



Primaris 

Report to Unitholders 2025

# Becoming the first call.

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### Forward-Looking Statements, Non-GAAP Measures and Use of Operating Metrics

**ABOUT FORWARD-LOOKING STATEMENTS DISCLAIMER:** This document includes statements that are forward-looking because they are based on management's expectations about the future – they are not historical facts. Specific forward-looking statements in this document include, but are not limited to, statements regarding Primaris REIT's future plans and strategy, its sustainability plan, Primaris' expectations regarding third-party infrastructure plans and approvals, expected future distributions, Primaris' ability to transact on properties, Primaris' leverage, leverage targets and outlook, Primaris' anticipated operating and financial performance, future investor sentiments, market opportunities, the impact of market valuation parameters to contribute to growth and development projects, expectations regarding tenant retention and rental revenues, population growth, expected operating capital expenditures and other statements. Forward-looking statements generally can be identified by words such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans", "project", "budget" or "continue" or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect Primaris REIT's current beliefs and are based on information currently available to management. For more information and a caution about using forward-looking information, see Section 2, "Forward-Looking Statements and Financial Outlook" in the Management's Discussion and Analysis for the three months and year ended December 31, 2025 (the "MD&A").

**NON-GAAP FINANCIAL MEASURES:** Certain financial measures in this document, including, but not limited to, FFO\*\*, NAV\*\*, NOI\*\*, FFO Payout Ratio\*\*, and Average Net Debt\*\* to Adjusted EBITDA\*\* are not defined terms under GAAP and therefore are not a reliable way to compare Primaris REIT to other entities. Non-GAAP measures in this document are denoted by the suffix "\*\*". Refer to Section 1, "Basis of Presentation" – "Use of Non-GAAP Measures" and Section 12, "Non-GAAP Measures" in the MD&A.

**USE OF OPERATING METRICS:** Primaris uses certain operating metrics to monitor and measure the operational performance of its portfolio. Operating metrics in this report include, among others, same stores sales productivity, same store sales volume, total commercial retail unit ("CRU") sales volume and CRU sales productivity. These operating metrics, which may constitute supplementary financial measures as defined in National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure, are not derived from directly comparable measures contained in Primaris' Financial Statements but may be used by management and disclosed on a periodic basis to depict the historical or future expected operating performance of Primaris' portfolio. For an explanation of the composition of same stores sales productivity, same stores sales volume, total CRU sales volume and CRU sales productivity, see Section 8.4, "Tenant Sales".

## Our Key Performance Indicators

\$5.2B

National portfolio

15.2M sf

Gross leasable area

87.2%

In-place occupancy

BBB(high)

Stable Investment Grade Rating

\$4.8B

Unencumbered assets

5.8x

Average Net Debt\*\*  
to Adjusted EBITDA\*\*

\*\*The debt ratio is a non-GAAP ratio calculated on the basis described in the Trust Indentures. See Section 10.4, "Capital Structure" in the MD&A.

# About Us

Primaris is Canada's only enclosed shopping centre focused REIT, with ownership interests in leading enclosed shopping centres located in growing Canadian markets. The current portfolio totals 15.2 million square feet, valued at approximately \$5.2 billion at Primaris' share. Economies of scale are achieved through its fully internal, vertically integrated, full-service national management platform. Primaris is very well-capitalized and is exceptionally well positioned to take advantage of market opportunities at an extraordinary moment in the evolution of the Canadian retail property landscape.

## REITA Values

### Respect

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

### Empowerment

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

### Integrity

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

### Teamwork

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

### Accountability

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

## Vision

To champion and elevate retail for Canadians.

## Mission

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



The scale and strength of the Primaris platform combined with its unique financial model provides significant flexibility and capacity to fund our strategy, and positions us well to pursue investment opportunities.



Les Galeries de la Capitale, Quebec City, Quebec



Southgate Centre, Edmonton, Alberta

# Letter from the Chair

**“Primaris’ clear strategy and flexible capital structure has allowed the REIT to continue to generate strong performance in a challenging global economic back drop.”**



**Tim Pire**  
Chair of the Board of Trustees

## Dear Unitholder,

Primaris continues to demonstrate the strength of its internally managed, fully integrated operating platform combined with a conservative balance sheet designed for resiliency and long-term value creation. Supported by over two decades of operational expertise and a Board intentionally constructed for today’s retail property environment, the REIT is well positioned to navigate market changes while continuing to execute on its strategic priorities.

## Performance and Strategic Progress

In 2025, Primaris continued its disciplined execution across the portfolio. The business delivered strong operational and financial performance, reflecting the depth of its management team, asset quality, and the advantages of an internally managed platform.

Primaris significantly augmented its portfolio composition in 2025 by materially advancing its capital recycling program, completing \$1.6 billion in leading enclosed shopping centre acquisitions, and \$400 million in non-core dispositions. These transactions are aligned to the REIT’s strategic plan of assembling a national portfolio of Canada’s dominant enclosed shopping centres in growing Canadian markets, on the path of *Becoming the First Call* for retailers looking to enter and expand their footprint in Canada. These initiatives support long-term cash flow growth and enhance the quality and competitiveness of our centres.

## Board Operations and Governance

Strong governance is foundational to Primaris. The Board is composed of a majority of independent Trustees with deep property, capital markets, investment, retail, and governance experience. The Board’s role is to provide objective

oversight, stress-test assumptions, and ensure rigorous diligence for decision-making across strategy, risk, capital allocation, human capital, and sustainability.

In 2025, Board priorities included:

- Oversight of acquisitions, dispositions, and capital allocation;
- Review of management development and succession planning;
- Continuous refinement of risk and control frameworks, including cybersecurity;
- Oversight of sustainability strategy and reporting; and
- Direct engagement with investors through our annual Board–Unitholder meetings.

Our Committees—Audit, Compensation Governance & Nominating, and Investment—met regularly with management, providing scrutiny and guidance across all major areas of the business.

## Board–Unitholder Engagement

The purpose of any Board is to provide high-level oversight, strategic direction, and governance for an organization, acting as fiduciaries to protect the interests of stakeholders by overseeing management, setting policies, managing risk, and ensuring legal compliance, without getting involved in daily operations.

As part of our governance practice, three Trustees—including myself—met directly with Unitholders again this year, without executive level management present. These valuable conversations provide candid insights and feedback, and are an important component of the Board’s oversight of management and strategy.

Across our 2025 engagement meetings, investors raised several consistent themes including:

- **Capital Allocation:** Clear support for our disciplined approach, our focus on returns, and maintenance of a 4–6x Debt-to-EBITDA leverage range;
- **Acquisition Discipline:** Investment Committee involvement, including how the Board oversees management through the due diligence and acquisitions process;
- **Market Perception:** Recognition that the Primaris platform is undervalued;
- **Management Team Strength:** Consistent recognition of management depth and capability;
- **Risk Oversight:** Questions on succession planning, cybersecurity, consumer behaviour, and tenant mix; and
- **Sustainability:** Encouragement to continue Primaris' thoughtful, pragmatic approach linked to business strategy and value creation.

