



Primaris REIT Announces Strong Q2/24 and Raises Guidance

Toronto, Ontario, July 31, 2024 – Primaris Real Estate Investment Trust ("Primaris" or "the Trust") (TSX: PMZ.UN) announced today financial and operating results for the second quarter ended June 30, 2024.

Quarterly Financial and Operating Results Highlights

- \$120.0 million total rental revenue;
- +1.3% Same Properties Cash Net Operating Income** ("Cash NOI**") growth;
- +5.9% Same Properties shopping centres Cash NOI** growth excluding contributions from property tax recoveries from prior years;
- 94.4% committed occupancy, 93.0% in-place occupancy, and 90.1% long-term occupancy;
- +6.8% weighted average spread on renewing rents across 178,000 square feet;
- +6.8% Funds from Operations** ("FFO**") per average diluted unit growth to \$0.422;
- 52.2% FFO Payout Ratio**;
- \$4.0 billion total assets;
- 5.7x Average Net Debt** to Adjusted EBITDA**;
- \$690.8 million in liquidity;
- \$3.3 billion in unencumbered assets; and
- \$22.04 Net Asset Value** ("NAV**") per unit outstanding.

Business Update Highlights

- Raises 2024 FFO** per average diluted unit guidance to \$1.63 to \$1.66 from \$1.61 to \$1.64;
- Completed the sale of Garden City Square, in Winnipeg, Manitoba, an open air, non-grocery anchored property for \$31.0 million on June 21, 2024;
- Acquired the grocery store building and associated land for \$19.7 million connected to Conestoga Mall in Waterloo, Ontario on June 10, 2024; and
- Reported total NCIB activity since inception of 9,284,300 Trust Units repurchased at an average price of \$13.79, or a discount to NAV** per unit of approximately 38.4%.

"As the largest owner and manager of enclosed shopping centres in Canada, measured by mall count, we have very good visibility into the performance of a wide network of stores across many retailers and banners, nationwide," said Patrick Sullivan, President and Chief Operating Officer. "The financial health of tenants continues to be quite favourable, and the dialogue with tenants looking for new and expansion opportunities remains robust. Our business performance is very strong as a result of rising occupancy across our portfolio which is driving higher recovery ratios and strong leasing spreads."

Chief Financial Officer, Rags Davloor added, "At Primaris our differentiated financial model, represented by low leverage, a low payout ratio, and significant free cash flow, positions us very well with excellent financial capacity for opportunities we see in the market. With unencumbered assets of \$3.3 billion, full availability on our \$600 million operating line, and no remaining debt maturing in 2024, we have reduced refinancing risk, and have access to significant liquidity. We have capacity for more than \$1.5 billion of acquisitions, and require no financing conditions in our deals."

"We are very pleased with the outperformance of our 2023 shopping centre acquisitions, contributing meaningfully to our increased FFO per unit guidance for this year. Integrating these assets into our larger national footprint and platform is increasing our relevance with both existing tenants, and exciting new-to-market retailers," said Alex Avery, Chief Executive Officer. "We are currently engaged in discussions with prospective counterparties for further acquisitions and dispositions, continuing to build our portfolio of leading enclosed shopping centres in Canada."

