Primaris REIT Announces Strong Q3 2023 Results; Raises Distribution & Provides 2024 Guidance

Toronto, Ontario, November 2, 2023 – Primaris Real Estate Investment Trust ("Primaris" or "the Trust") (TSX: PMZ.UN) announced today financial and operating results for the third quarter ended September 30, 2023.

Quarterly Financial and Operating Results Highlights

- $104.8 million total rental revenue;
- +3.1% Same Properties Cash Net Operating Income** ("Cash NOI**") growth;
- 92.8% committed occupancy and 91.0% in-place occupancy;
- +4.2% weighted average spread on renewing rents across 267,000 square feet;
- +2.4% Fund from Operations** ("FFO**") per average diluted unit or $0.421;
- $3.5 billion total assets;
- 49.4% FFO Payout Ratio**;
- 35.0% Debt to Total Assets**;
- 5.3x Average Net Debt** to Adjusted EBITDA**
- $279.3 million in liquidity;
- $3.0 billion in unencumbered assets; and
- $21.76 Net Asset Value** ("NAV**") per unit outstanding.

Business Update Highlights

- Approved a distribution increase in 2024 of +2.4%, from $0.82 to $0.84 per Trust Unit per annum.
- Completed the acquisition of Conestoga Mall in Waterloo, Ontario, adding 587,000 square feet of GLA;
- Received inaugural GRESB results, achieving 2 green stars, within the peer group range;
- Certified as "Great Place to Work"; and
- Total NCIB activity since inception of 7,334,800 Trust Units repurchased at an average price of $13.86, or a discount to NAV** per unit of approximately 36.3%;

"Our portfolio of enclosed shopping centres continues to perform very well due to their market leading qualities, combined with little to no new supply," said Patrick Sullivan, President and Chief Operating Officer. "The portfolio is capturing growth in rent, occupancy and NOI as a result of healthy tenant demand and performance, continuous merchandising mix optimization, and the conversion of preferred rental structures back to traditional leases. Conversations with tenants remain very productive."

Chief Financial Officer, Rags Davloor added, "We put a lot of emphasis on Primaris' differentiated financial model in our disclosure and when we speak to the investment community. Maintaining a conservative financial model and generating free cash flow after distributions and capex is a core focus which we will not deviate from. With unencumbered assets of $3.0 billion, zero debt maturing in 2023, and only two mortgages maturing in 2024, we are very well positioned to continue to execute our growth strategy."

"The 2.4% distribution increase and strong 2024 guidance introduced this quarter both reflect the continued strength and momentum we are seeing in our portfolio," said Alex Avery, Chief Executive Officer. "The acquisition of Conestoga Mall which closed in the third quarter, added a highly attractive property to our portfolio. This asset and transaction exemplifies the types of properties our acquisition strategy is focused on, and has acted as a positive catalyst in advancing the REIT's portfolio of acquisition discussions and negotiations."

2023 and 2024 Financial Outlook

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

	Targets
Debt to Total Assets**[1]	25% - 35%
Average Net Debt** to Adjusted EBITDA**[1]	4.0x – 6.0x
FFO Payout Ratio**	45% - 50%
Secured debt to Total Debt**	<40%

** Denotes a non-GAAP measure. See Section 1, "Basis of Presentation" – "Use of Non-GAAP Measures" and Section 12, "Non-GAAP Measures" in the Management's Discussion and Analysis ("MD&A").
[1] The debt ratios are non-GAAP ratios calculated on the basis described in the indentures for the Series A, Series B and Series C debentures (the "Trust Indentures"). See Section 10.4, "Capital Structure" in the MD&A.

Guidance: In addition to its established targets, in the MD&A for the three months and year ended December 31, 2022, Primaris published guidance for the full year of 2023 and in the MD&A for the three and six months ended June 30, 2023, Primaris updated certain of the 2023 guidance and provided additional guidance with respect to Cash NOI**. This previously published guidance has been reproduced again below and updated for management's current expectations based on the most recent information available to management, including the actual results to date and the acquisition of Conestoga Mall. Readers are cautioned that there is a significant risk that actual results for the year ending December 31, 2023 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 Future-Oriented Financial Information" in the MD&A for further cautions on material factors, assumptions, risks and uncertainties that could impact the financial outlook statements.

