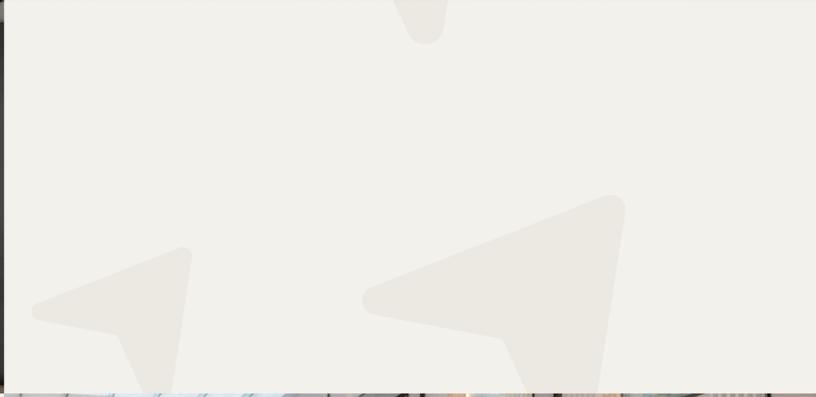
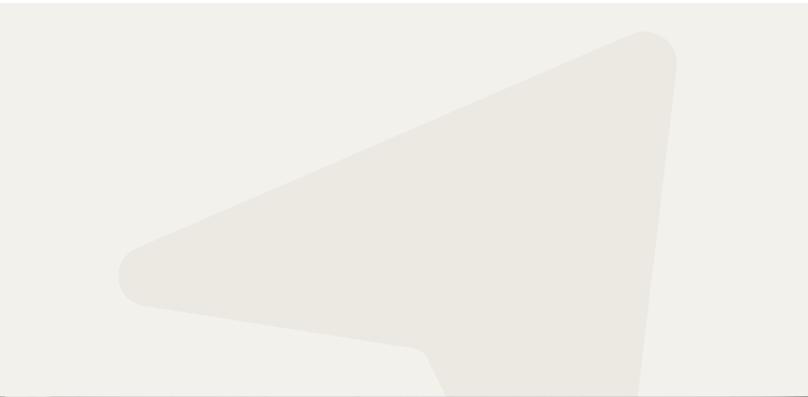


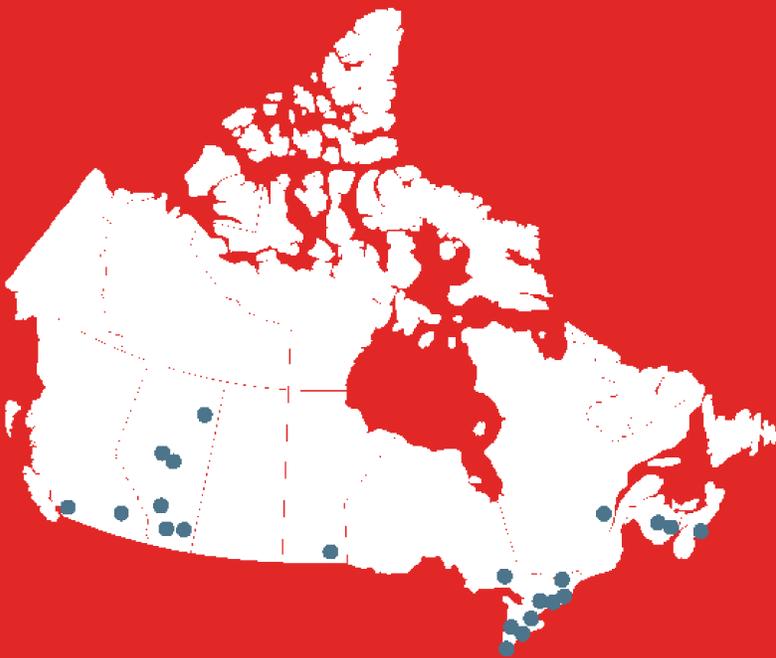
Strategy in Action.

Report to Unitholders Q3 2024



About Us

Primaris is Canada's only enclosed shopping centre focused REIT, with ownership interests primarily in leading enclosed shopping centres in growing mid-sized markets. The portfolio totals 38 properties, or 13.4 million square feet, valued at approximately \$4.1 billion at Primaris' share. Economies of scale are achieved through its fully internal, vertically integrated, full-service national management platform. Primaris is very well-capitalized and is exceptionally well positioned to take advantage of market opportunities at an extraordinary moment in the evolution of the Canadian retail property landscape.



Vision

To champion and elevate retail for Canadians.

Mission

One dedicated team, leveraging our specialized shopping centre platform to drive value for our stakeholders and broader communities through proactive and responsible management.

REITA Values

Respect

We value diverse perspectives, experience, and talents. We treat others the way we want and expect to be treated.

Empowerment

We are provided with the means to carry out our responsibilities to the best of our abilities and to implement creative ideas.

Integrity

We do the right thing. We deliver on our commitments. We admit our mistakes.

Teamwork

We work together as one team toward our common goals. Teamwork is the fountain of our success.

Accountability

We hold ourselves and others accountable for our decisions and our results.

Strategy in action

Focus on Retailer Affordability

Primaris provides attractive and affordable locations to tenant partners through its disciplined approach to cost management.

We understand our tenants' businesses, and monitor the ratio between tenants' gross rent and occupancy costs to ensure long term tenant satisfaction and future lease renewals.

- Use economies of scale to tender contracts portfolio wide;
- Aggressively manage tax appeals to lower tax burden on tenants;
- Use fixed rate utility contracts to reduce utility pricing risk, where available;
- Benchmark major recoverable operating cost categories across the portfolio to identify outliers; and
- Prudently manage 15-year property capital plans to ensure additional rent charges are reasonable and predictable for tenants and that the properties are well maintained.



Devonshire Mall, Windsor, ON
Devonshire Mall completed an \$80M upgrade in 2022.



Orchard Park Shopping Centre, Kelowna, BC
Orchard Park Shopping Centre undergoing a \$6M floor replacement to be completed in 2024.



Strategy in action

Scale and Consolidation Opportunity

Primaris is uniquely positioned as Canada's only REIT focused on owning and managing enclosed shopping centres, with an established, fully internal and scalable management platform.

Primaris targets market-leading enclosed shopping centres in growing markets that are the largest retail centres in their diverse and growing trade areas, connected to mass transit and that sit on acres of land in the centre of town.

During the last 24 months, Primaris acquired \$965 million of leading enclosed shopping centres.

	Target Acquisition Criteria	Conestoga Mall	Halifax Shopping Centre	Les Galeries de la Capitale
Market	Total Trade Area Population of +100,000	✓ Population of 559,000	✓ Population of 668,000	✓ Population of 798,000
	Growing Total Trade Area Population ¹	✓ 21% expected 10-year population growth	✓ 14% expected 10-year population growth	✓ 7% expected 10-year population growth
	Diversified Local Economy	✓ Manufacturing, finance, technology	✓ Wholesale / retail trade, healthcare, education, marine science, technology	✓ Technology, tourism, education and research, government, manufacturing, healthcare and life sciences, retail and services
Asset	+\$80 million Annual CRU ² Sales	✓ \$182 million	✓ \$268 million	✓ \$219 million
	Mass Rapid Transit Connection	✓	✓	✓
	Excess Land	✓ 39% site coverage	80% site coverage	✓ 26% site coverage

1. Expected Population Change 2023-2033
2. Commercial Retail Unit



Conestoga Mall, Waterloo, ON



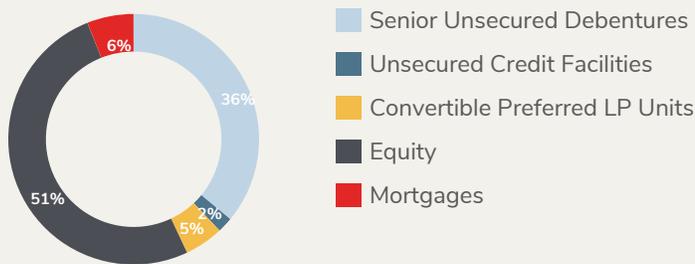
Halifax Shopping Centre, Halifax, NS

Strategy in action

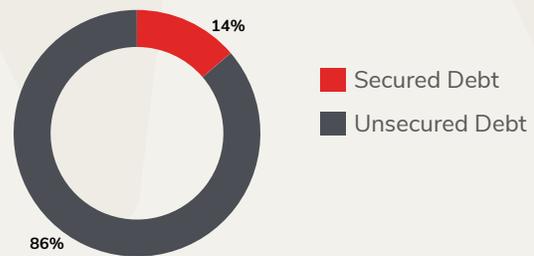
Disciplined Capital Allocation

Our differentiated financial structure with very low leverage and a low payout ratio provides excess free cash flow, after distributions and operating capital expenditures, to fund our acquisition strategy. Our 2023 acquisition activities demonstrated the advantage of having one of the lowest leveraged balance sheets among our Canadian REIT peers.

Capital Structure



Secured vs. Unsecured Debt



\$965 million

in leading shopping centre acquisitions in the last 24 months

\$130 million

in Unit repurchases for cancellation under the NCIB at an average discount to NAV** per unit of 36.8%, since inception

\$1.4 billion

unsecured debentures outstanding

52.5%

FFO Payout Ratio**

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

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PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

This Management Discussion and Analysis ("MD&A") of the results of operations and financial position of Primaris Real Estate Investment Trust ("Primaris" or the "Trust") for the three and nine months ended September 30, 2024 and 2023, should be read in conjunction with the Trust's unaudited interim condensed consolidated financial statements and the accompanying notes for the three and nine months ended September 30, 2024 and 2023 (the "Financial Statements"), as prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board ("IASB"), and the Trust's audited financial statements and accompanying notes for the years ended December 31, 2023 and 2022 (the "Annual Financial Statements"). Additional information is available on the SEDAR+ website at www.sedarplus.ca and on the Primaris website at www.primarisreit.com.

Primaris owns, manages, leases and develops retail properties in Canada. These properties are typically retail centres in growing mid-sized markets, or major retail centres that are the leading centre in their trade areas. The properties are predominantly enclosed shopping centres.

1. BASIS OF PRESENTATION

Primaris' Series A trust units (the "Trust Units" or "Units") are listed on the Toronto Stock Exchange (the "TSX") and are traded under the symbol "PMZ.UN". All dollar amounts in this MD&A are in thousands of Canadian dollars, except where otherwise stated. Historical results, including trends which might appear, should not be taken as indicative of future operations or results. The presentation of certain figures in this MD&A has been reclassified to align with the presentation in the Financial Statements. The information contained in this MD&A includes material information up to October 31, 2024.

Use of Non-GAAP Measures

The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") accounting standards as issued by the IASB; however, in this MD&A, a number of measures are presented which do not have a standardized meaning prescribed under generally accepted accounting principles ("GAAP") in accordance with IFRS. These non-GAAP measures 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"). Non-GAAP measures in this MD&A are denoted by the suffix "***".

Management believes these non-GAAP measures are useful to assessing the Trust's performance period over period and its ability to meet its financial obligations. However, none of the 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.

In Section 12, "Non-GAAP Measures", each of the non-GAAP measures and ratios used in this MD&A are defined and management's reasons as to why it believes the measures are useful to investors are described. Section 12 also provides a cross reference to the location of the applicable quantitative reconciliation for each non-GAAP measure to the most directly comparable GAAP financial measure in the Financial Statements.

Use of Operating Metrics

Primaris uses certain operating metrics to monitor and measure the operational performance of its portfolio. Operating metrics in this MD&A include, among others, investment property count, gross leasable area ("GLA"), in-place occupancy, committed occupancy, long-term in-place occupancy, weighted average net rent per occupied square foot ("sq. ft."), total commercial retail unit ("CRU") sales volume, same stores sales volume, same stores sales productivity and normalized average operating capital costs per square foot. Certain of these operating metrics, including weighted average net rent per occupied square foot and normalized average operating capital costs per square foot, may constitute supplementary financial measures as defined in NI 52-112. These supplementary measures are not derived from directly comparable

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

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 and normalized average operating capital costs per square foot, see Section 8.2, "Weighted Average Net Rent" and Section 8.7, "Operating Capital Expenditures", respectively.

Other

At September 30, 2024, Primaris holds 7 properties in co-ownerships (see Section 7.2, "Co-ownership Arrangements") and this MD&A includes only the Trust's proportionate ownership of the GLA of those co-owned properties (which amounts to Primaris having a total portfolio of 12.4 million square feet at Primaris' ownership interest as compared to 14.2 million square feet at a 100% ownership interest for all properties as at September 30, 2024).

In measuring performance, or allocating resources, management does not distinguish or group its operations into any sub-segments. As such, the Trust's operating results are presented as a single reportable segment which comprises the ownership, management and development of its investment properties located across Canada.

2. FORWARD-LOOKING STATEMENTS AND FUTURE-ORIENTED FINANCIAL INFORMATION

Certain information in this MD&A contains forward-looking information within the meaning of applicable securities laws (also known as forward-looking statements) including, among others, statements made or implied relating to Primaris' future plans, including Primaris' ESG initiatives and objectives, significant development projects, Primaris' expectations with respect to the activities of its development properties, the timing of construction, the timing of occupancy, the timing of lease-up, and the expected total cost of development properties, future intensification opportunities including the timing of approvals for re-zoning and site plan applications, the continued recovery of occupancy and rents, management's expectations regarding the growth of the markets in which its shopping centres are located, management's belief that bricks and mortar stores are and will continue to be essential to the omni-channel strategy of retailers, management's belief that the improving enclosed mall and retail environment will lead to rising rents for financially strong retailers and that there will be significant opportunities for growth and for attractive acquisitions, management's belief that Primaris can maintain financial stability and strength in the current interest rate environment, Primaris' expected credit losses, expectations regarding tenant retention and closures, the expected rental revenues from leases with replacement tenants, including any offset of a reduction in gross revenues relating to store closures, expected revenue growth from contractual rent steps, the significant revenue opportunity represented by percentage rent participation, the state of the retail market, expected operating capital expenditures, discount rates, terminal capitalization rates and cash flow models used to estimate fair values, management's expectations regarding the Trust's leverage and portfolio quality, management's expectations regarding future distributions, management's belief that Primaris has sufficient funds and liquidity for future commitments, management's expectation to be able to meet all of the Trust's ongoing obligations, expected benefits from activities under the normal course issuer bid, expected benefits or future results and performance relating to acquisitions, and management's belief that Primaris satisfies certain prescribed conditions relating to the nature of its assets and revenue under the *Income Tax Act (Canada)* (the "Tax Act"). Forward-looking statements generally can be identified by words such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans", "project", "budget" or "continue" or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect Primaris' current beliefs and are based on information currently available to management.

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

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

assumptions are reasonable in the circumstances, actual results, performance or achievements of Primaris may differ materially from the forward-looking statements contained in this MD&A.

Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking statements include that the general economy is currently volatile; interest rates may continue to stay elevated in the near term as a result of persistent inflation; and debt markets will continue to provide access to capital at a reasonable cost. Additional risks and uncertainties include, among other things, risks related to: owning and operating real property; real property valuations; geographic concentration of properties; credit risk and tenant concentration; reliance on anchor tenants and tenant bankruptcies; lease rollover risk; competition for real property investments; asset class concentration risk; construction risks; supply chain risks; development risks; capital expenditures risk; co-ownership interest in properties; financial markets and liquidity risk; cyber security risk; environmental and climate change risk; litigation risk; general uninsured losses; dependence on key personnel, talent management and succession planning; potential acquisitions, investment and disposition opportunities and joint venture arrangements; potential undisclosed liabilities associated with acquisitions; Trust Unit price risk; availability of cash for distributions; ability to access capital markets; dilution; unitholder liability; redemption right risk; tax risk, and additional tax risk applicable to the Trust's unitholders (the "Unitholders"). A detailed discussion of major risks applicable to the Primaris business are included in the Trust's Annual Information Form for the year ended December 31, 2023 (the "AIF") and in the Trust's management's discussion and analysis for the three months and year ended December 31, 2023 (the "Annual MD&A"), which are available online at www.sedarplus.ca.

Primaris cautions that these lists of factors, risks and uncertainties are not exhaustive. Other risks and uncertainties not presently known to Primaris could also cause actual results or events to differ materially from those expressed in its forward-looking statements. Although the forward-looking statements contained in this MD&A are based upon what Primaris believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements.

Certain forward-looking information included in this MD&A 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 funds from operations** per unit, anticipated cash net operating income**, anticipated Cash NOI** growth, impact on rental revenue of contractual rent-steps, anticipated general and administrative expense levels, anticipated capital spending and the Trust's December 2027 targets for a number of key metrics including annual same properties Cash NOI** growth, acquisition and disposition activity, annual FFO** per unit growth and annual distribution growth, is subject to the same assumptions, risk factors, limitations, and qualifications as set forth above, in the Trust's AIF and in the section entitled "Enterprise Risks and Risk Management" herein. 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 MD&A was made as of the date of this MD&A and was provided for the purpose of providing further information about the Trust's prospective financial performance. 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 and FOFI contained in this MD&A. All forward-looking statements and FOFI in this MD&A are qualified by these cautionary statements. These forward-looking statements and FOFI are made as of October 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.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

3. BUSINESS OVERVIEW AND STRATEGY

Business Overview

Primaris is Canada's only enclosed shopping centre focused REIT, with ownership interests primarily in leading enclosed shopping centres in growing mid-sized markets. At September 30, 2024, the portfolio totaled 37 properties and 12.4 million square feet. Including the acquisition of Les Galeries de la Capitale on October 1, 2024, the portfolio totaled 38 properties and 13.4 million square feet. Economies of scale are achieved through its fully internal, vertically integrated, full-service national management platform. Primaris' scale, portfolio composition, and capital structure are designed to enable Primaris to grow and thrive in the evolving retail landscape.

Primaris' vision is to champion and elevate retail for Canadians. By operating as one dedicated team, leveraging its specialized shopping centre platform, Primaris' mission is to drive value for its stakeholders and broader communities through proactive and responsible management. Primaris is committed to execute on its strategy while acting in a manner consistent with its core values.

Strategy

Primaris' strategy focuses on three key pillars.

1. Retailer affordability through operational management

Primaris focuses on retailer affordability, offering attractive and economic store locations, through a disciplined approach to cost management, achieving economies of scale from the management platform, and collaborative relationship building with tenant partners. The resulting lower cost operating structure, versus the capital-intensive requirements of super-regional malls, significantly improves retailer profitability, and therefore, tenants' willingness to commit to the Primaris shopping centres.

Retailers continuously assess the number of stores they need in any given trade area to enhance profitability while maintaining strong brand awareness. They right-size and adapt their business models to better serve the evolving needs of today's shoppers. By maintaining a disciplined cost operating structure, Primaris provides attractive and affordable shopping centres for retailers.

2. Scale and consolidation opportunity

Management believes there is a significant opportunity for Primaris to leverage its scale and consolidate the enclosed shopping centre space, a market that currently has limited institutional competition for assets. Primaris is uniquely positioned as Canada's only REIT focused on owning and managing enclosed shopping centres, with an established, fully internal and scalable management platform, and low leverage capital structure to support growth. The REIT plans to leverage its scale and management capability to deliver strong financial and operating performance from its existing portfolio and take advantage of acquisition opportunities as some of Canada's largest owners of enclosed shopping centres elect to sell some of these properties to reposition their portfolios to increase exposure to other property types. These assets are typically well-maintained and offer opportunities for Primaris to surface additional value through operating efficiencies, new leasing opportunities, and margin expansion. Since December 31, 2021, Primaris has acquired approximately \$1.0 billion of leading enclosed shopping centres.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

3. Disciplined capital allocation

Primaris has a strong balance sheet with a conservative capital structure and a low dividend payout ratio allowing it to maintain and upgrade its properties as needed and to take advantage of strategic acquisitions. The strength of Primaris' capital structure provides an attractive profile for public market investors and positions it as an ideal partner for institutional real estate owners. Primaris will continue to adhere to a disciplined capital allocation strategy, striving to minimize its cost of capital while maximizing value for its Unitholders.

Primaris established certain targets for managing the Trust's financial condition and maintaining a conservative capital structure. The table below depicts the Trust's performance relative to those established targets.

As at or for the nine months ended September 30, (unaudited)	2024	Targets
Average Net Debt** to Adjusted EBITDA** ¹	5.8x	4.0x – 6.0x
Funds from Operations Payout Ratio**	53.7 %	45% - 50%
Secured debt to Total Debt**	13.7 %	<40%

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

¹ For the rolling four-quarters ended September 30, 2024.

4. CURRENT BUSINESS ENVIRONMENT AND OUTLOOK

Economic Environment - Interest Rates and Inflation

On October 23, 2024, the Bank of Canada ("BoC") announced its fourth consecutive rate reduction moving the overnight interest rate to 3.75%. The BoC expects inflation to remain close to the 2% target with the upward pressure from shelter being roughly offset as excess supply in the economy is absorbed. With inflation around the target, the rate reduction supports economic growth. Future reductions are expected if the economy evolves in line with the BoC's expectations.

Primaris' conservative capital structure provides on-going financial stability and financial strength. As at the date of this MD&A, Primaris has: \$45 million drawn on its \$600 million unsecured revolving credit facility; cash on hand of approximately \$7 million; and a BBB (high) issuer rating. As at or for the nine months ended September 30, 2024, Primaris had \$3.3 billion of unencumbered assets (or \$1.8 billion of unencumbered assets in excess of unsecured debt); a FFO Payout Ratio** of 53.7%; and an Average Net Debt** to Adjusted EBITDA** ratio of 5.8x.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

Economic Environment - Population Growth and Barriers to Entry

Management believes the current economic environment for enclosed mall ownership in Canada is very favourable.

Population growth is expected to continue in Canada, with immigration of over 350,000 new permanent residents targeted per year through 2026. With the rising cost of living in Canada's largest cities, medium-sized high-growth markets, where Primaris owns leading malls, are experiencing historically high population growth rates.

Despite the population growth, the supply of quality retail space in Canada is limited and contracting. New construction has been constrained due to the high costs of construction and the challenge in finding large land parcels in densely populated communities. The majority of the vacancies that resulted from failed department store anchors, such as Target and Sears, have largely been absorbed or demolished. In addition, a number of existing malls are being downsized or completely repurposed in favour of residential developments or other uses, resulting in less retail GLA per capita.

Over the past decade, certain traditional department store anchors have either closed or have had their leases restructured, which has removed development constraints, increasing the land value where Primaris malls are located. Many of Primaris' properties are at the center of their communities, located close to major transportation nodes and public transit, with broad zoning permitting a wide range of uses beyond retail, enabling potential future value creation.

The Evolution of and Outlook for Canadian Enclosed Shopping Centres

Over the last two decades, the enclosed shopping centre space has been very dynamic. Beginning in 2005, there was significant income growth and investment interest in the enclosed shopping centre space supported by retailers increasing store counts, high occupancy, and rising rents. During this period, asset pricing was high. As 2015 approached, retail property began a significant transition. Target Canada declared bankruptcy and left the Canadian marketplace, with Sears following suit in 2018. Department store closures coincided with the onset of e-commerce headwinds, reducing retailer space demand, driving capitalization rates higher, and investment property values lower.

The COVID-19 pandemic had a further profound negative impact on the Canadian enclosed shopping centre industry, with mandated closures in several jurisdictions, and capacity constraints in others. While the economic impacts and disruption of societal norms caused by the pandemic are beyond debate, management believes there were two significant ways in which the pandemic improved the outlook for the enclosed shopping centre industry.

Firstly, while retailer bankruptcies and store closures were costly for landlords, the resulting overall financial health of the remaining tenant base was substantially improved.

Secondly, although the pandemic sharply accelerated e-commerce adoption and market penetration, the collective learned experience of the retailing industry concluded that bricks and mortar retail stores anchor a successful omni-channel retail platform. Consumer-centric, omni-channel retailing reveals a complementary relationship between bricks and mortar and e-commerce retailing, supported by clear data showing effective offerings in each channel support stronger total sales.

Primaris' shopping centres are typically the largest retail property in their respective trade areas, providing tenants with a prime retail distribution hub for in-store pickup and/or delivery.

Management believes that the Canadian shopping centre space is healthy, with significant opportunity for growth as occupancy levels continue to recover and rents increase. Management views the current retail environment to be populated by retailers that are financially stronger than in the past, with significant adaptability and strong omni-channel platforms, and that are less dependent on anchor tenants. Management also anticipates further growth through acquisitions, as institutional shopping centre owners may be considering rebalancing their portfolios by selling assets that fit Primaris' target acquisition profile.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

The Canadian Advantage

Management believes that the Canadian retail property landscape is structurally different from that of the United States, resulting in a more stable investing and operating environment for enclosed malls in Canada.

- Canada's population distribution is significantly more concentrated relative to that of the U.S. and Canada has approximately one-third less retail square footage per capita, resulting in higher sales productivity that supports higher rents and higher values;
- Canada's lending environment is predominantly a recourse debt market, resulting in more balance sheet lending and less securitization, all of which create a more stable and reliable lending environment;
- No like-kind exchange mechanism exists in Canadian tax legislation to defer capital gains recognition, substantially reducing speculative development activity and transaction volumes;
- The landscape in Canada features fewer established retailers in each retail category, resulting in less competition and higher retailer profit margins;
- Canada's broad social safety net creates a larger consumer concentration in the lower and middle income categories, resulting in a very stable, value-oriented consumer profile;
- Canada's tenant base has a higher concentration of essential services and offerings; and
- Management believes that Canada has substantially completed its department store closure process.

2024 Financial Outlook

Management discloses financial outlook statements for the purpose of providing further information about the Trust's prospective results of operations. These statements are based on factors and assumptions, such as historical trends, current conditions and expected developments. The Trust and management believe that such financial outlook statements have been prepared on a reasonable basis, reflecting management's best estimates and judgements. However, because these financial outlook statements are subjective and subject to numerous risks, they should not be relied on as necessarily indicative of future results.

Disciplined capital allocation is a key pillar to Primaris' strategy. To this end, Primaris established targets for managing the Trust's financial condition (see Section 3, "Business Overview and Strategy"). In addition to its established targets, Primaris provided guidance for the full year of 2024 in the MD&A for the three months and nine months ended September 30, 2023 which was reproduced and updated in its MD&A for the three and six months ended June 30, 2024 and most recently updated in the September 25, 2024 press release announcing the acquisition of Les Galeries de la Capitale shopping centre.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

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.

(unaudited)	2024 Guidance		Additional Notes	MD&A Section Reference
	Previously Published	Updated		
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 dispositions of Garden City Square and Sunridge Plaza	Section 9.1, "Components of Net Income (Loss)"
Cash NOI**	\$273 - \$278 million	No change in guidance	From press release dated September 25, 2024	Section 9.1, "Components of Net Income (Loss)"
General and administrative expenses	\$31 to \$33 million	\$32 to \$34 million		Section 9.1, "Components of Net Income (Loss)"
Operating capital expenditures	Recoverable Capital \$16 to \$18 million Leasing Capital \$28 to \$30 million	Leasing Capital \$20 - \$25 million		Section 8.7, "Operating Capital Expenditures"
Redevelopment capital expenditures	\$30 to \$40 million	\$40 to \$45 million	Primarily attributable to Northland Village and Devonshire Mall	Section 7.4, "Redevelopment and Development"
Funds from Operations** per unit ¹	\$1.63 to \$1.66 per unit fully diluted	\$1.66 to \$1.68 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".

¹ Units outstanding and weighted average units outstanding assumes the exchange of exchangeable preferred units in subsidiary limited partnerships of the Trust that are exchangeable into Trust Units ("Convertible Preferred LP Units"). See Section 10.6, "Unit Equity and Distributions".

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

In the press release dated September 24, 2024, Primaris released targets for the period ending December 31, 2027. These targets are not guidance, but are an outlook based on the execution of Primaris' strategic pillars.

(unaudited)	3 Year Targets	Additional Notes	MD&A Section Reference
In-place Occupancy	96.0 %	In-place occupancy was 92.4% at December 31, 2023.	Section 8.1, "Occupancy"
Annual Same Properties Cash NOI** growth	3% - 4%		Section 9.1, "Components of Net Income (Loss)"
Acquisitions	> \$1 billion	On October 1, 2024 completed acquisition of Les Galeries de la Capitale	Section 7.3, "Transactions"
Dispositions	> \$500 million		Section 7.3, "Transactions"
Annual Funds from Operations** per unit ¹ fully diluted growth	4.0% to 6.0%		Section 9.2, "FFO** and AFFO***"
Annual Distribution Growth	2% - 4%	In November 2022 announced a 2.5% increase; in November 2023 announced a 2.4% increase	Section 10.6, "Unit Equity and Distributions"

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

¹ Per weighted average units outstanding calculated on a diluted basis, assuming 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 and the Trust's actual performance against the December 2027 targets as set forth above 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" for further cautions on material factors, assumptions, risks and uncertainties that could impact the financial outlook statements.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

5. ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG")

In 2022, Primaris developed a Board-led three-year ESG strategic plan that aligns to the Trust's vision, mission, core values and strategy, and supports long-term value creation. The 2023-2025 ESG strategic plan (the "ESG Plan") identifies Primaris' key ESG priorities, goals, actions, and performance measures. The ESG Plan is a 'living document' that will evolve over time as Primaris progresses and adapts to the changing needs of operating and investing environments.

The ESG Plan aligns to current investor focused ESG standards and frameworks:

- Sustainability Accounting Standards Board ("SASB") Real Estate Standard (IF-RE);
- recommendations of the Task Force on Climate-Related Financial Disclosures ("TCFD");
- IFRS S1 "Sustainability Disclosure Standard" and IFRS S2 "Climate Related Disclosures"; and
- GRESB, the global ESG benchmark for real assets.

Primaris' objective is to conform all elements of the ESG Plan to industry standard by 2025, with a longer-term ambition of selectively developing a leading-edge position in a number of areas. A detailed three-year implementation roadmap has been created alongside the ESG Plan to achieve the objectives.

ESG Commitment

In addition to adhering to environmental laws and regulations, Primaris is committed to achieving its strategic objectives, while acting in a manner consistent with its core values and following best practices. This includes consideration of the impacts that its assets have on the environment and the communities where they operate, and fostering strong relationships with employees, tenants, transaction counterparties and investors.

Material ESG-Related Risks and Opportunities

The ESG materiality assessment, conducted in 2022, identified the inherent ESG-related risks and opportunities that need to be managed by Primaris. In the ESG materiality assessment, the definition of material is based on whether or not the information would affect financial decisions by capital market participants if the information was omitted or misstated. Material ESG factors that are currently impacting, or have the potential to impact, company value, performance or access to capital within the short term and are likely to remain financially material over longer timeframes are considered core to the ESG Plan. The Trust's material ESG risk and opportunity factors are organized under the key elements as follows:

Environment	Social	Governance
Reduce the environmental footprint and use resources efficiently	Be an inclusive employer and landlord of choice, and a community gathering place	Integrate ESG into strong governance and disclosure practices
Energy management ^c	Tenant relations ^c	Business ethics and transparency ^c
GHG ¹ emissions and climate change ^c	Employee relations ^c	Supply chain
Water and waste management	Community relations	
Tenant sustainability impacts		
Green buildings		

^c Core ESG factors.

¹ Greenhouse gas ("GHG").

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

The ESG Plan was designed to align with Primaris' strategic objectives and support long-term value creation. The table below illustrates the alignment between the Trust's ESG-related risks and opportunity factors with the three key pillars which underlying its strategy.

Material ESG Risk and Opportunity Factors	Strategic Pillars		
	Retailer Affordability	Consolidation Opportunity	Disciplined Capital Allocation
Environmental factors			
Energy management	strong alignment	weak alignment	moderate alignment
GHG emissions and climate change	moderate alignment	moderate alignment	moderate alignment
Water and waste management	strong alignment		moderate alignment
Tenant sustainability impacts	strong alignment	weak alignment	
Green buildings	moderate alignment	moderate alignment	moderate alignment
Social factors			
Tenant relations	strong alignment	strong alignment	
Employee relations	moderate alignment	weak alignment	weak alignment
Community relations	moderate alignment	weak alignment	weak alignment
Governance factors			
Business ethics and transparency	weak alignment	weak alignment	weak alignment
Supply chain	moderate alignment	weak alignment	weak alignment

Furthermore, many of the key performance indicators and metrics that management uses to monitor the Trust's performance against the Trust's strategy also align with material ESG risk and opportunity factors (indicated by shaded areas in the chart below).