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 which was reproduced and updated in the Trust's MD&A for the three months ended March 31, 2024 and 2023. 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	\$2.7 to \$2.9 million	No change in guidance		Section 9.1, "Components of Net Income (Loss)"
Straight-line rent adjustment in rental revenue	\$4.8 to \$5.0 million	No change in guidance		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 33, excludes Northland Village (under redevelopment), and the acquisitions of Conestoga Mall and the Halifax Shopping Complex, and the disposition of Garden City Square	Section 9.1, "Components of Net Income (Loss)"
Cash NOI**	\$265 - \$270 million	\$267 - \$272 million		Section 9.1, "Components of Net Income (Loss)"
General and administrative expenses	\$31 to \$33 million	No change in guidance		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	\$1.61 to \$1.64 per unit fully diluted	\$1.63 to \$1.66 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 six months ended June 30, 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 June 30, (in thousands of Canadian dollars unless otherwise indicated) (unaudited)	2024	2023	Change
Number of investment properties	38	35	3
Gross leasable area (in millions of square feet)	12.4	10.9	1.5
In-place occupancy	93.0 %	89.8 %	3.2%
Committed occupancy	94.4 %	91.0 %	3.4%
Weighted average net rent per occupied square foot ¹	\$ 25.21	\$ 24.37	\$ 0.84
Same stores sales productivity ^{1,2}	\$ 676	\$ 616	\$ 60
Total assets	\$ 3,960,092	\$ 3,298,973	\$ 661,119
Total liabilities	\$ 1,820,248	\$ 1,193,143	\$ 627,105
Total rental revenue	\$ 120,010	\$ 95,965	\$ 24,045
Cash flow from (used in) operating activities	\$ 44,373	\$ 41,160	\$ 3,213
Distributions per Trust Unit	\$ 0.210	\$ 0.205	\$ 0.005
Cash Net Operating Income** ("Cash NOI")	\$ 67,379	\$ 54,163	\$ 13,216
Same Properties ³ Cash NOI** growth	1.3 %	—	—
Net income (loss)	\$ 42,246	\$ 32,602	\$ 9,644
Net income (loss) per unit ⁴	\$ 0.400	\$ 0.339	\$ 0.061
Funds from Operations** ("FFO") per unit ⁴ - average diluted	\$ 0.422	\$ 0.395	\$ 0.027
FFO Payout Ratio**	52.2 %	51.9 %	0.3 %
Adjusted Funds from Operations** ("AFFO") per unit ⁴ - average diluted	\$ 0.276	\$ 0.266	\$ 0.010
AFFO Payout Ratio**	79.7 %	77.1 %	2.6 %
Weighted average units outstanding ⁴ - diluted (in thousands)	106,852	97,290	9,562
Net Asset Value** ("NAV") per unit outstanding ⁴	\$ 22.04	\$ 21.90	\$ 0.14
Average Net Debt** to Adjusted EBITDA** ⁵	5.7x	5.2x	0.5x
Interest Coverage** ^{5,6}	3.2x	4.1x	(0.9)x
Liquidity	\$ 690,756	\$ 452,206	\$ 238,550
Unencumbered assets	\$ 3,348,494	\$ 2,726,616	\$ 621,878
Unencumbered assets to unsecured debt	2.8x	3.4x	(0.6)x
Secured debt to Total Debt**	21.5 %	27.1 %	(5.6)%
Total Debt** to Total Assets** ⁶	38.6 %	33.3 %	5.3%
Fixed rate debt as a percent of Total Debt**	98.7 %	100.0 %	(1.3)%
Weighted average term to debt maturity - Total Debt** (in years)	3.2	3.6	(0.4)
Weighted average interest rate of Total Debt**	5.19 %	4.77 %	0.42 %

** 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 May 31, 2024 and May 31, 2023, respectively.

³ Properties owned throughout the entire 18 months ended June 30, 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 For the rolling four-quarters ended June 30, 2024 and 2023, respectively.

⁶ 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.

Operating Results

The below table compares the composition of FFO** and AFFO** and calculates the drivers of the changes for the three months ended June 30, 2024 as compared to the same period in 2023.