	2023 Guidance			
(unaudited)	Previously Published	Updated or Added	Additional Notes	MD&A Section Reference
Occupancy	Increase of 0.8% to 1.0%	No change in guidance		Section 8, "Operational Performance"
Contractual rent steps in rental revenue	Approximately $2.1 million, or 1.0% of 2022 base rent	No change in guidance		Section 9.1, "Components of Net Income (Loss)"
Straight-line rent in rental revenue	$1.8 to $2.2 million	$2.7 to $3.0 million		Section 9.1, "Components of Net Income (Loss)"
Cash NOI**	$220 to $224 million	$222 to $224 million	Cash NOI** for the year ended December 31, 2022 - $206.1 million	Section 9.1, "Components of Net Income (Loss)"
Same Properties Cash NOI** Growth	4.0% to 5.5%	No change in guidance	Same Properties total 34, excludes Northland Village (under redevelopment) and Conestoga Mall	Section 9.1, "Components of Net Income (Loss)"
General and administrative expenses	Approximately $30 million	No change in guidance		Section 9.1, "Components of Net Income (Loss)"
Impairment of Right of Use Asset	No guidance provided	$2.2 million impairment of right of use asset	Portion that impacts cash flow is only $0.4 million and $1.8 million non-cash	Section 9.1, "Components of Net Income (Loss)"
Operating capital expenditures	$27.7 to $31.7 million or $2.55 to $2.90 per square foot	Anticipated to be in the top end of the range	Minimal 2023 impact from the Conestoga Mall acquisition anticipated	Section 8, "Operational Performance"

	2023 Guidance			
(unaudited)	Previously Published	Updated or Added	Additional Notes	MD&A Section Reference
Redevelopment capital expenditures	$50 to $60 million	$60 to $70 million	Progress on Northland redevelopment project accelerated further	Section 7.4, "Redevelopment and Development"
FFO** per unit	No guidance provided	$1.56 to $1.58 per unit fully diluted	Net of the negative impact of the office sublease of approximately $0.022 per unit	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" in the MD&A.

Primaris has provided guidance for the full year of 2024 as follows:

(unaudited)	**2024 Guidance**	**Additional Notes**	**MD&A Section Reference**
Occupancy	Increase of 0.8% to 1.0%		Section 8, "Operational Performance"
Contractual rent steps in rental revenue	$3.0 to $3.2 million	1.25% to 1.50% of 2023 base rent	Section 9.1, "Components of Net Income (Loss)"
Straight-line rent in rental revenue	$3.3 to $3.6 million		Section 9.1, "Components of Net Income (Loss)"
Same Properties Cash NOI** Growth	3.0% to 4.0%	Same Properties total 34, excludes Northland Village (under redevelopment) and Conestoga Mall	Section 9.1, "Components of Net Income (Loss)"
General and administrative expenses	$30 to $32 million	Includes approximately $0.7 million occupancy cost savings from sublease of excess head office space	Section 9.1, "Components of Net Income (Loss)"
Operating capital expenditures	Recoverable Capital $16 to $18 million Leasing Capital $28 to $30 million		Section 8, "Operational Performance"
Redevelopment capital expenditures	$30 to $40 million	Northland Village and Devonshire Mall	Section 7.4, "Redevelopment and Development"
FFO** per unit	$1.60 to $1.63 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" in the MD&A.

Readers are cautioned that there is a significant risk that actual results for the year ending December 31, 2024 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 Future-Oriented Financial Information" in the MD&A for further cautions on material factors, assumptions, risks and uncertainties that could impact the financial outlook statements.

Select Financial and Operational Metrics

As at or for the three months ended September 30, *(in thousands of Canadian dollars unless otherwise indicated) (unaudited)*	**2023**	2022	Change
Number of investment properties	**36**	35	1
Gross leasable area ("GLA") (in millions of square feet)	**11.5**	10.9	0.6
In-place occupancy	**91.0 %**	90.7 %	0.3%
Committed occupancy	**92.8 %**	91.7 %	1.1%
Weighted average net rent per occupied square foot[1]	**$ 24.85**	$ 24.18	$ 0.67
Total assets	**$ 3,507,605**	$ 3,181,312	$ 326,293
Total liabilities	**$ 1,410,619**	$ 1,024,988	$ 385,631
Total revenue	**$ 104,826**	$ 94,151	$ 10,675
Cash flow from (used in) operating activities	**$ 53,316**	$ 50,900	$ 2,416
Cash Net Operating Income** ("Cash NOI")	**$ 58,263**	$ 53,103	$ 5,160
Same Properties Cash NOI** growth	**3.1 %**	—	—
Net income (loss)	**$ 20,230**	$ (20,498)	$ 40,728
Net income (loss) per unit	**$ 0.202**	$ (0.207)	$ 0.409
Funds from Operations** ("FFO") per unit[2] - average diluted	**$ 0.421**	$ 0.411	$ 0.010
FFO Payout Ratio**	**49.4 %**	48.6 %	0.8 %
Adjusted Funds from Operations** ("AFFO") per unit[2] - average diluted	**$ 0.296**	$ 0.319	$ (0.023)
AFFO Payout Ratio**	**70.3 %**	62.7 %	7.6 %
Distributions per unit[2]	**$ 0.208**	$ 0.200	$ 0.008
Weighted average units outstanding[2] - diluted (in thousands)	**101,050**	100,183	867
Net Asset Value** ("NAV") per unit outstanding	**$ 21.76**	$ 21.86	$ (0.10)
Debt to Total Assets**[3]	**35.0 %**	29.6 %	5.4%
Average Net Debt** to Adjusted EBITDA**[3,4]	**5.3x**	5.0x	0.3x
Interest Coverage**[3,4]	**3.8x**	5.7x	(1.9x)
Liquidity	**$ 279,281**	$ 364,014	$ (84,733)
Unencumbered Assets	**$ 2,998,687**	$ 2,645,293	$ 353,394
Unencumbered assets to unsecured debt	**3.2x**	4.4x	(1.2x)
Secured debt to Total Debt**	**24.1 %**	36.7 %	(12.6)%
Fixed rate debt as a percent of Total Debt**	**89.2 %**	73.9 %	15.3%
Weighted average term to debt maturity -Total Debt** (in years)	**3.6**	2.6	1.0
Weighted average interest rate - Total Debt**	**4.96 %**	4.07 %	0.89 %