Strategic Pillars		
Retailer Affordability	Consolidation Opportunity	Disciplined Capital Allocation
Gross rent to tenant sales <15%	Mid-sized markets with growing populations	Average Net Debt** to Adjusted EBITDA** in the target range 4.0x - 6.0x
Amortization relative to common area maintenance costs <20%	Trade area population of >100,000	FFO Payout Ratio** in the target range 45% - 50%
Improve recovery ratios	Diversified economic drivers	
Property tax expense management	CRU annual sales volume >\$80 million	Secured debt to Total Debt**
Disciplined tendering and procurement	Excess land located proximate to mass transit	Maintain investment grade credit rating
Green lease language		Laddered debt maturities
		Sustainability-linked / green financing

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

ESG Governance Structure and Systems

The success of the ESG Plan relies on commitment and oversight from the Board of Trustees. The Trust's Compensation, Governance and Nominating Committee (the "CG&N Committee") oversees and monitors Primaris' performance against the ESG Plan.

The CG&N Committee is responsible for overseeing management's identification and assessment of social and sustainability matters as well as climate-related issues, including, but not limited to, monitoring the Trust's progress on integrating its material ESG factors and climate-related factors into business strategy and decision making, and adopting ESG and climate-related policies. The CG&N Committee also reviews and approves periodic ESG reports and monitors ongoing compliance with the reported initiatives.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

Two members of the Board attend management's regularly scheduled ESG management committee meetings to gain insight into implementation of ESG initiatives under the ESG Plan and assess the potential for the advancement of the ESG strategy, policies and practices. The Chair of the CG&N Committee and the Chief Financial Officer lead the ESG management committee which is comprised of senior leaders across the organization. The Board's ability to provide effective oversight is supported by the Trust's governance structure and processes.

Key aspects of the Trust's ESG governance structure and systems include:

- ESG training for the Board of Trustees and designation of one Trustee as climate expert;
- Inclusion of ESG oversight in CG&N Committee Charter;
- Review of ESG disclosure controls included in Audit Committee charter;
- Chair of the CG&N Committee leads the ESG management committee (two Trustees on the ESG management committee);
- Chief Financial Officer designated as the senior executive accountable for ESG program oversight, with the support of a dedicated resource, the Vice President, Investor Relations and ESG;
- Quarterly reporting to Board of Trustees on progress against ESG Plan; and
- ESG materiality assessment to be updated every three years.

Key 2024 Milestones in ESG Journey

ESG activities in 2023 culminated with the publication of Primaris' inaugural annual ESG report, which linked the material ESG factors to Primaris' strategic pillars and several key performance indicators. ESG activities in 2024 build on this success. In the first nine months of 2024, Primaris has completed the following ESG activities:

- Implemented systems to collect and manage environmental and social data;
- Determined 5 core environmental and social metrics for which targets will be developed: energy intensity, green building certifications, tenant and employee engagement and satisfaction, and GRESB score;
- Entered into a sub-metering pilot program;
- Quarterly information technology and cybersecurity reporting to the Board; and
- Completed second annual GRESB submission achieving a score of 3 green stars, or a 15 point improvement to 80; and
- Completed second annual CDP Corporate Questionnaire.

Next Steps

For the remainder of 2024, Primaris will continue to focus on:

- Finalizing targets for 5 core environmental and social metrics;
- Integrating ESG targets into executive compensation;
- Enhancing the tenant engagement program including the enhancement of data collection of tenant sustainability;
- Continuing to support community engagement programs at the Trust's shopping centres; and
- Designing reporting requirements to meet the anticipated Canadian sustainability standards.

ESG is an essential component in Primaris' overall strategy from both risk mitigation and opportunity optimization standpoints. For more information on the Trust's ESG Plan, see the Inaugural ESG Report, published in December 2023, available on the ESG section on Primaris' website found [here](#).

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

6. SUMMARY OF SELECTED FINANCIAL AND OPERATIONAL INFORMATION

As at or for the three months ended September 30, (in thousands of Canadian dollars unless otherwise indicated) (unaudited)	2024	2023	Change
Number of investment properties	37	36	1
Gross leasable area (in millions of square feet) (at Primaris' share)	12.4	11.5	0.9
In-place occupancy	93.4 %	91.0%	2.4%
Committed occupancy	94.8 %	92.8%	2.0%
Weighted average net rent per occupied square foot ¹	\$ 25.38	\$ 24.85	\$ 0.53
Same stores sales productivity ^{1,2}	\$ 684	\$ 652	\$ 32
Total assets	\$ 4,139,415	\$ 3,507,605	\$ 631,810
Total liabilities	\$ 2,052,539	\$ 1,410,619	\$ 641,920
Total rental revenue	\$ 119,536	\$ 104,826	\$ 14,710
Cash flow from (used in) operating activities	\$ 43,550	\$ 48,062	\$ (4,512)
Distributions per Trust Unit	\$ 0.210	\$ 0.205	\$ 0.005
Cash Net Operating Income** ("Cash NOI")	\$ 70,024	\$ 58,263	\$ 11,761
Same Properties ³ Cash NOI** growth	4.6 %	—	—
Net income (loss)	\$ (30,818)	\$ 20,230	\$ (51,048)
Net income (loss) per unit ⁴	\$ (0.294)	\$ 0.202	\$ (0.496)
Funds from Operations** ("FFO") per unit ⁴ - average diluted	\$ 0.419	\$ 0.421	\$ (0.002)
FFO Payout Ratio**	52.5 %	49.4 %	3.1 %
Adjusted Funds from Operations** ("AFFO") per unit ⁴ - average diluted	\$ 0.304	\$ 0.296	\$ 0.008
AFFO Payout Ratio**	72.4 %	70.3 %	2.1 %
Weighted average units outstanding ⁴ - diluted (in thousands)	106,237	101,050	5,187
Net Asset Value** ("NAV") per unit outstanding ⁴	\$ 21.82	\$ 21.76	\$ 0.06
Average Net Debt** to Adjusted EBITDA** ⁵	5.8x	5.3x	0.5x
Interest Coverage** ^{5,6}	3.1x	3.8x	(0.7)x
Liquidity	\$ 701,595	\$ 279,281	\$ 422,314
Unencumbered assets	\$ 3,325,797	\$ 2,998,687	\$ 327,110
Unencumbered assets to unsecured debt	2.2x	3.2x	(1.0)x
Secured debt to Total Debt**	13.7%	24.1%	(10.4)%
Total Debt** to Total Assets** ⁶	42.1%	35.0%	7.1%
Fixed rate debt as a percent of Total Debt**	96.0%	89.2%	6.8%
Weighted average term to debt maturity - Total Debt** (in years)	4.2	3.6	0.6
Weighted average interest rate of Total Debt**	5.30%	4.96%	0.34%

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

¹ Supplementary financial measure, see Section 1, "Basis of Presentation" – "Use of Operating Metrics".

² For the rolling twelve-month periods ending August 31, 2024 and August 31, 2023, respectively.

³ Properties owned throughout the entire 21 months ended September 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".

⁵ For the rolling four-quarters ended September 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".

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

Quarterly Highlights

During the three months ended September 30, 2024, Primaris:

- Ended the quarter with total assets of \$4.1 billion;
- Rental revenue increased \$14.7 million, or 14.0%;
- Achieved 4.6% Same Properties Cash NOI** growth;
- Ended the quarter with in-place occupancy of 93.4%, compared to 92.4% as at December 31, 2023 and 91.0% as at September 30, 2023;
- Achieved a \$25.38 weighted average net rent per occupied square foot, compared to \$25.14 at December 31, 2023;
- Renewed 96 leases in the quarter totaling 0.3 million square feet with a weighted average spread on renewing rents of 1.8% (and a year-to-date tenant renewal retention rate of 85.5%);
- Ended the quarter with a ratio of secured debt to Total Debt** of 13.7% and a Total Debt** to Total Assets** ratio of 42.1% (or 38.2% if calculated as Net Debt** to Total Assets** net of cash and cash equivalents);
- Ended the quarter with liquidity of \$701.6 million;
- Ended the quarter with a NAV** per unit outstanding of \$21.82;
- Reported FFO** per unit (average diluted) of \$0.419 and a 52.5% FFO Payout Ratio**;
- Issued \$500 million aggregate principal amount of senior unsecured debentures at an effective weighted average interest rate of 5.12%;
- Repurchased \$67 million aggregate Series B senior unsecured debentures;
- Sold an open air, non-grocery anchored property in Calgary, Alberta on September 30, 2024; and
- Purchased for cancellation 589,500 Trust Units under the Trust's normal course issuer bid ("NCIB") program at an average price per unit of approximately \$13.84, representing a discount to NAV** per unit of approximately 36.6%.

Subsequent to September 30, 2024, Primaris:

- Acquired Les Galeries de la Capitale in Quebec City, Quebec for consideration of:
 - \$204.1 million in cash; and
 - \$100 million aggregate face value of 6.25% Convertible Preferred LP Units, which are exchangeable into Trust Units at an exchange price of \$21.86 per unit (or 4,574,566 Trust Units), which are subject to customary adjustments.
- Completed a \$74.7 million bought deal treasury and secondary equity offering, consisting of a treasury offering of 2,516,011 Trust Units for gross proceeds of approximately \$39.1 million, which included the exercise in full of the over-allotment option, and a secondary offering under which 2,287,283 Trust Units were sold for gross proceeds of approximately \$35.6 million. The Trust Units were sold under the offering, which closed on October 9, 2024, at a price of \$15.55 per Unit and Primaris received proceeds net of underwriters' fees of \$37.6 million. The proceeds were used to repay indebtedness incurred to partially fund the cash portion of the purchase price for Les Galeries de la Capitale.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

7. INVESTMENT PROPERTIES

Primaris owns, manages, leases, and develops retail properties in Canada. On September 30, 2024, the portfolio consisted of 37 properties, which are located in growing, mid-sized markets across Canada to reduce concentration risk and to enhance the long-term reliability of its revenue stream.

The shopping centre portion of the portfolio comprises 24 assets nationwide (including 23 enclosed malls) and is situated on approximately 900 acres of land. The properties are located close to major transportation nodes and public transit, with broad zoning permitting a wide range of uses beyond retail, enabling potential future value creation. The shopping centres generated approximately 90% of the portfolio's Cash NOI** for the nine months ended September 30, 2024.

On September 30, 2024, Primaris' top 10 properties, measured by rolling four-quarters Cash NOI**, represented approximately 48% of the portfolio GLA, and approximately 64% of the portfolio fair value.

For the rolling four-quarters or as at September 30, 2024

(\$ millions and thousands of square feet, unless otherwise indicated) (unaudited)		Cash NOI** (rolling 4-quarters)	In-place Occupancy	GLA	Site Coverage
Halifax Shopping Centre ¹	Halifax, NS	\$ 22.6	97.6 %	573	80 %
Orchard Park Shopping Centre	Kelowna, BC	22.6	98.4 %	651	37 %
Conestoga Mall ¹	Waterloo, ON	17.9	96.8 %	666	39 %
Dufferin Mall	Toronto, ON	17.8	97.8 %	574	74 %
Sunridge Mall	Calgary, AB	16.5	95.2 %	804	37 %
Devonshire Mall	Windsor, ON	16.4	92.0 %	671	31 %
Stone Road Mall	Guelph, ON	13.1	95.9 %	496	42 %
Highstreet Shopping Centre (open air)	Abbotsford, BC	11.0	93.2 %	544	73 %
New Sudbury Centre	Sudbury, ON	10.7	96.4 %	488	33 %
Park Place Mall ²	Lethbridge, AB	10.5	74.8 %	473	33 %
Top 10 properties		\$ 159.1	94.2 %	5,940	

¹ Estimated annual Cash NOI** for Acquisitions (see Section 7.3, "Transactions").

² Occupancy impacted by vacant former Sears' space.

As at September 30, 2024 (\$ millions and thousands of square feet, unless otherwise indicated) (unaudited)		Total Portfolio			Shopping Centres ¹				Other Properties ²	
Fair Value	Count	GLA	In-place Occupancy	Fair Value	Count	GLA	In-place Occupancy	GLA	In-place Occupancy	
Ontario	\$ 1,618.6	11	4,873	92.8 %	\$ 1,574.5	9	4,494	92.9 %	379	91.1 %
Alberta	988.0	16	4,003	91.9 %	757.2	7	3,229	91.9 %	774	91.7 %
British Columbia	533.1	2	1,196	96.0 %	533.1	2	1,196	96.0 %	—	— %
Maritime provinces	488.5	5	1,633	97.0 %	418.0	3	1,015	98.4 %	618	94.6 %
Manitoba	112.5	2	403	93.8 %	112.5	2	403	93.8 %	—	— %
Quebec	61.4	1	305	92.9 %	61.4	1	305	92.9 %	—	— %
Portfolio³	\$ 3,802.2	37	12,413	93.4 %	\$ 3,456.8	24	10,642	93.5 %	1,771	92.6 %

¹ Shopping centres include 23 enclosed malls and 1 open air centre, Highstreet Shopping Centre in Abbotsford, BC.

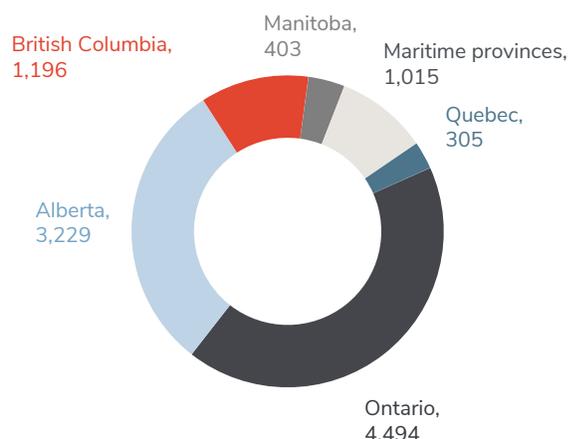
² Other properties include 8 plazas, 4 office buildings and 1 industrial building.

³ Including investment properties classified as assets held for sale of \$218.4 million.

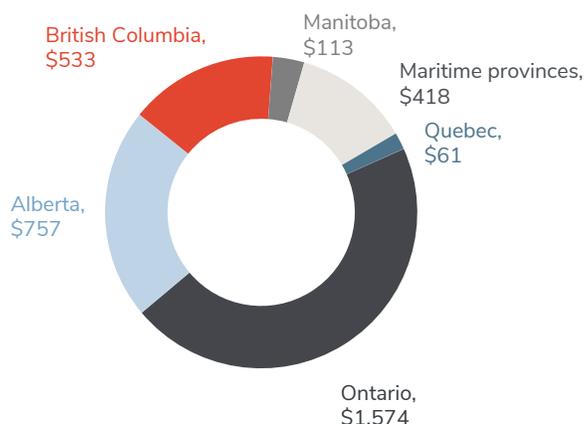
PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

Shopping Centres GLA by Province ('000 sq. ft.)



Shopping Centres Value by Province (\$ millions)



Investment Properties Classified as Held for Sale

Management is continuously reviewing the Trust's portfolio of investment properties to identify non-core assets for potential dispositions to provide capital to recycle into acquisitions of high quality enclosed malls. As at September 30, 2024, management classified three parcels of excess land and nine income-producing properties, with a fair value of \$218.4 million, as held for sale (December 31, 2023 - \$89.9 million). These land parcels and income-producing properties are considered non-core assets.

7.1 Valuation

The fair value of Primaris' investment property portfolio as at September 30, 2024 and December 31, 2023 was as follows:

As at (\$ millions) (unaudited)	September 30, 2024	December 31, 2023
Income-producing properties	\$ 3,651.2	\$ 3,634.3
Land held for development	151.0	151.0
Investment properties	\$ 3,802.2	\$ 3,785.3
Classified as:		
Investment properties	\$ 3,583.8	\$ 3,695.4
Investment properties classified as assets held for sale	218.4	89.9
	\$ 3,802.2	\$ 3,785.3

The value attributed to land held for development relates to Dufferin Mall. Primaris has received severance and full entitlement for the Dufferin Grove project from the City of Toronto.

Income-producing properties are measured at fair value, primarily determined using the discounted cash flow method. Under this methodology, discount rates are applied to projected annual operating cash flows, generally over a minimum of 10 years, and a terminal value is calculated based on a capitalization rate applied to the estimated NOI** in the terminal year. The fair value of income-producing properties reflects, among other things, rental income from current leases, and assumptions about rental income from future leases in light of current market conditions.

Land held for development is valued either by direct comparison to land sales or, when possible, based on commercial and residential sale prices from comparable multi-residential developments net of total project costs and developer's profits.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

The Trust's portfolio is valued internally. As part of management's internal valuation program, the Trust considers external valuations performed by independent national real estate valuation firms for a cross-section of properties that represent the different geographical locations and asset classes across the Trust's portfolio.

The following table discloses the investment properties which were externally appraised in 2024, detailing the fair value as at the end of the quarter in which the property was externally appraised and management's updates to those values, if any, as at September 30, 2024. Comparative data is presented for the properties appraised in 2023.

As at (\$ millions) (unaudited)	2024			2023	
	Number of Properties	Value of Properties		Number of Properties	Value as at December 31, 2023
		As at Quarter End Appraised	As at September 30, 2024		
March 31	4	\$ 234.1	\$ 231.2	3	\$ 144.2
June 30	3	\$ 132.9	\$ 130.5	5	162.4
September 30	4	\$ 138.9	\$ 138.9	3	329.4
December 31				17	2,286.4
Year-to-date total	11		\$ 500.6	28	\$ 2,922.4
Percentage of total portfolio	29.7%		13.2 %	71.8%	77.2 %

Valuations are most sensitive to changes in discount and terminal capitalization rates. Primaris' valuation inputs are supported by market data and reports from independent nationally recognized valuations firms. Below is a summary of the key rates used in the valuation process for Primaris' income-producing properties for the quarters ended:

(unaudited) As at	Going-in Year-one Capitalization Rate		Discount Rate		Terminal Capitalization Rate	
	Weighted Average	Range	Weighted Average	Range	Weighted Average	Range
September 30, 2024	7.22%	5.03% - 12.83%	8.38%	7.13% - 10.50%	7.35%	6.13% - 9.50%
June 30, 2024	7.19%	5.35% - 13.37%	8.32%	7.13% - 10.50%	7.30%	6.13% - 9.50%
March 31, 2024	7.16%	5.75% - 13.53%	8.34%	7.13% - 10.50%	7.31%	6.13% - 9.50%
December 31, 2023	7.12%	5.83% - 13.91%	8.34%	7.13% - 10.50%	7.31%	6.13% - 9.50%
September 30, 2023	6.95%	5.54% - 8.94%	8.25%	6.75% - 10.25%	7.22%	5.75% - 9.00%
June 30, 2023	6.92%	5.47% - 8.79%	8.24%	6.75% - 10.25%	7.20%	5.75% - 9.00%
March 31, 2023	6.87%	4.75% - 9.59%	8.22%	6.75% - 10.00%	7.19%	5.75% - 9.00%
December 31, 2022	6.91%	3.65% - 9.49%	8.22%	6.75% - 10.00%	7.19%	5.75% - 9.00%
September 30, 2022	6.77%	4.09% - 11.29%	8.04%	6.50% - 10.00%	6.98%	5.50% - 9.00%
June 30, 2022	6.52%	5.09% - 9.52%	7.84%	6.50% - 9.50%	6.57%	5.25% - 8.75%
March 31, 2022	6.33%	5.13% - 8.75%	7.63%	5.25% - 8.75%	6.57%	5.25% - 9.50%
December 31, 2021	6.10%	4.89% - 8.01%	7.63%	5.25% - 8.75%	6.57%	5.25% - 9.50%

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Management's Discussion and Analysis

Primaris recorded unfavourable adjustments to the fair value of investment properties of \$31.3 million for the nine months ended September 30, 2024. The drivers of the fair value adjustments are depicted below.

(\$ millions) (unaudited)			
For the periods ended September 30, 2024			
		Three months	Nine months
Discount and terminal capitalization rates impacts	\$	(30.9)	\$ (28.0)
NOI**, capital expenditures and other cash flow variable impacts		(10.3)	(3.3)
Adjustment to fair value of investment properties	\$	(41.2)	\$ (31.3)

7.2 Co-ownership Arrangements

Primaris has co-ownership interests in several properties, as listed below, that are subject to joint control and are accounted for as joint operations. This MD&A includes Primaris' proportionate share of the GLA, fair value of investment properties, debt, and NOI** of these properties. Primaris performs the management services on behalf of the co-owners of these properties for which it earns fee income (see Section 9.1, "Components of Net Income (Loss)").

Property	Location	Ownership interest as at	
		September 30, 2024	December 31, 2023
McAllister Place	Saint John, NB	50%	50%
Regent Mall	Fredericton, NB	50%	50%
Place Du Royaume	Chicoutimi, QC	50%	50%
Place D'Orleans Shopping Centre	Ottawa, ON	50%	50%
Cataraqui Town Centre	Kingston, ON	50%	50%
Grant Park	Winnipeg, MB	50%	50%
Kildonan Place	Winnipeg, MB	50%	50%

7.3 Transactions

Acquisitions

On June 10, 2024, Primaris purchased the grocery store building connected to Conestoga Mall in Waterloo, Ontario and the associated land for \$19.7 million before transaction costs.

In 2023, Primaris completed the acquisition of two of the top fifteen most productive malls in Canada. On November 30, 2023, Primaris acquired the Halifax Shopping Complex, in Halifax, Nova Scotia (which includes the Halifax Shopping Centre, the Halifax Annex, and the Mumford Professional Centre), and on July 12, 2023, Primaris acquired Conestoga Mall, in Waterloo, Ontario.

Acquisitions	Location	Property Type	Acquisition Year
Halifax Shopping Centre	Halifax, Nova Scotia	Enclosed mall	2023
Halifax Annex	Halifax, Nova Scotia	Open air centre	2023
Mumford Professional Centre	Halifax, Nova Scotia	Professional centre	2023
Conestoga Mall ¹	Waterloo, Ontario	Enclosed mall	2023

¹ Includes the grocery store acquired in June 2024 that is connected to the mall.

The properties acquired in the last 21 months, listed above (the "Acquisitions"), directly align with Primaris' strategy to execute on value-enhancing acquisition opportunities as some of Canada's largest owners of enclosed shopping centres reposition their real estate portfolios. Recognizing Primaris' strong financial position, portfolio quality and management capabilities, three of Canada's ten-largest pension plans, which Primaris has now transacted with, have accepted partial

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

consideration in the form of Trust Units, which has enabled Primaris to acquire high quality assets while maintaining its conservative capital structure.

On October 1, 2024, Primaris continued to execute on its strategy with the acquisition of Les Galeries de la Capitale a leading regional enclosed shopping centre in Canada's seventh largest population centre, Quebec City, Quebec. The shopping centre comprises 1 million square feet on 91 acres of land, for an approximate 26% site coverage. As at May 31, 2024, same store sales productivity was \$761 per square foot and total CRU sales volume was \$219 million with 89.2% long-term in-place occupancy. The shopping centre is BOMA BEST platinum certified and boasts a newly renovated amusement park with 18 attractions.

Dispositions

On September 30, 2024, Primaris sold Sunridge Plaza, in Calgary, Alberta, an open air, non-grocery anchored property for cash consideration of \$14.2 million, before transaction costs.

On June 21, 2024, Primaris sold Garden City Square, in Winnipeg, Manitoba, an open air, non-grocery anchored property for \$31.0 million, before transaction costs. Consideration for the property consisted of a \$4.8 million note, payable nine months following closing with interest of 6.0% per annum, and cash.

7.4 Redevelopment and Development

Capital expenditures, excluding capitalized interest, were \$35.3 million in the nine months ended September 30, 2024 for redevelopment projects, which includes the project to de-mall Northland Village, the demolition and re-demise of the former anchor space at Devonshire Mall, the addition of serviced pads for tenants, and master planning excess lands on various sites.

As shown in the table below, redevelopment projects have been completed at three properties which added \$1.9 million of incremental rent for the nine months ended September 30, 2024.

Property	Tenants	GLA	Rent Commencement
Quinte Mall, Belleville, Ontario	Winners	30,000	Q1 2023
Medicine Hat Mall, Medicine Hat, Alberta	Freschco	35,000	Q3 2023
Northland Village, Calgary, Alberta	Winners, Edo Japan, Cha House	31,900	Q3/Q4 2023
Northland Village, Calgary, Alberta	Dollarama, LensCrafters, Cobs Bread	20,300	Q1 2024
Northland Village, Calgary, Alberta	Northland Village Dental, Paramount Animal Hospital, Adrenalin Source	35,400	Q2 2024
Northland Village, Calgary, Alberta	Vera's Burger	1,900	Q3 2024

Primaris also has ongoing construction projects to deliver bank pads at Lansdowne Place, in Peterborough, Ontario, at Marlborough Mall, in Calgary, Alberta and at Kildonan Place, in Winnipeg, Manitoba.

Given the significant opportunity at Devonshire Mall, Primaris formalized a property management plan which includes the demolition of the former two-level Sears space. In October 2024, demolition was completed and site works commenced to create a new entrance to the mall with improved sight-lines from the bordering streets. The development of the new entrance will include the construction of approximately 29,000 square feet for the relocation of Marks and approximately 18,000 square feet for the relocation of Sport Chek to bring additional traffic flow to a formerly quiet section of the mall. Master plan work has commenced on approximately 18 acres of land to the north of the mall, which has already attracted significant interest for retail and hospitality uses.

Management continues to review various options for the former Sears spaces that remain to be addressed at Park Place Mall in Lethbridge, Alberta and at the newly acquired Les Galeries de la Capitale in Quebec City, Quebec.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

Halifax Shopping Centre

The redevelopment of the former Sears space at the Halifax Shopping Centre was completed in the first quarter of 2024. The costs of the project were factored into the acquisition purchase price and were not reflected in Primaris' capital expenditures, as such costs were the responsibility of the vendor. The redevelopment project added the below tenants to the shopping centre.

Tenants	GLA	Rent Commencement
Simons	56,200	Q1 2024
Winners	38,500	Q2 2024
Dollarama	12,900	Q2 2024
Pet Smart	15,100	Q1 2024

Northland Village

Northland Village, situated on 32 acres in northwest Calgary, Alberta, is being redeveloped into a 390,000 square foot mixed-use development of retail and office space. Walmart, Best Buy and Winners will remain as anchors of the retail development. Approximately 2 acres were sold in 2022 to a third-party residential developer that has substantially completed the construction of 219 rental residential units. In the summer of 2022, the interior portion of Northland Village was demolished, Walmart completed a renovation to their store, and Primaris commenced construction of a fully pre-leased outparcel building. Projected redevelopment costs for the project are estimated in the range of \$115 to \$120 million with an anticipated return on the project of approximately 6.5% to 7.0%.

The redevelopment project will be completed over multiple phases as leases are signed for new pads on the site. Project-to-date spending was approximately \$108 million as at September 30, 2024 and future redevelopment costs relate to the construction of additional pads as new leases are signed. Approximately \$2.8 million of interest was capitalized to the project for the nine months ended September 30, 2024.

Upon completion, the property GLA is expected to total approximately 390,000 square feet. Approximately 370,000 square feet is completed or under development, leaving approximately 20,000 square feet of future development of additional pads. The chart below details the expected rent commencement dates for the Northland Village tenants as construction is completed.

Tenants	GLA in square feet	Rent Commencement
Walmart, Best Buy (open throughout redevelopment)	168,000	N/A
Winners	29,650	Q3 2023
Edo Japan, Cha House	2,250	Q4 2023
Dollarama, Cobs Bread, LensCrafters	20,300	Q1 2024
Northland Village Dental, Paramount Animal Hospital, Adrenalin Source	35,400	Q2 2024
Vera's Burgers	1,900	Q3 2024
Goodlife Fitness, Chipotle, Popeye's Louisiana Kitchen	38,000	Q4 2024
Vine Arts, Supplement King, Noodlebox, Leela Eco Spa, Firehouse Subs, Curious Hair Skin Body, Denim & Smith Barbershops, TBD	14,000	Q3 2025
Specialty grocery, TBD	53,800	Q1 2026

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

Dufferin Mall

Dufferin Mall is located on Dufferin Street just south of Bloor Street West in a high-density urban neighbourhood in central Toronto, Ontario. Within 250 meters of the Dufferin subway station, Dufferin Mall is a 575,000 square foot enclosed shopping centre, situated on 21 acres, and anchored by Walmart, No Frills, Marshalls, Winners, City of Toronto, Toys "R" Us, Urban Planet and H&M. Primaris has received severance and city approvals to redevelop approximately 4 acres of underutilized land, primarily parking lot, into a mixed-use centre that builds on the success of Dufferin Mall by adding over 1,100 residential units, a public park and the additional new retail uses (referred to as "Dufferin Grove"). Management is considering alternative plans to monetize the value of the land such as a sale or through joint venture.

Guidance

Management expects redevelopment capital expenditures to be in the range of \$40 to \$45 million for the 2024 fiscal year, primarily related to work at Northland Village and Devonshire Mall (see Section 4, "Current Business Environment and Outlook").

Management's current estimates and assumptions are subject to change. Such change may be material to the Trust. Although the estimated expenditures are based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these projections and expenditures may, therefore, materially differ from management's current estimates. In addition, there is no assurance that all of these projects will be undertaken, and if they are, there is no assurances as to the costs or completion timelines.

8. OPERATIONAL PERFORMANCE

Primaris' leasing activities are focused on driving value by actively managing the tenant and merchandising mix at its investment properties. The future performance of income-producing properties is a function of a number of factors, with the principal factors being occupancy rates, rental rates, retail sales performance, and the contractual rent increases over the life of the leases. These factors may be impacted in the short-term by seasonal impacts of the retail industry.

8.1 Occupancy

In addition to in-place occupancy management considers:

- Long-term in-place occupancy which is calculated as in-place occupancy excluding leases with an original term of less than one year.
- Committed occupancy which is calculated as in-place occupancy plus the added occupancy from executed lease contracts that have future commencement dates.

As at September 30, 2024, the Trust's portfolio had long-term in-place occupancy of 90.2%, in-place occupancy of 93.4%, and committed occupancy of 94.8%.

	September 30, 2024	December 31, 2023	September 30, 2023
Long-term in-place occupancy	90.2%	89.0%	86.9%
Add: Short-term leases	3.2%	3.4%	4.1%
In-place occupancy	93.4%	92.4%	91.0%
Add: Committed leases	1.4%	1.8%	1.8%
Committed occupancy	94.8%	94.2%	92.8%

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

In addition to the portfolio occupancy level, management reviews the occupancy results for the shopping centres that have been continuously in operation for the duration of the measurement period. As at September 30, 2024, the Same Properties shopping centres¹ had long-term in-place occupancy of 89.3%, in-place occupancy of 93.0%, and committed occupancy of 94.8%.

	September 30, 2024	December 31, 2023	September 30, 2023
Long-term in-place occupancy	89.3%	88.4%	85.8%
Add: Short-term leases	3.7%	4.2%	4.6%
In-place occupancy	93.0%	92.6%	90.4%
Add: Committed leases	1.8%	1.1%	1.9%
Committed occupancy	94.8%	93.7%	92.3%

¹ Properties owned throughout the entire 21 months ended September 30, 2024, excluding properties under development or major redevelopment, are referred to as "Same Properties". Shopping centres classified as Same Properties include 21 enclosed malls and 1 open air centre, Highstreet Shopping Centre in Abbotsford, BC.

In-place Occupancy

Occupied GLA as at September 30, 2024 was higher than as at December 31, 2023, despite a decrease in total GLA, due to positive net absorption.

(thousands of square feet, unless otherwise indicated)	Gross Leasable Area	Occupied GLA	In-place Occupancy
December 31, 2023	12,482	11,532	92.4 %
Tenant departures:			
Net rent tenants		(154)	
Gross rent tenants		(204)	
Percent rent in lieu tenants		(102)	
		(460)	
Tenant possessions:			
Net rent tenants		369	
Gross rent tenants		168	
Percent rent in lieu tenants		104	
		641	
Development activity		—	
Acquisition activity	79	79	
Disposition activity	(198)	(198)	
Other activity including remeasurements	50	2	
September 30, 2024	12,413	11,596	93.4 %
Tenant renewals:			
Square footage renewed (in thousands)		1,618	
Renewal rate		85.5 %	

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

In-place occupancy increased 2.4% from September 30, 2023 to 93.4% at September 30, 2024. In-place occupancy for Same Properties increased 2.2% from September 30, 2023 to 92.7% at September 30, 2024. Fourth quarter occupancy is typically higher due to seasonal tenants.

