section 12, "Non-GAAP Measures") calculated in accordance with the definitions provided by the Real Property Association of Canada ("REALPAC") in its January 2022 publication *Funds From Operations and Adjusted Funds From Operations for IFRS*. The following tables reconcile net income, as determined in accordance with GAAP, to FFO** and subsequently to AFFO**.

(\$ thousands except per unit amounts) (unaudited)				
For the periods ended December 31,	Three months		Year end	
	2024	2023	2024	2023
Net income (loss)	\$ 22,164	\$ 13,853	\$ 79,473	\$ 102,271
Reverse:				
Distribution on Convertible Preferred LP Units	3,933	1,845	13,158	2,908
Amortization of real estate assets	69	—	69	—
Adjustments to fair value of derivative instruments ¹	—	8,590	1,846	540
Adjustments to fair value of unit-based compensation	(518)	267	1,312	(901)
Adjustments to fair value of Convertible Preferred LP Units	(11,264)	4,842	12,302	5,066
Adjustments to fair value of land held for development	4,000	33,000	4,000	33,000
Adjustments to fair value of income producing properties	31,048	(23,493)	62,381	7,431
Internal costs for leasing activity ²	2,530	2,331	8,525	8,017
Funds from Operations**	\$ 51,962	\$ 41,235	\$ 183,066	\$ 158,332
FFO** per unit ³ - average basic	\$ 0.464	\$ 0.405	\$ 1.708	\$ 1.602
FFO** per unit ³ - average diluted	\$ 0.460	\$ 0.402	\$ 1.690	\$ 1.588
FFO Payout Ratio** - Target 45% - 50%	48.9 %	52.0 %	52.4 %	52.1 %
Distributions declared per Trust Unit	\$ 0.212	\$ 0.207	\$ 0.842	\$ 0.822
Distributions declared per Convertible Preferred LP Unit	0.013	0.002	0.043	0.005
Total distributions declared per unit ⁴	\$ 0.225	\$ 0.209	\$ 0.885	\$ 0.827
Weighted average units outstanding ³ - basic (in thousands)	111,875	101,743	107,166	98,861
Weighted average units outstanding ³ - diluted (in thousands)	113,055	102,659	108,295	99,714
Number of units outstanding ³ - end of period (in thousands)	111,614	106,058	111,614	106,058

** Denotes a non-GAAP measure. See Section 1, "Basis of Presentation" – "Use of Non-GAAP Measures" and Section 12, "Non-GAAP Measures".

¹ The definition of FFO*, as provided by REALPAC, allows for the changes in fair value of financial instruments which are economically effective hedges to be excluded from the calculation of FFO*. The portion of the fair value change to derivatives which did not relate to an economically effective hedge negatively impacted fair value in the year ended December 31, 2024.

² Costs relating to full-time leasing and legal staff, included in general and administrative expenses, that can be reasonably and directly attributed to signed leases, and that would otherwise be capitalized if incurred from external sources.

³ Units outstanding and weighted average units outstanding assumes the exchange of Convertible Preferred LP Units for Trust Units. See Section 10.6, "Unit Equity and Distributions".

⁴ Units outstanding and weighted average units outstanding assumes the exchange of Convertible Preferred LP Units for Trust Units. See Section 10.6, "Unit Equity and Distributions".

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

(\$ thousands except per unit amounts) (unaudited)				
For the periods ended December 31,	Three months		Year end	
	2024	2023	2024	2023
Funds from Operations**	\$ 51,962	\$ 41,235	\$ 183,066	\$ 158,332
Reverse:				
Internal costs for leasing activity	(2,530)	(2,331)	(8,525)	(8,017)
Straight-line rent adjustment	(2,104)	(1,509)	(7,285)	(3,456)
Deduct:				
Recoverable and non-recoverable costs	(7,551)	(6,984)	(19,533)	(16,222)
Tenant allowances and external leasing costs	(6,378)	(4,832)	(22,415)	(18,106)
Adjusted Funds from Operations**	\$ 33,399	\$ 25,579	\$ 125,308	\$ 112,531
AFFO** per unit ¹ - average basic	\$ 0.299	\$ 0.251	\$ 1.169	\$ 1.138
AFFO** per unit ¹ - average diluted	\$ 0.295	\$ 0.249	\$ 1.157	\$ 1.129
AFFO Payout Ratio**	76.3 %	83.9 %	76.5 %	73.3 %
Distributions declared per Trust Unit	\$ 0.212	\$ 0.207	\$ 0.842	\$ 0.822
Distributions declared per Convertible Preferred LP Unit	0.013	0.002	0.043	0.005
Total distributions declared per unit ²	\$ 0.225	\$ 0.209	\$ 0.885	\$ 0.827
Weighted average units outstanding ¹ - basic (in thousands)	111,875	101,743	107,166	98,861
Weighted average units outstanding ¹ - diluted (in thousands)	113,055	102,659	108,295	99,714
Number of units outstanding ¹ - end of period (in thousands)	111,614	106,058	111,614	106,058

** Denotes a non-GAAP measure. See Section 1, "Basis of Presentation" – "Use of Non-GAAP Measures" and Section 12, "Non-GAAP Measures".

¹ Units outstanding and weighted average units outstanding assumes the exchange of Convertible Preferred LP Units for Trust Units. See Section 10.6, "Unit Equity and Distributions".

² Distributions declared per unit used in calculating the FFO* and AFFO* Payout Ratios include distributions declared on Convertible Preferred LP Units. See Section 10.6, "Unit Equity and Distributions".

The calculation of AFFO** considers the impact of operating capital expenditures that are necessary to maintain the productive capacity of the portfolio properties. Expenditures for recoverable and non-recoverable capital projects are impacted by seasonality. Tenant allowances and external leasing costs are not impacted by seasonality but do vary from quarter to quarter depending on the underlying terms of lease agreements completed during the quarter. In addition, during years of positive absorption, leasing costs will be higher. The operating capital expenditures from the three months and year ended December 31, 2024 should not be taken as indicative of future results.

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Management's Discussion and Analysis

Analysis of the Quarter

The table below illustrates the composition of FFO** and the drivers of the change for the three months ended December 31, 2024 as compared to the same period in 2023.

(\$ thousands except per unit amounts) (unaudited) For the three months ended December 31,	2024		2023		Change	
	Contribution	per unit ¹	Contribution	per unit ¹	Contribution	per unit ¹
NOI** from:						
Same Properties	\$ 60,439	\$0.535	\$ 54,936	\$ 0.535	\$ 5,503	\$ 0.054
Acquisitions	19,729	0.175	7,052	0.069	12,677	0.123
Dispositions	551	0.005	1,848	0.018	(1,297)	(0.013)
Property under redevelopment	1,954	0.017	1,576	0.015	378	0.004
Interest and other income	2,426	0.021	2,263	0.022	163	0.002
Net interest and other financing charges (excluding distributions on Convertible Preferred LP Units)	(23,658)	(0.209)	(17,687)	(0.172)	(5,971)	(0.058)
General and administrative expenses (net of internal costs for leasing activity)	(9,262)	(0.082)	(6,240)	(0.061)	(3,022)	(0.029)
Impairment of long-term asset	—	—	(2,115)	(0.021)	2,115	0.021
Amortization	(217)	(0.002)	(398)	(0.003)	181	0.002
Impact from variance of units outstanding	—	—	—	—	—	(0.047)
FFO** and FFO** per unit - average diluted¹	\$ 51,962	\$0.460	\$ 41,235	\$ 0.402	\$ 10,727	\$ 0.058
FFO** per unit growth	14.5 %					
FFO Payout Ratio**	48.9 %		52.0 %		(3.1)%	

** Denotes a non-GAAP measure. See Section 1, "Basis of Presentation" – "Use of Non-GAAP Measures" and Section 12, "Non-GAAP Measures".

¹ Per weighted average units outstanding calculated on a diluted basis, assuming the exchange of Convertible Preferred LP Units for Trust Units. See Section 10.6, "Unit Equity and Distributions". Per unit calculations separate the impact of change in contribution from the change in the weighted average diluted units outstanding.

FFO** for the three months ended December 31, 2024 was \$0.058 per unit, or 14.5%, higher than the same period of the prior year. The increase was driven by growth in NOI** from Same Properties of \$0.054 per unit and NOI** from Acquisitions of \$0.123 per unit. These increases were partially offset by higher net interest and other financing charges of \$0.058 per unit and a \$0.047 per unit decrease due to the net change in the units outstanding (unit issuances for the Acquisitions partially offset by NCIB activity).

In 2023, the quarter included an expense of \$0.021 per unit as a result of subletting a portion of Primaris' excess head office space and an expense of \$0.009 per unit as a result of amending and restating the unsecured revolving credit facility. Excluding these expenses, FFO** per unit would have been \$0.431 and the FFO Payout Ratio** for the quarter would have been 48.5%, within Primaris' established target.

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Management's Discussion and Analysis

The table below illustrates the composition of AFFO** and the drivers of the change for the three months ended December 31, 2024 as compared to the same period in 2023.

(\$ thousands except per unit amounts) (unaudited) For the three months ended December 31,	2024		2023		Change	
	Contribution	per unit ¹	Contribution	per unit ¹	Contribution	per unit ¹
FFO**	\$ 51,962	\$0.460	\$ 41,235	\$ 0.402	\$ 10,727	\$ 0.104
Internal costs for leasing activity	(2,530)	(0.022)	(2,331)	(0.023)	(199)	(0.002)
Straight-line rent adjustment	(2,104)	(0.019)	(1,509)	(0.015)	(595)	(0.006)
Recoverable and non-recoverable costs	(7,551)	(0.068)	(6,984)	(0.068)	(567)	(0.006)
Tenant allowances and leasing costs	(6,378)	(0.056)	(4,832)	(0.047)	(1,546)	(0.015)
Impact from variance of units outstanding	—	—	—	—	—	(0.029)
AFFO** and AFFO** per unit - average diluted¹	\$ 33,399	\$0.295	\$ 25,579	\$ 0.249	\$ 7,820	\$ 0.046
AFFO** per unit growth	18.6 %					
AFFO Payout Ratio**	76.3 %		83.9 %		(7.6)%	

** Denotes a non-GAAP measure. See Section 1, "Basis of Presentation" – "Use of Non-GAAP Measures" and Section 12, "Non-GAAP Measures".

¹ Per weighted average units outstanding calculated on a diluted basis, assuming the exchange of Convertible Preferred LP Units for Trust Units. See Section 10.6, "Unit Equity and Distributions". Per unit calculations separate the impact of change in contribution from the change in the weighted average diluted units outstanding.

AFFO** for the three months ended December 31, 2024 was \$0.046 per unit higher than the same period of the prior year. The increase was driven by higher NOI**, partially offset by higher net interest and other financing charges, higher operating capital expenditures in the quarter, and an increase in the number of diluted units outstanding.

In 2023, the quarter included an expense of \$0.021 per unit as a result of subletting a portion of Primaris' excess head office space and an expense of \$0.009 per unit as a result of amending and restating the unsecured revolving credit facility. Excluding these expenses, AFFO** per unit would have been \$0.279 and the AFFO Payout Ratio** for the quarter would have been 75.1%.

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Management's Discussion and Analysis

The table below illustrates the composition of FFO** and the drivers of change for the three months ended December 31, 2024 to the prior quarter ended September 30, 2024.

(\$ thousands except per unit amounts) (unaudited) For the three months ended	December 31, 2024		September 30, 2024		Change	
	Contribution	per unit ¹	Contribution	per unit ¹	Contribution	per unit ¹
NOI** from:						
Same Properties	\$ 60,439	\$ 0.535	\$ 54,668	\$ 0.515	\$ 5,771	\$ 0.054
Acquisitions	19,729	0.175	13,153	0.124	6,576	0.062
Dispositions	551	0.005	2,215	0.020	(1,664)	(0.016)
Property under redevelopment	1,954	0.017	1,909	0.018	45	—
Interest and other income	2,426	0.021	3,583	0.034	(1,157)	(0.011)
Net interest and other financing charges (excluding distributions on Convertible Preferred LP Units)	(23,658)	(0.209)	(23,106)	(0.218)	(552)	(0.005)
General and administrative expenses (net of internal costs for leasing activity)	(9,262)	(0.082)	(5,973)	(0.056)	(3,289)	(0.031)
Unhedged portion of derivative fair value adjustment ²	—	—	(1,700)	(0.016)	1,700	0.016
Amortization	(217)	(0.002)	(191)	(0.002)	(26)	—
Impact from variance of units outstanding	—	—	—	—	—	(0.029)
FFO** and FFO** per unit - average diluted¹	\$ 51,962	\$ 0.460	\$ 44,558	\$ 0.419	\$ 7,404	\$ 0.041
FFO Payout Ratio**	48.9 %		52.5 %		(3.6)%	

** Denotes a non-GAAP measure. See Section 1, "Basis of Presentation" – "Use of Non-GAAP Measures" and Section 12, "Non-GAAP Measures".

¹ Per weighted average units outstanding calculated on a diluted basis, assuming the exchange of Convertible Preferred LP Units for Trust Units. See Section 10.6, "Unit Equity and Distributions". Per unit calculations separate the impact of change in contribution from the change in the weighted average diluted units outstanding.

² The definition of FFO*, as provided by REALPAC, allows for the changes in fair value of financial instruments which are economically effective hedges to be excluded from the calculation of FFO*. The portion of the fair value change to derivatives which did not relate to an economically effective hedge negatively impacted fair value in the period ending December 31, 2024.

FFO** for the three months ended December 31, 2024 was \$0.041 per unit higher than the prior quarter ended September 30, 2024. The increase was driven by growth in NOI** from Same Properties of \$0.054 per unit and NOI** from Acquisitions of \$0.062 per unit. These increases were partially offset by higher general and administrative expense of \$0.031 per unit, higher net interest and other financing charges of \$0.005 per unit and a \$0.016 per unit impact from the unhedged portion of the adjustment to the fair value of derivatives.

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Analysis of the Year

The table below compares the composition of FFO** and illustrates the drivers of the changes for the year ended December 31, 2024 as compared to the same period in 2023.

(\$ thousands except per unit amounts) (unaudited) For the years ended December 31,	2024		2023		Change	
	Contribution	per unit ¹	Contribution	per unit ¹	Contribution	per unit ¹
NOI** from:						
Same Properties	\$ 220,560	\$ 2.036	\$ 211,497	\$ 2.121	\$ 9,063	\$ 0.091
Acquisitions	57,199	0.528	10,710	0.108	46,489	0.466
Dispositions	4,435	0.041	6,289	0.063	(1,854)	(0.019)
Property under redevelopment	7,157	0.066	5,129	0.051	2,028	0.020
Interest and other income	9,867	0.091	7,887	0.079	1,980	0.020
Net interest and other financing charges (excluding distributions on Convertible Preferred LP Units)	(86,016)	(0.794)	(56,549)	(0.567)	(29,467)	(0.296)
General and administrative expenses (net of internal costs for leasing activity)	(27,233)	(0.251)	(22,995)	(0.231)	(4,238)	(0.043)
Unhedged portion of derivative fair value adjustment ²	(1,700)	(0.016)	—	—	(1,700)	(0.017)
Impairment of long-term asset	—	—	(2,115)	(0.021)	2,115	0.021
Amortization	(1,203)	(0.011)	(1,521)	(0.015)	318	0.003
Impact from variance of units outstanding	—	—	—	—	—	(0.145)
FFO** and FFO** per unit - average diluted¹	\$ 183,066	\$ 1.690	\$ 158,332	\$ 1.588	\$ 24,734	\$ 0.102
FFO** per unit growth	6.5 %					
FFO Payout Ratio**	52.4 %		52.1 %		0.3 %	

** Denotes a non-GAAP measure. See Section 1, "Basis of Presentation" – "Use of Non-GAAP Measures" and Section 12, "Non-GAAP Measures".

¹ Per weighted average units outstanding calculated on a diluted basis, assuming the exchange of Convertible Preferred LP Units for Trust Units. See Section 10.6, "Unit Equity and Distributions". Per unit calculations separate the impact of change in contribution from the change in the weighted average diluted units outstanding.

² The definition of FFO*, as provided by REALPAC, allows for the changes in fair value of financial instruments which are economically effective hedges to be excluded from the calculation of FFO*. The portion of the fair value change to derivatives which did not relate to an economically effective hedge negatively impacted fair value in the period ending December 31, 2024.

FFO** for the year ended December 31, 2024 was \$0.102 per unit, or 6.5%, higher than the comparable period in 2023. NOI** increased \$0.091 per unit from Same Properties and \$0.466 per unit from the Acquisitions. These increases were partially offset by higher net interest and other financing charges of \$0.296 per unit, higher general and administrative expenses of \$0.043 per unit, and the net change in the units outstanding resulted in a \$0.145 per unit decrease (issuances for the Acquisitions partially offset by NCIB activity).

2023 was also negatively impacted by \$0.021 per unit as a result of subletting a portion of its excess head office space and an expense of \$0.009 per unit as a result of amending and restating the unsecured revolving credit facility (see Section 9.1, "Components of Net Income (Loss)"). Excluding these expenses, FFO** per unit would have been \$1.619 and the FFO Payout Ratio** would have been 51.1%.

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In August 2024, Primaris issued \$500.0 million of senior unsecured debentures and used a portion of the proceeds to repay outstanding debt (see Section 10.3, "Components of Total Debt"). In the second half of 2024, FFO** was impacted by the following financing activities:

- \$1.7 million negative adjustment to fair value on settled derivatives related to an unhedged position;
- \$1.3 million increase in interest expense from the interest rate differences between debt issued, debt repaid, and interest earned from the term deposit and cash balances; and
- \$0.2 million gain on the repurchase and cancellation of debentures.

Excluding the \$2.8 million net impact of these financing activities, FFO** per unit for the year ended December 31, 2024 would have been \$1.728 per unit.

The table below compares the composition of AFFO** and illustrates the drivers of the changes for the year ended December 31, 2024 as compared to the same period in 2023.

(\$ thousands except per unit amounts) (unaudited) For the years ended December 31,	2024		2023		Change	
	Contribution	per unit ¹	Contribution	per unit ¹	Contribution	per unit ¹
FFO**	\$ 183,066	\$ 1.690	\$ 158,332	\$ 1.588	\$ 24,734	\$ 0.248
Internal costs for leasing activity	(8,525)	(0.079)	(8,017)	(0.080)	(508)	(0.005)
Straight-line rent adjustment	(7,285)	(0.067)	(3,456)	(0.035)	(3,829)	(0.038)
Recoverable and non-recoverable costs	(19,533)	(0.180)	(16,222)	(0.163)	(3,311)	(0.033)
Tenant allowances and leasing costs	(22,415)	(0.207)	(18,106)	(0.181)	(4,309)	(0.043)
Impact from variance of units outstanding	—	—	—	—	—	(0.101)
AFFO** and AFFO** per unit - average diluted¹	\$ 125,308	\$ 1.157	\$ 112,531	\$ 1.129	\$ 12,777	\$ 0.028
AFFO** per unit growth	2.5 %					
AFFO Payout Ratio**	76.5 %		73.3 %		3.2 %	

** Denotes a non-GAAP measure. See Section 1, "Basis of Presentation" – "Use of Non-GAAP Measures" and Section 12, "Non-GAAP Measures".

¹ Per weighted average units outstanding calculated on a diluted basis, assuming the exchange of Convertible Preferred LP Units for Trust Units. See Section 10.6, "Unit Equity and Distributions". Per unit calculations separate the impact of change in contribution from the change in the weighted average diluted units outstanding.

AFFO** for the year ended December 31, 2024 was \$0.028 per unit higher than the comparable period in 2023. The increase was driven by increased NOI** and the 2023 impairment of long term asset, partially offset by higher operating capital spending, increased net interest and other financing charges, and the net change in units outstanding.

2023 included an expense of \$0.021 per unit as a result of subletting a portion of Primaris' excess head office space and an expense of \$0.009 per unit as a result of amending and restating the unsecured revolving credit facility (see Section 9.1, "Components of Net Income (Loss)"). Excluding these expenses, AFFO** per unit would have been \$1.159 and the AFFO Payout Ratio** would have been 71.3%.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

Impact of NCIB Activity on FFO** per unit

Disciplined capital allocation is a key pillar of Primaris' strategy. To this end, management is continuously evaluating sources and uses of capital, and assessing return versus risk. To capitalize on the Trust Unit price trading below NAV** per unit, the Trust purchased Units for cancellation, on a leverage neutral basis, under its NCIB program (see Section 10.7, "Normal Course Issuer Bid").

During the year ended December 31, 2024, Primaris purchased 1,534,500 Trust Units for cancellation at an average value per unit of \$14.26, representing a discount of 34.0% to NAV** per unit (year ended December 31, 2023 - 4,409,100, \$13.75, and 36.2%, respectively).

The table below illustrates the estimated positive impact of total NCIB activity from inception to December 31, 2024 and December 31, 2023, respectively, on FFO** per unit assuming the capital allocated to Trust Unit repurchases was instead applied to debt repayment.

(\$ thousands except per unit amounts) (unaudited)			
For the years ended December 31,	2024		2023
FFO**	\$	183,066	\$ 158,332
FFO** per unit ¹ - average diluted - excluding NCIB activity	\$	1.559	\$ 1.501
FFO** per unit ¹ - average diluted		1.690	1.588
Increase to FFO** per unit from NCIB activity	\$	0.131	\$ 0.087
FFO**	\$	183,066	\$ 158,332
Estimated impact to interest due to NCIB spending		6,649	4,369
FFO** with estimated interest impact	\$	189,715	\$ 162,701
FFO** per unit ¹ - average diluted - excluding NCIB activity and estimated interest impact	\$	1.615	\$ 1.542
FFO** per unit ¹ - average diluted		1.690	1.588
Increase to FFO** per unit from NCIB activity net of estimated interest impact	\$	0.075	\$ 0.046
Weighted average units outstanding ¹ - diluted (in thousands)		108,295	99,714
Reverse NCIB activity of the prior years		8,295	3,886
Reverse weighted average NCIB activity in current year		860	1,883
Weighted average units outstanding ¹ - excluding NCIB activity - diluted (in thousands)		117,450	105,483

** Denotes a non-GAAP measure. See Section 1, "Basis of Presentation" – "Use of Non-GAAP Measures" and Section 12, "Non-GAAP Measures".

¹ Units outstanding and weighted average diluted units outstanding assumes the exchange of Convertible Preferred LP Units for Trust Units. See Section 10.6, "Unit Equity and Distributions".

By purchasing Trust Units at a discount to NAV** per unit, management crystallized the opportunity to increase Unitholders' value with low risk and to positively impact FFO** and AFFO** per unit.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

The table below illustrates the potential interest expense savings if the capital allocated to unit repurchases was instead applied to debt repayment.

(\$ thousands) (unaudited)					
For the periods	NCIB Spend in the Quarter	Cumulative NCIB Spend	Weighted Average Interest Rate at the Quarter End	Estimated Potential Interest Savings for the Quarter	
Q1 2023	\$ 17,800	\$ 71,927	4.76 %	\$ 856	
Q2 2023	4,104	\$ 76,031	4.77 %	907	
Q3 2023	15,934	\$ 91,965	4.96 %	1,140	
Q4 2023	22,797	\$ 114,762	5.11 %	1,466	
2023 Year	\$ 60,635			\$ 4,369	
Q1 2024	\$ 2,767	\$ 117,529	5.21 %	\$ 1,531	
Q2 2024	4,720	\$ 122,249	5.19 %	1,586	
Q3 2024	8,160	\$ 130,409	5.30 %	1,728	
Q4 2024	6,228	\$ 136,637	5.28 %	1,804	
2024 Year	\$ 21,875			\$ 6,649	

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

10. LIQUIDITY AND CAPITAL RESOURCES

10.1 Major Cash Flow Components

(\$ thousands) (unaudited)	Three months		Year end	
For the periods ended December 31,	2024	2023	2024	2023
Cash and cash equivalents, beginning of period	\$ 161,595	\$ 1,281	\$ 44,323	\$ 10,954
Cash flows provided by (used in):				
Operating activities	72,519	56,020	168,321	166,690
Financing activities	7,730	215,767	171,383	334,522
Investing activities	(227,070)	(228,745)	(369,253)	(467,843)
Cash and cash equivalents, end of the period	\$ 14,774	\$ 44,323	\$ 14,774	\$ 44,323

Cash flows provided by (used in) operating activities

Three Months	Year End
The increase in cash flows from operating activities was primarily due to the increased contribution from properties' operations, partially offset by increased interest paid.	The increase in cash flows from operating activities was primarily due to the increased contribution from the properties' operations, partially offset by increased interest paid.

Management endeavours to fund ongoing operations and operating capital expenditures with cash flows from operating activities.

Cash flows provided by (used in) financing activities

Three Months	Year End
The decrease in cash flows from financing activities was due to the issuance of debentures in the fourth quarter of 2023, partially offset by the lower repayment of draws on the unsecured revolving credit facility in 2024 compared to the same period of 2023.	The decrease in cash flows from financing activities was primarily due to lower issuances of debentures in 2024 than in the prior year.

Cash flows provided by (used in) investing activities

Three Months	Year End
The decrease in cash flows used in investing activities was primarily due to the proceeds received from the disposition of Edinburgh Market Place, which partially offsets deposit on acquisition and higher capital spending on the investment properties. Both 2024 and 2023 included acquisition activity of approximately \$200 million.	The decrease in cash flows used in investing activities was primarily due to the offset of proceeds of investment property dispositions in 2024 and the \$40.8 million repayment of the note receivable from a co-ownership partner in 2024.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

10.2 Liquidity and Unencumbered Assets

Primaris manages its liquidity in order to fund its ongoing operations, finance future growth, and refinance or meet maturing payment obligations. Sources of liquidity primarily consist of cash flows from operations, cash and cash equivalents, and available capacity under Primaris' unsecured credit facilities. Refinancing encumbered assets is another source of liquidity. There is also the potential to refinance low leverage assets at higher levels to access additional liquidity. If necessary, Primaris is also able to obtain financing on its unencumbered assets. Liquidity from the balance of cash and cash equivalents, and the undrawn balances on Primaris' unsecured credit facilities as at December 31, 2024 and December 31, 2023 was as follows:

(\$ thousands) (unaudited)		Liquidity	Liquidity	
As at		December 31, 2024	December 31, 2023	Change
Cash and cash equivalents		\$ 14,774	\$ 44,323	\$ (29,549)
Unsecured credit facilities:	Facility Limit:			
Unsecured syndicated revolving term ¹	\$600,000	565,000	600,000	(35,000)
Unsecured revolving demand	\$10,000	10,000	10,000	—
Liquidity		\$ 589,774	\$ 654,323	\$ (64,549)

¹ Liquidity calculation excludes the impact of outstanding letters of credit as at December 31, 2024 of \$250 (December 31, 2023 - \$742).

The following table summarizes key metrics relating to Primaris' unencumbered assets and unsecured debt.

(\$ thousands) (unaudited)					
As at	Target Ratio	December 31, 2024	December 31, 2023	Change	
Unencumbered assets - number		31	33	(2)	
Unencumbered assets - value		\$ 3,646,922	\$ 3,362,901	\$	284,021
Unencumbered assets as a percentage of the investment properties		89.7%	88.8%	0.9%	
Secured debt to Total Debt**	<40%	14.7%	19.7%	(5.0)%	
Unsecured Debt		\$ 1,468,120	\$ 1,200,000	\$	268,120
Unencumbered assets to unsecured debt		2.5x	2.8x	(0.3)x	
Unencumbered assets in excess of unsecured debt		\$ 2,178,802	\$ 2,162,901	\$	15,901
Percent of Cash NOI** generated by unencumbered assets		86.1%	85.4%	0.7%	

** Denotes a non-GAAP measure. See Section 1, "Basis of Presentation" – "Use of Non-GAAP Measures" and Section 12, "Non-GAAP Measures".

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

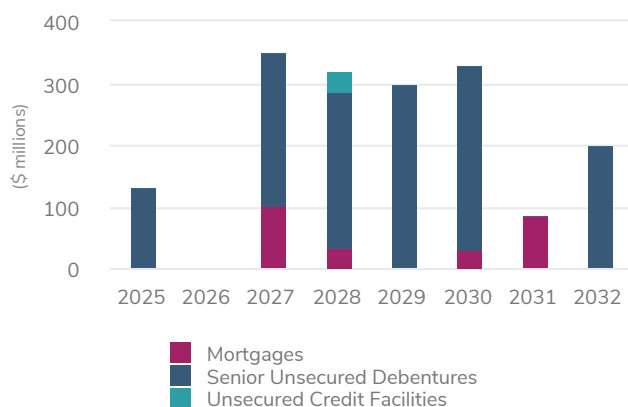
10.3 Components of Total Debt

The weighted average term to maturity for the Total Debt** outstanding is 4.0 years with a weighted average interest rate of 5.28% (December 31, 2023 - 3.6 years and 5.11%, respectively). The table below illustrates, as at December 31, 2024, the years in which the Trust future principal repayments are due.

