

PRIMARIS REAL ESTATE INVESTMENT TRUST

Consolidated Financial Statements

As at and for the years ended December 31, 2025 and December 31, 2024

Dated: February 11, 2026

PRIMARIS REAL ESTATE INVESTMENT TRUST

Financial Results

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PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Responsibility for Financial Reporting

The management of Primaris Real Estate Investment Trust ("Primaris" or the "Trust") is responsible for the preparation and fair presentation of the accompanying consolidated financial statements (the "Financial Statements") and Management's Discussion and Analysis ("MD&A"). The Financial Statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board. All financial information in the MD&A is consistent with the Financial Statements.

The Financial Statements and information in the MD&A include amounts based on best estimates and judgments by management of the expected effects of current events and transactions with the appropriate consideration to materiality. In addition, in preparing this financial information, management must make determinations about the relevancy of information to be included, and estimates and assumptions that affect the reported information. The MD&A also includes information regarding the impact of current transaction and events, sources of liquidity and capital resources, operating trends, risks and uncertainties. Actual results in the future may differ materially from management's present assessment of this information because future events and circumstances may not occur as expected.

Management is also responsible for providing reasonable assurance that assets are safeguarded, and that relevant and reliable financial information is produced. Management meets these objectives of internal control on a cost effective basis through the prudent selection and training of personnel and third-party consultants, adoption and communication of appropriate policies, and employment of a controls testing program. Management is required to certify, under National Instrument 52-109 "Certification of Disclosure in Issuers' Annual and Interim Filings" ("52-109"), as to the design and operating effectiveness of internal control over financial reporting. There were no limitations to the scope of certification under 52-109 for the years ended December 31, 2025 or 2024.

The Board of Trustees oversees management's responsibility for financial reporting through an Audit Committee, which is composed entirely of independent Trustees. The Audit Committee reviews Primaris' Financial Statements and MD&A with management before such statements are approved by the Board of Trustees. Other responsibilities of the Audit Committee include selecting Primaris' independent auditor, approving the auditor's remuneration and terms of the engagement, and monitoring Primaris' existing systems of internal controls. The Audit Committee also meets with the independent auditors without the presence of management. The independent auditors have unrestricted access to the Audit Committee, as do the personnel and third-party consultants performing controls testing.

KPMG LLP, the independent auditors of Primaris, have audited the consolidated financial statements for the years ending December 31, 2025 and 2024 and have expressed their opinion upon the completion of such examination in the following report to Unitholders.

Patrick Sullivan

Patrick Sullivan

Chief Operating Officer

Rags Davloor

Rags Davloor

Chief Financial Officer

Toronto, Ontario
February 11, 2026

PRIMARIS REAL ESTATE INVESTMENT TRUST

Independent Auditor's Report



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INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Primaris Real Estate Investment Trust

Opinion

We have audited the consolidated financial statements of Primaris Real Estate Investment Trust ("the Entity"), which comprise:

- the consolidated statements of financial position as at December 31, 2025 and December 31, 2024
- the consolidated statements of income (loss) and comprehensive income (loss) for the years then ended
- the consolidated statements of changes in unitholders' equity for the years then ended
- the consolidated statements of cash flows for the years then ended
- and notes to the consolidated financial statements, including a summary of material accounting policy information

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2025 and December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Independent Auditor's Report

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matter to be communicated in our auditor's report.

Evaluation of the fair value of income-producing properties

Description of the matter

We draw attention to Notes 2 (c), 3 (a) and 5 of the financial statements. Investment properties include income-producing properties and land held for development. The Entity has recorded income-producing properties for an amount of \$5,044,328 thousand (including those that are classified as held for sale). Income-producing properties are recorded at fair value, determined based on available market evidence at each reporting date. The fair value of income-producing properties is dependent on significant assumptions including future cash flows over the holding period, terminal capitalization rates and discount rates applicable to those assets.

Why the matter is a key audit matter

We identified the evaluation of the fair value of income-producing properties as a key audit matter. This matter represented an area of significant risk of material misstatement given the magnitude of the fair value of income-producing properties and the high degree of estimation uncertainty in determining the fair value of income-producing properties. In addition, significant auditor judgment and specialized skills and knowledge were required in performing, and evaluating the results of, our audit procedures due to the sensitivity of the fair value of income-producing properties to minor changes in the significant assumptions.

How the matter was addressed in the audit

The primary procedures we performed to address this key audit matter included the following:

For each income-producing properties, we assessed the Entity's ability to accurately forecast cash flows by comparing the Entity's future cash flows to be generated by the income-producing properties used in the prior year's estimate of the fair value of income-producing properties to actual results.

For a selection of income-producing properties, we compared the future cash flows used by Entity's internal valuation team and external independent appraisers to the actual historical cash flows. We considered changes in conditions and events affecting the income-producing properties to assess the fair value adjustments, or lack of fair value adjustments, made by the Entity's internal valuation team and external independent appraisers in arriving at those future cash flows.

We involved valuations professionals with specialized skills and knowledge, who assisted in evaluating the appropriateness of the terminal capitalization rates and discount rates selected by the Entity's internal valuation team and external independent appraisers. These rates were stratified by asset class and evaluated by comparing them to published reports of real estate industry commentators, and where available recent sales of similar properties, while considering the attributes of the specific income-producing properties.

We evaluated the competence, capabilities and objectivity of the external appraisers by:

- Inspecting evidence that the appraisers are in good standing with the Appraisal Institute of Canada.
- Considering whether the appraisers have appropriate knowledge in relation to the specific type of income-producing properties.
- Reading the reports of the appraisers to assess their independence

PRIMARIS REAL ESTATE INVESTMENT TRUST

Independent Auditor's Report

Other Information

Management is responsible for the other information. Other information comprises:

- the information included in Management's Discussion and Analysis.
- the information, other than the financial statements and the auditor's report thereon, included in a document entitled "2025 Annual Report".

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis and the information, other than the financial statements and the auditor's report thereon, included in a document entitled "2025 Annual Report" as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Independent Auditor's Report

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.
- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Chartered Professional Accountants, Licensed Public Accountants

The engagement partner on the audit resulting in this auditor's report is Farah Bundeali.

Toronto, Canada

February 11, 2026

PRIMARIS REAL ESTATE INVESTMENT TRUST

Consolidated Statements of Financial Position

(in thousands of Canadian dollars)	Note	As at December 31, 2025	As at December 31, 2024
Assets			
Investment properties	5	\$ 5,008,515	\$ 3,826,635
Investment properties classified as assets held for sale	5	172,813	239,933
Rent receivables and other assets	7	67,786	86,090
Term deposit		—	100,000
Cash and cash equivalents		34,287	14,774
Total assets		\$ 5,283,401	\$ 4,267,432
Liabilities and Equity			
Liabilities			
Senior unsecured debentures	8	\$ 1,940,974	\$ 1,424,779
Mortgages payable	8	246,622	251,095
Unsecured credit facilities	9	—	35,000
Exchangeable Preferred LP Units	11	387,917	239,622
Trade payables and other liabilities	10	174,985	155,987
Total liabilities		2,750,498	2,106,483
Equity			
Unitholders' equity		2,532,903	2,160,949
Total liabilities and equity		\$ 5,283,401	\$ 4,267,432

Contingencies and commitments (Note 22)

See accompanying notes to these consolidated financial statements.

On behalf of the Board of Trustees:

Louis Forbes

Louis Forbes

Trustee

Patrick Sullivan

Patrick Sullivan

Trustee

PRIMARIS REAL ESTATE INVESTMENT TRUST

Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

(in thousands of Canadian dollars)	Note	Year ended December 31, 2025	Year ended December 31, 2024
Net operating income			
Revenue	15	\$ 648,467	\$ 501,925
Operating costs	15	(280,739)	(212,574)
		367,728	289,351
Other income and expenses			
Interest and other income	16	7,372	9,867
Net interest and other financing charges	17	(134,580)	(99,174)
General and administrative	18	(40,607)	(35,758)
Amortization of other assets	7	(1,106)	(1,272)
Adjustment to fair value of derivative instruments	19	501	(3,546)
Adjustments to fair value of unit-based compensation	13	130	(1,312)
Adjustments to fair value of Exchangeable Preferred LP Units	11	16,993	(12,302)
Adjustments to fair value of investment properties	5	(33,246)	(66,381)
		(184,543)	(209,878)
Net income (loss) and comprehensive income (loss) attributable to Trust Unitholders		\$ 183,185	\$ 79,473

See accompanying notes to these consolidated financial statements.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Consolidated Statements of Changes in Unitholders' Equity

(in thousands of Canadian dollars)	Note	2025
Unitholders' Equity		
Balance, December 31, 2024		\$ 2,160,949
Net income (loss) attributable to Unitholders		183,185
Distributions		(92,785)
Trust Unit issuance, net of issue costs	12	267,216
Issued in exchange for Exchangeable Preferred LP Units	12	89,490
Units cancelled under normal course issuer bid	12	(74,026)
Obligation for purchase of Units under automatic share purchase plan	12	(1,126)
Balance, December 31, 2025		\$ 2,532,903

(in thousands of Canadian dollars)		2024
Unitholders' Equity		
Balance, December 31, 2023		\$ 2,103,927
Net income (loss) attributable to Unitholders		79,473
Distributions		(81,690)
Trust Unit issuance, net of issue costs	12	36,343
Issued in exchange for Exchangeable Preferred LP Units	12	48,170
Units cancelled under normal course issuer bid	12	(20,075)
Obligation for purchase of Units under automatic share purchase plan	12	(5,199)
Balance, December 31, 2024		\$ 2,160,949

See accompanying notes to these consolidated financial statements.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Consolidated Statements of Cash Flows