The Board remains confident in the REIT's long-term strategy: delivering consistent per-unit growth, maintaining balance sheet strength, and allocating capital in a disciplined, returns-driven manner. Investors across our Board engagement meetings reinforced support for our clear and focused strategy, the strength and multidimensional expertise of our management team, and the focus on long-term value rather than growth for growth's sake.

The Board very much appreciates Unitholder feedback and will continue these direct investor conversations annually.

## Capital Allocation and Balance Sheet Management

Disciplined capital allocation remains one of Primaris' core strategic pillars. The Board continues to oversee management's allocation of capital among acquisitions, dispositions, redevelopment, Normal Course Issuer Bid (NCIB) activity, and balance sheet management.

Consistent with investor feedback, maintaining conservative leverage remains a priority. Investors emphasized that our commitment and discipline to our low leverage model is a key competitive advantage. The Board remains committed to preserving this financial strength.

## Looking Ahead

As we look ahead, Primaris is well positioned. While the Canadian retail real estate environment continues to evolve, our strategy—focused on disciplined execution, operational excellence, and thoughtful capital allocation—remains the right one. We see meaningful opportunities to continue strengthening the portfolio, expanding our position within the enclosed shopping centre sector, unlocking value from excess land, and adhering to our disciplined capital allocation strategy. On behalf of the Board, I extend my sincere appreciation to our Unitholders for their continued confidence and support, and to the Primaris management team and employees for their dedication and strong performance throughout the year. We look forward to continuing our dialogue and working together to build long-term value.

Sincerely,

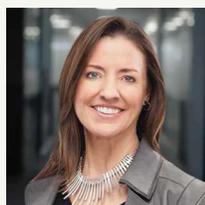


**Tim Pire**  
Chair of the Board of Trustees

## Board of Trustees



**Avtar Bains**  
Independent Trustee  
President,  
Premise Properties



**Anne Fitzgerald**  
Independent Trustee  
Corporate Director



**Louis Forbes**  
Independent Trustee  
Corporate Director



**Tim Pire**  
Independent Trustee  
Corporate Director  
& Lecturer,  
University of Wisconsin



**Deborah Weinswig**  
Independent Trustee  
Founder & CEO,  
Coresight Research



**Patrick Sullivan**  
President & COO,  
Primaris REIT

# Becoming the First Call.



## Focus on Retailer Affordability

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

We understand our tenants' businesses, and monitor the relation between our tenants' sales and their gross rent to ensure long term tenant satisfaction and future lease renewals.

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

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

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

## 15-year property capital plans

Properties maintained to a high standard while keeping focus on controlling costs and adherence to our long-term capital plan

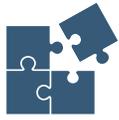
## 12.9% GROCC<sup>1</sup> ratio

1 GROCC = Gross Rent Occupancy Cost is calculated as gross rent divided by gross sales.



# OSHAWA CENTRE

# Becoming the First Call.



## Scale and Consolidation Opportunity

Primaris is uniquely positioned as Canada's only REIT focused on owning and managing enclosed shopping centres, with an established, fully internal and scalable management platform and a low leverage capital structure to support growth.

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

Primaris is leveraging its scale to consolidate the enclosed shopping centre space, a market that currently has limited institutional competition for assets. The REIT leverages its scale and management capability to deliver strong financial and operating performance from its existing portfolio. Primaris takes advantage of acquisition opportunities as some of Canada's largest owners of enclosed shopping centres elect to sell some of these properties to reposition

their portfolios to increase exposure to other property types. These assets are typically well-maintained and offer opportunities for Primaris to surface additional value through operating efficiencies, new leasing opportunities, and margin expansion.

### \$3.3 billion

in leading enclosed shopping centre acquisitions since December 31, 2021

### \$1.6 billion

in leading enclosed shopping centre acquisitions in 2025



## High Quality Property Acquisitions

On October 10, 2025, Primaris completed the acquisition of Promenades St-Bruno in Montreal, Quebec, a market leading regional enclosed shopping centre with all of the property characteristics Primaris is targeting with its growth strategy. The property is located in the large and growing market of Montreal, with access to mass transit, and with very strong sales volumes. There is significant opportunity for growth at the centre including leasing vacant space and optimizing former department store space.



Promenades St-Bruno, Montreal, Quebec

	Target Acquisition Criteria	October 10, 2025		June 17, 2025		January 31, 2025		January 31, 2025	
		Promenades St-Bruno, Montreal, Quebec		Lime Ridge Mall, Hamilton, Ontario		Southgate Centre (50%), Edmonton, Alberta		Oshawa Centre, Oshawa, Ontario	
Market	Total Trade Area Population of +200,000	Yes	Population of 891,000	Yes	Population of 806,000	Yes	Population of 1,020,300	Yes	Population of 638,800
	Growing Total Trade Area Population <sup>1</sup>	Yes	6.4% expected 10-year population growth	Yes	14.8% expected 10-year population growth	Yes	29% expected 10-year population growth	Yes	21% expected 10-year population growth
	Diversified Local Economy	Yes	Aerospace, technology, education	Yes	Manufacturing, agribusiness, lifesciences, education	Yes	Energy, health and life sciences, manufacturing	Yes	Manufacturing, education, financial services
Asset	+\$100 million Annual CRU Sales <sup>2</sup>	Yes	\$280 million	Yes	\$256 million	Yes	\$320 million	Yes	\$260 million
	Mass Rapid Transit Connection	Yes	Commuter Rail Station across Hwy 116	Yes	Bus terminal on site, planned expansion	Yes	LRT and bus station	Yes	Bus terminal on site
	Excess Land	Yes	15% site coverage	Yes	19% site coverage	Yes	39% site coverage	Yes	29% site coverage

<sup>1</sup> Environics – Expected population change 2024–2034.

<sup>2</sup> Supplementary financial measure, see Section 1, "Basis of Presentation – Use of Operating Metrics" in the MD&A.

# Becoming The First Call.



## Disciplined Capital Allocation

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

Primaris has a strong balance sheet with a conservative capital structure and a low distribution payout ratio allowing it to maintain and upgrade its properties as needed and to take advantage of strategic acquisitions. In 2026, the REIT has no debt maturing.