Average in-place occupancy is calculated using the occupied square feet and total GLA for each month in the measurement period. Same Properties average in-place occupancy rates for the nine months ended September 30, 2024 was 92.1%, an increase of 1.8% from September 30, 2023.

As at	2024 Count	In-place Occupancy		
		September 30, 2024	December 31, 2023	September 30, 2023
Shopping centres ¹	22	93.0%	92.6%	90.4%
Other properties ²	10	89.5%	92.4%	92.4%
Same Properties occupancy³	32	92.7%	92.6%	90.5%
Acquisitions ⁴	4	96.3%	90.1%	95.9%
Property under redevelopment ⁵	1	99.3%	94.8%	96.3%
In-place occupancy excluding dispositions	37	93.4%	92.3%	91.1%
Dispositions ⁶	2	N/A	100.0%	93.3%
In-place occupancy		93.4%	92.4%	91.0%
Same Properties average in-place occupancy				
Three months ended	32	92.6%	91.2%	90.4%
Year to date	32	92.1%	90.7%	90.3%

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 6 plazas, 3 office buildings and 1 industrial building.

³ Properties owned throughout the entire 21 months ended September 30, 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, "Transactions").

⁵ Northland Village, Calgary, Alberta.

⁶ Dispositions represents the sales of Garden City Square in Winnipeg, Manitoba and Sunridge Plaza in Calgary, Alberta

The following charts illustrate the breakdown of in-place occupancy for the Same Properties shopping centres between CRU and large format tenants.

As at	GLA Proportions		In-place Occupancy	
	September 30, 2024	September 30, 2024	December 31, 2023	September 30, 2023
CRU tenants	42%	90.9%	91.7%	89.4%
Large format tenants	58%	94.5%	93.3%	91.1%
Same Properties shopping centres¹	100%	93.0%	92.6%	90.4%

¹ Properties owned throughout the entire 21 months ended September 30, 2024, excluding properties under development or major redevelopment, are referred to as "Same Properties". Shopping centres classified as Same Properties include 21 enclosed malls and 1 open air centre, Highstreet Shopping Centre in Abbotsford, BC.

Primaris' tenant base includes:

- Commercial retail unit ("CRU") tenants that lease units up to 15,000 square feet and include food court and kiosk tenants;
- Large format tenants that lease units in excess of 15,000 square feet; and
- Office tenants that are ancillary to the retail mix of tenants.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

8.2 Weighted Average Net Rent

Weighted average net rent per occupied square foot is a supplementary financial measure, see Section 1, "Basis of Presentation" - "Use of Operating Metrics". The weighted average net rent per square foot is calculated by multiplying the occupied GLA for each lease by its base rent per square foot and dividing that sum by the total occupied GLA for all such leases. Primaris calculates the weighted average net rent per occupied square foot to understand the impact of period-over-period change in occupancy and tenant composition and the realization of contractual rental rate changes embedded in lease agreements. The calculation excludes specialty leasing tenants and rent-free periods which are short-term in nature. Tenants paying percent rent in lieu of base rent are also excluded from the calculation to avoid estimating rental revenue amounts. The resulting calculation captures approximately 90% of the occupied GLA.

The following table illustrates the change in weighted average net rent for in-place leases from December 31, 2023 to September 30, 2024.

<i>(per occupied square foot unless otherwise indicated)</i>	Weighted Average Net Rent	Change in Weighted Average Net Rent	Change in Occupied GLA (in thousands of square feet)	Weighted Average Net Rent
As at	September 30, 2024			December 31, 2023
CRU tenants	\$ 42.73	\$ 0.11	59	\$ 42.62
Large format tenants	\$ 14.59	\$ 0.46	175	\$ 14.13
Weighted average net rent¹	\$ 25.38	\$ 0.24	234	\$ 25.14

¹ Supplementary financial measure, see Section 1, "Basis of Presentation" - "Use of Operating Metrics".

The increase in weighted average net rent was primarily driven by the acquisition of the grocery store at Conestoga Mall in Waterloo, Ontario, the dispositions of Garden City Square in Winnipeg, Manitoba and Sunridge Plaza in Calgary, Alberta and lease renewals at higher rents.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

8.3 Leasing Activity

During the three months ended September 30, 2024, Primaris completed 154 leasing deals totaling 0.5 million square feet. This leasing activity has primarily impacted the Trust's committed occupancy rate as, for the most part, the lease agreements have future commencement dates. Rising rent spreads on renewing leases reflect rising tenant demand for space and the recovery in tenant sales performance.

The Primaris net lease structure typically incorporates annual or biannual contractual rent increases to capture economic gains on a timely basis rather than waiting for the lease expiration date.

(unaudited)	Lease Count	GLA (thousands of square feet)	Weighted Average Lease Term (in years)	Considering Only Initial Net Rent ²		Considering Contractual Net Rent Increases		Tenant Allowances and Leasing Costs	
				Weighted Average Net Rent ¹ (per occupied square foot)	Weighted Average Spread on Renewing Rents	Weighted Average Net Rent ¹ (per occupied square foot)	Weighted Average Spread on Renewing Rents	Lease Count	Costs per square foot ³
For the three months ended September 30, 2024									
CRU									
New tenants	31	57	7.7	\$ 43.60		\$ 48.40			
Renewing tenants	83	139	4.2	\$ 53.80	4.3%	\$ 55.00	6.4%		
	114	196		\$ 50.80		\$ 53.10		19	\$ 35
Large format									
New tenants	3	66	10.0	\$ 18.80		\$ 19.50			
Renewing tenants	6	181	5.0	\$ 18.80	(4.4)%	\$ 19.10	(2.3)%		
	9	247		\$ 18.80		\$ 19.20		1	\$ 104
Office									
New tenants	2	2	3.8	\$ 17.80		\$ 18.60			
Renewing tenants	7	25	3.1	\$ 18.20	4.7%	\$ 18.30	5.3%		
	9	27		\$ 18.20		\$ 18.30		—	\$ —
Short-term⁴ and percent rent in lieu	22	74	N/A	N/A		N/A			
Total leasing	154	544							
Renewing net rent leases	96	345			1.8%		3.9%		

¹ Supplementary financial measure, see Section 1, "Basis of Presentation" - "Use of Operating Metrics".

² Consistent with prior years' presentation.

³ Average commitment per square foot for tenant allowances and leasing costs for the leases with such terms.

⁴ Leases with an original term of less than one year.

During the quarter, a large format tenant comprising 35 thousand square feet that renewed at a lower rate than the expiring lease. Excluding this transaction, the weighted average leasing spread for large format tenants would have been 2.1% or 5.1% including contractual rent increases and the total weighted average leasing spread would have been 3.8% or 6.0% including contractual rent increases.

Included in renewing leases are leases renewed at contractual fixed rates. Excluding fixed rate renewals would have no impact to the results for the weighted average spread for renewing leases for CRU or large format tenants.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

During the nine months ended September 30, 2024, Primaris completed 440 leasing deals totaling 1.5 million square feet.

(unaudited)					Considering Only Initial Net Rent ²		Considering Contractual Net Rent Increases		Tenant Allowances and Leasing Costs	
For the nine months ended September 30, 2024	Lease Count	GLA (thousands of square feet)	Weighted Average Lease Term (in years)	Weighted Average Net Rent ¹ (per occupied square foot)	Weighted Average Spread on Renewing Rents	Weighted Average Net Rent ¹ (per occupied square foot)	Weighted Average Spread on Renewing Rents	Lease Count	Costs per square foot ³	
CRU										
New tenants	74	170	7.8	\$ 39.30		\$ 53.20				
Renewing tenants	244	510	3.9	\$ 44.00	5.0%	\$ 45.10	7.2%			
	318	680		\$ 42.80		\$ 44.70		39	\$ 45	
Large format										
New tenants	9	188	11.7	\$ 19.40		\$ 21.80				
Renewing tenants	9	252	5.3	\$ 19.70	2.6%	\$ 20.10	4.8%			
	18	440		\$ 19.60		\$ 20.80		8	\$ 60	
Office										
New tenants	7	12	6.3	\$ 13.20		\$ 14.40				
Renewing tenants	14	39	3.8	\$ 18.10	7.6%	\$ 18.30	8.9%			
	21	51		\$ 16.90		\$ 17.40		3	\$ 3	
Short-term⁴ and percent rent in lieu	83	306	N/A	N/A		N/A				
Total leasing	440	1,477								
Renewing net rent leases	267	801			4.6%		6.8%			

¹ Supplementary financial measure, see Section 1, "Basis of Presentation" - "Use of Operating Metrics".

² Consistent with prior years' presentation.

³ Average commitment per square foot for tenant allowances and leasing costs for the leases with such terms.

⁴ Leases with an original term of less than one year.

Included in large format leasing activity is one tenant comprising 35 thousand square feet that renewed at a lower rate than the expiring lease. Excluding this transaction, the weighted average leasing spread for large format tenants would have been 8.7%, or 11.5% including contractual rent increases, and the total weighted average leasing spread would have been 5.6%, or 7.9% including contractual rent increases.

Included in the leasing activity, for the three and nine months ended September 30, 2024, were 22 and 83, respectively, leases that were for a lease term of less than one year or for percentage rent in lieu of base rent.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

Short-term and percentage rent in lieu of base rent lease structures have always been a tool to manage tenant relocations and the timing of development plans. However, during the pandemic, leases structured as percentage rent in lieu of base rent were more prevalent to assist tenants and to maintain occupancy rates. As these leases mature, management anticipates moving tenants back to traditional lease structures. At September 30, 2024, percentage rent in lieu of base rent leases were in place for 0.6 million square feet of GLA, or 3.2% of in-place leases, and had an average remaining lease term of approximately 2.6 years.

Percentage Rent in Lieu of Base Rent Leases		
As at	Number of Leases	Portion of Leases by Count ¹
September 30, 2024	80	3.2 %
June 30, 2024	90	3.6 %
March 31, 2024	99	4.0 %
December 31, 2023 ²	122	4.8 %
September 30, 2023 ³	121	5.3 %
June 30, 2023	128	5.9 %
March 31, 2023	155	7.1 %
December 31, 2022	169	7.7 %
September 30, 2022	177	8.1 %
June 30, 2022	181	8.3 %
March 31, 2022	184	8.5 %

¹ Lease count excludes short-term leases.

² The change in the number of leases from the prior quarter was impacted by the addition of 6 leases from the Halifax Shopping Complex acquisition.

³ The change in the number of leases from the prior quarter was impacted by the addition of 10 leases from the Conestoga Mall acquisition.

8.4 Tenant Sales

Tenant sales are important metrics for Primaris and are typically only reported by CRU tenants operating in enclosed malls (tenants that lease up to 15,000 square feet). Analysis of tenant sales enables proactive management of merchandising, the identification of trends, and insights into tenant financial health in advance of any formal corporate disclosures.

Total CRU sales volume, same stores sales volume and same stores sales productivity are supplementary financial measures, see Section 1, "Basis of Presentation" - "Use of Operating Metrics". Total CRU sales volume is the total of sales during the twelve-month period for all CRU tenants operating during that time period, whether the tenant was in continual operation for the entire twelve-month period or not. Same stores sales volume (used in calculating same stores sales productivity) includes only sales from CRU tenants that were operating continually for a 24-month period. Same stores sales productivity is calculated as same stores sales volume divided by the GLA contributing to the same stores sales volume. Management uses same stores sales productivity to assess the period-over-period performance of the enclosed malls and to monitor tenant financial health.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

Tenant sales for enclosed malls owned and operated in the following rolling twelve-month periods were as follows:

For the rolling twelve-month periods ended		August 31, 2024		August 31, 2023		
		In-place Occupancy ¹	Total CRU Sales Volume ²	Same Stores Sales Productivity ²	Total CRU Sales Volume ²	Same Stores Sales Productivity ²
(\$ thousands, and \$ thousands per square foot) (unaudited)						
Cataraqui Town Centre	Kingston, ON	79.6 %	\$ 84,655	\$ 582	\$ 84,785	\$ 583
Devonshire Mall	Windsor, ON	92.0 %	166,427	719	163,740	712
Dufferin Mall	Toronto, ON	97.8 %	110,769	663	102,948	669
Grant Park Shopping Centre	Winnipeg, MB	97.4 %	24,953	507	24,997	500
Kildonan Place	Winnipeg, MB	90.1 %	81,063	569	83,414	565
Lansdowne Place	Peterborough, ON	85.7 %	79,572	749	75,639	740
Marlborough Mall	Calgary, AB	92.3 %	41,165	421	42,513	423
McAllister Place	Saint John, NB	98.3 %	63,514	548	62,538	547
Medicine Hat Mall	Medicine Hat, AB	92.0 %	41,728	439	44,790	447
New Sudbury Centre	Sudbury, ON	96.4 %	111,513	745	105,223	707
Orchard Park Shopping Centre	Kelowna, BC	98.4 %	195,881	799	192,686	787
Park Place Mall ³	Lethbridge, AB	74.8 %	91,840	695	94,328	692
Peter Pond Mall	Fort McMurray, AB	96.9 %	71,860	794	68,286	780
Place D'Orleans Shopping Centre	Orleans, ON	84.1 %	77,504	570	77,088	528
Place du Royaume	Chicoutimi, QC	92.9 %	89,763	520	92,229	427
Quinte Mall	Belleville, ON	96.0 %	84,790	585	79,433	591
Regent Mall	Fredericton, NB	99.0 %	94,744	726	92,369	711
Sherwood Park Mall	Sherwood Park, AB	97.3 %	39,253	551	38,885	525
St. Albert Centre	St. Albert, AB	97.0 %	34,065	542	33,753	536
Stone Road Mall	Guelph, ON	95.9 %	110,785	612	109,249	634
Sunridge Mall	Calgary, AB	95.2 %	92,194	552	93,943	559
Same Properties enclosed malls		93.0 %	\$ 1,788,038	\$ 631	\$ 1,762,836	\$ 625
Conestoga Mall	Waterloo, ON	96.8 %	181,825	941	176,791	937
Halifax Shopping Centre	Halifax, NS	97.6 %	268,176	1,087	—	—
Total enclosed malls		93.5 %	\$ 2,238,039	\$ 684	\$ 1,939,627	\$ 652

¹ In-place occupancy as at September 30, 2024.

² Supplementary financial measure, see Section 1, "Basis of Presentation" - "Use of Operating Metrics" and as described above.

³ Occupancy impacted by vacant former Sears' space.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

8.5 Lease Maturities

As at September 30, 2024, the weighted average lease term for the portfolio was 4.3 years (December 31, 2023 – 4.3 years), 3.5 years for CRU tenants and 5.8 years for large format tenants. The following table sets out the lease maturity profile for the Trust's portfolio and the weighted average net rent per occupied square foot based on the rental rate in the last term on the leases.

Year of Maturity	Number of Leases Maturing	Occupied GLA (in thousands of square feet)	% of Occupied GLA	Weighted Average Net Rent per Occupied Square Foot ²
Portfolio:				
Short-term ¹	131	277	2.4%	\$ 36.27
2024 remainder	116	234	2.0%	\$ 40.80
2025	567	1,516	13.1%	\$ 29.83
2026	375	1,353	11.7%	\$ 27.70
2027	300	1,342	11.6%	\$ 27.20
2028	308	1,227	10.6%	\$ 28.37
Thereafter	786	5,647	48.6%	\$ 24.64
Total portfolio	2,583	11,596	100.0%	\$ 26.97
CRU tenants only:				
Short-term ¹	127	200	1.7%	\$ 38.98
2024 remainder	111	172	1.5%	\$ 46.86
2025	552	975	8.4%	\$ 40.63
2026	354	620	5.3%	\$ 45.30
2027	262	450	3.9%	\$ 46.20
2028	280	495	4.3%	\$ 48.13
Thereafter	662	1,849	15.9%	\$ 45.49
Total CRU tenants	2,348	4,761	41.0%	\$ 44.59
Large format tenants only				
Short-term ¹	4	77	0.7%	\$ 17.93
2024 remainder	5	62	0.5%	\$ 19.00
2025	15	541	4.7%	\$ 11.91
2026	21	733	6.4%	\$ 12.46
2027	38	892	7.7%	\$ 17.43
2028	28	732	6.3%	\$ 14.73
Thereafter	124	3,798	32.7%	\$ 16.45
Total large format tenants	235	6,835	59.0%	\$ 15.65

¹ Includes month-to-month leases and leases on overhold.

² Supplementary financial measure, see Section 1, "Basis of Presentation" - "Use of Operating Metrics". Based on rental rates in the last term of the lease.

While CRU tenants comprise approximately 40% of the portfolio's occupied GLA, they represent approximately 68% of the average minimum rent (based on the weighted average net rental rates in the last term of each expiring lease).

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Management's Discussion and Analysis

8.6 Top 30 Tenants

As at September 30, 2024, 47.9% of Primaris' annualized minimum rent came from a group of 30 tenants (December 31, 2023 - 46.6%). Primaris' top 10 tenants represent many of Canada's leading national value, staples and necessity based retailers.

Top Tenants ¹	Tenant Sector	% of Total Annualized Minimum Rent	Store Count (all banners)	Total GLA	% of Occupied GLA	WALT ² (in years)	Credit Ratings (S&P/ DBRS)	
1	Canadian Tire	Value Retail	5.4%	31	798,151	6.9%	3.8	BBB / BBB
2	Walmart	Value Retail	4.0%	8	1,050,234	9.1%	7.0	AA / -
3	Loblaws	Grocery	3.7%	20	466,253	4.0%	5.8	BBB+ / BBB(H)
4	TJX	Value Retail	2.7%	20	477,112	4.1%	4.4	A / -
5	Bell Canada	Telecom	2.2%	91	62,054	0.5%	2.4	BBB / BBB(H)
6	Cineplex	Entertainment	2.2%	10	336,338	2.9%	7.6	B+ / -
7	Dollarama	Value Retail	1.8%	21	222,597	1.9%	6.0	BBB / BBB
8	Gap	Apparel	1.8%	19	241,759	2.1%	3.6	BB / -
9	Comark	Apparel	1.7%	36	114,999	1.0%	1.0	-
10	Rogers	Telecom	1.6%	88	38,999	0.3%	2.5	BBB- / BBB(L)
Top 10 tenants			27.1%	344	3,808,496	32.8%		
11	Telus	Telecom	1.5%	55	43,319	0.4%	3.2	BBB / BBB
12	Indigo Books & Music	Other Retail	1.4%	14	181,638	1.6%	3.9	-
13	HBC	Dept Store	1.4%	7	720,008	6.2%	4.8	-
14	YM	Apparel	1.4%	57	346,918	3.0%	2.5	-
15	Sobeys Inc.	Grocery	1.3%	8	215,360	1.9%	8.9	BBB- / BBB
16	American Eagle Outfitters	Apparel	1.2%	18	90,631	0.8%	2.0	-
17	Best Buy	Other Retail	1.2%	15	152,066	1.3%	2.8	BBB+ / -
18	MTY Group	Food	1.1%	46	20,281	0.2%	3.5	-
19	Essilor Luxottica	Personal Care	1.1%	31	61,663	0.5%	3.2	A / -
20	La Vie en Rose	Apparel	1.0%	28	70,863	0.6%	4.3	-
21	Foot Locker	Apparel	0.9%	15	56,173	0.5%	2.1	BB / -
22	H&M	Apparel	0.9%	12	203,848	1.8%	2.4	BBB / -
24	Recipe Unlimited	Food	0.8%	25	44,603	0.4%	4.0	-
26	Dynamite	Apparel	0.8%	20	66,324	0.6%	3.5	-
27	Ardene	Apparel	0.8%	18	155,237	1.3%	4.3	-
25	Limited Brands	Apparel	0.8%	20	62,963	0.5%	2.2	BB / -
28	Zale Canada	Apparel	0.8%	17	25,364	0.2%	1.6	-
23	Goodlife	Personal Care	0.8%	8	151,257	1.6%	5.8	-
29	Sephora	Personal Care	0.8%	16	64,346	0.6%	5.2	-
30	Soft Moc	Apparel	0.8%	19	46,213	0.4%	3.7	-
Top 30 tenants			47.9%	793	6,587,571	57.2%		

¹ The names noted above may be the names of the parent entities and are not necessarily the tenant covenants under the leases.

² Weighted average lease term ("WALT").

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

8.7 Operating Capital Expenditures

Primaris' capital expenditures fall into two categories: (i) revenue enhancing capital expenditures that add to the earnings capacity of a property; and (ii) operating capital expenditures that are necessary to maintain the existing productive capacity of a property. Primaris endeavours to fund its operating capital expenditures from its operating cash flows in order to manage the Trust on a sustainable basis. Operating capital expenditures include:

Recoverable and non-recoverable costs: Expenditures incurred pursuant to a capital plan to maintain the productive capacity of the properties, such as parking lot resurfacing and roof replacements. Tenant leases generally provide for the ability to recover a significant portion of such costs over time.

Tenant allowances and external leasing costs: The Trust's portfolio requires ongoing investments of capital related to leasing activity. These expenditures include the Trust's obligation under various leases for the build out of tenant space, and costs such as commissions and legal fees incurred in negotiating tenant leases. Leasing capital varies with tenant demand and the merchandising mix strategies of a property. Primaris actively manages its merchandising mix and leasing activities to achieve a balance of new and renewal leasing. This enables management to increase retail sales and grow rental revenue. Included in general and administrative expenses are costs associated with Primaris' internal leasing team, which might otherwise have been capitalized if the costs were incurred from a third-party service provider (see Section 9.1, "Components of Net Income (Loss)" - "General and Administrative Expenses").

Total operating capital expenditures and total capital expenditures for the three and nine months ended September 30, 2024 and 2023 were as follows:

(\$ thousands unless otherwise indicated) (unaudited) For the periods ended September 30,	Three months		Nine months	
	2024	2023	2024	2023
Recoverable costs	\$ 3,492	\$ 4,998	\$ 11,767	\$ 8,498
Non-recoverable costs	199	247	215	740
Tenant allowances and external leasing costs	4,994	4,726	16,037	13,274
Total operating capital expenditures	8,685	9,971	28,019	22,512
Operating capital expenditures per square foot			\$ 2.25	\$ 2.07
Building improvements	340	798	1,352	2,184
Redevelopment	15,422	22,637	35,276	55,734
Capitalized interest	518	1,277	2,907	3,639
Total capital expenditures	\$ 24,965	\$ 34,683	\$ 67,554	\$ 84,069

The normalized average operating capital expenditures per square foot is a supplementary financial measure, see Section 1, "Basis of Presentation" - "Use of Operating Metrics". Based on the historic performance of a subset of shopping centres owned before December 31, 2021 and still owned today, normalized average operating capital expenditures per square foot were approximately \$2.25 per square foot per year. Primaris calculated the normalized average operating capital costs per square foot based on historical spending for properties under continuous management, adjusted to exclude the impact of the Target and Sears exits (in 2015 and 2018, respectively). The calculation also excludes expenditures at Northland Village, which is currently under redevelopment. Management calculates the normalized average operating capital expenditures per square foot to manage future cash flow requirements. The normalized average operating capital expenditures per square foot, calculated based on historical costs, may not be indicative of future expenditures.

Management estimates for the 2024 fiscal year operating capital expenditures are in the range of \$36 million to \$43 million, or \$2.90 to \$3.50 per square foot (year ended December 31, 2023 - \$34.3 million or \$3.12 per square foot). This level of operating capital expenditure is elevated and is expected to be above a stabilized rate until the portfolio returns to a stabilized long-term occupancy of >96%.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

9. RESULTS FROM OPERATIONS

(\$ thousands) (unaudited) For the periods ended September 30,	Three months		Nine months	
	2024	2023	2024	2023
Rental Revenue				
Base rent	\$ 67,575	\$ 57,767	\$ 199,185	\$ 165,014
Percent rent in lieu of base rent	2,908	3,805	8,419	11,136
Property tax and insurance recoveries	19,641	16,260	59,256	47,899
Operating cost recoveries	20,426	18,118	65,966	52,266
Percentage rent	2,589	1,655	5,329	3,981
Straight-line rent adjustment	1,635	730	5,181	1,947
Lease surrender revenue	286	1,491	1,223	2,653
Specialty leasing revenue	3,918	3,546	11,879	10,144
Parking and other sundry revenue	558	1,454	2,326	2,120
	119,536	104,826	358,764	297,160
Property Operating Costs				
Property tax and insurance expense	(25,483)	(22,442)	(78,030)	(63,661)
Recoverable operating costs	(20,427)	(20,406)	(69,545)	(60,844)
Non-recoverable operating costs	(1,214)	(1,020)	(3,106)	(3,086)
Ground rent	(467)	(474)	(1,405)	(1,356)
	(47,591)	(44,342)	(152,086)	(128,947)
Net Operating Income **	71,945	60,484	206,678	168,213
Other Income and Expenses				
Interest and other income	3,583	2,028	7,441	5,624
Net interest and other financing charges	(26,181)	(15,276)	(71,583)	(39,925)
General and administrative expenses	(7,927)	(7,340)	(23,966)	(22,441)
Amortization of other assets	(191)	(374)	(986)	(1,123)
Net Income before adjustments to fair value	41,229	39,522	117,584	110,348
Adjustments to fair value of derivative instruments	(5,473)	3,725	(3,546)	8,050
Adjustments to fair value of unit-based compensation	(2,247)	171	(1,830)	1,168
Adjustments to fair value of Convertible Preferred LP Units	(23,108)	(224)	(23,566)	(224)
Adjustments to fair value of investment properties	(41,219)	(22,964)	(31,333)	(30,924)
Net income (loss)	\$ (30,818)	\$ 20,230	\$ 57,309	\$ 88,418

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

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

9.1 Components of Net Income (Loss)

Rental Revenue

(\$ thousands) (unaudited)		Three months		Nine months	
For the periods ended September 30,	Count	2024	2023	2024	2023
Shopping centres ¹	22	\$ 91,259	\$ 90,853	\$ 272,644	\$ 268,359
Other properties ²	10	3,757	3,698	13,602	13,395
Same Properties ³	32	95,016	94,551	286,246	281,754
Acquisitions ⁴	4	20,829	6,273	62,079	6,273
Dispositions ⁵	2	1,151	1,965	2,982	3,734
Property under redevelopment ⁶	1	2,540	2,037	7,457	5,399
Rental revenue	39	\$ 119,536	\$ 104,826	\$ 358,764	\$ 297,160

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

² Other properties include 6 plazas, 3 office buildings and 1 industrial building.

³ Properties owned for the entire 21 months ended September 30, 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, "Transactions").

⁵ Dispositions represents the sales of Garden City Square in Winnipeg, Manitoba and Sunridge Plaza in Calgary, Alberta (see Section 7.3, "Transactions").

⁶ Northland Village in Calgary, Alberta.

Three Months

The \$14.7 million, or 14.0%, increase in rental revenue was primarily driven by a \$14.6 million, or 13.9%, contribution from the Acquisitions and revenue increases at the Same Properties shopping centres of \$0.4 million, or 0.4%. The increase in rental revenue from the Same Properties shopping centres was primarily attributable to growth in base rent and operating cost recovery revenue, partially offset by declines in percentage rent in lieu of base rent, lease surrender revenue and other income.

In the quarter, the Same Properties shopping centres and the property under redevelopment earned incremental rent of \$0.2 million and \$0.6 million, respectively, from completed redevelopment projects (2023 - \$0.5 million and nil, respectively) (see Section 7.4, "Redevelopment and Development").

Nine months

The \$61.6 million, or 20.7%, increase in rental revenue was primarily driven by a \$55.8 million, or 18.8%, contribution from the Acquisitions and revenue increases at the Same Properties shopping centres of \$4.3 million, or 1.4%. The increase in rental revenue from the Same Properties shopping centres was primarily attributable to growth in base rent and operating cost recovery revenue, partially offset by declines in percentage rent in lieu of base rent and lease surrender revenue, and lower recovery of property taxes from prior years (2024 - \$0.2 million and 2023 - \$2.3 million).

In 2024, the Same Properties shopping centres and the property under redevelopment earned incremental rent of \$0.7 million and \$1.2 million, respectively, from completed redevelopment projects (2023 - \$1.5 million and nil respectively) (see Section 7.4, "Redevelopment and Development").

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

Straight-line rent adjustment: Rental revenue includes certain non-cash amounts. Rental revenue is recorded on a straight-line basis over the full term of a lease, which results in a difference between cash rent received and revenue recognized for accounting purposes. This difference is recorded as a straight-line rent adjustment amount.

Lease surrender revenue: Lease surrender revenue is earned when a tenant returns space to Primaris before the completion of their lease term. These amounts are not earned evenly over any calendar year or time period, and are not predictable.

Specialty leasing revenue: Specialty leasing revenue is unique to enclosed shopping centres. It is derived from primarily short-term leases for non-traditional retail uses, including pop-up stores, kiosks and other seasonal uses. Specialty leasing is a valuable component of the merchandising mix strategy providing flexibility and additional leasing income for transitional and underutilized space.

Contractual rent steps: Primaris includes contractual rent steps in most of its lease agreements to capture increases during the lease contract term. The chart below illustrates the expected future Cash NOI** growth from contractual rent steps.



PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

Property Operating Costs

(\$ thousands) (unaudited)		Three months		Nine months	
For the periods ended September 30,	Count	2024	2023	2024	2023
Shopping centres	22	\$ 37,601	\$ 38,835	\$ 119,195	\$ 118,225
Other properties	10	1,307	1,387	4,974	4,908
Same Properties ¹	32	38,908	40,222	124,169	123,133
Acquisitions	4	7,676	2,615	24,609	2,615
Dispositions	2	376	658	1,054	1,353
Property under redevelopment	1	631	847	2,254	1,846
Property operating costs	39	\$ 47,591	\$ 44,342	\$ 152,086	\$ 128,947

¹ Properties owned for the entire 21 months ended September 30, 2024, excluding properties under development or major redevelopment, are referred to as "Same Properties".

Three Months

The \$3.2 million, or 7.3%, increase in property operating costs was primarily driven by a \$5.1 million, or 11.4%, contribution from the Acquisitions.

The operating costs for the Same Properties shopping centres were lower in the current quarter than in the same period of the prior year primarily due to the favourable impact of energy contract renewal rates and property tax assessment settlements.

Bad debt expense for the portfolio in the current period was \$0.2 million compared to nil in the same period of the prior year.

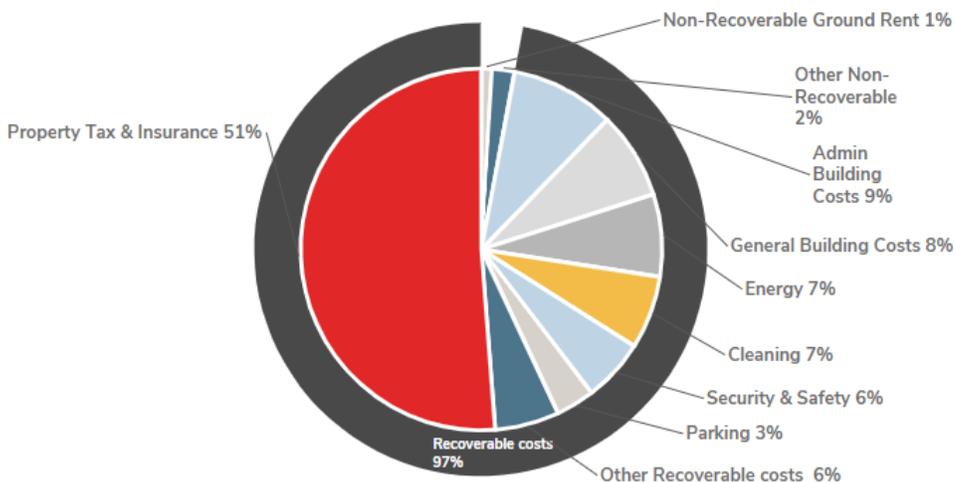
Nine months

The \$23.1 million, or 17.9%, increase in property operating costs was primarily driven by a \$22.0 million, or 17.1%, contribution from the Acquisitions.

The operating costs for the Same Properties shopping centres were higher in the current period than in the same period of the prior year primarily due to inflationary pressures.

Bad debt expense for the portfolio in the current period was \$0.1 million compared to a recovery of \$0.4 million in the same period of the prior year.