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

[1] Supplementary financial measure, see Section 1, "Basis of Presentation" - "Use of Operating Metrics" in the MD&A.

[2] Weighted average units outstanding and distributions per unit assumes the exchange of Preferred LP Units to Trust Units. See Section 10.6, "Unit Equity and Distributions" in the MD&A.

[3] The debt ratios are non-GAAP ratios calculated on the basis described in the indentures for the Series A, Series B and Series C debentures (the "Trust Indentures"). See Section 10.4, "Capital Structure" in the MD&A.

[4] Adjusted EBITDA** and interest expense were calculated for the rolling four-quarters ended September 30, 2023 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**. Financial results from 2021, prior to Primaris' spin-out and the acquisition of the HOOPP Properties, have minimal comparative value. Accordingly, for the period ended September 30, 2022, Adjusted EBITDA** was calculated on an annualized basis and the Average Net Debt** was calculated as the simple average of Net Debt** at the beginning and end of the period. The presentation of the September 30, 2022 values, was updated from previously reported which was based on the three, not nine, months ended September 30, 2022. See Section 10.4, "Capital Structure" in the MD&A.

Operating Results

Same Properties Cash NOI** for the quarter was $1.6 million, or 3.1%, higher than the same period of the prior year. Cash NOI** from Same Properties shopping centres contributed $1.7 million, or 3.2%, to the increase. The increase was driven by higher revenues from base rent, specialty leasing and lower bad debt expense, partially offset by lower net recovery of operating costs (due to an adjustment of $1.0 million in the third quarter of 2022 that did not recur). Completed redevelopment projects contributed $0.5 million incremental base rent to the shopping centres.

The below table compares the composition of FFO** and AFFO** and calculates the drivers of the changes for the three months ended September 30, 2023 as compared to the same period in 2022.

For the three months ended September 30, ($ thousands except per unit amounts) (unaudited)	**2023**		2022		Change	
	Contribution	**per unit[1]**	Contribution	per unit[1]	Contribution	per unit[1]
NOI** from:						
Same Properties[2]	**$ 55,636**	**$ 0.551**	$ 53,093	$ 0.530	$ 2,543	$ 0.025
Acquisition	**3,658**	**0.036**	—	—	3,658	0.037
Property under redevelopment	**1,190**	**0.012**	1,114	0.011	76	0.001
Interest and other income	**2,028**	**0.020**	890	0.009	1,138	0.011
Net interest and other financing charges (excluding distributions on Preferred LP Units)	**(14,213)**	**(0.141)**	(8,619)	(0.086)	(5,594)	(0.056)
General and administrative expenses (net of internal expenses for leases)	**(5,368)**	**(0.053)**	(4,887)	(0.049)	(481)	(0.005)
Amortization	**(374)**	**(0.004)**	(374)	(0.004)	—	—
Impact from issuance of units as part of acquisition consideration	**—**	**—**	—	—	—	(0.017)
Impact of cancellation of units under NCIB	**—**	**—**	—	—	—	0.014
FFO and FFO** per unit - average diluted**	**$ 42,557**	**$ 0.421**	$ 41,217	$ 0.411	$ 1,340	$ 0.010
FFO*	**$ 42,557**	**$ 0.421**	$ 41,217	$ 0.411	$ 1,340	$ 0.013
Internal expenses for leases	**(1,972)**	**(0.019)**	(1,349)	(0.013)	(623)	(0.006)
Straight-line rent	**(730)**	**(0.007)**	(1,091)	(0.011)	361	0.004
Recoverable and non-recoverable costs	**(5,245)**	**(0.052)**	(2,370)	(0.024)	(2,875)	(0.029)
Tenant allowances and leasing costs	**(4,726)**	**(0.047)**	(4,451)	(0.044)	(275)	(0.003)
Impact from issuance of units as part of acquisition consideration	**—**	**—**	—	—	—	(0.012)
Impact from cancellation of units under NCIB	**—**	**—**	—	—	—	0.010
AFFO and AFFO** per unit - average diluted**	**$ 29,884**	**$ 0.296**	$ 31,956	$ 0.319	$ (2,072)	$ (0.023)