2025

**\$1.6 billion**

in leading shopping centre acquisitions

**\$650 million**

unsecured debenture offerings

**2.3%**

distribution increase announced

**\$79 million**

in Unit repurchases for cancellation under the NCIB at an average discount to NAV\*\* per unit of 28.7%

**46.7%**

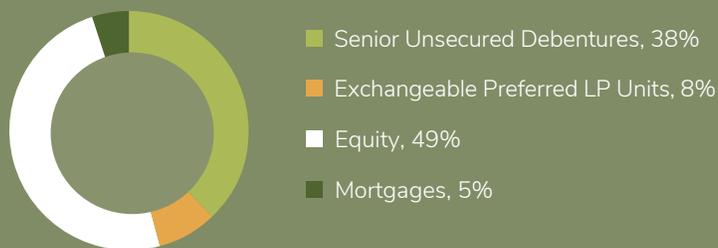
FFO Payout Ratio\*\* – on a fully exchanged basis

**5.07%**

Weighting average interest rate

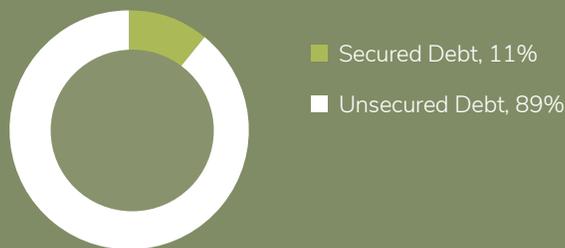


## Capital Structure



The strength of Primaris' capital structure provides an attractive profile for public market investors and positions it as an ideal partner for institutional real estate owners. Primaris will continue to adhere to a disciplined capital allocation strategy, striving to minimize its cost of capital while maximizing value for its Unitholders.

## Secured vs. Unsecured Debt



Lime Ridge Mall in Hamilton, Ontario is one of Primaris' top performing malls producing over \$870 in same store sales productivity and approximately \$256 million in total CRU sales volume, annually.

# Letter from the CEO

**“Reflecting on the past four years of Primaris, we have been remarkably fortunate to find abundant opportunity to grow our portfolio, drive performance out of our assets, and deliver very attractive results for our unitholders.”**

**Alex Avery**  
Chief Executive Officer



## Fellow Unitholders,

In our inaugural letter to Unitholders from March of 2022, we described a REIT built from a blank slate with best-in-class characteristics, outlined a clear and focused strategy, highlighted a potentially very large acquisition opportunity and showed a lot of ambition.

Reflecting on the past four years of Primaris, we have been remarkably fortunate to find abundant opportunity to grow our portfolio, drive performance out of our assets, and deliver very attractive results for our Unitholders. It is not hyperbole to characterize our progress as transformational. With \$1.6 billion of acquisitions in 2025 and \$3.3 billion since the spin out, along with \$400 million of dispositions in 2025 and nearly \$500 million since the spin, almost 65% of our current portfolio has been acquired since 2021.

## Transformative Growth

Our portfolio strategy is driven by relevance to our customers: our tenants. We frame our portfolio strategy as Becoming the First Call. We strive to own and operate a portfolio of market leading enclosed shopping centres across Canada that makes Primaris a first call for retailers looking to enter, expand and operate thriving retail businesses across Canada.

Aggregate Commercial Retail Unit (CRU) sales, being the sum of the sales of all tenants under 15,000 square feet in a mall, is a measure of the scale of economic activity at our malls. We define a “market leading shopping centre” as the retail centre with the highest aggregate CRU sales in a market – the place in a market where the most retail sales take place. In 2022, Primaris' portfolio averaged approximately \$80 million in aggregate CRU sales per mall. Our aggregate portfolio CRU sales has risen from \$1.7 billion in 2022 to \$3.6 billion today.

The productivity of our tenant base, measured by tenant sales per square foot across the portfolio, reflects consumer demand for retailer brands and their products. High sales productivity reflects a combination of a strong market of consumers as well as the presence of market leading retailers. Primaris' average tenant productivity has risen from \$589 per square foot at the end of 2022 to \$800 per square foot today. Our 20 most productive malls have average sales of \$830 per square foot and represent 77% of portfolio NOI and 83% of portfolio IFRS Fair Value.

The addition of high aggregate sales and high sales productivity properties to our portfolio, combined with the expanded reach of our portfolio covering every major market in the country, have elevated Primaris' relevance as a landlord for retailers.

## Capital Structure, Capital Discipline & Capital Allocation

Building a business is a task measured in quarters, years, and decades. Market conditions can be a significant factor in how actionable growth opportunities may be at any given time. Adapting to the environment is how to take advantage of markets, regardless of their current state. Critical to the remarkable progress Primaris has made in building our business over the past four years is our Differentiated Financial Model (DFM) of low leverage and a low payout ratio

Maintaining low leverage is a core element of the REIT's strategy. History has demonstrated that REITs with lower leverage and lower payout ratios deliver superior total returns over long periods of time. Our low leverage profile affords a very attractive low cost of debt, not only as measured by interest rate, but also by the durability of the REIT's access to debt in periods of market volatility. Lenders extend debt to only the most creditworthy of borrowers during volatile periods, reducing the risk of equity dilution

for these borrowers in challenging markets. Having a largely unsecured debt program allows us to more actively manage our portfolio, including acquisitions, dispositions, redevelopments and other transactions, without the restrictions that accompany secured mortgages.

With debt being the cheaper cost of capital compared to equity, there is always the temptation to skew a capital structure to include more debt. Protecting and preserving our balance sheet, while managing Primaris through the remarkable growth over the past few years has required strong capital discipline. Two highly visible measures of this discipline are the REIT's Debt-to-EBITDA ratio, which has been maintained in the low-relative-to-peers of below 6.0x, and the REIT's significant use of its NCIB program, buying and retiring REIT units consistently since early 2022 with the REIT's excess free cash flow.

Buying back stock through our NCIB provides remarkable returns on each dollar invested. In 2025, Primaris bought back 5.2 million units at an average price of \$15.13 per unit, or an approximate 30% discount to the REIT's IFRS NAV per unit. Since our first repurchases in March 2022, Primaris has bought back over 15 million units for \$216 million at an average price of \$13.96, or approximately 34% below our IFRS Fair Value. Repurchases at this average price produce an immediate 43% return on the \$79 million invested in 2025, and approximately 50% return, on the \$216 million invested since 2022.

As remarkable as those returns are, we are measured in the volume of buyback activity we undertake, following two important guidelines. Firstly, we don't alter our capital structure to fund buyback activities, and secondly, we won't shrink the investibility of our public float to buy back stock. This means that we only fund our buyback activity from excess retained free cash flow, and with a portion of the proceeds of asset sales that are done for strategic reasons unrelated to the buyback. Having significant retained free cash flow afforded by our low payout ratio is critical to this highly accretive activity.