The chart below illustrates the recoverable and non-recoverable components of total property operating costs.



PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

Property Operating Cost Recovery Ratios

The majority of leases with tenants include clauses that allow Primaris to charge tenants for a share of the property operating costs. In addition, many leases also allow Primaris to charge an administration fee on such recovered operating costs (but not the property taxes and insurance costs). Primaris also incurs recoverable operating capital costs. Primaris pays upfront for capital projects, such as roof and parking lot replacement, and recovers these costs over time from the tenants.

The table below illustrates the calculation of the Trust's combined recovery ratio for the three month and nine month periods ending September 30, 2024 and 2023.

(\$ thousands) (unaudited) For the periods ended September 30,	Three months		Nine months	
	2024	2023	2024	2023
Property tax and insurance recoveries	\$ 19,641	\$ 16,260	\$ 59,256	\$ 47,899
Property tax and insurance expense	(25,483)	(22,442)	(78,030)	(63,661)
Net property tax and insurance expense	\$ (5,842)	\$ (6,182)	\$ (18,774)	\$ (15,762)
Property tax and insurance recovery ratio	77.1%	72.5%	75.9%	75.2%
Operating cost recoveries	\$ 20,426	\$ 18,118	\$ 65,966	\$ 52,266
Recoverable operating costs	(20,427)	(20,406)	(69,545)	(60,844)
Amortized recoverable capital	(4,451)	(3,212)	(13,271)	(9,394)
Net operating costs and recoverable capital	\$ (4,452)	\$ (5,500)	\$ (16,850)	\$ (17,972)
Operating costs and capital recovery ratio	82.1%	76.7%	79.7%	74.4%
Combined recovery ratio	79.6 %	74.6 %	77.9 %	74.8 %

Three Months

The combined recovery ratio was 5.0% higher than the same period of the prior year. The increase was driven by the conversion of lease with preferred lease terms to fully net leases, and occupancy increases.

Nine Months

The combined recovery ratio was 3.1% higher than the same period of the prior year. The increase was driven by the conversion of leases from preferred lease terms to fully net leases and occupancy increases.

Property tax and insurance recoveries for 2023 included \$2.3 million recovery revenue from prior years' property tax reassessments. Excluding this amount, the combined recovery ratio for 2023 would have been 73.1%.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

Net Operating Income**

Net Operating Income** ("NOI") is calculated as rental revenue, as calculated in accordance with IFRS, less property operating costs, as calculated in accordance with IFRS. NOI** is not a measure defined by GAAP and, as such, results may not be comparable to other real estate entities (see Section 12, "Non-GAAP Measures").

(\$ thousands) (unaudited)		Three months		Nine months	
For the periods ended September 30,	Count	2024	2023	2024	2023
Shopping centres	22	\$ 53,658	\$ 52,018	\$ 153,449	\$ 150,134
Other properties	10	2,450	2,311	8,628	8,487
Same Properties ¹	32	56,108	54,329	162,077	158,621
Acquisitions	4	13,153	3,658	37,470	3,658
Dispositions	2	775	1,307	1,928	2,381
Property under redevelopment	1	1,909	1,190	5,203	3,553
Net Operating Income**	39	\$ 71,945	\$ 60,484	\$ 206,678	\$ 168,213

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

¹ Properties owned for the entire 21 months ended September 30, 2024, excluding properties under development or major redevelopment, are referred to as "Same Properties".

Three Months

The \$11.5 million, or 18.9%, increase in NOI** was primarily attributable to a \$9.5 million, or 15.7% contribution from the Acquisitions and a \$1.6 million, or 2.7%, increase from the Same Properties shopping centres.

The growth in the Same Properties shopping centres' NOI** was primarily attributable to increases in base rent and net operating cost recoveries, partially offset by declines in percentage rent in lieu of base rent, lease surrender revenue and other income.

Nine Months

The \$38.5 million, or 22.9%, increase in NOI** was primarily attributable to a \$33.8 million, or 20.1% contribution from the Acquisitions and a \$3.3 million, or 2.0%, increase from the Same Properties shopping centres.

The growth in the Same Properties shopping centres' NOI** was primarily attributable to increases in base rent and net operating cost recoveries, partially offset by declines in percentage rent in lieu of base rent and lease surrender revenue, and \$2.1 million lower contribution from recovery of property taxes from prior years.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

Cash NOI** and Same Properties Cash NOI**

Cash Net Operating Income** ("Cash NOI") is calculated as rental revenue, as calculated in accordance with IFRS, excluding straight-line rent adjustment and lease surrender revenue, less property operating costs, as calculated in accordance with IFRS. Cash NOI** is not a measure defined by GAAP and, as such, results may not be comparable to other real estate entities (see Section 12, "Non-GAAP Measures"). Management calculates and analyzes Cash NOI** to monitor the performance of its income-producing investment properties; in particular, the period over period Cash NOI** results for properties continuously in operation for the duration of the measurement period ("Same Properties Cash NOI**").

(\$ thousands) (unaudited) For the periods ended September 30,	Three months		Nine months	
	2024	2023	2024	2023
Rental revenue	\$ 119,536	\$ 104,826	\$ 358,764	\$ 297,160
Property operating costs	(47,591)	(44,342)	(152,086)	(128,947)
Net Operating Income**	71,945	60,484	206,678	168,213
Exclude:				
Straight-line rent adjustment	(1,635)	(730)	(5,181)	(1,947)
Lease surrender revenue	(286)	(1,491)	(1,223)	(2,653)
Cash Net Operating Income**	\$ 70,024	\$ 58,263	\$ 200,274	\$ 163,613
Cash NOI** margin	59.5 %	56.8 %	56.8 %	55.9 %

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

Three Months

Cash NOI** was \$11.8 million, or 20.2%, higher than the same period of the prior year. The Acquisitions contributed \$9.3 million, or 16.0%, to the increase.

The Cash NOI** margin increased 2.7% compared to the prior year period. The improvement in the Cash NOI** margin reflects the impact of converting tenants back to traditional lease structures.

Long-term leases typically include contractual rents steps. In the quarter, the Same Properties shopping centres earned incremental base rent of \$1.1 million from these contractual increases.

Nine Months

Cash NOI** was \$36.7 million, or 22.4%, higher than the same period of the prior year. The Acquisitions contributed \$32.2 million, or 19.7%, to the increase.

The Cash NOI** margin increased 0.9% compared to the prior year period. Excluding the contribution from the recovery of property taxes from prior years, the margins would have been 56.8% for the nine months ended September 30, 2024 and 55.6% for the same period of the prior year, which improvement reflects the impact of converting tenants back to traditional lease structures.

Long-term leases typically include contractual rents steps. In 2024, the Same Properties shopping centres earned incremental base rent of \$2.3 million from these contractual increases.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

In the calculation of Cash NOI**, Primaris excludes straight-line rent adjustments which are the difference between cash rent received and revenue recognized for accounting purposes.

(\$ thousands) (unaudited) For the periods ended September 30,	Three months		Nine months	
	2024	2023	2024	2023
Shopping centres	\$ 940	\$ 418	\$ 2,320	\$ 1,336
Other properties	138	101	463	386
Same Properties ¹	1,078	519	2,783	1,722
Acquisitions	304	114	1,525	114
Dispositions	21	56	54	76
Property under redevelopment	232	41	819	35
Straight-line rent adjustment	\$ 1,635	\$ 730	\$ 5,181	\$ 1,947

¹ Properties owned for the entire 21 months ended September 30, 2024, excluding properties under development or major redevelopment, are referred to as "Same Properties".

Lease surrender revenue is also excluded from the Cash NOI** calculation as the amounts are unpredictable and not necessarily comparable from one period to the next.

(\$ thousands) (unaudited) For the periods ended September 30,	Three months		Nine months	
	2024	2023	2024	2023
Shopping centres	\$ 286	\$ 1,491	\$ 978	\$ 2,653
Other properties	—	—	—	—
Same Properties ¹	286	1,491	978	2,653
Acquisitions	—	—	245	—
Dispositions	—	—	—	—
Property under redevelopment	—	—	—	—
Lease surrender revenue	\$ 286	\$ 1,491	\$ 1,223	\$ 2,653

¹ Properties owned for the entire 21 months ended September 30, 2024, excluding properties under development or major redevelopment, are referred to as "Same Properties".

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

Management calculates and analyzes Cash NOI** to monitor the performance of its income-producing investment properties; in particular, the results of the Same Properties shopping centres.

(\$ thousands) (unaudited)		Three months		Nine months	
For the periods ended September 30,	Count	2024	2023	2024	2023
Cash Net Operating Income** from:					
Shopping centres	22	\$ 52,432	\$ 50,109	\$ 150,151	\$ 146,145
Other properties	10	2,312	2,210	8,165	8,101
Same Properties Cash NOI**¹	32	54,744	52,319	158,316	154,246
	Same Properties Growth	4.6 %		2.6 %	
Acquisitions	4	12,849	3,544	35,700	3,544
Dispositions	2	754	1,251	1,874	2,305
Property under redevelopment	1	1,677	1,149	4,384	3,518
Cash Net Operating Income**	39	\$ 70,024	\$ 58,263	\$ 200,274	\$ 163,613

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

¹ Properties owned for the entire 21 months ended September 30, 2024, excluding properties under development or major redevelopment, are referred to as "Same Properties".

Three Months

Same Properties Cash NOI** was \$2.4 million, or 4.6%, higher than the same period of the prior year. Cash NOI** for only the Same Properties shopping centres increased \$2.3 million, or 4.6%, 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 declines in percentage rent in lieu of base rent, lease surrender revenue and other revenue.

Nine Months

Same Properties Cash NOI** was \$4.1 million, or 2.6%, higher than the same period of the prior year. Cash NOI** for only the Same Properties shopping centres increased \$4.0 million, or 2.7%, over the same period of the prior year. Excluding the contribution from the recovery of property taxes from prior years, the Cash NOI** growth for only the Same Properties shopping centres would have been 4.3%.

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 declines in percentage rent in lieu of base rent and lease surrender revenue, and \$2.1 million lower contribution from recovery of property taxes from prior years.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

Interest and Other Income

(\$ thousands) (unaudited) For the periods ended September 30,	Three months		Nine months	
	2024	2023	2024	2023
Interest income	\$ 2,772	\$ 1,330	\$ 5,407	\$ 3,675
Gain on extinguishment of debt	150	—	150	—
Property management fees	661	698	1,884	1,949
Interest and other income	\$ 3,583	\$ 2,028	\$ 7,441	\$ 5,624

Primaris earned \$1.4 million in interest income during the first three months of 2024 on the notes receivable from its co-ownership partners (for the three and nine months ended September 30, 2023 - \$0.8 million and \$2.3 million, respectively). All such notes were repaid on March 28, 2024. Primaris earned \$0.1 million in the third quarter of 2024 from the vendor take back note on the Garden City Square disposition (2023 - nil). The balance of the interest income was earned from cash balances.

Primaris has co-ownership interests in several properties and performs the management services on behalf of the co-owners for which it earns fee income (see Section 7.2, "Co-ownership Arrangements"). The change in property management fees was due to fluctuations in leasing and development fees earned.

Net Interest and Other Financing Charges

(\$ thousands) (unaudited) For the periods ended September 30,	Three months		Nine months	
	2024	2023	2024	2023
Interest on mortgages payable	\$ 3,244	\$ 2,908	\$ 9,575	\$ 8,093
Interest on senior unsecured debentures	16,401	7,616	43,555	19,259
Bank interest and charges on unsecured credit facilities	2,459	4,387	8,512	13,409
Subtotal (for use in financial condition calculations) ¹	22,104	14,911	61,642	40,761
Distributions on Convertible Preferred LP Units	3,075	1,063	9,225	1,063
Finance charge - lease liability	81	89	248	274
Amortization of financing costs	1,081	490	2,301	1,466
Amortization of debt discount	358	—	1,074	—
Less: Capitalized interest	(518)	(1,277)	(2,907)	(3,639)
Net interest and other financing charges	\$ 26,181	\$ 15,276	\$ 71,583	\$ 39,925

¹ See Section 10.4, "Capital Structure".

Three Months

The \$10.9 million increase in net interest and other financing charges was attributable to higher average borrowings primarily driven by acquisition activity, including the distributions on the Convertible Preferred LP Units, the year over year increase in interest rates and the August 2024 debenture issuance.

Nine Months

The \$31.7 million increase in net interest and other financing charges was attributable to higher average borrowings primarily driven by the acquisition activity, including the distributions on the Convertible Preferred LP Units, the year over year increase in interest rates, and the August 2024 debenture issuance.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

General and Administrative Expenses

(\$ thousands) (unaudited) For the periods ended September 30,	Three months		Nine months	
	2024	2023	2024	2023
Salaries, benefits and recruiting costs	\$ 6,950	\$ 5,974	\$ 19,985	\$ 17,644
Unit-based compensation costs	1,676	1,016	4,929	3,432
Professional fees	576	758	2,025	1,937
Information technology costs	418	643	1,520	1,841
Investor relations and other public entity costs	377	115	914	935
Occupancy costs	345	553	1,179	1,651
Other	226	523	1,377	1,665
	10,568	9,582	31,929	29,105
Less: Allocations to recoverable operating costs	(2,641)	(2,242)	(7,963)	(6,664)
General and administrative expenses	\$ 7,927	\$ 7,340	\$ 23,966	\$ 22,441
Internal expenses for leases	(1,954)	(1,972)	(5,995)	(5,686)
General and administrative expenses impacting FFO**	\$ 5,973	\$ 5,368	\$ 17,971	\$ 16,755
Rental revenue	\$ 119,536	\$ 104,826	\$ 358,764	\$ 297,160
General and administrative expenses impacting FFO** as a percent of rental revenue	5.0%	5.1%	5.0%	5.6%

The general and administrative expenses incurred in the nine months ended September 30, 2024 may not be indicative of the expenses that will be incurred in future years.

Three Months

General and administrative expenses were \$0.6 million higher than the same period in 2023. Increases to personnel costs including the unit-based compensation program were the primary drivers of the increase.

Included in the general and administrative expenses are costs relating to full-time leasing and legal staff that can be reasonably and directly attributed to signed leases, and that would otherwise be capitalized if incurred from external sources. During the three months ended September 30, 2024, these internal leasing costs totaled \$2.0 million (2023 - \$2.0 million).

Nine Months

General and administrative expenses were \$1.5 million higher than for the same period in 2023. The increase was primarily attributable to personnel costs the unit-based compensation program, partially offset by larger allocations to the properties due to the Acquisitions.

Included in the general and administrative expenses are costs relating to full-time leasing and legal staff that can be reasonably and directly attributed to signed leases, and that would otherwise be capitalized if incurred from external sources. During the nine months ended September 30, 2024, these internal leasing costs totaled \$6.0 million (2023 - \$5.7 million).

Excluding the direct leasing costs, general and administrative expenses as a percent of rental revenue declined 0.6% from the same period of the prior year.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

Adjustments to Fair Value and Net Income (Loss)

(\$ thousands) (unaudited) For the periods ended September 30,	Three months		Nine months	
	2024	2023	2024	2023
Net Income before adjustments to fair value	\$ 41,229	\$ 39,522	\$ 117,584	\$ 110,348
Adjustments to fair value of derivative instruments	(5,473)	3,725	(3,546)	8,050
Adjustments to fair value of unit-based compensation	(2,247)	171	(1,830)	1,168
Adjustments to fair value of Convertible Preferred LP Units	(23,108)	(224)	(23,566)	(224)
Adjustments to fair value of investment properties	(41,219)	(22,964)	(31,333)	(30,924)
Net Income (Loss)	\$ (30,818)	\$ 20,230	\$ 57,309	\$ 88,418

The Financial Statements are prepared using the historical cost method except for derivative instruments, liabilities for unit-based compensation plans, the Convertible Preferred LP Units and investment properties, each of which is measured at fair value with any changes to fair value impacting net income (loss).

Primaris entered into interest rate swaps to economically hedge the variable interest rate associated with advances on variable rate debt. These derivative instruments are carried at their fair values, which values are impacted by changes to bond yields. Adjustments to the fair value of derivative instruments impact net income.

Primaris is an open-ended trust which requires outstanding unit-based compensation grants to be recorded as liabilities and adjusted to fair value based on the closing value of the Trust Units, with the adjustment impacting net income. When the value of the Trust Units increases, there is a corresponding increase to the liability and an expense is recorded against net income. The value of the Trust Units is impacted by a number of risk factors (see Section 13, "Enterprise Risks and Risk Management"), and as such, the adjustments to fair value incurred in the past are not predictors of future adjustments.

Convertible Preferred LP Units are considered debt instruments and are required to be recorded as liabilities and adjusted to fair value, with the adjustment impacting net income. The model to value the Convertible Preferred LP Units includes assumptions on the risk-free interest rate for the expected life of the Convertible Preferred LP Units, the credit spread and ranking concession applied to the risk free rate, and the expected Trust Unit price volatility. The model also includes a number of inputs such as the closing value of the Trust Units. Adjustments to fair value incurred in the past are not predictors of future adjustments.

Primaris values its investment properties at fair value. Refer to Section 7.1, "Valuation" for a discussion of the valuation methodologies employed by the Trust and the key drivers of fair value adjustments to the Trust's investment properties. Adjustments to the fair value of the Trust's investment properties are recognized in net income.

Three Months

Net income was \$51.0 million lower than the same period in 2023. Net income before adjustments to fair value was \$1.7 million higher than the same period in 2023, primarily due to a \$11.5 million increase to NOI** for the portfolio, partially offset by a \$10.9 million increase in net interest and other financing charges.

Nine Months

Net income was \$31.1 million lower than the same period in 2023. Net income before adjustments to fair value was \$7.2 million higher than the same period in 2023, primarily due to a \$38.5 million increase to NOI** for the portfolio, partially offset by a \$31.7 million increase in net interest and other financing charges.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

9.2 FFO** and AFFO**

FFO** and AFFO** are non-GAAP measures (see Section 12, "Non-GAAP Measures") calculated in accordance with the definitions provided by the Real Property Association of Canada ("REALPAC") in its January 2022 publication *Funds From Operations and Adjusted Funds From Operations for IFRS*. The following table reconciles net income, as determined in accordance with GAAP, to FFO** and subsequently to AFFO**.

(\$ thousands except per unit amounts) (unaudited) For the periods ended September 30,	Three months		Nine months	
	2024	2023	2024	2023
Net income (loss)	\$ (30,818)	\$ 20,230	\$ 57,309	\$ 88,418
Reverse:				
Distribution on Convertible Preferred LP Units	3,075	1,063	9,225	1,063
Adjustments to fair value of derivative instruments	3,773	(3,725)	1,846	(8,050)
Adjustments to fair value of unit-based compensation	2,247	(171)	1,830	(1,168)
Adjustments to fair value of Convertible Preferred LP Units	23,108	224	23,566	224
Adjustments to fair value of income-producing properties	41,219	22,964	31,333	30,924
Internal costs for leasing activity ¹	1,954	1,972	5,995	5,686
Funds from Operations**	\$ 44,558	\$ 42,557	\$ 131,104	\$ 117,097
FFO** per unit ² - average basic	\$ 0.424	\$ 0.425	\$ 1.242	\$ 1.196
FFO** per unit ² - average diluted	\$ 0.419	\$ 0.421	\$ 1.229	\$ 1.186
FFO Payout Ratio** - Target 45% - 50%	52.5 %	49.4 %	53.7 %	52.1 %
Funds from Operations**	\$ 44,558	\$ 42,557	\$ 131,104	\$ 117,097
Reverse:				
Internal costs for leasing activity	(1,954)	(1,972)	(5,995)	(5,686)
Straight-line rent adjustment	(1,635)	(730)	(5,181)	(1,947)
Deduct:				
Recoverable and non-recoverable costs	(3,691)	(5,245)	(11,982)	(9,238)
Tenant allowances and external leasing costs	(4,994)	(4,726)	(16,037)	(13,274)
Adjusted Funds from Operations**	\$ 32,284	\$ 29,884	\$ 91,909	\$ 86,952
AFFO** per unit ² - average basic	\$ 0.307	\$ 0.298	\$ 0.870	\$ 0.888
AFFO** per unit ² - average diluted	\$ 0.304	\$ 0.296	\$ 0.861	\$ 0.881
AFFO Payout Ratio**	72.4 %	70.3 %	76.7 %	70.1 %
Distributions declared per Trust Unit	\$ 0.210	\$ 0.205	\$ 0.630	\$ 0.615
Distributions declared per Convertible Preferred LP Unit	0.010	0.003	0.030	0.003
Total distributions declared per unit ³	\$ 0.220	\$ 0.208	\$ 0.660	\$ 0.618
Weighted average units outstanding ² - basic (in thousands)	105,074	100,148	105,585	97,890
Weighted average units outstanding ² - diluted (in thousands)	106,237	101,050	106,697	98,721
Number of units outstanding ² - end of period (in thousands)	104,913	99,949	104,913	99,949

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

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 for Trust Units. See Section 10.6, "Unit Equity and Distributions".

³ Distributions declared per unit used in calculating the FFO* and AFFO* Payout Ratios include distributions declared on Convertible Preferred LP Units at 6% per annum. See Section 10.6, "Unit Equity and Distributions".

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

The calculation of AFFO** considers the impact of operating capital expenditures that are necessary to maintain the productive capacity of the portfolio properties. Expenditures for recoverable and non-recoverable capital projects are impacted by seasonality. Tenant allowances and external leasing costs are not impacted by seasonality but do vary from quarter to quarter depending on the underlying terms of lease agreements completed during the quarter. In addition, during years of positive absorption, leasing costs will be higher. The operating capital expenditures from the three and nine months ended September 30, 2024 should not be taken as indicative of future results.

Analysis of the Quarter

The table below illustrates the composition of FFO** and the drivers of the change for the three months ended September 30, 2024 as compared to the same period in 2023.

(\$ thousands except per unit amounts) (unaudited) For the three months ended September 30,	2024		2023		Change	
	Contribution	per unit ¹	Contribution	per unit ¹	Contribution	per unit ¹
NOI** from:						
Same Properties	\$ 56,108	\$0.528	\$ 54,329	\$ 0.538	\$ 1,779	\$ 0.018
Acquisitions	13,153	0.124	3,658	0.036	9,495	0.094
Dispositions	775	0.007	1,307	0.013	(532)	(0.005)
Property under redevelopment	1,909	0.018	1,190	0.012	719	0.007
Interest and other income	3,583	0.034	2,028	0.020	1,555	0.015
Net interest and other financing charges (excluding distributions on Convertible Preferred LP Units)	(23,106)	(0.218)	(14,213)	(0.141)	(8,893)	(0.088)
General and administrative expenses (net of internal costs for leasing activity)	(5,973)	(0.056)	(5,368)	(0.053)	(605)	(0.006)
Unhedged portion of derivative fair value adjustment ²	(1,700)	(0.016)	—	—	(1,700)	(0.017)
Amortization	(191)	(0.002)	(374)	(0.004)	183	0.002
Impact from variance of units outstanding	—	—	—	—	—	(0.022)
FFO** and FFO** per unit - average diluted¹	\$ 44,558	\$0.419	\$ 42,557	\$ 0.421	\$ 2,001	\$ (0.002)
FFO Payout Ratio**	52.5 %		49.4 %		3.1 %	

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

¹ Per weighted average units outstanding calculated on a diluted basis, assuming the exchange of Convertible Preferred LP Units for Trust Units. See Section 10.6, "Unit Equity and Distributions". Per unit calculations separate the impact of change in contribution from the change in the weighted average diluted units outstanding.

² The definition of FFO*, as provided by REALPAC, allows for the changes in fair value of financial instruments which are economically effective hedges to be excluded from the calculation of FFO*. The portion of the fair value change to derivatives which did not relate to an economically effective hedge negatively impacted fair value in the period ending September 30, 2024.

FFO** for the three months ended September 30, 2024 was \$0.002 per unit, or 0.5%, lower than the same period of the prior year. The decrease was driven by higher net interest and other financing charges of \$0.088 per unit and a \$0.022 per unit decrease due to the net change in the units outstanding (unit issuances for the Acquisitions partially offset by NCIB activity). These decreases were partially offset by growth in NOI** from Same Properties of \$0.018 per unit and NOI** from Acquisitions of \$0.094 per unit.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

In August 2024, Primaris issued \$500 million of senior unsecured debentures and used a portion of the proceeds to repay outstanding debt (see Section 10.3, "Components of Total Debt"). As a result of the \$500 million senior unsecured debenture issuance in August 2024, Primaris extended the term to maturity and eliminated the refinancing risk for the March 2025 Series B senior unsecured debenture maturity. There are no other debt maturities until 2027. FFO** was impacted these financing activities in the third quarter of 2024:

- \$1.7 million of the negative adjustment to fair value on settled derivatives related to an unhedged position;
- \$0.9 million increase in interest expense from the interest rate differences between debt issued, debt repaid, and interest earned the term deposit and cash balances; and
- \$0.2 million gain on the repurchase and cancellation of debentures.

Excluding the \$2.4 million net impact of these financing activities, FFO** per unit for the three months ended September 30, 2024 would have been \$0.443 per unit which would be \$0.022, or 5.2%, higher than the same period of the prior year.

The table below illustrates the composition of AFFO** and the drivers of the change for the three months ended September 30, 2024 as compared to the same period in 2023.

(\$ thousands except per unit amounts) (unaudited) For the three months ended September 30,	2024		2023		Change	
	Contribution	per unit ¹	Contribution	per unit ¹	Contribution	per unit ¹
FFO**	\$ 44,558	\$ 0.419	\$ 42,557	\$ 0.421	\$ 2,001	\$ 0.020
Internal costs for leasing activity	(1,954)	(0.018)	(1,972)	(0.019)	18	—
Straight-line rent adjustment	(1,635)	(0.015)	(730)	(0.007)	(905)	(0.009)
Recoverable and non-recoverable costs	(3,691)	(0.035)	(5,245)	(0.052)	1,554	0.015
Tenant allowances and leasing costs	(4,994)	(0.047)	(4,726)	(0.047)	(268)	(0.003)
Impact from variance of units outstanding	—	—	—	—	—	(0.015)
AFFO** and AFFO** per unit - average diluted¹	\$ 32,284	\$ 0.304	\$ 29,884	\$ 0.296	\$ 2,400	\$ 0.008
AFFO Payout Ratio**	72.4 %		70.3 %		2.1 %	

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

¹ Per weighted average units outstanding calculated on a diluted basis, assuming the exchange of Convertible Preferred LP Units for Trust Units. See Section 10.6, "Unit Equity and Distributions". Per unit calculations separate the impact of change in contribution from the change in the weighted average diluted units outstanding.

AFFO** for the three months ended September 30, 2024 was \$0.008 per unit higher than the same period of the prior year. The increase was driven by higher NOI** and lower operating capital expenditures in the quarter, partially offset by higher net interest and other financing charges and an increase in the number of diluted units outstanding.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

The table below illustrates the composition of FFO** and the drivers of change for the three months ended September 30, 2024 to the prior quarter ended June 30, 2024.

(\$ thousands except per unit amounts) (unaudited) For the three months ended	September 30, 2024		June 30, 2024		Change	
	Contribution	per unit ¹	Contribution	per unit ¹	Contribution	per unit ¹
NOI** from:						
Same Properties	\$ 56,108	\$ 0.528	\$ 54,160	\$ 0.507	\$ 1,948	\$ 0.018
Acquisitions	13,153	0.124	12,957	0.121	196	0.002
Dispositions	775	0.007	1,083	0.010	(308)	(0.003)
Property under redevelopment	1,909	0.018	1,781	0.017	128	0.001
Interest and other income	3,583	0.034	1,541	0.014	2,042	0.019
Net interest and other financing charges (excluding distributions on Convertible Preferred LP Units)	(23,106)	(0.218)	(20,022)	(0.187)	(3,084)	(0.029)
General and administrative expenses (net of internal costs for leasing activity)	(5,973)	(0.056)	(5,938)	(0.056)	(35)	—
Unhedged portion of derivative fair value adjustment ²	(1,700)	(0.016)	—	—	(1,700)	(0.016)
Amortization	(191)	(0.002)	(494)	(0.004)	303	0.003
Impact from variance of units outstanding	—	—	—	—	—	0.002
FFO** and FFO** per unit - average diluted¹	\$ 44,558	\$ 0.419	\$ 45,068	\$ 0.422	\$ (510)	\$ (0.003)
FFO Payout Ratio**	52.5 %		52.2 %		0.3 %	

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

¹ Per weighted average units outstanding calculated on a diluted basis, assuming the exchange of Convertible Preferred LP Units for Trust Units. See Section 10.6, "Unit Equity and Distributions". Per unit calculations separate the impact of change in contribution from the change in the weighted average diluted units outstanding.

² The definition of FFO*, as provided by REALPAC, allows for the changes in fair value of financial instruments which are economically effective hedges to be excluded from the calculation of FFO*. The portion of the fair value change to derivatives which did not relate to an economically effective hedge negatively impacted fair value in the period ending September 30, 2024.

FFO** for the three months ended September 30, 2024 was \$0.003 per unit lower than the prior quarter ended June 30, 2024. The decrease was driven by higher net interest and other financing charges of \$0.029 per unit and a \$0.016 per unit impact from the unhedged portion of the adjustment to the fair value of derivatives. These decreases were partially offset by growth in NOI** from Same Properties of \$0.018 per unit.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

Analysis of the Year to Date

The table below compares the composition of FFO** and illustrates the drivers of the changes for the nine months ended September 30, 2024 as compared to the same period in 2023.

(\$ thousands except per unit amounts) (unaudited) For the nine months ended September 30,	2024		2023		Change	
	Contribution	per unit ¹	Contribution	per unit ¹	Contribution	per unit ¹
NOI** from:						
Same Properties	\$ 162,077	\$ 1.519	\$ 158,621	\$ 1.607	\$ 3,456	\$ 0.035
Acquisitions	37,470	0.350	3,658	0.037	33,812	0.343
Dispositions	1,928	0.018	2,381	0.024	(453)	(0.005)
Property under redevelopment	5,203	0.049	3,553	0.036	1,650	0.017
Interest and other income	7,441	0.070	5,624	0.057	1,817	0.018
Net interest and other financing charges (excluding distributions on Convertible Preferred LP Units)	(62,358)	(0.584)	(38,862)	(0.394)	(23,496)	(0.238)
General and administrative expenses (net of internal costs for leasing activity)	(17,971)	(0.168)	(16,755)	(0.170)	(1,216)	(0.012)
Unhedged portion of derivative fair value adjustment ²	(1,700)	(0.016)	—	—	(1,700)	(0.017)
Amortization	(986)	(0.009)	(1,123)	(0.011)	137	0.001
Impact from variance of units outstanding	—	—	—	—	—	(0.099)
FFO** and FFO** per unit - average diluted¹	\$ 131,104	\$ 1.229	\$ 117,097	\$ 1.186	\$ 14,007	\$ 0.043
FFO Payout Ratio**	53.7 %		52.1 %		1.6 %	

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

¹ Per weighted average units outstanding calculated on a diluted basis, assuming the exchange of Convertible Preferred LP Units for Trust Units. See Section 10.6, "Unit Equity and Distributions". Per unit calculations separate the impact of change in contribution from the change in the weighted average diluted units outstanding.

² The definition of FFO*, as provided by REALPAC, allows for the changes in fair value of financial instruments which are economically effective hedges to be excluded from the calculation of FFO*. The portion of the fair value change to derivatives which did not relate to an economically effective hedge negatively impacted fair value in the period ending September 30, 2024.

FFO** for the nine months ended September 30, 2024 was \$0.043 per unit, or 3.6%, higher than the comparable period in 2023. NOI** increased \$0.035 per unit from Same Properties and \$0.343 per unit from the Acquisitions. These increases were partially offset by higher net interest and other financing charges of \$0.238 per unit, higher general and administrative expenses of \$0.012 per unit, and the net change in the units outstanding resulted in a \$0.099 per unit decrease (issuances for the Acquisitions partially offset by NCIB activity).

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

In August 2024, Primaris issued \$500.0 million of senior unsecured debentures and used a portion of the proceeds to repay outstanding debt (see Section 10.3, "Components of Total Debt"). FFO** was impacted by these financing activities in the third quarter of 2024:

- \$1.7 million of the negative adjustment to fair value on settled derivatives related to an unhedged position;
- \$0.9 million increase in interest expense from the interest rate differences between debt issued, debt repaid, and interest earned from the term deposit and cash balances; and
- \$0.2 million gain on the repurchase and cancellation of debentures.

