



## Primaris REIT Announces Strong Q4/23 and Full Year 2023 Results

Toronto, Ontario, February 14, 2024 – Primaris Real Estate Investment Trust (“Primaris” or “the Trust”) (TSX: PMZ.UN) announced today financial and operating results for the fourth quarter and year ended December 31, 2023.

### Quarterly Financial and Operating Results Highlights

- \$113.8 million total rental revenue;
- +5.7% Same Properties Cash Net Operating Income\*\* ("Cash NOI\*\*") growth;
- 94.2% committed occupancy, 92.4% in-place occupancy, and 89.0% long-term occupancy;
- +1.5% weighted average spread on renewing rents across 391,000 square feet;
- +3.8% Fund from Operations\*\* ("FFO\*\*") per average diluted unit growth to \$0.402;
- \$3.9 billion total assets;
- 52.1% FFO Payout Ratio\*\*;
- 5.6x Average Net Debt\*\* to Adjusted EBITDA\*\*;
- 38.3% Total Debt\*\* to Total Assets\*\*;
- \$654.3 million in liquidity;
- \$3.4 billion in unencumbered assets; and
- \$21.54 Net Asset Value\*\* ("NAV\*\*") per unit outstanding.

### Annual Financial and Operating Results Highlights

- +5.4% Same Properties Cash NOI\*\* growth;
- +4.6% weighted average spread on renewing rents across 1,353,000 square feet;
- \$672 same stores sales productivity;
- +0.5% FFO\*\* per average diluted unit growth to \$1.588; and
- 52.1% FFO Payout Ratio\*\*.

### Business Update Highlights

- Completed the acquisition of the Halifax Shopping Complex in Halifax, Nova Scotia adding 1.16 million square feet to GLA;
- Increased commitment on the unsecured syndicated revolving credit facility from \$400 million to \$600 million and extended the term one year;
- Issued \$400 million aggregate principal amount of senior unsecured debentures;
- Total NCIB activity since inception of 8,425,800 Trust Units repurchased at an average price of \$13.82, or a discount to NAV\*\* per unit of approximately 35.8%; and
- Published inaugural Annual ESG Report.

"Our business is performing very well with significant runway for internal growth over the next few years. As the largest owner operator of enclosed shopping centres in Canada, we enjoy several competitive advantages as we partner with retailers on multiple location leasing deals, building deeper and more collaborative relations," said Patrick Sullivan, President and Chief Operating Officer. "The macro environment for malls, including declining supply of retail GLA, population growth, rising tenant sales and increasing tenant demand for space, creates the significant opportunity to drive rent growth and higher occupancy to quality tenants with the ability to pay increasing rents over time, driving NOI growth."

Chief Financial Officer, Rags Davloor added, "We continued to focus on our unsecured debt program with a \$400 million unsecured debenture offering completed in late November, providing permanent financing for the Halifax acquisition. Then in December, we upsized our unsecured revolving credit facility to \$600 million, ensuring excellent liquidity and financial capacity for opportunities we see in the market."

"Our differentiated financial model has allowed us to deliver positive FFO per unit growth despite absorbing approximately \$0.12 per unit of higher interest expense, while also executing on our corporate strategy, materially enhancing value for our Unitholders," said Alex Avery, Chief Executive Officer. "We completed the acquisition of two exceptional properties in 2023, both perfectly illustrative of the type of acquisitions Primaris is focused on, being market leading malls in medium-sized, high growth Canadian markets. Demonstrating disciplined capital allocation is a cornerstone of our strategy and how we make decisions, with the measurement of success being per unit growth in value and cash flow."

## 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.

	<b>Targets</b>
Average Net Debt** to Adjusted EBITDA** <sup>1</sup>	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").

<sup>1</sup> The debt ratios are non-GAAP ratios calculated on the basis described in the trust indenture and supplemental indentures that govern the Trust's senior unsecured debentures (the "Trust Indentures"). See Section 10.4, "Capital Structure" in the MD&A.

**Guidance:** In the MD&A for the three months and nine months ended September 30, 2023, Primaris provided guidance for the full year of 2024. This previously published guidance has been reproduced again and has not changed.