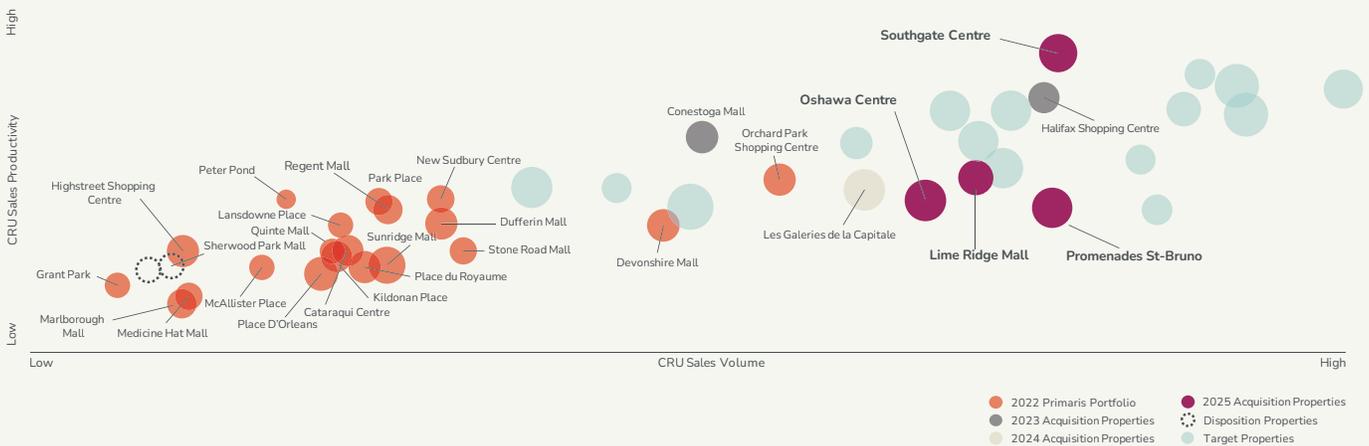
Our Differentiated Financial Model provides the structural advantages of internally generated growth capital, and superior access to external capital. Having access to growth capital during times of limited competing capital can have huge positive impacts on long-term returns. It has allowed us to acquire top tier malls, buy back stock and grow our FFO and distributions per unit during a period when growth capital availability has been very limited for Canadian REITs.

### Strategic Buyer Pillars

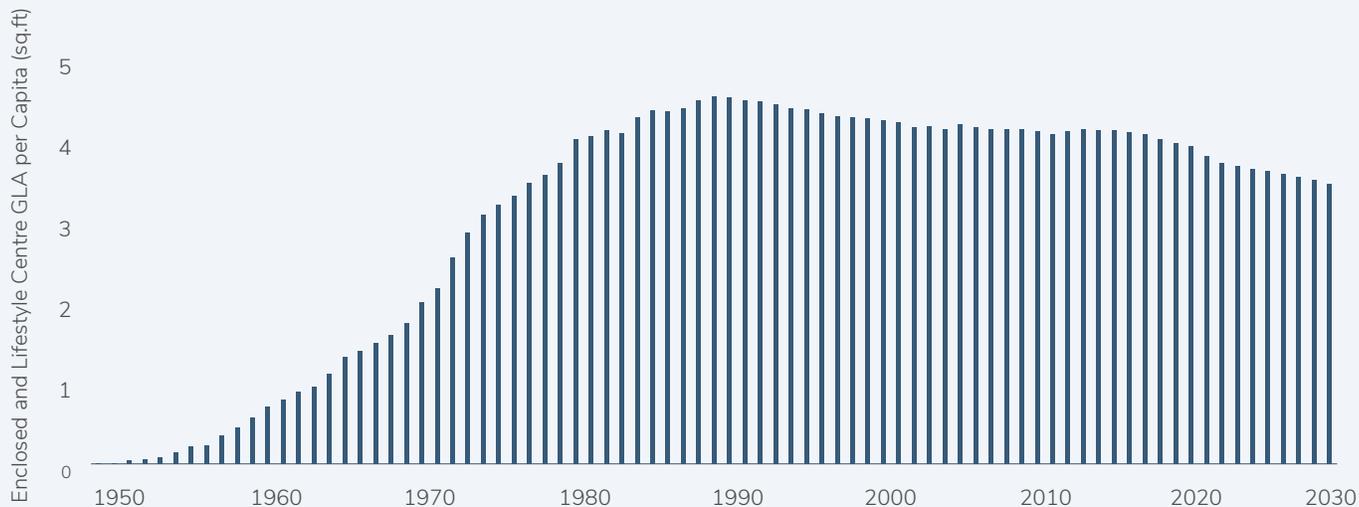
Primaris' profile as a buyer of market leading enclosed shopping centres is underpinned by three strategic pillars: 1) a specialized management platform, 2) superior access to credit, and 3) portfolio scale.

Enclosed malls are **best managed** through an internal, vertically integrated platform comprised of leasing, operations, construction and development, as well as human

## Transforming the Primaris Portfolio through Targeted Capital Allocation Decisions



## Declining Supply of Quality Retail Space as Population Grows



Source: Environics Analytics Estimates & Projections. 2.7% population growth 2023 (Statistics Canada) and estimated 2.0% from 2024 to 2030.

Halifax Shopping Centre, Halifax, Nova Scotia



“The Halifax Shopping Centre in Halifax, Nova Scotia is a great example of malls we are looking to acquire. A giant parcel of land in a very central urban location, surrounded by residential rooftops and connected to mass rapid transit.”

- Alex Avery,  
Chief Executive Officer



## Strong Enclosed Mall Same Store Sales Productivity<sup>1</sup>



<sup>1</sup> Supplementary financial measure, see Section 1, "Basis of Presentation – Use of Operating Metrics" in the Management's Discussion and Analysis for the period ending December 31, 2025.

resources, information technology, accounting, finance and legal, among other functions. Our specialized management platform creates the alignment and incentive structure that drives long-term growth through the curation of a dynamic and successful merchandise mix. In Canada there are just a small handful of mall platforms with these capabilities, with Primaris being one of the largest.

Our sector leading balance sheet provides robust and efficient **access to credit**, as reflected in Primaris' BBB (High) investment grade credit rating. Employing a largely unsecured financing strategy allows Primaris to pursue acquisitions with confidence. It significantly simplifies the process of raising debt financing, as the unsecured market is focused on the REIT's overall credit profile, rather than the specific profile and details of individual assets. The execution of an unsecured debenture financing can be completed in a matter of a few days, and in quantum that stretch the limits of the secured mortgage market in Canada. Primaris has raised up to \$500 million at a time, as we did in August 2024 through a two-tranche debenture issuance. This is particularly important when transacting on larger properties.

With our portfolio strategy focused on maximizing our relevance to our tenants, one element of relevance is scale. To enjoy the benefits of **scale**, there is a minimum size of mall operations required (perhaps 6 to 10 malls, or \$2+ billion of assets), which we are substantially above. As a buyer of malls, scale advantages include well established relationships with substantially all of the key retailers active in Canada, positioning Primaris to be comfortable that positive and constructive relationships with key tenants are

already in place for new acquisitions. This reduces the risk associated with new acquisitions, and allows Primaris to compete more effectively for malls than competitors without those established relationships. Scale is also critical to Primaris' access to the unsecured debenture market, helps smooth out the impact of capital expenditures at individual properties, and supports the overhead costs associated with a fully internal management platform.

Enabled by these strategic buyer pillars, Primaris has been remarkably active over the past four years, providing liquidity to an illiquid market, completing strategic acquisitions of market leading malls and reshaping its business.