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

[1] Per weighted average diluted unit. Weighted average units outstanding assumes the exchange of Preferred LP Units for Trust Units. See Section 10.6, "Unit Equity and Distributions" of the MD&A.

[2] Properties owned throughout the entire 21 months ended September 30, 2023, excluding properties under development or major redevelopment, are referred to as "Same Properties".

FFO** for the three months ended September 30, 2023 was $0.010 per unit higher than the same period of the prior year. NOI** increased $0.025 per unit from Same Properties and $0.037 per unit from the acquisition of Conestoga Mall during the quarter. Interest and other income increased $0.011 per unit primarily due to the interest income earned on

the note receivable from a co-ownership partner, and the change in the units outstanding from NCIB activity resulted in a $0.014 per unit increase. These increases were partially offset by the $0.056 per unit decrease due to higher net interest and other financing charges and a $0.017 per unit decrease due to the units issued as partial consideration in the Conestoga Mall acquisition.

Occupancy and Leasing Results

Primaris' leasing activities are focused on driving value by actively managing the tenant and merchandising mix at its investment properties. Due to seasonality, fourth quarter occupancy is typically higher as retailers benefit from holiday shopping. Portfolio in-place occupancy at September 30, 2023 increased 0.3% from September 30, 2022.

		Committed occupancy	In-place occupancy		
As at	Count	September 30, 2023	September 30, 2023	December 31, 2022	September 30, 2022
Shopping centres[1]	22	**92.3%**	**90.4%**	90.9%	90.4%
Acquisition[2]	1	**95.9%**	**95.9%**	—	—
Other properties[3]	13	**94.6%**	**93.4%**	92.7%	92.8%
Portfolio occupancy	36	**92.8%**	**91.0%**	91.1%	90.7%

[1] Shopping centres include 21 enclosed malls and 1 open air centre, Highstreet Shopping Centre in Abbotsford, BC.
[2] See Section 7.3, "Acquisition" in the MD&A.
[3] Other properties include 9 plazas, 3 office buildings and 1 industrial building. Other properties above includes the property under redevelopment.

In the quarter, Primaris completed 155 leasing deals totaling 0.4 million square feet. Overall renewal rents were up 4.2% comprised of commercial retail unit ("CRU") renewals of 2.3%, and large format renewals of 10.3%.

Included in the leasing activity for the quarter were 31 new leases that were for a lease term of less than one year, or for percentage rent in lieu of base rent. While these lease structures have always been a tool to manage tenant relocations and the timing of development plans, 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 September 30, 2023, percentage rent in lieu of base rent leases were in place for 0.6 million square feet of GLA, or 5.3% as a percentage of in-place leases with an average remaining lease term of 1.7 years.

Percentage Rent in Lieu of Base Rent Leases

As at	Number of Leases	Portion of Leases by Count[1]
September 30, 2023[2]	**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] Includes 10 leases from the Conestoga Mall acquisition.

Robust Liquidity and Differentiated Financial Model

Primaris' differentiated financial model is core to its overall strategy, providing a best-in-class capital structure upon which to build the business, providing on-going financial stability and strength. The following table summarizes key metrics relating to Primaris' unencumbered assets and unsecured debt.

($ thousands) (unaudited)					
As at	**Target Ratio**		**September 30, 2023**		December 31, 2022
Unencumbered assets - number			**30**		30
Unencumbered assets - value		**$**	**2,998,687**	$	2,863,844
Unencumbered assets as a percentage of the investment properties			**87.5%**		91.8%
Secured debt to Total Debt**	**<40%**		**24.1%**		21.4%
Unencumbered assets to unsecured debt			**3.2x**		3.6x
Unencumbered assets in excess of unsecured debt		**$**	**2,066,687**	$	2,069,844
Percent of Cash NOI** generated by unencumbered assets			**85.5%**		90.2%

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

There is no debt maturing in 2023.