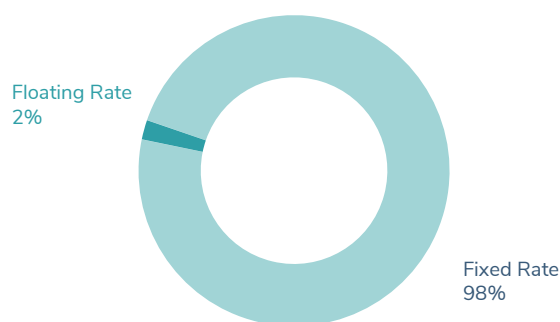
(\$ thousands) (unaudited)	Senior Unsecured Debentures	Rate	Mortgages Payable	Rate	Unsecured Credit Facilities	Rate	Total Debt	Rate
2025	\$ 133,120	4.27%	\$ 4,714	4.12%	\$ —	—	\$ 137,834	4.26%
2026	—	—	4,908	4.12%	—	—	4,908	4.12%
2027	250,000	4.82% ¹	97,901	4.36%	—	—	347,901	4.69%
2028	250,000	5.93%	33,770	4.63%	35,000	4.92%	318,770	5.69%
2029	300,000	6.37%	1,225	3.44%	—	—	301,225	6.36%
Thereafter	500,000	5.12%	109,506	5.11%	—	—	609,506	5.12%
Total Debt**	\$ 1,433,120	5.39%	\$ 252,023	4.71%	\$ 35,000	4.92%	\$ 1,720,143	5.28%
Unamortized:								
Debt discounts	(3,220)	—	—	—	—	—	(3,220)	—
Financing costs	(5,121)	(928)	—	—	—	—	(6,049)	—
	\$ 1,424,779		\$ 251,095		\$ 35,000		\$ 1,710,874	

¹ Effective interest rate after accounting for any discounts to the face amount of the debt at the time of issuance.

Debt Maturity Profile



Exposure to Floating Interest Rates



PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

Senior unsecured debentures

As at December 31, 2024, the Trust's senior unsecured debentures had a weighted average effective interest rate of 5.39%, after accounting for any discounts to the face amount of the debt at the time of issuance, and a weighted average term to maturity of 4.0 years (December 31, 2023 - 5.45% and 3.8 years, respectively).

Series	Issuance Date	Maturity Date	Interest Rate	As at	
				December 31, 2024	December 31, 2023
A	March 30, 2022	March 30, 2027	4.727%	\$ 250,000	\$ 250,000
B	March 30, 2022	March 30, 2025	4.267%	133,120	200,000
C	March 29, 2023	March 29, 2028	5.934%	250,000	250,000
D	November 22, 2023	June 30, 2029	6.374%	300,000	300,000
E	August 12, 2024	March 15, 2030	4.998%	300,000	—
F	August 12, 2024	March 15, 2032	5.304%	200,000	—
				\$ 1,433,120	\$ 1,000,000

2024

On August 12, 2024, Primaris completed a private placement of \$500 million aggregate principal amount of senior unsecured debentures, consisting of (i) \$300 million aggregate principal amount of Series E debentures due March 15, 2030 and (ii) \$200 million aggregate principal amount of Series F debentures due March 15, 2032. The Series E debentures were issued at a price equal to \$999.93 per thousand principal amount and bear interest at a fixed annual rate of 4.998%, with semi-annual installments of interest due on March 15th and September 15th in each year, commencing on March 15, 2025 until maturity, unless redeemed at an earlier date. The Series F debentures were issued at a price equal to \$999.93 per thousand principal amount and bear interest at a fixed annual rate of 5.304%, with semi-annual installments of interest due on March 15th and September 15th in each year, commencing on March 15, 2025 until maturity, unless redeemed at an earlier date.

A portion of the net proceeds were used to:

- prepay the \$200 million non-revolving term credit facility maturing February 5, 2026;
- prepay \$40 million of secured debt maturing March 27, 2027;
- repurchase \$66.9 million aggregate principal amount of Series B senior unsecured debentures at a price equal to \$983.92 per thousand principal amount; and
- invest \$100 million in short term investments towards retiring the remaining \$133.1 million aggregate principal of the Series B debentures maturing March 30, 2025.

As a result of the \$500 million senior unsecured debenture issuance in August 2024, Primaris extended the term to maturity and eliminated the refinancing risk for the March 2025 Series B senior unsecured debenture maturity. Other than the Series B debentures, there are no other debt maturities until 2027.

2023

On November 22, 2023, Primaris completed a private placement of \$400 million aggregate principal amount of senior unsecured debentures, consisting of (i) \$300 million aggregate principal amount of Series D debentures due June 30, 2029 and (ii) \$100 million aggregate principal amount reopening of the Series A debentures due March 30, 2027.

The Series D debentures were issued at a price equal to \$999.88 per thousand principal amount and bear interest at a fixed annual rate of 6.374%, with semi-annual installments of interest due on June 30th and December 30th in each year, unless redeemed at an earlier date. The additional Series A debentures were issued at a price of \$952.30 per thousand principal amount, with an effective yield to maturity of 6.325% and otherwise have the same terms and conditions and constitute part of the same series as the \$150 million aggregate principal amount of the Series A debentures issued by the Trust on March 30, 2022.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

On March 29, 2023, Primaris completed a private placement of \$250 million aggregate principal amount of Series C senior unsecured debentures due March 29, 2028. The Series C debentures bear interest at a fixed annual rate of 5.934%, with semi-annual installments of interest due on March 29th and September 29th until maturity, unless redeemed at an earlier date. The Series A debentures and Series B debentures bear interest at a fixed annual rate of 4.727% and 4.267%, respectively, with semi-annual installments of interest due on March 30th and September 30th in each year until maturity, unless redeemed at an earlier date.

Mortgages payable

At December 31, 2024, Primaris had \$252.0 million (December 31, 2023 - \$293.8 million) of mortgages payable bearing interest at fixed rates with a weighted average effective interest rate of 4.71% and a weighted average term to maturity of 4.3 years (December 31, 2023 - 4.03% and 4.1 years).

In the first quarter of 2024, Primaris entered into new secured debt on Regent Mall and on Cataraqui Town Centre. In the third quarter of 2024, Primaris repaid the debt on Place d'Orleans Shopping Centre and Regent Mall. In the fourth quarter of 2024, Primaris entered into new secured debt on Place d'Orleans replacing the debt that matured in August 2024.

(\$ thousands) unaudited)				As at	
Property	Location	Maturity	Contractual Interest	December 31, 2024	December 31, 2023
Cataraqui Town Centre ¹	Kingston, ON	January 2024	3.16%	\$ —	\$ 37,389
Place d'Orleans Shopping Centre ¹	Ottawa, ON	August 2024	2.85%	—	49,953
Regent Mall ^{1,2}	Fredericton, NB	March 2027	5.02%	—	—
Cataraqui Town Centre ¹	Kingston, ON	April 2027	5.29%	34,539	—
Place du Royaume ¹	Chicoutimi, QC	November 2027	3.80%	67,248	69,322
Place d'Orleans Shopping Centre ¹	Ottawa, ON	December 2028	4.62%	35,000	—
Edinburgh Market Place ³	Guelph, ON	March 2029	3.45%	—	20,869
McAllister Place ¹	Saint John, NB	January 2030	3.41%	30,236	31,270
Stone Road Mall	Guelph, ON	March 2031	5.52%	85,000	85,000
			4.65%	\$ 252,023	\$ 293,803

¹ Properties held in co-ownership arrangements. See Section 7.2, "Co-ownership Arrangements".

² Primaris repaid its share of the debt, however debt on the property attributable to the co-owner was still outstanding at December 31, 2024 and impacted the Trust's guarantees (see Section 10.9, "Contractual Obligations").

³ Assumed by purchaser on disposition. See Section 7.3, "Transactions".

Unsecured credit facilities

On December 22, 2023, Primaris amended and restated its unsecured syndicated revolving term facility increasing the commitment to \$600 million (from \$400 million). Additionally, in December 2024, Primaris exercised the option to extend the maturity of the facility by one-year to January 4, 2028 (from January 4, 2027). The syndicated revolving credit facility bears interest at variable rates of either: (i) Prime plus 0.35% per annum or (ii) Adjusted Canadian Overnight Repo Rate Average ("CORRA") plus 1.35% per annum and a commitment fee on undrawn amounts of 0.27% per annum.

As at December 31, 2024, Primaris had \$35 million drawn on its \$600 million unsecured syndicated revolving term facility (December 31, 2023 - nil).

As at December 31, 2024, Primaris had repaid and cancelled its \$200 million unsecured syndicated non-revolving term facility (December 31, 2023 - fully drawn), and had settled the \$200 million interest rate swaps which had hedged the underlying variable rate on the non-revolving term facility.

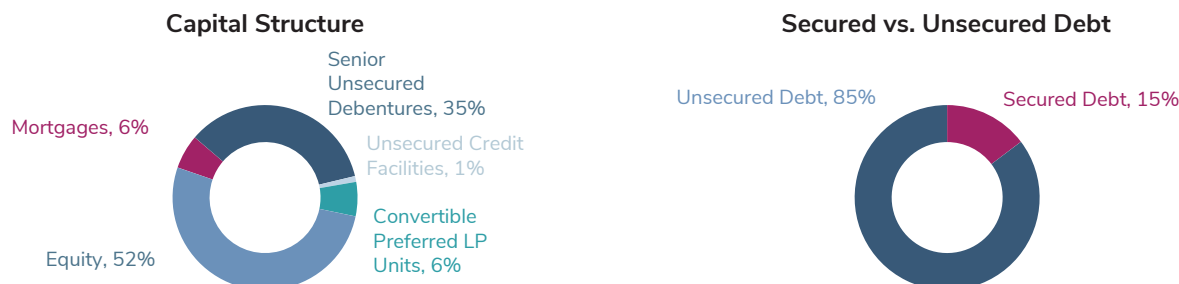
Primaris also has a \$10 million unsecured revolving demand facility to finance temporary overdraft positions bearing interest at Prime plus 0.50% per annum. No amount was drawn on this facility at December 31, 2024 (December 31, 2023 - nil).

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

10.4 Capital Structure

The Trust is subject to certain financial and non-financial covenants under its senior unsecured debentures and credit facilities that include maintaining certain leverage and interest coverage ratios. As at December 31, 2024, Primaris is compliant with all of its applicable financial covenants. It is a strategic objective of management to maintain a highly differentiated financial model that includes a strong balance sheet and conservative capital structure.



The table below illustrates the Trust's Total Debt** to Total Assets**.

(\$ thousands) (unaudited)				
As at	December 31, 2024	December 31, 2023	Change	
Investment properties	\$ 3,826,635	\$ 3,695,435	\$ 131,200	
Investment properties classified as held for sale	239,933	89,912	150,021	
Cash and cash equivalents	14,774	44,323	(29,549)	
Term deposit	100,000	—	100,000	
Other assets	86,090	69,964	16,126	
Total assets	\$ 4,267,432	\$ 3,899,634	\$ 367,798	
Mortgages payable	\$ 252,023	\$ 293,803	\$ (41,780)	
Senior unsecured debentures	1,433,120	1,000,000	433,120	
Unsecured credit facilities	35,000	200,000	(165,000)	
Debt or Total Debt**	\$ 1,720,143	\$ 1,493,803	\$ 226,340	
Deferred financing costs and debt discounts (net of accumulated amortization) excluded from Total Debt**	(9,269)	(9,027)	(242)	
Convertible Preferred LP Units	239,622	179,150	60,472	
Other liabilities	155,987	131,781	24,206	
Total liabilities	\$ 2,106,483	\$ 1,795,707	\$ 310,776	
Unitholders' equity	\$ 2,160,949	\$ 2,103,927	\$ 57,022	
Add: Convertible Preferred LP Units	239,622	179,150	60,472	
Add: Obligation for purchase of Trust Units under automatic share purchase plan ¹	5,199	1,800	3,399	
Net Asset Value**	\$ 2,405,770	\$ 2,284,877	\$ 120,893	
Total Debt** to Total Assets**²	40.3%	38.3%	2.0%	

** Denotes a non-GAAP measure. See Section 1, "Basis of Presentation" – "Use of Non-GAAP Measures" and Section 12, "Non-GAAP Measures".

¹ Liability recorded for the obligation to purchase Trust Units during the blackout period after December 31, 2024 under the automatic share purchase plan, but respective Trust Units were not yet cancelled.

² The debt ratio is a non-GAAP ratio calculated on the basis described in the Trust Indentures.

The Total Debt** to Total Assets** metric was impacted at December 31, 2024 by the term deposit and cash on hand. Calculated as Net Debt** to Total Assets** net of cash on hand and term deposit, the ratio would have been 38.7%.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

Net Asset Value**

Management believes that NAV** and NAV** per unit are useful measures of the intrinsic value of the Trust. Primaris' low FFO Payout Ratio** contributes to NAV** growth.

(\$ thousands except per unit amounts) (unaudited)	As at and for the year ended December 31, 2024	As at and for the year ended December 31, 2023
NAV** beginning of the year	\$ 2,284,877	\$ 2,100,137
Net Income before adjustments to fair value	163,014	147,407
Adjustments to fair value of derivative instruments	(3,546)	(540)
Adjustments to fair value of unit-based compensation	(1,312)	901
Adjustments to fair value of Convertible Preferred LP Units	(12,302)	(5,066)
Adjustments to fair value of land held for development	(4,000)	(33,000)
Adjustments to fair value of investment properties	(62,381)	(7,431)
Trust Unit Distributions	(81,690)	(79,342)
	2,282,660	2,123,066
Other capital allocation activities		
NCIB activity	(21,875)	(60,635)
Trust Units issued for Acquisitions - net of costs	36,343	42,667
Convertible Preferred LP Units issued for Acquisitions and adjustments to fair value of Convertible Preferred LP Units	108,642	179,150
Settlement of vested Restricted Trust Units	—	629
NAV** end of the year	\$ 2,405,770	\$ 2,284,877
NAV** per unit outstanding	\$ 21.55	\$ 21.54
Number of units outstanding ¹ - end of period (in thousands)	111,614	106,058

** Denotes a non-GAAP measure. See Section 1, "Basis of Presentation" – "Use of Non-GAAP Measures" and Section 12, "Non-GAAP Measures".

¹ Units outstanding assumes the exchange of Convertible Preferred LP Units for Trust Units. See Section 10.6, "Unit Equity and Distributions".

In the year ended December 31, 2024, NAV** grew \$120.9 million or \$0.01 per unit outstanding. During the year ended December 31, 2024, Primaris repurchased and cancelled 1,534,500 Trust Units. This activity contributed a \$0.29 per unit increase to NAV** (assuming units outstanding as the only variable changing). Excluding net growth from other capital allocation activities, NAV** grew \$159.6 million despite incurring a negative \$66.4 million adjustment to the fair value of investment properties primarily due to the expansion of discount and terminal capitalization rates by 8 bps and a negative \$39.7 million impact due to higher interest expense.

In the year ended December 31, 2023, NAV** grew \$184.7 million. Excluding the net growth from other capital allocation activities, NAV** grew \$22.9 million despite incurring a negative \$40.4 million adjustment to the fair value of investment properties primarily due to the expansion of discount and terminal capitalization rates by 12 bps and a negative \$26.1 million impact due to higher interest expense.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

Impact of NCIB Activity on NAV** per unit

To capitalize on the Trust Units trading at a price below the NAV** per unit, Primaris continued to purchase Trust Units for cancellation under its NCIB program, on a leverage neutral basis (see Section 10.7, "Normal Course Issuer Bid"). During the year ended December 31, 2024, Primaris purchased 1,534,500 Units for cancellation at an average value per unit of \$14.26, representing a discount of 34.0% to NAV** per unit (year ended December 31, 2023 - 4,409,100, \$13.75, and 36.2%, respectively).

The tables below illustrate the difference between the value of the Trust Units repurchased under the NCIB program assuming such Trust Units were repurchased at NAV** versus the actual cost to repurchase the Trust Units. This calculation only captures the benefit of the discount to NAV** at the time of purchase reflecting the minimum accretive benefit of the NCIB program to NAV** per unit.

(\$ thousands except per unit amounts) (unaudited)		Quarter ended	Quarter ended	Quarter ended	Quarter ended	As at
As at or for the periods ending	2024 Year End	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
NAV** per unit		\$ 21.55	\$ 21.82	\$ 22.04	\$ 21.86	\$ 21.54
Trust Units repurchased under NCIB (in thousands)	1,534	390	589	354	201	
Value of Trust Units repurchased at the average of NAV** per unit in each period ¹	\$ 33,421	\$ 8,405	\$ 12,852	\$ 7,802	\$ 4,362	
Cost of repurchased units under NCIB	21,875	6,228	8,160	4,720	2,767	
Excess value over repurchase cost	\$ 11,546	\$ 2,177	\$ 4,692	\$ 3,082	\$ 1,595	
Excess value repurchased per unit	\$ 0.11	\$ 0.02	\$ 0.04	\$ 0.03	\$ 0.02	
Units outstanding at the end of the period (in thousands) ²		111,614	104,913	105,503	105,857	106,058

** Denotes a non-GAAP measure. See Section 1, "Basis of Presentation" – "Use of Non-GAAP Measures" and Section 12, "Non-GAAP Measures".

¹ Average NAV** per unit for the purposes of this table is calculated as a simple average of the NAV** per unit over two quarters.

² Units outstanding assumes the exchange of Convertible Preferred LP Units for Trust Units. See Section 10.6, "Unit Equity and Distributions".

(\$ thousands except per unit amounts) (unaudited)		Quarter ended	Quarter ended	Quarter ended	Quarter ended	As at
As at or for the periods ending	2023 Year End	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
NAV** per unit		\$ 21.54	\$ 21.76	\$ 21.90	\$ 21.74	\$ 21.49
Trust Units repurchased under NCIB (in thousands)	4,409	1,710	1,181	314	1,204	
Value of Trust Units repurchased at the average of NAV** per unit in each period ¹	\$ 95,684	\$ 37,022	\$ 25,781	\$ 6,851	\$ 26,030	
Cost of repurchased units under NCIB	60,635	22,797	15,934	4,104	17,800	
Excess value over repurchase cost	\$ 35,049	\$ 14,225	\$ 9,847	\$ 2,747	\$ 8,230	
Excess value repurchased per unit	\$ 0.35	\$ 0.13	\$ 0.10	\$ 0.03	\$ 0.09	
Units outstanding at the end of the period (in thousands) ²		106,058	99,949	96,243	96,508	97,713

** Denotes a non-GAAP measure. See Section 1, "Basis of Presentation" – "Use of Non-GAAP Measures" and Section 12, "Non-GAAP Measures".

¹ Average NAV** per unit for the purposes of this table is calculated as a simple average of the NAV** per unit over two quarters.

² Units outstanding assumes the exchange of Convertible Preferred LP Units for Trust Units. See Section 10.6, "Unit Equity and Distributions".

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The table below illustrates the positive impact of NCIB activity on NAV** per unit assuming units outstanding as the only variable changing. This calculation captures the combined impact of the drivers of change to NAV** including factors such as growth in NOI**, changes in the discount and terminal capital rates used in the valuation of the investment properties and the impact of retained free cash flow.

(\$ thousands except per unit amounts) (unaudited)		
For the years ended	December 31, 2024	December 31, 2023
Impact of NCIB activity on the number of units outstanding:		
Number of units outstanding ¹ - end of period (in thousands)	111,614	106,058
Number of Trust Units cancelled under the NCIB in the year (in thousands)	1,534	4,409
Number of units outstanding ¹ - excluding NCIB activity (in thousands)	113,148	110,467
Impact of NCIB on NAV** per unit considering the change to units outstanding:		
Net Asset Value**	\$ 2,405,770	\$ 2,284,977
NAV** per unit outstanding	\$ 21.55	\$ 21.54
NAV** per unit outstanding - excluding NCIB activity	21.26	20.68
NAV** per unit impact of change in units outstanding only	\$ 0.29	\$ 0.86

** Denotes a non-GAAP measure. See Section 1, "Basis of Presentation" – "Use of Non-GAAP Measures" and Section 12, "Non-GAAP Measures".

¹ Units outstanding at December 31, 2024 assumes the exchange of Convertible Preferred LP Units for Trust Units. See Section 10.6, "Unit Equity and Distributions".

Debt Metrics

Primaris' conservative capital structure leads to a low Average Net Debt** to Adjusted EBITDA** ratio. The below ratios are calculated on a rolling four-quarters basis.

(\$ thousands) (unaudited)				
For the years ended	December 31, 2024	December 31, 2023	Change	
Adjusted EBITDA**	\$ 258,003	\$ 206,242	\$	51,761
Average Net Debt**	\$ 1,487,657	\$ 1,153,843	\$	333,815
Average Net Debt** to Adjusted EBITDA** ³ Target 4.0x - 6.0x	5.8x	5.6x		0.2x
Interest expense ¹	\$ 85,078	\$ 57,922	\$	27,156
Interest Coverage** ²	3.0x	3.6x		(0.6)x
Principal repayments	\$ 5,491	\$ 6,877	\$	(1,386)
Interest expense ¹	\$ 85,078	\$ 57,922	\$	27,156
Debt Service Coverage**	2.8x	3.2x		(0.4)x

** Denotes a non-GAAP measure. See Section 1, "Basis of Presentation" – "Use of Non-GAAP Measures" and Section 12, "Non-GAAP Measures".

¹ Interest expense includes interest on senior unsecured debentures, mortgages, and unsecured credit facilities. See Section 9.1, "Components of Net Income (Loss)".

² Calculated on the basis described in the Trust Indentures.

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The table below reconciles net income (loss), as determined in accordance with GAAP, to Adjusted EBITDA** for the three months and years ended December 31, 2024 and 2023.

(\$ thousands) (unaudited)	Three months		Year end	
For the periods ended December 31,	2024	2023	2024	2023
Net income (loss)	\$ 22,164	\$ 13,853	\$ 79,473	\$ 102,271
Interest income ¹	(1,546)	(775)	(5,457)	(2,143)
Net interest and other financing charges	27,591	19,532	99,174	59,457
Amortization	286	398	1,272	1,521
Adjustments to fair value of derivative instruments	—	8,590	3,546	540
Adjustments to fair value of unit-based compensation	(518)	267	1,312	(901)
Adjustments to fair value of Convertible Preferred LP Units	(11,264)	4,842	12,302	5,066
Adjustments to fair value of land held for development	4,000	33,000	4,000	33,000
Adjustments to fair value of investment properties	31,048	(23,493)	62,381	7,431
Adjusted EBITDA**	\$ 71,761	\$ 56,214	\$ 258,003	\$ 206,242

** Denotes a non-GAAP measure. See Section 1, "Basis of Presentation" – "Use of Non-GAAP Measures" and Section 12, "Non-GAAP Measures".

¹ Interest income earned on cash balances.

The tables below illustrate the calculation of Adjusted EBITDA** for the years ended December 31, 2024 and 2023.

(\$ thousands) (unaudited)	Year ended				
For the periods	December 31, 2024	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Adjusted EBITDA**	\$ 258,003	71,761	64,909	62,790	58,543

(\$ thousands) (unaudited)	Year Ended				
For the periods	December 31, 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Adjusted EBITDA**	\$ 206,242	56,214	54,649	48,964	46,415

The tables that follow illustrate the calculation of Average Net Debt** for the periods ended December 31, 2024 and 2023 based on the average of the Net Debt** at the beginning of the period and each quarter end during the period included in the calculation of Adjusted EBITDA**.

(\$ thousands) (unaudited)	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
As at					
Total Debt**	\$ 1,720,143	\$ 1,741,434	\$ 1,528,609	\$ 1,530,074	\$ 1,493,803
less: Cash and cash equivalents and term deposit	(114,774)	(261,595)	(80,756)	(74,328)	(44,323)
Net Debt**	\$ 1,605,369	\$ 1,479,839	\$ 1,447,853	\$ 1,455,746	\$ 1,449,480
Average Net Debt**	\$ 1,487,657				

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(\$ thousands) (unaudited)	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
As at					
Total Debt**	\$ 1,493,803	\$ 1,227,544	\$ 1,097,270	\$ 1,098,982	\$ 1,009,680
less: Cash and cash equivalents and term deposit	(44,323)	(1,282)	(42,206)	(59,301)	(10,954)
Net Debt**	\$ 1,449,480	\$ 1,226,262	\$ 1,055,064	\$ 1,039,681	\$ 998,726
Average Net Debt**	\$ 1,153,843				

The tables below illustrate interest expense, for the calculation of the Interest Coverage** and Debt Service Coverage** ratios, for the years ended December 31, 2024 and 2023.

(\$ thousands) (unaudited)	Year ended				
For the periods	December 31, 2024	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Interest expense ¹	\$ 85,078	23,436	22,104	20,204	19,334

(\$ thousands) (unaudited)	Year ended				
For the periods	December 31, 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Interest expense ¹	\$ 57,922	17,161	14,911	13,414	12,436

¹ Interest expense includes interest on senior unsecured debentures, mortgages, and unsecured credit facilities. See Section 9.1, "Components of Net Income (Loss)".

The tables below illustrate principal repayments, for the calculation of the Debt Service Coverage** ratio, for the years ended December 31, 2024 and 2023.

(\$ thousands) (unaudited)	Year ended				
For the periods	December 31, 2024	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Principal repayments	\$ 5,491	1,149	1,399	1,465	1,478

(\$ thousands) (unaudited)	Year ended				
For the periods	December 31, 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Principal repayments	\$ 6,877	1,741	1,726	1,712	1,698

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10.5 Credit Rating

The Trust and its senior unsecured debentures are rated by DBRS Morningstar ("DBRS"), an independent credit rating agency which provides credit ratings of debt securities for commercial entities. A credit rating generally provides an indication of the risk that the borrower will not fulfill its full obligations in a timely manner with respect to both interest and principal commitments. Rating categories range from the highest credit quality (generally "AAA") to default in payment (generally "D").

On March 15, 2023, Primaris received an issuer rating upgrade from DBRS to BBB (high), from BBB, maintaining a Stable trend. This issuer rating upgrade resulted in a 0.25% reduction in Primaris' interest rates under its unsecured credit facilities as the applicable interest rate margins under its credit facilities are based on the external credit rating of the Trust. On March 7, 2024, DBRS completed its annual review and confirmed Primaris' issuer rating of BBB (high) with a Stable trend.

The following table sets out the rating attributed to the Trust and its senior unsecured debentures as at December 31, 2024:

	DBRS Morningstar	
	Credit Rating	Trend
Issuer rating	BBB (high)	Stable
Senior unsecured debentures rating	BBB (high)	Stable

10.6 Unit Equity and Distributions

The table below illustrates the total Trust Units outstanding as at December 31, 2024 and December 31, 2023 assuming the exchange of Convertible Preferred LP Units for Trust Units.

(units outstanding in thousands) (unaudited)		
As at	December 31, 2024	December 31, 2023
Trust Units	99,854	96,586
Convertible Preferred LP Units	11,760	9,472
Total units	111,614	106,058

On October 3, 2024, Primaris entered into an agreement with a syndicate of underwriters pursuant to which the underwriters purchased, on a bought deal basis, an aggregate of 4,803,294 Trust Units, including the over-allotment, at a price of \$15.55 per unit ("the Offering"). The Offering consisted of 2,516,011 Trust Units, including the over-allotment, issued from treasury in relation to the acquisition of Les Galeries de la Capitale, and a secondary offering of 2,287,283 Units, which had previously been issued from treasury to satisfy the conversion of Convertible Preferred LP Units. The Offering closed on October 9, 2024. Primaris received proceeds of \$39.1 million, before underwriters' fees and other issuance costs.

On January 31, 2025, 3,437,214 Trust Units were issued as partial consideration in connection with the Trust's acquisition of Oshawa Centre in Oshawa, Ontario and a 50% co-ownership interest in Southgate Centre in Edmonton, Alberta.

As at February 13, 2025, there were 102,971,744 Trust Units outstanding, or 122,751,624 assuming the exchange of the Convertible Preferred LP Units to 19,779,880 Trust Units.

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Convertible Preferred LP Units

As part of acquisition transactions, subsidiary limited partnerships of the Trust issued Convertible Preferred LP Units which are entitled to preferred distributions payable quarterly. In certain circumstances, the Convertible Preferred LP Units (together with any accrued and unpaid distributions thereon) are exchangeable into Trust Units. The following table details the Convertible Preferred LP Units outstanding as at December 31, 2024 and December 31, 2023.