### The Mall Business

Malls are fabulous real estate. Giant parcels of land in very central urban locations, surrounded by rooftops and typically connected to mass rapid transit, malls offer perhaps the greatest flexibility and adaptability of any property type. Not only are these properties nearly impossible to develop in built up urban locations, but the one- and two-storey format accompanied by vast surface parking areas delivers profile and significant flexibility to accommodate new retail concepts and other uses on the excess lands, driving a very compelling capital appreciation profile.

With as many as 200 or more tenants at each property, Primaris' tenant base spans the full spectrum of consumer purchases, with retailers ranging from Walmart and Loblaws to Apple and Aritzia. With lease structures that require the reporting of tenant sales from most of our tenants,

the mall business allows us to proactively manage retailer merchandise mix as consumer preferences evolve, and strong retailers eclipse others that are losing relevance.

While proactively managing our tenant mix helps us maintain very compelling tenant rosters, the most impactful driver of our business is the same driver as all property types: supply of new space. Too many new office buildings and rents and values go down. Too many new apartment buildings and rents and values go down. Too many new industrial buildings and rents and values go down. Volatility in property fundamentals is nearly always driven by new supply, rather than changes in demand.

After a decade of very limited development of any format of retail property, and virtually no new construction of enclosed malls in Canada for closer to two decades, supply is not a threat to retail and mall fundamentals for the foreseeable future. Further, the cost of developing new mall space in Canada is approximately \$1,000 per square foot, including \$800 per square foot of construction costs and \$200 per square foot for the land. The net rents per square foot required to justify these costs is approximately \$90 per square foot. The weighted average net rent per occupied square foot across our portfolio is \$31.78 per square foot, suggesting rents need to triple before new supply becomes economically viable, providing a long runway for growth in rents and property values. Furthermore, continued population and economic growth is expected to drive continued growth in demand, putting upward pressure on rents at our properties. This trend is clearly evident in our operating and financial results over the past four years, and is being experienced and reported by virtually all Canadian retail property owners.

## Surfacing Value Through Increasing Utilization

One unique feature of enclosed shopping centres is their scale, often spanning 40, 50, 60 to more than 100 acres. This makes the properties remarkably flexible, allowing for reconfiguration and densification to accommodate a variety of different uses with low costs to access the lands, often with no disruption to the existing tenancies and uses. Until 2025, this flexibility was constrained by restrictions embedded in certain leases. The departure of HBC as a tenant removed “no-build” and use restrictions including minimum parking requirements, covering 71 acres of land in our portfolio, creating significantly more flexibility for how we surface value from our excess lands.

One area of focus for 2026 is to advance our strategy for surfacing value from excess lands. The REIT’s portfolio currently includes approximately 1,400 acres of land across the country. We estimate that approximately 400 of those acres are excess lands, which are not required for the

successful operations of the malls. Across our portfolio, market pricing for land ranges from ~\$500,000 per acre to \$30+ million per acre. We believe there is a very significant opportunity for retail intensifications and the severance and sale of excess lands for development into other property types over the next several years. It will require thoughtful planning, as we strive to protect the value of our ongoing investments in the remaining mall properties, but the capital generated through this process has a very low cost.

## Outlook

Over the next five and ten years we expect market rents to continue to rise as mall space per capita continues to decline due to population growth, very limited new mall development and the demolition of lower productivity malls. We expect rising NOIs to boost the value and income from our portfolio. We expect investor sentiment towards malls to continue to recover from the deep cyclical trough earlier this decade. And we expect to maintain strong discipline in capital allocation and capital structure, reinvesting excess capital into our business where it has the greatest benefit to our Unitholders.

In 2026, Primaris will continue to pursue strategic property acquisitions and dispositions that advance our ambition of Becoming the First Call. We will leverage the strength of our scarce and valuable mall management platform to drive performance from our existing properties, as well as create value through transactions. Maintaining leverage below 6.0x Debt-to-EBITDA is a core element of the REIT’s strategy.

In summary, Primaris will continue to press the competitive advantages it holds due to its mall management platform, Differentiated Financial Model, portfolio scale and clear and focused strategy to deliver best-in-class operating and financial results, including significant growth in FFO per unit and NAV per unit.

The remarkable progress Primaris has made in 2025 and since 2021 is only possible because of the dedication and hard work of all 700 of the REIT’s employees. On behalf of the REIT’s board and senior management team, a sincere thank you to all of our team members, and a note of appreciation to our Unitholders and bondholders for their continued support of Primaris as we continue to pursue the substantial opportunities ahead.

Sincerely,



**Alex Avery**  
Chief Executive Officer

# Milestones

## January

**\$585 million** acquisition of Oshawa Centre in Oshawa, Ontario and a 50% interest in Southgate Centre in Edmonton, Alberta

## February

**\$200 million** unsecured debenture offering

**\$107 million** disposition of Sherwood Park Mall and professional centre in Sherwood Park, Alberta

## March

**\$60 million** disposition of St. Albert Centre in St. Albert, Alberta

## April

DBRS reaffirmed BBB High, Stable Trend investment grade credit rating

## May

**\$10 million** disposition of Lansdowne Industrial in Peterborough, Ontario

## June

**\$416 million** acquisition of Lime Ridge Mall and Professional Centre, in Hamilton, Ontario

**\$124 million** bought deal public treasury and secondary offering

Published inaugural Green Finance Framework

**\$200 million** unsecured green debenture offering

## July

**\$13 million** disposition of three strip plazas in Medicine Hat, Alberta

**\$54.5 million** disposition of Northpointe Town Centre, in Calgary, Alberta

## September

Galleries de la Capitale Property Tour in Quebec City, Quebec

## October

**\$250 million** unsecured green debenture offering

**\$565 million** acquisition of Promenades St-Bruno in Montreal, Quebec

**\$169 million** bought deal treasury and secondary equity offering

Board – Unitholder Engagement

## December

Published third annual Sustainability Report and Green Bond Allocation Report

**\$154 million** disposition of Northland and Northland Professional centre, both in Calgary, Alberta



Conestoga Mall, Waterloo, Ontario



Halifax Shopping Centre, Halifax, Nova Scotia

# PRIMARIS REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis

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# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

This Management Discussion and Analysis ("MD&A") of the results of operations and financial position of Primaris Real Estate Investment Trust ("Primaris" or the "Trust") for the three months and years ended December 31, 2025 and 2024, should be read in conjunction with the Trust's consolidated financial statements and the accompanying notes for the years ended December 31, 2025 and 2024 (the "Financial Statements"), as prepared in accordance with IFRS accounting standards as issued by the International Accounting Standards Board ("IASB"). Additional information is available on the SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Primaris website at [www.primarisreit.com](http://www.primarisreit.com). For greater certainty, Primaris' website is not incorporated by reference and does not form part of the MD&A.

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

### 1. BASIS OF PRESENTATION

Primaris' Series A trust units (the "Trust Units" or "Units") are listed on the Toronto Stock Exchange (the "TSX") and are traded under the symbol "PMZ.UN". All dollar amounts in this MD&A are in thousands of Canadian dollars, except per unit amounts and where otherwise stated. Historical results, including trends which might appear, should not be taken as indicative of future operations or results.