Liquidity at quarter end was $279.3 million, or 22.7% of Total Debt**.

Primaris has a NAV** per unit outstanding of $21.76.

Conference Call and Webcast

Date: Friday November 3, 2023, at 9:00 a.m. (ET)

Webcast link: Please go to the Investor Relations section on Primaris' website or click here.

Conference call details:

Dial: 1-833-470-1428

Passcode: 790497

The call will be accessible for replay until November 17, 2023, by dialing 1-866-813-9403 with access code 215070, or on the Investor Relations section of the website.

About Primaris Real Estate Investment Trust

Primaris is Canada's only enclosed shopping centre focused REIT, with ownership interests primarily in leading enclosed shopping centres located in growing markets. The current portfolio totals 11.5 million square feet valued at approximately $3.4 billion at Primaris' share. Economies of scale are achieved through its fully internal, vertically integrated, full-service national management platform. Primaris is very well-capitalized and is exceptionally well positioned to take advantage of market opportunities at an extraordinary moment in the evolution of the Canadian retail property landscape.

Forward-Looking Statements and Future Oriented Financial Information 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: growth opportunities, estimated growth of Same Properties Cash NOI**, expected future distributions, the Trust’s development activities, expected benefits from the Trust's normal course issuer bid activity, occupancy improvement, increasing rental rates, future acquisitions, reinvestment in select shopping centres, internal NOI** growth opportunity, refinancing risk, the Trust’s targets for managing its financial condition, the recovery of tenant sales, and the movement of tenants back to traditional lease structures. 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.

Readers are cautioned that there is a significant risk that actual results for the years ending December 31, 2023 and December 31, 2024 will vary from the financial outlook statements provided in this news release and MD&A and that such variations may be material.

Certain forward-looking information included in this news release may also be considered “future-oriented financial information” or “financial outlook” for purposes of applicable securities laws (collectively, “FOFI”). FOFI about the Trust’s prospective results of operations including, without limitation, anticipated FFO** per unit, anticipated NOI** growth, impact on rental revenue of contractual rent-steps, anticipated general and administrative expense levels, and anticipated capital spending, is subject to the same assumptions, risk factors, limitations and qualifications 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. The Trust and management believe that such FOFI have been 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. FOFI contained in this news release was made as of the date of this news release and was provided for the purpose of providing further information about the Trust’s prospective results of operations. Readers are cautioned that the FOFI 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 contained in this news release. All forward-looking statements in this news release are qualified by these cautionary statements. These forward-looking statements are made as of November 2, 2023 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.

Non-GAAP Measures

Information in this news release is a select summary of results. This news release should be read in conjunction with the Trust's MD&A and the Trust's unaudited interim condensed consolidated financial statements and the accompanying notes (together the "Financial Statements") for the three and nine months ended September 30, 2023 and 2022.

The 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. These non-GAAP measures, which are denoted in this news release by the suffix "**" 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"). 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. A definition of each non-GAAP measure used herein and an explanation of management's reasons as to why it believes the measure is useful to investors can be found in the section entitled "Non-GAAP Measures" in the MD&A, which section is incorporated by reference into this news release, and a reconciliation to the most directly comparable financial measure in the Financial Statements, in each case, can be found below. The MD&A is available on the Trust's profile on SEDAR at www.sedarplus.ca.

Use of Operating Metrics

Primaris uses certain operating metrics to monitor and measure the operational performance of its portfolio. Operating metrics in this news release include, among others, investment property count, gross leasable area ("GLA"), in-place occupancy, committed occupancy, and weighted average net rent per occupied square foot. Certain of these operating metrics, including weighted average net rent per occupied square foot, may constitute supplementary financial measures as defined in NI 52-112. These supplementary measures are not derived from directly comparable measures contained in the Financial Statements but may be used by management and disclosed on a periodic basis to depict the historical or future expected financial performance, financial position or cash flow of the Trust. For an explanation of the composition of weighted average net rent per occupied square foot, see "Section 8, "Operational Performance" – "Weighted Average Net Rent" and "Operating Capital Expenditures" in the MD&A, respectively, which sections are incorporated by reference into this news release.

Reconciliations of Non-GAAP Measures

The following table reconciles NOI** to rental revenue and property operating costs as presented in the Financial Statements.

For the periods ended September 30, *($ thousands) (unaudited)*	**Three months**	
	2023	2022
Rental Revenue	**$ 104,826**	$ 94,151
Property operating costs	**(44,342)**	(39,944)
Net Operating Income**	**60,484**	54,207
Exclude:		
Straight-line rent	**(730)**	(1,091)
Lease surrender revenue	**(1,491)**	(13)
Cash Net Operating Income**	**$ 58,263**	$ 53,103

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

The following table is a further analysis of Cash NOI** above.