Excluding the \$2.4 million net impact of these financing activities, FFO** per unit for the nine months ended September 30, 2024 would have been \$1.252 per unit which would be \$0.066, or 5.6%, higher than the same period of the prior year.

The table below compares the composition of AFFO** and illustrates the drivers of the changes for the nine months ended September 30, 2024 as compared to the same period in 2023.

(\$ thousands except per unit amounts) (unaudited) For the nine months ended September 30,	2024		2023		Change	
	Contribution	per unit ¹	Contribution	per unit ¹	Contribution	per unit ¹
FFO**	\$ 131,104	\$ 1.229	\$ 117,097	\$ 1.186	\$ 14,007	\$ 0.142
Internal costs for leasing activity	(5,995)	(0.056)	(5,686)	(0.057)	(309)	(0.003)
Straight-line rent adjustment	(5,181)	(0.049)	(1,947)	(0.020)	(3,234)	(0.033)
Recoverable and non-recoverable costs	(11,982)	(0.113)	(9,238)	(0.094)	(2,744)	(0.028)
Tenant allowances and leasing costs	(16,037)	(0.150)	(13,274)	(0.134)	(2,763)	(0.028)
Impact from variance of units outstanding	—	—	—	—	—	(0.070)
AFFO** and AFFO** per unit - average diluted¹	\$ 91,909	\$ 0.861	\$ 86,952	\$ 0.881	\$ 4,957	\$ (0.020)
AFFO Payout Ratio**	76.7 %		70.1 %		6.6 %	

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

¹ Per weighted average units outstanding calculated on a diluted basis, assuming the exchange of Convertible Preferred LP Units for Trust Units. See Section 10.6, "Unit Equity and Distributions". Per unit calculations separate the impact of change in contribution from the change in the weighted average diluted units outstanding.

AFFO** for the nine months ended September 30, 2024 was \$0.020 per unit lower than the comparable period in 2023. The decrease was driven by higher operating capital spending, increased net interest and other financing charges and the net change in units outstanding. These decreases were partially offset by increased NOI**.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

To recognize the variability of operating capital spending between quarters, AFFO** is presented below on a rolling four-quarter basis and compared to the results of the most recent year end.

(\$ thousands except per unit amounts) (unaudited)	Fiscal year ended	Rolling 4-quarters				
For the periods	December 31, 2023	September 30, 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
Recoverable and non-recoverable costs	\$ 16,222	\$ 18,966	3,691	5,022	3,269	6,984
Tenant allowances and external leasing costs	18,106	20,869	4,994	6,990	4,053	4,832
Total operating capital expenditures	\$ 34,328	\$ 39,835	8,685	12,012	7,322	11,816
AFFO**	\$ 112,531	\$ 117,488	32,284	29,482	30,143	25,579
Weighted average units outstanding ¹ - diluted (in thousands)	99,714	106,697				
AFFO** per unit - average diluted	\$ 1.129	\$ 1.101				

¹ Per weighted average units outstanding calculated on a diluted basis, assuming the exchange of Convertible Preferred LP Units for Trust Units. See Section 10.6, "Unit Equity and Distributions".

The AFFO** per unit calculated on a rolling four-quarter basis for the period ended September 30, 2024 was lower than the results for the fiscal year ended December 31, 2023 primarily due to the increase in weighted average diluted units outstanding and increased operating capital expenditures.

Impact of NCIB Activity on FFO** per unit

Disciplined capital allocation is a key pillar of Primaris' strategy. To this end, management is continuously evaluating source and uses of capital, and assessing return versus risk. To capitalize on the Trust Unit price trading below NAV** per unit, the Trust purchased units for cancellation, on a leverage neutral basis, under its NCIB program (see Section 10.7, "Normal Course Issuer Bid").

During the nine months ended September 30, 2024, Primaris purchased 1,144,500 Trust Units for cancellation at an average value per unit of \$13.67 representing a discount of 37.3% to NAV** per unit (nine months ended September 30, 2023 - 2,699,100, \$14.02 and 35.6%, respectively).

The table below illustrates the estimated positive impact of total NCIB activity from inception to September 30, 2024 and September 30, 2023, respectively, on FFO** per unit assuming the capital allocated to Trust Unit repurchases was instead applied to debt repayment.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

(\$ thousands except per unit amounts) (unaudited)			
For the nine months ended September 30,		2024	2023
FFO**	\$	131,104	\$ 117,097
FFO** per unit ¹ - average diluted - excluding NCIB activity	\$	1.135	\$ 1.127
FFO** per unit ¹ - average diluted		1.229	1.186
Increase to FFO** per unit from NCIB activity	\$	0.094	\$ 0.059
FFO**	\$	131,104	\$ 117,097
Estimated impact to interest due to NCIB spending		4,845	2,903
FFO** with estimated interest impact	\$	135,949	\$ 120,000
FFO** per unit ¹ - average diluted - excluding NCIB activity and estimated interest impact	\$	1.177	\$ 1.155
FFO** per unit ¹ - average diluted		1.229	1.186
Increase to FFO** per unit from NCIB activity net of estimated interest impact	\$	0.052	\$ 0.031
Weighted average units outstanding ¹ - diluted (in thousands)		106,697	98,721
Reverse NCIB activity of the prior years		8,295	3,886
Reverse weighted average NCIB activity in current year		473	1,296
Weighted average units outstanding ¹ - excluding NCIB activity		115,465	103,903

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

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".

By purchasing Trust Units at a discount to NAV** per unit, management crystallized the opportunity to increase Unitholders' value with low risk and to positively impact FFO** and AFFO** per unit.

The chart below illustrates the potential interest expense savings if the capital allocated to unit repurchases was instead applied to debt repayment.

(\$ thousands) (unaudited)		NCIB Spend in the		Cumulative NCIB		Weighted Average		Estimated Potential	
For the periods		Quarter		Spend		Interest Rate at the		Interest Savings for the	
						Quarter End		Quarter	
2022 Year	\$	54,127						\$	1,250
Q1 2023	\$	17,800	\$	71,927		4.76 %	\$	856	
Q2 2023		4,104	\$	76,031		4.77 %		907	
Q3 2023		15,934	\$	91,965		4.96 %		1,140	
Q4 2023		22,797	\$	114,762		5.11 %		1,466	
2023 Year	\$	60,635						\$	4,369
Q1 2024	\$	2,767	\$	117,529		5.21 %	\$	1,531	
Q2 2024		4,720	\$	122,249		5.19 %		1,586	
Q3 2024		8,160	\$	130,409		5.30 %		1,728	
2024 Year to date	\$	15,647						\$	4,845

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10. LIQUIDITY AND CAPITAL RESOURCES

10.1 Major Cash Flow Components

(\$ thousands) (unaudited) For the periods ended September 30,	Three months		Nine months	
	2024	2023	2024	2023
Cash and cash equivalents, beginning of period	\$ 80,756	\$ 42,206	\$ 44,323	\$ 10,954
Cash flows provided by (used in):				
Operating activities	43,550	48,062	95,275	110,670
Financing activities	177,597	94,376	163,653	118,755
Investing activities	(140,308)	(183,363)	(141,656)	(239,098)
Cash and cash equivalents, end of the period	\$ 161,595	\$ 1,281	\$ 161,595	\$ 1,281

Cash flows provided by (used in) operating activities

Three Months

The decrease in cash flows from operating activities in 2024 compared to the same period of 2023 was primarily due to the increased interest paid.

Nine Months

The decrease in cash flows from operating activities in 2024 compared to the same period of 2023 was primarily due to the increased interest paid partially offset by the increased contribution from the properties' operations.

Management endeavours to fund ongoing operations and operating capital expenditures with cash flows from operating activities.

Cash flows provided by (used in) financing activities

Three Months

Cash flows from financing activities were higher in 2024 compared to the same period of 2023. The net proceeds, from debt issuance less debt repayments, was greater in the current quarter.

Nine Months

The increase in cash flows from financing activities in 2024 compared to the same period of 2023 was due higher net proceeds, from debt issuance less debt repayments, and lower spending under the NCIB in 2024.

Cash flows provided by (used in) investing activities

Three Months

The decrease in cash flows used in investing activities in 2024 over the same period of 2023 was primarily due to the acquisition of Conestoga Mall in the third quarter of 2023.

Nine Months

The decrease in cash flows used in investing activities in 2024 over the same period of 2023 was primarily due to the acquisition of Conestoga Mall in 2023 and the \$40.8 million repayment of the note receivable from a co-ownership partner in 2024.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

10.2 Liquidity and Unencumbered Assets

Primaris manages its liquidity in order to fund its ongoing operations, finance future growth, and refinance or meet maturing payment obligations. Sources of liquidity primarily consist of cash flows from operations, cash and cash equivalents, and available capacity under Primaris' unsecured credit facilities. Refinancing encumbered assets is another source of liquidity. There is also the potential to refinance low leverage assets at higher levels to access additional liquidity. If necessary, Primaris is also able to obtain financing on its unencumbered assets. Liquidity from the balance of cash and cash equivalents, and the undrawn balances on Primaris' various unsecured credit facilities at September 30, 2024 and December 31, 2023 were as follows:

(\$ thousands) (unaudited)		Liquidity		Liquidity	
As at		September 30, 2024	December 31, 2023	Change	
Cash and cash equivalents		\$ 161,595	\$ 44,323	\$ 117,272	
Unsecured credit facilities:	Facility Limit:				
Unsecured syndicated revolving term ¹	\$600,000	530,000	600,000	(70,000)	
Unsecured revolving demand	\$10,000	10,000	10,000	—	
Liquidity		\$ 701,595	\$ 654,323	\$ 47,272	

¹ Liquidity calculation excludes the impact of outstanding letters of credit as at September 30, 2024 of \$803 (December 31, 2023 - \$742).

The following table summarizes key metrics relating to Primaris' unencumbered assets and unsecured debt.

(\$ thousands) (unaudited)				
As at	Target Ratio	September 30, 2024	December 31, 2023	Change
Unencumbered assets - number		30	33	(3)
Unencumbered assets - value		\$ 3,325,797	\$ 3,362,901	\$ (37,104)
Unencumbered assets as a percentage of the investment properties		87.5%	88.8%	(1.3)%
Secured debt to Total Debt**	<40%	13.7%	19.7%	(6.0)%
Unsecured Debt		\$ 1,503,120	\$ 1,200,000	\$ 303,120
Unencumbered assets to unsecured debt		2.2x	2.8x	(0.6)x
Unencumbered assets in excess of unsecured debt		\$ 1,822,677	\$ 2,162,901	\$ (340,224)
Percent of Cash NOI** generated by unencumbered assets		86.1%	85.4%	0.7%

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

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

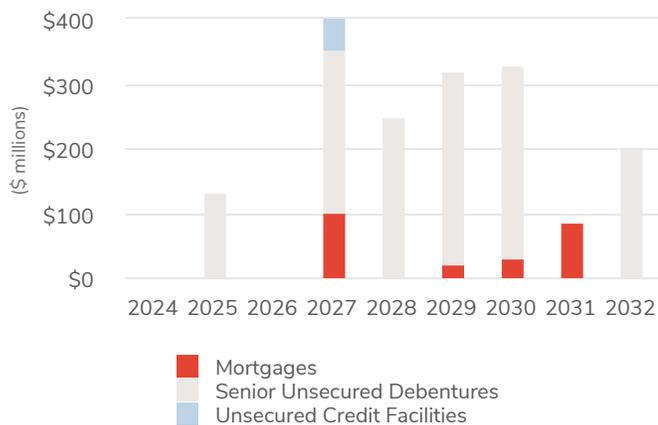
10.3 Components of Total Debt

The weighted average term to maturity for the Total Debt** outstanding is 4.2 years. The breakdown of Primaris' future principal repayments as at September 30, 2024 and for each of the years ended December 31 was as follows:

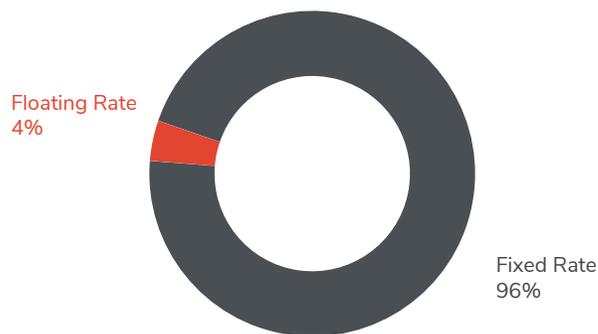
(\$ thousands) (unaudited)	Senior Unsecured Debentures	Rate	Mortgages Payable	Rate	Unsecured Credit Facilities	Rate	Total Debt	Rate
2024 remainder	\$ —		\$ 1,149	3.93%	\$ —		\$ 1,149	3.93%
2025	133,120	4.27%	4,698	3.93%	—		137,818	4.26%
2026	—		4,882	3.93%	—		4,882	3.93%
2027	250,000	4.82% ¹	97,864	4.35%	70,000	5.81%	417,864	4.88%
2028	250,000	5.93%	2,017	3.46%	—		252,017	5.91%
Thereafter	800,000	5.59%	127,704	4.88%	—		927,704	5.49%
Total Debt**	\$ 1,433,120	5.39%	\$ 238,314	4.60%	\$ 70,000	5.81%	\$ 1,741,434	5.30%
Unamortized:								
Debt discounts	(3,577)		—		—		(3,577)	
Financing costs	(5,806)		(686)		—		(6,492)	
	\$ 1,423,737		\$ 237,628		\$ 70,000		\$ 1,731,365	

¹ Effective interest rate after accounting for any discounts to the face amount of the debt at the time of issuance.

Debt Maturity Profile



Exposure to Floating Interest Rates



PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

Senior unsecured debentures

As at September 30, 2024, the Trust's senior unsecured debentures had a weighted average effective interest rate of 5.39%, after accounting for any discounts to the face amount of the debt at the time of issuance, and a weighted average term to maturity of 4.3 years (December 31, 2023 - 5.45% and 3.8 years).

Series	Issuance Date	Maturity Date	Interest Rate	As at	
				September 30, 2024	December 31, 2023
A	March 30, 2022	March 30, 2027	4.727%	\$ 250,000	\$ 250,000
B	March 30, 2022	March 30, 2025	4.267%	133,120	200,000
C	March 29, 2023	March 29, 2028	5.934%	250,000	250,000
D	November 22, 2023	June 30, 2029	6.374%	300,000	300,000
E	August 12, 2024	March 15, 2030	4.998%	300,000	—
F	August 12, 2024	March 15, 2032	5.304%	200,000	—
				\$ 1,433,120	\$ 1,000,000

2024

On August 12, 2024, Primaris completed a private placement of \$500 million aggregate principal amount of senior unsecured debentures, consisting of (i) \$300 million aggregate principal amount of Series E debentures due March 15, 2030 and (ii) \$200 million aggregate principal amount of Series F debentures due March 15, 2032. The Series E debentures were issued at a price equal to \$999.93 per thousand principal amount and bear interest at a fixed annual rate of 4.998%, with semi-annual installments of interest due on March 15th and September 15th in each year, commencing on March 15, 2025 until maturity, unless redeemed at an earlier date. The Series F debentures were issued at a price equal to \$999.93 per thousand principal amount and bear interest at a fixed annual rate of 5.304%, with semi-annual installments of interest due on March 15th and September 15th in each year, commencing on March 15, 2025 until maturity, unless redeemed at an earlier date.

A portion of the net proceeds were used to:

- prepay the \$200 million non-revolving term credit facility maturing February 5, 2026;
- prepay \$40 million of secured debt maturing March 27, 2027;
- repurchase \$66.9 million aggregate principal amount of Series B senior unsecured debentures at a price equal to \$983.92 per thousand principal amount; and
- invest \$100 million in short term investments towards retiring the remaining \$133.1 million aggregate principal of the Series B debentures maturing March 30, 2025.

As a result of the \$500 million senior unsecured debenture issuance in August 2024, Primaris extended the term to maturity and eliminated the refinancing risk for the March 2025 Series B senior unsecured debenture maturity. There are no other debt maturities until 2027.

2023

On November 22, 2023, Primaris completed a private placement of \$400 million aggregate principal amount of senior unsecured debentures, consisting of (i) \$300 million aggregate principal amount of Series D debentures due June 30, 2029, and (ii) \$100 million aggregate principal amount reopening of the Series A debentures due March 30, 2027.

The Series D debentures were issued at a price equal to \$999.88 per thousand principal amount and bear interest at a fixed annual rate of 6.374%, with semi-annual installments of interest due on June 30th and December 30th in each year, unless redeemed at an earlier date. The additional Series A debentures were issued at a price of \$952.30 per thousand principal amount, with an effective yield to maturity of 6.325% and otherwise have the same terms and conditions and constitute part of the same series as the \$150 million aggregate principal amount of the Series A debentures issued by the Trust on March 30, 2022.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

On March 29, 2023, Primaris completed a private placement of \$250 million aggregate principal amount of Series C senior unsecured debentures due March 29, 2028. The Series C debentures bear interest at a fixed annual rate of 5.934%, with semi-annual installments of interest due on March 29th and September 29th until maturity, unless redeemed at an earlier date. The Series A debentures and Series B debentures bear interest at a fixed annual rate of 4.727% and 4.267%, respectively, with semi-annual installments of interest due on March 30th and September 30th in each year until maturity, unless redeemed at an earlier date.

Mortgages payable

At September 30, 2024, Primaris had \$238.3 million (December 31, 2023 - \$293.8 million) mortgages payable bearing interest at fixed rates with a weighted average effective interest rate of 4.60% and a weighted average term to maturity of 4.6 years (December 31, 2023 - 4.03% and 4.1 years).

In the first quarter of 2024, Primaris entered into new secured debt on Regent Mall and on Cataraqui Town Centre. In the third quarter of 2024, Primaris repaid the debt on Place d'Orleans Shopping Centre and Regent Mall.

(\$ thousands) unaudited)				As at	
Property	Location	Maturity	Contractual Interest	September 30, 2024	December 31, 2023
Cataraqui Town Centre ¹	Kingston, ON	January 2024	3.16%	\$ —	\$ 37,389
Place d'Orleans Shopping Centre ^{1,2}	Ottawa, ON	August 2024	2.85%	—	49,953
Regent Mall ^{1,2}	Fredericton, NB	March 2027	5.81%	—	—
Cataraqui Town Centre ¹	Kingston, ON	April 2027	5.29%	34,716	—
Place du Royaume ¹	Chicoutimi, QC	November 2027	3.80%	67,774	69,322
Edinburgh Market Place	Guelph, ON	March 2029	3.45%	20,326	20,869
McAllister Place ¹	Saint John, NB	January 2030	3.41%	30,498	31,270
Stone Road Mall	Guelph, ON	March 2031	5.52%	85,000	85,000
			4.55%	\$ 238,314	\$ 293,803

¹ Properties held in co-ownership arrangements. See Section 7.2, "Co-ownership Arrangements".

² Primaris repaid its share of the debt, however debt on the property attributable to the co-owner was still outstanding at September 30, 2024 and impacted the Trust's guarantees (see Section 10.9, "Contractual Obligations").

Unsecured credit facilities

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. The syndicated revolving credit facility bears interest at variable rates of either: (i) Prime plus 0.35% per annum, or (ii) Adjusted Canadian Overnight Repo Rate Average ("CORRA") plus 1.35% per annum and a commitment fee on undrawn amounts of 0.27% per annum.

As at September 30, 2024, Primaris had \$70 million drawn on its \$600 million unsecured syndicated revolving term facility (December 31, 2023 - nil).

As at September 30, 2024, Primaris had repaid and cancelled its \$200 million unsecured syndicated non-revolving term facility (December 31, 2023 - fully drawn), and had settled the \$200 million interest rate swaps which had hedged the underlying variable rate on the non-revolving term facility.

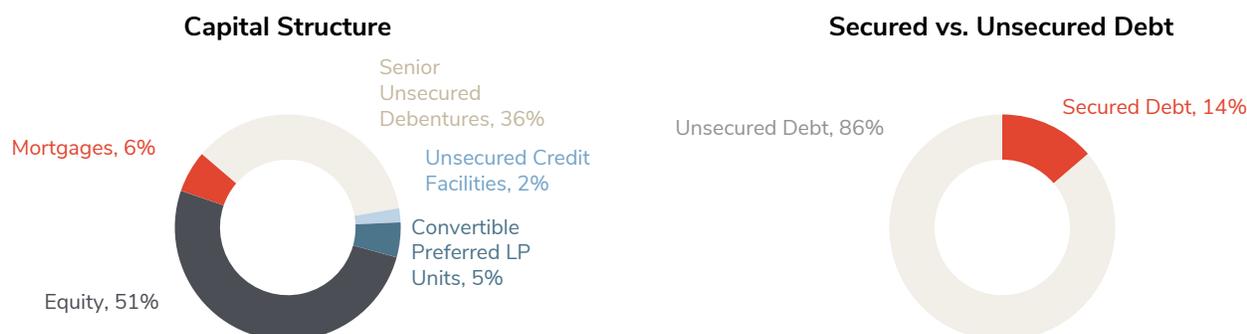
Primaris also has a \$10 million unsecured revolving demand facility to finance temporary overdraft positions bearing interest at Prime plus 0.50% per annum. No amount was drawn on this facility at September 30, 2024 (December 31, 2023 - nil).

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

10.4 Capital Structure

The Trust is subject to certain financial and non-financial covenants under its senior unsecured debentures and credit facilities that include maintaining certain leverage and interest coverage ratios. As at September 30, 2024, Primaris is compliant with all of its applicable financial covenants. It is a strategic objective of management to maintain a highly differentiated financial model that includes a strong balance sheet and conservative capital structure.



The table below illustrates the Trust's Total Debt** to Total Assets**.

(\$ thousands) (unaudited)				
As at	September 30, 2024	December 31, 2023	Change	
Investment properties	\$ 3,583,797	\$ 3,695,435	\$ (111,638)	
Investment properties classified as held for sale	218,353	89,912	128,441	
Cash and cash equivalents	161,595	44,323	117,272	
Term deposit	100,000	—	100,000	
Other assets	75,670	69,964	5,706	
Total assets	\$ 4,139,415	\$ 3,899,634	\$ 239,781	
Mortgages payable	\$ 238,314	\$ 293,803	\$ (55,489)	
Senior unsecured debentures	1,433,120	1,000,000	433,120	
Unsecured credit facilities	70,000	200,000	(130,000)	
Debt or Total Debt**	\$ 1,741,434	\$ 1,493,803	\$ 247,631	
Convertible Preferred LP Units	202,716	179,150	23,566	
Other liabilities	108,389	122,754	(14,365)	
Total liabilities	\$ 2,052,539	\$ 1,795,707	\$ 256,832	
Unitholders' equity	\$ 2,086,876	\$ 2,103,927	\$ (17,051)	
Add: Convertible Preferred LP Units	202,716	179,150	23,566	
Add: Obligation for purchase of Trust Units under automatic share purchase plan ¹	—	1,800	(1,800)	
Net Asset Value**	\$ 2,289,592	\$ 2,284,877	\$ 4,715	
Total Debt** to Total Assets**²	42.1%	38.3%	3.8%	

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

¹ Liability recorded for the obligation to purchase Trust Units during the blackout period after September 30, 2024 under the automatic share purchase plan, but respective Trust Units were not yet cancelled.

² The debt ratio is a non-GAAP ratio calculated on the basis described in the Trust Indentures.

The Total Debt** to Total Assets** metric was impacted at September 30, 2024 by the large amount of cash on hand. Calculated as Net Debt** to Total Assets** net of cash and cash equivalents, the ratio would have been 38.2%.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

Net Asset Value**

Management believes that NAV** and NAV** per unit are useful measures of the intrinsic value of the Trust. Primaris' low FFO Payout Ratio** contributes to NAV** growth.

(\$ thousands except per unit amounts) (unaudited)	As at and for the nine months ended September 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 before adjustments to fair value	117,584	147,407
Adjustments to fair value of derivative instruments	(3,546)	(540)
Adjustments to fair value of unit-based compensation	(1,830)	901
Adjustments to fair value of Convertible Preferred LP Units	(23,566)	(5,066)
Adjustments to fair value of investment properties	(31,333)	(40,431)
Trust Unit Distributions	(60,513)	(79,342)
	2,281,673	2,123,066
Other capital allocation activities		
NCIB activity	(15,647)	(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	23,566	179,150
Settlement of vested Restricted Trust Units	—	629
NAV** end of the period	\$ 2,289,592	\$ 2,284,877
NAV** per unit outstanding	\$ 21.82	\$ 21.54
Number of units outstanding ¹ - end of period (in thousands)	104,913	106,058

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

¹ Units outstanding assumes the exchange of Convertible Preferred LP Units for Trust Units. See Section 10.6, "Unit Equity and Distributions".

In the nine months ended September 30, 2024, NAV** grew \$4.7 million or \$0.28 per unit outstanding. During the nine months ended September 30, 2024, Primaris repurchased and cancelled 1,144,500 Trust Units. This activity contributed a \$0.23 per unit increase to NAV** (assuming units outstanding as the only variable changing).

In the year ended December 31, 2023, NAV** grew \$184.7 million. Excluding the net growth from other capital allocation activities, NAV** grew \$22.9 million despite incurring a negative \$40.4 million adjustment to the fair value of investment properties primarily due to the expansion of discount and terminal capitalization rates by 12bps and a negative \$26.1 million impact due to higher interest expense.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

Impact of NCIB Activity on NAV** per unit

To capitalize on the Trust Units trading at a price below the NAV** per unit, Primaris continued to purchase Trust Units for cancellation under its NCIB program, on a leverage neutral basis (see Section 10.7, "Normal Course Issuer Bid"). During the nine months ended September 30, 2024, Primaris purchased 1,144,500 Units for cancellation at an average value per unit of \$13.67 representing a discount of 37.3% to NAV** per unit (year ended December 31, 2023 - 4,409,100, \$13.75 and 36.2%, respectively).

The tables below illustrate the difference between the value of the Trust Units repurchased under the NCIB program assuming such Trust Units were repurchased at Net Asset Value** versus the actual cost to repurchase the Trust Units. This calculation only captures the benefit of the discount to NAV** at the time of purchase reflecting the minimum accretive benefit of the NCIB program to NAV** per unit.

(\$ thousands except per unit amounts) (unaudited)		Quarter ended	Quarter ended	Quarter ended	Quarter ended	As at
As at or for the periods ending	2024 Year-to-Date	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
NAV** per unit		\$ 21.82	\$ 22.04	\$ 21.86	\$ 21.54	
Trust Units repurchased under NCIB (in thousands)	1,144	589	354	201		
Value of Trust Units repurchased at the average of NAV** per unit in the quarter ¹	\$ 25,016	\$ 12,852	\$ 7,802	\$ 4,362		
Cost of repurchased units under NCIB	15,647	8,160	4,720	2,767		
Excess value over repurchase cost	\$ 9,369	\$ 4,692	\$ 3,082	\$ 1,595		
Excess value repurchased per unit	\$ 0.09	\$ 0.04	\$ 0.03	\$ 0.02		
Units outstanding at the end of the period (in thousands) ²		104,913	105,503	105,857	106,058	

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

¹ Average NAV** per unit for the purposes of this table is calculated as a simple average of the NAV** per unit over two quarters.

² Units outstanding assumes the exchange of Convertible Preferred LP Units for Trust Units. See Section 10.6, "Unit Equity and Distributions".

(\$ thousands except per unit amounts) (unaudited)		Quarter ended	Quarter ended	Quarter ended	Quarter ended	As at
As at or for the periods ending	2023 Year End	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
NAV** per unit		\$ 21.54	\$ 21.76	\$ 21.90	\$ 21.74	\$ 21.49
Trust Units repurchased under NCIB (in thousands)	4,409	1,710	1,181	314	1,204	
Value of Trust Units repurchased at the average of NAV** per unit in the quarter ¹	\$ 95,684	\$ 37,022	\$ 25,781	\$ 6,851	\$ 26,030	
Cost of repurchased units under NCIB	60,635	22,797	15,934	4,104	17,800	
Excess value over repurchase cost	\$ 35,049	\$ 14,225	\$ 9,847	\$ 2,747	\$ 8,230	
Excess value repurchased per unit	\$ 0.35	\$ 0.13	\$ 0.10	\$ 0.03	\$ 0.09	
Units outstanding at the end of the period (in thousands) ²		106,058	99,949	96,243	96,508	97,713

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

¹ Average NAV** per unit for the purposes of this table is calculated as a simple average of the NAV** per unit over two quarters.

² Units outstanding assumes the exchange of Convertible Preferred LP Units for Trust Units. See Section 10.6, "Unit Equity and Distributions".

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

The table below illustrates the positive impact of NCIB activity on NAV** per unit assuming units outstanding as the only variable changing. This calculation captures the combined impact of the drivers of change to NAV** including factors such as growth in NOI**, changes in the discount and terminal capital rates used in the valuation of the investment properties and the impact of retained free cash flow.

(\$ thousands except per unit amounts) (unaudited) For the periods ended,	Nine months ended September 30, 2024		Year ended December 31, 2023	
Impact of NCIB activity on the number of units outstanding:				
Number of units outstanding ¹ - end of period (in thousands)	104,913		106,058	
Number of Trust Units canceled under the NCIB in the year (in thousands)	1,144		4,409	
Number of units outstanding ¹ - excluding NCIB activity (in thousands)	106,057		110,467	
Impact of NCIB on NAV** per unit considering the change to units outstanding:				
Net Asset Value**	\$	2,289,592	\$	2,284,977
NAV** per unit outstanding	\$	21.82	\$	21.54
NAV** per unit outstanding - excluding NCIB activity		21.59		20.68
NAV** per unit impact of change in units outstanding only	\$	0.23	\$	0.86

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

¹ Units outstanding at September 30, 2024 assumes the exchange of Convertible Preferred LP Units for Trust Units. See Section 10.6, "Unit Equity and Distributions".

Debt Metrics

Primaris' conservative capital structure leads to a low Average Net Debt** to Adjusted EBITDA** ratio. The below ratios are calculated on a rolling four-quarters basis.

(\$ thousands) (unaudited) For the rolling four-quarters ended	September 30, 2024		September 30, 2023		Change		December 31, 2023	
Adjusted EBITDA**	\$	242,456	\$	197,588	\$	44,868	\$	206,242
Average Net Debt**	\$	1,411,836	\$	1,051,975	\$	359,861	\$	1,153,843
Average Net Debt** to Adjusted EBITDA** ³ Target 4.0x - 6.0x		5.8x		5.3x		0.5x		5.6x
Interest expense ¹	\$	78,803	\$	51,976	\$	26,827	\$	57,922
Interest Coverage** ^{2,3}		3.1x		3.8x		(0.7)x		3.6x
Principal repayments	\$	6,083	\$	8,002	\$	(1,919)	\$	6,877
Interest expense ¹	\$	78,803	\$	51,976	\$	26,827	\$	57,922
Debt Service Coverage** ³		2.9x		3.3x		(0.4)x		3.2x

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

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 September 30, 2024 and 2023, and December 31, 2023, respectively.

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The table below reconciles net income (loss), as determined in accordance with GAAP, to Adjusted EBITDA** for the three and nine months ended September 30, 2024 and 2023.

(\$ thousands) (unaudited) For the periods ended September 30,	Three months		Nine months	
	2024	2023	2024	2023
Net income (loss)	\$ (30,818)	\$ 20,230	\$ 57,309	\$ 88,418
Interest income ¹	(2,692)	(523)	(3,911)	(1,368)
Net interest and other financing charges	26,181	15,276	71,583	39,925
Amortization	191	374	986	1,123
Adjustments to fair value of derivative instruments	5,473	(3,725)	3,546	(8,050)
Adjustments to fair value of unit-based compensation	2,247	(171)	1,830	(1,168)
Adjustments to fair value of Convertible Preferred LP Units	23,108	224	23,566	224
Adjustments to fair value of investment properties	41,219	22,964	31,333	30,924
Adjusted EBITDA**	\$ 64,909	\$ 54,649	\$ 186,242	\$ 150,028

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

¹ Interest income earned on cash balances.

The tables below illustrate the calculation of Adjusted EBITDA** for the rolling four-quarters ended September 30, 2024 and 2023.

