



Primaris REIT Announces Strong Q1/24 and Raises Guidance

Toronto, Ontario, May 1, 2024 – Primaris Real Estate Investment Trust ("Primaris" or "the Trust") (TSX: PMZ.UN) announced today financial and operating results for the first quarter ended March 31, 2024.

Quarterly Financial and Operating Results Highlights

- \$119.2 million total rental revenue;
- +2.0% Same Properties Cash Net Operating Income** ("Cash NOI**") growth;
- 94.1% committed occupancy, 92.0% in-place occupancy, and 89.1% long-term occupancy;
- +7.4% weighted average spread on renewing rents across 277,000 square feet;
- +5.2% Fund from Operations** ("FFO**") per average diluted unit growth to \$0.388;
- \$3.9 billion total assets;
- 56.7% FFO Payout Ratio**;
- 5.7x Average Net Debt** to Adjusted EBITDA**;
- \$684.3 million in liquidity;
- \$3.3 billion in unencumbered assets; and
- \$21.86 Net Asset Value** ("NAV**") per unit outstanding.

Business Update Highlights

- Raises 2024 FFO** per average diluted unit guidance to \$1.61 to \$1.64 from \$1.60 to \$1.63;
- Received BBB (high) with Stable trends rating confirmation from DBRS Morningstar;
- Reported total NCIB activity since inception of 8,553,300 Trust Units repurchased at an average price of \$13.81, or a discount to NAV** per unit of approximately 36.8%; and
- Entered into an agreement to sell Garden City Square, in Winnipeg, Manitoba, an open air, non-grocery anchored property for \$31.0 million, inclusive of a \$4.8 million short-term, vendor-take-back loan at an interest rate of 6.0% per annum. The transaction is expected to close on May 23, 2024.

"Our business is performing very well with significant runway for internal growth," said Patrick Sullivan, President and Chief Operating Officer. "We are well positioned to capture this growth across our portfolio as we complete leasing deals at market rents with standard lease terms and drive occupancy towards stabilized levels. The macro environment for malls, including declining supply of retail GLA, population growth, rising tenant sales and increasing tenant demand for space, creates significant opportunity to drive rent growth and higher occupancy to quality tenants with the ability to pay increasing rents over time."

Chief Financial Officer, Rags Davloor added, "With unencumbered assets of \$3.3 billion, full availability on our \$600 million operating line, and only 3.5% of debt maturing in 2024, we are very well positioned with reduced refinancing risk and access to liquidity. Our total available liquidity at quarter end was \$684 million, giving us excellent financial capacity for opportunities we see in the market. We have capacity for more than \$1.5 billion of acquisitions, and require no financing conditions in our deals."

"We are very pleased to announce our first non-core disposition, aligned to our strategy of owning a growing, high-quality portfolio of market leading enclosed shopping centres," said Alex Avery, Chief Executive Officer. "This disposition improves our overall portfolio quality and growth profile, and demonstrates Primaris' ability to transact. We are currently engaged in discussions with prospective purchasers for further dispositions. Demonstrating disciplined capital allocation is a cornerstone of our strategy, with success measured in per unit growth in value and cash flow."

2024 Financial Outlook

Guidance: In the MD&A for the three months and year ended December 31, 2023, Primaris provided guidance for the full year of 2024. The previously published guidance for the full year of 2024 has been reproduced again below and updated for management's current expectations based on the most recent information available to management.