Acquisition Transaction	Exchange Price	Trust Units on Exchange ¹	Distribution Rate	As at December 31, 2024	As at December 31, 2023
Conestoga Mall	\$21.49	3,722,662	6.00%	\$ 80,000	\$ 80,000
Halifax Shopping Centre	\$21.74	5,749,770	6.00%	125,000	125,000
Galeries de la Capitale	\$21.86	2,287,283	6.25%	50,000	—
Value at Issuance				\$ 255,000	\$ 205,000
Fair value				\$ 239,622	\$ 179,150
Trust Units to be issued upon exchange²		11,759,715			

¹ Assumes there are no accrued and unpaid distributions on the Convertible Preferred LP Units at the time of exchange.

² As at February 13, 2025, 19,779,880 Trust Units would be issued upon exchange of Convertible Preferred LP Units including the impact of the January 31, 2025 acquisition transaction.

On January 31, 2025, Primaris acquired Oshawa Centre in Oshawa, Ontario and a 50% co-ownership interest of Southgate Centre in Edmonton, Alberta. As part of the acquisition consideration, a subsidiary limited partnership of the Trust issued \$175 million of Convertible Preferred LP Units which are entitled to a preferred distribution of 6.25% per annum payable quarterly. In certain circumstances, the Convertible Preferred LP Units (together with any accrued and unpaid distributions thereon) are exchangeable into Trust Units. Assuming there are no accrued and unpaid distributions on the Convertible Preferred LP Units at the time of exchange, the Convertible Preferred LP Units would be exchangeable into 8,020,165 Trust Units at an exchange price equal to \$21.82 per unit, subject to customary adjustments.

Distributions

The Board retains full discretion with respect to the timing and quantum of distributions. However, the total income distributed will not be less than the amount necessary to ensure that the Trust will not be liable to pay income taxes under Part I of the Tax Act.

In determining the amount of distributions to be paid to Unitholders, the Board considers many factors, including the provisions of its amended and restated declaration of trust dated December 15, 2021 (the "Declaration of Trust"), the macro-economic and industry specific environment, the overall financial condition of the Trust, and its future capital requirements, debt covenants, and taxable income. The Board and management regularly review Primaris' rate of distributions to assess the stability of such distributions.

On November 12, 2024, the Board approved management's recommendation to increase the distribution rate from \$0.84 to \$0.86 per unit per annum, or 2.4%. The increase was effective for the distribution declared on December 31, 2024 and paid on January 15, 2025.

In the year ended December 31, 2024, Primaris declared \$81.7 million in distributions on the Trust Units. The monthly distributions reflect an annualized distribution of \$0.8417 per unit (year ended December 31, 2023 - \$79.3 million and \$0.8216 per unit, respectively).

In the year ended December 31, 2024, Primaris declared \$13.2 million in distributions on the Convertible Preferred LP Units (year ended December 31, 2023 - \$2.9 million).

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The tables below illustrate the amount of the Trust's distributions declared relative to the Trust's cash flows from operating activities and AFFO**.

(\$ thousands) (unaudited)	Three months		Year end	
For the periods ended December 31,	2024	2023	2024	2023
Cash flows provided by operating activities	\$ 72,519	\$ 56,020	\$ 168,321	\$ 166,690
Less: Distributions declared on Trust Units	(21,177)	(19,916)	(81,690)	(79,342)
Less: Distributions declared on Convertible Preferred LP Units	(3,933)	(1,845)	(13,158)	(2,908)
Excess (deficit) of cash flows provided by operating activities over distributions	\$ 47,409	\$ 34,259	\$ 73,473	\$ 84,440

(\$ thousands) (unaudited)	Three months		Year end	
For the periods ended December 31,	2024	2023	2024	2023
AFFO**	\$ 33,399	\$ 25,579	\$ 125,308	\$ 112,531
Less: Distributions declared on Trust Units	(21,177)	(19,916)	(81,690)	(79,342)
Less: Distributions declared on Convertible Preferred LP Units	(3,933)	(1,845)	(13,158)	(2,908)
Excess of AFFO** over distributions	\$ 8,289	\$ 3,818	\$ 30,460	\$ 30,281

** Denotes a non-GAAP measure. See Section 1, "Basis of Presentation" – "Use of Non-GAAP Measures" and Section 12, "Non-GAAP Measures".

Taxation of Trust Unit Distributions

The Trust is taxed as a "mutual fund trust" and a real estate investment trust under the Tax Act. The Board intends to distribute all of the Trust's taxable income to the Unitholders and accordingly, the Trust will not be taxed on its Canadian investment property income.

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Distributions per unit

The tables below illustrate the calculation of distributions per unit, considering distributions on both Trust Units and Convertible Preferred LP Units, for the periods ended in 2024.

(\$ thousands, except per unit amounts, and units in thousands) (unaudited)									
For the periods ended	January 31, 2024	February 29, 2024	March 31, 2024	Q1 2024	April 30, 2024	May 31, 2024	June 30, 2024	Q2 2024	
Distributions declared on Trust Units	\$ 6,754	\$ 6,750	\$ 6,747	\$ 20,251	\$ 6,743	\$ 6,739	\$ 6,723	\$ 20,205	
Distributions declared on Convertible Preferred LP Units	1,025	1,025	1,025	3,075	1,025	1,025	1,025	3,075	
Total distributions	\$ 7,779	\$ 7,775	\$ 7,772	\$ 23,326	\$ 7,768	\$ 7,764	\$ 7,748	\$ 23,280	
Total distributions - year to date				\$ 23,326				\$ 46,606	
Trust Units outstanding	96,485	96,435	96,385		96,330	96,273	96,031		
Convertible Preferred LP Units outstanding	9,472	9,472	9,472		9,472	9,472	9,472		
Total units outstanding	105,957	105,907	105,857		105,802	105,745	105,503		
Distributions per unit	\$ 0.0734	\$ 0.0734	\$ 0.0734	\$ 0.220	\$ 0.0734	\$ 0.0734	\$ 0.0734	\$ 0.220	
Distributions per unit - year to date				\$ 0.220				\$ 0.440	

(\$ thousands, except per unit amounts, and units in thousands) (unaudited)									
For the periods ended	July 31, 2024	August 31, 2024	September 30, 2024	Q3 2024	October 31, 2024	November 30, 2024	December 31, 2024	Q4 2024	
Distributions declared on Trust Units	\$ 6,692	\$ 6,684	\$ 6,681	\$ 20,057	\$ 7,017	\$ 7,004	\$ 7,156	\$ 21,177	
Distributions declared on Convertible Preferred LP Units	1,025	1,025	1,025	3,075	1,363	1,285	1,285	3,933	
Total distributions	\$ 7,717	\$ 7,709	\$ 7,706	\$ 23,132	\$ 8,380	\$ 8,289	\$ 8,441	\$ 25,110	
Total distributions - year to date				\$ 69,738				\$ 94,848	
Trust Units outstanding	95,596	95,491	95,441		100,244	100,054	99,854		
Convertible Preferred LP Units outstanding	9,472	9,472	9,472		11,760	11,760	11,760		
Total units outstanding	105,068	104,963	104,913		112,004	111,814	111,614		
Distributions per unit	\$ 0.0734	\$ 0.0734	\$ 0.0735	\$ 0.220	\$ 0.0748	\$ 0.0741	\$ 0.0756	\$ 0.225	
Distributions per unit - year to date				\$ 0.660				\$ 0.885	

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The tables below illustrate the calculation of distributions per unit, considering distributions on both Trust Units and Convertible Preferred LP Units, for the periods ending in 2023.

(\$ thousands, except per unit amounts, and units in thousands) (unaudited)									
For the periods ended	January 31, 2023	February 28, 2023	March 31, 2023	Q1 2023	April 30, 2023	May 31, 2023	June 30, 2023	Q2 2023	
Distributions declared on Trust Units	\$ 6,643	\$ 6,621	\$ 6,592	\$ 19,856	\$ 6,585	\$ 6,581	\$ 6,573	\$ 19,739	
Distributions declared on Convertible Preferred LP Units	—	—	—	—	—	—	—	—	
Total distributions	\$ 6,643	\$ 6,621	\$ 6,592	\$ 19,856	\$ 6,585	\$ 6,581	\$ 6,573	\$ 19,739	
Total distributions - year to date				\$ 19,856				\$ 39,595	
Trust Units outstanding	97,315	96,938	96,508		96,413	96,352	96,243		
Convertible Preferred LP Units outstanding	—	—	—		—	—	—		
Total units outstanding	97,315	96,938	96,508		96,413	96,352	96,243		
Distributions per unit	\$ 0.0683	\$ 0.0683	\$ 0.0683	\$ 0.205	\$ 0.0683	\$ 0.0683	\$ 0.0683	\$ 0.205	
Distributions per unit - year to date				\$ 0.205				\$ 0.410	

(\$ thousands, except per unit amounts, and units in thousands) (unaudited)									
For the periods ended	July 31, 2023	August 31, 2023	September 30, 2023	Q3 2023	October 31, 2023	November 30, 2023	December 31, 2023	Q4 2023	
Distributions declared on Trust Units	\$ 6,646	\$ 6,613	\$ 6,572	\$ 19,831	\$ 6,529	\$ 6,626	\$ 6,761	\$ 19,916	
Distributions declared on Convertible Preferred LP Units	263	400	400	1,063	400	421	1,024	1,845	
Total distributions	\$ 6,909	\$ 7,013	\$ 6,972	\$ 20,894	\$ 6,929	\$ 7,047	\$ 7,785	\$ 21,761	
Total distributions - year to date				\$ 60,489				\$ 82,250	
Trust Units outstanding	97,306	96,822	96,226		95,596	97,006	96,586		
Convertible Preferred LP Units outstanding	3,723	3,723	3,723		3,723	9,472	9,472		
Total units outstanding	101,029	100,545	99,949		99,319	106,478	106,058		
Distributions per unit	\$ 0.0684	\$ 0.0697	\$ 0.0698	\$ 0.208	\$ 0.0698	\$ 0.0662	\$ 0.0734	\$ 0.209	
Distributions per unit - year to date				\$ 0.618				\$ 0.827	

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10.7 Normal Course Issuer Bid

On March 7, 2024, Primaris received approval from the TSX to renew its NCIB. Under the NCIB, Primaris has the ability to purchase for cancellation up to a maximum of 6,929,436 of its Trust Units on the open market. The renewed NCIB commenced on March 11, 2024 and remains in effect until the earlier of March 10, 2025 and the date on which Primaris has purchased the maximum number of Units permitted under the NCIB. A copy of the Trust's notice of intention to make a normal course issuer bid may be obtained, free of charge, by contacting info@primarisreit.com.

On March 11, 2024, Primaris entered into a new ASPP in respect of the renewed NCIB permitting the Trust's broker to continue purchasing Units in accordance with certain prearranged trading parameters, during periods when Primaris would not ordinarily be active in the market because of internal trading blackout periods, insider trading rules, or otherwise.

During the year ended December 31, 2024, Primaris purchased for cancellation 1,534,500 Trust Units under its NCIB program for aggregate consideration of \$21.9 million at an average value per unit of approximately \$14.26.

(Unaudited)	Units Repurchased for Cancellation	Capital Allocated to NCIB	Average Price per unit	NAV** per unit (as at period end date)	Discount from NAV** per unit (as at period end date)	Impact on NAV** per unit outstanding ¹
For the periods ended,						
Year ended December 31, 2022	3,885,700	\$ 54,127	\$ 13.89	\$ 21.49	35.4 %	\$ 0.82
Year ended December 31, 2023	4,409,100	60,635	\$ 13.75	\$ 21.54	36.2 %	0.86
Quarter ended March 31, 2024	201,000	2,767	\$ 13.76	\$ 21.86	37.1 %	0.04
Quarter ended June 30, 2024	354,000	4,720	\$ 13.33	\$ 22.04	39.5 %	0.07
Quarter ended September 30, 2024	589,500	8,160	\$ 13.84	\$ 21.82	36.6 %	0.12
Quarter ended December 31, 2024	390,000	6,228	\$ 15.97	\$ 21.55	25.9 %	0.06
Repurchased to December 31, 2024	9,829,300	\$ 136,637	\$ 13.88	\$ 21.55	35.6 %	\$ 1.97
Repurchased subsequent to December 31, 2024	320,000	4,754	\$ 14.86			
Total repurchases under the NCIB program from inception through February 13, 2025	10,149,300	\$ 141,391	\$ 13.91	\$ 21.55	35.5 %	

¹ The number of units outstanding was the only variable changed in the analysis.

At December 31, 2024, Primaris recorded an obligation in liabilities of \$5.2 million for the commitment to purchase Units under the ASPP. As at February 13, 2025, Primaris purchased an additional 320,000 Units under the ASPP at an average per unit price of \$14.86.

Primaris continues to believe that, from time to time, the market price for the Units may not fully reflect their intrinsic value, and in such circumstances, using the NCIB to repurchase Units is an attractive use of capital until other investment opportunities are available that meet Primaris' disciplined capital allocation approach. For the impact of NCIB activity on FFO** per unit and NAV** per unit, see Section 9.2, "FFO** and AFFO**" and Section 10.4, "Capital Structure", respectively.

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10.8 Off-Balance Sheet Arrangements

In the normal course of operations, Primaris has issued letters of credit in connection with developments, financings, operations and acquisitions. As at December 31, 2024, Primaris had outstanding letters of credit totaling \$0.3 million (December 31, 2023 - \$0.7 million).

Primaris has co-owners on various properties. As a rule, Primaris does not provide guarantees or indemnities for these co-owners because should such guarantees be provided, recourse would be available against the Trust in the event of a default of the co-owners. In such case, Primaris would have a claim against the underlying real estate investment. However, in certain circumstances, subject to compliance with the "Declaration of Trust and the determination of management that the fair value of the co-owner's investment is greater than the mortgages payable which require Primaris' guarantee, such guarantees will be provided. As at December 31, 2024, Primaris had issued guarantees relating to co-owners' share of mortgage liabilities amounting to \$107.7 million (December 31, 2023 - \$89.3 million), which expire in 2027 (December 31, 2023 - 2024 and 2027).

10.9 Contractual Obligations

The undiscounted future repayments on Primaris' debt instruments and other contractual obligations, as at December 31, 2024, were as follows:

(\$ thousands) (unaudited)	2025	2026	2027	2028	2029	Thereafter	Total
Senior unsecured debentures - aggregate principal amount and interest	\$ 209,721	\$ 71,377	\$ 315,468	\$ 302,142	\$ 335,163	\$ 534,017	\$ 1,767,888
Mortgages payable - principal and interest	16,220	16,232	107,693	40,788	6,738	115,355	303,026
Unsecured credit facilities ¹	—	—	—	35,000	—	—	35,000
Other ²	8,922	2,207	1,941	1,934	856	3,026	18,886
Total obligation	\$ 234,863	\$ 89,816	\$ 425,102	\$ 379,864	\$ 342,757	\$ 652,398	\$ 2,124,799

¹ Excludes interest on credit facilities and letters of credit.

² Includes commitments on short-term regional office leases, land leases, and capital projects.

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11. QUARTERLY RESULTS OF OPERATIONS

The following is a summary of selected consolidated financial information and operating metrics for each of the eight most recently completed quarters.

(in thousands of Canadian dollars unless otherwise indicated)	Fourth Quarter 2024	Third Quarter 2024	Second Quarter 2024	First Quarter 2024	Fourth Quarter 2023	Third Quarter 2023	Second Quarter 2023	First Quarter 2023
Number of investment properties	37	37	38	39	39	36	35	35
GLA (in millions of square feet)	13.3	12.4	12.4	12.5	12.5	11.5	10.9	10.9
In-place occupancy	94.5%	93.4%	93.0%	92.0%	92.4%	91.0%	89.8%	90.6%
Committed occupancy	95.6%	94.8%	94.4%	94.1%	94.2%	92.8%	91.0%	91.3%
Total assets (in millions)	\$ 4,267	\$ 4,139	\$ 3,960	\$ 3,929	\$ 3,900	\$ 3,508	\$ 3,299	\$ 3,277
Total liabilities (in millions)	\$ 2,106	\$ 2,053	\$ 1,820	\$ 1,801	\$ 1,796	\$ 1,411	\$ 1,195	\$ 1,181
Rental revenue	\$143,161	\$119,536	\$120,010	\$119,218	\$113,810	\$104,826	\$ 95,965	\$ 96,369
Cash NOI**	\$ 80,232	\$ 70,024	\$ 67,379	\$ 62,871	\$ 63,509	\$ 58,263	\$ 54,163	\$ 51,187
Net income (loss)	\$ 22,164	\$(30,818)	\$ 42,246	\$ 45,881	\$ 13,853	\$ 20,230	\$ 32,602	\$ 35,586
Trust Units outstanding (in thousands)	99,854	95,441	96,031	96,385	96,586	96,226	96,243	96,508
Distribution per Trust Unit	\$ 0.212	\$ 0.210	\$ 0.210	\$ 0.210	\$ 0.207	\$ 0.205	\$ 0.205	\$ 0.205
Cash provided by operating activities	\$ 72,519	\$ 43,550	\$ 44,373	\$ 7,352	\$ 42,144	\$ 53,316	\$ 51,082	\$ 21,448
Operating capital expenditures	\$ 13,929	\$ 8,685	\$ 12,012	\$ 7,322	\$ 11,816	\$ 9,971	\$ 10,340	\$ 2,201
FFO**	\$ 51,962	\$ 44,558	\$ 45,068	\$ 41,478	\$ 41,235	\$ 42,557	\$ 38,443	\$ 36,097
FFO** per unit ¹ - average diluted	\$ 0.460	\$ 0.419	\$ 0.422	\$ 0.388	\$ 0.402	\$ 0.421	\$ 0.395	\$ 0.369
FFO Payout Ratio**	48.9%	52.5%	52.2%	56.7%	52.1%	49.4%	51.9%	55.5%
AFFO**	\$ 33,399	\$ 32,284	\$ 29,482	\$ 30,143	\$ 25,579	\$ 29,884	\$ 25,852	\$ 31,216
AFFO** per unit ¹ - average diluted	\$ 0.295	\$ 0.304	\$ 0.276	\$ 0.282	\$ 0.249	\$ 0.296	\$ 0.266	\$ 0.319
Total Debt** to Total Assets** ²	40.3%	42.1%	38.6%	38.9%	38.3%	35.0%	33.3%	33.5%
Average Net Debt** to Adjusted EBITDA** ³	5.8x	5.8x	5.7x	5.7x	5.6x	5.3x	5.2x	5.1x
Secured debt to Total Debt**	14.7%	13.7%	21.5%	21.6%	19.7%	24.1%	27.1%	27.2%
Weighted average term to debt maturity of Total Debt** (in years)	4.0	4.2	3.2	3.4	3.6	3.6	3.6	3.9
Weighted average interest rate of Total Debt**	5.28%	5.30%	5.19%	5.21%	5.11%	4.96%	4.77%	4.76%
NAV** per unit outstanding	\$ 21.55	\$ 21.82	\$ 22.04	\$ 21.86	\$ 21.54	\$ 21.76	\$ 21.90	\$ 21.74
Unit market price - closing	\$ 15.47	\$ 16.35	\$ 13.27	\$ 13.95	\$ 13.80	\$ 13.49	\$ 13.47	\$ 13.51

** Denotes a non-GAAP measure. See Section 1, "Basis of Presentation" – "Use of Non-GAAP Measures" and Section 12, "Non-GAAP Measures".

¹ Distributions declared per unit used in calculating the FFO* and AFFO* Payout Ratios include distributions declared on Convertible Preferred LP Units. See Section 10.6, "Unit Equity and Distributions".

² Calculated on the basis described in the Trust Indentures.

³ Adjusted EBITDA** was calculated on a rolling four-quarters basis and Average Net Debt** was calculated as the average of Net Debt** at the beginning of the period and each quarter end during the rolling four-quarters included in the calculation of Adjusted EBITDA**.

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Factors impacting quarterly results of operations

The amount and timing of acquisition, disposition and development activities.

Seasonality: The rental revenues in the fourth quarters are positively impacted by seasonality.

Fourth quarter 2024: Repurchased 390,000 Trust Units under the NCIB.

Fourth quarter 2024: Disposition of grocery store anchored plaza.

Fourth quarter 2024: Issuance of 2,516,011 Trust Units pursuant to the Trust's public offering.

Fourth quarter 2024: Exchange of \$50.0 million or 2,287,283 Convertible Preferred LP Units into Trust Units.

Fourth quarter 2024: Impact of IFRS accounting for amusement park assets, which are located within Galeries de la Capitale, increases amortization expense.

Fourth quarter 2024: Quarterly results were impacted by the October 1, 2024 acquisition of Galeries de la Capitale for aggregate consideration comprised of \$204.0 million of cash and the issuance of \$100.0 million of 6.25% Convertible Preferred LP Units. Operating results from the acquisition include the revenue and expenses from the operation of both the shopping centre and the amusement park located within the centre.

Third quarter 2024: Repurchased 589,500 Trust Units under the NCIB.

Third quarter 2024: Disposition of non-grocery store anchored plaza.

Third quarter 2024: Total Debt** to Total Assets** increased and secured debt to Total Debt** decreased in the quarter due to the issuance of \$500 million aggregate principal of senior unsecured debentures.

Second quarter 2024: Repurchased 354,000 Trust Units under the NCIB.

Second quarter 2024: Disposition of non-grocery store anchored plaza.

First quarter 2024: Repurchased 201,000 Trust Units under the NCIB.

Fourth quarter 2023: Repurchased 1,710,000 Trust Units under the NCIB.

Fourth quarter 2023: Total Debt** to Total Assets** increased and secured debt to Total Debt** decreased in the quarter due to the issuance of \$400.0 million aggregate principal of senior unsecured debentures.

Fourth quarter 2023: Quarterly results of operations were impacted by the November 30, 2023 acquisition of the Halifax Shopping Complex for aggregate consideration comprised of \$200.0 million of cash, the issuance of \$45.0 million of Trust Units at an issue price of \$21.74 per unit, and the issuance of \$125.0 million of 6.0% Convertible Preferred LP Units exchangeable into Trust Units in certain circumstances at an exchange price equal to \$21.74 per unit, subject to customary adjustments.

Third quarter 2023: Repurchased 1,180,500 Trust Units under the NCIB.

Third quarter 2023: Quarterly results of operations were impacted by the July 12, 2023 acquisition of Conestoga Mall for aggregate consideration comprised of \$165.0 million of cash, the issuance of \$25.0 million of Trust Units at an issue price of \$21.49 per unit, and the issuance of \$80.0 million of 6.0% Convertible Preferred LP Units exchangeable into Trust Units in certain circumstances at an exchange price equal to \$21.49 per unit, subject to customary adjustments.

Second quarter 2023: Repurchased 314,200 Trust Units under the NCIB.

First quarter 2023: Total Debt** to Total Assets** and secured debt to Total Debt** increased in the quarter due to the issuance of \$250.0 million Series C Debentures and the placement of a \$85.0 million mortgage.

First quarter 2023: Repurchased 1,204,400 Trust Units under the NCIB.

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12. NON-GAAP MEASURES

The Financial Statements were prepared in accordance with IFRS. However, certain measures are included in this MD&A that do not have a standardized meaning under GAAP in accordance with IFRS. These non-GAAP measures include non-GAAP financial measures and non-GAAP ratios, each as defined in NI 52-112.

Management believes these non-GAAP measures are useful to assessing the Trust's performance period over period and the Trust's ability to meet its financial obligations. However, none of the 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. These non-GAAP financial measures are defined below and are cross referenced, as applicable, to a quantitative reconciliation contained in this MD&A to the most directly comparable GAAP financial measure in the Financial Statements.

Non-GAAP Measure	Description	Reconciliation
Net Operating Income (NOI)	Defined as rental revenue, as calculated under GAAP, less property operating costs, as calculated under GAAP. The calculation excludes certain expenses such as interest in order to reflect properties' operations regardless of how they are financed. Management believes that NOI is an important measure of the income generated from the income-producing properties and is used by the Trust in evaluating the performance of the portfolio. It is also a key input in determining the value of the income-producing portfolio.	Section 9.1, "Components of Net Income (Loss)"
Cash NOI	Defined as NOI net of revenue from straight-line rent adjustment and lease surrender revenue. Straight-line rent adjustments result from the difference between cash rent received and revenue recognized on a straight-line basis over the full term of the lease for accounting purposes. This is a non-cash amount. Lease surrender revenue is earned when a tenant returns space to Primaris before the completion of the lease term. These amounts are not earned evenly over any calendar year and are not predictable. Management believes excluding non-cash revenue from straight-line rent adjustments and inconsistently earned lease surrender revenue from the Cash NOI calculation provides further insights to the operations of the income-producing property portfolio.	Section 9.1, "Components of Net Income (Loss)"
Cash NOI Margin	Cash NOI Margin is a ratio calculated based on Cash NOI as a percentage of rental revenue excluding the impact of straight-line rent adjustment and lease surrender revenue. Management believes that Cash NOI Margin is an important measure of the percentage of income generated from the income-producing properties and is used to evaluate the performance of the portfolio.	Section 9.1, "Components of Net Income (Loss)"
Same Properties NOI / Cash NOI	Same Properties NOI / Cash NOI is used to assess the period-over-period performance of those income-producing properties owned and operated by Primaris in both periods, excluding properties under development or major redevelopment. NOI / Cash NOI from properties that have been acquired, disposed, or are subject to significant change as a result of new development, redevelopment, expansion or demolition are excluded from the determination of Same Properties NOI / Cash NOI. Management believes Same Properties NOI / Cash NOI is useful in evaluating the realization of contractual rental rate changes embedded in lease agreements, and understanding the impact of period-over-period changes in occupancy, rental rates, and operating costs on income-producing property performance.	Section 9.1, "Components of Net Income (Loss)"

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Non-GAAP Measure	Description	Reconciliation
Funds from Operations (FFO) / FFO per unit	Primaris calculates FFO as defined by REALPAC. In calculating FFO, net income (or loss) is adjusted for items that do not arise from operating activities. Management believes that FFO is a useful measure of operating performance that, when compared period over period, reflects the impact on operations of trends in occupancy levels, rental rates, acquisition activity, and financing costs. FFO per unit is a non-GAAP ratio calculated by dividing FFO by the weighted average units, basic or diluted, outstanding during the period. The calculation for the units outstanding assumes the exchange of Convertible Preferred LP Units for Trust Units.	Section 9.2, "FFO** and AFFO**"
Adjusted Funds from Operations (AFFO) / FFO per unit	Primaris calculates AFFO as defined by REALPAC. In calculating AFFO, FFO is adjusted for capital expenditures incurred to maintain the existing productive capacity of the property portfolio and eliminates the impact of straight-line rent adjustments. AFFO is impacted by the seasonality inherent in the timing of executing operating capital projects. Management believes that AFFO is a useful measure of operating performance. AFFO per unit is a non-GAAP ratio calculated by dividing AFFO by the weighted average units, basic or diluted, outstanding during the period. The calculation for the units outstanding assumes the exchange of Convertible Preferred LP Units for Trust Units.	Section 9.2, "FFO** and AFFO**"
FFO and AFFO Payout Ratios	FFO and AFFO Payout Ratios are supplementary measures calculated as cash distributions per unit divided by FFO and AFFO per diluted unit, respectively. Distributions per unit considers distributions paid on both the Trust Units and the Convertible Preferred LP Units. Primaris uses these ratios to assess the sustainability of the Trust's distribution payments.	Section 9.2, "FFO** and AFFO**"
Secured debt to Total Debt	Secured debt to Total Debt is a non-GAAP ratio calculated as total secured debt divided by Total Debt. This ratio is a useful measure of the Trust's relative exposure to secured and unsecured debt in relation to total debt.	Section 10.2, "Liquidity and Unencumbered Assets"
Unencumbered Assets to Unsecured Debt	Unencumbered Assets to Unsecured Debt is a non-GAAP ratio calculated as the carrying value of all investment properties that have not been pledged as security for debt divided by total unsecured indebtedness. This ratio is a useful measure of the investment properties available to satisfy unsecured debt obligations.	Section 10.2, "Liquidity and Unencumbered Assets"
Debt or Total Debt	Debt (or Total Debt), as defined for use in certain financial ratios, is calculated as total outstanding debt from senior unsecured debentures, mortgages payable and credit facilities, excluding deferred financing costs and mark-to-market adjustments. The Convertible Preferred Convertible LP Units are also excluded.	Section 10.4, "Capital Structure"
Net Debt	Net Debt is calculated as Total Debt less cash and cash equivalents and term deposit balances.	Section 10.4, "Capital Structure"
Average Net Debt	The average of Net Debt outstanding is utilized in this MD&A for the calculation of Average Net Debt to Adjusted EBITDA. Unless otherwise indicated, Average Net Debt is calculated as the average of Net Debt at the beginning of the period and each quarter end during the period corresponding to the rolling four-quarters included in the calculation of Adjusted EBITDA.	Section 10.4, "Capital Structure"
Total Debt to Total Assets	Total Debt to Total Assets, defined in the Trust Indentures, is determined by dividing Total Debt as defined above by total assets as presented on the consolidated statement of financial position. Management believes this ratio is useful in evaluating the Trust's flexibility to incur additional financial leverage.	Section 10.4, "Capital Structure"

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Non-GAAP Measure	Description	Reconciliation
Net Asset Value (NAV) / NAV per unit	NAV is calculated as total assets less total liabilities as calculated under IFRS with the exception of excluding any outstanding Convertible Preferred LP Units or amounts accrued under the ASPP from total liabilities. NAV per unit is a non-GAAP ratio calculated by dividing NAV by the Units outstanding at end of the period.	Section 10.4, "Capital Structure"
Adjusted Earnings before Income, Tax, Depreciation and Amortization (Adjusted EBITDA)	Adjusted EBITDA is calculated as net income (loss) reversing, where applicable, interest expense, income taxes, depreciation expense, amortization expense, and adjustments to fair value. Adjusted EBITDA is used by management as an input in several debt metrics and financial ratios to assess the Trust's ability to satisfy obligations, including servicing debt, financing capital expenditures, and providing distributions to Unitholders. Due to seasonality of net operating income, management generally considers Adjusted EBITDA on a rolling four-quarters basis.	Section 10.4, "Capital Structure"
Average Net Debt to Adjusted EBITDA	Management uses the ratio of Average Net Debt to Adjusted EBITDA to assess the Trust's ability to service debt requirements and gauge the strength of the Trust's financial condition.	Section 10.4, "Capital Structure"
Interest Coverage	Interest Coverage, defined in the Trust Indentures, is calculated as Adjusted EBITDA divided by interest expense on Total Debt. This excludes amortization of deferred financing costs and mark-to-market adjustments. Distributions paid on the Convertible Preferred LP Units are also excluded. Management calculates Interest Coverage to assess the Trust's ability to service the interest requirements of the outstanding debt.	Section 10.4, "Capital Structure"
Debt Service Coverage	Debt Service Coverage is calculated as Adjusted EBITDA divided by the sum of interest expense and regularly scheduled principal payments on Total Debt. Interest expense excludes amortization of deferred financing costs and mark-to-market adjustments and principal payments exclude balloon, bullet, or similar principal payments at maturity. Distributions paid on the Convertible Preferred LP Units are also excluded. Management calculates Debt Service Coverage to assess the Trust's ability to meet obligations of the outstanding debt.	Section 10.4, "Capital Structure"

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13. ENTERPRISE RISKS AND RISK MANAGEMENT

Primaris is exposed to various risks and uncertainties, many of which are beyond its control, the occurrence of which could materially and adversely affect the Trust's investments, prospects, cash flows, results of operations or financial condition and the ability to make cash distributions to Unitholders and negatively affect the value of the Units.