(\$ thousands) (unaudited) For the periods	Rolling 4-quarters				
	September 30, 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
Adjusted EBITDA**	\$ 242,456	64,909	62,790	58,543	56,214

(\$ thousands) (unaudited) For the periods	Rolling 4-quarters				
	September 30, 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Adjusted EBITDA**	\$ 197,588	54,649	48,964	46,415	47,560

The tables that follow illustrate the calculation of Average Net Debt** for the periods ended September 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	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
	Total Debt**	\$ 1,741,434	\$ 1,528,609	\$ 1,530,074	\$ 1,493,803
less: Cash and cash equivalents and term deposit	(261,595)	(80,756)	(74,328)	(44,323)	(1,282)
Net Debt**	\$ 1,479,839	\$ 1,447,853	\$ 1,455,746	\$ 1,449,480	\$ 1,226,262
Average Net Debt**	\$ 1,411,836				

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(\$ thousands) (unaudited)	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
As at					
Total Debt**	\$ 1,227,544	\$ 1,097,270	\$ 1,098,982	\$ 1,009,680	\$ 940,158
less: Cash and cash equivalents and term deposit	(1,282)	(42,206)	(59,301)	(10,954)	(14)
Net Debt**	\$ 1,226,262	\$ 1,055,064	\$ 1,039,681	\$ 998,726	\$ 940,144
Average Net Debt**	\$ 1,051,975				

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

(\$ thousands) (unaudited)	Rolling 4-quarters				
For the periods	September 30, 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
Interest expense ¹	\$ 78,803	22,104	20,204	19,334	17,161

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

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

The tables below illustrate principal repayments, for the calculation of the Debt Service Coverage** ratio, for the rolling four-quarters ended September 30, 2024 and 2023.

(\$ thousands) (unaudited)	Rolling 4-quarters				
For the periods	September 30, 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
Principal repayments	\$ 6,083	1,399	1,465	1,478	1,741

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

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10.5 Credit Rating

The Trust and its senior unsecured debentures are rated by DBRS Morningstar ("DBRS"), an independent credit rating agency which provides credit ratings of debt securities for commercial entities. A credit rating generally provides an indication of the risk that the borrower will not fulfill its full obligations in a timely manner with respect to both interest and principal commitments. Rating categories range from the highest credit quality (generally "AAA") to default in payment (generally "D").

On March 15, 2023, Primaris received an issuer rating upgrade from DBRS to BBB (high), from BBB, maintaining a Stable trend. This issuer rating upgrade resulted in a 0.25% reduction in Primaris' interest rates under its unsecured credit facilities as the applicable interest rate margins under its credit facilities are based on the external credit rating of the Trust. On March 7, 2024, DBRS completed its annual review and confirmed Primaris' issuer rating of BBB (high) with a Stable trend.

The following table sets out the rating attributed to the Trust and its senior unsecured debentures as at September 30, 2024:

	DBRS Morningstar	
	Credit Rating	Trend
Issuer rating	BBB (high)	Stable
Senior unsecured debentures rating	BBB (high)	Stable

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10.6 Unit Equity and Distributions

The table below illustrates the total Trust Units outstanding as at September 30, 2024 and December 31, 2023 assuming the exchange of Convertible Preferred LP Units for Trust Units.

<i>(units outstanding in thousands) (unaudited)</i>		
As at	September 30, 2024	December 31, 2023
Trust Units	95,441	96,586
Convertible Preferred LP Units	9,472	9,472
Total units	104,913	106,058

On October 9, 2024, Primaris completed a \$74.7 million bought deal treasury and secondary equity offering, consisting of a treasury offering of 2,516,011 Trust Units for gross proceeds of approximately \$39.1 million, which included the exercise in full of the over-allotment option, and a secondary offering under which 2,287,283 Trust Units were sold for gross proceeds of approximately \$35.6 million. The Trust Units were sold under the offering at a price of \$15.55 per unit and Primaris received proceeds, net of underwriters' fees, of \$37.6 million. The proceeds were used to repay indebtedness incurred to partially fund the cash portion of the purchase price for Les Galeries de la Capitale.

As at October 31, 2024, there were 100,244,530 Trust Units outstanding, or 112,004,245 assuming the exchange of the Convertible Preferred LP Units to 11,759,715 Trust Units.

Convertible Preferred LP Units

As part of the Conestoga Mall acquisition consideration, a subsidiary limited partnership of the Trust issued \$80.0 million of Convertible Preferred LP Units which are entitled to a preferred distribution of 6.0% per annum payable quarterly. In certain circumstances, the Convertible Preferred LP Units (together with any accrued and unpaid distributions thereon) are exchangeable into Trust Units. Assuming there are no accrued and unpaid distributions on the Convertible Preferred LP Units at the time of exchange, the Convertible Preferred LP Units would be exchangeable into 3,722,662 Trust Units at an exchange price equal to \$21.49 per unit, subject to customary adjustments.

As part of the Halifax Shopping Complex acquisition consideration, a subsidiary limited partnership of the Trust issued \$125.0 million of Convertible Preferred LP Units which are entitled to a preferred distribution of 6.0% per annum payable quarterly. In certain circumstances, the Convertible Preferred LP Units (together with any accrued and unpaid distributions thereon) are exchangeable into Trust Units. Assuming there are no accrued and unpaid distributions on the Convertible Preferred LP Units at the time of exchange, the Convertible Preferred LP Units would be exchangeable into 5,749,770 Trust Units at an exchange price equal to \$21.74 per unit, subject to customary adjustments.

The Convertible Preferred LP Units outstanding at September 30, 2024 were issued at a value of \$205.0 million.

On October 1, 2024, Primaris acquired the assets of Les Galeries de la Capitale in Quebec City, Quebec. As part of the acquisition consideration, a subsidiary limited partnership of the Trust issued \$100 million of Convertible Preferred LP Units which are entitled to a preferred distribution of 6.25% per annum payable quarterly. In certain circumstances, the Convertible Preferred LP Units (together with any accrued and unpaid distributions thereon) are exchangeable into Trust Units. Assuming there are no accrued and unpaid distributions on the Convertible Preferred LP Units at the time of exchange, the Convertible Preferred LP Units would be exchangeable into 4,574,566 Trust Units at an exchange price equal to \$21.86 per unit, subject to customary adjustments. On October 9, 2024, \$50 million of such Convertible Preferred LP Units were converted into 2,287,283 Trust Units.

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Distributions

The Board retains full discretion with respect to the timing and quantum of distributions. However, the total income distributed will not be less than the amount necessary to ensure that the Trust will not be liable to pay income taxes under Part I of the Tax Act.

In determining the amount of distributions to be paid to Unitholders, the Board considers many factors, including the provisions of its amended and restated declaration of trust dated December 15, 2021 (the "Declaration of Trust"), the macro-economic and industry specific environment, the overall financial condition of the Trust, and its future capital requirements, debt covenants, and taxable income. The Board and management regularly review Primaris' rate of distributions to assess the stability of such distributions.

In the nine months ended September 30, 2024, Primaris declared \$60.5 million in distributions on the Trust Units. The monthly distributions reflect an annualized distribution of \$0.84 per unit (year ended December 31, 2023 - \$79.3 million and \$0.8216 per unit).

In the nine months ended September 30, 2024, Primaris declared \$9.2 million in distributions on the Convertible Preferred LP Units (nine months ended September 30, 2023 - \$1.1 million and for the year ended December 31, 2023 - \$2.9 million). The distributions reflect a 6.0% annual rate on the issued value of \$205.0 million.

The tables below summarize the excess or deficit of certain GAAP and non-GAAP measures over the distributions declared for the three and nine months ended September 30, 2024 and 2023.

(\$ thousands) (unaudited)	Three months		Nine months	
	2024	2023	2024	2023
For the periods ended September 30,				
Cash flows provided by operating activities	\$ 43,550	\$ 48,062	\$ 95,275	\$ 110,670
Less: Distributions declared on Trust Units	(20,057)	(19,831)	(60,513)	(59,426)
Less: Distributions declared on Convertible Preferred LP Units	(3,075)	(1,063)	(9,225)	(1,063)
Excess (deficit) of cash flows provided by operating activities over distributions	\$ 20,418	\$ 27,168	\$ 25,537	\$ 50,181

(\$ thousands) (unaudited)	Three months		Nine months	
	2024	2023	2024	2023
For the periods ended September 30,				
AFFO**	\$ 32,284	\$ 29,884	\$ 91,909	\$ 86,952
Less: Distributions declared on Trust Units	(20,057)	(19,831)	(60,513)	(59,426)
Less: Distributions declared on Convertible Preferred LP Units	(3,075)	(1,063)	(9,225)	(1,063)
Excess of AFFO** over distributions	\$ 9,152	\$ 8,990	\$ 22,171	\$ 26,463

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

Taxation of Trust Unit Distributions

The Trust is taxed as a "mutual fund trust" and a real estate investment trust under the Tax Act. The Board intends to distribute all of the Trust's taxable income to the Unitholders and accordingly, the Trust will not be taxed on its Canadian investment property income.

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Distributions per unit

The tables below illustrate the calculation of distributions per unit, considering distributions on both Trust Units and Convertible Preferred LP Units, for the period ending September 30, 2024.

(\$ thousands, except per unit amounts, and units in thousands) (unaudited)									
For the periods ended	January 31, 2024	February 29, 2024	March 31, 2024	Q1 2024	April 30, 2024	May 31, 2024	June 30, 2024	Q2 2024	
Distributions declared on Trust Units	\$ 6,754	\$ 6,750	\$ 6,747	\$ 20,251	\$ 6,743	\$ 6,739	\$ 6,723	\$ 20,205	
Distributions declared on Convertible Preferred LP Units	1,025	1,025	1,025	3,075	1,025	1,025	1,025	3,075	
Total distributions	\$ 7,779	\$ 7,775	\$ 7,772	\$ 23,326	\$ 7,768	\$ 7,764	\$ 7,748	\$ 23,280	
Total distributions - year to date				\$ 23,326				\$ 46,606	
Trust Units outstanding	96,485	96,435	96,385		96,330	96,273	96,031		
Convertible Preferred LP Units outstanding	9,472	9,472	9,472		9,472	9,472	9,472		
Total units outstanding	105,957	105,907	105,857		105,802	105,745	105,503		
Distributions per unit	\$ 0.0734	\$ 0.0734	\$ 0.0734	\$ 0.220	\$ 0.0734	\$ 0.0734	\$ 0.0734	\$ 0.220	
Distributions per unit - year to date				\$ 0.220				\$ 0.440	

(\$ thousands, except per unit amounts, and units in thousands) (unaudited)									
For the periods ended	July 31, 2024	August 31, 2024	September 30, 2024	Q3 2024	October 31, 2024	November 30, 2024	December 31, 2024	Q4 2024	
Distributions declared on Trust Units	\$ 6,692	\$ 6,684	\$ 6,681	\$ 20,057					
Distributions declared on Convertible Preferred LP Units	1,025	1,025	1,025	3,075					
Total distributions	\$ 7,717	\$ 7,709	\$ 7,706	\$ 23,132					
Total distributions - year to date				\$ 69,738					
Trust Units outstanding	95,596	95,491	95,441						
Convertible Preferred LP Units outstanding	9,472	9,472	9,472						
Total units outstanding	105,068	104,963	104,913						
Distributions per unit	\$ 0.0734	\$ 0.0734	\$ 0.0735	\$ 0.220					
Distributions per unit - year to date				\$ 0.660					

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The tables below illustrate the calculation of distributions per unit, considering distributions on both Trust Units and Convertible Preferred LP Units, for the periods ending in 2023.

(\$ thousands, except per unit amounts, and units in thousands) (unaudited)								
For the periods ended	January 31, 2023	February 28, 2023	March 31, 2023	Q1 2023	April 30, 2023	May 31, 2023	June 30, 2023	Q2 2023
Distributions declared on Trust Units	\$ 6,643	\$ 6,621	\$ 6,592	\$ 19,856	\$ 6,585	\$ 6,581	\$ 6,573	\$ 19,739
Distributions declared on Convertible Preferred LP Units	—	—	—	—	—	—	—	—
Total distributions	\$ 6,643	\$ 6,621	\$ 6,592	\$ 19,856	\$ 6,585	\$ 6,581	\$ 6,573	\$ 19,739
Total distributions - year to date	\$ 19,856				\$ 39,595			
Trust Units outstanding	97,315	96,938	96,508		96,413	96,352	96,243	
Convertible Preferred LP Units outstanding	—	—	—		—	—	—	
Total units outstanding	97,315	96,938	96,508		96,413	96,352	96,243	
Distributions per unit	\$ 0.0683	\$ 0.0683	\$ 0.0683	\$ 0.205	\$ 0.0683	\$ 0.0683	\$ 0.0683	\$ 0.205
Distributions per unit - year to date	\$ 0.205				\$ 0.410			

(\$ thousands, except per unit amounts, and units in thousands) (unaudited)								
For the periods ended	July 31, 2023	August 31, 2023	September 30, 2023	Q3 2023	October 31, 2023	November 30, 2023	December 31, 2023	Q4 2023
Distributions declared on Trust Units	\$ 6,646	\$ 6,613	\$ 6,572	\$ 19,831	\$ 6,529	\$ 6,626	\$ 6,761	\$ 19,916
Distributions declared on Convertible Preferred LP Units	263	400	400	1,063	400	421	1,025	1,846
Total distributions	\$ 6,909	\$ 7,013	\$ 6,972	\$ 20,894	\$ 6,929	\$ 7,047	\$ 7,786	\$ 21,762
Total distributions - year to date	\$ 60,489				\$ 82,251			
Trust Units outstanding	97,306	96,822	96,226		95,596	97,006	96,586	
Convertible Preferred LP Units outstanding	3,723	3,723	3,723		3,723	9,472	9,472	
Total units outstanding	101,029	100,545	99,949		99,319	106,478	106,058	
Distributions per unit	\$ 0.0684	\$ 0.0697	\$ 0.0698	\$ 0.208	\$ 0.0698	\$ 0.0662	\$ 0.0734	\$ 0.209
Distributions per unit - year to date	\$ 0.618				\$ 0.827			

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10.7 Normal Course Issuer Bid

On March 7, 2024, Primaris received approval from the TSX to renew its NCIB. Under the NCIB, Primaris has the ability to purchase for cancellation up to a maximum of 6,929,436 of its Trust Units on the open market. The renewed NCIB commenced on March 11, 2024 and remains in effect until the earlier of March 10, 2025 and the date on which Primaris has purchased the maximum number of Units permitted under the NCIB. A copy of the Trust's notice of intention to make a normal course issuer bid may be obtained, free of charge, by contacting info@primarisreit.com.

On March 11, 2024, Primaris entered into a new ASPP in respect of the renewed NCIB permitting the Trust's broker to continue purchasing Units in accordance with certain prearranged trading parameters, during periods when Primaris would not ordinarily be active in the market because of internal trading blackout periods, insider trading rules or otherwise.

During the nine months ended September 30, 2024, Primaris purchased for cancellation 1,144,500 Trust Units under its NCIB program for aggregate consideration of \$15.6 million at an average value per unit of approximately \$13.67.

(Unaudited)	Units Repurchased for Cancellation	Capital Allocated to NCIB	Average Price per unit	NAV** per unit (as at period end date)	Discount from NAV** per unit (as at period end date)	Impact on NAV** per unit outstanding ¹
For the periods ended,						
Year ended December 31, 2022	3,885,700	\$ 54,127	\$ 13.89	\$ 21.49	35.4 %	\$ 0.82
Year ended December 31, 2023	4,409,100	60,635	\$ 13.75	\$ 21.54	36.2 %	0.86
Quarter ended March 31, 2024	201,000	2,767	\$ 13.76	\$ 21.86	37.1 %	0.02
Quarter ended June 30, 2024	354,000	4,720	\$ 13.33	\$ 22.04	39.5 %	0.03
Quarter ended September 30, 2024	589,500	8,160	\$ 13.84	\$ 21.82	36.6 %	0.04
Repurchased to September 30, 2024	9,439,300	\$ 130,409	\$ 13.80	\$ 21.82	36.8 %	\$ 1.77
Repurchased subsequent to September 30, 2024	—	—				
Total repurchases under the NCIB program from inception through October 31, 2024	9,439,300	\$ 130,409	\$ 13.80	\$ 21.82	36.8 %	

¹ The number of units outstanding was the only variable changed in the analysis.

Primaris continues to believe that, from time to time, the market price for the Units may not fully reflect their intrinsic value, and in such circumstances, using the NCIB to repurchase Units is an attractive use of capital until other investment opportunities are available that meet Primaris' disciplined capital allocation approach. For the impact of NCIB activity on FFO** per unit and NAV** per unit, see Section 9.2, "FFO** and AFFO**" and Section 10.4, "Capital Structure", respectively.

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10.8 Off-Balance Sheet Arrangements

In the normal course of operations, Primaris has issued letters of credit in connection with developments, financings, operations and acquisitions. As at September 30, 2024, Primaris had outstanding letters of credit totaling \$368 (December 31, 2023 - \$742).

Primaris has co-owners on various properties. As a rule, Primaris does not provide guarantees or indemnities for these co-owners because should such guarantees be provided, recourse would be available against the Trust in the event of a default of the co-owners. In such case, Primaris would have a claim against the underlying real estate investment. However, in certain circumstances, subject to compliance with the "Declaration of Trust and the determination of management that the fair value of the co-owner's investment is greater than the mortgages payable which require Primaris' guarantee, such guarantees will be provided. As at September 30, 2024, Primaris had issued guarantees relating to co-owners' share of mortgage liabilities amounting to \$141,954 (December 31, 2023 - \$89,322), which expire between 2024 and 2027 (December 31, 2023 - 2024 and 2027).

10.9 Contractual Obligations

The undiscounted future repayments on Primaris' debt instruments, and other contractual obligations, as at September 30, 2024, were as follows:

(\$ thousands) (unaudited)	2024 remainder	2025	2026	2027	2028	Thereafter	Total
Senior unsecured debentures - aggregate principal amount and interest	\$ 9,561	\$ 209,721	\$ 71,377	\$ 315,468	\$ 302,142	\$ 869,180	\$ 1,777,449
Mortgages payable - principal and interest	3,812	15,298	15,310	106,772	8,156	139,211	288,559
Unsecured credit facilities ¹	—	—	—	70,000	—	—	70,000
Other ²	12,225	4,151	955	955	955	6,589	25,830
Total obligation	\$ 25,598	\$ 229,170	\$ 87,642	\$ 493,195	\$ 311,253	\$ 1,014,980	\$ 2,161,837

¹ Excludes interest on credit facilities and letters of credit.

² Includes commitments on short-term regional office leases, land leases, and capital projects.

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11. QUARTERLY RESULTS OF OPERATIONS

The following is a summary of selected consolidated financial information and operating metrics for each of the eight most recently completed quarters.

(in thousands of Canadian dollars unless otherwise indicated)	Third Quarter 2024	Second Quarter 2024	First Quarter 2024	Fourth Quarter 2023	Third Quarter 2023	Second Quarter 2023	First Quarter 2023	Fourth Quarter 2022
Number of investment properties	37	38	39	39	36	35	35	35
GLA (in millions of sq. ft.)	12.4	12.4	12.5	12.5	11.5	10.9	10.9	10.9
In-place occupancy	93.4%	93.0%	92.0%	92.4%	91.0%	89.8%	90.6%	91.1%
Committed occupancy	94.8%	94.4%	94.1%	94.2%	92.8%	91.0%	91.3%	91.5%
Total assets (in millions)	\$ 4,139	\$ 3,960	\$ 3,929	\$ 3,900	\$ 3,508	\$ 3,299	\$ 3,277	\$ 3,202
Total liabilities (in millions)	\$ 2,053	\$ 1,820	\$ 1,801	\$ 1,796	\$ 1,411	\$ 1,195	\$ 1,181	\$ 1,114
Rental revenue	\$119,536	\$120,010	\$119,218	\$113,810	\$104,826	\$95,965	\$96,369	\$99,804
Cash NOI**	\$ 70,024	\$ 67,379	\$ 62,871	\$ 63,509	\$ 58,263	\$ 54,163	\$ 51,187	\$ 53,593
Net income (loss)	\$(30,818)	\$ 42,246	\$ 45,881	\$ 13,853	\$ 20,230	\$ 32,602	\$ 35,586	\$(25,770)
Trust Units outstanding (in thousands)	95,441	96,031	96,385	96,586	96,226	96,243	96,508	97,713
Distribution per Trust Unit	\$ 0.210	\$ 0.210	\$ 0.210	\$ 0.207	\$ 0.205	\$ 0.205	\$ 0.205	\$ 0.202
Cash provided by operating activities	\$ 43,550	\$ 44,373	\$ 7,352	\$ 42,144	\$ 53,316	\$ 51,082	\$ 21,448	\$ 47,948
Operating capital expenditures	\$ 8,685	\$ 12,012	\$ 7,322	\$ 11,816	\$ 9,971	\$ 10,340	\$ 2,201	\$ 9,281
FFO**	\$ 44,558	\$ 45,068	\$ 41,478	\$ 41,235	\$ 42,557	\$ 38,443	\$ 36,097	\$ 38,308
FFO** per unit ³ - average diluted	\$ 0.419	\$ 0.422	\$ 0.388	\$ 0.402	\$ 0.421	\$ 0.395	\$ 0.369	\$ 0.387
FFO Payout Ratio**	52.5%	52.2%	56.7%	52.1%	49.4%	51.9%	55.5%	52.1%
AFFO**	\$ 32,284	\$ 29,482	\$ 30,143	\$ 25,579	\$ 29,884	\$ 25,852	\$ 31,216	\$ 26,782
AFFO** per unit ³ - average diluted	\$ 0.304	\$ 0.276	\$ 0.282	\$ 0.249	\$ 0.296	\$ 0.266	\$ 0.319	\$ 0.271
Total Debt** to Total Assets** ¹	42.1%	38.6%	38.9%	38.3%	35.0%	33.3%	33.5%	31.5%
Average Net Debt** to Adjusted EBITDA** ²	5.8x	5.7x	5.7x	5.6x	5.3x	5.2x	5.1x	5.0x
Secured debt to Total Debt**	13.7%	21.5%	21.6%	19.7%	24.1%	27.1%	27.2%	21.4%
Weighted average term to debt maturity of Total Debt** (in years)	4.2	3.2	3.4	3.6	3.6	3.6	3.9	3.2
Weighted average interest rate of Total Debt**	5.30%	5.19%	5.21%	5.11%	4.96%	4.77%	4.76%	4.87%
NAV** per unit outstanding	\$ 21.82	\$ 22.04	\$ 21.86	\$ 21.54	\$ 21.76	\$ 21.90	\$ 21.74	\$ 21.49
Unit market price - closing	\$ 16.35	\$ 13.27	\$ 13.95	\$ 13.80	\$ 13.49	\$ 13.47	\$ 13.51	\$ 14.64

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

¹ Calculated on the basis described in the Trust Indentures.

² Adjusted EBITDA** was calculated on a rolling four-quarters basis for the periods ended in fiscal 2023 and Average Net Debt** was calculated as the average of Net Debt** at the beginning of the period and each quarter end during the rolling four-quarters included in the calculation of Adjusted EBITDA**. Financial results from 2021, prior to Primaris' spin-out and the acquisition of properties on December 31, 2021, have minimal comparative value. Accordingly, for the periods ended in fiscal 2022, Adjusted EBITDA** was calculated on an annualized basis and the Average Net Debt** was calculated as the simple average of Net Debt** at the beginning and end of the period. The presentation of the 2022 values was updated from previously reported which was based on the three month results, not annualized.

³ Distributions declared per unit used in calculating the FFO* and AFFO* Payout Ratios include distributions declared on Convertible Preferred LP Units at 6% per annum. See Section 10.6, "Unit Equity and Distributions".

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

Factors impacting quarterly results of operations

The amount and timing of acquisition, disposition and development activities.

Seasonality: The rental revenues in the fourth quarters are positively impacted by seasonality.

Third quarter 2024: Disposition of non-grocery store anchored plaza.

Third quarter 2024: Total Debt** to Total Assets** increased and secured debt to Total Debt** decreased in the quarter due to the issuance of \$500 million aggregate principal of senior unsecured debentures.

Second quarter 2024: Disposition of non-grocery store anchored plaza.

Fourth quarter 2023: Total Debt** to Total Assets** increased and secured debt to Total Debt** decreased in the quarter due to the issuance of \$400.0 million aggregate principal of senior unsecured debentures.

Fourth quarter 2023: Quarterly results of operations were impacted by the November 30, 2023 acquisition of the Halifax Shopping Complex for aggregate consideration comprised of \$200.0 million of cash, the issuance of \$45.0 million of Trust Units at an issue price of \$21.74 per unit, and the issuance of \$125.0 million of 6.0% Convertible Preferred LP Units exchangeable into Trust Units in certain circumstances at an exchange price equal to \$21.74 per unit, subject to customary adjustments.

Third quarter 2023: Quarterly results of operations were impacted by the July 12, 2023 acquisition of Conestoga Mall for aggregate consideration comprised of \$165.0 million of cash, the issuance of \$25.0 million of Trust Units at an issue price of \$21.49 per unit, and the issuance of \$80.0 million of 6.0% Convertible Preferred LP Units exchangeable into Trust Units in certain circumstances at an exchange price equal to \$21.49 per unit, subject to customary adjustments.

First quarter 2023: Total Debt** to Total Assets** and secured debt to Total Debt** increased in the quarter due to the issuance of \$250.0 million Series C Debentures and the placement of a \$85.0 million mortgage.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

12. NON-GAAP MEASURES

The Financial Statements were prepared in accordance with IFRS. However, certain measures are included in this MD&A that do not have a standardized meaning under GAAP in accordance with IFRS. These non-GAAP measures include non-GAAP financial measures and non-GAAP ratios, each as defined in NI 52-112.

Management believes these non-GAAP measures are useful to assessing the Trust's performance period over period and the Trust's ability to meet its financial obligations. However, none of the 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. These non-GAAP financial measures are defined below and are cross referenced, as applicable, to a quantitative reconciliation contained in this MD&A to the most directly comparable GAAP financial measure in the Financial Statements.

Non-GAAP Measure	Description	Reconciliation
Net Operating Income (NOI)	<p>Defined as rental revenue, as calculated under GAAP, less property operating costs, as calculated under GAAP. The calculation excludes certain expenses such as interest in order to reflect properties' operations regardless of how they are financed.</p> <p>Management believes that NOI is an important measure of the income generated from the income-producing properties and is used by the Trust in evaluating the performance of the portfolio. It is also a key input in determining the value of the income-producing portfolio.</p>	Section 9.1, "Components of Net Income (Loss)"
Cash NOI	<p>Defined as NOI net of revenue from straight-line rent adjustment and lease surrender revenue.</p> <p>Straight-line rent adjustments result from the difference between cash rent received and revenue recognized on a straight-line basis over the full term of the lease for accounting purposes. This is a non-cash amount.</p> <p>Lease surrender revenue is earned when a tenant returns space to Primaris before the completion of the lease term. These amounts are not earned evenly over any calendar year and are not predictable.</p> <p>Management believes excluding non-cash revenue from straight-line rent adjustment and inconsistently earned lease surrender revenue from the Cash NOI calculation provides further insights to the operations of the income-producing property portfolio.</p>	Section 9.1, "Components of Net Income (Loss)"
Cash NOI Margin	<p>Cash NOI Margin is a ratio calculated based on Cash NOI as a percentage of rental revenue excluding the impact of straight-line rent adjustment and lease surrender revenue.</p> <p>Management believes that Cash NOI Margin is an important measure of the percentage of income generated from the income-producing properties and is used to evaluate the performance of the portfolio.</p>	Section 9.1, "Components of Net Income (Loss)"
Same Properties NOI / Cash NOI	<p>Same Properties NOI / Cash NOI is used to assess the period-over-period performance of those income-producing properties owned and operated by Primaris in both periods, excluding properties under development or major redevelopment. NOI / Cash NOI from properties that have been acquired, disposed or are subject to significant change as a result of new development, redevelopment, expansion or demolition are excluded from the determination of Same Properties NOI / Cash NOI.</p> <p>Management believes Same Properties NOI / Cash NOI is useful in evaluating the realization of contractual rental rate changes embedded in lease agreements, and understanding the impact of period-over-period changes in occupancy, rental rates and operating costs on income-producing property performance.</p>	Section 9.1, "Components of Net Income (Loss)"

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

Non-GAAP Measure	Description	Reconciliation
Funds from Operations (FFO) / FFO per unit	<p>Primaris calculates FFO as defined by REALPAC. In calculating FFO, net income (or loss) is adjusted for items that do not arise from operating activities.</p> <p>Management believes that FFO is a useful measure of operating performance that, when compared period over period, reflects the impact on operations of trends in occupancy levels, rental rates, acquisition activity, and financing costs.</p> <p>FFO per unit is a non-GAAP ratio calculated by dividing FFO by the weighted average units, basic or diluted, outstanding during the period. The calculation for the units outstanding assumes the exchange of Convertible Preferred LP Units for Trust Units.</p>	Section 9.2, "FFO** and AFFO***"
Adjusted Funds from Operations (AFFO) / FFO per unit	<p>Primaris calculates AFFO as defined by REALPAC. In calculating AFFO, FFO is adjusted for capital expenditures incurred to maintain the existing productive capacity of the property portfolio and eliminates the impact of straight-line rent adjustment. AFFO is impacted by the seasonality inherent in the timing of executing operating capital projects.</p> <p>Management believes that AFFO is a useful measure of operating performance. AFFO per unit is a non-GAAP ratio calculated by dividing AFFO by the weighted average units, basic or diluted, outstanding during the period. The calculation for the units outstanding assumes the exchange of Convertible Preferred LP Units for Trust Units.</p>	Section 9.2, "FFO** and AFFO***"
FFO and AFFO Payout Ratios	<p>FFO and AFFO Payout Ratios are supplementary measures calculated as cash distributions per unit divided by FFO and AFFO per diluted unit, respectively. Distributions per unit considers distributions paid on both the Trust Units and the Convertible Preferred LP Units.</p> <p>Primaris uses these ratios to assess the sustainability of the Trust's distribution payments.</p>	Section 9.2, "FFO** and AFFO***"
Secured debt to Total Debt	<p>Secured debt to Total Debt is a non-GAAP ratio calculated as total secured debt divided by total debt.</p> <p>This ratio is a useful measure of the Trust's relative exposure to secured and unsecured debt in relation to total debt.</p>	Section 10.2, "Liquidity and Unencumbered Assets"
Unencumbered Assets to Unsecured Debt	<p>Unencumbered Assets to Unsecured Debt is a non-GAAP ratio calculated as the carrying value of all investment properties that have not been pledged as security for debt divided by total unsecured indebtedness.</p> <p>This ratio is a useful measure of the investment properties available to satisfy unsecured debt obligations.</p>	Section 10.2, "Liquidity and Unencumbered Assets"
Debt or Total Debt	<p>Debt (or Total Debt), as defined for use in certain financial ratios, is calculated as total outstanding debt from senior unsecured debentures, mortgages payable and credit facilities, excluding deferred financing costs and mark-to-market adjustments. The Convertible Preferred Convertible LP Units are also excluded.</p>	Section 10.4, "Capital Structure"
Net Debt	<p>Net Debt is calculated as Total Debt less cash and cash equivalent and term deposit balances.</p>	Section 10.4, "Capital Structure"
Average Net Debt	<p>The average of Net Debt outstanding is utilized in this MD&A for the calculation of Average Net Debt to Adjusted EBITDA. Unless otherwise indicated, Average Net Debt is calculated as the average of Net Debt at the beginning of the period and each quarter end during the period corresponding to the rolling four-quarters included in the calculation of Adjusted EBITDA.</p>	Section 10.4, "Capital Structure"
Total Debt to Total Assets	<p>Total Debt to Total Assets, defined in the Trust Indentures, is determined by dividing Total Debt as defined above by total assets as presented on the consolidated statement of financial position.</p> <p>Management believes this ratio is useful in evaluating the Trust's flexibility to incur additional financial leverage.</p>	Section 10.4, "Capital Structure"

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

Non-GAAP Measure	Description	Reconciliation
Net Asset Value (NAV) / NAV per unit	NAV is calculated as total assets less total liabilities as calculated under IFRS with the exception of excluding any outstanding Convertible Preferred LP Units or amounts accrued under the ASPP from total liabilities. NAV per unit is a non-GAAP ratio calculated by dividing NAV by the Units outstanding at end of the period.	Section 10.4, "Capital Structure"
Adjusted Earnings before Income, Tax, Depreciation and Amortization (Adjusted EBITDA)	Adjusted EBITDA is calculated as net income (loss) reversing, where applicable, interest expense, income taxes, depreciation expense, amortization expense and adjustments to fair value. Adjusted EBITDA is used by management as an input in several debt metrics and financial ratios to assess the Trust's ability to satisfy obligations, including servicing debt, financing capital expenditures and providing distributions to Unitholders. Due to seasonality of net operating income, management generally considers Adjusted EBITDA on a rolling four-quarters basis.	Section 10.4, "Capital Structure"
Average Net Debt to Adjusted EBITDA	Management uses the ratio of Average Net Debt to Adjusted EBITDA to assess the Trust's ability to service debt requirements and gauge the strength of the Trust's financial condition.	Section 10.4, "Capital Structure"
Interest Coverage	Interest Coverage, defined in the Trust Indentures, is calculated as Adjusted EBITDA divided by interest expense on Total Debt. This excludes amortization of deferred financing costs and mark-to-market adjustments. Distributions paid on the Convertible Preferred LP Units are also excluded. Management calculates Interest Coverage to assess the Trust's ability to service the interest requirements of the outstanding debt.	Section 10.4, "Capital Structure"
Debt Service Coverage	Debt Service Coverage is calculated as Adjusted EBITDA divided by the sum of interest expense and regularly scheduled principal payments on Total Debt. Interest expense excludes amortization of deferred financing costs and mark-to-market adjustments and principal payments exclude balloon, bullet or similar principal payments at maturity. Distributions paid on the Convertible Preferred LP Units are also excluded. Management calculates Debt Service Coverage to assess the Trust's ability to meet obligations of the outstanding debt.	Section 10.4, "Capital Structure"

13. ENTERPRISE RISKS AND RISK MANAGEMENT

Primaris is exposed to various risks and uncertainties, many of which are beyond its control, the occurrence of which could materially and adversely affect the Trust's investments, prospects, cash flows, results of operations or financial condition and the ability to make cash distributions to Unitholders. Management believes the risk factors described in the AIF and the Annual MD&A, which are available online at www.sedarplus.ca, are the most material risks of Primaris; however, they are not the only ones. Additional risk factors not presently known to management, or that management currently believes are immaterial could also materially and adversely affect the Trust's investments, prospects, cash flows, results of operations or financial condition and Primaris' ability to make cash distributions to Unitholders and negatively affect the value of the Units.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

14. OTHER DISCLOSURES

14.1 Critical Accounting Judgements, Estimates and Assumptions

The Financial Statements have been prepared in accordance with IFRS and International Accounting Standard 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board. The Financial Statements should be read in conjunction with the Trust's Annual Financial Statements. The Financial Statements have been prepared applying the same accounting policies and methods of computation as the Annual Financial Statements.