2024 Guidance				
(unaudited)	Previously Published	Updated	Additional Notes	MD&A Section Reference
Occupancy	Increase of 0.8% to 1.0%	No change in guidance		Section 8.1, "Occupancy"
Contractual rent steps in rental revenue	\$3.0 to \$3.2 million	\$2.7 to \$2.9 million	Approximately 0.7% to 0.75% of 2023 Same Properties' base rent	Section 9.1, "Components of Net Income (Loss)"
Straight-line rent in rental revenue	\$3.3 to \$3.6 million	\$4.8 to \$5.0 million		Section 9.1, "Components of Net Income (Loss)"
Same Properties Cash Net Operating Income** growth	3.0% to 4.0%	No change in guidance	Same Properties total 34, excludes Northland Village (under redevelopment), and the acquisitions of Conestoga Mall and the Halifax Shopping Complex	Section 9.1, "Components of Net Income (Loss)"
Cash NOI**	\$263 - \$268 million	\$265 - \$270 million		Section 9.1, "Components of Net Income (Loss)"
General and administrative expenses	\$30 to \$32 million	\$31 to \$33 million		Section 9.1, "Components of Net Income (Loss)"
Operating capital expenditures	Recoverable Capital \$16 to \$18 million Leasing Capital \$28 to \$30 million	No change in guidance		Section 8.7, "Operating Capital Expenditures "
Redevelopment capital expenditures	\$30 to \$40 million	No change in guidance	Primarily attributable to Northland Village and Devonshire Mall	Section 7.4, "Redevelopment and Development"
Funds from Operations** per unit ¹ fully diluted	\$1.60 to \$1.63 per unit fully diluted	\$1.61 to \$1.64 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.

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" 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 news release and that such variations may be material. See Section 2, "Forward-Looking Statements and Future-Oriented Financial Information" in the Trust's management's discussion and analysis for the three months ended March 31, 2024 and 2023 (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 March 31, (in thousands of Canadian dollars unless otherwise indicated) (unaudited)	2024	2023	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	92.0 %	90.6 %	1.4%
Committed occupancy	94.1 %	91.3 %	2.8%
Weighted average net rent per occupied square foot ¹	\$ 25.10	\$ 24.30	\$ 0.80
Same stores sales productivity ¹	\$ 677	\$ 607	\$ 70
Total assets	\$ 3,928,995	\$ 3,277,463	\$ 651,532
Total liabilities	\$ 1,801,200	\$ 1,181,210	\$ 619,990
Total rental revenue	\$ 119,218	\$ 96,369	\$ 22,849
Cash flow from (used in) operating activities	\$ 7,352	\$ 21,448	\$ (14,096)
Distributions per Trust Unit	\$ 0.210	\$ 0.205	\$ 0.005
Cash Net Operating Income** ("Cash NOI")	\$ 62,871	\$ 51,187	\$ 11,684
Same Properties Cash NOI** growth	2.0 %	—	—
Net income (loss)	\$ 45,881	\$ 35,586	\$ 10,295
Net income (loss) per unit ²	\$ 0.433	\$ 0.369	\$ 0.064
Funds from Operations** ("FFO") per unit ² - average diluted	\$ 0.388	\$ 0.369	\$ 0.019
FFO Payout Ratio**	56.7 %	55.5 %	1.2 %
Adjusted Funds from Operations** ("AFFO") per unit ² - average diluted	\$ 0.282	\$ 0.319	\$ (0.037)
AFFO Payout Ratio**	78.0 %	64.2 %	13.8 %
Weighted average units outstanding ² - diluted (in thousands)	106,911	97,788	9,123
Net Asset Value** ("NAV") per unit outstanding	\$ 21.86	\$ 21.74	\$ 0.12
Total Debt** to Total Assets** ⁵	38.9 %	33.5 %	5.4%
Average Net Debt** to Adjusted EBITDA** ⁶	5.7x	5.1x	0.6x
Interest Coverage** ^{5,6}	3.4x	4.6x	(1.2x)
Liquidity	\$ 684,328	\$ 468,301	\$ 216,027
Unencumbered assets	\$ 3,325,319	\$ 2,712,996	\$ 612,323
Unencumbered assets to unsecured debt	2.8x	3.4x	(0.6x)
Secured debt to Total Debt**	21.6 %	27.2 %	(5.6)%
Fixed rate debt as a percent of Total Debt**	97.4 %	100.0 %	(2.6)%
Weighted average term to debt maturity - Total Debt** (in years)	3.4	3.9	(0.5)
Weighted average interest rate of Total Debt**	5.21 %	4.76 %	0.45 %

** 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 For the rolling twelve-month periods ending February 29, 2024 and February 28, 2023, respectively.