For the three months ended June 30,	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	\$ 54,676	\$ 0.512	\$ 53,665	\$ 0.552	\$ 1,011	\$ 0.010
Acquisitions	12,957	0.121	—	—	12,957	0.133
Dispositions	567	0.005	546	0.006	21	—
Property under redevelopment	1,781	0.017	1,212	0.012	569	0.006
Interest and other income	1,541	0.014	2,192	0.023	(651)	(0.006)
Net interest and other financing charges (excluding distributions on Convertible Preferred LP Units)	(20,022)	(0.187)	(12,811)	(0.132)	(7,211)	(0.074)
General and administrative expenses (net of internal costs for leasing activity)	(5,938)	(0.056)	(5,986)	(0.062)	48	—
Amortization	(494)	(0.004)	(375)	(0.004)	(119)	(0.001)
Impact from variance of units outstanding	—	—	—	—	—	(0.041)
FFO** and FFO** per unit - average diluted	\$ 45,068	\$ 0.422	\$ 38,443	\$ 0.395	\$ 6,625	\$ 0.027
FFO*	\$ 45,068	\$ 0.422	\$ 38,443	\$ 0.395	\$ 6,625	\$ 0.068
Internal expenses for leases	(1,867)	(0.018)	(1,867)	(0.019)	—	—
Straight-line rent	(1,707)	(0.016)	(384)	(0.004)	(1,323)	(0.014)
Recoverable and non-recoverable costs	(5,022)	(0.047)	(2,841)	(0.029)	(2,181)	(0.022)
Tenant allowances and leasing costs	(6,990)	(0.065)	(7,499)	(0.077)	509	0.005
Impact from variance of units outstanding	—	—	—	—	—	(0.027)
AFFO** and AFFO** per unit - average diluted	\$ 29,482	\$ 0.276	\$ 25,852	\$ 0.266	\$ 3,630	\$ 0.010

** 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 18 months ended June 30, 2024, excluding properties under development or major redevelopment, are referred to as "Same Properties". Per unit calculations separate the impact of change in contribution from the change in the weighted average diluted units outstanding.

FFO** for the three months ended June 30, 2024 was \$0.027 per unit higher, or 6.8%, than the same period of the prior year. NOI** from Same Properties increased \$0.010 per unit and NOI** from Acquisitions increased \$0.133 per unit. These increases were partially offset by the \$0.074 per unit decrease due to higher net interest and other financing charges and a \$0.041 per unit decrease due to the net change in the units outstanding (unit issuances for the Acquisitions partially offset by NCIB activity). The \$0.010 per unit increase from Same Properties NOI** was net of the negative impact of \$0.021 per unit due to lower recovery of prior years' property tax in 2024 compared to 2023.

Same Properties Cash NOI** for the three month ended June 30, 2024 was \$0.7 million, or 1.3%, higher than the same period of the prior year. Cash NOI** from Same Properties shopping centres increased \$0.6 million, or 1.2%, over the same period of the prior year. The increase in the Same Properties shopping centres' Cash NOI** was primarily driven by higher revenues from base rent and net operating cost recoveries, partially offset by a decline in percentage rent in lieu of base rent and \$2.1 million lower contribution from recovery of property taxes from prior years. Long-term leases typically include contractual rents steps. In 2024, the Same Property shopping centres earned incremental base rent of \$0.7 million from these contractual increases.

Excluding the negative impact of the lower contribution from the recovery of property taxes from prior years, the Cash NOI** growth for the Same Properties shopping centres would have been 5.9%.

Completed redevelopment projects contributed \$0.7 million incremental rent to the portfolio (see Section 7.4, "Redevelopment and Development" of the MD&A).

Occupancy and Leasing Results

Primaris' leasing activities are focused on driving value by actively managing the tenant and merchandising mix at its investment properties. In-place occupancy increased 3.2% from December 31, 2023 to 93.0% at June 30, 2024.

	June 30, 2024	December 31, 2023	June 30, 2023
Long-term in-place occupancy	90.1%	89.0%	87.1%
Add: Short-term leases ¹	2.9%	3.4%	2.7%
In-place occupancy	93.0%	92.4%	89.8%
Add: Committed leases ²	1.4%	1.8%	1.2%
Committed occupancy	94.4%	94.2%	91.0%

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

² Executed leases with future commencement dates.