The Trust is committed to the practice of enterprise risk management (ERM) to identify and manage the potential events that represent risks to Primaris achieving its strategic objectives. Good governance practices are the foundation of the risk governance. The Board sets the tone from the top of the organization by reinforcing the importance of risk management.

Management believes the risk factors described below and in Primaris' Annual Information Form are the most material risks that are faced by Primaris; however, they are not the only ones. Additional risk factors not presently known to management, or that management currently believes are immaterial could also materially and adversely affect the Trust's investments, prospects, cash flows, results of operations or financial condition, ability to make cash distributions to Unitholders and negatively affect the value of the Units.

13.1 Risks Associated with Owning and Operating Real Property

All real property investments are subject to a degree of risk and uncertainty. Such investments are affected by various factors including general economic conditions, local real estate markets, demand for leased premises, competition from other available premises, and various other factors.

The value of real property, and any improvements thereto, may also depend on the credit and financial stability of the tenants. Distributable cash and the Trust's income would be adversely affected if one or more key tenants or a significant number of tenants were to become unable to meet their obligations under their leases or if a significant amount of available space in the properties, in which the Trust has an interest, is not able to be leased on economically favourable lease terms. In the event of default by a tenant, delays or limitations in enforcing rights as lessor may be experienced and substantial costs in protecting the Trust's investment may be incurred. Furthermore, at any time, a tenant of any of the properties in which the Trust has an interest may seek the protection of bankruptcy, insolvency, or similar laws that could result in the rejection and termination of such tenant's lease and thereby cause a reduction in the cash flow available to the Trust.

The Trust may, in the future, be exposed to a general decline of demand by tenants for space in properties. As well, certain of the leases of the properties held by the Trust have early termination provisions which, if exercised, would reduce the average lease term. However, such termination rights are generally exercisable only at a cost to the tenant and the amount of space in the Trust's portfolio of properties which could be affected by the exercise of early termination provisions is not significant.

The ability to rent unleased space in the properties in which the Trust has an interest will be affected by many factors and costs may be incurred in making improvements or repairs to property required by a new tenant. A prolonged deterioration in economic conditions could increase and exacerbate the foregoing risks. The failure to rent unleased space on a timely basis or at all would likely have an adverse effect on the Trust's financial condition.

Certain significant expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges must be made throughout the period of ownership of real property regardless of whether the property is producing any income. If the Trust is unable to meet mortgage payments on any property, losses could be sustained as a result of the mortgagee's exercise of its rights of foreclosure or sale.

A mortgage on any one property may, from time to time, exceed the estimated current market value of the related property. The cash flow from such a property may not be sufficient to cover debt servicing for that property. The cash

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flow from the portfolio of properties currently held by the Trust is, however, expected by management to be sufficient to cover any cash flow shortfalls on such a property.

Current economic environment

The Trust will be subject to risks involving the economy in general, including risks related to inflation, deflation or stagflation, recession, depression, rising interest rates, unemployment, geopolitical issues, such as sanctions, tariffs, trade disputes, trade tensions, conflicts, the imposition of exchange controls or other cross-border trade barriers and a local, regional, national or international outbreak of a contagious disease. Global inflation, exacerbated by supply chain issues and other macroeconomic conditions and geopolitical uncertainties, may keep central banks aggressive in their attempts to mitigate pricing pressures. In particular, the impact or effect of recent announcements by the U.S. regarding potential tariffs imposed on Canadian exports, and any retaliatory tariffs imposed on the U.S. by Canada (or other retaliatory or unilateral actions), remain unknown and could have significant effects on the economy and could cause increased costs and disruptions to the business of our key tenants, or have as yet unknown consequences, which in turn could impact on the Trust's financial condition and operations.

Poor economic conditions could adversely affect the Trust's ability to generate revenues, thereby reducing its operating income and earnings. It could also have an adverse impact on the ability of the Trust to maintain occupancy rates which could harm the Trust's financial condition. In weak economic environments, the Trust's tenants may be unable to meet their rental payments and other obligations due to the Trust, which could have a material and adverse effect on the Trust. In addition, fluctuations in interest rates or other financial market uncertainty or volatility may adversely affect the Trust's ability to refinance existing indebtedness on its maturity or on terms that are as favourable as the terms of existing indebtedness and may adversely affect the ability of the Trust to complete acquisitions on financially desirable terms.

Real property valuations

Valuations of real property reflect an assessment of value based on the facts and circumstances as of the date the valuations were made. Such valuations may not have incorporated all relevant facts or may have relied on incorrect assumptions which may have been too optimistic or not sufficiently optimistic. Furthermore, valuations conducted at one point in time may not be reflective of value at another point in time, nor may the valuation be reflective of the value that could be obtained on a sale or other transaction.

In addition, the valuation process is dependent on several inputs, including discount and terminal capitalization rates. Risks associated with the Trust's property valuation model include fluctuations in discount and terminal capitalization rates, which can significantly impact the value of the Trust's portfolio.

Land leases

To the extent that the properties in which the Trust has or will have an interest are located on leased land, the land leases may be subject to periodic rate resets that may fluctuate. This may result in significant rental rate adjustments and therefore have a potential negative effect on the cash flow of the Trust.

Geographic concentration

The Trust's portfolio of properties is limited to Canadian retail properties, the majority of which are located in Ontario and Alberta. As a result, the Trust's performance, the market value of the properties and the income generated by the Trust are particularly sensitive to changes in the economic condition and regulatory environment of Ontario and Alberta. Adverse changes in the economic condition or regulatory environment of Ontario and Alberta may have a material adverse effect on the Trust's business, cash flows, financial condition and results of operations and its ability to make distributions.

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Credit risk and tenant concentration

The Trust is exposed to credit risk as an owner of real estate in that tenants may become unable to pay the contracted rents. Management mitigates this risk by carrying out appropriate credit checks and related due diligence on its significant tenants. In addition, management ensures that no tenant or related group of tenants, other than investment grade tenants, accounts for a significant portion of the Trust's cash flow.

In that regard, the Declaration of Trust restricts the leasing or subleasing of real property, premises or space to any person where that person and its affiliates would, after the contemplated lease or sublease, be leasing or subleasing real property, premises or space having a fair market value net of encumbrances in excess of 20% of Total Assets (as defined in the Declaration of Trust), unless the lease or sublease is for a renewal or where the lessee or sublessee is, or the lease or sublease is guaranteed by, the Government of Canada, the Government of the United States, any province or territory of Canada, any state of the United States, any municipality or city in Canada or the United States, or any agency or crown corporation thereof, and certain issuers, the securities of which meet stated investment criteria or are investment grade, or a Canadian chartered bank or trust company or insurance company registered or licensed federally or under the laws of a province of Canada.

Reliance on anchor tenants and tenant bankruptcies

Retail shopping centres have traditionally relied on anchor tenants (department stores, discount department stores, and grocery stores), and therefore they are subject to the risk of such anchor tenants either moving out of the property or going out of business. Anchor tenants generally occupy large amounts of leasable area, pay a significant portion of the total rents at a property, and contribute to the success of other tenants by drawing significant numbers of customers to a property. Certain of the Trust's anchor tenants are permitted to cease operating from their leased premises at any time at their option. Other anchor tenants are permitted to cease operating from their leased premises or to terminate their leases if certain events occur. Notwithstanding that such tenants would remain liable to pay all remaining rent in accordance with their leases, the exercise of such rights by an anchor tenant may have a negative effect on a property. There can be no assurance that such rights will not be exercised by an anchor tenant in the future.

The Trust's profit could be adversely affected in the event of a downturn in the business or the bankruptcy, or insolvency of any anchor tenant. The closing of one or more anchor stores at a multi-tenant property could have an adverse effect on that property. At a multi-tenant property, vacated anchor tenant space tends to adversely affect the entire shopping centre because of the loss of the departed anchor tenant's power to draw customers to the property, which in turn may cause other tenants' operations to suffer and adversely affect such other tenants' ability to pay rent or perform any other obligations under their leases. Moreover, a lease termination by an anchor tenant or a failure by that anchor tenant to occupy the premises may entitle other tenants of the property to cease operating from their premises, to a reduction of rent payable under their leases, and/or to terminate their leases. No assurance can be given that the Trust will be able to quickly re-lease space vacated by an anchor tenant on favourable terms, if at all. If any anchor tenant were to leave a property, the property could be negatively affected, which could have an adverse effect on the Trust's financial condition and results of operations, and could decrease the amount of cash available to pay distributions.

Bankruptcy filings by retailers occur periodically in the normal course of operations for reasons such as increased competition, outdated business models, internet sales, changing demographics, poor economic conditions, rising costs, and changing shopping trends. The Trust continually seeks to re-lease vacant space resulting from any tenant bankruptcies.

Lease rollover risk

Lease rollover risk arises from the possibility that the Trust may experience difficulty renewing leases as they expire, or in re-leasing space vacated by tenants upon lease expiry, or that the Trust may not achieve rental rate increases upon such renewals. In order to mitigate this risk, management's strategy is to sign creditworthy tenants to leases that are long-

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term in nature, have staggered lease maturities and use built-in rental escalations, each of which assists in the Trust's pursuit to maintain predictable cash flow. The ability to rent unleased space in the properties in which the Trust has an interest will be affected by many factors. The failure to rent unleased space on a timely basis, or at all, or to achieve rental rate increases would likely have an adverse effect on the Trust's financial condition, and could decrease the amount of cash available for distribution.

Competition

The real estate business is competitive. Numerous other developers, managers, and owners of properties compete with the Trust in seeking tenants. Some of the properties that compete with the Trust's properties may be newer, better located, less levered, or have stronger anchor tenants than the Trust's properties. Some property owners with properties that compete with the Trust's properties may be better capitalized and stronger financially, and hence better able to withstand an economic downturn. Competitive pressures in such markets could have a negative effect on the Trust's ability to lease space in its properties, and on the rents charged or concessions granted, which could have an adverse effect on the Trust's financial condition and results of operation and decrease the amount of cash available for distribution.

The Trust competes for suitable real property investments with individuals, corporations, other real estate investment trusts, and institutions (both Canadian and foreign) which are presently seeking, or which may seek in the future, real property investments similar to those desired by the Trust. Many of these investors have greater financial resources than the Trust, or operate without the Trust's investment restrictions, or according to more flexible conditions. An increase in the availability of investment funds and interest in real property investments, would tend to increase competition for real property investments, thereby increasing purchase prices and reducing the yields thereon.

Asset class concentration

The Trust's portfolio of retail properties is primarily comprised of leading enclosed shopping centre properties, with the remainder of the properties comprised of unenclosed shopping centres, mixed-use properties and one industrial centre. Significant deterioration of the retail shopping centre market in general, or the financial health of key tenants in particular, could have an adverse effect on the Trust's business, financial condition or results of operations. As well, shifting consumer preferences toward e-commerce may result in a decrease in the demand for physical space by retail tenants. The failure of the Trust to adapt to changes in the retail landscape, including finding new tenants to replace any lost income stream from existing tenants that reduce the amount of physical space they lease from the Trust could adversely affect the Trust's financial performance.

Construction risks

It is likely that the Trust will be involved in various development projects. The Trust's obligations in respect of properties under construction, or which are to be constructed, are subject to risks which include (i) the potential insolvency of a third-party developer (where the Trust is not the developer); (ii) a third-party developer's failure to use advanced funds in payment of construction costs; (iii) construction or other unforeseeable delays; (iv) cost overruns; (v) the failure of tenants to occupy and pay rent in accordance with existing lease agreements, some of which are conditional; (vi) the incurring of construction costs before ensuring rental revenues will be earned from the project; and (vii) increases in interest rates during the period of the development. Management strives to mitigate these risks where possible by entering into fixed price construction contracts with general contractors (and, to the extent possible, on a bonded basis) and by attempting to obtain long-term financing as early as possible during construction.

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Operating capital expenditures

Operating capital expenditures are incurred in irregular amounts and may exceed actual cash available from operations during certain periods. The Trust may be required to use part of its debt capacity or reduce distributions in order to accommodate such expenditures. Operating capital outlays for recoverable improvements may exceed recovery of amounts from tenants.

Co-ownership interest in properties

In certain situations, the Trust may be adversely affected by a default by a co-owner of a property under the terms of a mortgage, lease, or other agreement. Although all co-owners' agreements, to which the Trust is or may in the future become a party, provide or will provide, as applicable, for remedies to the Trust in such circumstances, such remedies may not be exercisable in all circumstances, or may be insufficient or delayed, and may not cure a default in the event that such default by a co-owner is deemed to be a default of the Trust.

Potential acquisition, investment and disposition opportunities and joint venture arrangements

The Trust regularly evaluates business and growth opportunities and is expected to consider a number of acquisition, investment and disposition opportunities and joint venture arrangements to achieve its business and growth strategies. In the normal course, the Trust may have outstanding non-binding letters of intent and/or conditional agreements or may otherwise be engaged in discussions with respect to potential acquisitions and financing of new assets, the refinancing of existing assets, potential dispositions, establishment of new joint venture arrangements, the viability and status of its joint venture arrangements, and changes to its capital structure, each of which, individually or in the aggregate, may or may not be material if they were to progress. However, there can be no assurance that any of these discussions will result in a definitive agreement and, if they do, what the terms or timing of any acquisition, investment or disposition would be or that such acquisition, investment, or disposition will be completed by the Trust. Similarly, there can be no assurance that the Trust will enter into new joint venture arrangements or continue any existing joint venture arrangements. If the Trust does complete such transactions, the Trust cannot provide assurance that they will ultimately strengthen its competitive position or that they will not be viewed negatively by customers, securities analysts, or investors. Such transactions may also involve significant commitments of the Trust's financial and other resources. Any such activity may not be successful in generating revenue, income or other returns to the Trust, and the resources committed to such activities will not be available to the Trust for other purposes.

Acquisitions of properties by the Trust are subject to the normal commercial risks and satisfaction of closing conditions that may include, among other things, lender approval, Competition Act (Canada) approval, receipt of estoppel certificates, and obtaining title insurance. Such acquisitions may not be completed or, if completed, may not be on terms that are exactly the same as initially negotiated. In the event that the Trust does not complete an acquisition, it may have an adverse effect on the operations and results of the Trust in the future and its cash available for distributions.

Potential undisclosed liabilities associated with acquisitions

The Trust is expected to acquire properties that are subject to existing liabilities, some of which may be unknown at the time of the acquisition or which the Trust may fail to uncover in its due diligence. Unknown liabilities might include liabilities for cleanup or remediation of undisclosed environmental conditions, claims by tenants, suppliers of goods and services, or other persons dealing with the vendor or predecessor entities (that have not been asserted or threatened to date), and accrued but unpaid liabilities incurred in the ordinary course of business. Representations and warranties given by third parties to the Trust regarding acquired properties may not adequately protect against these liabilities and any recourse against third parties may be limited by the financial capacity of such third parties. While in some instances the Trust may have the right to seek reimbursement against an insurer or another third party for certain of these liabilities, the Trust may not have recourse for all of these liabilities.

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Public health crises

The Trust's business, cash flows, financial condition and results of operations could be materially adversely affected by the outbreak of epidemics or pandemics or other health crises beyond the Trust's control, including future waves of the COVID-19 outbreak. Reactions to the spread or worsening of an outbreak may lead to, among other things, significant restrictions on travel, business closures, quarantines, social distancing and other containment measures and a general reduction in consumer activity. While these effects may be temporary, the duration of any business disruptions and related financial impact cannot be reasonably estimated, and may be instituted, terminated and re-instituted from time to time as an outbreak worsens or waves of an outbreak occur from time to time. Certain aspects of the Trust's business and operations that could potentially be impacted by such an event include rental income, occupancy, tenant inducements, future demand for space and market rents, changes in the preferences of tenants and prospective tenants, temporary or long-term labour shortages or disruptions, temporary or long-term impacts on domestic and global supply chains, increased risks to IT systems and networks, impairments and/or write-downs of assets, and the deterioration of worldwide credit and financial markets that could limit the Trust's ability to access capital and financing on acceptable terms or at all.

Cyber security risk

Cyber security has become an increasingly problematic issue for issuers and businesses in Canada and around the world. The occurrence, sophistication, and severity of cyber-attacks continue to rise, as hackers adopt artificial intelligence tools and other innovations. The risk of cyber-attacks has also increased as a result of geopolitical tensions, as vulnerability may be probed by state-sponsored actors. Cyber-attacks against large organizations are increasing in sophistication and are often focused on financial fraud, compromising sensitive data for inappropriate use, or disrupting business operations. A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity, or availability of the Trust's information resources. More specifically, a cyber-incident is an intentional attack or an unintentional event that can include gaining unauthorized access to information systems to disrupt operations, corrupt data, or steal confidential information. As the Trust's reliance on technology has increased, so have the risks posed to its systems. The Trust's primary risks that could directly result from the occurrence of a cyber-incident include operational interruption, damage to its reputation, damage to the Trust's business relationships with its tenants, disclosure of confidential information regarding its tenants, employees and third parties with whom the Trust interacts, and may result in negative consequences, including remediation costs, loss of revenue, additional regulatory scrutiny, and litigation. The Trust has implemented processes, procedures, and controls to help mitigate these risks, but these measures, as well as its increased awareness of a risk of a cyber-incident, do not guarantee that its financial results will not be negatively impacted by such an incident.

Data governance and decision support

Primaris depends on relevant and reliable information to operate its business. As the volume of data being generated and reported continues to increase, data accuracy, quality, and governance are required for effective decision making. Failure by Primaris to leverage data in a timely manner may adversely affect its ability to execute its strategy and therefore impact its financial performance.

Environmental and climate change risk

As an owner of interests in real property in Canada, the Trust is subject to various Canadian federal, provincial, and municipal laws relating to environmental matters. These laws impose a liability for the cost of removal and remediation of certain hazardous materials released or deposited on properties owned by the Trust or adjacent properties.

In accordance with best management practices, Phase I environmental audits are completed on all properties prior to acquisition. Further investigation will be conducted if Phase I tests indicate a potential problem. The Trust has operating policies to monitor and manage risk. In addition, the standard lease utilized requires tenants to comply with

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environmental laws and regulations and restricts tenants from carrying on environmentally hazardous activities or having environmentally hazardous substances on site.

Natural disasters and severe weather such as floods, ice storms, blizzards, and rising temperatures may result in damage to the Trust's properties. The extent of the Trust's casualty losses and loss in net operating income in connection with such events is a function of the severity of the event and the total amount of exposure in the affected area. The Trust is also exposed to risks associated with inclement winter weather, including increased need for maintenance and repair of the Trust's buildings. In addition, climate change, to the extent it causes changes in weather patterns, could have effects on the Trust's business by increasing the cost to recover and repair the Trust's properties and/or by increasing property insurance costs to insure a property against natural disasters and severe weather events.

The Trust has taken proactive steps to mitigate the risk of climate change on its business and its properties and to address the Trust's environmental impact.

Dependence on key personnel, talent management and succession planning

Primaris' continued growth is dependent on its ability to hire, retain and develop its leaders and other key personnel. Any failure to effectively attract and retain talented and experienced employees and to establish adequate succession planning and retention strategies could result in a lack of requisite knowledge, skill and experience. This could erode the Trust's competitive position or result in increased costs and competition for, or high turn-over of, employees. Any of the foregoing could have an adverse effect on the Trust.

Potential conflicts of interest

The Trust may be subject to various conflicts of interest because of the fact that members of management and the Trustees may be engaged in a wide range of real estate and other business activities and the Trust may become involved in transactions which conflict with the interests of the foregoing.

Management of the Trust and the Trustees may from time-to-time deal with persons, firms, institutions, or corporations with which the Trust may be dealing, or which may be seeking investments similar to those desired by the Trust. The interests of these persons could conflict with those of the Trust. In addition, from time to time, these persons may be competing with the Trust for available investment opportunities.

Any decisions regarding the enforcement by the Trust of the terms of any agreement entered into by the Trust with a non-independent Trustee or with an associate of a non-independent Trustee may be made by a majority of the independent Trustees. There is a risk that non-independent Trustees may attempt to influence the independent Trustees in this regard.

Litigation and regulatory risk

Primaris' operations are subject to a wide variety of laws and regulations across all of its operating jurisdictions and Primaris faces risks associated with legal and regulatory changes and litigation. In the normal course of operations, Primaris may become involved in various legal actions, including claims relating to personal injury, property damage, property taxes, land rights, and contractual and other commercial disputes and the resolution of such actions may have an adverse effect on the Trust's financial position or results of operations. Primaris retains external legal consultants to assist it in remaining current and compliant with legal and regulatory changes and to respond to litigation.

Uninsured losses

Primaris carries comprehensive general liability, environmental, fire, flood, extended coverage and rental loss insurance with policy specifications, limits and deductibles customarily carried for similar properties. There are, however, certain types of risks (including, but not limited to, environmental contamination or catastrophic events such as war, insurrection, rebellion, revolution, civil war, usurped power, or action taken by a government authority in hindering, combating or

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defending against such an event, nuclear reaction or nuclear radiation or radioactive contamination or acts of terrorism) which are either uninsurable, in whole or in part, or not insurable on an economically viable basis. Should an uninsured or under-insured loss occur, the Trust could lose its investment in, and anticipated profits and cash flows from, one or more of its properties, and the Trust would continue to be obliged to repay any recourse mortgage indebtedness on such properties.

13.2 Risks Relating to Financial Markets and Liquidity

Interest rate and other debt-related risks

The Trust will be exposed to financing risk on maturing debt and interest rate risk on its borrowings. In an attempt to combat inflation, the Bank of Canada increased its overnight lending rate in 2023. Although the Bank of Canada has since made some reductions to this rate, ongoing economic uncertainty may result in a slower pace of interest rate cuts or a slower pace of changes in interest rates available in the market. Higher interest rates may lead to the Trust's debt being refinanced at higher rates than when initially obtained, thereby reducing net income and cash flows which could ultimately affect the level of distributions. The Trust aims to minimize this risk by negotiating fixed rate term debt with staggered maturities targeting less than 20% of total debt maturing in any one year. Consistent with a debt strategy employing significant unsecured financings, the Trust will strive to maintain undrawn credit facility capacity to accommodate 18-24 months of forward debt maturities.

If the Trust indebtedness is replaced by new debt that has less favourable terms or if the Trust is unable to secure adequate funding, distributions by the Trust to Unitholders may be adversely impacted. In addition, failure by the Trust to comply with its obligations under the documents governing such indebtedness (including in the case of the credit facilities, the failure to meet certain financial ratios and financial conditions tests) may adversely impact the Trust's ability to make cash distributions on the Units.

The Trust's credit facilities contain terms and covenants that limit the discretion of management with respect to certain business matters. These covenants place restrictions on, among other things, the ability of the Trust to allow liens or other encumbrances to be created against the Trust's assets, to make certain payments, investments, loans and guarantees and to sell or otherwise dispose of assets and merge or consolidate with another entity. In addition, the credit facilities contain a number of financial covenants that require the Trust to meet certain financial ratios and financial condition tests. A failure to comply with the obligations in the credit facilities could result in a default which, if not cured or waived, could result in acceleration of the relevant indebtedness.

Liquidity risk

Real property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relationship with demand for and the perceived desirability of such investments. Such illiquidity will tend to limit the Trust's ability to vary its portfolio promptly in response to changing economic or investment conditions. If, for whatever reason, liquidation of assets is required, there is a risk that sale proceeds realized might be less than the previously estimated market value of the Trust's investments or that market conditions, including the impact of geopolitical events, would prevent prompt disposition of assets.

Ability to access capital markets

As the Trust distributes a portion of its income to Unitholders, the Trust may need to obtain additional capital through capital markets or financing activities with lenders, and the Trust's ability to access the capital markets through equity issues and forms of secured or unsecured debt financing may affect the operations of the Trust as such financing may be available only on disadvantageous terms, if at all. If financing is not available on acceptable terms, acquisitions or ongoing development projects may be curtailed and cash available for distributions or to fund future commitments may be adversely affected.

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Credit Rating Risk

Credit ratings assigned to the Trust's debentures are not hold or sell recommendations, do not address the market price of the debentures, and are not assessments of the appropriateness of ownership of the debentures given various investment objectives. The credit ratings on the debentures may not reflect the potential impact of all risks and factors affecting the value of the debentures, including market risk, trading liquidity risk and covenant risk.

In addition, any credit rating that is assigned to the Trust's senior unsecured debentures may not remain in effect for any given period of time or may be lowered, withdrawn or revised by one or more of the rating agencies if, in their judgment, circumstances so warrant. Any lowering, withdrawal or revision of a credit rating may have an adverse effect on the market price of the debentures and the other securities of the Trust, may adversely affect a securityholder's ability to sell its debentures or other securities of the Trust and may adversely affect the Trust's access to financial markets and its cost of borrowing.

13.3 Risks Relating to Securities of the Trust

Prices of Primaris securities

Publicly traded Units will not necessarily trade at values determined solely by reference to the underlying value of Trust assets. Accordingly, Units may trade at a premium or a discount to the underlying value of the assets of the Trust.

One of the factors that may influence the quoted price of Units is the annual yield on Units. Accordingly, an increase in market interest rates may lead investors in Units to demand a higher annual yield which could adversely affect the quoted price of Units. In addition, the quoted price of Units may be affected by changes in general market conditions, fluctuations in the markets for equity securities and numerous other factors beyond the control of the Trust.