³ Properties owned throughout the entire 15 months ended March 31, 2024, excluding properties under development or major redevelopment, are referred to as "Same Properties".

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" in the MD&A.

⁵ 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" in the MD&A.

⁶ For the rolling four-quarters ended March 31, 2024 and 2023, respectively.

Operating Results

Same Properties Cash NOI** for the three month ended March 31, 2024 was \$1.0 million, or 2.0%, higher than the same period of the prior year. Cash NOI** from Same Properties shopping centres increased \$1.1 million, or 2.3%, over the same period of the prior year. The increase in Cash NOI** from the Same Properties shopping centres was primarily driven by higher revenues from base rent and net operating cost recoveries, partially offset by a decline in percentage rent in lieu of base rent and a bad debt recovery recorded in the prior year. Excluding the bad debt recovery, the Cash NOI** growth for the Same Properties shopping centres would be 3.7%. Completed redevelopment projects contributed \$0.4 million incremental rent to the portfolio (see Section 7.4, "Redevelopment and Development" of the MD&A). Long-term leases typically include contractual rents steps. In 2024, the Same Property shopping centres earned incremental base rent of \$0.5 million from these contractual increases.

The below table compares the composition of FFO** and AFFO** and calculates the drivers of the changes for the three months ended March 31, 2024 as compared to the same period in 2023.

For the three months ended March 31,	2024		2023		Change	
(\$ thousands except per unit amounts) (unaudited)	Contribution	per unit ¹	Contribution	per unit ¹	Contribution	per unit ¹
NOI** from:						
Same Properties ²	\$ 51,879	\$ 0.485	\$ 51,155	\$ 0.523	\$ 724	\$ 0.008
Acquisitions	11,360	0.106	—	—	11,360	0.116
Property under redevelopment	1,513	0.014	1,151	0.012	362	0.004
Interest and other income	2,317	0.022	1,404	0.014	913	0.009
Net interest and other financing charges (excluding distributions on Convertible Preferred LP Units)	(19,230)	(0.180)	(11,838)	(0.121)	(7,392)	(0.076)
General and administrative expenses (net of internal expenses for leases)	(6,060)	(0.056)	(5,401)	(0.055)	(659)	(0.007)
Amortization	(301)	(0.003)	(374)	(0.004)	73	0.001
Impact from variance of units outstanding	—	—	—	—	—	(0.036)
FFO** and FFO** per unit - average diluted	\$ 41,478	\$ 0.388	\$ 36,097	\$ 0.369	\$ 5,381	\$ 0.019
FFO*	\$ 41,478	\$ 0.388	\$ 36,097	\$ 0.369	\$ 5,381	\$ 0.055
Internal expenses for leases	(2,174)	(0.020)	(1,847)	(0.019)	(327)	(0.003)
Straight-line rent	(1,839)	(0.017)	(833)	(0.008)	(1,006)	(0.010)
Recoverable and non-recoverable costs	(3,269)	(0.031)	(1,152)	(0.012)	(2,117)	(0.022)
Tenant allowances and leasing costs	(4,053)	(0.038)	(1,049)	(0.011)	(3,004)	(0.031)
Impact from variance of units outstanding	—	—	—	—	—	(0.026)
AFFO** and AFFO** per unit - average diluted	\$ 30,143	\$ 0.282	\$ 31,216	\$ 0.319	\$ (1,073)	\$ (0.037)

** 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 Convertible Preferred LP Units for Trust Units. See Section 10.6, "Unit Equity and Distributions" of the MD&A.

² Properties owned throughout the entire 15 months ended March 31, 2024, excluding properties under development or major redevelopment, are referred to as "Same Properties".