(in thousands of Canadian dollars)	Note	Year ended December 31, 2025	Year ended December 31, 2024
Cash provided by (used in):			
Operating activities:			
Net income (loss)		\$ 183,185	\$ 79,473
Net interest and other financing charges	17	134,580	99,174
Interest paid		(128,463)	(90,185)
Interest income	16	(3,267)	(7,026)
Interest received		4,963	5,218
Cash paid on vesting of Restricted Trust Units		(4,225)	(4,287)
Items not affecting cash	25	17,355	85,025
Change in non-cash operating items	25	21,605	929
		225,733	168,321
Financing activities:			
Senior unsecured debentures:			
Borrowings, net of financing costs	8	646,765	497,240
Repayments	8	(133,120)	(66,730)
Mortgages payable:			
Borrowings, net of deferred financing costs	8	—	109,225
Principal and debt maturity repayments	8	(4,713)	(131,638)
Credit Facilities			
Net advances (repayments)	9	(35,000)	(165,000)
Financing costs	9	(710)	(561)
Cash received on settlement of hedges	8,9	131	(4,326)
Trust Unit issuance, net of issue costs	12	160,371	36,343
Units cancelled under normal course issuer bid	12	(79,225)	(21,875)
Distributions paid		(91,291)	(81,295)
		463,208	171,383

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PRIMARIS REAL ESTATE INVESTMENT TRUST

Consolidated Statements of Cash Flows

(in thousands of Canadian dollars)	Note	Year ended December 31, 2025	Year ended December 31, 2024
Investing activities:			
Investment properties:			
Acquisitions	4	(1,057,748)	(251,965)
Redevelopment costs	5	(42,317)	(50,206)
Building improvement costs	5	(3,008)	(2,697)
Recoverable and non-recoverable costs	5	(21,139)	(20,370)
Tenant allowances and leasing costs	5	(29,101)	(18,445)
Net proceeds on asset dispositions	5	379,752	50,341
Fixed Assets:			
Acquisitions	7	(667)	(16,751)
Repayment of vendor take-back notes	7	4,800	—
Term Deposit		100,000	(100,000)
Note receivable		—	40,840
		(669,428)	(369,253)
Increase (decrease) in cash and cash equivalents		19,513	(29,549)
Cash and cash equivalents, beginning of year		14,774	44,323
Cash and cash equivalents, end of year		\$ 34,287	\$ 14,774

See accompanying notes to these consolidated financial statements.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the 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. 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 consolidated financial statements have been prepared in accordance with IFRS accounting standards as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements were authorized by the Primaris Board of Trustees (the "Board") on February 11, 2026.

(b) Basis of preparation

The consolidated financial statements are prepared on a going concern basis using the historical cost method except for investment properties (Note 5), Exchangeable 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 consolidated financial statements are presented in Canadian dollars, the Trust's functional currency.

The Trust presents its 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 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 owns and operates retail shopping centres across Canada. When measuring performance management does not distinguish or group its operations geographically or on any other basis in assessing its strategic decisions for allocating resources. As such, Primaris has a single reportable segment for disclosure purposes.

Presentation of certain figures in the consolidated financial statements have been reclassified to conform with the current year presentation.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

2. Material Accounting Policies

(a) Basis of consolidation

The consolidated financial statements include the accounts of all entities in which Primaris holds a controlling interest. Control is achieved when the Trust has power over the entity, has exposure, or rights, to variable returns from its involvement with the entity, and can use its power to affect its returns. All material intercompany transactions and balances have been eliminated upon consolidation.

Joint operation

Primaris carries out a portion of its activities through joint operations and records its proportionate share of assets, liabilities, revenues, expenses, and cash flows of all joint operations in which it participates. A joint operation is a type of joint arrangement where the Trust makes operating, financial, and strategic decisions over one or more investment properties jointly with another party, and has direct, not net, rights to the assets and obligations for the liabilities relating to the arrangement.

(b) Business combinations

When an investment is acquired, the Trust considers the substance of the assets and activities of the acquisition in determining whether the transaction represents an asset acquisition or a business combination. The transaction is classified as an asset acquisition unless the acquired investment meets the definition of a business, in accordance with IFRS 3, "Business Combinations", being an integrated set of activities and assets that are capable of being managed for the purposes of providing a return to Unitholders.

If the acquisition of an investment does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets acquired, liabilities and contingent liabilities assumed based on their relative fair values at the acquisition date, and no goodwill is recognized. Transaction costs related to the acquisition are capitalized to the investment property.

(c) Investment properties

Primaris' investment properties are held to earn rental income or for capital appreciation, or both, but not for sale in the ordinary course of business. The Trust accounts for its investment properties in accordance with International Accounting Standard ("IAS") 40, "Investment Properties". Investment properties include income-producing properties and land held for development.

Upon acquisition, investment properties are initially recorded at cost, comprised of the purchase price and any directly attributable expenditures. Subsequent to initial recognition, Primaris uses the fair value model to account for investment properties. Under the fair value model, investment properties are recorded at fair value, determined based on available market evidence at each reporting date in accordance with the valuation policy discussed in Note 5. The related gain or loss arising from the change in fair value is recognized in net income in the period in which it arises.

Subsequent capital expenditures are capitalized to investment properties only when it is probable that future economic benefits of the expenditure will flow to the Trust and the cost can be measured reliably. These costs include revenue enhancing capital expenditures that result in additional gross leasable area and operating capital expenditures which maintain or improve the existing productive capacity of an income-producing property.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

Operating capital includes:

- Recoverable and non-recoverable capital: 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: Amounts expended to meet the Trust's lease obligations which are determined to primarily benefit and/or are owned by the Trust. In such circumstances, the Trust is considered to have acquired an asset which is recorded as an addition to income-producing properties. If benefit of the payment primarily confers to the tenant, the amount is considered a tenant inducement which is amortized on a straight-line basis over the term of the lease as a reduction of revenue.
- Leasing costs: Costs, such as commissions, incurred in negotiating tenant leases are recorded as additions to investment properties.

All other costs are expensed to repairs and maintenance when incurred.

Gains or losses from the disposal of investment properties are determined as the difference between the net disposal proceeds and the carrying amount of the investment property and are recognized in net income in the period of disposal.

(d) Investment properties classified as held for sale

Investment properties are classified as held for sale when it is expected that the carrying amount will be recovered principally through sale rather than from continuing use. For this to be the case, the property must be available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such property, and the sale must be highly probable, generally within one year. Upon being designated as held for sale such investment properties continue to be measured at fair value but are presented separately on the consolidated statements of financial position.

(e) Financial instruments

Financial assets and financial liabilities are recognized in the consolidated statement of financial position when the Trust becomes a party to the contractual provisions of a financial instrument.

Classification and measurement

IFRS 9, "Financial Instruments", requires financial assets to be classified, at the time of recognition, based on the business model in which they are managed and the characteristics of their contractual cash flows. Financial assets are classified and measured based on three categories: (i) amortized cost, (ii) fair value through other comprehensive income ("FVOCI"), or (iii) fair value through profit or loss ("FVTPL"). Financial liabilities are classified and measured based on two categories: (i) amortized cost, or (ii) FVTPL.

All financial instruments are measured at fair value on initial recognition. Transaction costs attributable to the acquisition or issuance of financial assets and financial liabilities, other than those classified as FVTPL, are added to or deducted from the fair value on initial recognition. Transaction costs attributable to the acquisition or issuance of financial assets and financial liabilities classified as FVTPL are recognized immediately in net income. Subsequent measurement for financial assets and financial liabilities is based on either fair value, or amortized cost using the effective interest method, based upon their classification.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

The classification and measurement of financial assets is based on the Trust's business model for managing these financial assets and their contractual cash flow characteristics:

- Assets held for the purpose of collecting contractual cash flows that represent solely payments of principal and/or interest ("SPPI") are measured at amortized cost;
- Assets held within a business model where assets are held for both the purpose of collecting contractual cash flows and selling financial assets prior to maturity, and the contractual cash flows represent solely payments of principal and interest, are measured at FVOCI;
- Assets held within another business model or assets that do not have contractual cash flow characteristics that are SPPI are measured at FVTPL.

Financial derivative instruments

The Trust does not use derivative instruments for speculative purposes. Any embedded derivative instruments that may be identified are separated from their host contract and recorded on the consolidated statement of financial position at fair value. All changes in the fair values of derivative instruments are recorded in net earnings unless the derivative qualifies and is effective as a hedging item in a designated hedging relationship. Primaris utilizes derivative instruments from time-to-time to manage exposure to fluctuations in interest rates.

The following summarizes the classification and measurement of financial assets and liabilities:

Financial Asset / Liability	Classification and Measurement
Vendor take-back notes	Amortized cost
Rent receivables	Amortized cost
Term deposit	Amortized cost
Cash and cash equivalents	Amortized cost
Senior unsecured debentures	Amortized cost
Mortgages payable	Amortized cost
Unsecured credit facilities	Amortized cost
Exchangeable Preferred LP Units	FVTPL
Liability for unit-based compensation plans	FVTPL
Trade payables and other liabilities	Amortized cost
Derivative assets / liabilities	FVTPL

Impairment and derecognition

An allowance for expected credit losses is recognized for all financial assets measured at amortized cost. Impairment losses, if incurred, would be recorded as expenses in net income.

Financial assets are derecognized when the contractual rights to receive cash flows and benefits expire or when a transfer of the asset occurs that qualifies for derecognition. The difference between an asset's carrying value and the sum of the consideration received or receivable is recorded in net income. Financial liabilities are derecognized when obligations under the contract expire, are discharged, or cancelled. The difference between a liability's carrying value and the sum of the consideration paid or payable is recorded in net income.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

(f) Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in absence of a principal market, in the most advantageous market for the asset or liability that is accessible by Primaris. The Trust uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use.