The Annual Financial Statements contain a discussion of the significant judgements, estimates and assumptions made by management in the process of applying Primaris' accounting policies that affect the carrying amounts of assets and liabilities, and the reported amounts of revenues and expenses. Management determined that as at September 30, 2024, there were no changes to the assessment of these judgements, estimates and assumptions from those disclosed in the Annual Financial Statements.

14.2 Internal Control Over Financial Reporting, and Disclosure Controls and Procedures

Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial reports for external purposes in accordance with IFRS.

In designing such controls, it should be recognized that due to inherent limitation, any controls, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and may not prevent or detect misstatements. Additionally, management is required to use judgement in evaluating controls and reporting.

Disclosure Controls and Procedures

Management is also responsible for establishing and maintaining a system of disclosure controls and procedures to provide reasonable assurance that all material information relating to the Trust is gathered and reported to senior management on a timely basis so that appropriate decisions can be made regarding public disclosures.

Change in Internal Control Over Financial Reporting

There were no changes in Primaris' internal control over financial reporting in the third quarter of 2024 that materially affected or are reasonably likely to affect the Trust's internal control over financial reporting.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

14.3 Subsequent Events

On October 1, 2024, Primaris received the cash consideration of \$14.2 million from the disposition of Sunridge Plaza, an open air, non-grocery anchored property in Calgary, Alberta, which closed on September 30, 2024, a bank holiday.

Acquired Les Galeries de la Capitale in Quebec City, Quebec for consideration of:

- \$204.1 million in cash; and
- \$100 million aggregate face value of 6.25% Convertible Preferred LP Units , which are exchangeable into Trust Units at an exchange price of \$21.86 per unit (or 4,574,566 Trust Units), which are subject to customary adjustments.

Completed a \$74.7 million bought deal treasury and secondary equity offering, consisting of a treasury offering of 2,516,011 Trust Units for gross proceeds of approximately \$39.1 million, which included the exercise in full of the over-allotment option, and a secondary offering under which 2,287,283 Trust Units were sold for gross proceeds of approximately \$35.6 million. The Trust Units were sold under the offering, which closed on October 9, 2024, at a price of \$15.55 per Unit and Primaris received proceeds net of underwriters' fees of \$37.6 million. The proceeds were used to repay indebtedness incurred to partially fund the cash portion of the purchase price for Les Galeries de la Capitale.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Financial Results

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PRIMARIS REAL ESTATE INVESTMENT TRUST

Unaudited Interim Condensed Consolidated Statements of Financial Position

(in thousands of Canadian dollars)	Note	As at September 30, 2024	As at December 31, 2023
Assets			
Investment properties	3	\$ 3,583,797	\$ 3,695,435
Investment properties classified as assets held for sale	3	218,353	89,912
Rent receivables and other assets	6	75,670	29,124
Note receivable	5	—	40,840
Term Deposit	7	100,000	—
Cash and cash equivalents		161,595	44,323
Total assets		\$ 4,139,415	\$ 3,899,634
Liabilities and Equity			
Liabilities			
Senior unsecured debentures	8	\$ 1,423,737	\$ 991,602
Mortgages payable	8	237,628	293,174
Unsecured credit facilities	9	70,000	200,000
Convertible Preferred LP Units	11	202,716	179,150
Trade payables and other liabilities	10	118,458	131,781
Total liabilities		2,052,539	1,795,707
Equity			
Unitholders' equity		2,086,876	2,103,927
Total liabilities and equity		\$ 4,139,415	\$ 3,899,634

Contingencies and commitments (Note 21)

Subsequent events (Notes 2, 3, 6, 11, 12, 20 and 23)

See accompanying notes to these unaudited interim condensed consolidated financial statements.

On behalf of the Board of Trustees:

Louis Forbes

Louis Forbes

Trustee

Alex Avery

Alex Avery

Trustee

PRIMARIS REAL ESTATE INVESTMENT TRUST

Unaudited Interim Condensed Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

(in thousands of Canadian dollars)	Note	Three months ended September 30,		Nine months ended September 30,	
		2024	2023	2024	2023
Net property income					
Rental revenue	15	\$ 119,536	\$ 104,826	\$ 358,764	\$ 297,160
Property operating costs	15	(47,591)	(44,342)	(152,086)	(128,947)
		71,945	60,484	206,678	168,213
Other income and expenses					
Interest and other income	16	3,583	2,028	7,441	5,624
Net interest and other financing charges	17	(26,181)	(15,276)	(71,583)	(39,925)
General and administrative	18	(7,927)	(7,340)	(23,966)	(22,441)
Amortization of other assets		(191)	(374)	(986)	(1,123)
Adjustment to fair value of derivative instruments	19	(5,473)	3,725	(3,546)	8,050
Adjustments to fair value of unit-based compensation	13	(2,247)	171	(1,830)	1,168
Adjustments to fair value of Convertible Preferred LP Units	11	(23,108)	(224)	(23,566)	(224)
Adjustments to fair value of investment properties	3	(41,219)	(22,964)	(31,333)	(30,924)
		(102,763)	(40,254)	(149,369)	(79,795)
Net income (loss) and comprehensive income (loss) attributable to Trust Unitholders		\$ (30,818)	\$ 20,230	\$ 57,309	\$ 88,418

See accompanying notes to these unaudited interim condensed consolidated financial statements.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Unaudited Interim Condensed Consolidated Statements of Changes in Unitholders' Equity

(in thousands of Canadian dollars)	Note	2024
Unitholders' Equity		
Balance, December 31, 2023		\$ 2,103,927
Net income (loss) attributable to Unitholders		57,309
Distributions		(60,513)
Units cancelled under normal course issuer bid	12	(13,847)
Balance, September 30, 2024		\$ 2,086,876

(in thousands of Canadian dollars)		2023
Unitholders' Equity		
Balance, December 31, 2022		\$ 2,087,629
Net income (loss) attributable to Unitholders		88,418
Distributions		(59,426)
Units issued for acquisition, net of issue costs		15,316
Units cancelled under normal course issuer bid		(25,329)
Obligation for purchase of Units under automatic share purchase plan		(10,251)
Settlement of vested Restricted Trust Units		629
Balance, September 30, 2023		\$ 2,096,986

See accompanying notes to these unaudited interim condensed consolidated financial statements.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Unaudited Interim Condensed Consolidated Statements of Cash Flows

(in thousands of Canadian dollars)	Note	Three months ended September 30,		Nine months ended September 30,	
		2024	2023	2024	2023
Cash provided by (used in):					
Operating activities:					
Net income (loss)		\$ (30,818)	\$ 20,230	\$ 57,309	\$ 88,418
Net interest and other financing charges	17	26,181	15,276	71,583	39,925
Interest paid		(25,881)	(22,556)	(73,553)	(44,166)
Cash paid on vesting of Restricted Trust Units		—	—	(4,287)	(1,439)
Items not affecting cash	22	72,298	20,244	61,459	25,436
Change in non-cash operating items	22	1,770	14,868	(17,236)	2,496
		43,550	48,062	95,275	110,670
Financing activities:					
Senior unsecured debentures:					
Borrowings, net of financing costs	8	497,218	—	496,962	248,758
Principal repayments	8	(66,730)	—	(66,730)	—
Mortgages payable:					
Borrowings, net of deferred financing costs	8	(12)	—	74,559	84,634
Principal and debt maturity repayments	8	(90,295)	(1,726)	(130,489)	(5,136)
Credit Facilities					
Net advances (repayments)	9	(130,000)	132,000	(130,000)	(112,000)
Financing costs	9	—	—	(83)	—
Cash payment on settlement of hedges		(4,326)	—	(4,326)	—
Trust Unit issuance costs		—	(133)	—	(133)
Units cancelled under normal course issuer bid	12	(8,160)	(15,933)	(15,647)	(37,837)
Distributions paid		(20,098)	(19,832)	(60,593)	(59,531)
		177,597	94,376	163,653	118,755
Investing activities:					
Investment properties:					
Acquisitions	2	—	(155,211)	(20,069)	(170,211)
Redevelopment costs	3	(12,287)	(18,851)	(35,944)	(49,383)
Building improvement costs	3	(340)	(434)	(1,352)	(1,875)
Recoverable and non-recoverable costs	3	(3,531)	(4,932)	(15,547)	(9,870)
Tenant allowances and leasing costs	3	(4,150)	(3,935)	(15,258)	(7,759)
Proceeds on asset dispositions	3	—	—	25,674	—
Deposit on asset acquisition	6	(20,000)	—	(20,000)	—
Term Deposit	7	(100,000)	—	(100,000)	—
Note receivable	5	—	—	40,840	—
		(140,308)	(183,363)	(141,656)	(239,098)
Increase (decrease) in cash and cash equivalents		80,839	(40,925)	117,272	(9,673)
Cash and cash equivalents, beginning of period		80,756	42,206	44,323	10,954
Cash and cash equivalents, end of period		\$ 161,595	\$ 1,281	\$ 161,595	\$ 1,281

See accompanying notes to these unaudited interim condensed consolidated financial statements.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

(in thousands of Canadian dollars)

Primaris Real Estate Investment Trust and its consolidated subsidiaries (collectively "Primaris" or the "Trust") own, develop, and operate a national retail portfolio focused on enclosed shopping centres located primarily in secondary Canadian markets. Primaris is an unincorporated, open-ended mutual fund trust governed by the laws of the Province of Ontario and established pursuant to a declaration of trust dated November 12, 2021, as amended and restated on December 15, 2021 (the "Declaration of Trust"). The Trust's principal, registered, and head office is located at 181 Bay Street, Suite 2720, Toronto, Ontario, M5J 2T3.

On December 31, 2021, Primaris became a stand-alone entity following the successful completion of a spin-out transaction implemented by way of a plan of arrangement (the "Arrangement") pursuant to which 27 investment properties (the "Primaris Properties") formerly held by H&R Real Estate Investment Trust (the "Former Parent") were spun-out to Primaris. Immediately after the completion of the Arrangement, Primaris acquired an additional 8 investment properties (the "HOOPP Properties") from Healthcare of Ontario Pension Plan ("HOOPP"). Primaris' Series A trust units (the "Trust Units" or "Units") are listed on the Toronto Stock Exchange (the "TSX") and are traded under the symbol "PMZ.UN".

1. Statement of Compliance and Basis of Preparation

(a) Statement of compliance

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Accounting Standard ("IAS") 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board ("IASB"). These unaudited interim condensed consolidated financial statements should be read in conjunction with the Trust's audited consolidated financial statements and accompanying notes for the year ended December 31, 2023. These unaudited interim condensed consolidated financial statements have been prepared applying the same accounting policies, assessments of estimates and judgements, and methods of computation as with the audited consolidated financial statements and accompanying notes for the year ended December 31, 2023, except for IAS 1 amendments which are described below.

These unaudited interim condensed consolidated financial statements were authorized by the Primaris Board of Trustees (the "Board") on October 31, 2024.

(b) Basis of preparation

The unaudited interim condensed consolidated financial statements are prepared on a going concern basis using the historical cost method except for investment properties (Note 3), Convertible Preferred LP Units (Note 11), liabilities for unit-based compensation plans (Note 13) and derivative instruments (Note 19), each of which is measured at fair value.

The unaudited interim condensed consolidated financial statements are presented in Canadian dollars, the Trust's functional currency.

The Trust presents its unaudited interim condensed consolidated statements of financial position based on the liquidity method, whereby all assets and liabilities are presented in ascending order of liquidity, while the notes to the unaudited interim condensed consolidated financial statements distinguish between current and non-current assets and liabilities. Primaris considers this presentation to be reliable and more relevant to the business.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

(in thousands of Canadian dollars)

In the first quarter of 2024, Primaris adopted the amendments to IAS 1 which clarify the requirements for classifying liabilities as current or non-current. The amendments clarify that the conditions which exist at the end of a reporting period are those which will be used to determine if a right to defer settlement of a liability exists. The amendments also clarify the situations that are considered a settlement of a liability, which can include the transfer of cash, other financial instruments, goods or services and in some cases, equity instruments. The amendments were applied retrospectively, and the impact was not material.

In measuring performance, or allocating resources, management does not distinguish or group its operations into any sub-segments. As such, the Trust's operating results are presented as a single reportable segment which comprises the ownership, management and development of its investment properties located across Canada.

Presentation of certain figures in the unaudited interim condensed consolidated financial statements have been reclassified.

(c) Future Accounting Standards

Standards issued but not yet effective up to the date of issuance of these unaudited interim condensed consolidated financial statements, which the Trust reasonably expects to be applicable at a future date, are describe below:

IFRS 18, "Presentation and Disclosure in Financial Statements"

In April 2024, IFRS 18 was issued to create comparability of the financial performance of similar entities. The standard impacts the presentation of primary financial statements and notes, including the statement of income (loss) where the Trust will be required to present separate categories of income and expense for operating, investing and financing activities with prescribed subtotals for each new category. The standard will replace IAS 1, "Presentation of Financial Statements" and will be effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. The amendments are to be applied retrospectively. Management is currently assessing the impact of the new standard.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

(in thousands of Canadian dollars)

2. Acquisitions

On June 10, 2024, Primaris purchased the grocery store building connected to Conestoga Mall in Waterloo, Ontario and the associated land. The cash consideration for the purchase, including acquisition costs of \$409, was \$20,069.

On October 1, 2024, Primaris acquired the assets of Les Galeries de la Capitale in Quebec City, Quebec (Note 23).

Primaris purchased the assets of Conestoga Mall in Waterloo, Ontario on July 12, 2023 and the assets of the Halifax Shopping Complex in Halifax, Nova Scotia on November 30, 2023 which were accounted for as asset acquisitions. The fair value of the consideration was as follows.

	Note	Conestoga Mall	Halifax Shopping Complex	As at December 31, 2023
Cash consideration ⁱ		\$ 170,211	\$ 207,455	\$ 377,666
Add: Fair value of non-cash consideration				
3,233,350 Trust Units issued ⁱⁱ	12	15,449	27,633	43,082
9,472,432 Convertible Preferred LP Units issued ⁱⁱⁱ	11	67,584	106,500	174,084
Purchase price		\$ 253,244	\$ 341,588	\$ 594,832

- i. The cash consideration for Conestoga Mall and the Halifax Shopping Complex included acquisition costs of \$5,211, and \$7,455, respectively.
- ii. 1,163,332 and 2,069,918 Trust Units were issued for the acquisition of Conestoga Mall and the Halifax Shopping Complex, respectively.
- iii. 3,722,662 and 5,749,770 Convertible Preferred LP Units were issued for the acquisition of Conestoga Mall and the Halifax Shopping Complex, respectively.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

(in thousands of Canadian dollars)

3. Investment Properties

	Note	Nine months ended September 30, 2024	Year ended December 31, 2023
Balance, beginning of period		\$ 3,785,347	\$ 3,118,590
Acquisitions	2	20,069	594,832
Building improvements		1,352	3,016
Operating capital:			
Recoverable and non-recoverable costs		11,982	16,222
Tenant allowances and leasing costs		16,037	18,106
Development capital:			
Redevelopment		35,276	66,846
Capitalized interest	17	2,907	4,782
Amortization of straight-line rent adjustments and tenant incentives		5,163	3,384
Dispositions		(44,650)	—
Adjustment to fair value of investment properties		(31,333)	(40,431)
Balance, end of period		\$ 3,802,150	\$ 3,785,347
Classified as:			
Investment Properties		\$ 3,583,797	\$ 3,695,435
Investment properties classified as held for sale		218,353	89,912
		\$ 3,802,150	\$ 3,785,347
Composition:			
Income-producing properties		\$ 3,651,150	\$ 3,634,347
Land held for development		151,000	151,000
		\$ 3,802,150	\$ 3,785,347

As at September 30, 2024, seven investment properties with fair values totaling \$476,352 have been pledged as security for mortgages payable (December 31, 2023 – six and \$422,446, respectively).

Dispositions

On September 30, 2024, Primaris sold an open air, non-grocery anchored property for cash proceeds of \$14,176, after transaction costs. The proceeds were received on October 1, 2024 (Note 23).

On June 21, 2024, Primaris sold an open air, non-grocery anchored property for \$30,474, after transaction costs. Consideration consisted of a \$4,800 note which is payable nine months following closing with interest at the rate of 6.0% per annum (Note 6) and cash.

Investment properties classified as held for sale

Primaris classified three parcels of excess land and nine income-producing properties totaling \$218,353 as held for sale (December 31, 2023 - three parcels of excess land and six income-producing properties totaling \$89,912).

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

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Valuation methodology

Investment properties are measured at fair value using valuations prepared by the Trust's internal valuations team. The internal valuations team utilizes appraisal methodologies consistent with the practices employed by third party appraisers. The team consists of individuals who are knowledgeable and have specialized industry experience in real estate valuations and report directly to a senior member of the Trust's management. The valuation processes and results are reviewed by management at least once every quarter. The valuations exclude any portfolio premium or value attributed to the management platform and reflect the highest and best use for each of the Trust's investment properties.

On a quarterly basis, the valuations team reviews and updates, as deemed necessary, the valuation models to reflect current market data. Updates may be made to significant assumptions related to terminal capitalization rates, discount rates, and future cash flow assumptions such as market rents as well as current leasing and/or development activity, renewal probability, downtime on lease expiry, vacancy allowances, and expected maintenance costs.

As part of management's internal valuation program, the Trust considers external valuations performed by independent national real estate valuation firms for a cross-section of properties that represent different geographical locations and asset classes across the Trust's portfolio. The internal valuations team also verifies all major inputs used by the external valuers in preparing the valuation report and holds discussions with the external valuers on the reasonableness of their assumptions. Where warranted, adjustments will be made to internal valuations to reflect the assumptions contained in external valuations. Primaris records the internal value in its consolidated financial statements.

Below is the aggregate fair value of properties externally appraised for the quarters ending:

As at	2024		2023	
	Number of Properties	Value of Properties	Number of Properties	Value of Properties
March 31	4	\$ 234,143	3	\$ 140,866
June 30	3	132,890	5	157,141
September 30	4	138,906	3	326,809
December 31			17	2,286,446
Total	11	\$ 505,939	28	\$ 2,911,262

(a) Income-producing properties

Income-producing properties are valued using the discounted cash flow method. Under this methodology, discount rates are applied to the forecasted cash flows that the property can reasonably be expected to produce over its remaining economic life. This method involves the projection of future cash flows for the specific asset. The future cash flows, along with an estimate of the terminal value at the end of the projection period, are then discounted to establish the present value of the income stream associated with the asset.

Primaris will engage independent third-party appraisers to validate valuations on a portion of the Trust's portfolio on a regular, on-going basis to corroborate the Trust's valuation process.

(b) Land held for development

Land held for development is valued either by direct comparison to land sales or, when possible, based on commercial and residential sale prices from comparable multi-residential developments net of total project costs and developer's profits.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

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The following table highlights the weighted average of the significant assumptions used in determining the fair value of Primaris' income-producing properties:

As at	September 30, 2024	December 31, 2023
Discount rate	8.38%	8.34%
Terminal capitalization rate	7.35%	7.31%

The Trust's income-producing properties are classified as level 3 under the fair value hierarchy, as the inputs in the valuations of these investment properties are not based on observable market data. Valuations are most sensitive to change in discount rates and terminal capitalization rates. The following table depicts the rate sensitivity of the Trust's income-producing properties:

Rate sensitivity increase (decreases)	Weighted Average		Fair value of income-producing properties (\$ millions)	Fair value variance (\$ millions)	Change (%)
	Discount rate (%)	Terminal capitalization rate (%)			
(0.75)%	7.63	6.60	4,088.5	437.3	12.0
(0.50)%	7.88	6.85	3,932.0	280.8	7.7
(0.25)%	8.13	7.10	3,786.6	135.4	3.7
September 30, 2024	8.38	7.35	3,651.2	—	—
0.25%	8.63	7.60	3,524.7	(126.5)	(3.5)
0.50%	8.88	7.85	3,406.5	(244.7)	(6.7)
0.75%	9.13	8.10	3,295.6	(355.6)	(9.7)

4. Joint Operations

Primaris has co-ownership interests in several properties, as listed below, that are subject to joint control and Primaris recognizes its proportionate share of the direct rights to the assets, liabilities, revenues and expenses of these properties in these unaudited interim condensed consolidated financial statements.

Property	Location	Ownership interest as at	
		September 30, 2024	December 31, 2023
McAllister Place	Saint John, NB	50%	50%
Regent Mall	Fredericton, NB	50%	50%
Place Du Royaume	Chicoutimi, QC	50%	50%
Place D'Orleans Shopping Centre	Ottawa, ON	50%	50%
Cataraqui Town Centre	Kingston, ON	50%	50%
Grant Park	Winnipeg, MB	50%	50%
Kildonan Place	Winnipeg, MB	50%	50%

Primaris is the managing partner of these co-ownership interests and recognizes fee income from the services it performs (Note 16).

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

(in thousands of Canadian dollars)

5. Note Receivable

On December 1, 2022, Primaris advanced \$40,840 to one of its co-ownership partners. The sole use of funds was the repayment of the co-ownership partner's 50% share of the mortgage maturing on the Regent Mall property. The note was secured by a cross charge on the property and matured on the earlier of (i) the date of refinancing of the property; (ii) April 1, 2024; and (iii) the disposition of the co-ownership partner's interest in the property. Interest was payable on the note monthly at the one-month Canadian Dollar Offered Rate plus 2.50%. The note was repaid on March 28, 2024, when new secured debt was placed on the property (Note 8).

On January 3, 2024, Primaris advanced \$37,251 to one of its co-ownership partners. The sole use of funds was the repayment of the co-ownership partner's 50% share of the mortgage maturing on the Cataraqui Town Centre property. The note was secured by a cross charge on the property and matured on the earlier of (i) the date of refinancing of the property; (ii) April 1, 2024; and (iii) the disposition of the co-ownership partner's interest in the property. Interest was payable on the note monthly at an annual rate of 7.50%. The note was repaid on March 28, 2024, when new secured debt was placed on the property (Note 8).

Interest income earned on the notes receivable for the three and nine months ended September 30, 2024 was nil and \$1,416, respectively (three and nine months ended September 30, 2023 - \$807 and \$2,307, respectively, and year ended December 31, 2023 - \$3,120) (Note 16).

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Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

(in thousands of Canadian dollars)

6. Rent Receivables and Other Assets

As at	Note	September 30, 2024	December 31, 2023
Rent receivables		\$ 7,445	\$ 4,321
Allowance for expected credit loss		(1,478)	(1,680)
Rent receivables, net		5,967	2,641
Other accrued tenant receivables		4,219	5,330
Vendor take-back note ⁱ	3	4,800	—
Deposit on acquisition ⁱⁱ		20,000	—
Receivable for disposition proceeds ⁱⁱⁱ	3	14,176	—
Prepaid expense and other sundry assets		18,185	12,559
Other long-term receivable		311	—
Right-of-use assets ^{iv}		4,176	4,758
Sublease receivable ^{iv}		3,836	3,836
		\$ 75,670	\$ 29,124
Classified as:			
Non-current		\$ 9,877	\$ 11,004
Current		65,793	18,120
		\$ 75,670	\$ 29,124

- i. Vendor take-back note maturing March 21, 2025 with an annual interest rate of 6.0% and secured by a charge against real property. Interest income earned on the note receivable for the three and nine months ended September 30, 2024 was \$80 (three and nine months ended September 30, 2023 and year ended December 31, 2023 - nil) (Note 16).
- ii. During the quarter, Primaris funded a \$20,000 deposit towards the acquisition of Les Galeries de la Capitale which closed on October 1, 2024 (Note 23).
- iii. Cash consideration of \$14,176 for the investment property sale which closed on September 30, 2024, a bank holiday. The proceeds were received on October 1, 2024 (Note 23).
- iv. In 2023, Primaris sublet a portion of its office space reducing the right-of-use asset and resulting in the recognition of a long-term receivable.

Primaris determines its allowance for expected credit losses on a tenant-by-tenant basis considering lease terms, credit risk, industry conditions, and the status of the tenant's account. Movements in the allowance for expected credit losses ("ECL") are detailed below:

	Note	Nine months ended September 30, 2024	Year Ended December 31, 2023
Balance, beginning of period		\$ 1,680	\$ 5,249
Net bad debt expense (recovery)	15	136	499
Write off of amounts previously included in the ECL allowance		(338)	(4,068)
Balance, end of period		\$ 1,478	\$ 1,680

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

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7. Term Deposit

A \$100,000 term deposit maturing March 25, 2025 bearing interest at a rate of 4.660% per annum was outstanding at September 30, 2024 (December 31, 2023 - nil).

8. Long-Term Debt

As at	September 30, 2024	December 31, 2023
Senior unsecured debentures	\$ 1,423,737	\$ 991,602
Mortgages payable	237,628	293,174
	\$ 1,661,365	\$ 1,284,776
Classified as:		
Non-current	\$ 1,526,523	\$ 1,196,288
Current	134,842	88,488
	\$ 1,661,365	\$ 1,284,776

Senior unsecured debentures

Series	Issuance Date	Maturity Date	Interest Rate	As at	As at
				September 30, 2024	December 31, 2023
A	March 30, 2022	March 30, 2027	4.727%	\$ 250,000	\$ 250,000
B	March 30, 2022	March 30, 2025	4.267%	133,120	200,000
C	March 29, 2023	March 29, 2028	5.934%	250,000	250,000
D	November 22, 2023	June 30, 2029	6.374%	300,000	300,000
E	August 12, 2024	March 15, 2030	4.998%	300,000	—
F	August 12, 2024	March 15, 2032	5.304%	200,000	—
Total principal outstanding				1,433,120	1,000,000
Deferred financing costs - net of accumulated amortization				(5,806)	(3,747)
Debt discounts - net of accumulated amortization				(3,577)	(4,651)
				\$ 1,423,737	\$ 991,602

On August 12, 2024, Primaris issued \$300,000 aggregate principal amount of Series E senior unsecured debentures due March 15, 2030 at a price equal to \$999.93 per thousand principal amount. The Series E unsecured debentures bear interest at a fixed annual rate of 4.998%, with semi-annual installments of interest due on March 15th and September 15th in each year commencing on March 15, 2025 until maturity, unless redeemed at an earlier date. The debenture offering was conducted on a private placement basis.

On August 12, 2024, Primaris issued \$200,000 aggregate principal amount of Series F senior unsecured debentures due March 15, 2032 at a price equal to \$999.93 per thousand principal amount. The Series F unsecured debentures bear interest at a fixed annual rate of 5.304%, with semi-annual installments of interest due on March 15th and September 15th in each year commencing on March 15, 2025 until maturity, unless redeemed at an earlier date. The debenture offering was conducted on a private placement basis.

During the quarter ended September 30, 2024, Primaris repurchased \$66,880 aggregate principal amount of Series B senior unsecured debentures at a price equal to \$983.92 per thousand principal amount.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

(in thousands of Canadian dollars)

On November 22, 2023, Primaris issued \$300,000 aggregate principal amount of Series D senior unsecured debentures due June 30, 2029 at a price equal to \$999.88 per thousand principal amount. The Series D unsecured debentures bear interest at a fixed annual rate of 6.374%, with semi-annual installments of interest due on June 30th and December 30th in each year commencing on June 30, 2024 until maturity, unless redeemed at an earlier date. The debenture offering was conducted on a private placement basis.

On November 22, 2023, Primaris issued \$100,000 aggregate principal amount reopening of the Series A senior unsecured debentures at a price equal to \$952.30 per thousand principal amount. The additional Series A debentures have the same terms and conditions and constitute part of the same series as the \$150,000 aggregate principal amount of the Series A debentures issued by the Trust on March 30, 2022. The effective yield to maturity is 6.325%.

On March 29, 2023, Primaris issued \$250,000 aggregate principal amount of Series C senior unsecured debentures due March 29, 2028. The Series C unsecured debentures bear interest at a fixed annual rate of 5.934%, with semi-annual installments of interest due on March 29th and September 29th in each year commencing on September 29, 2023 until maturity, unless redeemed at an earlier date. The debenture offering was conducted on a private placement basis.

As at September 30, 2024, the Trust's senior unsecured debentures had a weighted average effective interest rate of 5.39%, after accounting for any discounts to the face amount of the debt at the time of issuance, and a weighted average term to maturity of 4.3 years (December 31, 2023 - 5.45% and 3.8 years, respectively).

Mortgages payable

As at	September 30, 2024	December 31, 2023
Mortgage principal	\$ 238,314	\$ 293,803
Deferred financing costs and mark-to-market adjustments - net of accumulated amortization	(686)	(629)
	\$ 237,628	\$ 293,174

As at September 30, 2024, the mortgages were secured by five investment properties with an aggregate fair value of \$360,352, bearing interest at fixed rates with a weighted average effective interest rate of 4.60% and a weighted average term to maturity of 4.6 years.

In the first quarter of 2024, Primaris entered into new secured debt on Regent Mall in Fredericton, New Brunswick and on Cataraqui Town Centre in Kingston, Ontario replacing the debt that matured in January 2024. In the second quarter of 2024, Primaris economically hedged \$20 million of the new debt on Regent Mall, swapping the underlying variable rate for a fixed rate of 5.84% per annum until March 29, 2027. In the third quarter of 2024, Primaris repaid the secured debt on Regent Mall in Fredericton, New Brunswick and settled the related hedge. Primaris also repaid the maturing mortgage on Place d'Orleans Shopping Centre in Ottawa, Ontario.