FFO** for the three months ended March 31, 2024 was \$0.019 per unit higher, or 5.2%, than the same period of the prior year. NOI** from Same Properties increased \$0.008 per unit and NOI** from Acquisitions increased \$0.116 per unit. These increases were partially offset by the \$0.076 per unit decrease due to higher net interest and other financing charges and a \$0.036 per unit decrease due to the net change in the units outstanding (unit issuances for the Acquisitions partially offset by NCIB activity).

Occupancy and Leasing Results

Primaris' leasing activities are focused on driving value by actively managing the tenant and merchandising mix at its investment properties. Portfolio in-place occupancy at March 31, 2024 decreased 0.4% from December 31, 2023. Fourth quarter occupancy is typically higher due to seasonal tenants.

As at	Count	Committed Occupancy	In-place Occupancy		
		March 31, 2024	March 31, 2024	December 31, 2023	March 31, 2023
Shopping centres ¹	22	93.6%	91.4%	92.6%	90.2%
Other properties ²	12	94.0%	93.2%	93.6%	93.1%
Same Properties occupancy³	34	93.6%	91.6%	92.7%	90.4%
Acquisitions ⁴	4	96.1%	93.8%	90.1%	—
Property under redevelopment ⁵	1	100.0%	94.9%	94.8%	96.3%
Portfolio occupancy	39	94.1%	92.0%	92.4%	90.6%

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 8 plazas, 3 office buildings and 1 industrial building.

³ Properties owned throughout the entire 15 months ended March 31, 2024, excluding properties under development or major redevelopment, are referred to as "Same Properties".

⁴ Acquisitions includes 2 enclosed malls and 2 other properties (see Section 7.3, "Acquisitions" in the MD&A).

⁵ Northland Village, Calgary, Alberta.

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

	March 31, 2024	December 31, 2023	March 31, 2023
In-place occupancy	92.0%	92.4%	90.6%
Exclude: Short-term leases ¹	2.9%	3.4%	3.0%
Long-term in-place occupancy	89.1%	89.0%	87.6%

¹ Leases with an original term of less than one year.

In the quarter, Primaris completed 149 leasing deals totaling 0.5 million square feet. The weighted average spread on renewing rents (for the 97 leases renewed in the quarter) was 7.4% (5.8% for commercial retail unit renewals and 15.8% for large format renewals).

Included in the leasing activity for the quarter were 28 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 March 31, 2024, percentage rent in lieu of base rent leases were in place for 0.6 million square feet of GLA, or 4.0% of in-place leases with an average remaining lease term of approximately 2.2 years.

Percentage Rent in Lieu of Base Rent Leases

As at	Number of Leases	Portion of Leases by Count ¹
March 31, 2024	99	4.0 %
December 31, 2023 ²	122	4.8 %
December 31, 2022	169	7.7 %
March 31, 2022	184	8.5 %

¹ Lease count excludes short term leases.

² Includes the impact of 6 additional leases from the Halifax Shopping Complex acquisition and 10 additional 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	March 31, 2024	December 31, 2023	Change
Unencumbered assets - number		32	33	(1)
Unencumbered assets - value		\$ 3,325,319	\$ 3,362,901	\$ (37,582)
Unencumbered assets as a percentage of the investment properties		87.1%	88.8%	(1.7)%
Secured debt to Total Debt**	<40%	21.6%	19.7%	1.9%
Unsecured Debt		\$ 1,200,000	\$ 1,200,000	\$ —
Unencumbered assets to unsecured debt		2.8x	2.8x	—
Unencumbered assets in excess of unsecured debt		\$ 2,125,319	\$ 2,162,901	\$ (37,582)
Percent of Cash NOI** generated by unencumbered assets		86.3%	85.4%	0.9%

** 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.

Liquidity at quarter end was \$684.3 million, or 44.7% of Total Debt**.

Primaris' NAV** per unit outstanding at quarter end was \$21.86.

Subsequent Events

Subsequent to March 31, 2024, Primaris purchased additional 57,500 Trust Units under the ASPP for consideration of \$0.8 million as of May 1, 2024.

