



Primaris REIT Announces Upgrade to BBB (high) from BBB, Stable Trend Maintained, by DBRS Morningstar

Toronto, Ontario, March 15, 2023 – Primaris Real Estate Investment Trust (“Primaris” or “the Trust”) (TSX: PMZ.UN) announced today receipt of its issuer rating upgrade to BBB (high), from BBB, maintaining a Stable trend, assigned by DBRS Morningstar (“DBRS”).

“We are very proud to have received an issuer rating upgrade to BBB High, amongst the highest DBRS ratings currently awarded within the Canadian public REIT universe,” commented Rags Davloor, Chief Financial Officer. “This upgrade is reflective of our best-in-class differentiated financial model and the growth profile embedded within our business. Primaris’ conservative financial profile and capital structure provides for excellent access to capital in a manner that minimizes our cost of capital while allowing us to pursue investment opportunities that maximize value for Unitholders.”

Disciplined Capital Allocation

Receiving this recognition of Primaris’ strong credit profile is notable considering Primaris repurchased Units for cancellation pursuant to its Normal Course Issuer Bid (“NCIB”) every single trading day between March 9th, 2022 and March 13th, 2023 – more than a full year of uninterrupted repurchase activity. Over that period a total of 4,880,100 Units were purchased for cancellation at a cost of approximately \$68.9 million and an average discount to NAV** of 34.3%.

Primaris’ financial model is more than low leverage. It is an engine that augments growth from Primaris’ underlying real estate portfolio, enabling capital to be compounded for our Unitholders.

Primaris has a disciplined approach to capital allocation, making decisions that drive per unit growth, in NAV** and AFFO**, while maintaining best in class credit metrics. While most of the REIT’s excess free cash flow was directed towards NCIB repurchases since March 9, 2022, management expects to have attractive alternative investment opportunities in 2023 that may reduce the volume of repurchase activity relative to 2022.

Impact to Credit Facilities

The Issuer Rating is a component of the financial covenants on Primaris’ \$400 million unsecured syndicated revolving term facility and the \$200 million unsecured syndicated non-revolving term facility. As a result of the upgrade, the interest rate on each of the facilities reduces by 0.25%. Amounts outstanding on the two facilities totaled \$359 million, as of February 28, 2023.

Impact to FFO per Unit**

Utilizing the number of Units outstanding as at February 28, 2023 of 96,898,317, the 0.25% reduction in the interest rate on the two term facilities will positively impact annualized FFO** per unit by approximately \$0.01 on a proforma basis, assuming the interest reduction is the only variable changed in the calculation.

Capital Structure

As previously disclosed, after taking into account financing activities subsequent to December 31, 2022, secured debt as a percentage of Total Debt** was 29.8%, with unencumbered assets of \$2.7 billion, or 86.3% of investment properties. Primaris’ weighted average term to maturity has been extended to 3.6 years, from 1.7 years as at the year end 2021. Primaris has no debt maturing in 2023, reducing refinancing risk and freeing up valuable resources to focus on managing the business and growth opportunities.

Disciplined capital allocation is a key pillar to Primaris' strategy. To this end, as previously disclosed, Primaris established targets for managing the Trust's financial condition.

As at or for the year ended December 31, (unaudited)	2022	Targets
Debt to Total Assets** ¹	31.5%	25% - 35%
Average Debt** to Adjusted EBITDA** ¹	5.0x	4.0x – 6.0x
Funds from Operations Payout Ratio**	50.7 %	45% - 50%
Secured Debt as a Percentage of Total Debt**	21.4 %	<40%

** Denotes a non-GAAP measure. See "Non-GAAP Measures" at the end of this press release.

¹ The debt ratios are non-GAAP ratios calculated on the basis described in the indentures for the Series A and Series B debentures.

About Primaris Real Estate Investment Trust

Primaris is Canada's only enclosed shopping centre focused REIT, with ownership interests primarily in dominant enclosed shopping centres in growing markets. The portfolio totals 10.9 million square feet valued at approximately \$3.1 billion at Primaris' share. Economies of scale are achieved through its fully internal, vertically integrated, full-service national management platform. Primaris is very well-capitalized and is exceptionally well positioned to take advantage of market opportunities at an extraordinary moment in the evolution of the Canadian retail property landscape.

Forward-Looking Statements Disclaimer

Certain statements included in this news release constitute "forward-looking information" or "forward-looking statements" within the meaning of applicable securities laws. The words "will", "expects", "plans", "estimates", "intends" and similar expressions are often intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Specific forward-looking statements made or implied in this news release include but are not limited to statements regarding: management's expectations regarding access to, and the cost of capital, anticipated investment opportunities and activity under the Trust's normal course issuer bid. Forward-looking statements are provided for the purpose of presenting information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. These statements are not guarantees of future performance and are based on estimates and assumptions that are inherently subject to risks and uncertainties, Primaris cautions that although it is believed that the assumptions are reasonable in the circumstances, actual results, performance or achievements of Primaris may differ materially from the expectations set out in the forward-looking statements. Material risk factors and assumptions include those set out in the MD&A which will be available on SEDAR, and in Primaris' other materials filed with the Canadian securities regulatory authorities from time to time. Given these risks, undue reliance should not be placed on these forward-looking statements, which apply only as of their dates. Other than as specifically required by law, Primaris undertakes no obligation to update any forward-looking statements to reflect new information, subsequent or otherwise.

Non-GAAP Measures

The Trust's Financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). However, Primaris also uses a number of measures which do not have a standardized meaning prescribed under generally accepted accounting principles ("GAAP") in accordance with IFRS. Certain of these non-GAAP measures, are denoted in this press release by the suffix "***" and include both 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"). None of these 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. Additional information regarding these non-GAAP measures, including definitions and reconciliations to the most directly comparable GAAP figure, where applicable, can be found in the MD&A which is available on the Trust's profile on SEDAR at www.sedar.com. See Section 12, "Non-GAAP Measures" of the MD&A for the descriptions of each non-GAAP

measure used in this press release, and Section 9.2, "FFO and AFFO" of the MD&A for a quantitative reconciliation to the most directly comparable GAAP figure for FFO; these sections are incorporated by reference herein.

For more information:

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