Challenging market conditions, the health of the economy as a whole and numerous other factors beyond the control of the Trust, including geopolitical events, may have a material effect on the business, financial condition, liquidity, and results of operations of the Trust. Financial markets have previously experienced significant price and volume fluctuations that have particularly affected the market prices of securities of issuers and that have often been unrelated to the operating performance, underlying asset values, or the prospects of such issuers. There can be no assurance that such fluctuations in price and volume will not occur again. Accordingly, the market price of Units may decline even if the Trust's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If such increased levels of volatility and market turmoil occur, the Trust's operations could be adversely impacted, and the trading price of Units may be adversely affected.

Debentures

The likelihood that purchasers of the Trust's senior unsecured debentures will receive payments owing to them under the terms of such debentures will depend on the financial health of the Trust and its creditworthiness. In addition, such debentures are unsecured obligations of the Trust and are subordinate in right of payment to all of the Trust's existing and future senior indebtedness. Therefore, if the Trust becomes bankrupt, liquidates its assets, reorganizes or enters into certain other transactions, the Trust's assets will be available to pay its obligations with respect to such debentures only after it has paid all of its senior indebtedness in full. There may be insufficient assets remaining following such payments to pay amounts due on any or all of the senior unsecured debentures then outstanding.

The senior unsecured debentures are also effectively subordinate to claims of creditors (including trade creditors) of the Trust's subsidiaries and claims of holders of the Exchangeable Preferred LP Units except to the extent the Trust is a creditor of such subsidiaries ranking at least *pari passu* with such other creditors or such subsidiaries have provided a guarantee with respect to the senior unsecured debentures. A parent entity is entitled only to the residual equity of its subsidiaries after all debt obligations of its subsidiaries are discharged. In the event of bankruptcy, liquidation or

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reorganization of the Trust, holders of indebtedness of the Trust (including holders of the senior unsecured debentures), may become subordinate to lenders to the subsidiaries of the Trust and to holders of Exchangeable Preferred LP Units, to the extent such subsidiary of the Trust has not provided a guarantee. The indentures governing such debentures do not prohibit or limit the ability of the Trust or its subsidiaries to incur additional debt or liabilities (including senior indebtedness), to amend and modify the ranking of any indebtedness or to make distributions, except, in respect of distributions where an event of default has occurred and such default has not been cured or waived. The indentures do not contain any provision specifically intended to protect holders of debentures in the event of a future leveraged transaction involving the Trust.

In addition, the Trust may be required to purchase all outstanding senior unsecured debentures upon the occurrence of a change of control. However, it is possible that following a change of control, the Trust will not have sufficient funds at that time to make any required purchase of such outstanding debentures or that restrictions contained in other indebtedness will restrict those purchases.

Availability of cash for distributions

Although the Trust intends to make distributions of its available cash to Unitholders in accordance with its distribution policy, these cash distributions may be reduced or suspended. The actual amount distributed by the Trust will depend on numerous factors including capital market conditions, the financial performance of the Trust's properties, the Trust's debt covenants and other obligations (including payment of distributions on the Convertible Preferred LP Units), its working capital requirements, its future capital requirements, its development commitments, and fluctuations in interest rates. Cash available to the Trust for distributions may be reduced from time to time because of items such as principal repayments on debt, tenant allowances, leasing commissions, capital expenditures, or any other business needs that Trustees deem reasonable. The Trust may be required to use part of its debt capacity in order to accommodate any or all of the above items. The market value of Units may decline significantly if the Trust suspends or reduces distributions. Trustees retain the right to re-evaluate the distribution policy from time to time as they consider appropriate.

Tax risk

The Tax Act includes rules (referred to herein as the "SIFT Rules") which effectively tax certain income of a publicly traded trust that is distributed to its investors or of a publicly traded partnership on the same basis as would have applied had the income been earned through a taxable corporation and distributed by way of dividend to its shareholders. The SIFT Rules apply only to "SIFT trusts", "SIFT partnerships" (each as defined in the Tax Act) and their investors. A trust that qualifies as a "real estate investment trust" (as defined in the Tax Act) for a taxation year will not be considered to be a SIFT trust in that year (the "REIT Exemption").

Based on a review of the Trust's assets and revenues, management believes that the Trust will satisfy the tests to qualify for the Trust Exemption for its current taxation year and intends to conduct the affairs of the Trust so that it will continue to qualify for the Trust Exemption at all future times. However, as the Trust Exemption includes complex revenue and asset tests, no assurances can be provided that the Trust will qualify for the Trust Exemption for the current taxation year or any subsequent taxation year. A subsidiary trust or partnership of the Trust will not be subject to the SIFT Rules provided it is an "excluded subsidiary entity", which among other things, requires that only specified persons own units of such subsidiary trust or partnership. Four of the Trust's lower-tier subsidiary partnerships, holding an aggregate of five recently acquired properties, do not presently qualify as excluded subsidiary entities. Management nonetheless does not believe that such subsidiaries are subject to the SIFT Rules, or that such subsidiaries would be subject to a material amount of tax under the SIFT Rules if that were not the case, but there can be no assurances in this regard.

The likely effect of the SIFT Rules on the market for Units, and on the Trust's ability to finance future acquisitions through the issue of Units or other securities, is unclear. If the SIFT Rules were to apply to the Trust or any of its subsidiaries, they may adversely affect the marketability of the Units, the amount of cash available for distributions and the after-tax return to investors.

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The Trust currently qualifies as a mutual fund trust for purposes of the Tax Act. There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the Canada Revenue Agency, including in respect of the treatment of mutual fund trusts or SIFT trusts and SIFT partnerships will not be changed in a manner which adversely affects the Trust, or its subsidiaries, or holders of Units. If the Trust does not qualify as a "mutual fund trust" under the Tax Act or were to cease to so qualify, the income tax considerations applicable to the Trust and an investment in Units of the Trust would be materially and adversely different. In particular, if the Trust were to cease to qualify as a mutual fund trust and Units cease to be listed on a designated stock exchange (which currently includes the TSX), Units would cease to be qualified investments for registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability savings plans, deferred profit sharing plans, tax free savings accounts, and first home savings accounts, each as defined in the Tax Act (collectively, "Exempt Plans").

On June 20, 2024, Bill C-59 received royal assent, which amended the Tax Act (the "EIFEL Rules") to limit the deductibility of interest and other financing-related expenses of Canadian resident corporation or trust to the extent that such expenses, net of interest and other financing-related income, exceed a fixed ratio of the entity's tax EBITDA. The Trust does not expect the EIFEL Rules to have an adverse impact on the Trust or its Unitholders, but there can be no assurances in this regard. If these rules were to apply to restrict deductions otherwise available to the Trust, the taxable component of distributions paid by the Trust to Unitholders may be increased, which could reduce the after-tax return associated with an investment in Units.

The Tax Act was amended to include a new tax on repurchases of equity, which is effective for transactions that occur on or after January 1, 2024 (the "Equity Repurchase Rules"). Under the Equity Repurchase Rules, a trust the equity of which is listed on a "designated stock exchange" (which currently includes the TSX) that is a real estate investment trust for purposes of the Tax Act will be subject to a 2% tax on the value of the trust's net equity repurchases (which would include purchases of Units by the Trust under the NCIB) in a taxation year, as calculated in accordance with the Equity Repurchase Rules, subject to a de minimis exception where the trust's gross equity repurchases in the year does not exceed \$1,000,000. If the Trust is required to pay tax under the Equity Repurchase Rules, the amount of cash available for distribution to investors would be reduced.

If the Trust experiences a "loss restriction event", as defined in the Tax Act, (i) it will be deemed to have a year-end for tax purposes (which would result in an unscheduled distribution of undistributed net income and net realized capital gains, if any, at such time to Unitholders to the extent necessary to ensure that the Trust is not liable for income tax on such amounts under Part I of the Tax Act), and (ii) it will become subject to the loss restriction rules generally applicable to a corporation that experiences an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on its ability to carry forward unused losses to future taxation years. Generally, the Trust will be subject to a loss restriction event if a person becomes a "majority-interest beneficiary", or a group of persons becomes a "majority-interest group of beneficiaries", of the Trust, each as defined in the affiliated persons rules contained in the Tax Act, with certain modifications. Generally, a majority-interest beneficiary of a trust is a beneficiary of the trust whose beneficial interests in the income or capital of the trust, as the case may be, together with the beneficial interests in the income or capital of the trust, as the case may be, of persons and partnerships with whom such beneficiary is affiliated for the purposes of the Tax Act, represent greater than 50% of the fair market value of all the interests in the income or capital of the trust, as the case may be.

Dilution

The number of Units the Trust is authorized to issue is unlimited. The Trustees have the discretion to issue additional Units in certain circumstances, including under the Trust's Unit Option Plan and Incentive Unit Plan, and the Trust may issue Units pursuant to any distribution reinvestment plan and/or unit purchase plan adopted in the future. In addition, the Trust has made and may make future acquisitions or enter into other transaction involving the issuance of security, including Units and Convertible Preferred LP Units. The Trust has an obligation to deliver Units upon an exercise of a

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holder of Convertible Preferred LP Unit's exchange right in accordance with the terms of the Convertible Preferred LP Units. Any issuance of Units may have a dilutive effect on the investors of Units.

Unitholder liability

The Declaration of Trust provides that no Unitholder, Special Voting Unitholder, or annuitant under a plan of which a Unitholder or Special Voting Unitholder acts as trustee or carrier will be held to have any personal liability as such, and that no resort shall be had to, nor shall recourse or satisfaction be sought from, the private property of any Unitholder, Special Voting Unitholder, or annuitant for any liability whatsoever, in tort, contract or otherwise, to any person in connection with property of the Trust or the affairs of the Trust including, without limitation, for satisfaction of any obligation or claim arising out of or in connection with any contract or obligation of the Trust or of the Trustees or any obligation which a Unitholder, Special Voting Unitholder, or annuitant would otherwise have to indemnify the Trustee for any personal liability incurred by the Trustee as such. Only assets of the Trust are intended to be liable and subject to levy or execution for satisfaction of such liability.

Notwithstanding the foregoing, personal liability may arise in respect of claims against the Trust that do not arise under contracts, including claims in tort, claims for taxes and possibly certain other statutory liabilities. The possibility of any personal liability of this nature arising is considered remote as the nature of the Trust's activities are such that most of its obligations arise by contract and non-contractual risks are largely insurable. In the event that payments of the Trust's obligations were to be made by a Unitholder or Special Voting Unitholder, such holder would be entitled to reimbursement from the available assets of the Trust.

The Trustees will cause the activities of the Trust to be conducted with the advice of counsel, in such a way and in such jurisdictions as to avoid, to the extent they determine to be practicable and consistent with their fiduciary duty to act in the best interests of the Unitholders and Special Voting Unitholders, any material risk of liability on the Unitholders and Special Voting Unitholders for claims against the Trust.

Legislation has been enacted in the Province of Ontario and certain other provinces that is intended to provide unitholders in those provinces with limited liability. The *Trust Beneficiaries' Liability Act, 2004* (Ontario) provides that unitholders of a trust that is a reporting issuer and governed by the laws of Ontario are not liable, as beneficiaries, for any act, default, obligation, or liability of the trust or any of its trustees that arise after the legislation came into force. A trust is considered governed by the laws of Ontario if its declaration of trust or other constating instrument contains the customary provision to that effect. Primaris' Declaration of Trust contains such a provision, and accordingly, the Unitholders and Special Voting Unitholders are protected by this legislation. However, there remains a risk, which the Trust considers to be remote in the circumstances, that a Unitholder and Special Voting Unitholder could be held personally liable for the Trust's obligations to the extent that claims are not satisfied out of the Trust's assets. It is intended that the Trust's affairs will be conducted to seek to minimize such risk wherever possible.

Redemption right

Unitholders are entitled to have their Units redeemed at any time on demand. It is anticipated that this redemption right will not be the primary mechanism for holders of Units to liquidate their investments. The entitlement of holders of Units to receive cash upon the redemption of their Units is subject to the limitations that: (i) the total amount payable by the Trust in respect of those Units and all other Units tendered for redemption in the same calendar month does not exceed \$50,000 (subject to certain adjustments and provided that the Trustees may waive this limitation at their sole discretion); (ii) at the time such Units are tendered for redemption, the outstanding Series A Units shall be listed for trading or quoted on a stock exchange or traded or quoted on another market which in the sole discretion of the Trustees, provides representative fair market value prices for the Units; and (iii) the normal trading of Units is not suspended or halted on any stock exchange on which Units are listed (or, if not so listed, on any market on which Units are quoted for trading) on the Redemption Date (as defined in the Declaration of Trust available on SEDAR+) or for more than five trading days during the ten-day trading period commencing immediately prior to such date. In certain circumstances, the Declaration

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of Trust provides for the *in specie* distribution of property of the Trust and/or Redemption Notes (as defined in the "Declaration of Trust" available on SEDAR+), in the event of a redemption of Units. The Redemption Notes which may be distributed *in specie* to Unitholders in connection with a redemption will not be listed on any stock exchange and are not expected to be qualified investments for Exempt Plans, no established market is expected to develop for such notes, and they may be subject to resale restrictions under applicable securities laws.

Investment eligibility

The Tax Act imposes penalties for the acquisition or holding of non-qualified or prohibited investments (as defined in the Tax Act) by certain Exempt Plans. The Trust will endeavour to ensure that Units continue to be qualified investments for Exempt Plans, but there can be no assurances in this regard. Holders, annuitants, and subscribers of Exempt Plans should consult their own tax advisors with respect to whether Units would be prohibited investments having regard to their particular circumstances.

Statutory remedies

The Trust is not a legally recognized entity within the relevant definitions of the *Bankruptcy and Insolvency Act*, the *Companies' Creditors Arrangement Act* and, in some cases, the *Winding Up and Restructuring Act*. As a result, in the event a restructuring of the Trust were necessary, the Trust would not be able to access the remedies available thereunder.

The rights granted in the Declaration of Trust are granted as contractual rights afforded to securityholders of the Trust ("Securityholders"). Similar to other existing rights contained in the Declaration of Trust (e.g. take-over bid provisions and conflict of interest provisions), making these rights and remedies and certain procedures available by contract is structurally different from the manner in which the equivalent rights and remedies or procedures (including the procedure for enforcing such remedies) are made available to shareholders of a corporation, who benefit from those rights and remedies or procedures by the corporate statute that governs the corporation, such as the *Canada Business Corporations Act*. As such, there is no certainty how these rights, remedies or procedures may be treated by the courts in the non-corporate context or that a Securityholder will be able to enforce the rights and remedies in the manner contemplated by the Declaration of Trust. Furthermore, how the courts will treat these rights, remedies and procedures will be at the discretion of the court, and a court may choose to not accept jurisdiction to consider any claim contemplated in the Declaration of the Trust.

13.4 Risks Relating to Operations

Theft and Safety Issues

The rise in theft, particularly organized retail crime, along with the increase in violent incidents and aggressive behavior in Canadian retail settings, is a concerning trend. Several factors seem to be contributing to these challenges, including the current economic environment, the surge in inflation in recent years, the growth of online platforms and the evolving nature of criminal activity. Some retailers may struggle to protect their staff, customers, and merchandise leading to a negative impact on both community safety and profitability. Other retailers may incur significant costs to implement security measures to protect against these risks. Escalating incidents of theft and violence may lead to a reduction in consumer foot traffic and overall retail performance. These issues may cause increased costs and disruptions to the business of some of the Trust's key tenants, which in turn may impact on the Trust's financial condition and operations.

Amusement Park Risk

On October 1, 2024, Primaris acquired Les Galeries de la Capitale in Quebec City, Quebec, which included Méga Parc, an indoor amusement park located within the mall. There are inherent risks in owning and operating an amusement park, including high operational costs such as maintenance, staffing and utilities, safety and liability risks, including the risk of accidents or injuries, which can result in lawsuits, insurance claims and reputational damage, and high regulatory compliance costs, including complying with various safety, health, and zoning regulations.

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14. OTHER DISCLOSURES

Future Changes in Accounting Standards

Primaris monitors the changes proposed by the International Accounting Standards Board ("IASB") and analyzes the effect that changes in the standards may have on disclosures. Standards issued, but not effective up to the date of issuance of the Financial Statements, which Primaris reasonably expects to be applicable to its operations, are described below. Primaris intends to adopt these standards when they become effective.

IFRS 18, "Presentation and Disclosure in Financial Statements"

In April 2024, IFRS 18 was issued to create comparability of the financial performance of similar entities. The standard impacts the presentation of primary financial statements and notes, including the statement of income (loss) where the Trust will be required to present separate categories of income and expense for operating, investing and financing activities with prescribed subtotals for each new category. The standard will replace IAS 1, "Presentation of Financial Statements" and will be effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. The amendments are to be applied retrospectively. Management is currently assessing the impact of the new standard.

14.1 Critical Accounting Judgements, Estimates and Assumptions

The preparation of the Financial Statements requires management to make significant judgments in the process of applying Primaris' accounting policies that affect the carrying amounts of assets and liabilities, and the reported amounts of revenues and expenses. In addition, estimates and assumptions are used, mainly in determining the measurement of balances recognized or disclosed in the Financial Statements, that are based on a set of underlying data that may include management's historical experience, knowledge of current events and conditions, and other factors that are believed to be reasonable under the circumstances. Management continually evaluates the estimates and judgments it uses.

In the process of applying Primaris' accounting policies, management was required to apply judgment in the areas discussed below.

Investment Properties

Judgements made in application of accounting policy

Judgment is required in determining whether certain costs represent additions to the carrying amount of the investment properties versus a charge to repairs and maintenance expense. Judgement is also required in distinguishing whether amounts expended under leasing obligations are tenant allowances or incentives. Primaris also applied judgement in determining whether the investment properties it acquires are considered to be asset acquisitions or business combinations.

Use of estimates and assumptions

The fair value of income-producing properties is dependent on future significant assumptions including future cash flows over the holding period, terminal capitalization rates and discount rates applicable to those assets. The estimation of future cash flows involves assumptions relating to occupancy, rental rates and residual value. In addition to estimating future cash flows, management assesses changes in the business climate and other factors, which may affect the future cash flows. A change to any of these assumptions may significantly alter the fair value of an investment property. The fair value of land held for development is dependent on the market value per unit established on comparable sales activity.

Measurement uncertainty exists in the Trust's ability to apply comparable sales activity to estimate the fair value of land held for development. There are inherent limitations in determining the comparable sales as this requires knowledge of the specific zoning, conditions and stages of the developments.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

It is not possible to forecast with certainty the duration and scope of impacts from macroeconomic factors such as inflation, or changes in interest rates on the Trust's business and operations. Certain aspects of the Trust's business and operations that could potentially be impacted include rental income, occupancy, future demand for space and market rents, which all ultimately impact the underlying valuation of its investment properties. As such, there is measurement uncertainty in being able to appropriately forecast future cash flows when determining the fair value of investment properties.

Joint operations

Judgements made in application of accounting policy

Primaris makes judgments in determining the appropriate accounting for co-owned properties. Such judgments include assessing the level of control or influence Primaris has and determining whether Primaris' rights and obligations are directly related to the assets and liabilities of the arrangement or to the net assets of the arrangement. In determining that Primaris has rights and obligations directly related to the assets and liabilities of the arrangement, Primaris will record its proportionate share of assets, liabilities, revenues, expenses and cash flows.

Leases

Judgements made in application of accounting policy

Primaris makes judgements in determining whether certain leases, in particular tenant leases where the Trust is the lessor, are either operating or finance leases. When Primaris determines, based on an evaluation of terms and conditions of the lease, that the Trust retains all the significant risks and rewards of ownership of the property under the lease agreement with a tenant, the lease will be recorded as an operating lease.

Primaris also makes judgements when recording the right-of-use asset and lease liability for leases where Primaris is the lessee. Primaris considers all factors to determine if it is reasonably certain that an extension options will be exercised or not. The Trust uses its incremental borrowing rate to account for leases with third party landlords as the implicit rates in the lease are not readily available information for the lessor. Primaris determines the incremental borrowing rate as the rate of interest that it would pay to borrow over a similar term and with similar security.

Acquisitions

Judgments made in application of accounting policy

Primaris assesses whether an acquisition should be accounted for as an asset acquisition or a business combination under IFRS 3, Business Combinations. This assessment requires judgments on whether the assets acquired and liabilities assumed constitute a business including the assessment of inputs and processes acquired support the outputs.

Primaris also uses judgment in determining if such acquisitions qualify to meet the requirements of IAS 40, Investment Properties based on the significance of rental income in context to total income generated at the property.

Income taxes

Judgements made in application of accounting policy

Primaris uses judgement to interpret income tax rules and regulations and in determining that it meets all the REIT Conditions prescribed under the Tax Act. Primaris has determined that it qualifies as a REIT for the current year and expects to continue to qualify. However, should it no longer qualify, it would not be able to flow through its taxable income to Unitholders and would therefore be subject to income tax.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

Convertible Preferred LP Units

Judgments made in application of accounting policy and use of estimates and assumptions

Primaris uses judgement to complete the model to value the Convertible Preferred LP Units including assumptions on the risk-free interest rate for the expected life of the Convertible Preferred LP Units, the credit spread and ranking concession reflecting the Convertible Preferred LP Units subordination to other debt applied to the risk free rate, and the expected Trust Unit price volatility.

Expected credit loss

Use of estimates and assumptions

Primaris assesses, on a tenant-by-tenant basis, expected losses with its rent receivables. In determining the provision for credit loss, Primaris considers the payment history, and future expectations of potential abatements to be granted through negotiation or tenant default events. Primaris' assessment is subjective due to its forward-looking nature. As a result, the provision for credit loss is subject to a degree of uncertainty which is compounded by macroeconomic factors such as inflation or changes in interest rates.

Liability for unit-based compensation

Use of estimates and assumptions

The fair value of the liability for Trust Unit Options is valued using the Black-Scholes model which includes assumptions on the expected distribution yield; the expected Trust Unit price volatility; the weighted average expected life of the Options; and the risk-free interest rate for the expected life of the Options. A change to any of these inputs may impact the fair value of the liability. For the fair value of Performance Trust Units, the performance market conditions are also taken into consideration.

14.2 Internal Control Over Financial Reporting, and Disclosure Controls and Procedures

Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial reports for external purposes in accordance with IFRS.

The Chief Executive Officer and Chief Financial Officer have caused the effectiveness of internal control over financial reporting to be evaluated using the framework established in "Internal Control - Integrated Framework" (2013) published by The Committee of Sponsoring Organizations of the Treadway Commission, as required by National Instrument 52-109 "Certification of Disclosure in Issuers' Annual and Interim Filings" ("NI 52-109"). Based on that evaluation, they have concluded that the design and operation of the Trust's internal control over financial reporting were effective as at December 31, 2024.

In designing such controls, it should be recognized that due to inherent limitation, any controls, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and may not prevent or detect misstatements. Additionally, management is required to use judgement in evaluating controls and reporting.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

Disclosure Controls and Procedures

Management is also responsible for establishing and maintaining a system of disclosure controls and procedures to provide reasonable assurance that all material information relating to the Trust is gathered and reported to senior management on a timely basis so that appropriate decisions can be made regarding public disclosures.

The Chief Executive Officer and Chief Financial Officer have caused the effectiveness of the disclosure controls and procedures to be evaluated, as required by NI 52-109. Based on that evaluation, they have concluded that the design and operation of the system of disclosure controls and procedures were effective as at December 31, 2024.

Change in Internal Control Over Financial Reporting

There were no changes in Primaris' internal control over financial reporting in the fourth quarter of 2024 that materially affected or are reasonably likely to affect the Trust's internal control over financial reporting.

14.3 Subsequent Events

On January 31, 2025, Primaris acquired a 50% interest in Southgate Centre in Edmonton, Alberta and a 100% ownership interest in Oshawa Centre in Oshawa, Ontario for aggregate consideration of:

- \$335.0 million of cash (before disposition costs);
- \$75.0 million of Trust Units, or 3,437,214 Units; and
- \$175.0 million of 6.25% Convertible Preferred LP Units in a newly formed subsidiary limited partnership, which exchange into 8,020,165 Trust Units.

Waived conditions on the disposal of Sherwood Park Mall, Sherwood Park Professional Centre and a parcel of excess land for cash proceeds of \$107.0 million, before disposition costs, which is expected to closed February 28, 2025 subject to customary closing conditions.

Purchased for cancellation an additional 320,000 Units under the ASPP for consideration of \$4.8 million as of February 13, 2025, for total NCIB purchases since inception of 10,149,300 Units at an average price of \$13.91, or a discount to NAV** of approximately 35.5%.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Financial Results

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PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Responsibility for Financial Reporting

The management of Primaris Real Estate Investment Trust ("Primaris" or the "Trust") is responsible for the preparation and fair presentation of the accompanying consolidated financial statements (the "Financial Statements") and Management's Discussion and Analysis ("MD&A"). The Financial Statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board. All financial information in the MD&A is consistent with the Financial Statements.

The Financial Statements and information in the MD&A include amounts based on best estimates and judgments by management of the expected effects of current events and transactions with the appropriate consideration to materiality. In addition, in preparing this financial information, management must make determinations about the relevancy of information to be included, and estimates and assumptions that affect the reported information. The MD&A also includes information regarding the impact of current transaction and events, sources of liquidity and capital resources, operating trends, risks and uncertainties. Actual results in the future may differ materially from management's present assessment of this information because future events and circumstances may not occur as expected.

Management is also responsible for providing reasonable assurance that assets are safeguarded, and that relevant and reliable financial information is produced. Management meets these objectives of internal control on a cost effective basis through the prudent selection and training of personnel and third-party consultants, adoption and communication of appropriate policies, and employment of a controls testing program. Management is required to certify, under National Instrument 52-109 "Certification of Disclosure in Issuers' Annual and Interim Filings" ("52-109"), as to the design and operating effectiveness of internal control over financial reporting. There were no limitations to the scope of certification under 52-109 for the years ended December 31, 2024 or 2023.

The Board of Trustees oversees management's responsibility for financial reporting through an Audit Committee, which is composed entirely of independent Trustees. The Audit Committee reviews Primaris' Financial Statements and MD&A with management before such statements are approved by the Board of Trustees. Other responsibilities of the Audit Committee include selecting Primaris' independent auditor, approving the auditor's remuneration and terms of the engagement, and monitoring Primaris' existing systems of internal controls. The Audit Committee also meets with the independent auditors without the presence of management. The independent auditors have unrestricted access to the Audit Committee, as do the personnel and third-party consultants performing controls testing.

KPMG LLP, the independent auditors of Primaris, have audited the consolidated financial statements for the years ending December 31, 2024 and 2023 and have expressed their opinion upon the completion of such examination in the following report to Unitholders.

Alex Avery

Alex Avery

Chief Executive Officer

Rags Davloor

Rags Davloor

Chief Financial Officer

Toronto, Ontario

February 13, 2025

PRIMARIS REAL ESTATE INVESTMENT TRUST

Independent Auditor's Report



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Bay Adelaide Centre
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Toronto, ON M5H 2S5
Canada
Tel 416-777-8500
Fax 416-777-8818

INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Primaris Real Estate Investment Trust

Opinion

We have audited the consolidated financial statements of Primaris Real Estate Investment Trust ("the Entity"), which comprise:

- the consolidated statements of financial position as at December 31, 2024 and December 31, 2023;
- the consolidated statements of income (loss) and comprehensive income (loss) for the years ended December 31, 2024 and December 31, 2023;
- the consolidated statements of changes in unitholders' equity for the years ended December 31, 2024 and December 31, 2023;
- the consolidated statements of cash flows for the years ended December 31, 2024 and December 31, 2023;
- and notes to the consolidated financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2024 and December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Independent Auditor's Report

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2024.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matter to be communicated in our auditor's report.

Evaluation of the fair value of income-producing properties

Description of the matter

We draw attention to Notes 2 (c), 3 (a) and 5 of the financial statements. Investment properties include income-producing properties and land held for development. The Entity has recorded income-producing properties for an amount of \$3,919,568 thousand (including investment properties classified as held for sale). Income-producing properties are recorded at fair value, determined based on available market evidence at each reporting date. The fair value of income-producing properties is dependent on significant assumptions including future cash flows over the holding period, terminal capitalization rates and discount rates applicable to those assets.

Why the matter is a key audit matter

We identified the evaluation of the fair value of income-producing properties as a key audit matter. This matter represented an area of significant risk of material misstatement given the magnitude of the fair value of income-producing properties and the high degree of estimation uncertainty in determining the fair value of income-producing properties. In addition, significant auditor judgment and specialized skills and knowledge were required in performing, and evaluating the results of, our audit procedures due to the sensitivity of the fair value of income-producing properties to minor changes in significant assumptions.

How the matter was addressed in the audit

The primary procedures we performed to address this key audit matter included the following:

For a selection of income-producing properties, we assessed the Entity's ability to accurately forecast cash flows by comparing the Entity's future cash flows to be generated by the income-producing properties used in the prior year's estimate of the fair value of income-producing properties to actual results.