Primaris entered into an agreement to sell Garden City Square, in Winnipeg, Manitoba, an open air, non-grocery anchored income-producing property for \$31.0 million, inclusive of a \$4.8 million short-term, vendor-take-back loan at an interest rate of 6.0% per annum. The transaction is expected to close on May 23, 2024.

Conference Call and Webcast

Date: Thursday, May 2, 2024, at 8:30 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: 226197

The call will be accessible for replay until May 16, 2024, by dialing 1-866-813-9403 with access code 434178, or on the Investor Relations section of the website.

Annual General Meeting of Unitholders

Date: Thursday, May 2, 2024 at 10:00 a.m. (ET)

Webcast link: Please go to the Investor Relations section on Primaris' website or click [here](#).

The meeting will be accessible for replay until May 1, 2025 on the Investor Relations section of the website.

Refer to the section "General Proxy Information" in the [Management Information Circular](#) which can be viewed online on Primaris' website or by clicking [here](#), or under Primaris REIT's [SEDAR+](#) profile, for instructions on how to attend and vote at the meeting.

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**, 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 is 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 is 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 May 1, 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 MD&A and the Trust’s unaudited interim condensed consolidated financial statements and the accompanying notes for the three months ended March 31, 2024 and 2023 (the “Financial Statements”).

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, 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 March 31, (\$ thousands) (unaudited)	Three months	
	2024	2023
Rental Revenue	\$ 119,218	\$ 96,369
Property operating costs	(54,466)	(44,063)
Net Operating Income**	64,752	52,306
Exclude:		
Straight-line rent	(1,839)	(833)
Lease surrender revenue	(42)	(286)
Cash Net Operating Income**	\$ 62,871	\$ 51,187

** 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 March 31, (\$ thousands) (unaudited)	Three months	
	2024	2023
Same Properties NOI**	\$ 51,879	\$ 51,155
Exclude:		
Straight-line rent	(780)	(836)
Lease surrender revenue	(42)	(286)
Same Properties¹ Cash NOI**	51,057	50,033
Same Properties Growth	2.0 %	
Cash NOI** from:		
Acquisitions	10,666	—
Property under redevelopment	1,148	1,154
Cash NOI**	\$ 62,871	\$ 51,187

** 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 15 months ended March 31, 2024, excluding properties under development or major redevelopment, are referred to as "Same Properties".

The following table illustrates the reconciliation of net income, as determined in accordance with GAAP, to FFO**.

For the periods ended March 31, (\$ thousands except per unit amounts) (unaudited)	Three months	
	2024	2023
Net income (loss)	\$ 45,881	\$ 35,586
Reverse:		
Distribution on Convertible Preferred LP Units	3,075	—
Adjustments to fair value of derivative instruments	(2,839)	2,214
Adjustments to fair value of unit-based compensation	36	(864)
Adjustments to fair value of Convertible Preferred LP Units	6,285	—
Adjustments to fair value of investment properties	(13,134)	(2,686)
Internal expenses for leases	2,174	1,847
Funds from Operations**	\$ 41,478	\$ 36,097
FFO** per unit ¹ - average basic	\$ 0.392	\$ 0.372
FFO** per unit ¹ - average diluted	\$ 0.388	\$ 0.369
FFO Payout Ratio** - Target 45% - 50%	56.7 %	55.5 %
Distributions declared per Trust Unit	\$ 0.210	\$ 0.205
Distributions declared per Convertible Preferred LP Unit	0.010	—
Total distributions declared per unit ¹	\$ 0.220	\$ 0.205
Weighted average units outstanding ² - basic (in thousands)	105,933	97,112
Weighted average units outstanding ² - diluted (in thousands)	106,911	97,788
Number of units outstanding ² - end of period (in thousands)	105,857	96,508

¹ 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.

² 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 illustrates the reconciliation of FFO** to AFFO**.