For the periods ended September 30, *($ thousands) (unaudited)*	Three months	
	2023	2022
Same Properties NOI**	**$ 55,636**	$ 53,093
Exclude variances from:		
Straight-line rent	**(575)**	(1,124)
Lease surrender revenue	**(1,491)**	(13)
Same Properties[1] Cash NOI**	**53,570**	51,956
Same Properties Growth	**3.1 %**	
Cash NOI** from:		
Acquisition	**3,544**	—
Property under redevelopment	**1,149**	1,147
Cash NOI**	**$ 58,263**	$ 53,103

** Denotes a non-GAAP measure. See Section 1, "Basis of Presentation" – "Use of Non-GAAP Measures" and Section 12, "Non-GAAP Measures" in the MD&A.
[1] Properties owned for the entire 21 months ended September 30, 2023, excluding properties under development or major redevelopment, are referred to as "Same Properties".

The following table reconciles net income, as determined in accordance with GAAP, to FFO**.

For the periods ended September 30, ($ thousands except per unit amounts) (unaudited)	Three months	
	2023	2022
Net income (loss)	**$ 20,230**	$ (20,498)
Reverse:		
Distribution on Preferred LP Units	**1,063**	—
Adjustments to fair value of derivative instruments	**(3,725)**	—
Adjustments to fair value of unit-based compensation	**(171)**	31
Adjustments to fair value of Preferred LP Units	**224**	—
Adjustments to fair value of investment properties	**22,964**	60,335
Internal expenses for leases	**1,972**	1,349
Funds from Operations**	**$ 42,557**	$ 41,217
FFO** per unit - average basic	**$ 0.425**	$ 0.414
FFO** per unit - average diluted	**$ 0.421**	$ 0.411
FFO Payout Ratio** - **Target 45% - 50%**	**49.4 %**	48.6 %
Distributions declared per unit - Trust Units	**$ 0.205**	$ 0.200
Distributions declared per unit - Preferred Units	**0.003**	—
Total distributions declared per unit[1]	**$ 0.208**	$ 0.200
Weighted average units outstanding[2] - basic (in thousands)	**100,148**	99,543
Weighted average units outstanding[2] - diluted (in thousands)	**101,050**	100,183
Number of units outstanding[2] - end of period (in thousands)	**99,949**	98,926

[1] Distributions declared per unit used in the FFO* Payout Ratios include distributions declared on Preferred LP Units at 6% per annum. See Section 10.6, "Unit Equity and Distributions" in the MD&A.
[2] Units outstanding and weighted average units outstanding assumes the exchange of Preferred LP Units to Trust Units. See Section 10.6, "Unit Equity and Distributions" in the MD&A.
** Denotes a non-GAAP measure. See Section 1, "Basis of Presentation" – "Use of Non-GAAP Measures" and Section 12, "Non-GAAP Measures" in the MD&A.

The following table reconciles FFO** to AFFO**.

For the periods ended September 30, ($ thousands except per unit amounts) (unaudited)	Three months	
	2023	2022
Funds from Operations**	**$ 42,557**	$ 41,217
Reverse:		
Internal expenses for leases	**(1,972)**	(1,349)
Straight-line rent	**(730)**	(1,091)
Deduct:		
Recoverable and non-recoverable costs	**(5,245)**	(2,370)
Tenant allowances and external leasing costs	**(4,726)**	(4,451)
Adjusted Funds from Operations**	**$ 29,884**	$ 31,956
AFFO** per unit - average basic	**$ 0.298**	$ 0.321
AFFO** per unit - average diluted	**$ 0.296**	$ 0.319
AFFO Payout Ratio**	**70.3 %**	62.7 %
Distributions declared per unit - Trust Units	**$ 0.205**	$ 0.200
Distributions declared per unit - Preferred Units	**0.003**	—
Total distributions declared per unit[1]	**$ 0.208**	$ 0.200
Weighted average units outstanding[2] - basic (in thousands)	**100,148**	99,543
Weighted average units outstanding[2] - diluted (in thousands)	**101,050**	100,183
Number of units outstanding[2] - end of period (in thousands)	**99,949**	98,926

[1] Distributions declared per unit used in the AFFO* Payout Ratios include distributions declared on Preferred LP Units at 6% per annum. See Section 10.6, "Unit Equity and Distributions" in the MD&A.

[2] Units outstanding and weighted average units outstanding assumes the exchange of Preferred LP Units to Trust Units. See Section 10.6, "Unit Equity and Distributions" in the MD&A.

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

The following tables illustrate the calculation of NAV** per unit outstanding.