All assets and liabilities, for which fair value is measured or disclosed in the consolidated financial statements, are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement:

Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Valuation process

The following table describes the valuation techniques used by Primaris in the determination of fair value of assets and liabilities (other than those that are measured at amortized cost and short term in nature):

Asset / Liability	Valuation Approach
Investment properties	Valuation method described in Note 5
Long-term debt	Present value of contractual cash flows, discounted at Primaris' current incremental borrowing rate for similar types of borrowing or, where applicable, quoted market prices
Credit facilities	The carrying amount approximates fair value due to the short-term maturity of these liabilities
Units granted under unit-based compensation plan	Closing market trading price of underlying Units
Exchangeable Preferred LP Units	The carrying amount represents estimates for each grant of Exchangeable Preferred LP Units, at a specific point in time, calculated using financial models based on credit spreads and ranking concessions applied to the risk free rate and the expected Trust Unit volatility.
Derivative instruments	The carrying amount represents estimates, at a specific point in time, calculated using financial models, based on interest rates that reflect current market conditions, the credit quality of counterparties and interest rate curves.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

(g) Rent receivables

Rent receivables are recognized initially at fair value, subsequently at amortized cost and, where relevant, adjusted for the time value of money. The Trust assesses on a forward-looking basis the expected credit losses associated with its rent receivables. A recognition of a loss allowance is made for the lifetime expected credit losses on initial recognition of the receivable. In determining the expected credit losses, the Trust considers any recent payment behaviours and future expectations of likely default events. These assessments are made on a tenant-by-tenant basis.

(h) Trust Units

With certain restrictions, the Trust Units are redeemable at the option of the holder, and, therefore, are considered puttable instruments in accordance with IAS 32, "Financial Instruments – Presentation". Puttable instruments are required to be accounted for as financial liabilities, except where certain conditions are met in accordance with IAS 32, in which case, the puttable instruments are presented as equity.

To be presented as equity, a puttable instrument must meet all of the following conditions: (i) it must entitle the holder to a pro-rata share of the entity's net assets in the event of the entity's dissolution; (ii) it must be in the class of instruments that is subordinate to all other instruments; (iii) all instruments in the class in (ii) above must have identical features; (iv) other than the redemption feature, there can be no other contractual obligations that meet the definition of a liability; and (v) the expected cash flows for the instrument must be based substantially on the profit or loss of the entity or change in fair value of the instrument. The Trust Units meet the conditions of IAS 32 and, accordingly, are presented as equity in the consolidated financial statements.

(i) Exchangeable Preferred LP Units

Certain Class B limited partnership units of certain subsidiaries of Primaris (together with any accrued and unpaid distributions thereon) are, or may in the future be, exchangeable into publicly traded Trust Units at the option of the holder (the "Exchangeable Preferred LP Units"). Exchangeable Preferred LP Units are considered debt instruments and are classified as financial liabilities at fair value through profit or loss. Distributions paid on Exchangeable Preferred LP Units are accounted for as interest expense.

(j) Unit-based compensation

Primaris has four unit-based compensation plans: the Trust Unit Option ("Option"), Restricted Trust Unit ("RTU"), Deferred Trust Unit ("DTU"), and Performance Trust Unit ("PTU") plans. The plans are accounted for as cash-settled awards, as the Trust is an open-ended trust making its Trust Units redeemable, and thus requiring its unit-based compensation plans to be recognized as a liability carried at fair value. The RTU, DTU and PTU plans provide for the crediting of additional RTUs, DTUs and PTUs in respect of distributions paid on Units for the period when a RTU, DTU or PTU is outstanding. Compensation expense is recognized in net income over the vesting periods of each plan.

(k) Leases

Primaris as a lessee

Leases are recognized as a right-of-use ("ROU") asset and corresponding liability at the commencement date, except for short-term leases of twelve months or less, or low value leases or low value right-of-use assets, which are expensed in net income on a straight-line basis over the lease term.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

At the inception of the lease, the ROU asset is measured at cost, comprising initial lease liability, initial direct costs, and any future restoration or refurbishment costs, less any incentives granted by the lessors. The ROU asset is depreciated over the shorter of the asset's useful life and the lease term of the underlying asset on a straight-line basis. The ROU asset is subject to testing for impairment if there is an indicator for impairment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if not determinable, Primaris' incremental borrowing rate, specific to the term of the lease. The lease liability is subsequently measured at amortized cost using the effective interest rate method.

Primaris as a lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. To make this assessment, the Trust considers certain indicators including whether the lease is for the major part of the economic life of the asset or the present value of lease payments is substantially all of the fair value of an underlying asset. Primaris has determined that all its leases with its tenants are operating leases. Revenue is recorded in accordance with Primaris' revenue recognition policy.

(l) Revenue recognition

Primaris has not transferred substantially all the risks and benefits of ownership of its investment properties and, therefore, accounts for leases with its tenants as operating leases. Revenue recognition under an operating lease commences when the tenant has a right to use the leased asset, which is typically when the space is turned over to the tenant to begin fixturing. Where the Trust is required to make additions to the property in the form of tenant improvements that enhance the value of the property, revenue recognition begins upon substantial completion of those improvements.

Revenue earned from tenants under lease agreements includes both a lease component and a non-lease component.

Minimum base rent, straight-line rent adjustment, recovery of realty taxes and insurance, lease surrender revenue and percentage rent are considered lease components in the scope of IFRS 16, "Leases". Certain leases have minimum base rental payments that change over the term of the lease. The total amount of contractual base rent to be received is recognized on a straight-line basis over the term of the lease. A straight-line rent adjustment receivable, which is included in the carrying amount of investment properties, is recorded for the difference between the rental revenue recorded and the contractual amount of minimum base rent received or receivable. Lease surrender revenue is earned from tenants in connection with the cancellation or early termination of their remaining lease obligations and is recognized when a lease surrender agreement is signed, and collection is reasonably assured. Percentage rents are recognized when the sales thresholds, set out in the leases, have been met.

Lease agreements allow for the recovery from tenants of costs to maintain and operate the property, and other support services. The property management services are considered to be one performance obligation, meeting the criteria for over time recognition in IFRS 15, "Revenue from Contracts with Customers", and are recognized in the period that recoverable costs are incurred, or services are performed.

Primaris also recognizes revenue from its property management services in connection with co-ownership operations. Fees are generally recognized as revenue over the period of performance of those services and amounts are determined based on agreements in place.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

(m) Income tax

The Trust currently qualifies as a "mutual fund trust" and a "real estate investment trust" under the Tax Act. The Tax Act includes rules (referred to herein as the "SIFT Rules") which apply to "SIFT trust", "SIFT partnerships" (each as defined in the Tax Act) and their investors and provide that certain distributions will not be deductible in computing the taxable income of a "SIFT trust" or "SIFT partnership" and that the "SIFT trust" or "SIFT partnership" will be subject to tax on such distributions at a rate that is substantially equivalent to the general tax rate applicable to taxable Canadian corporations.

The SIFT Rules do not apply to a trust that qualifies as a "real estate investment trust" (as defined in the Tax Act) for a taxation year (the "REIT Exception") and distributions may be deducted against the Trust's taxable income. Management has reviewed the SIFT Rules and has assessed its interpretation and application to its assets and revenue and has determined that it meets the REIT Exceptions. The Board intends to distribute annually all taxable income directly earned by Primaris to Unitholders and to deduct such distributions for income tax purposes. Accordingly, except for transactions of a subsidiary of the Trust, no net current income tax expense or deferred income tax assets or liabilities have been recorded in the consolidated financial statements.

(n) Future changes in accounting standards

Standards issued but not yet effective up to the date of issuance of these consolidated financial statements, which the Trust reasonably expects to be applicable at a future date, are described 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.

Amendments to IFRS 9, "Financial Instruments" and IFRS 7, "Financial Instruments: Disclosures"

In May 2024, amendments to IFRS 9 and IFRS 7 were issued. The amendments clarify the timing of recognition and derecognition for a financial asset or financial liability, including clarifying that a financial liability is derecognized on the settlement date. Further, the amendments introduce an accounting policy choice to derecognize financial liabilities settled using an electronic payment system before the settlement date, if specific conditions are met. In addition, the amendments clarify the classification of financial assets with features linked to environmental, social and corporate governance. The amendments also require additional disclosures for financial instruments with contingent features and investments in equity instruments classified at fair value through other comprehensive income. These amendments are effective for annual reporting periods beginning on or after January 1, 2026. Early adoption is permitted, with an option to early adopt only the amendments related to the classification of financial assets. Management assessed the impact of the amendments to IFRS 9 and IFRS 7, and concluded that the classification and disclosure of the financial assets and financial liabilities are not expected to change on adoption of the amendment. As such, there will be no impact to the consolidated financial statements on application of the amendment.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

3. Critical Judgments, Estimates and Assumptions

The preparation of Primaris' consolidated financial statements requires management to make significant judgments in the process of applying Primaris' accounting policies (as disclosed in Note 2) that affect the carrying amounts of assets and liabilities, and the reported amounts of revenues and expenses. In addition, estimates and assumptions are used, mainly in determining the measurement of balances recognized or disclosed in the consolidated financial statements, that are based on a set of underlying data that may include management's historical experience, knowledge of current events and conditions, and other factors that are believed to be reasonable under the circumstances. Management continually evaluates the estimates and judgments it uses.

In the process of applying Primaris' accounting policies, management was required to apply judgment and estimation in the areas discussed below.

(a) Investment properties

Judgments made in application of accounting policy

Judgment is required in determining whether certain costs represent additions to the carrying amount of the investment properties versus a charge to repairs and maintenance expense. Judgment is also required in distinguishing whether amounts expended under leasing obligations are tenant allowances or incentives. Primaris also applied judgment in determining whether the investment properties it acquires are considered to be asset acquisitions or business combinations.

Use of estimates and assumptions

The fair value of income-producing properties is dependent on future significant assumptions including future cash flows over the holding period, terminal capitalization rates and discount rates applicable to those assets. The estimation of future cash flows involves assumptions relating to occupancy, rental rates and residual value. In addition to estimating future cash flows, management assesses changes in the business climate and other factors, which may affect the future cash flows. A change to any of these assumptions may significantly alter the fair value of an investment property. The fair value of land held for development is dependent on the market value per unit established on comparable sales activity.