For a selection of income-producing properties, we compared the future cash flows used by Entity's internal valuation team and external independent appraisers to the actual historical cash flows. We considered changes in conditions and events affecting the income-producing properties to assess the fair value adjustments, or lack of fair value adjustments, made by the Entity's internal valuation team and external independent appraisers in arriving at those future cash flows.

We involved valuations professionals with specialized skills and knowledge, who assisted in evaluating the appropriateness of the terminal capitalization rates and discount rates selected by the Entity's internal valuation team and external independent appraisers. These rates were stratified by asset class and evaluated by comparing them to published reports of real estate industry commentators, and where available recent sales of similar properties, while considering the attributes of the specific income-producing properties.

We evaluated the competence, capabilities and objectivity of the external appraisers by:

- Inspecting evidence that the appraisers are in good standing with the Appraisal Institute of Canada.
- Considering whether the appraisers have appropriate knowledge in relation to the specific type of income-producing properties.
- Reading the reports of the appraisers to assess their independence.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Independent Auditor's Report

Other Information

Management is responsible for the other information. Other information comprises:

- the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions;
- the information, other than the financial statements and the auditor's report thereon, included in a document entitled "2024 Annual Report".

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions and the information other than the financial statements and the auditor's report thereon, included in a document entitled "2024 Annual Report" as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

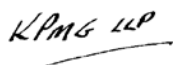
PRIMARIS REAL ESTATE INVESTMENT TRUST

Independent Auditor's Report

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.
- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Yours very truly,



Chartered Professional Accountants, Licensed Public Accountants

The engagement partner on the audit resulting in this auditor's report is Farah Bundeali.

Toronto, Canada

February 13, 2025

PRIMARIS REAL ESTATE INVESTMENT TRUST

Consolidated Statements of Financial Position

		As at	
(in thousands of Canadian dollars)	Note	December 31, 2024	December 31, 2023
Assets			
Investment properties	5	\$ 3,826,635	\$ 3,695,435
Investment properties classified as assets held for sale	5	239,933	89,912
Rent receivables and other assets	8	86,090	29,124
Note receivable	7	—	40,840
Term Deposit	9	100,000	—
Cash and cash equivalents		14,774	44,323
Total assets		\$ 4,267,432	\$ 3,899,634
Liabilities and Equity			
Liabilities			
Senior unsecured debentures	10	\$ 1,424,779	\$ 991,602
Mortgages payable	10	251,095	293,174
Unsecured credit facilities	11	35,000	200,000
Convertible Preferred LP Units	13	239,622	179,150
Trade payables and other liabilities	12	155,987	131,781
Total liabilities		2,106,483	1,795,707
Equity			
Unitholders' equity		2,160,949	2,103,927
Total liabilities and equity		\$ 4,267,432	\$ 3,899,634

Contingencies and commitments (Note 24)

Subsequent events (Notes 4, 6, 13, 14, 28)

See accompanying notes to these consolidated financial statements.

On behalf of the Board of Trustees:

Louis Forbes

Louis Forbes

Trustee

Alex Avery

Alex Avery

Trustee

PRIMARIS REAL ESTATE INVESTMENT TRUST

Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

(in thousands of Canadian dollars)		Year ended December 31, 2024		Year ended December 31, 2023	
	Note				
Net operating income					
Revenue	17	\$	501,925	\$	410,970
Operating costs	17		(212,574)		(177,345)
			289,351		233,625
Other income and expenses					
Interest and other income	18		9,867		7,887
Net interest and other financing charges	19		(99,174)		(59,457)
General and administrative	20		(35,758)		(31,012)
Amortization of other assets			(1,272)		(1,521)
Impairment of long-term asset	8		—		(2,115)
Adjustment to fair value of derivative instruments	21		(3,546)		(540)
Adjustments to fair value of unit-based compensation	15		(1,312)		901
Adjustments to fair value of Convertible Preferred LP Units	13		(12,302)		(5,066)
Adjustments to fair value of investment properties	5		(66,381)		(40,431)
			(209,878)		(131,354)
Net income (loss) and comprehensive income (loss) attributable to Trust Unitholders		\$	79,473	\$	102,271

See accompanying notes to these consolidated financial statements.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Consolidated Statements of Changes in Unitholders' Equity

(in thousands of Canadian dollars)	Note	2024
Unitholders' Equity		
Balance, December 31, 2023		\$ 2,103,927
Net income (loss) attributable to Unitholders		79,473
Distributions		(81,690)
Trust Unit issuance, net of issue costs	14	36,343
Issued in exchange for Convertible Preferred LP Units	14	48,170
Units cancelled under normal course issuer bid	14	(20,075)
Obligation for purchase of Units under automatic share purchase plan	14	(5,199)
Balance, December 31, 2024		\$ 2,160,949

(in thousands of Canadian dollars)		2023
Unitholders' Equity		
Balance, December 31, 2022		\$ 2,087,629
Net income (loss) attributable to Unitholders		102,271
Distributions		(79,342)
Units issued for acquisition, net of issue costs	14	42,667
Units cancelled under normal course issuer bid	14	(48,127)
Obligation for purchase of Units under automatic share purchase plan	14	(1,800)
Settlement of vested Restricted Trust Units	14	629
Balance, December 31, 2023		\$ 2,103,927

See accompanying notes to these consolidated financial statements.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Consolidated Statements of Cash Flows

(in thousands of Canadian dollars)	Note	Year ended	Year ended
		December 31, 2024	December 31, 2023
Cash provided by (used in):			
Operating activities:			
Net income (loss)		\$ 79,473	\$ 102,271
Net interest and other financing charges	19	99,174	59,457
Interest paid		(90,185)	(51,773)
Interest income	18	(7,026)	(5,263)
Interest received		5,218	5,263
Cash paid on vesting of Restricted Trust Units		(4,287)	(1,439)
Items not affecting cash	27	85,025	51,238
Change in non-cash operating items	27	929	6,936
		168,321	166,690
Financing activities:			
Senior unsecured debentures:			
Borrowings, net of financing costs	10	497,240	642,388
Repurchased and cancelled	10	(66,730)	—
Mortgages payable:			
Borrowings, net of deferred financing costs	10	109,225	84,634
Principal and debt maturity repayments	10	(131,638)	(6,877)
Credit Facilities			
Net advances (repayments)	11	(165,000)	(244,000)
Financing costs	11	(561)	(1,315)
Cash payment on settlement of hedges		(4,326)	—
Trust Unit issuance, net of issue costs		36,343	(415)
Units cancelled under normal course issuer bid	14	(21,875)	(60,635)
Distributions paid		(81,295)	(79,258)
		171,383	334,522

PRIMARIS REAL ESTATE INVESTMENT TRUST

Consolidated Statements of Cash Flows

(in thousands of Canadian dollars)	Note	Year ended	Year ended
		December 31, 2024	December 31, 2023
Investing activities:			
Investment properties:			
Acquisitions	4	(221,965)	(377,666)
Redevelopment costs	5	(50,206)	(63,373)
Building improvement costs	5	(2,697)	(3,016)
Recoverable and non-recoverable costs	5	(20,370)	(13,083)
Tenant allowances and leasing costs	5	(18,445)	(10,382)
Net proceeds on asset dispositions	5	50,341	—
Fixed Assets:			
Acquisitions	8	(16,751)	(323)
Deposit on asset acquisition	8	(30,000)	—
Term Deposit	9	(100,000)	—
Note receivable	7	40,840	—
		(369,253)	(467,843)
Increase (decrease) in cash and cash equivalents		(29,549)	33,369
Cash and cash equivalents, beginning of year		44,323	10,954
Cash and cash equivalents, end of year		\$ 14,774	\$ 44,323

See accompanying notes to these consolidated financial statements.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements

(in thousands of Canadian dollars)

Primaris Real Estate Investment Trust and its consolidated subsidiaries (collectively "Primaris" or the "Trust") own, develop, and operate a national retail portfolio focused on enclosed shopping centres located primarily in secondary Canadian markets. Primaris is an unincorporated, open-ended mutual fund trust governed by the laws of the Province of Ontario and established pursuant to a declaration of trust dated November 12, 2021, as amended and restated on December 15, 2021 (the "Declaration of Trust"). The Trust's principal, registered, and head office is located at 181 Bay Street, Suite 2720, Toronto, Ontario, M5J 2T3.

On December 31, 2021, Primaris became a stand-alone entity following the successful completion of a spin-out transaction implemented by way of a plan of arrangement (the "Arrangement") pursuant to which 27 investment properties (the "Primaris Properties") formerly held by H&R Real Estate Investment Trust (the "Former Parent") were spun-out to Primaris. Immediately after the completion of the Arrangement, Primaris acquired an additional 8 investment properties (the "HOOPP Properties") from Healthcare of Ontario Pension Plan ("HOOPP"). Primaris' Series A trust units (the "Trust Units" or "Units") are listed on the Toronto Stock Exchange (the "TSX") and are traded under the symbol "PMZ.UN".

1. Statement of Compliance and Basis of Preparation

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS accounting standards as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements were authorized by the Primaris Board of Trustees (the "Board") on February 13, 2025.

(b) Basis of preparation

The consolidated financial statements are prepared on a going concern basis using the historical cost method except for investment properties (Note 5), Convertible Preferred LP Units (Note 13), liabilities for unit-based compensation plans (Note 15) and derivative instruments (Note 21), each of which is measured at fair value.

The consolidated financial statements are presented in Canadian dollars, the Trust's functional currency.

The Trust presents its consolidated statements of financial position based on the liquidity method, whereby all assets and liabilities are presented in ascending order of liquidity, while the notes to the consolidated financial statements distinguish between current and non-current assets and liabilities. Primaris considers this presentation to be reliable and more relevant to the business.

Primaris owns and operates retail shopping centres across Canada. When measuring performance management does not distinguish or group its operations geographically or on any other basis in assessing its strategic decisions for allocating resources. As such, Primaris has a single reportable segment for disclosure purposes.

Presentation of certain figures in the consolidated financial statements have been reclassified to conform with the current year presentation.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

2. Material Accounting Policies

(a) Basis of consolidation

The consolidated financial statements include the accounts of all entities in which Primaris holds a controlling interest. Control is achieved when the Trust has power over the entity, has exposure, or rights, to variable returns from its involvement with the entity, and can use its power to affect its returns. All material intercompany transactions and balances have been eliminated upon consolidation.

Joint operation

Primaris carries out a portion of its activities through joint operations and records its proportionate share of assets, liabilities, revenues, expenses, and cash flows of all joint operations in which it participates. A joint operation is a type of joint arrangement where the Trust makes operating, financial, and strategic decisions over one or more investment properties jointly with another party, and has direct, not net, rights to the assets and obligations for the liabilities relating to the arrangement.

(b) Business combinations

When an investment is acquired, the Trust considers the substance of the assets and activities of the acquisition in determining whether the transaction represents an asset acquisition or a business combination. The transaction is classified as an asset acquisition unless the acquired investment meets the definition of a business, in accordance with IFRS 3, "Business Combinations", being an integrated set of activities and assets that are capable of being managed for the purposes of providing a return to Unitholders.

If the acquisition of an investment does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets acquired, liabilities and contingent liabilities assumed based on their relative fair values at the acquisition date, and no goodwill is recognized. Transaction costs related to the acquisition are capitalized to the investment property.

(c) Investment properties

Primaris' investment properties are held to earn rental income or for capital appreciation, or both, but not for sale in the ordinary course of business. The Trust accounts for its investment properties in accordance with International Accounting Standard ("IAS") 40, "Investment Properties". Investment properties include income-producing properties and land held for development.

Upon acquisition, investment properties are initially recorded at cost, comprised of the purchase price and any directly attributable expenditures. Subsequent to initial recognition, Primaris uses the fair value model to account for investment properties. Under the fair value model, investment properties are recorded at fair value, determined based on available market evidence at each reporting date in accordance with the valuation policy discussed in Note 5. The related gain or loss arising from the change in fair value is recognized in net income in the period in which it arises.

Subsequent capital expenditures are capitalized to investment properties only when it is probable that future economic benefits of the expenditure will flow to the Trust and the cost can be measured reliably. These costs include revenue enhancing capital expenditures that result in additional gross leasable area and operating capital expenditures which maintain or improve the existing productive capacity of an income-producing property.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

Operating capital includes:

- Recoverable and non-recoverable capital: Expenditures incurred pursuant to a capital plan to maintain the productive capacity of the properties, such as parking lot resurfacing and roof replacements. Tenant leases generally provide for the ability to recover a significant portion of such costs over time.
- Tenant allowances: Amounts expended to meet the Trust's lease obligations which are determined to primarily benefit and/or are owned by the Trust. In such circumstances, the Trust is considered to have acquired an asset which is recorded as an addition to income-producing properties. If benefit of the payment primarily confers to the tenant, the amount is considered a tenant inducement which is amortized on a straight-line basis over the term of the lease as a reduction of revenue.
- Leasing costs: Costs, such as commissions, incurred in negotiating tenant leases are recorded as additions to investment properties.

All other costs are expensed to repairs and maintenance when incurred.

Gains or losses from the disposal of investment properties are determined as the difference between the net disposal proceeds and the carrying amount of the investment property and are recognized in net income in the period of disposal.

(d) Investment properties classified as held for sale

Investment properties are classified as held for sale when it is expected that the carrying amount will be recovered principally through sale rather than from continuing use. For this to be the case, the property must be available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such property, and the sale must be highly probable, generally within one year. Upon being designated as held for sale such investment properties continue to be measured at fair value but are presented separately on the consolidated statements of financial condition.

(e) Financial instruments

Financial assets and financial liabilities are recognized in the consolidated statement of financial position when the Trust becomes a party to the contractual provisions of a financial instrument.

Classification and measurement

IFRS 9, "Financial Instruments", requires financial assets to be classified, at the time of recognition, based on the business model in which they are managed and the characteristics of their contractual cash flows. Financial assets are classified and measured based on three categories: (i) amortized cost, (ii) fair value through other comprehensive income ("FVOCI"), or (iii) fair value through profit or loss ("FVTPL"). Financial liabilities are classified and measured based on two categories: (i) amortized cost, or (ii) FVTPL.

All financial instruments are measured at fair value on initial recognition. Transaction costs attributable to the acquisition or issuance of financial assets and financial liabilities, other than those classified as FVTPL, are added to or deducted from the fair value on initial recognition. Transaction costs attributable to the acquisition or issuance of financial assets and financial liabilities classified as FVTPL are recognized immediately in net income. Subsequent measurement for financial assets and financial liabilities is based on either fair value, or amortized cost using the effective interest method, based upon their classification.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

The classification and measurement of financial assets is based on the Trust's business model for managing these financial assets and their contractual cash flow characteristics:

- Assets held for the purpose of collecting contractual cash flows that represent solely payments of principal and/or interest ("SPPI") are measured at amortized cost;
- Assets held within a business model where assets are held for both the purpose of collecting contractual cash flows and selling financial assets prior to maturity, and the contractual cash flows represent solely payments of principal and interest, are measured at FVOCI;
- Assets held within another business model or assets that do not have contractual cash flow characteristics that are SPPI are measured at FVTPL.

Financial derivative instruments

The Trust does not use derivative instruments for speculative purposes. Any embedded derivative instruments that may be identified are separated from their host contract and recorded on the consolidated statement of financial position at fair value. All changes in the fair values of derivative instruments are recorded in net earnings unless the derivative qualifies and is effective as a hedging item in a designated hedging relationship. Primaris has derivative instruments in place which are used to manage exposure to fluctuations in interest rates.

The following summarizes the classification and measurement of financial assets and liabilities:

Financial Asset / Liability	Classification and Measurement
Note receivable	Amortized cost
Rent receivables	Amortized cost
Term deposit	Amortized cost
Cash and cash equivalents	Amortized cost
Senior unsecured debentures	Amortized cost
Mortgages payable	Amortized cost
Credit facilities	Amortized cost
Convertible Preferred LP Units	FVTPL
Liability for unit-based compensation plans	FVTPL
Trade payables and other liabilities	Amortized cost
Derivative liabilities	FVTPL

Impairment and derecognition

An allowance for expected credit losses is recognized for all financial assets measured at amortized cost. Impairment losses, if incurred, would be recorded as expenses in net income.

Financial assets are derecognized when the contractual rights to receive cash flows and benefits expire or when a transfer of the asset occurs that qualifies for derecognition. The difference between an asset's carrying value and the sum of the consideration received or receivable is recorded in net income. Financial liabilities are derecognized when obligations under the contract expire, are discharged, or cancelled. The difference between a liability's carrying value and the sum of the consideration paid or payable is recorded in net income.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

(f) Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in absence of a principal market, in the most advantageous market for the asset or liability that is accessible by Primaris. The Trust uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use.

All assets and liabilities, for which fair value is measured or disclosed in the consolidated financial statements, are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement:

Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Valuation process

The following table describes the valuation techniques used by Primaris in the determination of fair value of assets and liabilities (other than those that are measured at amortized cost and short term in nature):

Asset / Liability	Valuation Approach
Investment properties	Valuation method described in Note 5
Long-term debt	Present value of contractual cash flows, discounted at Primaris' current incremental borrowing rate for similar types of borrowing or, where applicable, quoted market prices
Credit facilities	The carrying amount approximates fair value due to the short-term maturity of these liabilities
Units granted under unit-based compensation plan	Closing market trading price of underlying Units
Convertible Preferred LP Units	The carrying amount represents estimates for each grant of Convertible Preferred LP Units, at a specific point in time, calculated using financial models based on credit spreads and ranking concessions applied to the risk free rate and the expected Trust Unit volatility.
Derivative liabilities	The carrying amount represents estimates, at a specific point in time, calculated using financial models, based on interest rates that reflect current market conditions, the credit quality of counterparties and interest rate curves.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

(g) Rent receivables

Rent receivables are recognized initially at fair value, subsequently at amortized cost and, where relevant, adjusted for the time value of money. The Trust assesses on a forward-looking basis the expected credit losses associated with its rent receivables. A recognition of a loss allowance is made for the lifetime expected credit losses on initial recognition of the receivable. In determining the expected credit losses, the Trust considers any recent payment behaviours and future expectations of likely default events. These assessments are made on a tenant-by-tenant basis.

(h) Trust Units

With certain restrictions, the Trust Units are redeemable at the option of the holder, and, therefore, are considered puttable instruments in accordance with IAS 32, "Financial Instruments – Presentation". Puttable instruments are required to be accounted for as financial liabilities, except where certain conditions are met in accordance with IAS 32, in which case, the puttable instruments are presented as equity.

To be presented as equity, a puttable instrument must meet all of the following conditions: (i) it must entitle the holder to a pro-rata share of the entity's net assets in the event of the entity's dissolution; (ii) it must be in the class of instruments that is subordinate to all other instruments; (iii) all instruments in the class in (ii) above must have identical features; (iv) other than the redemption feature, there can be no other contractual obligations that meet the definition of a liability; and (v) the expected cash flows for the instrument must be based substantially on the profit or loss of the entity or change in fair value of the instrument. The Trust Units meet the conditions of IAS 32 and, accordingly, are presented as equity in the consolidated financial statements.

(i) Convertible Preferred LP Units

Certain Class B limited partnership units of certain subsidiaries of Primaris (together with any accrued and unpaid distributions thereon) are, or may in the future be, exchangeable into publicly traded Trust Units at the option of the holder (the "Convertible Preferred LP Units"). Convertible Preferred LP Units are considered debt instruments and are classified as financial liabilities at fair value through profit or loss. Distributions paid on Convertible Preferred LP Units are accounted for as interest expense.

(j) Unit-based compensation

Primaris has four unit-based compensation plans: the Trust Unit Option ("Option"), Restricted Trust Unit ("RTU"), Deferred Trust Unit ("DTU"), and Performance Trust Unit ("PTU") plans. The plans are accounted for as cash-settled awards, as the Trust is an open-ended trust making its Trust Units redeemable, and thus requiring its unit-based compensation plans to be recognized as a liability carried at fair value. The RTU, DTU and PTU plans provide for the crediting of additional RTUs, DTUs and PTUs in respect of distributions paid on Units for the period when a RTU, DTU or PTU is outstanding. Compensation expense is recognized in net income over the vesting periods of each plan.

(k) Leases

Primaris as a lessee

Leases are recognized as a right-of-use ("ROU") asset and corresponding liability at the commencement date, except for short-term leases of twelve months or less, or low value leases or low value right-of-use assets, which are expensed in net income on a straight-line basis over the lease term.

At the inception of the lease, the ROU asset is measured at cost, comprising initial lease liability, initial direct costs, and any future restoration or refurbishment costs, less any incentives granted by the lessors. The ROU asset is

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

depreciated over the shorter of the asset's useful life and the lease term of the underlying asset on a straight-line basis. The ROU asset is subject to testing for impairment if there is an indicator for impairment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if not determinable, Primaris' incremental borrowing rate, specific to the term of the lease. The lease liability is subsequently measured at amortized cost using the effective interest rate method.

Primaris as a lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. To make this assessment, the Trust considers certain indicators including whether the lease is for the major part of the economic life of the asset or the present value of lease payments is substantially all of the fair value of an underlying asset. Primaris has determined that all its leases with its tenants are operating leases. Revenue is recorded in accordance with Primaris' revenue recognition policy.

(I) Revenue recognition

Primaris has not transferred substantially all the risks and benefits of ownership of its investment properties and, therefore, accounts for leases with its tenants as operating leases. Revenue recognition under a lease commences when the tenant has a right to use the leased asset, which is typically when the space is turned over to the tenant to begin fixturing. Where the Trust is required to make additions to the property in the form of tenant improvements that enhance the value of the property, revenue recognition begins upon substantial completion of those improvements.

Revenue earned from tenants under lease agreements includes both a lease component and a non-lease component.

Minimum base rent, straight-line rent adjustment, recovery of realty taxes and insurance, lease surrender revenue and percentage rent are considered lease components in the scope of IFRS 16, "Leases". Certain leases have minimum base rental payments that change over the term of the lease. The total amount of contractual base rent to be received is recognized on a straight-line basis over the term of the lease. A straight-line rent adjustment receivable, which is included in the carrying amount of investment properties, is recorded for the difference between the rental revenue recorded and the contractual amount of minimum base rent received or receivable. Lease surrender revenue is earned from tenants in connection with the cancellation or early termination of their remaining lease obligations and is recognized when a lease surrender agreement is signed, and collection is reasonably assured. Percentage rents are recognized when the sales thresholds, set out in the leases, have been met.

Lease agreements allow for the recovery from tenants of costs to maintain and operate the property, and other support services. The property management services are considered to be one performance obligation, meeting the criteria for over time recognition in IFRS 15, "Revenue from Contracts with Customers", and are recognized in the period that recoverable costs are incurred, or services are performed.

Primaris also recognizes revenue from its property management services in connection with co-ownership operations. Fees are generally recognized as revenue over the period of performance of those services and amounts are determined based on agreements in place.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

(m) Income tax

Primaris qualifies as a "mutual fund trust" and a real estate investment trust under the *Income Tax Act (Canada)* (the "Tax Act"). Certain legislation relating to the federal income taxation of Specified Investment Flow Through trusts or partnerships ("SIFT") provide that certain distributions from a SIFT will not be deductible in computing the SIFT's taxable income and that the SIFT will be subject to tax on such distributions at a rate that is substantially equivalent to the general tax rate applicable to Canadian corporations.

Under the SIFT rules, the taxation regime will not apply to a REIT that meets prescribed conditions relating to the nature of its assets and revenue (the "REIT Conditions") and distributions may be deducted against the Trust's taxable income. Primaris has reviewed the SIFT rules and has assessed its interpretation and application to its assets and revenue and has determined that it meets the REIT Conditions. The Board intends to distribute annually all taxable income directly earned by Primaris to Unitholders and to deduct such distributions for income tax purposes. Accordingly, except for transactions of a subsidiary of the Trust, no net current income tax expense or deferred income tax assets or liabilities have been recorded in the consolidated financial statements.

(n) Accounting standards adopted during the year

Amendment to IAS 1, "Presentation of Financial Statements"

In the first quarter of 2024, Primaris adopted the amendments to IAS 1 which clarify the requirements for classifying liabilities as current or non-current. The amendments clarify that the conditions which exist at the end of a reporting period are those which will be used to determine if a right to defer settlement of a liability exists. The amendments also clarify the situations that are considered a settlement of a liability, which can include the transfer of cash, other financial instruments, goods or services and in some cases, equity instruments. The amendments were applied retrospectively, and the impact was not material.

(o) Future changes in accounting standards

Standards issued but not yet effective up to the date of issuance of these consolidated financial statements, which the Trust reasonably expects to be applicable at a future date, are describe below:

IFRS 18, "Presentation and Disclosure in Financial Statements"

In April 2024, IFRS 18 was issued to create comparability of the financial performance of similar entities. The standard impacts the presentation of primary financial statements and notes, including the statement of income (loss) where the Trust will be required to present separate categories of income and expense for operating, investing and financing activities with prescribed subtotals for each new category. The standard will replace IAS 1, "Presentation of Financial Statements" and will be effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. The amendments are to be applied retrospectively. Management is currently assessing the impact of the new standard.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

3. Critical Judgments, Estimates and Assumptions

The preparation of Primaris' consolidated financial statements requires management to make significant judgments in the process of applying Primaris' accounting policies (as disclosed in Note 2) that affect the carrying amounts of assets and liabilities, and the reported amounts of revenues and expenses. In addition, estimates and assumptions are used, mainly in determining the measurement of balances recognized or disclosed in the financial statements, that are based on a set of underlying data that may include management's historical experience, knowledge of current events and conditions, and other factors that are believed to be reasonable under the circumstances. Management continually evaluates the estimates and judgments it uses.

In the process of applying Primaris' accounting policies, management was required to apply judgement and estimation in the areas discussed below.

(a) Investment properties

Judgments made in application of accounting policy

Judgment is required in determining whether certain costs represent additions to the carrying amount of the investment properties versus a charge to repairs and maintenance expense. Judgement is also required in distinguishing whether amounts expended under leasing obligations are tenant allowances or incentives. Primaris also applied judgement in determining whether the investment properties it acquires are considered to be asset acquisitions or business combinations.

Use of estimates and assumptions

The fair value of income-producing properties is dependent on future significant assumptions including future cash flows over the holding period, terminal capitalization rates and discount rates applicable to those assets. The estimation of future cash flows involves assumptions relating to occupancy, rental rates and residual value. In addition to estimating future cash flows, management assesses changes in the business climate and other factors, which may affect the future cash flows. A change to any of these assumptions may significantly alter the fair value of an investment property. The fair value of land held for development is dependent on the market value per unit established on comparable sales activity.

Measurement uncertainty exists in the Trust's ability to apply comparable sales activity to estimate the fair value of land held for development. There are inherent limitations in determining the comparable sales as this requires knowledge of the specific zoning, conditions and stages of the developments.

It is not possible to forecast with certainty the duration and scope of impacts from macroeconomic factors such as inflation, or changes in interest rates on the Trust's business and operations. Certain aspects of the Trust's business and operations that could potentially be impacted include rental income, occupancy, future demand for space and market rents, which all ultimately impact the underlying valuation of its investment properties. As such, there is measurement uncertainty in being able to appropriately forecast future cash flows when determining the fair value of investment properties.

(b) Joint operations

Judgements made in application of accounting policy

Primaris makes judgments in determining the appropriate accounting for co-owned properties. Such judgments include assessing the level of control or influence Primaris has and determining whether Primaris' rights and obligations are directly related to the assets and liabilities of the arrangement or to the net assets of the arrangement. In determining that Primaris has rights and obligations directly related to the assets and liabilities of

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

the arrangement, Primaris will record its proportionate share of assets, liabilities, revenues, expenses and cash flows.

(c) Leases

Judgements made in application of accounting policy

Primaris makes judgements in determining whether certain leases, in particular tenant leases where the Trust is the lessor, are either operating or finance leases. When Primaris determines, based on an evaluation of terms and conditions of the lease, that the Trust retains all the significant risks and rewards of ownership of the property under the lease agreement with a tenant, the lease will be recorded as an operating lease.

Primaris also makes judgements when recording the right-of-use asset and lease liability for leases where Primaris is the lessee. Primaris considers all factors to determine if it is reasonably certain that an extension options will be exercised or not. The Trust uses its incremental borrowing rate to account for leases with third party landlords as the implicit rates in the lease are not readily available information for the lessor. Primaris determines the incremental borrowing rate as the rate of interest that it would pay to borrow over a similar term and with similar security.