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

At December 31, 2025, Primaris holds 8 properties in co-ownerships (December 31, 2024 - 7 properties) and this MD&A includes only the Trust's proportionate ownership of those co-owned properties, see Section 7.2, "Co-ownership Arrangements".

#### Use of Non-GAAP Measures

The Financial Statements have been prepared in accordance with IFRS accounting standards as issued by the IASB; however, in this MD&A, a number of measures are presented which do not have a standardized meaning prescribed under generally accepted accounting principles ("GAAP") in accordance with IFRS. These non-GAAP measures include non-GAAP financial measures and non-GAAP ratios, each as defined in National Instrument 52-112, *Non-GAAP and Other Financial Measures Disclosure* ("NI 52-112"). Non-GAAP measures in this MD&A are denoted by the suffix "\*\*\*".

Management believes these non-GAAP measures are useful to assessing the Trust's performance period over period and its ability to meet its financial obligations. However, none of the non-GAAP measures should be construed as an alternative to financial measures calculated in accordance with IFRS. Furthermore, these non-GAAP measures may not be comparable to similar measures presented by other real estate entities and should not be construed as an alternative to financial measures determined in accordance with IFRS.

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

#### Use of Operating Metrics

Primaris uses certain operating metrics to monitor and measure the operational performance of its portfolio. Financial operating metrics in this MD&A include, among others, weighted average net rent per occupied square foot ("sq. ft."), weighted average spread on renewing rents, liquidity, total commercial retail unit ("CRU") sales volume, same stores sales volume, same stores sales productivity, and same stores sales productivity growth. These operating metrics, which

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

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may constitute supplementary financial measures as defined in NI 52-112, are not derived from directly comparable measures contained in the Financial Statements but may be used by management and disclosed on a periodic basis to depict the historical or future expected operating performance of the Trust's portfolio. For an explanation of the composition of weighted average net rent per occupied square foot, see Section 8.2, "Weighted Average Net Rent". For an explanation of weighted average spread on renewing rents, see Section 8.3, "Leasing Activity". For an explanation of the composition of liquidity, see Section 10.2, "Liquidity and Unencumbered Assets". For an explanation of the composition of total CRU sales volume, same stores sales volume, same stores sales productivity and same stores sales productivity growth, see Section 8.4, "Tenant Sales".

Primaris also uses certain non-financial operating metrics to describe its portfolio and portfolio operation performance. Non-financial operating metrics in this MD&A include, among others, number of investment properties, site coverage, store count, gross leasable area ("GLA"), occupied GLA, in-place occupancy, committed occupancy, long-term in-place occupancy, average in-place occupancy and weighted average lease term. For the relationship of in-place occupancy to committed occupancy, to long-term in-place occupancy and to average in-place occupancy, see Section 8.1, "Occupancy". For greater certainty, the portfolio operating metrics in this MD&A include only the Trust's proportionate ownership of the 8 properties held in co-ownerships (see Section 7.2, "Co-ownership Arrangements"). At December 31, 2025, the Trust's portfolio GLA was 15.2 million square feet, including the proportionate ownership of GLA of those co-owned properties, as compared to 17.4 million square feet at a notional 100% ownership interest for all properties.

## 2. FORWARD-LOOKING STATEMENTS AND FINANCIAL OUTLOOK

Certain information in this MD&A contains forward-looking information within the meaning of applicable securities laws (also known as forward-looking statements) including, among others, forward-looking statements made under Section 3, "Business Overview and Strategy", Section 4, "Current Business Environment and Outlook", and Section 7.4, "Redevelopment and Development", as well as further statements made or implied relating to Primaris' future plans, including with respect to the impact of the closure of any Hudson Bay Company ("HBC") locations in the portfolio, the Trust's plans therefore, the benefits of disclaimed HBC leases, Primaris' sustainability initiatives and objectives, management's expectations regarding the growth of the markets in which its shopping centres are located, management's belief regarding the potential future value creation of its properties from future leases, management's belief that Primaris can maintain financial stability and strength in the current interest rate environment, Primaris' expected credit losses, expected revenue growth from contractual rent steps, the state of the retail market, expected operating capital expenditures, discount rates, terminal capitalization rates and cash flow models used to estimate fair values, management's expectations regarding the Trust's leverage and portfolio quality, management's expectations regarding future distributions, management's belief that Primaris has sufficient funds and liquidity for future commitments, management's expectation to be able to meet all of the Trust's ongoing obligations, expected benefits from activities under the normal course issuer bid, expected benefits or future results and performance relating to acquisitions and tax matters, including management's belief that Primaris satisfies certain prescribed conditions relating to the nature of its assets and revenue under the *Income Tax Act* (Canada) and the regulations thereunder (the "Tax Act"). Forward-looking statements generally can be identified by words such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans", "project", "budget" or "continue" or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect Primaris' current beliefs and are based on information currently available to management.

Forward-looking statements are provided for the purpose of presenting information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. These statements are not guarantees of future performance and are based on estimates and assumptions that are inherently subject to risks and uncertainties. Although the forward-looking statements in the MD&A are based on what Primaris believes are reasonable assumptions in the circumstances, there can be no assurance

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

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that actual outcomes will be consistent with these forward-looking statements and results, performance or achievements may differ materially from the forward-looking statements contained in this MD&A.

Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking statements include the assumptions described herein, including under Section 4, "Current Business Environment and Outlook"; that the general economy will continue to be volatile; and debt markets will continue to provide access to capital at a reasonable cost. Additional risks and uncertainties include, among other things, risks related to: owning and operating real property; real property valuations; geographic concentration of properties; credit risk and tenant concentration; reliance on anchor tenants and tenant bankruptcies; lease rollover risk; competition for real property investments; asset class concentration risk; construction risks; supply chain risks; development risks; capital expenditures risk; co-ownership interest in properties; amusement park operations risk; financial markets and liquidity risk; cyber security risk; environmental and climate change risk; litigation risk; general uninsured losses; dependence on key personnel, talent management and succession planning; potential acquisitions, investment and disposition opportunities and joint venture arrangements; potential undisclosed liabilities associated with acquisitions; Trust Unit price risk; availability of cash for distributions; ability to access capital markets; dilution; unitholder liability; redemption right risk; tax risk, and tax risk applicable to the Trust's unitholders (the "Unitholders"). In addition, there can be no assurance that the Trust will be able to successfully redevelop or re-lease the disclaimed HBC locations in a timely manner or on terms that are financially favourable. The execution of redevelopment plans involves various risks, including construction delays, cost overruns, regulatory approvals, tenant demand shortfalls, and changes in broader economic or market conditions. Certain of these risks, and others, are discussed in more detail under Section 13, "Enterprise Risks and Risk Management" of this MD&A.

Primaris cautions that these lists of factors, risks, and uncertainties are not exhaustive. Other risks and uncertainties not presently known to Primaris could also cause actual results or events to differ materially from those expressed in its forward-looking statements.