As at December 31, 2023, the mortgages were secured by six investment properties with an aggregate fair value of \$422,446, bearing interest at fixed rates with a weighted average effective interest rate of 4.03% and a weighted average term to maturity of 4.1 years.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

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Schedules of repayment and cash flow activities

Future principal mortgage payments for the years ended December 31 are as follows:

	2024 remainder	2025	2026	2027	2028	Thereafter	Total
Senior unsecured debentures	\$ —	\$ 133,120	\$ —	\$ 250,000	\$ 250,000	\$ 800,000	\$ 1,433,120
Mortgages payable	1,149	4,698	4,882	97,864	2,017	127,704	238,314
	\$ 1,149	\$ 137,818	\$ 4,882	\$ 347,864	\$ 252,017	\$ 927,704	\$ 1,671,434

The following is a summary of the changes in long-term debt, excluding credit facilities:

	Nine months ended			Nine months ended	Year ended
	Senior unsecured debentures	Mortgages payable	September 30, 2024	September 30, 2023	December 31, 2023
Balance, beginning of period	\$ 991,602	\$ 293,174	\$ 1,284,776	\$ 563,515	\$ 563,515
Issuances	500,000	75,000	575,000	335,000	730,230
Maturity repayments	—	(126,147)	(126,147)	—	—
Principal repayments	(66,730)	(4,342)	(71,072)	(5,136)	(6,877)
Deferred financing costs	(3,038)	(441)	(3,479)	(1,608)	(3,208)
Total cash flow activities	430,232	(55,930)	374,302	328,256	720,145
Amortization of financing costs	979	384	1,363	712	997
Amortization of debt discount	1,074	—	1,074	—	119
Gain on extinguishment of debt	(150)	—	(150)	—	—
Total non-cash activities	1,903	384	2,287	712	1,116
Balance, end of period	\$ 1,423,737	\$ 237,628	\$ 1,661,365	\$ 892,483	\$ 1,284,776

9. Unsecured Credit Facilities

The following is a summary of the changes in the unsecured credit facilities:

	Nine months ended September 30, 2024	Year ended December 31, 2023
Balance drawn, beginning of period	\$ 200,000	\$ 444,000
Net advances (repayments)	(130,000)	(244,000)
Balance drawn, end of period	\$ 70,000	\$ 200,000
Total credit available from unsecured credit facilities	\$ 610,000	\$ 810,000

On December 22, 2023, Primaris amended and restated its unsecured syndicated revolving term facility increasing the commitment to \$600,000 (from \$400,000) and extending the maturity date by one year to January 4, 2027. The syndicated revolving credit facility bears interest at variable rates of either: (i) Prime plus 0.35% per annum, or (ii) Adjusted Canadian Overnight Repo Rate Average ("CORRA") plus 1.35% per annum; a commitment fee on undrawn

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Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

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amounts of 0.27% per annum; and contains certain financial covenants. As at September 30, 2024, Primaris had \$70,000 drawn on its \$600,000 unsecured syndicated revolving term facility (December 31, 2023 - nil).

As at September 30, 2024, Primaris repaid and cancelled its \$200,000 unsecured syndicated non-revolving term facility (December 31, 2023 - fully drawn). Primaris also settled the \$200,000 interest rate swaps which had hedged the underlying variable rate on the credit facilities for a fixed rate of 3.685% per annum, for an all-in rate of 4.94% per annum.

Primaris also has an unsecured \$10,000 revolving demand facility to finance temporary overdraft positions bearing interest at Prime plus 0.50% per annum. The amount drawn at September 30, 2024 was nil (December 31, 2023 - nil).

Costs incurred to enter into the facilities are recorded in other assets and amortized to net income over the life of the facility. Amortization of costs for the three and nine months ended September 30, 2024 was \$423 and \$938, respectively (three and nine months ended September 30, 2023 - \$243 and \$754, respectively, and year ended December 31, 2023 - \$1,932).

10. Trade Payables and Other Liabilities

As at	Note	September 30, 2024	December 31, 2023
Trade payables and accrued liabilities		\$ 38,763	\$ 40,875
Accrued capital expenditures		26,382	29,836
Accrued distribution payable		6,681	6,761
Accrued interest expense		10,964	13,650
Unit-based compensation plans	13	11,843	9,233
Obligation for purchase of Units under automatic share purchase plan	12	—	1,800
Derivative liabilities ⁱ	19	—	780
Lease liabilities		9,496	10,234
Deferred revenue		8,455	13,649
Tenant deposits		5,874	4,963
		\$ 118,458	\$ 131,781
Classified as:			
Non-current		\$ 16,857	\$ 16,327
Current		101,601	115,454
		\$ 118,458	\$ 131,781

- i. Primaris utilized derivative instruments which to manage exposure to fluctuations in cash flows attributable to changes in interest rates. All changes in the fair values of derivative instruments are recorded in net earnings.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

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11. Convertible Preferred LP Units

As part of the Conestoga Mall acquisition consideration, a subsidiary limited partnership of the Trust issued \$80,000 of Convertible Preferred LP Units (see Note 2) which are entitled to a preferred distribution of 6.0% per annum payable quarterly commencing October 12, 2023. In certain circumstances, the Convertible Preferred LP Units (together with any accrued and unpaid distributions thereon) are exchangeable into Trust Units. Assuming there are no accrued and unpaid distributions on the Convertible Preferred LP Units at the time of exchange, the Convertible Preferred LP Units would be exchangeable into 3,722,662 Trust Units at an exchange price equal to \$21.49 per unit, subject to customary adjustments.

As part of the Halifax Shopping Complex acquisition consideration, a subsidiary limited partnership of the Trust issued \$125,000 of Convertible Preferred LP Units (see Note 2) which are entitled to a preferred distribution of 6.0% per annum payable quarterly commencing February 29, 2024. In certain circumstances, the Convertible Preferred LP Units (together with any accrued and unpaid distributions thereon) are exchangeable into Trust Units. Assuming there are no accrued and unpaid distributions on the Convertible Preferred LP Units at the time of exchange, the Convertible Preferred LP Units would be exchangeable into 5,749,770 Trust Units at an exchange price equal to \$21.74 per unit, subject to customary adjustments.

On October 1, 2024, Primaris acquired the assets of Les Galeries de la Capitale in Quebec City, Quebec. As part of the acquisition consideration, a subsidiary limited partnership of the Trust issued \$100,000 of Convertible Preferred LP Units which are entitled to a preferred distribution of 6.25% per annum payable quarterly commencing January 1, 2025. In certain circumstances, the Convertible Preferred LP Units (together with any accrued and unpaid distributions thereon) are exchangeable into Trust Units. Assuming there are no accrued and unpaid distributions on the Convertible Preferred LP Units at the time of exchange, the Convertible Preferred LP Units would be exchangeable into 4,574,566 Trust Units at an exchange price equal to \$21.86 per unit, subject to customary adjustments. On October 9, 2024, \$50,000 of the Convertible Preferred LP Units were converted into 2,287,283 Trust Units (Note 23).

Convertible Preferred LP Units are considered debt instruments and are classified as financial liabilities at fair value through profit or loss. The model to value the Convertible Preferred LP Units includes assumptions on the risk-free interest rate for the expected life of the Convertible Preferred LP Units, the credit spread and ranking concession reflecting the Convertible Preferred LP Units subordination to other debt applied to the risk free rate, and the expected Trust Unit price volatility. Distributions paid on Convertible Preferred LP Units are accounted for as interest expense.

	Note	Nine months ended		Year ended	
		September 30, 2024		December 31, 2023	
		Units	Value	Units	Value
Balance, beginning of period		9,472,432	\$ 179,150	—	\$ —
Issued for acquisitions	2	—	—	9,472,432	174,084
Adjustment to fair value		—	23,566	—	5,066
Balance, end of period		9,472,432	\$ 202,716	9,472,432	\$ 179,150
Classified as:					
Non-current			\$ —		\$ —
Current			202,716		179,150
			\$ 202,716		\$ 179,150

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Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

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The assumptions used to model (level 2) the fair value of the Convertible Preferred LP Units are detailed below:

As at	September 30, 2024	December 31, 2023
Expected Trust Unit distribution yield	5.14%	6.02%
Expected Unit price volatility (180 days average)	21.2%	24.5%
Proxy for bond yield (Government of Canada 30-year bond)	3.14%	3.35%
add: Relative spread adjustment to Primaris REIT	2.65%	2.95%
add: Subordination premium	0.79%	0.85%
Implied bond yield	6.58%	7.15%

12. Unitholders' Equity

Trust Units (authorized - unlimited)

Each Trust Unit represents an equal, undivided beneficial interest in the Trust and any distributions from the Trust, and represents a single vote at any meeting of Unitholders. With certain restrictions, a Unitholder has the right to require Primaris to redeem its Units on demand. Upon receipt of a redemption notice by Primaris, all rights to and under the Units are tendered for redemption and shall be surrendered and the holder thereof shall be entitled to receive a price per unit as determined by a market formula and shall be paid in accordance with the conditions provided for in the Declaration of Trust.

Trust Units outstanding

	Note	Nine months ended September 30, 2024		Year ended December 31, 2023	
		Units	Value	Units	Value
Balance, beginning of period		96,585,736	\$ 2,186,779	97,712,717	\$ 2,193,410
Issued for acquisitions	2	—	—	3,233,250	43,082
Trust Unit issuance costs		—	—	—	(415)
Purchase of units under normal course issuer bid		(1,144,500)	(13,847)	(4,409,100)	(48,127)
Obligation for purchase of units under automatic share purchase plan	10	—	—	—	(1,800)
Settlement of Restricted Trust Units		—	—	48,869	629
Balance, end of period		95,441,236	\$ 2,172,932	96,585,736	\$ 2,186,779

Issued for acquisitions

On July 12, 2023, 1,163,332 Trust Units were issued as partial consideration for the acquisition of Conestoga Mall and on November 30, 2023 2,069,918 Trust Units were issued as partial consideration for the acquisition of the Halifax Shopping Complex (see Note 2).

New Issue and Preferred LP Unit Conversion

On October 3, 2024, Primaris entered into an agreement with a syndicate of underwriters pursuant to which the underwriters purchased, on a bought deal basis, an aggregate of 4,803,294 Trust Units, including the over-allotment, at a price of \$15.55 per unit ("the Offering"). The Offering consisted of 2,516,011 Trust Units, including the over-allotment, issued from treasury in relation to the acquisition of Les Galeries de la Capitale (Note 23), and 2,287,283 Units issued

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

(in thousands of Canadian dollars)

from treasury to satisfy the conversion of Convertible Preferred LP Units (Note 11). The Offering closed on October 9, 2024. Primaris received proceeds net of underwriters' fees of \$37.6 million.

Purchase of units under normal course issuer bid ("NCIB")

Primaris may from time to time purchase Units in accordance with the rules prescribed under applicable stock exchange or regulatory policies. On March 7, 2024, Primaris received approval from the TSX to renew its NCIB. Under the NCIB, Primaris has the ability to purchase for cancellation up to a maximum of 6,929,436 of its Units on the open market. The renewed NCIB commenced on March 11, 2024 and remains in effect until the earlier of March 10, 2025 and the date on which Primaris has purchased the maximum number of Units permitted under the NCIB. During the three and nine months ended September 30, 2024, Primaris purchased for cancellation 589,500 and 1,144,500 Units, respectively, for consideration of \$8,160 and \$15,647, respectively (three and nine months ended September 30, 2023 - 1,180,500 and 2,699,100 Units, respectively, for consideration of \$15,933 and \$37,837, respectively, and for the year ended December 31, 2023 - 4,409,100 Units for consideration of \$60,635).

Purchase of units under automatic share purchase plan ("ASPP")

On March 11, 2024, Primaris entered into a new ASPP in respect of its renewed NCIB permitting the Trust's broker to continue purchasing Units, in accordance with certain prearranged trading parameters, during periods when Primaris would not ordinarily be active in the market because of internal trading blackout periods, insider trading rules or otherwise. As at September 30, 2024, Primaris recognized no obligation (Note 10) for the commitment to purchase Units under the ASPP (September 30, 2023 - \$10,251 and December 31, 2023 - \$1,800).

Trust Unit distributions

The Board retains full discretion with respect to the timing and quantum of distributions, however the total income distributed will not be less than the amount necessary to ensure the Trust will not be liable to pay income taxes under the Income Tax Act (Canada).

For the nine months ended September 30, 2024, Primaris declared monthly distributions totaling \$0.630 per Trust Unit (nine months ended September 30, 2023 - \$0.615 and for the year ended December 31, 2023 \$0.822).

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

(in thousands of Canadian dollars)

13. Unit-based Compensation

Primaris recorded expenses associated with grants under its unit-based compensation plans as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Trust Unit Options ("Options")	\$ 132	\$ (111)	\$ 72	\$ (470)
Restricted Trust Units ("RTU")	1,651	634	3,402	2,027
Performance Trust Units ("PTU")	1,092	142	2,045	392
Deferred Trust Units ("DTU")	1,048	180	1,240	315
	\$ 3,923	\$ 845	\$ 6,759	\$ 2,264
Recorded in:				
General and administrative expense	\$ 1,676	\$ 1,016	\$ 4,929	\$ 3,432
Adjustment to fair value of unit-based compensation	2,247	(171)	1,830	(1,168)
	\$ 3,923	\$ 845	\$ 6,759	\$ 2,264

As at September 30, 2024, the carrying value of the unit-based compensation liability was \$11,843 (Note 10) (September 30, 2023 - \$7,638 and December 31, 2023 - \$9,233).

Trust Unit Options Granted

Primaris may grant Options totaling up to 3,000,000 Units. The Options vest in tranches over a period of three years and all outstanding Options were vested and exercisable on September 30, 2024 (December 31, 2023 - all).

The assumptions used to measure the fair value of the Options, as at September 30, 2024, under the Black-Scholes model (level 2) were as follows:

Expected average distribution yield	5.14%
Expected average Unit price volatility	20.16% – 25.16%
Average risk-free interest rate	3.18% - 4.18%
Expected average life of options	0.3 – 1.4 years

The following table details the Options outstanding as at September 30, 2024:

Exercise price	Expiry date	Number outstanding and exercisable	Remaining weighted average life (in years)
\$23.72	2025	117,941	0.3
\$20.52	2026	328,425	1.4
\$21.37 average		446,366	1.1

As at December 31, 2023, 650,601 Options were outstanding and exercisable with a weighted average exercise price of \$22.18 and with a remaining weighted average life of 1.3 years.

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Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

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Restricted Trust Units

RTUs entitle certain employees to receive the value of a RTU award in cash or Units, at the end of the applicable vesting period. RTUs granted prior to December 31, 2021 vest at the end of the third calendar year following the grant and RTUs granted after December 31, 2021 vest and settle one-third on each of the first three annual anniversaries. As of September 30, 2024, all RTU awards granted prior to December 31, 2021 had vested and were settled. Additional RTUs are credited in respect of distributions paid on Units for the period during which a RTU is outstanding. The fair value of each RTU granted is measured based on the market value of a Trust Unit at the reporting date. The maximum number of Trust Units that Primaris may issue in connection with its incentive unit plan is 1,250,000 (issued to date 788 Trust Units).

	Nine months ended September 30, 2024	Year ended December 31, 2023
Number outstanding, beginning of period	552,544	444,200
Granted	196,837	227,299
Granted on reinvestment of distributions	22,631	31,681
Settled	(294,497)	(150,636)
Number outstanding, end of period	477,515	552,544

During the nine months ended September 30, 2024, the Trust granted 196,837 RTUs under its Incentive Unit Plan with an aggregate fair value of \$2,718 at the time of granting. The weighted average grant price was \$13.81 per unit. The grant price, calculated on the date of a grant, is calculated as the average of the daily average of the high and low board lot trading prices of Units on the TSX for the five consecutive trading days immediately preceding such grant date. No outstanding RTUs were vested as at September 30, 2024.

Performance Trust Units

PTUs entitle certain employees to receive the value of a PTU award in cash or Units, at the end of the applicable performance period, which is typically three years in length, based on the Trust achieving certain performance conditions. Additional PTUs are credited in respect of distributions paid on Units for the period during which a PTU is outstanding. The fair value of each PTU granted is measured based on the market value of a Trust Unit at the reporting date and the probability of the Trust achieving certain performance conditions.

	Nine months ended September 30, 2024	Year ended December 31, 2023
Number outstanding, beginning of period	169,720	14,156
Granted	220,313	147,697
Granted on reinvestment of distributions	15,610	7,867
Settled	(15,192)	—
Number outstanding, end of period	390,451	169,720

During the nine months ended September 30, 2024, the Trust granted 220,313 PTUs under its Incentive Unit Plan with an aggregate fair value of \$3,042 at the time of granting. The weighted average grant price was \$13.81 per unit. The grant price, calculated on the date of a grant, is calculated as the average of the daily average of the high and low board lot trading prices of Units on the TSX for the five consecutive trading days immediately preceding such grant date. No outstanding PTUs were vested as at September 30, 2024.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

(in thousands of Canadian dollars)

Deferred Trust Units

DTUs entitle Trustees to receive the value of a DTU award in cash or Units subject to the vesting term which is no longer than one year in length. Additional DTUs are credited in respect of distributions paid on Units for the period during which a DTU is outstanding. The fair value of each DTU granted is measured based on the market value of a Trust Unit at the reporting date. Vested DTUs credited to a participant cannot be redeemed while such participant is a member of the Board.

	Nine months ended September 30, 2024	Year ended December 31, 2023
Number outstanding, beginning of period	249,794	195,088
Granted	41,641	40,692
Granted on reinvestment of distributions	13,391	14,014
Number outstanding, end of period	304,826	249,794

During the nine months ended September 30, 2024, the Trust granted 41,641 DTUs under its Incentive Unit Plan with an aggregate fair value of \$575 at the time of granting. The weighted average grant price was \$13.81 per unit. The grant price, calculated on the date of a grant, is calculated as the average of the daily average of the high and low board lot trading prices of Units on the TSX for the five consecutive trading days immediately preceding the grant date. As at September 30, 2024, 280,716 outstanding DTUs have vested.

14. Income Taxes

The Trust is taxed as a “mutual fund trust” and a real estate investment trust under the Tax Act. The Board intends to distribute all of the Trust’s taxable income to the Unitholders and accordingly, the Trust will not be taxed on its Canadian investment property income. The Trust is subject to taxation on certain taxable subsidiaries.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

(in thousands of Canadian dollars)

15. Net Property Income

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Rental revenue:				
Base rent	\$ 67,575	\$ 57,767	\$ 199,185	\$ 165,014
Percent rent in lieu of base rent	2,908	3,805	8,419	11,136
Property tax and insurance recoveries	19,641	16,260	59,256	47,899
Operating cost recoveries	20,426	18,118	65,966	52,266
Percentage rent	2,589	1,655	5,329	3,981
Straight-line rent adjustment	1,635	730	5,181	1,947
Lease surrender revenue	286	1,491	1,223	2,653
Specialty leasing revenue	3,918	3,546	11,879	10,144
Parking and other sundry	558	1,454	2,326	2,120
	119,536	104,826	358,764	297,160
Property operating costs:				
Property tax and insurance expense	(25,483)	(22,442)	(78,030)	(63,661)
Recoverable operating costs	(20,427)	(20,406)	(69,545)	(60,844)
Non-recoverable operating costs ⁱ	(1,214)	(1,020)	(3,106)	(3,086)
Ground rent	(467)	(474)	(1,405)	(1,356)
	(47,591)	(44,342)	(152,086)	(128,947)
	\$ 71,945	\$ 60,484	\$ 206,678	\$ 168,213

- i. For the three and nine months ended September 30, 2024, non-recoverable operating costs included net bad debt expense of \$170 and \$136 (three and nine months ended September 30, 2023 - net recovery of bad debts of \$42 and \$401, respectively).

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

(in thousands of Canadian dollars)

16. Interest and Other Income

	Note	Three months ended September 30,		Nine months ended September 30,	
		2024	2023	2024	2023
Interest income		\$ 2,772	\$ 1,330	\$ 5,407	\$ 3,675
Gain on extinguishment of debt	8	150	—	150	—
Property management fees		661	698	1,884	1,949
		\$ 3,583	\$ 2,028	\$ 7,441	\$ 5,624

17. Net Interest Expense and Other Financing Charges

	Note	Three months ended September 30,		Nine months ended September 30,	
		2024	2023	2024	2023
Interest on mortgages payable		\$ 3,244	\$ 2,908	\$ 9,575	\$ 8,093
Interest on senior unsecured debentures		16,401	7,616	43,555	19,259
Bank interest and charges on unsecured credit facilities		2,459	4,387	8,512	13,409
Distribution on Convertible Preferred LP Units		3,075	1,063	9,225	1,063
Finance charge - lease liability		81	89	248	274
Amortization of deferred financing costs	8,9	1,081	490	2,301	1,466
Amortization of debt discount	8	358	—	1,074	—
		26,699	16,553	74,490	43,564
Less: Capitalized interest		(518)	(1,277)	(2,907)	(3,639)
		\$ 26,181	\$ 15,276	\$ 71,583	\$ 39,925

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

(in thousands of Canadian dollars)

18. General and Administrative Expenses

	Note	Three months ended September 30,		Nine months ended September 30,	
		2024	2023	2024	2023
Salaries, benefits and recruiting costs		\$ 6,950	\$ 5,974	\$ 19,985	\$ 17,644
Unit-based compensation costs	13	1,676	1,016	4,929	3,432
Professional fees		576	758	2,025	1,937
Information technology costs		418	643	1,520	1,841
Investor relations and other public entity costs		377	115	914	935
Occupancy costs		345	553	1,179	1,651
Other		226	523	1,377	1,665
		10,568	9,582	31,929	29,105
Less: Recoverable operating cost allocations		(2,641)	(2,242)	(7,963)	(6,664)
		\$ 7,927	\$ 7,340	\$ 23,966	\$ 22,441

19. Financial Instruments

The following table presents the fair value hierarchy of financial assets and liabilities, excluding those classified as amortized cost that are short term in nature such that carrying amounts approximate fair values.

As at	Note	September 30, 2024			December 31, 2023		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Liabilities							
Fair value through profit and loss:							
Derivative liabilities	10	\$ —	\$ —	\$ —	\$ —	\$ 780	\$ —
Unit-based compensation	10	—	11,843	—	—	9,233	—
Convertible Preferred LP Units	11	—	202,716	—	—	179,150	—
Amortized cost:							
Senior unsecured debentures	8	—	1,433,120	—	—	1,000,000	—
Mortgages payable		—	234,929	—	—	284,924	—
Credit facilities	9	—	70,000	—	—	200,000	—

The carrying value of the Trust's financial assets and liabilities approximated fair value except for long-term debt. There have been no transfers between levels of the fair value hierarchy.

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Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

(in thousands of Canadian dollars)

Derivative Instruments

Derivative instruments consisted of interest rate swaps to economically hedge the variable interest rate associated with advances on the credit facilities. During the third quarter of 2024, all the previously outstanding interest rate swaps were settled.

				As at September 30, 2024	As at December 31, 2023
	Maturity date	Notional Amount	Interest Rate	Carrying Value	Carrying Value
Derivative liabilities					
Interest rate swaps	October 18, 2027	\$200,000	3.685%	\$ —	\$ 780

During the three and nine months ended September 30, 2024, the Trust recorded losses of \$5,473 and \$3,546, respectively, for the change in fair value of the derivative instruments (three and nine months ended September 30, 2023 - gains of \$3,725 and \$8,050, respectively, and year ended December 31, 2023 - \$540 loss).

20. Capital Management

The Trust's capital management framework is designed to maintain a level of capital that complies with the investment and debt restrictions pursuant to the Declaration of Trust and with existing debt covenants, and that enables the Trust to implement its business strategies and build long-term Unitholder value. In order to maintain or adjust its capital structure, Primaris may issue new Units, repay debt, or adjust the amount of distributions paid to Unitholders.

The Declaration of Trust provides for maximum debt levels of up to 65% of Total Assets (as defined in the Declaration of Trust). The Trust is in compliance with this restriction. Additionally, the Declaration of Trust contains provisions limiting the capital that can be expended by the Trust as follows:

- the cost, net of debt incurred or assumed, of any single property acquired by the Trust will not exceed 20% of Total Assets;
- investment in raw land, excluding land under development, will not exceed 20% of Total Assets;
- investment in securities of other entities, unless effecting a merger or acquisition of control, will not exceed 10% of the issuer's securities;
- investment in mortgages will not exceed 20% of Total Assets; and
- fair market value of space leased or subleased to any one tenant, with certain exceptions, will not exceed 20% of Total Assets.

The Trust was in compliance with each of the above noted restrictions as at September 30, 2024.

On August 6, 2024, Primaris filed a base shelf prospectus allowing for the issuance, from time to time, of Units, debt securities, subscription receipts and warrants, or any combination thereof. This prospectus is effective for a 25-month period from the date of issuance.

On October 3, 2024, Primaris issued a prospectus supplement under the base shelf prospectus to distribute 4,803,294 Trust Units, including the over-allotment. The Trust Units distributed consisted of 2,516,011 Trust Units, including the

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Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

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over-allotment, issued from treasury in relation to the acquisition of Les Galeries de la Capitale (Note 23), and 2,287,283 Units issued from treasury to satisfy the conversion of Convertible Preferred LP Units (Note 11).

Primaris is subject to certain financial covenants under its credit facilities:

- Debt maintenance ratio < 50%;
- Secured indebtedness ratio < 40%;
- Fixed charge coverage ratio > 1.5x;
- Equity maintenance > \$1.3 billion;
- Eligible unencumbered investment properties ratio > 1.5x; and
- Interest coverage ratio > 1.65x.

As at September 30, 2024, Primaris was compliant with all of its applicable financial covenants.

Capitalization

The following chart details the capitalization of Primaris:

As at	Note	September 30, 2024	December 31, 2023
Liabilities:			
Senior unsecured debentures	8	\$ 1,433,120	\$ 1,000,000
Mortgages payable	8	238,314	293,803
Credit facilities	9	70,000	200,000
Convertible Preferred LP Units	11	202,716	179,150
Equity:			
Unitholders' equity		2,086,876	2,103,927
		\$ 4,031,026	\$ 3,776,880

21. Contingencies and Commitments

- (a) Primaris is involved in litigation and claims in relation to the investment properties that arise from time to time in the normal course of business. In the opinion of management, any liability that may arise from such contingencies would not have a material adverse effect on the consolidated financial statements.
- (b) In the normal course of operations, Primaris has issued letters of credit in connection with developments, financings, operations and acquisitions. As at September 30, 2024, Primaris had outstanding letters of credit totaling \$368 (December 31, 2023 - \$742).
- (c) Primaris is obligated, under certain contract terms, to construct and develop investment properties. As at September 30, 2024, Primaris has entered into contracts for capital projects and is committed to future payments of approximately \$15,183 (December 31, 2023 - \$24,358).
- (d) Primaris provides guarantees on behalf of third parties, including co-owners of properties. As at September 30, 2024, Primaris had issued guarantees relating to co-owners' share of mortgage liabilities amounting to \$141,954 (December 31, 2023 - \$89,322), which expire between 2024 and 2027 (December 31, 2023 - 2024 and 2027).

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Future lease payments for regional office leases and land leases for the years ended December 31 are as follows:

2024 remainder	\$	238
2025		955
2026		955
2027		955
2028		955
Thereafter		6,589
	\$	10,647

22. Supplemental Cash Flow Information

	Note	Three months ended September 30,		Nine months ended September 30,	
		2024	2023	2024	2023
Amortization of straight-line rent adjustments and tenant incentives	3	\$ (1,664)	\$ (714)	\$ (5,163)	\$ (1,890)
Gain on extinguishment of debt	8	(150)	—	(150)	—
Unit-based compensation expense recorded in general and administrative expenses	13	1,676	1,016	4,929	3,432
Amortization of other assets		191	374	986	1,123
Amortization of right-of-use asset		198	276	582	841
Adjustment to the fair value of derivative instruments	19	5,473	(3,725)	3,546	(8,050)
Adjustment to fair value of unit-based compensation	13	2,247	(171)	1,830	(1,168)
Adjustment to fair value of Convertible Preferred LP Units	11	23,108	224	23,566	224
Adjustment to fair value of investment properties	3	41,219	22,964	31,333	30,924
Items not affecting cash		\$ 72,298	\$ 20,244	\$ 61,459	\$ 25,436

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Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

(in thousands of Canadian dollars)

	Note	Three months ended September 30,		Nine months ended September 30,	
		2024	2023	2024	2023
Net change in:					
Rent receivables, net	6	\$ (566)	\$ (956)	\$ (3,326)	\$ (746)
Other tenant receivables	6	3,173	1,737	1,111	4,137
Prepaid expense and other sundry assets	6	2,746	3,788	(5,626)	(3,640)
Exclude non-cash amortization of other assets		(191)	(374)	(986)	(1,123)
Exclude additions to credit facilities' finance costs		—	—	83	—
Exclude non-cash amortization of credit facilities' finance costs	9	(423)	(234)	(938)	(754)
Other long-term receivable		41	—	(311)	—
Trade payables and accrued liabilities	10	3,729	10,240	(2,112)	2,420
Unit-based compensation	10	3,879	827	2,610	440
Exclude unit-based compensation expense	13	(3,923)	(845)	(6,759)	(2,264)
Exclude cash settlement		—	—	4,287	1,439
Exclude Unit settlement		—	—	—	629
Lease liabilities	10	(230)	(250)	(738)	(681)
Exclude finance charge on lease liability	17	(81)	(89)	(248)	(274)
Deferred revenue	10	(6,658)	775	(5,194)	2,264
Tenant deposits	10	274	249	911	649
Change in non-cash operating items		\$ 1,770	\$ 14,868	\$ (17,236)	\$ 2,496

23. Subsequent Events

On October 1, 2024, Primaris received the funds for the cash consideration of \$14.2 million on the disposition of an open air, non-grocery anchored property completed on September 30, 2024, a bank holiday.

On October 1, 2024, Primaris acquired Les Galeries de la Capitale in Quebec City, Quebec for consideration of:

- \$204.1 million in cash; and
- \$100.0 million aggregate face value of 6.25% Convertible Preferred LP Units of a newly formed subsidiary limited partnership, which are exchangeable into Trust Units at an exchange price of \$21.86 per unit for 4,574,566 Trust Units.

On October 3, 2024, Primaris entered into an agreement with a syndicate of underwriters pursuant to which the underwriters purchased, on a bought deal basis, an aggregate of 4,803,294 Trust Units, including the over-allotment, at a price of \$15.55 per unit. The bought deal consisted of 2,516,011 Trust Units, including the over-allotment, issued from treasury and 2,287,283 Units issued from treasury to satisfy the conversion of 50% of the Convertible Preferred LP Units issued for the acquisition of Les Galeries de la Capitale. The Offering closed on October 9, 2024. Primaris received proceeds net of underwriters' fees of \$37.6 million.

UNITHOLDERS' INFORMATION

AUDITORS: KPMG LLP

LEGAL COUNSEL: Blake, Cassels & Graydon LLP

PLAN ELIGIBILITY: RRSP, RRIF, DPSP, RESP, RDSP, TFSA

STOCK EXCHANGE LISTING:

Units of PRIMARIS are listed on the Toronto Stock Exchange under the trading symbol PMZ.UN.

REGISTRAR AND TRANSFER AGENT:

Odyssey Trust Company, Trader's Bank Building, 702 - 67 Yonge Street, Toronto Ontario, Canada, M5E 1J8, Telephone: 1-888-290-1175 (or for callers outside North America 1-587-885-0960), Email: shareholders@odysseytrust.com, Website: www.odysseytrust.com.

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MANAGEMENT TEAM

Alex Avery

Chief Executive Officer

Patrick Sullivan

President & Chief Operating Officer

Rags Davloor

Chief Financial Officer

Mordecai Bobrowsky

Senior Vice President, Legal

Leslie Buist

Senior Vice President, Finance

Graham Procter

Senior Vice President, Asset Management

Leigh Murray

Senior Vice President and Head, National Leasing

Claire Mahaney

Vice President, Investor Relations & ESG

Joseph Martino

Vice President, Information Technology

BOARD OF TRUSTEES

Avtar Bains¹, Independent Trustee

President, Premise Properties

Anne Fitzgerald^{1,2}, Independent Trustee

Corporate Director

Louis Forbes^{2,3}, Independent Trustee

Corporate Director

Tim Pire^{1,3}, Independent Trustee

Corporate Director & Lecturer, University of Wisconsin

Deborah Weinswig^{2,3}, Independent Trustee

Founder & CEO, Coresight Research

Alex Avery

Chief Executive Officer, Primaris REIT

1. Investment Committee

2. Compensation, Governance and Nominating Committee

3. Audit Committee