(unaudited)	<b>2024 Guidance</b>	<b>Additional Notes</b>	<b>MD&amp;A Section Reference</b>
Occupancy	Increase of 0.8% to 1.0%		Section 8.1, "Occupancy"
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)"
Cash NOI**	\$263 - \$268 million		Section 9.1, "Components of Net Income (Loss)"
General and administrative expenses	\$30 to \$32 million		Section 9.1, "Components of Net Income (Loss)"
Operating capital expenditures	Recoverable Capital \$16 to \$18 million Leasing Capital \$28 to \$30 million		Section 8.7, "Operating Capital Expenditures "
Redevelopment capital expenditures	\$30 to \$40 million	Primarily attributable to Northland Village and Devonshire Mall	Section 7.4, "Redevelopment and Development"
FFO** per unit <sup>1</sup>	\$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.

<sup>1</sup> 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".

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 December 31, (in thousands of Canadian dollars unless otherwise indicated) (unaudited)	2023		2022		Change
Number of investment properties	39		35		4
Gross leasable area (in millions of square feet)	12.5		10.9		1.6
In-place occupancy	92.4 %		91.1 %		1.3%
Committed occupancy	94.2 %		91.5 %		2.7%
Weighted average net rent per occupied square foot <sup>1</sup>	\$ 25.14	\$	24.23	\$	0.91
Same stores sales productivity <sup>1</sup>	\$ 672	\$	589	\$	83
Total assets	\$ 3,899,634	\$	3,201,781	\$	697,853
Total liabilities	\$ 1,795,707	\$	1,114,152	\$	681,555
Total rental revenue	\$ 113,810	\$	99,804	\$	14,006
Cash flow from (used in) operating activities	\$ 42,144	\$	36,928	\$	5,216
Distributions per Trust Unit	\$ 0.207	\$	0.202	\$	0.005
Cash Net Operating Income** ("Cash NOI")	\$ 63,509	\$	53,593	\$	9,916
Same Properties Cash NOI** growth	5.7 %		—		—
Net income (loss)	\$ 13,853	\$	(25,770)	\$	39,623
Net income (loss) per unit <sup>2</sup>	\$ 0.131	\$	(0.264)	\$	0.395
Funds from Operations** ("FFO") per unit <sup>2</sup> - average diluted	\$ 0.402	\$	0.387	\$	0.015
FFO Payout Ratio**	52.1 %		52.1 %		— %
Adjusted Funds from Operations** ("AFFO") per unit <sup>2</sup> - average diluted	\$ 0.249	\$	0.271	\$	(0.022)
AFFO Payout Ratio**	84.0 %		74.5 %		9.5 %
Weighted average units outstanding <sup>2</sup> - diluted (in thousands)	102,659		98,945		3,714
Net Asset Value** ("NAV") per unit outstanding	\$ 21.54	\$	21.49	\$	0.05
Total Debt** to Total Assets** <sup>3</sup>	38.3 %		31.5 %		6.8%
Average Net Debt** to Adjusted EBITDA** <sup>3</sup>	5.6x		5.0x		0.6x
Interest Coverage** <sup>3</sup>	3.6x		5.3x		(1.7x)
Liquidity	\$ 654,323	\$	176,954	\$	477,369
Unencumbered Assets	\$ 3,362,901	\$	2,863,844	\$	499,057
Unencumbered assets to unsecured debt	2.8x		3.6x		(0.8x)
Secured debt to Total Debt**	19.7 %		21.4 %		(1.7)%
Fixed rate debt as a percent of Total Debt**	100.0 %		75.8 %		24.2%
Weighted average term to debt maturity of Total Debt** (in years)	3.6		3.2		0.4
Weighted average interest rate of Total Debt**	5.11 %		4.87 %		0.24 %

\*\* 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.

<sup>1</sup> Supplementary financial measure, see Section 1, "Basis of Presentation" - "Use of Operating Metrics" in the MD&A.

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

<sup>3</sup> 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.

## Operating Results

Same Properties Cash NOI\*\* for the three month ended December 31, 2023 was \$3.0 million, or 5.7%, higher than the same period of the prior year. Cash NOI\*\* from Same Properties shopping centres increased \$2.7 million, or 5.5%, over the same period of the prior year. The increase in Cash NOI\*\* from the shopping centres' operations was primarily driven by higher revenues from base rent, percentage rent, and net operating cost recoveries, partially offset by a decline in percentage rent in lieu of base rent. Completed redevelopment projects contributed \$0.5 million incremental base rent to the shopping centres (see Section 7.4, "Redevelopment and Development" of the MD&A).