For the periods ended March 31, (\$ thousands except per unit amounts) (unaudited)	Three months	
	2024	2023
Funds from Operations**	\$ 41,478	\$ 36,097
Reverse:		
Internal expenses for leases	(2,174)	(1,847)
Straight-line rent	(1,839)	(833)
Deduct:		
Recoverable and non-recoverable costs	(3,269)	(1,152)
Tenant allowances and external leasing costs	(4,053)	(1,049)
Adjusted Funds from Operations**	\$ 30,143	\$ 31,216
AFFO** per unit ¹ - average basic	\$ 0.285	\$ 0.321
AFFO** per unit ¹ - average diluted	\$ 0.282	\$ 0.319
AFFO Payout Ratio**	78.0 %	64.2 %
Distributions declared per Trust Unit	\$ 0.210	\$ 0.205
Distributions declared per Convertible Preferred LP Unit	0.010	—
Total distributions declared per unit ¹	\$ 0.827	\$ 0.205
Weighted average units outstanding ² - basic (in thousands)	105,933	97,112
Weighted average units outstanding ² - diluted (in thousands)	106,911	97,788
Number of units outstanding ² - end of period (in thousands)	105,857	96,508

¹ 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.

² 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 except per unit amounts) (unaudited)	As at and for the three months ended March 31, 2024		As at and for the year ended December 31, 2023	
NAV** beginning of the period	\$	2,284,877	\$	2,100,137
Net Income		45,881		102,271
Trust Unit Distributions		(20,251)		(79,342)
		2,310,507		2,123,066
Other capital allocation activities				
NCIB activity		(2,767)		(60,635)
Trust Units issued for Acquisitions - net of costs		—		42,667
Convertible Preferred LP Units issued for Acquisitions and adjustments to fair value of Convertible Preferred LP Units		6,285		179,150
Settlement of vested restricted trust units		—		629
NAV** end of the period	\$	2,314,025	\$	2,284,877
NAV** per unit outstanding	\$	21.86	\$	21.54
Number of units outstanding ¹ - end of period (in thousands)		105,857		106,058

As at and for the three months ended (\$ thousands) (unaudited)		March 31, 2023
NAV** beginning of the period	\$	2,100,137
Net Income		35,586
Trust Unit Distributions		(19,856)
		2,115,867
Other capital allocation activities		
NCIB activity		(17,799)
Net Asset Value**	\$	2,098,068
Net Asset Value** per unit outstanding	\$	21.74
Number of Units outstanding - end of period (in thousands)		96,508

** 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 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 tables illustrate the calculation of Total Debt** to Total Assets**

(\$ thousands) (unaudited)				
As at		March 31, 2024	December 31, 2023	Change
Investment properties	\$	3,691,770	\$ 3,695,435	\$ (3,665)
Investment properties classified as held for sale		125,400	89,912	35,488
Cash		74,328	44,323	30,005
Other assets		37,497	69,964	(32,467)
Total assets	\$	3,928,995	\$ 3,899,634	\$ 29,361
Mortgages payable	\$	330,074	\$ 293,803	\$ 36,271
Senior unsecured debentures		1,000,000	1,000,000	—
Unsecured credit facilities		200,000	200,000	—
Debt or Total Debt**	\$	1,530,074	\$ 1,493,803	\$ 36,271
Total Debt** to Total Assets** ¹		38.9%	38.3%	0.6%

(\$ thousands) (unaudited)		
As at		March 31, 2023
Investment properties	\$	3,142,649
Cash		59,301
Other assets		75,513
Total assets	\$	3,277,463
Mortgages payable	\$	298,982
Senior unsecured debentures		600,000
Unsecured credit facilities		200,000
Debt or Total Debt**	\$	1,098,982
Total Debt** to Total Assets** ¹		33.5%

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

¹ The debt ratio is a non-GAAP ratio calculated on the basis described in the Trust Indentures.

The following table illustrates the calculation of Average Net Debt** to Adjusted EBITDA**, Interest Coverage** and Debt Service Coverage** ratios. The below ratios are calculated on a rolling four-quarters basis.