Certain forward-looking information included in this MD&A may also be considered "financial outlook" for purposes of applicable securities law, including statements under Section 4, "Current Business Environment and Outlook" - "2026 Financial Outlook". Financial outlook about the Trust's prospective results of operations including, without limitation, anticipated funds from operations\*\* ("FFO") per unit, anticipated cash net operating income\*\* ("Cash NOI") and Same Properties Cash NOI\*\* growth, impact on rental revenue of contractual rent-steps, anticipated general and administrative expenses, anticipated operating capital expenditures, anticipated redevelopment capital expenditures, anticipated straight-line rent adjustment to revenue, anticipated occupancy, and the Trust's December 2027 targets for a number of key metrics, including in-place occupancy, annual Same Properties Cash NOI\*\* growth, acquisition and disposition activity, annual FFO\*\* per unit growth, and annual distribution growth, are subject to the same assumptions, risk factors, limitations, and qualifications as set forth above and in the section entitled "Enterprise Risks and Risk Management" herein. The Trust and management believe that such financial outlook has been prepared on a reasonable basis, reflecting management's best estimates and judgments. However, this information is subjective and subject to numerous risks. Financial outlook contained in this MD&A was provided for the purpose of providing further information about the Trust's prospective financial performance and readers are cautioned that it should not be used for other purposes.

Readers are also urged to examine the Trust's materials filed with the Canadian securities regulatory authorities from time to time as they may contain discussions on risks and uncertainties which could cause the actual results and performance of Primaris to differ materially from the forward-looking statements and financial outlook contained in this MD&A. All forward-looking statements and financial outlook in this MD&A are qualified by these cautionary statements. These forward-looking statements and financial outlook are made as of February 11, 2026, and Primaris, except as required by applicable securities laws, assumes no obligation to update or revise them to reflect new information or the occurrence of future events or circumstances.

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

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### 3. BUSINESS OVERVIEW AND STRATEGY

#### Business Overview

Primaris is Canada's only enclosed shopping centre focused REIT, with ownership interests primarily in enclosed shopping centres in Canadian markets. At December 31, 2025, the portfolio totaled 32 properties and 15.2 million square feet of GLA. Economies of scale are achieved through its fully internal, vertically integrated, full-service national management platform. Primaris' scale, portfolio composition, and capital structure are designed to enable Primaris to grow and succeed in the evolving retail landscape.

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

#### Strategy

Primaris' strategy focuses on three key pillars.

##### 1. Retailer affordability through operational management

Primaris focuses on retailer affordability, offering attractive and economic store locations, through a disciplined approach to cost management, achieving economies of scale from the management platform, and collaborative relationship building with tenant partners. This resulting low cost operating structure significantly improves retailer profitability and therefore, tenants' willingness to commit to Primaris shopping centres.

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

##### 2. Scale and consolidation opportunity

Management believes there is continuing opportunity for Primaris to leverage its scale and consolidate the enclosed shopping centre space, a market that currently has limited institutional competition for assets. Primaris is uniquely positioned as Canada's only REIT focused on owning and managing enclosed shopping centres, with an established, fully internal scaled management platform, and a low leverage capital structure to support growth. The Trust plans to leverage its scale and management capability to deliver strong financial and operating performance from its existing portfolio and take advantage of acquisition opportunities as some of Canada's largest owners of enclosed shopping centres elect to sell some of these properties to reposition their portfolios to increase exposure to other property types. These assets are typically well-maintained and offer opportunities for Primaris to surface additional value through operating efficiencies, new leasing opportunities, and margin expansion. Since December 31, 2021, Primaris has acquired approximately \$3.3 billion of leading enclosed shopping centres.

##### 3. Disciplined capital allocation

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

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

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

As at or for the year ended December 31, (unaudited)	2025	Targets
Average Net Debt** to Adjusted EBITDA**	5.8x	4.0x – 6.0x
Funds from Operations Payout Ratio**	46.7 %	45% - 50%
Secured debt to Total Debt**	11.3 %	<40%

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

## 4. CURRENT BUSINESS ENVIRONMENT AND OUTLOOK

### Economic Environment - Interest Rates and Inflation

On January 28, 2026, the Bank of Canada ("BoC") kept its key interest rate unchanged at 2.25% for the second meeting in a row. The BoC characterized inflation as close to the 2% target but emphasized that economic conditions were too uncertain to revise its outlook meaningfully. The BoC did not rule out future rate changes, in either direction, if warranted by future economic data points or USMCA negotiations.

Primaris' conservative capital structure provides on-going financial stability and strength. As at the date of this MD&A, Primaris has: approximately \$55 million of cash on hand; no amount drawn on its \$600 million unsecured revolving credit facility; and a BBB (high) issuer rating. As at or for the year ended December 31, 2025, Primaris had \$4.8 billion of unencumbered assets (or \$2.8 billion of unencumbered assets in excess of unsecured debt); a FFO Payout Ratio\*\* of 46.7%; and an Average Net Debt\*\* to Adjusted EBITDA\*\* ratio of 5.8x. For the year ended December 31, 2026, Primaris has no debt maturing.

### Economic Environment - Population Growth and Barriers to Entry

Management believes the current economic environment for enclosed mall ownership in Canada is strong, aided by steady employment and consumer spending, combined with very limited new supply of retail space.

Population growth of permanent residents is expected to continue in Canada, but at a slower pace than the last few years. With the rising cost of living in Canada's largest cities, many medium-sized cities are experiencing above average population growth, including many where Primaris owns malls.

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

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

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

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### The Evolution of and Outlook for Canadian Enclosed Shopping Centres

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

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

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

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

Recently, HBC, Canada's last remaining conventional department store, closed all operations. This final chapter of the department store era in Canada offers favourable characteristics including:

- During its last 10 years, HBC was among the historically least productive department store anchors, drawing few consumers, paying very low rent, and holding the most restrictive lease terms among its predecessors;
- Previous department store closures occurred during periods of significant new development of retail space in Canada. Currently, there has been minimal new development of retail space in Canada over the last 10 years coupled with population growth;
- While the earlier department store closures released some site restrictions including “no builds,” “parking ratios,” and other tenancy restrictions, those closures failed to liberate control of these sites to landlords, due to the remaining overlapping and redundant site restrictions in the remaining anchor tenant leases;
- Primaris and other Canadian retail landlords have substantially more experience navigating the replacement of failed department store anchors, in an increasingly strong landlord's leasing market; and
- Canadian malls have evolved substantially over the past 20 years, with reduced anchor tenant relevance as commercial retail unit ("CRU") tenants have drawn shoppers out of the department stores and into the corridors of the mall due to their specialized and targeted offering, with the aggregate sales volume of the mall becoming the “anchor.”

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

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Management believes the HBC departure will enable future value creation by optimizing use of space at the Primaris shopping centres through re-leasing of disclaimed GLA at higher average rents and surfacing value in excess land on the sites no longer subject to HBC lease restrictions through redevelopment or land sales to developers.