The below table compares the composition of FFO\*\* and AFFO\*\* and calculates the drivers of the changes for the three months ended December 31, 2023 as compared to the same period in 2022.

For the three months ended December 31,  (\$ thousands except per unit amounts) (unaudited)	2023		2022		Change	
	Contribution	per unit <sup>1</sup>	Contribution	per unit <sup>1</sup>	Contribution	per unit <sup>1</sup>
NOI** from:						
Same Properties <sup>2</sup>	\$ 56,784	\$ 0.553	\$ 53,934	\$ 0.545	\$ 2,850	\$ 0.029
Acquisition	7,052	0.069	—	—	7,052	0.071
Property under redevelopment	1,576	0.015	1,124	0.011	452	0.005
Interest and other income	2,263	0.022	1,002	0.010	1,261	0.013
Net interest and other financing charges (excluding distributions on Convertible Preferred LP Units)	(17,687)	(0.172)	(10,518)	(0.106)	(7,169)	(0.072)
General and administrative expenses (net of internal expenses for leases)	(6,240)	(0.061)	(6,859)	(0.069)	619	0.006
Impairment of long term asset	(2,115)	(0.020)	—	—	(2,115)	(0.021)
Amortization	(398)	(0.004)	(375)	(0.004)	(23)	—
Impact from variance of units outstanding	—	—	—	—	—	(0.015)
<b>FFO** and FFO** per unit - average diluted</b>	<b>\$ 41,235</b>	<b>\$ 0.402</b>	<b>\$ 38,308</b>	<b>\$ 0.387</b>	<b>\$ 2,927</b>	<b>\$ 0.015</b>
FFO*	\$ 41,235	\$ 0.402	\$ 38,308	\$ 0.387	\$ 2,927	\$ 0.030
Internal expenses for leases	(2,331)	(0.023)	(1,606)	(0.016)	(725)	(0.007)
Straight-line rent	(1,509)	(0.015)	(639)	(0.006)	(870)	(0.009)
Recoverable and non-recoverable costs	(6,984)	(0.068)	(5,934)	(0.060)	(1,050)	(0.011)
Tenant allowances and leasing costs	(4,832)	(0.047)	(3,347)	(0.034)	(1,485)	(0.015)
Impact from variance of units outstanding	—	—	—	—	—	(0.010)
<b>AFFO** and AFFO** per unit - average diluted</b>	<b>\$ 25,579</b>	<b>\$ 0.249</b>	<b>\$ 26,782</b>	<b>\$ 0.271</b>	<b>\$ (1,203)</b>	<b>\$ (0.022)</b>

\*\* 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.

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

<sup>2</sup> Properties owned throughout the entire 24 months ended December 31, 2023, excluding properties under development or major redevelopment, are referred to as "Same Properties".

FFO\*\* for the three months ended December 31, 2023 was \$0.015 per unit higher, or +3.8%, than the same period of the prior year. NOI\*\* from Same Properties increased \$0.029 per unit and NOI\*\* from Acquisitions increased \$0.071 per unit. These increases were partially offset by the \$0.072 per unit decrease due to higher net interest and other financing charges and a \$0.015 per unit decrease due to the net change in the units outstanding (unit issuance for the Acquisitions partially offset by NCIB activity).

The fourth quarter of 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, 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.

## 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 December 31, 2023 increased 1.3% from December 31, 2022.

As at	Count	Committed occupancy		In-place occupancy	
		December 31, 2023	December 31, 2023	December 31, 2023	December 31, 2022
Shopping centres <sup>1</sup>	22	93.7%		92.6%	90.9%
Acquisition <sup>2</sup>	4	96.2%		90.1%	—
Other properties <sup>3</sup>	13	95.0%		95.6%	92.7%
<b>Portfolio occupancy</b>	<b>39</b>	<b>94.2%</b>		<b>92.4%</b>	<b>91.1%</b>

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

<sup>2</sup> Acquisitions includes 2 enclosed malls and 2 other properties (see Section 7.3, "Acquisitions" in the MD&A).