($ thousands) (unaudited) As at	September 30, 2023	December 31, 2022	Change	Change per unit
Investment Properties	**$ 3,334,571**	$ 3,118,590	$ 215,981	$ 2.21
Investment properties classified as held for sale	**92,298**	—	92,298	0.95
Cash	**1,281**	10,954	(9,673)	(0.10)
Other assets	**79,455**	72,237	7,218	0.07
Total assets	**3,507,605**	3,201,781	305,824	3.13
Mortgages payable	**(295,544)**	(215,680)	(79,864)	(0.82)
Senior unsecured debentures	**(600,000)**	(350,000)	(250,000)	(2.56)
Unsecured credit facilities	**(332,000)**	(444,000)	112,000	1.15
Total Debt**	**(1,227,544)**	(1,009,680)	(217,864)	(2.23)
Other liabilities	**(115,267)**	(104,472)	(10,795)	(0.11)
Reverse: Obligation for purchase of Trust Units under automatic share purchase plan[1]	**10,251**	12,508	(2,257)	(0.02)
Impact from issuance of units as part of acquisition consideration				(1.06)
Impact from cancellation of units under NCIB				0.56
Net Asset Value**	**$ 2,175,045**	$ 2,100,137	$ 74,908	$ 0.27
Net Asset Value** per unit outstanding	**$ 21.76**	$ 21.49	$ 0.27	
Debt to Total Assets**[2] - **Target 25% - 35%**	**35.0%**	31.5%	3.5%	
Number of units outstanding[3] - end of period (in thousands)	**99,949**	97,713	2,236	

($ thousands) (unaudited) As at	September 30, 2022
Investment Properties	$ 3,149,838
Cash	—
Other assets	31,474
Total assets	3,181,312
Mortgages payable	(345,158)
Senior unsecured debentures	(350,000)
Credit facilities	(245,000)
Total Debt**	(940,158)
Other liabilities	(84,830)
Reverse: Obligation for purchase of Trust Units under automatic share purchase plan[1]	6,637
Net Asset Value**	$ 2,162,961
Net Asset Value** per unit outstanding	$ 21.86
Debt to Total Assets**[2] - **Target 25% - 35%**	29.6%
Number of units outstanding - end of period (in thousands)	98,926

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

[1] Liability recorded for the obligation to purchase Trust Units during the blackout period after September 30, 2022 under the automatic share purchase plan, but respective Units not yet cancelled.

[2] The debt ratios are non-GAAP ratios calculated based on the Trust Indentures.

[3] Units outstanding assumes the exchange of Preferred LP Units to Trust Units. See Section 10.6, "Unit Equity and Distributions" in the MD&A.

The following table illustrates the calculation of financial ratios for Average Net Debt** to Adjusted EBITDA**, Interest Coverage** and Debt Service Coverage**.

($ thousands) (unaudited)	For the rolling four-quarters ended September 30, 2023	As at or for the nine months ended September 30, 2022
Adjusted EBITDA**		$ 139,981
Adjusted EBITDA** - annualized[1]		$ 186,641
Adjusted EBITDA** - rolling 4-quarters	**$ 197,346**	
Average Net Debt**[1]	**$ 1,051,975**	$ 928,859
Average Net Debt** to Adjusted EBITDA**[3] **Target 4.0x - 6.0x**	**5.3x**	5.0x
Interest expense[2]		$ 24,453
Interest expense[2] - annualized[1]		$ 32,604
Interest expense[2] - rolling 4-quarters	**$ 51,976**	
Interest Coverage**[3]	**3.8x**	5.7x
Principal repayments		$ 13,240
Principal repayments - annualized[1]		$ 17,653
Principal repayments - rolling 4-quarters	**$ 8,002**	
Interest expense[2]		$ 24,453
Interest expense[2] - annualized[1]		$ 32,604
Interest expense[2] - rolling 4-quarters	**$ 51,976**	
Debt Service Coverage**[3]	**3.3x**	3.7x

** Denotes a non-GAAP measure. See Section 1, "Basis of Presentation" – "Use of Non-GAAP Measures" and Section 12, "Non-GAAP Measures" in the MD&A.
[1] Financial results from 2021, prior to Primaris' spin-out and the acquisition of the HOOPP Properties, have minimal comparative value. Accordingly, for the period ended September 30, 2022, Adjusted EBITDA**, interest expense and principal repayments are presented on an annualized basis and the Average Net Debt** is presented as the simple average of Net Debt** at the beginning and end of the period. Annualized Adjusted EBITDA** excludes the impact of fourth quarter seasonality.
[2] Interest expense includes interest on senior unsecured debentures, mortgages, and unsecured credit facilities. See Section 9.1, "Components of Net Income (Loss)".
[3] The debt ratios are non-GAAP ratios calculated on the basis described in the Trust Indentures.