Measurement uncertainty exists in the Trust's ability to apply comparable sales activity to estimate the fair value of land held for development. There are inherent limitations in determining the comparable sales as this requires knowledge of the specific zoning, conditions and stages of the developments.

It is not possible to forecast with certainty the duration and scope of impacts from macroeconomic factors such as inflation, or changes in interest rates on the Trust's business and operations. Certain aspects of the Trust's business and operations that could potentially be impacted include rental income, occupancy, future demand for space and market rents, which all ultimately impact the underlying valuation of its investment properties. As such, there is measurement uncertainty in being able to appropriately forecast future cash flows when determining the fair value of investment properties.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

(b) Joint operations

Judgments made in application of accounting policy

Primaris makes judgments in determining the appropriate accounting for co-owned properties. Such judgments include assessing the level of control or influence Primaris has and determining whether Primaris' rights and obligations are directly related to the assets and liabilities of the arrangement or to the net assets of the arrangement. In determining that Primaris has rights and obligations directly related to the assets and liabilities of the arrangement, Primaris will record its proportionate share of assets, liabilities, revenues, expenses and cash flows.

(c) Leases

Judgments made in application of accounting policy

Primaris makes judgments in determining whether certain leases, in particular tenant leases where the Trust is the lessor, are either operating or finance leases. When Primaris determines, based on an evaluation of terms and conditions of the lease, that the Trust retains all the significant risks and rewards of ownership of the property under the lease agreement with a tenant, the lease will be recorded as an operating lease.

Primaris also makes judgments when recording the right-of-use asset and lease liability for leases where Primaris is the lessee. Primaris considers all factors to determine if it is reasonably certain that an extension options will be exercised or not. The Trust uses its incremental borrowing rate to account for leases with third party landlords as the implicit rates in the lease are not readily available information for the lessor. Primaris determines the incremental borrowing rate as the rate of interest that it would pay to borrow over a similar term and with similar security.

(d) Acquisitions

Judgments made in application of accounting policy

Primaris assesses whether an acquisition should be accounted for as an asset acquisition or a business combination under IFRS 3, Business Combinations. This assessment requires judgments on whether the assets acquired and liabilities assumed constitute a business including the assessment of inputs and processes acquired support the outputs.

Primaris also uses judgment in determining if such acquisitions qualify to meet the requirements of IAS 40, Investment Properties, based on the significance of rental income in context to total income generated at the property.

(e) Income taxes

Judgments made in application of accounting policy

Primaris uses judgment to interpret income tax rules and regulations and in determining that it satisfies the requirements of the REIT Exception. Primaris has determined that it currently qualifies as a "real estate investment trust" and expects to continue to qualify. However, should it no longer qualify, it would not be able to flow through its taxable income to Unitholders and would therefore be subject to income tax at a rate that is substantially equivalent to the combined federal and provincial general tax rate applicable to taxable Canadian corporations.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

(f) Exchangeable Preferred LP Units

Use of estimates and assumptions

Primaris uses estimation to calculate the fair value of the Exchangeable Preferred LP Units including assumptions on the risk-free interest rate for the expected life of the Exchangeable Preferred LP Units, the credit spread and ranking concession reflecting the Exchangeable Preferred LP Units subordination to other debt applied to the risk-free rate, and the expected historical volatility of the Trust unit price and a select peer group.

(g) Expected credit loss

Use of estimates and assumptions

Primaris assesses, on a tenant-by-tenant basis, expected losses with its rent receivables. In determining the provision for credit loss, Primaris considers the payment history, and future expectations of potential abatements to be granted through negotiation or tenant default events. Primaris' assessment is subjective due to its forward-looking nature. As a result, the provision for credit loss is subject to a degree of uncertainty which is compounded by macroeconomic factors such as inflation or changes in interest rates.

Primaris assesses potential impairment of the vendor take-back notes by estimating possible default scenarios for the next twelve months on its vendor take-back notes. In making this assessment, Primaris considers various factors including the borrowers' credit risk, the term to maturity, status of the underlying projects and prevailing market conditions. Any resulting impairment, reduces the carrying amount of the financial asset and is recognized in net income.

(h) Liability for unit-based compensation

Use of estimates and assumptions

The fair value of the liability for Trust Unit Options is valued using the Black-Scholes model which includes assumptions on the expected distribution yield; the expected Trust Unit price volatility; the weighted average expected life of the Options; and the risk-free interest rate for the expected life of the Options. A change to any of these inputs may impact the fair value of the liability. For the fair value of Performance Trust Units, the performance market conditions are also taken into consideration.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

4. Acquisitions

On January 31, 2025, Primaris acquired a 50% co-ownership interest in Southgate Centre in Edmonton, Alberta and 100% of the assets of Oshawa Centre in Oshawa, Ontario. On June 17 2025, Primaris acquired the assets of Lime Ridge Mall and Professional Centre in Hamilton, Ontario. On October 10, 2025, Primaris acquired the assets of Promenades St-Bruno in Montreal, Quebec. The acquisitions were accounted for as asset acquisitions and are classified as investment properties.

	Note	Oshawa Centre	Southgate Centre	Lime Ridge Mall and Professional Centre	Promenades St-Bruno ⁱⁱⁱ	As at December 31, 2025
Cash consideration ⁱ		\$ 133,356	\$ 211,188	\$ 244,094	\$ 499,110	\$ 1,087,748
Add: Fair value of non-cash consideration						
7,222,261 Trust Units issued	12	51,318	—	55,527	—	106,845
Exchangeable Preferred LP Units issued ⁱⁱ	11	165,288	—	89,490	—	254,778
Purchase price		\$ 349,962	\$ 211,188	\$ 389,111	\$ 499,110	\$ 1,449,371

- The cash consideration for Oshawa Centre, Southgate Centre, Lime Ridge Mall and Promenades St-Bruno included acquisition costs of \$8,356, \$1,188, \$9,094 and \$15,748 respectively.
- \$175,000 Exchangeable Preferred LP Units, exchangeable into 8,020,165 Trust Units, were issued for the acquisition of Oshawa Centre, \$100,000 Exchangeable Preferred LP Units, exchangeable into 4,672,897 Trust Units, were issued for the acquisition of Lime Ridge Mall/Professional Centre (Note 11).
- Aggregate consideration included 7,476,636 Trust Units at a price of \$21.40 and \$85,000 Exchangeable Preferred LP Units which were exchangeable into 3,971,963 Trust Units at \$21.40 per unit. The vendor elected to satisfy the equity portions of the consideration through the net proceeds from a public equity issuance in October 2025, including the exercise of the over-allotment option (see Note 12).

On June 10, 2024, Primaris purchased the grocery store building connected to Conestoga Mall and the associated land in Waterloo, Ontario. On October 1, 2024, Primaris acquired the assets of Les Galeries de la Capitale in Quebec City, Quebec which included the assets of an amusement park. Both acquisitions were accounted for as asset acquisitions.

	Note	Grocery store at Conestoga Mall	Les Galeries de la Capitale	As at December 31, 2024
Cash consideration ⁱ		\$ 20,069	\$ 218,104	\$ 238,173
Add: Fair value of non-cash consideration				
Exchangeable Preferred LP Units issued ⁱⁱ	11	—	96,340	96,340
Purchase price		\$ 20,069	\$ 314,444	\$ 334,513

Allocation of purchase price:

Investment properties	\$	318,305
Fixed assets (amusement park)		16,208
	\$	334,513

- The cash consideration for the grocery store at Conestoga Mall and Les Galeries de la Capitale included acquisition costs of \$409 and \$14,012, respectively.
- \$100,000 Exchangeable Preferred LP Units, exchangeable into 4,574,566 Trust Units, were issued for the acquisition of Les Galeries de la Capitale (Note 11).

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

5. Investment Properties

	Note	Year ended December 31, 2025	Year ended December 31, 2024
Balance, beginning of year		\$ 4,066,568	\$ 3,785,347
Acquisitions	4	1,449,371	318,305
Building improvements		3,008	2,372
Operating capital:			
Recoverable and non-recoverable costs		21,265	19,533
Tenant allowances and leasing costs		23,581	22,415
Development capital:			
Redevelopment		35,576	49,311
Capitalized interest	17	1,842	3,740
Amortization of straight-line rent adjustments and tenant incentives		7,239	7,209
Dispositions, net of transactions costs		(393,876)	(75,283)
Adjustment to fair value of investment properties		(33,246)	(66,381)
Balance, end of year		\$ 5,181,328	\$ 4,066,568
Classified as:			
Investment Properties		\$ 5,008,515	\$ 3,826,635
Investment properties classified as held for sale		172,813	239,933
		\$ 5,181,328	\$ 4,066,568
Composition:			
Income-producing properties		\$ 5,044,328	\$ 3,919,568
Land held for development		137,000	147,000
		\$ 5,181,328	\$ 4,066,568

As at December 31, 2025, six investment properties with a fair value of \$427,233 have been pledged as security for mortgages payable (December 31, 2024 – six and \$439,389, respectively).

Dispositions

On December 19, 2025, Primaris completed the disposition of an open air centre and a professional centre in Calgary, Alberta for proceeds of \$152,390, net of transaction costs.

On July 23, 2025, Primaris completed the disposition of an open air plaza in Calgary, Alberta for proceeds of \$53,629, net of transaction costs.

On July 21, 2025, Primaris completed the disposition of three strip plazas in Medicine Hat, Alberta for proceeds of \$12,341, net of transaction costs.

On May 30, 2025, Primaris sold Lansdowne Industrial, an industrial centre in Peterborough, Ontario for \$9,230, net of transaction costs.