<sup>3</sup> Other properties include 9 plazas, 3 office buildings and 1 industrial building. Other properties above includes the property under redevelopment.

Impact of remeasurements: During the year, GLA was impacted by remeasurements including a reduction of 185,000 square feet in anticipation of the demolition of the former Sears space at Devonshire Mall in Windsor, Ontario. Portfolio occupancy, excluding the impact of GLA remeasurements, would have been 91.0% and occupancy for Same Properties shopping centres would have been 90.7%. Portfolio committed occupancy, excluding the impact of GLA remeasurements, would have been 92.8%

Impact of short-term leases: Primaris includes short-term and percentage rent in lieu leases in the calculation of occupied GLA.

	December 31, 2023	December 31, 2022
In-place occupancy	92.4%	91.1%
Short-term leases <sup>1</sup>	3.4%	3.5%
<b>Long-term occupancy</b>	<b>89.0%</b>	<b>87.6%</b>

<sup>1</sup> Leases with an original term of less than one year.

In the quarter, Primaris completed 178 leasing deals totaling 0.5 million square feet. Overall renewal rents were up 1.5% comprised of commercial retail unit ("CRU") renewals of 1.5%, and large format renewals of 0.7%.

Included in the leasing activity for the quarter were 39 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 December 31, 2023, percentage rent in lieu of base rent leases were in place for 0.6 million square feet of GLA, or 4.8% as a percentage of in-place leases with an average remaining lease term of 2.1 years.

## Percentage Rent in Lieu of Base Rent Leases

As at	Number of Leases	Portion of Leases by Count <sup>1</sup>
<b>December 31, 2023<sup>2</sup></b>	<b>122</b>	<b>4.8 %</b>
December 31, 2022	169	7.7 %
March 31, 2022	184	8.5 %

<sup>1</sup> Lease count excludes short term leases. <sup>2</sup> Includes 6 leases from the Halifax Shopping Complex acquisition and 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	December 31, 2023	December 31, 2022	Change
Unencumbered assets - number		33	30	3
Unencumbered assets - value		\$ 3,362,901	\$ 2,863,844	\$ 499,057
Unencumbered assets as a percentage of the investment properties		88.8%	91.8%	(3.0)%
Secured debt to Total Debt**	<40%	19.7%	21.4%	(1.7)%
Unsecured Debt		\$ 1,200,000	\$ 794,000	\$ 406,000
Unencumbered assets to unsecured debt		2.8x	3.6x	(0.8)x
Unencumbered assets in excess of unsecured debt		\$ 2,162,901	\$ 2,069,844	\$ 93,057
Percent of Cash NOI** generated by unencumbered assets		85.4%	90.2%	(4.8)%

\*\* 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.

On December 22, 2023, Primaris amended and restated its unsecured syndicated revolving term facility increasing the commitment to \$600 million (from \$400 million) and extending the maturity date by one year to January 4, 2027.

On November 22, 2023, Primaris issued \$300 million aggregate principal amount of Series D senior unsecured debentures due June 30, 2029 with interest at a fixed annual rate of 6.374% and \$100 million aggregate principal amount reopening of the Series A senior unsecured debentures at a price equal to \$952.30 per thousand principal amount with an effective yield to maturity of 6.325%.

Liquidity at quarter end was \$654.3 million, or 43.8% of Total Debt\*\*.

Primaris' NAV\*\* per unit outstanding at quarter end was \$21.54.

### Subsequent Events

Subsequent to December 31, 2023, Primaris purchased additional 131,000 Trust Units under the ASPP for consideration of \$1.8 million as of February 14, 2024.

Subsequent to December 31, 2023, Primaris repaid the mortgage on Cataraqui Town Centre in Kingston, Ontario that matured in January 2024, with the intention to place new debt on the property.