The below table reconciles net income (loss) to Adjusted EBITDA** for the three and nine months ended September 30, 2023 and 2022.

($ thousands) (unaudited)	Three months		Nine months	
For the periods ended September 30,	**2023**	2022	**2023**	2022
Net income (loss)	**$ 20,230**	$ (20,498)	**$ 88,418**	$ 13,690
Interest income[1]	**(523)**	(21)	**(1,368)**	(42)
Net interest and other financing charges	**15,276**	8,619	**39,925**	22,882
Amortization	**374**	374	**1,123**	767
Adjustments to fair value of derivative instruments	**(3,725)**	—	**(8,050)**	—
Adjustments to fair value of unit-based compensation	**(171)**	31	**(1,168)**	(1,717)
Adjustments to fair value of Preferred LP Units	**224**	—	**224**	—
Adjustments to fair value of investment properties	**22,964**	60,335	**30,924**	104,401
Adjusted EBITDA** for the three month periods	**$ 54,649**	$ 48,840	**$ 150,028**	$ 139,981
Adjusted EBITDA** - annualized[2]		$ 195,360		$ 186,641

** Denotes a non-GAAP measure. See Section 1, "Basis of Presentation" – "Use of Non-GAAP Measures" and Section 12, "Non-GAAP Measures" in the MD&A.
[1] Interest income earned on cash balances.
[2] Annualized Adjusted EBITDA** excludes impact of fourth quarter seasonality.

The below tables illustrate Adjusted EBITDA** for the rolling four-quarters ended September 30, 2023 and the year ended December 31, 2022.

($ thousands) (unaudited)	Rolling 4-quarters				
For the period	September 30,	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Adjusted EBITDA**	**$ 197,346**	54,649	48,964	46,415	47,318

($ thousands) (unaudited)	Fiscal year ended				
For the period	December 31, 2022	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Adjusted EBITDA**	$ 187,299	47,318	48,840	47,388	43,753

The below table illustrates Average Net Debt** for the rolling four-quarters ended September 30, 2023 and the nine months ended September 30, 2022. The calculation of Average Net Debt** for the period ended September 30, 2023 was based on the average of the Net Debt** at the beginning of the period and each quarter end during the rolling four-quarters included in the calculation of Adjusted EBITDA**. The Average Net Debt** for the period ending September 30, 2022 was calculated as the simple average of the Net Debt** at the beginning and end of the period.

($ thousands) (unaudited)						
As at	**September 30, 2023**	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	December 31, 2021
Total Debt**	**$ 1,227,544**	$1,097,270	$1,098,982	$1,009,680	$ 940,158	$ 923,210
less: Cash	**(1,282)**	(42,206)	(59,301)	(10,954)	(14)	(5,636)
Net Debt**	**$ 1,226,262**	$1,055,064	$1,039,681	$ 998,726	$ 940,144	$ 917,574
Average Net Debt**	**$ 1,051,975**				$ 928,859	

The below tables illustrate interest expense, for the calculation of the Interest Coverage** and Debt Service Coverage** ratios, for the rolling four-quarters ended September 30, 2023 and the year ended December 31, 2022.

($ thousands) (unaudited)	Rolling 4-quarters				
For the period	September 30, 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Interest expense[1]	**$ 51,976**	14,911	13,414	12,436	11,215

($ thousands) (unaudited)	Fiscal year ended				
For the period	December 31, 2022	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Interest expense[1]	$ 35,498	11,215	9,292	8,577	6,414

[1] Interest expense includes interest on senior unsecured debentures, mortgages, and unsecured credit facilities. See Section 9.1, "Components of Net Income (Loss)" in the MD&A.

The below tables illustrate principal repayments, for the calculation of the Debt Service Coverage** ratio, for the rolling four-quarters ended September 30, 2023 and the year ended December 31, 2022.

($ thousands) (unaudited)	Rolling 4-quarters				
For the period	September 30, 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Principal repayments	**$ 8,002**	1,726	1,712	1,698	2,866

($ thousands) (unaudited)	Fiscal year ended				
For the period	December 31, 2022	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Principal repayments	$ 16,106	2,866	3,889	4,275	5,076

For more information:

Alex Avery
Chief Executive Officer
416-642-7837
aavery@primarisreit.com

TSX: PMZ.UN

Rags Davloor
Chief Financial Officer
416-645-3716
rdavloor@primarisreit.com

www.primarisreit.com www.sedarplus.ca

Timothy Pire
Chair of the Board
chair@primarisreit.com