(d) Acquisitions

Judgments made in application of accounting policy

Primaris assesses whether an acquisition should be accounted for as an asset acquisition or a business combination under IFRS 3, Business Combinations. This assessment requires judgments on whether the assets acquired and liabilities assumed constitute a business including the assessment of inputs and processes acquired support the outputs.

Primaris also uses judgment in determining if such acquisitions qualify to meet the requirements of IAS 40, Investment Properties, based on the significance of rental income in context to total income generated at the property.

(e) Income taxes

Judgments made in application of accounting policy

Primaris uses judgement to interpret income tax rules and regulations and in determining that it meets all the REIT Conditions prescribed under the Tax Act. Primaris has determined that it qualifies as a REIT for the current year and expects to continue to qualify. However, should it no longer qualify, it would not be able to flow through its taxable income to Unitholders and would therefore be subject to income tax.

(f) Convertible Preferred LP Units

Use of estimates and assumptions

Primaris uses estimation to calculate the fair value the Convertible Preferred LP Units including assumptions on the risk-free interest rate for the expected life of the Convertible Preferred LP Units, the credit spread and ranking concession reflecting the Convertible Preferred LP Units subordination to other debt applied to the risk free rate, and the expected Trust Unit price volatility.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

(g) Expected credit loss

Use of estimates and assumptions

Primaris assesses, on a tenant-by-tenant basis, expected losses with its rent receivables. In determining the provision for credit loss, Primaris considers the payment history, and future expectations of potential abatements to be granted through negotiation or tenant default events. Primaris' assessment is subjective due to its forward-looking nature. As a result, the provision for credit loss is subject to a degree of uncertainty which is compounded by macroeconomic factors such as inflation or changes in interest rates.

(h) Liability for unit-based compensation

Use of estimates and assumptions

The fair value of the liability for Trust Unit Options is valued using the Black-Scholes model which includes assumptions on the expected distribution yield; the expected Trust Unit price volatility; the weighted average expected life of the Options; and the risk-free interest rate for the expected life of the Options. A change to any of these inputs may impact the fair value of the liability. For the fair value of Performance Trust Units, the performance market conditions are also taken into consideration.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

4. Acquisitions

On June 10, 2024, Primaris purchased the grocery store building connected to Conestoga Mall in Waterloo, Ontario and the associated land.

On October 1, 2024, Primaris acquired the assets of Les Galeries de la Capitale in Quebec City, Quebec which included the assets of an amusement park.

	Note	Grocery store at Conestoga Mall	Les Galeries de la Capitale	As at December 31, 2024
Cash consideration ⁱ		\$ 20,069	\$ 218,104	\$ 238,173
Add: Fair value of non-cash consideration				
Convertible Preferred LP Units issued ⁱⁱ	13	—	96,340	96,340
Purchase price		\$ 20,069	\$ 314,444	\$ 334,513
Allocation of purchase price:				
Investment properties			\$	318,305
Fixed assets (amusement park)				16,208
			\$	334,513

i. The cash consideration for the grocery store at Conestoga Mall and Les Galeries de la Capitale included acquisition costs of \$409, and \$14,012, respectively.

ii. 4,574,566 Convertible Preferred LP Units were issued for the acquisition of Les Galeries de la Capitale.

On January 31, 2025, Primaris acquired a 50% co-ownership interest in Southgate Centre in Edmonton, Alberta and a 100% ownership interest in Oshawa Centre in Oshawa, Ontario (Note 28).

Primaris purchased the assets of Conestoga Mall in Waterloo, Ontario on July 12, 2023 and the assets of the Halifax Shopping Complex in Halifax, Nova Scotia on November 30, 2023 which were accounted for as asset acquisitions. The fair value of the consideration was as follows.

	Note	Conestoga Mall	Halifax Shopping Complex	As at December 31, 2023
Cash consideration ⁱ		\$ 170,211	\$ 207,455	\$ 377,666
Add: Fair value of non-cash consideration				
3,233,350 Trust Units issued ⁱⁱ	14	15,449	27,633	43,082
9,472,432 Convertible Preferred LP Units issued ⁱⁱⁱ	13	67,584	106,500	174,084
Purchase price		\$ 253,244	\$ 341,588	\$ 594,832

i. The cash consideration for Conestoga Mall and the Halifax Shopping Complex included acquisition costs of \$5,211, and \$7,455, respectively.

ii. 1,163,332 and 2,069,918 Trust Units were issued for the acquisition of Conestoga Mall and the Halifax Shopping Complex, respectively.

iii. 3,722,662 and 5,749,770 Convertible Preferred LP Units were issued for the acquisition of Conestoga Mall and the Halifax Shopping Complex, respectively.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

5. Investment Properties

	Note	Year ended December 31, 2024	Year ended December 31, 2023
Balance, beginning of year		\$ 3,785,347	\$ 3,118,590
Acquisitions	4	318,305	594,832
Building improvements		2,372	3,016
Operating capital:			
Recoverable and non-recoverable costs		19,533	16,222
Tenant allowances and leasing costs		22,415	18,106
Development capital:			
Redevelopment		49,311	66,846
Capitalized interest	19	3,740	4,782
Amortization of straight-line rent adjustments and tenant incentives		7,209	3,384
Dispositions		(75,283)	—
Adjustment to fair value of investment properties		(66,381)	(40,431)
Balance, end of year		\$ 4,066,568	\$ 3,785,347
Classified as:			
Investment Properties		\$ 3,826,635	\$ 3,695,435
Investment properties classified as held for sale		239,933	89,912
		\$ 4,066,568	\$ 3,785,347
Composition:			
Income-producing properties		\$ 3,919,568	\$ 3,634,347
Land held for development		147,000	151,000
		\$ 4,066,568	\$ 3,785,347

As at December 31, 2024, six investment properties with fair values totaling \$439,389 have been pledged as security for mortgages payable (December 31, 2023 – six and \$422,446, respectively).

Dispositions

On December 13, 2024, Primaris sold Edinburgh Market Place, in Guelph, Ontario, an open air, grocery anchored property for \$30,633, after transaction costs. Consideration consisted of the assumption of a \$20,142 mortgage and cash of \$10,491.

On September 30, 2024, Primaris sold an open air, non-grocery anchored property for cash proceeds of \$14,176, after transaction costs.

On June 21, 2024, Primaris sold an open air, non-grocery anchored property for \$30,474, after transaction costs. Consideration consisted of a \$4,800 note which is payable nine months following closing with interest at the rate of 6.0% per annum (Note 8) and cash of \$25,674.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

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Investment properties classified as held for sale

Primaris classified three parcels of excess land and nine income-producing properties totaling \$239,933 as held for sale (December 31, 2023 - three parcels of excess land and six income-producing properties totaling \$89,912).

Valuation methodology

Investment properties are measured at fair value using valuations prepared by the Trust's internal valuations team. The internal valuations team utilizes appraisal methodologies consistent with the practices employed by third party appraisers. The team consists of individuals who are knowledgeable and have specialized industry experience in real estate valuations and report directly to a senior member of the Trust's management. The valuation processes and results are reviewed by management at least once every quarter. The valuations exclude any portfolio premium or value attributed to the management platform and reflect the highest and best use for each of the Trust's investment properties.

On a quarterly basis, the valuations team reviews and updates, as deemed necessary, the valuation models to reflect current market data. Updates may be made to significant assumptions related to terminal capitalization rates, discount rates, and future cash flow assumptions such as market rents as well as current leasing and/or development activity, renewal probability, downtime on lease expiry, vacancy allowances, and expected maintenance costs.

As part of management's internal valuation program, the Trust considers external valuations performed by independent national real estate valuation firms for a cross-section of properties that represent different geographical locations and asset classes across the Trust's portfolio. The internal valuations team also verifies all major inputs used by the external valuers in preparing the valuation report and holds discussions with the external valuers on the reasonableness of their assumptions. Where warranted, adjustments will be made to internal valuations to reflect the assumptions contained in external valuations. Primaris records the internal value in its consolidated financial statements.

Below is the aggregate fair value of properties externally appraised for the quarters ending:

As at	2024		2023	
	Number of Properties	Value of Properties	Number of Properties	Value of Properties
March 31	4	\$ 234,143	3	\$ 140,866
June 30	3	132,890	5	157,141
September 30	4	138,906	3	326,809
December 31	12	2,470,823	17	2,286,446
Total	23	\$ 2,976,762	28	\$ 2,911,262

(a) Income-producing properties

Income-producing properties are valued using the discounted cash flow method. Under this methodology, discount rates are applied to the forecasted cash flows that the property can reasonably be expected to produce over its remaining economic life. This method involves the projection of future cash flows for the specific asset. The future cash flows, along with an estimate of the terminal value at the end of the projection period, are then discounted to establish the present value of the income stream associated with the asset.

Primaris will engage independent third-party appraisers to validate valuations on a portion of the Trust's portfolio on a regular, on-going basis to corroborate the Trust's valuation process.

PRIMARIS REAL ESTATE INVESTMENT TRUST

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(b) Land held for development

Land held for development is valued either by direct comparison to land sales or, when possible, based on commercial and residential sale prices from comparable multi-residential developments net of total project costs and developer's profits.

The following table highlights the weighted average of the significant assumptions used in determining the fair value of Primaris' income-producing properties:

As at	December 31, 2024	December 31, 2023
Discount rate	8.42%	8.34%
Terminal capitalization rate	7.39%	7.31%

The Trust's income-producing properties are classified as level 3 under the fair value hierarchy, as the inputs in the valuations of these investment properties are not based on observable market data. Valuations are most sensitive to change in discount rates and terminal capitalization rates. The following table depicts the rate sensitivity of the Trust's income-producing properties:

Rate sensitivity increase (decreases)	Weighted Average		Fair value of income- producing properties (\$ millions)	Fair value variance (\$ millions)	Change (%)
	Discount rate (%)	Terminal capitalization rate (%)			
(0.75)%	7.67	6.64	4,388.7	469.1	12.0
(0.50)%	7.92	6.89	4,220.8	301.2	7.7
(0.25)%	8.17	7.14	4,064.9	145.3	3.7
December 31, 2024	8.42	7.39	3,919.6	—	—
0.25%	8.67	7.64	3,783.9	(135.7)	(3.5)
0.50%	8.92	7.89	3,656.9	(262.7)	(6.7)
0.75%	9.17	8.14	3,537.8	(381.8)	(9.7)

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6. Joint Operations

Primaris has co-ownership interests in several properties, as listed below, that are subject to joint control and Primaris recognizes its proportionate share of the direct rights to the assets, liabilities, revenues and expenses of these properties in these consolidated financial statements.

Property	Location	Ownership interest as at	
		December 31, 2024	December 31, 2023
McAllister Place	Saint John, NB	50%	50%
Regent Mall	Fredericton, NB	50%	50%
Place Du Royaume	Chicoutimi, QC	50%	50%
Place D'Orleans Shopping Centre	Ottawa, ON	50%	50%
Cataraqui Town Centre	Kingston, ON	50%	50%
Grant Park	Winnipeg, MB	50%	50%
Kildonan Place	Winnipeg, MB	50%	50%

Primaris is the managing partner of these co-ownership interests and recognizes property management fee income from the services it performs (Note 18).

On January 31, 2025, Primaris acquired a 50% co-ownership interest in Southgate Centre, in Edmonton, Alberta (Note 28).

7. Note Receivable

On December 1, 2022, Primaris advanced \$40,840 to one of its co-ownership partners. The sole use of funds was the repayment of the co-ownership partner's 50% share of the mortgage maturing on the Regent Mall property. The note was secured by a cross charge on the property and matured on the earlier of (i) the date of refinancing of the property; (ii) April 1, 2024; and (iii) the disposition of the co-ownership partner's interest in the property. Interest was payable on the note monthly at the one-month Canadian Dollar Offered Rate plus 2.50%. The note was repaid on March 28, 2024, when new secured debt was placed on the property (Note 10).

On January 3, 2024, Primaris advanced \$37,251 to one of its co-ownership partners. The sole use of funds was the repayment of the co-ownership partner's 50% share of the mortgage maturing on the Cataraqui Town Centre property. The note was secured by a cross charge on the property and matured on the earlier of (i) the date of refinancing of the property; (ii) April 1, 2024; and (iii) the disposition of the co-ownership partner's interest in the property. Interest was payable on the note monthly at an annual rate of 7.50%. The note was repaid on March 28, 2024, when new secured debt was placed on the property (Note 10).

Interest income earned on the notes receivable for the year ended December 31, 2024 was \$1,416 (year ended December 31, 2023 - \$3,120) (Note 18).

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Notes to the Consolidated Financial Statements continued

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8. Rent Receivables and Other Assets

As at	Note	December 31, 2024	December 31, 2023
Rent receivables		\$ 7,868	\$ 4,321
Allowance for expected credit loss		(2,808)	(1,680)
Rent receivables, net		5,060	2,641
Other accrued tenant receivables		6,107	5,330
Vendor take-back note ⁱ	5	4,800	—
Deposit on acquisition ⁱⁱ		30,000	—
Interest income receivable		1,808	—
Prepaid expense and other sundry assets		13,900	11,693
Fixed assets		16,345	866
Other long-term receivable		300	—
Right-of-use assets ⁱⁱⁱ		3,984	4,758
Sublease receivable ⁱⁱⁱ		3,786	3,836
		\$ 86,090	\$ 29,124
Classified as:			
Non-current		\$ 25,724	\$ 11,004
Current		60,366	18,120
		\$ 86,090	\$ 29,124

- i. Vendor take-back note maturing March 21, 2025 with an annual interest rate of 6.0% and secured by a charge against real property. Interest income earned on the note receivable for the year ended December 31, 2024 was \$153 (year ended December 31, 2023 - nil) (Note 18).
- ii. In December 2024, Primaris funded a \$30,000 deposit towards the acquisition of Southgate Centre and Oshawa Centre which closed on January 31, 2025 (Note 28).
- iii. In 2023, Primaris sublet a portion of its office space reducing the right-of-use asset and resulting in the recognition of a long-term receivable. The difference between the right-of-use asset derecognized and the long-term receivable recognized created an impairment charge recorded in net income.

Primaris determines its allowance for expected credit losses on a tenant-by-tenant basis considering lease terms, credit risk, industry conditions, and the status of the tenant's account. Movements in the allowance for expected credit losses ("ECL") are detailed below:

	Note	Year ended December 31, 2024	Year Ended December 31, 2023
Balance, beginning of year		\$ 1,680	\$ 5,249
Net bad debt expense (recovery)	17	1,473	499
Write off of amounts previously included in the ECL allowance		(345)	(4,068)
Balance, end of year		\$ 2,808	\$ 1,680

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The following are the continuities of the historical costs and the accumulated amortization of fixed assets for the years ended December 31, 2024 and 2023.

For the year ended December 31, 2024	Balance, beginning of year	Net Additions	Amortization	Balance, end of year
Amusement park:				
Land	\$ —	\$ 2,197	\$ —	\$ 2,197
Building	—	6,941	(69)	6,872
Amusement park equipment	—	7,070	(118)	6,952
Other ⁱ	866	543	(1,085)	324
	\$ 866	\$ 16,751	\$ (1,272)	\$ 16,345

i. Other fixed assets includes leasehold improvements on office space, furnishings and computer equipment.

For the year ended December 31, 2023	Balance, beginning of year	Net Additions ⁱ	Amortization	Balance, end of year
Other	\$ 3,430	(1,043)	(1,521)	\$ 866

i. Net additions included \$1,366 impairment of long-term asset due to the sublease of office space.

9. Term Deposit

A \$100,000 term deposit maturing March 25, 2025 bearing interest at a rate of 4.660% per annum was outstanding at December 31, 2024 (December 31, 2023 - nil). The term deposit is placed with a Canadian financial institution with a S&P credit rating of A+.

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Notes to the Consolidated Financial Statements continued

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10. Long-Term Debt

As at	December 31, 2024	December 31, 2023
Senior unsecured debentures	\$ 1,424,779	\$ 991,602
Mortgages payable	251,095	293,174
	\$ 1,675,874	\$ 1,284,776
Classified as:		
Non-current	\$ 1,541,028	\$ 1,196,288
Current	134,846	88,488
	\$ 1,675,874	\$ 1,284,776

Senior unsecured debentures

Series	Issuance Date	Maturity Date	Interest Rate	As at	As at
				December 31, 2024	December 31, 2023
A	March 30, 2022	March 30, 2027	4.727%	\$ 250,000	\$ 250,000
B	March 30, 2022	March 30, 2025	4.267%	133,120	200,000
C	March 29, 2023	March 29, 2028	5.934%	250,000	250,000
D	November 22, 2023	June 30, 2029	6.374%	300,000	300,000
E	August 12, 2024	March 15, 2030	4.998%	300,000	—
F	August 12, 2024	March 15, 2032	5.304%	200,000	—
Total principal outstanding				1,433,120	1,000,000
Deferred financing costs - net of accumulated amortization				(5,121)	(3,747)
Debt discounts - net of accumulated amortization				(3,220)	(4,651)
				\$ 1,424,779	\$ 991,602

On August 12, 2024, Primaris issued \$300,000 aggregate principal amount of Series E senior unsecured debentures due March 15, 2030 at a price equal to \$999.93 per thousand principal amount. The Series E unsecured debentures bear interest at a fixed annual rate of 4.998%, with semi-annual installments of interest due on March 15th and September 15th in each year commencing on March 15, 2025 until maturity, unless redeemed at an earlier date. The debenture offering was conducted on a private placement basis.

On August 12, 2024, Primaris issued \$200,000 aggregate principal amount of Series F senior unsecured debentures due March 15, 2032 at a price equal to \$999.93 per thousand principal amount. The Series F unsecured debentures bear interest at a fixed annual rate of 5.304%, with semi-annual installments of interest due on March 15th and September 15th in each year commencing on March 15, 2025 until maturity, unless redeemed at an earlier date. The debenture offering was conducted on a private placement basis.

During the year ended December 31, 2024, Primaris repurchased \$66,880 aggregate principal amount of Series B senior unsecured debentures at a price equal to \$983.92 per thousand principal amount.

On November 22, 2023, Primaris issued \$300,000 aggregate principal amount of Series D senior unsecured debentures due June 30, 2029 at a price equal to \$999.88 per thousand principal amount. The Series D unsecured debentures bear interest at a fixed annual rate of 6.374%, with semi-annual installments of interest due on June 30th and December 30th

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

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in each year commencing on June 30, 2024 until maturity, unless redeemed at an earlier date. The debenture offering was conducted on a private placement basis.

On November 22, 2023, Primaris issued \$100,000 aggregate principal amount reopening of the Series A senior unsecured debentures at a price equal to \$952.30 per thousand principal amount. The additional Series A debentures have the same terms and conditions and constitute part of the same series as the \$150,000 aggregate principal amount of the Series A debentures issued by the Trust on March 30, 2022. The effective yield to maturity is 6.325%. The debenture offering was conducted on a private placement basis.

On March 29, 2023, Primaris issued \$250,000 aggregate principal amount of Series C senior unsecured debentures due March 29, 2028. The Series C unsecured debentures bear interest at a fixed annual rate of 5.934%, with semi-annual installments of interest due on March 29th and September 29th in each year commencing on September 29, 2023 until maturity, unless redeemed at an earlier date. The debenture offering was conducted on a private placement basis.

As at December 31, 2024, the Trust's senior unsecured debentures had a weighted average effective interest rate of 5.39%, after accounting for any discounts to the face amount of the debt at the time of issuance, and a weighted average term to maturity of 4.0 years (December 31, 2023 - 5.45% and 3.8 years, respectively).

Mortgages payable

As at	December 31, 2024	December 31, 2023
Mortgage principal	\$ 252,023	\$ 293,803
Deferred financing costs - net of accumulated amortization	(928)	(629)
	\$ 251,095	\$ 293,174

As at December 31, 2024, the mortgages were secured by five investment properties with an aggregate fair value of \$375,985, bearing interest at fixed rates with a weighted average effective interest rate of 4.71% and a weighted average term to maturity of 4.3 years.

As at December 31, 2023, the mortgages were secured by six investment properties with an aggregate fair value of \$422,446, bearing interest at fixed rates with a weighted average effective interest rate of 4.03% and a weighted average term to maturity of 4.1 years.

In the first quarter of 2024, Primaris entered into new variable rate secured debt on Regent Mall in Fredericton, New Brunswick and a new 5.29% mortgage on Cataraqui Town Centre in Kingston, Ontario replacing the debt that matured in January 2024. In the second quarter of 2024, Primaris economically hedged \$20 million of the new debt on Regent Mall, swapping the underlying variable rate for a fixed rate of 5.84% per annum until March 29, 2027. In the third quarter of 2024, Primaris repaid the secured debt on Regent Mall in Fredericton, New Brunswick and settled the related hedge. Primaris also repaid the maturing mortgage on Place d'Orleans Shopping Centre in Ottawa, Ontario. In the fourth quarter of 2024, Primaris entered into a new 4.62% mortgage on Place d'Orleans replacing the debt that matured in August 2024.

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Schedules of repayment and cash flow activities

Future principal mortgage payments for the years ended December 31 are as follows:

	2025	2026	2027	2028	2029	Thereafter	Total
Senior unsecured debentures	\$ 133,120	\$ —	\$ 250,000	\$ 250,000	\$ 300,000	\$ 500,000	\$ 1,433,120
Mortgages payable	4,714	4,908	97,901	33,770	1,225	109,506	252,023
	\$ 137,834	\$ 4,908	\$ 347,901	\$ 283,770	\$ 301,225	\$ 609,506	\$ 1,685,143

The following is a summary of the changes in long-term debt, excluding credit facilities:

	Year ended		Year ended	
	Senior unsecured debentures	Mortgages payable	December 31, 2024	December 31, 2023
Balance, beginning of year	\$ 991,602	\$ 293,174	\$ 1,284,776	\$ 563,515
Issuances	500,000	110,000	610,000	730,230
Repurchased and cancelled	(66,730)	—	(66,730)	—
Maturity repayments	—	(126,147)	(126,147)	—
Principal repayments	—	(5,491)	(5,491)	(6,877)
Extinguished on disposition of property	—	(20,142)	(20,142)	—
Deferred financing costs	(2,760)	(775)	(3,535)	(3,208)
Total cash flow activities	430,510	(42,555)	387,955	720,145
Amortization of financing costs	1,386	476	1,862	997
Amortization of debt discount	1,431	—	1,431	119
Gain on extinguishment of debt	(150)	—	(150)	—
Total non-cash activities	2,667	476	3,143	1,116
Balance, end of year	\$ 1,424,779	\$ 251,095	\$ 1,675,874	\$ 1,284,776

11. Unsecured Credit Facilities

The following is a summary of the changes in the unsecured credit facilities:

	Year ended		Year ended	
	December 31, 2024		December 31, 2023	
Balance drawn, beginning of year	\$	200,000	\$	444,000
Net advances (repayments)		(165,000)		(244,000)
Balance drawn, end of year	\$	35,000	\$	200,000
Total credit available from unsecured credit facilities	\$	610,000	\$	810,000

On December 22, 2023, Primaris amended and restated its unsecured syndicated revolving term facility increasing the commitment to \$600,000 (from \$400,000). Additionally, in December 2024, Primaris exercised the option to extend the maturity of the facility by one-year to January 4, 2028 (from January 4, 2027). The syndicated revolving credit facility bears interest at variable rates of either: (i) Prime plus 0.35% per annum, or (ii) Adjusted Canadian Overnight Repo Rate

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Average ("CORRA") plus 1.35% per annum; a commitment fee on undrawn amounts of 0.27% per annum; and contains certain financial covenants. As at December 31, 2024, Primaris had \$35,000 drawn on its \$600,000 unsecured syndicated revolving term facility (December 31, 2023 - nil).

As at December 31, 2024, Primaris had settled and cancelled its \$200,000 unsecured syndicated non-revolving term facility (December 31, 2023 - fully drawn). Primaris also settled the \$200,000 interest rate swaps which had hedged the underlying variable rate on the credit facilities for a fixed rate of 3.685% per annum, for an all-in rate of 4.94% per annum.

Primaris also has an unsecured \$10,000 revolving demand facility to finance temporary overdraft positions bearing interest at Prime plus 0.50% per annum. The amount drawn at December 31, 2024 was nil (December 31, 2023 - nil).

Costs incurred to enter into the facilities are recorded in other assets and amortized to net income over the life of the facility. Amortization of costs for the year ended December 31, 2024 was \$1,059 (year ended December 31, 2023 - \$1,932).

12. Trade Payables and Other Liabilities

As at	Note	December 31, 2024	December 31, 2023
Trade payables and accrued liabilities		\$ 44,534	\$ 40,875
Accrued capital expenditures		31,749	29,836
Accrued distribution payable		7,156	6,761
Accrued interest expense		21,701	13,650
Unit-based compensation plans	15	13,149	9,233
Obligation for purchase of Units under automatic share purchase plan	14	5,199	1,800
Derivative liabilities ⁱ	21	—	780
Lease liabilities		9,183	10,234
Deferred revenue		17,658	13,649
Tenant deposits		5,658	4,963
		\$ 155,987	\$ 131,781
Classified as:			
Non-current		\$ 18,912	\$ 16,327
Current		137,075	115,454
		\$ 155,987	\$ 131,781

- i. Primaris utilized derivative instruments which to manage exposure to fluctuations in cash flows attributable to changes in interest rates. All changes in the fair values of derivative instruments are recorded in net earnings.

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13. Convertible Preferred LP Units

Convertible Preferred LP Units are considered debt instruments and are classified as financial liabilities at fair value through profit or loss. The model to value the Convertible Preferred LP Units includes assumptions on the risk-free interest rate for the expected life of the Convertible Preferred LP Units, the credit spread and ranking concession reflecting the Convertible Preferred LP Units subordination to other debt applied to the risk free rate, and the expected Trust Unit price volatility. Distributions paid on Convertible Preferred LP Units are accounted for as interest expense.

	Note	Year ended December 31, 2024		Year ended December 31, 2023	
		Units	Value	Units	Value
Balance, beginning of year		9,472,432	\$ 179,150	—	\$ —
Issued for acquisitions	4	4,574,566	96,340	9,472,432	174,084
Exchanged into Trust Units		(2,287,283)	(48,170)	—	—
Adjustment to fair value		—	12,302	—	5,066
Balance, end of year		11,759,715	\$ 239,622	9,472,432	\$ 179,150
Classified as:					
Non-current			\$ —		\$ —
Current			239,622		179,150
			\$ 239,622		\$ 179,150

The assumptions used to model (level 2) the fair value of the Convertible Preferred LP Units are detailed below:

As at	December 31, 2024	December 31, 2023
Expected Trust Unit distribution yield	5.56%	6.02%
Expected Unit price volatility (180 days average)	20.5%	24.5%
Proxy for bond yield (Government of Canada 30-year bond)	3.33%	3.35%
add: Relative spread adjustment to Primaris REIT	2.47%	2.95%
add: Subordination premium	1.06%	0.85%
Implied bond yield	6.86%	7.15%

As part of the Conestoga Mall acquisition consideration, a subsidiary limited partnership of the Trust issued \$80,000 of Convertible Preferred LP Units (Note 4) which are entitled to a preferred distribution of 6.0% per annum payable quarterly commencing October 12, 2023. In certain circumstances, the Convertible Preferred LP Units (together with any accrued and unpaid distributions thereon) are exchangeable into Trust Units. Assuming there are no accrued and unpaid distributions on the Convertible Preferred LP Units at the time of exchange, the Convertible Preferred LP Units would be exchangeable into 3,722,662 Trust Units at an exchange price equal to \$21.49 per unit, subject to customary adjustments.

As part of the Halifax Shopping Complex acquisition consideration, a subsidiary limited partnership of the Trust issued \$125,000 of Convertible Preferred LP Units (Note 4) which are entitled to a preferred distribution of 6.0% per annum payable quarterly commencing February 29, 2024. In certain circumstances, the Convertible Preferred LP Units (together with any accrued and unpaid distributions thereon) are exchangeable into Trust Units. Assuming there are no accrued and unpaid distributions on the Convertible Preferred LP Units at the time of exchange, the Convertible Preferred LP

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Units would be exchangeable into 5,749,770 Trust Units at an exchange price equal to \$21.74 per unit, subject to customary adjustments.

On October 1, 2024, Primaris acquired the assets of Les Galeries de la Capitale in Quebec City, Quebec. As part of the acquisition consideration, a subsidiary limited partnership of the Trust issued \$100,000 of Convertible Preferred LP Units (Note 4) which are entitled to a preferred distribution of 6.25% per annum payable quarterly commencing January 1, 2025. In certain circumstances, the Convertible Preferred LP Units (together with any accrued and unpaid distributions thereon) are exchangeable into Trust Units. Assuming there are no accrued and unpaid distributions on the Convertible Preferred LP Units at the time of exchange, the Convertible Preferred LP Units would be exchangeable into 4,574,566 Trust Units at an exchange price equal to \$21.86 per unit, subject to customary adjustments. On October 9, 2024, 2,287,283 Convertible Preferred LP Units were converted into an equal number of Trust Units.