On March 31, 2025, Primaris sold St. Albert Centre, an enclosed shopping centre in St. Albert, Alberta, for \$59,184, net of transaction costs. Consideration consisted of a \$10,000 note which is payable 12 months following closing with interest at the rate of 6.0% per annum (Note 7) and cash of \$49,184.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

On February 28, 2025, Primaris disposed of investment properties in Sherwood Park, Alberta, including an enclosed mall, a professional centre and 4.5 acres of excess land for \$105,191, net of transaction costs. Consideration consisted of a \$4,124 note which is payable 60 months following closing with interest at the rate of 6.0% per annum (Note 7) and cash of \$101,067.

On February 21, 2025, Primaris completed the sale of 4 acres of excess land in Medicine Hat, Alberta for \$1,911, net of transaction costs.

On December 13, 2024, Primaris sold Edinburgh Market Place, in Guelph, Ontario, an open air, grocery anchored property for \$30,633, after transaction costs. Consideration consisted of the assumption of a \$20,142 mortgage and cash of \$10,491.

On September 30, 2024, Primaris sold an open air, non-grocery anchored property for cash proceeds of \$14,176, after transaction costs.

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 7) and cash of \$25,674.

Investment properties classified as held for sale

As at December 31, 2025, Primaris classified one parcel of excess land and four income-producing properties totaling \$172,813 as held for sale (December 31, 2024 - three parcels of excess land and nine income-producing properties totaling \$239,933).

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.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

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

As at	2025		2024	
	Number of Properties ⁱ	Value of Properties	Number of Properties ⁱ	Value of Properties
March 31	5	\$ 814,859	4	\$ 234,143
June 30	4	603,992	3	132,890
September 30	3	171,521	4	138,906
December 31 ⁱⁱ	13	3,359,438	12	2,470,823
Total	25	\$ 4,949,810	23	\$ 2,976,762

i. Includes external appraisals of properties acquired in the quarter.

ii. Land held for development was also externally appraised in the quarter.

(a) 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.

(b) 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.

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

As at	December 31, 2025	December 31, 2024
Discount rate	8.37%	8.42%
Terminal capitalization rate	7.26%	7.39%

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.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

The following table depicts the rate sensitivity of the Trust's income-producing properties assuming a change in the weighted average discount and terminal capitalization rates, respectively:

Rate sensitivity increase (decreases)	Weighted average discount rate (%)	Fair value of income-producing properties (\$ millions)	Fair value variance (\$ millions)	Change (%)
(0.75)%	7.62	5,323.9	279.6	5.5
(0.50)%	7.87	5,228.5	184.2	3.7
(0.25)%	8.12	5,135.4	91.1	1.8
December 31, 2025	8.37	5,044.3	—	—
0.25%	8.62	4,955.3	(89.0)	(1.8)
0.50%	8.87	4,868.4	(175.9)	(3.5)
0.75%	9.12	4,783.4	(260.9)	(5.2)

Rate sensitivity increase (decreases)	Weighted average terminal capitalization rate (%)	Fair value of income-producing properties (\$ millions)	Fair value variance (\$ millions)	Change (%)
(0.75)%	6.51	5,353.5	309.2	6.1
(0.50)%	6.76	5,242.8	198.5	3.9
(0.25)%	7.01	5,140.0	95.7	1.9
December 31, 2025	7.26	5,044.3	—	—
0.25%	7.51	4,955.0	(89.3)	(1.8)
0.50%	7.76	4,871.4	(172.9)	(3.4)
0.75%	8.01	4,793.0	(251.3)	(5.0)

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

6. Joint Operations

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

Property	Location	Ownership interest as at	
		December 31, 2025	December 31, 2024
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%
Southgate Centre	Edmonton, AB	50%	—

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

7. Rent Receivables and Other Assets

As at	Note	December 31, 2025	December 31, 2024
Rent receivables		\$ 8,485	\$ 7,868
Allowance for expected credit loss		(2,937)	(2,808)
Rent receivables, net		5,548	5,060
Other accrued tenant receivables		7,437	6,107
Vendor take-back notes	5	14,124	4,800
Deposit on acquisition ⁱ		—	30,000
Interest income receivable		112	1,808
Prepaid expense and other sundry assets		17,022	13,900
Fixed assets		15,906	16,345
Other long-term receivable		259	300
Right-of-use assets		3,796	3,984
Sublease receivable		3,582	3,786
		\$ 67,786	\$ 86,090
Classified as:			
Non-current		\$ 28,963	\$ 25,724
Current		38,823	60,366
		\$ 67,786	\$ 86,090

- i. In December 2024, Primaris funded a \$30,000 deposit towards the acquisition of Southgate Centre and Oshawa Centre which closed on January 31, 2025 (Note 5).

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

Expected Credit Losses

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	Year ended December 31, 2025	Year ended December 31, 2024
Balance, beginning of year		\$ 2,808	\$ 1,680
Net bad debt expense (recovery)	15	1,586	1,473
Write off of amounts previously included in the ECL allowance		(1,457)	(345)
Balance, end of year		\$ 2,937	\$ 2,808

Vendor Take-back Notes

In connection with the completed dispositions of investment properties, the Trust had the following vendor take-back notes outstanding as at December 31, 2025 and December 31, 2024. For the year ended December 31, 2025, Primaris earned interest income on the outstanding notes of \$735 (year ended December 31, 2024 - \$153) (Note 16). The notes are secured by charges against the disposed investment properties.

Maturity Date	Interest Rate	Note	As at or for the year ended December 31, 2025	As at or for the year ended December 31, 2024
March 21, 2025 ⁱ	6.0%		\$ —	\$ 4,800
March 31, 2026	6.0%	5	10,000	—
February 28, 2030	6.0%	5	4,124	—
			\$ 14,124	\$ 4,800
Interest income			\$ 735	\$ 153

i. The note due March 21, 2025, and all accrued interest thereon, was repaid in full on April 4, 2025.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

Fixed Assets

The following are the continuities of the historical costs and the accumulated amortization of fixed assets for the years ended December 31, 2025 and 2024.

For the year ended December 31, 2025	Balance, beginning of year	Net Additions	Amortization	Balance, end of year
Amusement park:				
Land	\$ 2,197	\$ —	\$ —	\$ 2,197
Building	6,872	195	(281)	6,786
Amusement park equipment	6,952	—	(471)	6,481
Other ⁱ	324	472	(354)	442
	\$ 16,345	\$ 667	\$ (1,106)	\$ 15,906

i. Other fixed assets includes leasehold improvements on office space, furnishings and computer equipment.

For the year ended December 31, 2024	Balance, beginning of year	Net Additions	Amortization	Balance, end of year
Amusement park:				
Land	\$ —	\$ 2,197	\$ —	\$ 2,197
Building	—	6,941	(69)	6,872
Amusement park equipment	—	7,070	(118)	6,952
Other ⁱ	866	543	(1,085)	324
	\$ 866	\$ 16,751	\$ (1,272)	\$ 16,345

i. Other fixed assets includes leasehold improvements on office space, furnishings and computer equipment.

8. Long-Term Debt

As at	December 31, 2025	December 31, 2024
Senior unsecured debentures	\$ 1,940,974	\$ 1,424,779
Mortgages payable	246,622	251,095
	\$ 2,187,596	\$ 1,675,874
Classified as:		
Non-current	\$ 2,186,131	\$ 1,541,028
Current	1,465	134,846
	\$ 2,187,596	\$ 1,675,874

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

Senior unsecured debentures

Series	Issuance Date	Maturity Date	Interest Rate	As at	
				December 31, 2025	December 31, 2024
A	March 30, 2022	March 30, 2027	4.727%	\$ 250,000	\$ 250,000
B	March 30, 2022	March 30, 2025	4.267%	—	133,120
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	300,000
F	August 12, 2024	March 15, 2032	5.304%	200,000	200,000
G	February 20, 2025	March 1, 2031	4.468%	200,000	—
H ⁱ	June 25, 2025	June 25, 2033	4.835%	200,000	—
I ⁱ	October 9, 2025	October 9, 2030	3.845%	250,000	—
Total principal outstanding				1,950,000	1,433,120
Deferred financing costs - net of accumulated amortization				(6,810)	(5,121)
Debt discounts - net of accumulated amortization				(2,216)	(3,220)
				\$ 1,940,974	\$ 1,424,779

i. Green Debenture

On October 9, 2025, Primaris issued \$250,000 aggregate principal amount of Series I senior unsecured debentures due October 9, 2030. The Series I unsecured debentures bear interest at a fixed annual rate of 3.845%, with semi-annual installments of interest due on April 9th and October 9th in each year commencing on April 9, 2026 until maturity, unless redeemed at an earlier date. The debenture offering was conducted on a private placement basis. Primaris used the net proceeds to fund the financing of eligible green projects.

On June 25, 2025, Primaris issued \$200,000 aggregate principal amount of Series H senior unsecured debentures due June 25, 2033. The Series H unsecured debentures bear interest at a fixed annual rate of 4.835%, with semi-annual installments of interest due on June 25th and December 25th in each year commencing on December 25, 2025 until maturity, unless redeemed at an earlier date. The debenture offering was conducted on a private placement basis. Primaris used the net proceeds to fund the financing of eligible green projects.

On February 20, 2025, Primaris issued \$200,000 aggregate principal amount of Series G senior unsecured debentures due March 1, 2031 at a price equal to \$999.99 per thousand principal amount. The Series G unsecured debentures bear interest at a fixed annual rate of 4.468%, with semi-annual installments of interest due on March 1st and September 1st in each year commencing on September 1, 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.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

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.

During the year ended December 31, 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.

As at December 31, 2025, the Trust's senior unsecured debentures had a weighted average effective interest rate of 5.12%, after reflecting original issue discounts, and a weighted average term to maturity of 4.2 years (December 31, 2024 - 5.39% and 4.0 years, respectively).

Mortgages payable

As at	December 31, 2025		December 31, 2024	
Mortgage principal	\$	247,310	\$	252,023
Deferred financing costs - net of accumulated amortization		(688)		(928)
	\$	246,622	\$	251,095

As at December 31, 2025, the mortgages were secured by five investment properties with an aggregate fair value of \$361,986, bearing interest at fixed rates with a weighted average effective interest rate of 4.72% and a weighted average term to maturity of 3.3 years.