## Conference Call and Webcast

Date: Thursday, February 15, 2024, 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: 547025

The call will be accessible for replay until February 29, 2024, by dialing 1-866-813-9403 with access code 841929, 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 mid-sized markets. The current portfolio totals 12.5 million square feet valued at approximately \$3.8 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 year ending 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 February 14, 2024 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 months and years ended December 31, 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](http://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, long-term 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 8.2, "Weighted Average Net Rent" and Section 8.7, "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 December 31, (\$ thousands) (unaudited)	Three months		Year End	
	2023	2022	2023	2022
Rental Revenue	\$ 113,810	\$ 99,804	\$ 410,970	\$ 380,064
Property operating costs	(48,398)	(44,746)	(177,345)	(168,277)
<b>Net Operating Income**</b>	<b>65,412</b>	<b>55,058</b>	<b>233,625</b>	<b>211,787</b>
Exclude:				
Straight-line rent	(1,509)	(639)	(3,456)	(4,492)
Lease surrender revenue	(394)	(826)	(3,047)	(1,238)
<b>Cash Net Operating Income**</b>	<b>\$ 63,509</b>	<b>\$ 53,593</b>	<b>\$ 227,122</b>	<b>\$ 206,057</b>

\*\* 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 December 31, (\$ thousands) (unaudited)	Three months		Year End	
	2023	2022	2023	2022
Same Properties NOI**	\$ 56,784	\$ 53,934	\$ 217,786	\$ 206,988
Exclude:				
Straight-line rent	(951)	(655)	(2,749)	(4,554)
Lease surrender revenue	(394)	(826)	(3,047)	(1,238)
<b>Same Properties<sup>1</sup> Cash NOI**</b>	<b>55,439</b>	<b>52,453</b>	<b>211,990</b>	<b>201,196</b>
<b>Same Properties Growth</b>	<b>5.7 %</b>		<b>5.4 %</b>	
Cash NOI** from:				
Acquisitions	6,893	—	10,437	—
Property under redevelopment	1,177	1,140	4,695	4,861
<b>Cash NOI**</b>	<b>\$ 63,509</b>	<b>\$ 53,593</b>	<b>\$ 227,122</b>	<b>\$ 206,057</b>

\*\* 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.

<sup>1</sup> Properties owned for the entire 24 months ended December 31, 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 December 31, (\$ thousands except per unit amounts) (unaudited)	Three months		Year End	
	2023	2022	2023	2022
Net income (loss)	\$ 13,853	\$ (25,770)	\$ 102,271	\$ (12,080)
Reverse:				
Distribution on Convertible Preferred LP Units	1,845	—	2,908	—
Adjustments to fair value of derivative instruments	8,590	240	540	240
Adjustments to fair value of unit-based compensation	267	890	(901)	(827)
Adjustments to fair value of Convertible Preferred LP Units	4,842	—	5,066	—
Adjustments to fair value of land held for development	33,000	—	33,000	—
Adjustments to fair value of investment properties	(23,493)	61,342	7,431	165,743
Internal expenses for leases	2,331	1,606	8,017	5,861
<b>Funds from Operations**</b>	<b>\$ 41,235</b>	<b>\$ 38,308</b>	<b>\$ 158,332</b>	<b>\$ 158,937</b>
FFO** per unit <sup>1</sup> - average basic	\$ 0.405	\$ 0.390	\$ 1.602	\$ 1.589
FFO** per unit <sup>1</sup> - average diluted	\$ 0.402	\$ 0.387	\$ 1.588	\$ 1.580
FFO Payout Ratio** - Target 45% - 50%	52.1 %	52.1 %	52.1 %	50.7 %
Distributions declared per Trust Unit	\$ 0.207	\$ 0.202	\$ 0.822	\$ 0.802
Distributions declared per Convertible Preferred LP Unit	0.002	—	0.005	—
Total distributions declared per unit <sup>1</sup>	\$ 0.209	\$ 0.202	\$ 0.827	\$ 0.802
Weighted average units outstanding <sup>2</sup> - basic (in thousands)	101,743	98,296	98,861	100,047
Weighted average units outstanding <sup>2</sup> - diluted (in thousands)	102,659	98,945	99,714	100,597
Number of units outstanding <sup>2</sup> - end of period (in thousands)	106,058	97,713	106,058	97,713

<sup>1</sup> Distributions declared per unit used in the FFO\* Payout Ratios include distributions declared on Convertible Preferred LP Units at 6% per annum. See Section 10.6, "Unit Equity and Distributions" in the MD&A.