(\$ thousands) (unaudited) For the rolling four-quarters ended March 31,	2024	2023	Change
Adjusted EBITDA**	\$ 218,370	\$ 190,203	\$ 28,167
Average Net Debt**	\$ 1,245,247	\$ 961,572	\$ 283,675
Average Net Debt** to Adjusted EBITDA** ³ Target 4.0x - 6.0x	5.7x	5.1x	0.6x
Interest expense ¹	\$ 64,820	\$ 41,520	\$ 23,300
Interest Coverage** ^{2,3}	3.4x	4.6x	(1.2)x
Principal repayments	\$ 6,657	\$ 12,728	\$ (6,071)
Interest expense ¹	\$ 64,820	\$ 41,520	\$ 23,300
Debt Service Coverage** ³	3.1x	3.5x	(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" in the MD&A.

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.

³ For the rolling four-quarters ended March 31, 2024 and 2023, respectively.

The following table illustrates the reconciliation of net income (loss) to Adjusted EBITDA** for the three months ended March 31, 2024 and 2023.

(\$ thousands) (unaudited) For the periods ended March 31,	Three months	
	2024	2023
Net income (loss)	\$ 45,881	\$ 35,586
Interest income ¹	(292)	(47)
Net interest and other financing charges	22,305	11,838
Amortization	301	374
Adjustments to fair value of derivative instruments	(2,839)	2,214
Adjustments to fair value of unit-based compensation	36	(864)
Adjustments to fair value of Convertible Preferred LP Units	6,285	—
Adjustments to fair value of investment properties	(13,134)	(2,686)
Adjusted EBITDA**	\$ 58,543	\$ 46,415

** 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.

The following tables illustrate Adjusted EBITDA** for the rolling four-quarters ended March 31, 2024 and 2023.

(\$ thousands) (unaudited) For the period	Rolling 4-quarters March 31, 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Adjusted EBITDA**	\$ 218,370	58,543	56,214	54,649	48,964

(\$ thousands) (unaudited) For the period	Rolling 4-quarters March 31, 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Adjusted EBITDA**	\$ 190,203	46,415	47,560	48,840	47,388

The following table illustrates Average Net Debt** for the periods ended March 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)					
As at	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Total Debt**	\$ 1,530,074	\$ 1,493,803	\$ 1,227,544	\$ 1,097,270	\$ 1,098,982
less: Cash and cash equivalents	(74,328)	(44,323)	(1,282)	(42,206)	(59,301)
Net Debt**	\$ 1,455,746	\$ 1,449,480	\$ 1,226,262	\$ 1,055,064	\$ 1,039,681
Average Net Debt**	\$ 1,245,247				

(\$ thousands) (unaudited)					
As at	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
Total Debt**	\$ 1,098,982	\$ 1,009,680	\$ 940,158	\$ 926,178	\$ 924,924
less: Cash and cash equivalents	(59,301)	(10,954)	(14)	—	(21,795)
Net Debt**	\$ 1,039,681	\$ 998,726	\$ 940,144	\$ 926,178	\$ 903,129
Average Net Debt**	\$ 961,572				

The following tables illustrate interest expense, for the calculation of the Interest Coverage** and Debt Service Coverage** ratios, for the rolling four-quarters ended March 31, 2024 and 2023.

(\$ thousands) (unaudited)	Rolling 4-quarters				
For the periods	March 31, 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Interest expense ¹	\$ 64,820	19,334	17,161	14,911	13,414

(\$ thousands) (unaudited)	Rolling 4-quarters				
For the periods	March 31, 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Interest expense ¹	\$ 41,520	12,436	11,215	9,292	8,577

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 following tables illustrate principal repayments, for the calculation of the Debt Service Coverage** ratio, for the rolling four-quarters ended March 31, 2024 and 2023.

(\$ thousands) (unaudited)	Rolling 4-quarters				
For the periods	March 31, 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Principal repayments	\$ 6,657	1,478	1,741	1,726	1,712

(\$ thousands) (unaudited)	Rolling 4-quarters				
For the periods	March 31, 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Principal repayments	\$ 12,728	1,698	2,866	3,889	4,275

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