As at December 31, 2024, the mortgages were secured by five investment properties with an aggregate fair value of \$375,985, bearing interest at fixed rates with a weighted average effective interest rate of 4.72% and a weighted average term to maturity of 4.3 years.

Schedules of repayment and cash flow activities

Future principal payments on mortgages and senior unsecured debentures for the years ended December 31 are as follows:

	2026	2027	2028	2029	2030	Thereafter	Total
Senior unsecured debentures	\$ —	\$ 250,000	\$ 250,000	\$ 300,000	\$ 550,000	\$ 600,000	\$ 1,950,000
Mortgages payable	4,908	97,901	33,770	1,225	24,506	85,000	247,310
	\$ 4,908	\$ 347,901	\$ 283,770	\$ 301,225	\$ 574,506	\$ 685,000	\$ 2,197,310

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

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

	Senior unsecured debentures		Mortgages payable		Year ended December 31, 2025	Year ended December 31, 2024		
Balance, beginning of year	\$	1,424,779	\$	251,095	\$	1,675,874	\$	1,284,776
Issuances		650,000		—		650,000		610,000
Repurchased and cancelled		—		—		—		(66,730)
Maturity repayments		(133,120)		—		(133,120)		(126,147)
Principal repayments		—		(4,713)		(4,713)		(5,491)
Extinguished on disposition of property		—		—		—		(20,142)
Settlement of forward hedge		(370)		—		(370)		—
Deferred financing costs		(3,235)		—		(3,235)		(3,535)
Total cash flow activities		513,275		(4,713)		508,562		387,955
Amortization of financing costs		1,546		240		1,786		1,862
Amortization of debt discount and hedge		1,374		—		1,374		1,431
Gain on extinguishment of debt		—		—		—		(150)
Total non-cash activities		2,920		240		3,160		3,143
Balance, end of year	\$	1,940,974	\$	246,622	\$	2,187,596	\$	1,675,874

9. Unsecured Credit Facilities

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

	As at and year ended December 31, 2025		As at and year ended December 31, 2024	
Balance drawn, beginning of year	\$	35,000	\$	200,000
Net advances (repayments)		(35,000)		(165,000)
Balance drawn, end of year	\$	—	\$	35,000
Total credit available from unsecured credit facilities	\$	610,000	\$	610,000
Total undrawn	\$	610,000	\$	575,000
Classified as:				
Non-current	\$	—	\$	35,000
Current		—		—
	\$	—	\$	35,000

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

Primaris has a \$600,000 unsecured syndicated revolving term facility. In December 2025, Primaris exercised the option to extend the maturity of the facility by one-year to January 4, 2029. Primaris also achieved a 0.15% reduction in the variable rates on the facility. Primaris may borrow at either: (i) Prime plus 0.20% per annum (formerly 0.35%), or (ii) Adjusted Canadian Overnight Repo Rate Average ("CORRA") plus 1.20% per annum (formerly 1.35%) and a commitment fee on undrawn amounts of 0.24% per annum (formerly 0.27%). The syndicated revolving credit facility contains certain financial covenants. As at December 31, 2025, Primaris had no amount drawn on its \$600,000 unsecured syndicated revolving term facility (December 31, 2024 - \$35,000).

On March 26, 2025, Primaris entered into a \$100,000 bilateral non-revolving term facility maturing January 4, 2028. The bilateral non-revolving credit facility bears interest at variable rates of either: (i) Prime plus 0.25% per annum, or (ii) CORRA plus 1.25% per annum; and contains certain financial covenants. Primaris economically hedged \$50,000 of the draw on the credit facilities, swapping the underlying variable rate for an all-in effective rate of 3.960% per annum until March 12, 2030 (Note 19). On December 18, 2025, Primaris settled and cancelled its bilateral non-revolving term facility. Primaris also settled the \$50,000 interest rate swap for cash proceeds of \$501.

Primaris also has an unsecured \$10,000 revolving demand facility to finance temporary overdraft positions bearing interest at Prime plus 0.50% per annum. No amount was drawn at December 31, 2025 (December 31, 2024 - 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 year ended December 31, 2025 was \$1,092 (year ended December 31, 2024 - \$1,059).

10. Trade Payables and Other Liabilities

As at	Note	December 31, 2025	December 31, 2024
Trade payables and accrued liabilities		\$ 61,028	\$ 44,534
Accrued capital expenditures		19,614	31,749
Accrued distribution payable		8,650	7,156
Accrued interest expense		24,831	21,701
Unit-based compensation plans	13	15,676	13,149
Obligation for purchase of Units under automatic share purchase plan	12	1,126	5,199
Lease liabilities		8,754	9,183
Deferred revenue		25,064	17,658
Tenant deposits		10,242	5,658
		\$ 174,985	\$ 155,987
Classified as:			
Non-current		\$ 22,798	\$ 18,912
Current		152,187	137,075
		\$ 174,985	\$ 155,987

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

11. Exchangeable Preferred LP Units

Exchangeable 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 Exchangeable Preferred LP Units includes assumptions on the risk-free interest rate for the expected life of the Exchangeable Preferred LP Units, the credit spread and ranking concession reflecting the Exchangeable Preferred LP Units' subordination to other debt applied to the risk-free rate, and the expected Trust Unit price volatility. Distributions paid on Exchangeable Preferred LP Units are accounted for as interest expense.

	Note	Year ended December 31, 2025		Year ended December 31, 2024	
		Underlying Units ⁱ	Value	Underlying Units ⁱ	Value
Balance, beginning of year		11,759,715	\$ 239,622	9,472,432	\$ 179,150
Issued for acquisitions	4	12,693,062	254,778	4,574,566	96,340
Exchanged into Trust Units		(4,672,897)	(89,490)	(2,287,283)	(48,170)
Fair value adjustment		—	(16,993)	—	12,302
Balance, end of year		19,779,880	\$ 387,917	11,759,715	\$ 239,622
Classified as:					
Non-current			\$ —		\$ —
Current			387,917		239,622
			\$ 387,917		\$ 239,622

i. Number of Trust Units issuable upon exchange of outstanding Exchangeable Preferred LP Units assuming there were no accrued and unpaid distributions at the time of exchange.

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

As at	December 31, 2025	December 31, 2024
Expected Trust Unit distribution yield	5.64%	5.56%
Expected Unit price volatility ⁱ	20.06%	20.50%
Risk-free rate	3.53%	3.33%
Credit Spread ⁱⁱ	5.14%	3.53%
Implied bond yield	8.67%	6.86%

i. Based on the historical volatility of Primaris and a select peer group (December 31, 2024 - based on Primaris' 180 day volatility).

ii. Based on the ICE BofA 5-10 year BBB US Fixed Rate CMBS Index (December 31, 2024 – based on a 30-year spread related to a select peer group plus a differential).

PRIMARIS REAL ESTATE INVESTMENT TRUST

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On June 17, 2025, Primaris acquired the assets of Lime Ridge Mall and Professional Centre in Hamilton, Ontario. As part of the acquisition's consideration, a subsidiary limited partnership of the Trust issued \$100,000 of Exchangeable Preferred LP Units which were entitled to a preferred distribution of 6.00% per annum payable quarterly. On June 20, 2025, the \$100,000 of Exchangeable Preferred LP Units were exchanged into 4,672,897 Trust Units at an exchange price of \$21.40 per unit (Note 4).

On January 31, 2025, Primaris acquired the assets of Oshawa Centre in Oshawa, Ontario. As part of the acquisition consideration, a subsidiary limited partnership of the Trust issued \$175,000 of Exchangeable Preferred LP Units which are entitled to a preferred distribution of 6.25% per annum payable quarterly. In certain circumstances, the Exchangeable Preferred LP Units (together with any accrued and unpaid distributions thereon) are exchangeable into Trust Units. Assuming there were no accrued and unpaid distributions on the Exchangeable Preferred LP Units at the time of exchange, the Exchangeable Preferred LP Units would be exchangeable into 8,020,165 Trust Units at an exchange price equal to \$21.82 per unit, subject to customary adjustments (Note 4).

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 Exchangeable Preferred LP Units (Note 4) which are entitled to a preferred distribution of 6.25% per annum payable quarterly commencing January 1, 2025. In certain circumstances, the Exchangeable Preferred LP Units (together with any accrued and unpaid distributions thereon) are exchangeable into Trust Units. Assuming there were no accrued and unpaid distributions on the Exchangeable Preferred LP Units at the time of exchange, the Exchangeable 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 such Exchangeable Preferred LP Units were exchanged into 2,287,283 Trust Units.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

12. Unitholders' Equity

Trust Units (authorized - unlimited)

Each Trust Unit represents an equal, undivided beneficial interest in the Trust, including any distributions, 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	Year ended December 31, 2025		Year ended December 31, 2024	
		Units	Value	Units	Value
Balance, beginning of year		99,854,530	\$ 2,246,018	96,585,736	\$ 2,186,779
Issued in public offering		11,448,599	162,112	2,516,011	39,124
Issued for acquisitions	4	7,222,261	106,845	—	—
Trust Unit issuance costs		—	(1,741)	—	(2,781)
Issued in exchange for Exchangeable Preferred LP Units		4,672,897	89,490	2,287,283	48,170
Purchase of units under normal course issuer bid		(5,237,809)	(74,026)	(1,534,500)	(20,075)
Obligation for purchase of units under automatic share purchase plan	10	—	(1,126)	—	(5,199)
Balance, end of year		117,960,478	\$ 2,527,572	99,854,530	\$ 2,246,018

Issued for acquisitions

On October 10, 2025, 10,000,000 Trust Units were issued on a bought-deal basis and on October 21, 2025 the over-allotment of 1,448,599 Trust Units was exercised. The net proceeds of the issuance formed partial consideration for the acquisition of the assets of Promenades St-Bruno in Montreal, Quebec (Note 4).