<sup>2</sup> Units outstanding and weighted average units outstanding assumes the exchange of Convertible 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 December 31, (\$ thousands except per unit amounts) (unaudited)	Three months		Year End	
	2023	2022	2023	2022
Funds from Operations**	\$ 41,235	\$ 38,308	\$ 158,332	\$ 158,937
Reverse:				
Internal expenses for leases	(2,331)	(1,606)	(8,017)	(5,861)
Straight-line rent	(1,509)	(639)	(3,456)	(4,492)
Deduct:				
Recoverable and non-recoverable costs	(6,984)	(5,934)	(16,222)	(11,496)
Tenant allowances and external leasing costs	(4,832)	(3,347)	(18,106)	(13,741)
<b>Adjusted Funds from Operations**</b>	<b>\$ 25,579</b>	<b>\$ 26,782</b>	<b>\$ 112,531</b>	<b>\$ 123,347</b>
AFFO** per unit <sup>1</sup> - average basic	\$ 0.251	\$ 0.272	\$ 1.138	\$ 1.233
AFFO** per unit <sup>1</sup> - average diluted	\$ 0.249	\$ 0.271	\$ 1.129	\$ 1.226
AFFO Payout Ratio**	84.0 %	74.5 %	73.3 %	65.4 %
Distributions declared per Trust Unit	\$ 0.207	\$ 0.202	\$ 0.822	\$ 0.802
Distributions declared per Convertible Preferred LP Unit	0.002	—	0.005	—
Total distributions declared per unit <sup>1</sup>	\$ 0.209	\$ 0.202	\$ 0.827	\$ 0.802
Weighted average units outstanding <sup>2</sup> - basic (in thousands)	101,743	98,296	98,861	100,047
Weighted average units outstanding <sup>2</sup> - diluted (in thousands)	102,659	98,945	99,714	100,597
Number of units outstanding <sup>2</sup> - end of period (in thousands)	106,058	97,713	106,058	97,713

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

<sup>2</sup> Units outstanding and weighted average units outstanding assumes the exchange of Convertible 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	December 31, 2023	December 31, 2022	Change		Change per unit
Investment Properties	\$ 3,695,435	\$ 3,118,590	\$ 576,845	\$	5.90
Investment properties classified as held for sale	89,912	—	89,912		0.92
Cash	44,323	10,954	33,369		0.34
Other assets	69,964	72,237	(2,273)		(0.02)
Total assets	3,899,634	3,201,781	697,853		7.14
Mortgages payable	(293,803)	(215,680)	(78,123)		(0.80)
Senior unsecured debentures	(1,000,000)	(350,000)	(650,000)		(6.65)
Unsecured credit facilities	(200,000)	(444,000)	244,000		2.50
Total Debt**	(1,493,803)	(1,009,680)	(484,123)		(4.95)
Other liabilities	(122,754)	(104,472)	(18,282)		(0.19)
Reverse: Obligation for purchase of Trust Units under automatic share purchase plan <sup>1</sup>	1,800	12,508	(10,708)		(0.11)
Impact from variance of units outstanding					(1.84)
<b>Net Asset Value**</b>	<b>\$ 2,284,877</b>	<b>\$ 2,100,137</b>	<b>\$ 184,740</b>	<b>\$</b>	<b>0.05</b>
Net Asset Value** per unit outstanding	\$ 21.54	\$ 21.49	\$ 0.05		
Debt to Total Assets** <sup>2</sup>	38.3%	31.5%	6.8%		
Number of units outstanding <sup>3</sup> - end of period (in thousands)	106,058	97,713	8,345		

\*\* 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.

<sup>1</sup> 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.

<sup>2</sup> The debt ratios are non-GAAP ratios calculated based on the Trust Indentures.

<sup>3</sup> Units outstanding assumes the exchange of Convertible 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 years ended December 31,	2023	2022	Change		
Adjusted EBITDA**	\$ 206,242	\$ 187,541	\$ 18,701	\$	
Average Net Debt**	\$ 1,153,843	\$ 937,150	\$ 216,692	\$	
Average Net Debt** to Adjusted EBITDA** <sup>3</sup> Target 4.0x - 6.0x	5.6x	5.0x	0.6x		
Interest expense <sup>1</sup>	\$ 57,922	\$ 35,668	22,254		
Interest Coverage** <sup>2</sup>	3.6x	5.3x	(1.7x)		
Principal repayments	\$ 6,877	\$ 16,106	\$ (9,229)		
Interest expense <sup>1</sup>	\$ 57,922	\$ 35,668	\$ 22,254		
Debt Service Coverage** <sup>2</sup>	3.2x	3.6x	(0.4x)		

\*\* 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.