In the quarter, Primaris completed 137 leasing deals totaling 0.4 million square feet. The weighted average spread on renewing rents (for the 74 leases renewed in the quarter) was 6.8% (5.0% for commercial retail unit renewals and 32.0% for large format renewals).

Included in the leasing activity for the quarter were 33 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 June 30, 2024, percentage rent in lieu of base rent leases were in place for 0.6 million square feet of GLA, or 3.6% of in-place leases and had 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
June 30, 2024	90	3.6 %
December 31, 2023	122	4.8 %
December 31, 2022	169	7.7 %
March 31, 2022	184	8.5 %

¹ Lease count excludes short term leases.

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	June 30, 2024	December 31, 2023	Change
Unencumbered assets - number		31	33	(2)
Unencumbered assets - value		\$ 3,348,494	\$ 3,362,901	\$ (14,407)
Unencumbered assets as a percentage of the investment properties		87.4%	88.8%	(1.4)%
Secured debt to Total Debt**	<40%	21.5%	19.7%	1.8%
Unsecured Debt		\$ 1,200,000	\$ 1,200,000	\$ —
Unencumbered assets to unsecured debt		2.8x	2.8x	—
Unencumbered assets in excess of unsecured debt		\$ 2,148,494	\$ 2,162,901	\$ (14,407)
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 \$690.8 million, or 45.2% of Total Debt**.

Primaris' NAV** per unit outstanding at quarter end was \$22.04.

Subsequent Events

Subsequent to June 30, 2024, Primaris purchased additional 434,500 Trust Units under the ASPP for consideration of \$5.9 million as of July 31, 2024 and repaid the outstanding mortgage principal on Place d'Orleans Shopping Centre.

Conference Call and Webcast

Date: Thursday, August 1, 2024, at 10:00 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: 186385

The call will be accessible for replay until August 15, 2024, by dialing 1-866-813-9403 with access code 391295, 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 12.4 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 July 31, 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 and six months ended June 30, 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 in-place 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 June 30, (\$ thousands) (unaudited)	Three months	
	2024	2023
Rental Revenue	\$ 120,010	\$ 95,965
Property operating costs	(50,029)	(40,542)
Net Operating Income**	69,981	55,423
Exclude:		
Straight-line rent	(1,707)	(384)
Lease surrender revenue	(895)	(876)
Cash Net Operating Income**	\$ 67,379	\$ 54,163

** 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 June 30, (\$ thousands) (unaudited)	Three months	
	2024	2023
Same Properties NOI**	\$ 54,676	\$ 53,665
Exclude:		
Straight-line rent	(941)	(377)
Lease surrender revenue	(650)	(876)
Same Properties¹ Cash NOI**	53,085	52,412
Same Properties Growth	1.3 %	
Cash NOI** from:		
Acquisitions	12,185	—
Disposition	550	536
Property under redevelopment	1,559	1,215
Cash NOI**	\$ 67,379	\$ 54,163

** 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 18 months ended June 30, 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 June 30, (\$ thousands except per unit amounts) (unaudited)	Three months	
	2024	2023
Net income (loss)	\$ 42,246	\$ 32,602
Reverse:		
Distribution on Convertible Preferred LP Units	3,075	—
Adjustments to fair value of derivative instruments	912	(6,539)
Adjustments to fair value of unit-based compensation	(453)	(133)
Adjustments to fair value of Convertible Preferred LP Units	(5,827)	—
Adjustments to fair value of investment properties	3,248	10,646
Internal costs for leasing activity ¹	1,867	1,867
Funds from Operations**	\$ 45,068	\$ 38,443
FFO** per unit ² - average basic	\$ 0.426	\$ 0.399
FFO** per unit ² - average diluted	\$ 0.422	\$ 0.395
FFO Payout Ratio** - Target 45% - 50%	52.2 %	51.9 %
Distributions declared per Trust Unit	\$ 0.210	\$ 0.205
Distributions declared per Convertible Preferred LP Unit	0.010	—
Total distributions declared per unit ³	\$ 0.220	\$ 0.205
Weighted average units outstanding ² - basic (in thousands)	105,754	96,378
Weighted average units outstanding ² - diluted (in thousands)	106,852	97,290
Number of units outstanding ² - end of period (in thousands)	105,503	96,243

¹ Costs relating to full-time leasing and legal staff, included in general and administrative expenses, that can be reasonably and directly attributed to signed leases, and that would otherwise be capitalized if incurred from external sources.