On June 17, 2025, 3,785,047 Trust Units were issued as partial consideration for the acquisition of the assets of Lime Ridge Mall and Professional Centre in Hamilton, Ontario (Note 4).

On January 31, 2025, 3,437,214 Trust Units were issued as partial consideration for the acquisition of the assets of Oshawa Centre in Oshawa, Ontario (Note 4).

New Trust Unit issuance and Trust Units issued in exchange for Exchangeable Preferred LP Units

On June 20, 2025, \$100,000 of Exchangeable Preferred LP Units, issued as partial consideration for the acquisition of Lime Ridge Mall and Professional Centre in Hamilton, Ontario, were exchanged into 4,672,897 Trust Units (Note 11).

On October 9, 2024, Primaris announced the closing of its public treasury and secondary offering, on a bought deal basis, of an aggregate of 4,803,294 Trust Units at a price of \$15.55 per unit. The offering consisted of 2,516,011 Trust Units, including the over-allotment, issued from treasury and a secondary offering of 2,287,283 Units, which had previously been issued from treasury to satisfy the exchange of Exchangeable Preferred LP Units (Note 11) held by the selling unitholder. Primaris received proceeds of \$39,124, before underwriters' fees and other issuance costs.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

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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, 2025, 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 7,567,092 of its Units on the open market. The renewed NCIB commenced on March 11, 2025 and remains in effect until the earlier of March 10, 2026 and the date on which Primaris has purchased the maximum number of Units permitted under the NCIB. During the year ended December 31, 2025, Primaris purchased for cancellation 5,237,809 Units, for consideration of \$79,225 (year ended December 31, 2024 - 1,534,500 Units for consideration of \$21,875).

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

On March 11, 2025, 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 December 31, 2025, Primaris recognized \$1,126 (Note 10) for the commitment to purchase Units under the ASPP (December 31, 2024 - \$5,199).

Trust Unit distributions

The Board retains full discretion with respect to the timing and quantum of distributions. However the total income distributed on or before the last day of each taxation year of the Trust for purposes of the Tax Act shall 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*.

On October 29, 2025, the Board of Trustees approved management's recommendation to increase the distribution rate from \$0.86 to \$0.88 per unit per annum, or 2.3%. The increase was effective for the distribution declared December 31, 2025 and paid January 16, 2026.

For the year ended December 31, 2025, Primaris declared monthly distributions totaling \$0.8617 per Trust Unit (year ended December 31, 2024 - \$0.8417).

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the 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:

	Year ended December 31,	
	2025	2024
Trust Unit Options ("Options")	\$ (86)	\$ (25)
Restricted Trust Units ("RTU")	3,092	4,128
Performance Trust Units ("PTU")	2,672	2,813
Deferred Trust Units ("DTU")	1,060	1,193
	\$ 6,738	\$ 8,109
Recorded in:		
General and administrative expense	\$ 6,868	\$ 6,797
Adjustment to fair value of unit-based compensation	(130)	1,312
	\$ 6,738	\$ 8,109

As at December 31, 2025, the carrying value of the unit-based compensation liability was \$15,676 (Note 10) (December 31, 2024 - \$13,149).

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 December 31, 2025 (December 31, 2024 - all).

The assumptions used to measure the fair value of the Options, as at December 31, 2025, under the Black-Scholes model (Level 2) were as follows:

Expected distribution yield	5.64 %
Expected Unit price volatility	19.88 %
Risk-free interest rate	2.04 %
Expected life of options	0.2 years

The following table details the Options outstanding as at December 31, 2025:

Exercise price	Expiry date	Number outstanding and exercisable	Remaining weighted average life (in years)
\$20.52	2026	299,607	0.2

As at December 31, 2024, 446,366 Options were outstanding and exercisable with a weighted average exercise price of \$21.37 and with a remaining weighted average life of 1.2 years.

PRIMARIS REAL ESTATE INVESTMENT TRUST

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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 option of the Trustees, at the end of the applicable vesting period. 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 2,500,000 (issued to date 788 Trust Units).

	Year ended December 31, 2025	Year ended December 31, 2024
Number outstanding, beginning of year	483,554	552,544
Granted	252,687	196,837
Granted on reinvestment of distributions	27,277	28,670
Settled	(273,786)	(294,497)
Cancelled	(14,995)	—
Number outstanding, end of year	474,737	483,554

During the year ended December 31, 2025, the Trust granted 252,687 RTUs under its Incentive Unit Plan with an aggregate fair value of \$3,899 at the time of granting. The weighted average grant price was \$15.431 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 December 31, 2025.

Performance Trust Units

PTUs entitle certain employees to receive the value of a PTU award in cash or Units, at the option of the Trustees, 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.

	Year ended December 31, 2025	Year ended December 31, 2024
Number outstanding, beginning of year	395,388	169,720
Granted	150,817	220,313
Granted on reinvestment of distributions	30,760	20,547
Settled	—	(15,192)
Number outstanding, end of year	576,965	395,388

During the year ended December 31, 2025, the Trust granted 150,817 PTUs under its Incentive Unit Plan with an aggregate fair value of \$2,327 at the time of granting. The weighted average grant price was \$15.431 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 December 31, 2025.

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(in thousands of Canadian dollars)

Deferred Trust Units

DTUs entitle Trustees to receive the value of a DTU award in cash or Units, at the option of the Trustees, 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.

	Year ended December 31, 2025	Year ended December 31, 2024
Number outstanding, beginning of year	308,681	249,794
Granted	41,111	41,641
Granted on reinvestment of distributions	20,881	17,246
Number outstanding, end of year	370,673	308,681

During the year ended December 31, 2025, the Trust granted 41,111 DTUs under its Incentive Unit Plan with an aggregate fair value of \$634 at the time of granting. The weighted average grant price was \$15.431 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 December 31, 2025, 343,653 outstanding DTUs have vested.

14. Income Taxes

The Trust currently qualifies 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 in each taxation year to the Unitholders and accordingly, the Trust will not be taxed on its income.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

15. Net Operating Income

	Year ended December 31,	
	2025	2024
Revenue:		
Base rent	\$ 341,048	\$ 272,345
Percent rent in lieu of base rent	14,198	11,931
Property tax and insurance recoveries	110,888	80,124
Property operating cost recoveries	122,726	95,359
Percentage rent	12,647	9,029
Straight-line rent adjustment	7,462	7,285
Lease surrender revenue	739	1,560
Specialty leasing revenue	29,290	20,102
Amusement park revenue	8,102	1,751
Parking and other sundry	1,367	2,439
	648,467	501,925
Operating costs:		
Property tax and insurance expense	(141,104)	(105,101)
Recoverable property operating costs	(125,390)	(98,912)
Non-recoverable property operating costs	(5,815)	(4,061)
Amusement park operating costs	(5,011)	(1,154)
Bad debt (expense) recovery	(1,586)	(1,473)
Ground rent	(1,833)	(1,873)
	(280,739)	(212,574)
	\$ 367,728	\$ 289,351

Contractual future base rent revenue, excluding straight-line rent adjustments, for the years ended December 31 is as follows:

2026	\$	352,055
2027		295,436
2028		242,690
2029		190,864
2030		147,143
Thereafter		455,143
	\$	1,683,331

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

16. Interest and Other Income

	Year ended December 31,	
	2025	2024
Interest income	\$ 3,267	\$ 7,026
Gain on extinguishment of debt	—	150
Property management fees	4,105	2,691
	\$ 7,372	\$ 9,867

17. Net Interest Expense and Other Financing Charges

	Note	Year ended December 31,	
		2025	2024
Interest on mortgages payable		\$ 11,503	\$ 12,432
Interest on senior unsecured debentures		87,432	62,819
Bank interest and charges on unsecured credit facilities		7,207	9,827
Distribution on Exchangeable Preferred LP Units		25,451	13,158
Finance charge - lease liability		311	326
Amortization of deferred financing costs	8,9	3,144	2,921
Amortization of debt discount	8	1,374	1,431
		136,422	102,914
Less: Capitalized interest		(1,842)	(3,740)
		\$ 134,580	\$ 99,174

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

18. General and Administrative Expenses

	Note	Year ended December 31,	
		2025	2024
Salaries, benefits and recruiting costs		\$ 35,378	\$ 30,022
Unit-based compensation costs	13	6,868	6,797
Professional fees		3,205	3,009
Information technology costs		3,082	2,406
Software implementation costs		381	—
Investor relations and other public entity costs		1,336	1,320
Occupancy costs		1,673	1,521
Other		2,785	2,134
		54,708	47,209
Less: Salaries capitalized to development projects		(773)	(622)
Less: Recoverable operating cost allocations		(13,328)	(10,829)
		\$ 40,607	\$ 35,758

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	December 31, 2025			December 31, 2024		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Liabilities							
Fair value through profit and loss:							
Unit-based compensation	10	\$ —	\$ 15,676	\$ —	\$ —	\$ 13,149	\$ —
Exchangeable Preferred LP Units	11	—	387,917	—	—	239,622	—
Amortized cost:							
Senior unsecured debentures	8	—	2,018,491	—	—	1,494,895	—
Mortgages payable	8	—	246,990	—	—	249,767	—
Credit facilities	9	—	—	—	—	35,000	—

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.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

Derivative Instruments

During the year ended December 31, 2025, Primaris settled the previously outstanding interest rate swap, which had a notional amount of \$50,000. For the year ended December 31, 2025, the Trust recorded a gain of \$501.

During the year ended December 31, 2024, Primaris settled all previously outstanding interest rate swaps, which included swaps with notional amounts of \$200,000 and \$20,000 and the Trust recorded a loss of \$3,546.