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

<sup>2</sup> The debt ratios are non-GAAP ratios calculated on the basis described in the Trust Indentures.

The following table reconciles net income (loss) to Adjusted EBITDA\*\* for the three months and years ended December 31, 2023 and 2022.

(\$ thousands) (unaudited) For the periods ended December 31,	Three months		Year end	
	2023	2022	2023	2022
Net income (loss)	\$ 13,853	\$ (25,770)	\$ 102,271	\$ (12,080)
Interest income <sup>1</sup>	(775)	(35)	(2,143)	(77)
Net interest and other financing charges	19,532	10,518	59,457	33,400
Amortization	398	375	1,521	1,142
Adjustments to fair value of derivative instruments	8,590	240	540	240
Adjustments to fair value of unit-based compensation	267	890	(901)	(827)
Adjustments to fair value of Convertible Preferred LP Units	4,842	—	5,066	—
Adjustments to fair value of land held for development	33,000	—	33,000	—
Adjustments to fair value of investment properties	(23,493)	61,342	7,431	165,743
<b>Adjusted EBITDA**</b>	<b>\$ 56,214</b>	<b>\$ 47,560</b>	<b>\$ 206,242</b>	<b>\$ 187,541</b>

\*\* 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.

<sup>1</sup> Interest income earned on cash balances.

The following tables illustrate Adjusted EBITDA\*\* for the years ended December 31, 2023 and December 31, 2022.

(\$ thousands) (unaudited) For the period	Year ended	Q4 2023	Q3 2023	Q2 2023	Q1 2023
	December 31, 2023				
<b>Adjusted EBITDA**</b>	<b>\$ 206,242</b>	56,214	54,649	48,964	46,415

(\$ thousands) (unaudited) For the period	Year ended	Q4 2022	Q3 2022	Q2 2022	Q1 2022
	December 31, 2022				
<b>Adjusted EBITDA**</b>	<b>\$ 187,541</b>	47,560	48,840	47,388	43,753

The following table illustrates Average Net Debt\*\* for the years ended December 31, 2023 and December 31, 2022.

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

(\$ thousands) (unaudited) As at	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021
	Total Debt**	\$ 1,009,680	\$ 940,158	\$ 926,178	\$ 924,924
less: Cash	(10,954)	(14)	—	(21,795)	(5,636)
<b>Net Debt**</b>	<b>\$ 998,726</b>	<b>\$ 940,144</b>	<b>\$ 926,178</b>	<b>\$ 903,129</b>	<b>\$ 917,574</b>
<b>Average Net Debt**</b>	<b>\$ 937,150</b>				

The following tables illustrate interest expense, for the calculation of the Interest Coverage\*\* and Debt Service Coverage\*\* ratios, for the years ended December 31, 2023 and December 31, 2022.

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

(\$ thousands) (unaudited)	Year ended				
For the periods	December 31, 2022	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Interest expense <sup>1</sup>	\$ 35,668	11,215	9,292	8,577	6,584

<sup>1</sup> 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 following tables illustrate principal repayments, for the calculation of the Debt Service Coverage\*\* ratio, for the years ended December 31, 2023 and December 31, 2022.

(\$ 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

(\$ thousands) (unaudited)	Year ended				
For the periods	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:

TSX: PMZ.UN

[www.primarisreit.com](http://www.primarisreit.com)

[www.sedarplus.ca](http://www.sedarplus.ca)

Alex Avery

Rags Davloor

Claire Mahaney

Timothy Pire

Chief Executive Officer

Chief Financial Officer

VP, Investor Relations & ESG

Chair of the Board

416-642-7837

416-645-3716

647-949-3093

[aavery@primarisreit.com](mailto:aavery@primarisreit.com)

[rdavloor@primarisreit.com](mailto:rdavloor@primarisreit.com)

[cmahaney@primarisreit.com](mailto:cmahaney@primarisreit.com)

[chair@primarisreit.com](mailto:chair@primarisreit.com)