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.

³ 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.

** 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 June 30, (\$ thousands except per unit amounts) (unaudited)	Three months	
	2024	2023
Funds from Operations**	\$ 45,068	\$ 38,443
Reverse:		
Internal costs for leasing activity	(1,867)	(1,867)
Straight-line rent	(1,707)	(384)
Deduct:		
Recoverable and non-recoverable costs	(5,022)	(2,841)
Tenant allowances and external leasing costs	(6,990)	(7,499)
Adjusted Funds from Operations**	\$ 29,482	\$ 25,852
AFFO** per unit ¹ - average basic	\$ 0.279	\$ 0.268
AFFO** per unit ¹ - average diluted	\$ 0.276	\$ 0.266
AFFO Payout Ratio**	79.7 %	77.1 %
Distributions declared per Trust Unit	\$ 0.210	\$ 0.205
Distributions declared per Convertible Preferred LP Unit	0.010	—
Total distributions declared per unit ²	\$ 0.220	\$ 0.205
Weighted average units outstanding ¹ - basic (in thousands)	105,754	96,378
Weighted average units outstanding ¹ - diluted (in thousands)	106,852	97,290
Number of units outstanding ¹ - end of period (in thousands)	105,503	96,243

¹ 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.

² 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.

** 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 six months ended June 30, 2024		As at and for the year ended December 31, 2023	
NAV** beginning of the period	\$	2,284,877	\$	2,100,137
Net Income		88,127		102,271
Trust Unit Distributions		(40,456)		(79,342)
		2,332,548		2,123,066
Other capital allocation activities				
NCIB activity		(7,487)		(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		458		179,150
Settlement of vested restricted trust units		—		629
NAV** end of the period	\$	2,325,519	\$	2,284,877
NAV** per unit outstanding	\$	22.04	\$	21.54
Number of units outstanding ¹ - end of period (in thousands)		105,503		106,058

As at and for the six months ended (\$ thousands) (unaudited)		June 30, 2023
NAV** beginning of the period	\$	2,100,137
Net Income		68,188
Trust Unit Distributions		(39,595)
		2,128,730
Other capital allocation activities		
NCIB activity		(21,904)
Settlement of vested Restricted Trust Units		629
Net Asset Value**	\$	2,107,455
Net Asset Value** per unit outstanding	\$	21.90
Number of Units outstanding - end of period (in thousands)		96,243

** 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	June 30, 2024	December 31, 2023	Change	
Investment properties	\$ 3,705,427	\$ 3,695,435	\$ 9,992	
Investment properties classified as held for sale	125,489	89,912	35,577	
Cash	80,756	44,323	36,433	
Other assets	48,420	69,964	(21,544)	
Total assets	\$ 3,960,092	\$ 3,899,634	\$ 60,458	
Mortgages payable	\$ 328,609	\$ 293,803	\$ 34,806	
Senior unsecured debentures	1,000,000	1,000,000	—	
Unsecured credit facilities	200,000	200,000	—	
Debt or Total Debt**	\$ 1,528,609	\$ 1,493,803	\$ 34,806	
Total Debt** to Total Assets** ¹	38.6%	38.3%	0.3%	

(\$ thousands) (unaudited)		June 30, 2023
As at		
Investment properties	\$	3,144,592
Investment properties classified as held for sale		16,600
Cash		42,206
Other assets		95,575
Total assets	\$	3,298,973
Mortgages payable	\$	297,270
Senior unsecured debentures		600,000
Unsecured credit facilities		200,000
Debt or Total Debt**	\$	1,097,270
Total Debt** to Total Assets** ¹		33.3%