On January 31, 2025, Primaris acquired the assets of Oshawa Centre in Oshawa, Ontario and 50% of the assets of Southgate Centre in Edmonton, Alberta. As part of the acquisition consideration, a subsidiary limited partnership of the Trust issued \$175 million of Convertible Preferred LP Units which are entitled to a preferred distribution of 6.25% per annum payable quarterly. In certain circumstances, the Convertible Preferred LP Units (together with any accrued and unpaid distributions thereon) are exchangeable into Trust Units. Assuming there are no accrued and unpaid distributions on the Convertible Preferred LP Units at the time of exchange, the Convertible Preferred LP Units would be exchangeable into 8,020,165 Trust Units at an exchange price equal to \$21.82 per unit, subject to customary adjustments (Note 28).

14. Unitholders' Equity

Trust Units (authorized - unlimited)

Each Trust Unit represents an equal, undivided beneficial interest in the Trust and any distributions from the Trust, and represents a single vote at any meeting of Unitholders. With certain restrictions, a Unitholder has the right to require Primaris to redeem its Units on demand. Upon receipt of a redemption notice by Primaris, all rights to and under the Units are tendered for redemption and shall be surrendered and the holder thereof shall be entitled to receive a price per unit as determined by a market formula and shall be paid in accordance with the conditions provided for in the Declaration of Trust.

Trust Units outstanding

	Note	Year ended December 31, 2024		Year ended December 31, 2023	
		Units	Value	Units	Value
Balance, beginning of year		96,585,736	\$ 2,186,779	97,712,717	\$ 2,193,410
Issued in public offering		2,516,011	39,124	—	—
Issued for acquisitions	4	—	—	3,233,250	43,082
Trust Unit issuance costs		—	(2,781)	—	(415)
Issued in exchange for Convertible Preferred LP Units		2,287,283	48,170	—	—
Purchase of units under normal course issuer bid		(1,534,500)	(20,075)	(4,409,100)	(48,127)
Obligation for purchase of units under automatic share purchase plan	12	—	(5,199)	—	(1,800)
Settlement of Restricted Trust Units		—	—	48,869	629
Balance, end of year		99,854,530	\$ 2,246,018	96,585,736	\$ 2,186,779

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Issued for acquisitions

On July 12, 2023, 1,163,332 Trust Units were issued as partial consideration for the acquisition of Conestoga Mall and on November 30, 2023, 2,069,918 Trust Units were issued as partial consideration for the acquisition of the Halifax Shopping Complex (Note 4).

On January 31, 2025, 3,437,214 Trust Units were issued as partial consideration for the acquisition of the assets of Oshawa Centre in Oshawa, Ontario and 50% of the assets of Southgate Centre in Edmonton, Alberta (Note 28).

New Issue and Preferred LP Unit Conversion

On October 3, 2024, Primaris entered into an agreement with a syndicate of underwriters pursuant to which the underwriters purchased, on a bought deal basis, an aggregate of 4,803,294 Trust Units, including the over-allotment, at a price of \$15.55 per unit ("the Offering"). The Offering consisted of 2,516,011 Trust Units, including the over-allotment, issued from treasury in relation to the acquisition of Les Galeries de la Capitale, and a secondary offering of 2,287,283 Units which had previously been issued from treasury to satisfy the conversion of Convertible Preferred LP Units (Note 13). The Offering closed on October 9, 2024. Primaris received proceeds of \$39.1 million, before underwriters' fees and other issuance costs.

Purchase of units under normal course issuer bid ("NCIB")

Primaris may from time to time purchase Units in accordance with the rules prescribed under applicable stock exchange or regulatory policies. On March 7, 2024, Primaris received approval from the TSX to renew its NCIB. Under the NCIB, Primaris has the ability to purchase for cancellation up to a maximum of 6,929,436 of its Units on the open market. The renewed NCIB commenced on March 11, 2024 and remains in effect until the earlier of March 10, 2025 and the date on which Primaris has purchased the maximum number of Units permitted under the NCIB. During the year ended December 31, 2024, Primaris purchased for cancellation 1,534,500 Units, for consideration of \$21,875 (year ended December 31, 2023 - 4,409,100 Units for consideration of \$60,635).

Purchase of units under automatic share purchase plan ("ASPP")

On March 11, 2024, Primaris entered into a new ASPP in respect of its renewed NCIB permitting the Trust's broker to continue purchasing Units, in accordance with certain prearranged trading parameters, during periods when Primaris would not ordinarily be active in the market because of internal trading blackout periods, insider trading rules or otherwise. As at December 31, 2024, Primaris recognized \$5,199 (Note 12) for the commitment to purchase Units under the ASPP (December 31, 2023 - \$1,800).

Trust Unit distributions

The Board retains full discretion with respect to the timing and quantum of distributions, however the total income distributed will not be less than the amount necessary to ensure the Trust will not be liable to pay income taxes under the Income Tax Act (Canada).

On November 12, 2024, the Board of Trustees approved management's recommendation to increase the distribution rate from \$0.84 to \$0.86 per unit per annum, or 2.4%. The increase was effective for the distribution declared December 31, 2024 and paid January 15, 2025.

For the year ended December 31, 2024, Primaris declared monthly distributions totaling \$0.8417 per Trust Unit (year ended December 31, 2023 - \$0.8216).

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

15. Unit-based Compensation

Primaris recorded expenses associated with grants under its unit-based compensation plans as follows:

	Year ended December 31,	
	2024	2023
Trust Unit Options ("Options")	\$ (25)	\$ (370)
Restricted Trust Units ("RTU")	4,128	3,058
Performance Trust Units ("PTU")	2,813	605
Deferred Trust Units ("DTU")	1,193	582
	\$ 8,109	\$ 3,875
Recorded in:		
General and administrative expense	\$ 6,797	\$ 4,776
Adjustment to fair value of unit-based compensation	1,312	(901)
	\$ 8,109	\$ 3,875

As at December 31, 2024, the carrying value of the unit-based compensation liability was \$13,149 (Note 12) (December 31, 2023 - \$9,233).

Trust Unit Options Granted

Primaris may grant Options totaling up to 3,000,000 Units. The Options vest in tranches over a period of three years and all outstanding Options were vested and exercisable on December 31, 2024 (December 31, 2023 - all).

The assumptions used to measure the fair value of the Options, as at December 31, 2024, under the Black-Scholes model (level 2) were as follows:

Expected average distribution yield	5.56%
Expected average Unit price volatility	19.51% - 24.70%
Average risk-free interest rate	3.00% - 3.16%
Expected average life of options	0.0 – 1.2 years

The following table details the Options outstanding as at December 31, 2024:

Exercise price	Expiry date	Number outstanding and exercisable	Remaining weighted average life (in years)
\$23.72 ⁱ	2025	117,941	—
\$20.52	2026	328,425	1.2
\$21.37 average		446,366	1.2

ⁱ On January 6, 2025, 117,941 options with an exercise price of \$23.72 per unit option expired.

As at December 31, 2023, 650,601 Options were outstanding and exercisable with a weighted average exercise price of \$22.18 and with a remaining weighted average life of 1.3 years.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

Restricted Trust Units

RTUs entitle certain employees to receive the value of a RTU award in cash or Units, at the end of the applicable vesting period. RTUs granted prior to December 31, 2021 vest at the end of the third calendar year following the grant and RTUs granted after December 31, 2021 vest and settle one-third on each of the first three annual anniversaries. As of December 31, 2024, all RTU awards granted prior to December 31, 2021 had vested and were settled. Additional RTUs are credited in respect of distributions paid on Units for the period during which a RTU is outstanding. The fair value of each RTU granted is measured based on the market value of a Trust Unit at the reporting date. The maximum number of Trust Units that Primaris may issue in connection with its incentive unit plan is 1,250,000 (issued to date 788 Trust Units).

	Year ended December 31, 2024	Year ended December 31, 2023
Number outstanding, beginning of year	552,544	444,200
Granted	196,837	227,299
Granted on reinvestment of distributions	28,670	31,681
Settled	(294,497)	(150,636)
Number outstanding, end of year	483,554	552,544

During the year ended December 31, 2024, the Trust granted 196,837 RTUs under its Incentive Unit Plan with an aggregate fair value of \$2,718 at the time of granting. The weighted average grant price was \$13.81 per unit. The grant price, calculated on the date of a grant, is calculated as the average of the daily average of the high and low board lot trading prices of Units on the TSX for the five consecutive trading days immediately preceding such grant date. No outstanding RTUs were vested as at December 31, 2024.

Performance Trust Units

PTUs entitle certain employees to receive the value of a PTU award in cash or Units, at the end of the applicable performance period, which is typically three years in length, based on the Trust achieving certain performance conditions. Additional PTUs are credited in respect of distributions paid on Units for the period during which a PTU is outstanding. The fair value of each PTU granted is measured based on the market value of a Trust Unit at the reporting date and the probability of the Trust achieving certain performance conditions.

	Year ended December 31, 2024	Year ended December 31, 2023
Number outstanding, beginning of year	169,720	14,156
Granted	220,313	147,697
Granted on reinvestment of distributions	20,547	7,867
Settled	(15,192)	—
Number outstanding, end of year	395,388	169,720

During the year ended December 31, 2024, the Trust granted 220,313 PTUs under its Incentive Unit Plan with an aggregate fair value of \$3,042 at the time of granting. The weighted average grant price was \$13.81 per unit. The grant price, calculated on the date of a grant, is calculated as the average of the daily average of the high and low board lot trading prices of Units on the TSX for the five consecutive trading days immediately preceding such grant date. No outstanding PTUs were vested as at December 31, 2024.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

Deferred Trust Units

DTUs entitle Trustees to receive the value of a DTU award in cash or Units subject to the vesting term which is no longer than one year in length. Additional DTUs are credited in respect of distributions paid on Units for the period during which a DTU is outstanding. The fair value of each DTU granted is measured based on the market value of a Trust Unit at the reporting date. Vested DTUs credited to a participant cannot be redeemed while such participant is a member of the Board.

	Year ended December 31, 2024	Year ended December 31, 2023
Number outstanding, beginning of year	249,794	195,088
Granted	41,641	40,692
Granted on reinvestment of distributions	17,246	14,014
Number outstanding, end of year	308,681	249,794

During the year ended December 31, 2024, the Trust granted 41,641 DTUs under its Incentive Unit Plan with an aggregate fair value of \$575 at the time of granting. The weighted average grant price was \$13.81 per unit. The grant price, calculated on the date of a grant, is calculated as the average of the daily average of the high and low board lot trading prices of Units on the TSX for the five consecutive trading days immediately preceding the grant date. As at December 31, 2024, 284,016 outstanding DTUs have vested.

16. Income Taxes

The Trust is taxed as a “mutual fund trust” and a real estate investment trust under the Tax Act. The Board intends to distribute all of the Trust’s taxable income to the Unitholders and accordingly, the Trust will not be taxed on its Canadian investment property income. The Trust is subject to taxation on certain taxable subsidiaries.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

17. Net Operating Income

	Year ended December 31,	
	2024	2023
Revenue:		
Base rent	\$ 272,345	\$ 225,860
Percent rent in lieu of base rent	11,931	16,322
Property tax and insurance recoveries	80,124	64,928
Property operating cost recoveries	95,359	72,414
Percentage rent	9,029	6,355
Straight-line rent adjustment	7,285	3,456
Lease surrender revenue	1,560	3,047
Specialty leasing revenue	20,102	15,926
Amusement park revenue	1,751	—
Parking and other sundry	2,439	2,662
	501,925	410,970
Operating costs:		
Property tax and insurance expense	(105,101)	(87,056)
Recoverable property operating costs	(98,912)	(83,205)
Non-recoverable property operating costs ⁱ	(5,534)	(5,232)
Amusement park operating costs	(1,154)	—
Ground rent	(1,873)	(1,852)
	(212,574)	(177,345)
	\$ 289,351	\$ 233,625

- i. For the year ended December 31, 2024, non-recoverable operating costs included bad debt expense of \$1,473 (year ended December 31, 2023 - expense of \$449).

Contractual future base rent revenue, excluding straight-line rent adjustments, for the years ended December 31 is as follows:

2025	\$ 274,965
2026	239,649
2027	199,257
2028	163,093
2029	123,989
Thereafter	402,899
	\$ 1,403,852

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

18. Interest and Other Income

	Note	Year ended December 31,	
		2024	2023
Interest income		\$ 7,026	\$ 5,263
Gain on extinguishment of debt	10	150	—
Property management fees		2,691	2,624
		\$ 9,867	\$ 7,887

19. Net Interest Expense and Other Financing Charges

	Note	Year ended December 31,	
		2024	2023
Interest on mortgages payable		\$ 12,432	\$ 11,012
Interest on senior unsecured debentures		62,819	29,317
Bank interest and charges on unsecured credit facilities		9,827	17,593
Distribution on Convertible Preferred LP Units		13,158	2,908
Finance charge - lease liability		326	361
Amortization of deferred financing costs	8,10	2,921	2,929
Amortization of debt discount	10	1,431	119
		102,914	64,239
Less: Capitalized interest		(3,740)	(4,782)
		\$ 99,174	\$ 59,457

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

20. General and Administrative Expenses

	Note	Year ended December 31,	
		2024	2023
Salaries, benefits and recruiting costs		\$ 29,400	\$ 24,450
Unit-based compensation costs	15	6,797	4,776
Professional fees		3,009	2,482
Information technology costs		2,406	2,259
Investor relations and other public entity costs		1,320	1,243
Occupancy costs		1,521	2,469
Other		2,134	2,347
		46,587	40,026
Less: Recoverable operating cost allocations		(10,829)	(9,014)
		\$ 35,758	\$ 31,012

21. Financial Instruments

The following table presents the fair value hierarchy of financial assets and liabilities, excluding those classified as amortized cost that are short term in nature such that carrying amounts approximate fair values.

As at		December 31, 2024			December 31, 2023		
	Note	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Liabilities							
Fair value through profit and loss:							
Derivative liabilities	12	\$ —	\$ —	\$ —	\$ —	\$ 780	\$ —
Unit-based compensation	12	—	13,149	—	—	9,233	—
Convertible Preferred LP Units	13	—	239,622	—	—	179,150	—
Amortized cost:							
Senior unsecured debentures	10		1,433,120		—	1,000,000	—
Mortgages payable		—	249,767	—	—	284,924	—
Credit facilities	11	—	35,000	—	—	200,000	—

The carrying value of the Trust's financial assets and liabilities approximated fair value except for long-term debt. There have been no transfers between levels of the fair value hierarchy.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

Derivative Instruments

Derivative instruments consisted of interest rate swaps to economically hedge the variable interest rate associated with advances on the credit facilities. During the third quarter of 2024, all the previously outstanding interest rate swaps were settled.

	Maturity Date	Notional Amount	Interest Rate	As at December 31, 2024 Carrying Value	As at December 31, 2023 Carrying Value
Derivative liabilities					
Interest rate swaps	October 18, 2027	\$200,000	3.685%	\$ —	\$ 780

During the year ended December 31, 2024, the Trust recorded losses of \$3,546 for the change in fair value of the derivative instruments (year ended December 31, 2023 - losses of \$540).

22. Financial Risk Management

In the normal course of business, Primaris has exposure to risks from its use of financial instruments. The following is a description of those risks and how the exposures are managed:

(a) Credit risk

Credit risk is the risk of financial loss to Primaris arising from the possibility that its tenants may experience financial difficulty and be unable to fulfill their lease commitments or tenants fail to occupy and pay rent in accordance with the lease agreements. Credit risk also includes the possibility that co-owners default on the repayment of debt where Primaris has provided guarantees.

The Trust mitigates tenant credit risk through geographical diversification, staggered lease maturities, avoiding reliance on any single tenant by having a large diverse tenant base, ensuring a considerable portion of the Trust's revenue is earned from national and anchor tenants, and conducting credit assessments for new tenants. Furthermore, Primaris holds security deposits or letters of credit from a number of tenants which can serve to offset rents owed in the event of a tenant's default.

Management reviews rents receivable on a tenant-by tenant basis and reduces carrying amounts through an allowance for expected losses (Note 8). Expected losses and bad debt expenses are recognized in non-recoverable operating expenses.

(b) Market risk

(i) Interest rate risk

Interest rate risk is the risk of financial loss to Primaris arising from increases in interest rates. Owning and operating real property is a capital-intensive undertaking. Successful implementation of Primaris' strategic plans will require access to cost-effective financing.

Primaris' mortgages payable are at fixed rates mitigating its exposure to interest rate fluctuations. Primaris has exposure to variable interest rates through borrowings under its credit facilities. As at December 31, 2024, Primaris had \$35,000 (2023 - \$200,000) outstanding under its credit facilities.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

(ii) Unit price risk

Primaris is exposed to Unit price risk as a result of the issuance of unit-based compensation. The resulting liability is recorded at fair value based on market trading of the underlying Trust Units. An increase in the value of the Trust Units of \$1.00 will increase the value of the liability, and negatively impact net income and equity by \$1,130 (2023 - \$917).

(c) Liquidity and capital availability risk

Liquidity risk is the risk that Primaris cannot fund its obligations as they become due. Real estate investments are relatively illiquid which tends to limit Primaris' ability to sell components of its portfolio promptly to meet liquidity needs and cash flows from operating activities may not always be sufficient to fund operating and strategic plans. The Trust mitigates its liquidity and capital availability risks by utilizing undrawn capacity on its credit facilities, maintaining a large number of unencumbered properties, forecasting cash flow needs and actively monitoring market conditions. It also mitigates this risk by negotiating fixed rate term debt with staggered maturities targeting less than 20% of total debt maturing in any one year. Consistent with a debt strategy employing significant unsecured financings, the Trust will strive to maintain undrawn credit facility capacity to accommodate 18-24 months of forward debt maturities.

Maturity analysis

The undiscounted future principal and interest payments on Primaris' debt Instruments for the years ended December 31 are as follows:

	2025	2026	2027	2028	2029	Thereafter	Total
Senior unsecured debentures	\$ 209,721	\$ 71,377	\$ 315,468	\$ 302,142	\$ 335,163	\$ 534,017	\$ 1,767,888
Mortgages payable	16,220	16,232	107,693	40,788	6,738	115,355	303,026
Credit facilities ¹	—	—	—	35,000	—	—	35,000
	\$ 225,941	\$ 87,609	\$ 423,161	\$ 377,930	\$ 341,901	\$ 649,372	\$ 2,105,914

¹Excludes interest on credit facilities

23. Capital Management

The Trust's capital management framework is designed to maintain a level of capital that complies with the investment and debt restrictions pursuant to the Declaration of Trust and with existing debt covenants, and that enables the Trust to implement its business strategies and build long-term Unitholder value. In order to maintain or adjust its capital structure, Primaris may issue new Units, repay debt, or adjust the amount of distributions paid to Unitholders.

The Declaration of Trust provides for maximum debt levels of up to 65% of Total Assets (as defined in the Declaration of Trust). The Trust is in compliance with this restriction. Additionally, the Declaration of Trust contains provisions limiting the capital that can be expended by the Trust as follows:

- the cost, net of debt incurred or assumed, of any single property acquired by the Trust will not exceed 20% of Total Assets;
- investment in raw land, excluding land under development, will not exceed 20% of Total Assets;
- investment in securities of other entities, unless effecting a merger or acquisition of control, will not exceed 10% of the issuer's securities;
- investment in mortgages will not exceed 20% of Total Assets; and

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

- fair market value of space leased or subleased to any one tenant, with certain exceptions, will not exceed 20% of Total Assets.

The Trust was in compliance with each of the above noted restrictions as at December 31, 2024.

On August 6, 2024, Primaris filed a base shelf prospectus allowing for the issuance, from time to time, of Units, debt securities, subscription receipts and warrants, or any combination thereof. This prospectus is effective for a 25-month period from the date of issuance.

On October 3, 2024, Primaris issued a prospectus supplement under the base shelf prospectus to distribute 4,803,294 Trust Units, including the over-allotment. The Trust Units distributed consisted of 2,516,011 Trust Units, including the over-allotment, issued from treasury in relation to the acquisition of Les Galeries de la Capitale, and 2,287,283 Units issued from treasury to satisfy the conversion of Convertible Preferred LP Units (Note 13).

Primaris is subject to certain financial covenants under its credit facilities:

- Debt maintenance ratio < 50%;
- Secured indebtedness ratio < 40%;
- Fixed charge coverage ratio > 1.5x;
- Equity maintenance > \$1.3 billion plus 75% of all common equity and preferred equity (at par value) issued after January 4, 2022;
- Eligible unencumbered investment properties ratio > 1.5x; and
- Interest coverage ratio > 1.65x.

Primaris is subject to certain financial covenants with respect to its senior unsecured debentures:

- Debt maintenance ratio < 65%;
- Equity maintenance > \$300 million;
- Unencumbered aggregate adjusted assets > 1.3x; and
- Interest coverage ratio > 1.65x.

As at December 31, 2024, Primaris was compliant with all of its applicable financial covenants.

Capitalization

The following table details the capitalization of Primaris:

As at	Note	December 31, 2024	December 31, 2023
Liabilities:			
Senior unsecured debentures	10	\$ 1,433,120	\$ 1,000,000
Mortgages payable	10	252,023	293,803
Credit facilities	11	35,000	200,000
Convertible Preferred LP Units	13	239,622	179,150
Equity:			
Unitholders' equity		2,160,949	2,103,927
		\$ 4,120,714	\$ 3,776,880

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

24. Contingencies and Commitments

- (a) Primaris is involved in litigation and claims in relation to the investment properties that arise from time to time in the normal course of business. In the opinion of management, any liability that may arise from such contingencies would not have a material adverse effect on the consolidated financial statements.
- (b) In the normal course of operations, Primaris has issued letters of credit in connection with developments, financings, operations and acquisitions. As at December 31, 2024, Primaris had outstanding letters of credit totaling \$250 (December 31, 2023 - \$742).
- (c) Primaris is obligated, under certain contract terms, to construct and develop investment properties. As at December 31, 2024, Primaris has entered into contracts for capital projects and is committed to future payments of approximately \$7,247 (December 31, 2023 - \$24,358).
- (d) Primaris provides guarantees on behalf of third parties, including co-owners of properties. As at December 31, 2024, Primaris had issued guarantees relating to co-owners' share of mortgage liabilities amounting to \$107,710 (December 31, 2023 - \$89,322), which expire in 2027 (December 31, 2023 - 2024 and 2027).

Future lease payments for regional office leases and land leases for the years ended December 31 are as follows:

2025	\$	1,941
2026		1,941
2027		1,941
2028		1,934
2029		856
Thereafter		3,026
	\$	11,639

25. Related Party Transactions

As at December 31, 2021, as a result of the acquisition of the HOOPP Properties, HOOPP became Primaris' largest Unitholder holding approximately 26% of the issued and outstanding Trust Units. HOOPP is under no ownership requirements or restrictions with respect to its Trust Units. At the time of the acquisition of the HOOPP Properties, a non-interest-bearing note payable in the amount of \$200,210 was issued to HOOPP and was subsequently repaid on January 5, 2022. On December 31, 2021, Primaris also entered into a registration rights agreement with HOOPP that provides HOOPP with demand registration rights and piggy-back registration rights, provided in each case, that HOOPP owns at least 10% of the Trust Units. At December 31, 2024, HOOPP continued to own in excess of 10% of the Trust Units.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

Transactions with Key Personnel

Individuals that have the authority and responsibility for planning, directing and controlling the Trust's activities, directly or indirectly are considered key management personnel. Key personnel are comprised of Independent Trustees and certain members of the executive team of Primaris.

Compensation of key personnel was as follows:

	Year ended December 31,	
	2024	2023
Salaries, trustee fees, and short-term employee benefits	\$ 7,529	\$ 5,730
Unit-based compensation recorded in:		
General and administrative expenses	4,892	3,582
Adjustments to fair value of unit-based compensation	918	(676)
	\$ 13,339	\$ 8,636

26. Employee Benefit

Primaris has a defined contribution pension plan available to all of its employees. Primaris' contributions are based on a percentage of an employee's annual earnings. For the year ended December 31, 2024, Primaris' contributions to the defined contribution plan were \$1,739 (December 31, 2023 - \$1,513).

27. Supplemental Cash Flow Information

	Note	Year ended December 31,	
		2024	2023
Amortization of straight-line rent adjustments and tenant incentives	5	\$ (7,209)	\$ (3,384)
Gain on extinguishment of debt	10	(150)	—
Unit-based compensation expense recorded in general and administrative expenses	15	6,797	4,776
Amortization of other assets	8	1,272	1,521
Amortization of right-of-use asset		774	1,074
Impairment of long-term asset		—	2,115
Adjustment to the fair value of derivative instruments	21	3,546	540
Adjustment to fair value of unit-based compensation	15	1,312	(901)
Adjustment to fair value of Convertible Preferred LP Units	13	12,302	5,066
Adjustment to fair value of investment properties	5	66,381	40,431
Items not affecting cash		\$ 85,025	\$ 51,238

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

	Note	Year ended December 31,	
		2024	2023
Net change in:			
Rent receivables, net	8	\$ (2,419)	\$ (391)
Other tenant receivables	8	(777)	2,842
Remeasurement of right-of-use asset	8	—	(14)
Prepaid expense and other sundry assets	8	(2,207)	(4,551)
Exclude additions to credit facilities' finance costs		561	1,315
Exclude non-cash amortization of credit facilities' finance costs	11	(1,059)	(1,932)
Other long-term receivable	8	(250)	—
Trade payables and accrued liabilities	12	3,659	6,822
Unit-based compensation	12	3,916	2,035
Exclude unit-based compensation expense	15	(8,109)	(3,875)
Exclude cash settlement		4,287	1,439
Exclude Unit settlement		—	629
Lease liabilities	12	(1,051)	(942)
Exclude finance charge on lease liability	19	(326)	(361)
Deferred revenue	12	4,009	2,917
Tenant deposits	12	695	1,003
Change in non-cash operating items		\$ 929	\$ 6,936

28. Subsequent Events

On January 31, 2025, Primaris acquired a 50% interest in Southgate Centre in Edmonton, Alberta and a 100% ownership interest in Oshawa Centre in Oshawa, Ontario for aggregate consideration of \$335.0 million of cash, \$75.0 million of Trust Units, or 3,437,214 Units, and \$175.0 million of Preferred LP Units, convertible into 8,020,165 Trust Units.

Primaris waived conditions on the disposal of two income producing properties and a parcel of excess land for cash proceeds of \$107.0 million, before disposition costs, which is expected to closed February 28, 2025 subject to customary closing conditions.

Corporate Executives

Management Team

Alex Avery

Chief Executive Officer

Patrick Sullivan

President & Chief Operating Officer

Rags Davloor

Chief Financial Officer

Mordecai Bobrowsky

Senior Vice President, General Counsel &
Corporate Secretary

Leslie Buist

Senior Vice President, Finance

Graham Procter

Senior Vice President, Asset Management

Leigh Murray

Senior Vice President and Head, National Leasing

Wilson Chung

Vice President, Appraisal and Investments

Claire Mahaney

Vice President, Investor Relations & ESG

Joseph Martino

Vice President, Information Technology

Board of Trustees

Avtar Bains¹

Independent Trustee

President, Premise Properties

Anne Fitzgerald^{1,2}

Independent Trustee

Corporate Director

Louis Forbes^{2,3}

Independent Trustee

Corporate Director

Tim Pire^{1,3}

Independent Trustee

Corporate Director & Lecturer, University of Wisconsin

Deborah Weinswig^{2,3}

Independent Trustee

Founder & CEO, Coresight Research

Alex Avery

Chief Executive Officer, Primaris REIT

1. Investment Committee

**2. Compensation, Governance and
Nominating Committee**

3. Audit Committee

Unitholders' Information

Auditors:

KPMG LLP

Legal Counsel:

Blake, Cassels & Graydon LLP

Plan Eligibility:

RRSP, RRIF, DPSP, RESP, RDSP, TFSA

Stock Exchange Listing:

Units of PRIMARIS are listed on the Toronto Stock Exchange under the trading symbol PMZ.UN.

Registrar and Transfer Agent:

Odyssey Trust Company
Trader's Bank Building
702 - 67 Yonge Street
Toronto Ontario, Canada
M5E 1J8

Telephone: 1-888-290-1175 (or for callers outside North America 1-587-885-0960)

Email: shareholders@odysseytrust.com

Website: www.odysseytrust.com

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