20. Financial Risk Management

In the normal course of business, Primaris has exposure to risks from its use of financial instruments. The following is a description of those risks and how the exposures are managed:

(a) Credit risk

Credit risk is the risk of financial loss to Primaris arising from the possibility that its tenants may experience financial difficulty and be unable to fulfill their lease commitments or tenants fail to occupy and pay rent in accordance with the lease agreements. Credit risk related to the vendor take-back notes arises from the possibility that the borrower may not pay their debt commitment. Credit risk also includes the possibility that co-owners default on the repayment of debt where Primaris has provided guarantees.

The Trust mitigates tenant credit risk through geographical diversification, staggered lease maturities, avoiding reliance on any single tenant by having a large diverse tenant base, ensuring a considerable portion of the Trust's revenue is earned from national and anchor tenants, and conducting credit assessments for new tenants. The Trust mitigates borrower risk by actively monitoring the vendor take-back notes and initiating recovery procedures in a timely manner, when required. Additionally, the vendor take-back notes are secured by charges against the respective related investment properties. Furthermore, Primaris holds security deposits or letters of credit from a number of tenants which can serve to offset rents owed in the event of a tenant's default.

Management reviews rents receivable on a tenant-by tenant basis and reduces carrying amounts through an allowance for expected losses (Note 7). Expected losses and bad debt expenses are recognized in non-recoverable operating expenses.

(b) Market risk

(i) Interest rate risk

Interest rate risk is the risk of financial loss to Primaris arising from increases in interest rates. Owning and operating real property is a capital-intensive undertaking. Successful implementation of Primaris' strategic plans will require access to cost-effective financing.

Primaris' mortgages payable are at fixed rates mitigating its exposure to interest rate fluctuations. Primaris has exposure to variable interest rates through borrowings under its credit facilities. As at December 31, 2025, Primaris had no amount outstanding under its credit facilities (December 31, 2024 - \$35,000).

(ii) Unit price risk

Primaris is exposed to Unit price risk as a result of the issuance of unit-based compensation. The resulting liability is recorded at fair value based on market trading of the underlying Trust Units. An increase in the value of the Trust Units of \$1.00 will increase the value of the liability, and negatively impact net income and equity by \$1,422 (2024 - \$1,130).

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

(c) Liquidity and capital availability risk

Liquidity risk is the risk that Primaris cannot fund its obligations as they become due. Real estate investments are relatively illiquid which tends to limit Primaris' ability to sell components of its portfolio promptly to meet liquidity needs and cash flows from operating activities may not always be sufficient to fund operating and strategic plans. The Trust mitigates its liquidity and capital availability risks by utilizing undrawn capacity on its credit facilities, maintaining a large number of unencumbered properties, forecasting cash flow needs and actively monitoring market conditions. It also mitigates this risk by negotiating fixed rate term debt with staggered maturities targeting less than 20% of total debt maturing in any one year. Consistent with a debt strategy employing significant unsecured financings, the Trust will strive to maintain undrawn credit facility capacity to accommodate 18-24 months of forward debt maturities.

Maturity analysis

The undiscounted future principal and interest payments on Primaris' debt Instruments for the years ended December 31 are as follows:

	2026	2027	2028	2029	2030	Thereafter	Total
Senior unsecured debentures	\$ 99,595	\$ 343,686	\$ 330,360	\$ 363,382	\$ 596,324	\$ 644,555	\$ 2,377,902
Mortgages payable	16,232	107,693	40,788	6,738	29,199	86,156	286,806
	\$ 115,827	\$ 451,379	\$ 371,148	\$ 370,120	\$ 625,523	\$ 730,711	\$ 2,664,708

21. 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 December 31, 2025.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

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 9, 2024, Primaris announced the closing of its public treasury and secondary offering, on a bought deal basis, of an aggregate of 4,803,294 Trust Units at a price of \$15.55 per unit. The offering consisted of 2,516,011 Trust Units, including the over-allotment, issued from treasury, and a secondary offering of 2,287,283 Units, which had previously been issued from treasury to satisfy the exchange of Exchangeable Preferred LP Units held by the selling unitholder. Primaris received proceeds of \$39,124, before underwriters' fees and other issuance costs.

On June 20, 2025, Primaris announced the closing of its secondary offering, on a bought deal basis, of an aggregate of 8,457,944 Trust Units at a price of \$14.70 per unit. The 8,457,944 Trust Units sold under the secondary offering included the 3,785,047 Trust Units issued as partial consideration for the acquisition of Lime Ridge Mall and Professional Centre and the 4,672,897 Trust Units issued upon the exchange of the \$100,000 Exchangeable Preferred LP Units issued as partial consideration for the acquisition of Lime Ridge Mall and Professional Centre. The Trust did not receive any proceeds from the secondary offering.

On October 10, 2025, 10,000,000 Trust Units were issued on a bought-deal basis, with an additional 1,448,599 Trust Units issued on October 21, 2025, following the exercise of the over-allotment option. The net proceeds of the issuance formed partial consideration for the acquisition of the assets of Promenades St-Bruno in Montreal, Quebec.

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 plus 75% of all common equity and preferred equity (at par value) issued after January 4, 2022;
- Eligible unencumbered investment properties ratio > 1.5x; and
- Interest coverage ratio > 1.65x.

Primaris is subject to certain financial covenants with respect to its senior unsecured debentures:

- Debt maintenance ratio < 65%;
- Equity maintenance > \$300 million;
- Unencumbered aggregate adjusted assets > 1.3x; and
- Interest coverage ratio > 1.65x.

As at December 31, 2025, Primaris was compliant with all of its applicable financial covenants.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

Capitalization

The following table details the capitalization of Primaris:

As at	Note	December 31, 2025	December 31, 2024
Liabilities:			
Senior unsecured debentures	8	\$ 1,950,000	\$ 1,433,120
Mortgages payable	8	247,310	252,023
Credit facilities	9	—	35,000
Exchangeable Preferred LP Units	11	387,917	239,622
Equity:			
Unitholders' equity		2,532,903	2,160,949
		\$ 5,118,130	\$ 4,120,714

22. 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 December 31, 2025, Primaris had outstanding letters of credit totaling \$457 (December 31, 2024 - \$250).
- (c) Primaris is obligated, under certain contract terms, to construct and develop investment properties. As at December 31, 2025, Primaris has entered into contracts for capital projects and is committed to future payments of approximately \$14,898 (December 31, 2024 - \$7,247).
- (d) Primaris provides guarantees on behalf of third parties, including co-owners of properties. As at December 31, 2025, Primaris had issued guarantees relating to co-owners' share of mortgage liabilities amounting to \$107,048 (December 31, 2024 - \$107,710), which expire in 2027 and 2028 (December 31, 2024 - 2027 and 2028)

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

2026	\$	1,856
2027		1,835
2028		1,828
2029		750
2030		750
Thereafter		313
	\$	7,332

23. Related Party Transactions

As at December 31, 2021, as a result of the acquisition of the HOOPP Properties, HOOPP became Primaris' largest Unitholder holding approximately 26% of the issued and outstanding Trust Units. HOOPP is under no ownership requirements or restrictions with respect to its Trust Units. On December 31, 2021, Primaris also entered into a registration rights agreement with HOOPP that provides HOOPP with demand registration rights and piggy-back registration rights, provided in each case, that HOOPP owns at least 10% of the Trust Units. At December 31, 2025, HOOPP continued to own in excess of 10% of the Trust Units.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

Transactions with Key Personnel

Individuals that have the authority and responsibility for planning, directing and controlling the Trust's activities, directly or indirectly are considered key management personnel. Key personnel are comprised of Independent Trustees and certain members of the executive team of Primaris.

Compensation of key personnel was as follows:

	Year ended December 31,	
	2025	2024
Salaries, trustee fees, and short-term employee benefits	\$ 8,397	\$ 7,529
Unit-based compensation recorded in:		
General and administrative expenses	5,034	4,892
Adjustments to fair value of unit-based compensation	(93)	918
	\$ 13,338	\$ 13,339

24. Employee Benefit

Primaris has a defined contribution pension plan available to all of its employees. Primaris' contributions are based on a percentage of an employee's annual earnings. For the year ended December 31, 2025, Primaris' contributions to the defined contribution plan were \$1,928 (December 31, 2024 - \$1,739).

25. Supplemental Cash Flow Information

	Note	Year ended December 31,	
		2025	2024
Amortization of straight-line rent adjustments and tenant incentives	5	\$ (7,239)	\$ (7,209)
Gain on extinguishment of debt		—	(150)
Unit-based compensation expense recorded in general and administrative expenses	13	6,868	6,797
Amortization of other assets	7	1,106	1,272
Amortization of right-of-use asset		998	774
Adjustment to the fair value of derivative instruments	19	(501)	3,546
Adjustment to fair value of unit-based compensation	13	(130)	1,312
Adjustment to fair value of Exchangeable Preferred LP Units	11	(16,993)	12,302
Adjustment to fair value of investment properties	5	33,246	66,381
Items not affecting cash		\$ 17,355	\$ 85,025

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

	Note	Year ended December 31,	
		2025	2024
Net change in:			
Rent receivables, net	7	\$ (488)	\$ (2,419)
Other accrued tenant receivables	7	(1,330)	(777)
Prepaid expense and other sundry assets	7	(3,122)	(2,207)
Exclude additions to credit facilities' finance costs		710	561
Exclude non-cash amortization of credit facilities' finance costs	9	(1,358)	(1,059)
Other long-term receivable	7	41	(250)
Right-of-use assets		(810)	—
Sublease receivable	7	204	—
Trade payables and accrued liabilities	10	16,494	3,659
Unit-based compensation	10	2,527	3,916
Exclude unit-based compensation expense	13	(6,738)	(8,109)
Exclude cash settlement		4,225	4,287
Lease liabilities	10	(429)	(1,051)
Exclude finance charge on lease liability	17	(311)	(326)
Deferred revenue	10	7,406	4,009
Tenant deposits	10	4,584	695
Change in non-cash operating items		\$ 21,605	\$ 929