** 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 June 30,	2024	2023	Change
Adjusted EBITDA**	\$ 232,196	\$ 191,779	\$ 40,417
Average Net Debt**	\$ 1,326,881	\$ 991,959	\$ 334,922
Average Net Debt** to Adjusted EBITDA** ³ Target 4.0x - 6.0x	5.7x	5.2x	0.5x
Interest expense ¹	\$ 71,610	\$ 46,357	\$ 25,253
Interest Coverage** ^{2,3}	3.2x	4.1x	(0.9)x
Principal repayments	\$ 6,410	\$ 10,165	\$ (3,755)
Interest expense ¹	\$ 71,610	\$ 46,357	\$ 25,253
Debt Service Coverage** ³	3.0x	3.4x	(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 June 30, 2024 and 2023, respectively.

The following table illustrates the reconciliation of net income (loss) to Adjusted EBITDA** for the three months ended June 30, 2024 and 2023.

(\$ thousands) (unaudited) For the periods ended June 30,	Three months	
	2024	2023
Net income (loss)	\$ 42,246	\$ 32,602
Interest income ¹	(927)	(798)
Net interest and other financing charges	23,097	12,811
Amortization	494	375
Adjustments to fair value of derivative instruments	912	(6,539)
Adjustments to fair value of unit-based compensation	(453)	(133)
Adjustments to fair value of Convertible Preferred LP Units	(5,827)	—
Adjustments to fair value of investment properties	3,248	10,646
Adjusted EBITDA**	\$ 62,790	\$ 48,964

** 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 June 30, 2024 and 2023.

(\$ thousands) (unaudited) For the period	Rolling 4-quarters June 30, 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Adjusted EBITDA**	\$ 232,196	62,790	58,543	56,214	54,649

(\$ thousands) (unaudited) For the period	Rolling 4-quarters June 30, 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Adjusted EBITDA**	\$ 191,779	48,964	46,415	47,560	48,840

The following table illustrates Average Net Debt** for the periods ended June 30, 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	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Total Debt**	\$ 1,528,609	\$ 1,530,074	\$ 1,493,803	\$ 1,227,544	\$ 1,097,270
less: Cash and cash equivalents	(80,756)	(74,328)	(44,323)	(1,282)	(42,206)
Net Debt**	\$ 1,447,853	\$ 1,455,746	\$ 1,449,480	\$ 1,226,262	\$ 1,055,064
Average Net Debt**	\$ 1,326,881				

(\$ thousands) (unaudited)					
As at	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022
Total Debt**	\$ 1,097,270	\$ 1,098,982	\$ 1,009,680	\$ 940,158	\$ 926,178
less: Cash and cash equivalents	(42,206)	(59,301)	(10,954)	(14)	—
Net Debt**	\$ 1,055,064	\$ 1,039,681	\$ 998,726	\$ 940,144	\$ 926,178
Average Net Debt**	\$ 991,959				

The following tables illustrate interest expense, for the calculation of the Interest Coverage** and Debt Service Coverage** ratios, for the rolling four-quarters ended June 30, 2024 and 2023.

(\$ thousands) (unaudited)	Rolling 4-quarters				
For the periods	June 30, 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Interest expense ¹	\$ 71,610	20,204	19,334	17,161	14,911

(\$ thousands) (unaudited)	Rolling 4-quarters				
For the periods	June 30, 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Interest expense ¹	\$ 46,357	13,414	12,436	11,215	9,292

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 June 30, 2024 and 2023.

(\$ thousands) (unaudited)	Rolling 4-quarters				
For the periods	June 30, 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Principal repayments	\$ 6,410	1,465	1,478	1,741	1,726

(\$ thousands) (unaudited)	Rolling 4-quarters				
For the periods	June 30, 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Principal repayments	\$ 10,165	1,712	1,698	2,866	3,889

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