Management believes that the Canadian shopping centre space is healthy, with significant opportunity for growth as occupancy levels continue to recover and rents increase. Management views the current retail environment to be populated by financially strong and growing retailers, and shopping centres are no longer restricted by anchor tenants lease requirements. Management also anticipates further growth through acquisitions, as institutional shopping centre owners may be considering rebalancing their portfolios by selling assets that fit Primaris' target acquisition profile.

### **The Canadian Advantage**

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

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

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

### Results of 2025 Guidance

The previously published guidance for the full year of 2025 has been reproduced again below and presented against the results achieved for the year ended December 31, 2025.

<i>(unaudited)</i>	2025 Guidance	2025 Results	Additional Notes on Results	MD&A Section Reference
Occupancy	85% to 87%	87.2%		Section 8.1, "Occupancy"
Contractual rent steps in rental revenue	\$3.1 to \$3.3 million	\$2.7 million		Section 9.1, "Components of Net Income (Loss)"
Straight-line rent adjustment in rental revenue	\$5.5 to \$6.5 million	\$7.5 million	Impacted by acquisition and leasing activities	Section 9.1, "Components of Net Income (Loss)"
Same Properties <sup>1</sup> Cash NOI** growth	4.0% to 5.0%	5.6%	Same Properties excludes property dispositions and the acquisitions of Les Galeries de la Capitale, Oshawa Centre, Southgate Centre (50%), Lime Ridge Mall and Professional Centre and Promenades St-Bruno	Section 9.1, "Components of Net Income (Loss)"
Cash NOI**	\$352 to \$357 million	\$359.5 million	Impacted by higher specialty leasing revenue and strong tenant sales driving percentage rental revenue and higher revenue from prior year impacts	Section 9.1, "Components of Net Income (Loss)"
General and administrative expenses	\$38 to \$40 million	\$40.6 million	Impacted by bonus accruals	Section 9.1, "Components of Net Income (Loss)"
Operating capital expenditures	Recoverable Capital \$18 to \$20 million Leasing Capital \$20 to \$24 million	Recoverable Capital \$21.3 million Leasing Capital \$23.6 million		Section 8.7, "Operating Capital Expenditures"
Redevelopment capital expenditures	\$40 to \$45 million	\$37.4 million	Primarily attributable to the Devonshire Mall and Northland projects now completed	Section 7.4, "Redevelopment and Development"
FFO** per unit <sup>2</sup>	\$1.78 to \$1.82 per unit fully diluted	\$1.846 per unit fully diluted	Driven by NOI** growth and NCIB activity	Section 9.2, "FFO** and AFFO**"

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

<sup>1</sup> Properties owned throughout the entire 24 months ended December 31, 2025, excluding properties under development or major redevelopment, are referred to as "Same Properties".

<sup>2</sup> Units outstanding and weighted average diluted units outstanding assume the exchange of the preferred units that have been issued by subsidiary limited partnerships of the Trust that, in certain circumstances, are exchangeable in Trust Units (the "Exchangeable Preferred LP Units"). See Section 10.6, "Unit Equity and Distributions".

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

### 2026 Financial Outlook

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

Disciplined capital allocation is a key pillar of Primaris' strategy. To this end, Primaris established certain targets for managing the Trust's financial condition (see Section 3, "Business Overview and Strategy"). In addition to its established targets, Primaris has provided guidance for the full year of 2026. The most recent previously published guidance for the full year of 2026 is reproduced below and has been updated to reflect management's current expectations based on the most recent information available to management.

Primaris has provided guidance for the full year of 2026 as follows:

(unaudited)	2026 Guidance		Additional Notes	MD&A Section Reference
	Previously Published	Updated		
Occupancy	86% to 88%	No change in guidance		Section 8.1, "Occupancy"
Contractual rent steps in rental revenue	\$3.5 to \$4.0 million	\$5.0 to \$5.5 million	Impacted by the acquisition of Promenades St-Bruno and leasing activity	Section 9.1, "Components of Net Income (Loss)"
Straight-line rent adjustment in rental revenue	\$8.0 to \$9.0 million	\$8.5 to \$9.5 million	Impacted by the acquisition of Promenades St-Bruno and leasing activity	Section 9.1, "Components of Net Income (Loss)"
Same Properties <sup>1</sup> Cash NOI** growth	1.0% to 3.0%	No change in guidance	Same Property Cash NOI** growth excludes approximately \$6 million of prior year impacts included in Cash NOI** in the 2025 fiscal year	Section 9.1, "Components of Net Income (Loss)"
Cash NOI**	\$385 to \$395 million	\$390 to \$400 million	Impacted by leasing activity. Includes revenue of \$1.1 million from the expected recovery of property taxes from prior years	Section 9.1, "Components of Net Income (Loss)"
General and administrative expenses	\$40 to \$42 million	No change in guidance		Section 9.1, "Components of Net Income (Loss)"
Operating capital expenditures	Recoverable Capital \$28 to \$30 million Leasing Capital \$25 to \$30 million	No change in guidance		Section 8.7, "Operating Capital Expenditures"
Redevelopment capital expenditures	\$60 to \$64 million	No change in guidance	Approximately \$35 million attributable to vacant HBC anchor spaces	Section 7.4, "Redevelopment and Development"
FFO** per unit <sup>2</sup> fully diluted	\$1.83 to \$1.88	\$1.85 to \$1.90	Guidance includes no acquisition or disposition activity	Section 9.2, "FFO** and AFFO**"

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

<sup>1</sup> Properties owned throughout the entire 24 months ended December 31, 2026, excluding properties under development or major redevelopment, are referred to as "Same Properties".

<sup>2</sup> Units outstanding and weighted average diluted units outstanding assume the exchange of Exchangeable Preferred LP Units into Trust Units. See Section 10.6, "Unit Equity and Distributions".

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

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

<i>(unaudited)</i>	3 Year Targets	Progress to Date	Additional Notes	MD&A Section Reference
In-place Occupancy	New Target: 94% to 96% Prior Target: 96%		Target reduced to reflect impact of HBC and acquisition activity which increase HBC exposure.  In-place occupancy was 92.4% at December 31, 2023 In-place occupancy was 94.5% at December 31, 2024 In-place occupancy was 87.2% at December 31, 2025	Section 8.1, "Occupancy"
Annual Same Properties Cash NOI** growth	3% to 4%		Growth for the year ended December 31, 2023 was 5.4% Growth for the year ended December 31, 2024 was 4.5% Growth for the year ended December 31, 2025 was 5.6%	Section 9.1, "Components of Net Income (Loss)"
Acquisitions	> \$1 billion  <b>Achieved</b>	\$1,891 million	October 1, 2024 - Les Galeries de la Capitale January 31, 2025 - Oshawa Centre and Southgate Centre June 17, 2025 - Lime Ridge Mall and Professional Centre October 10, 2025 - Promenades St-Bruno	Section 7.3, "Transactions"
Dispositions	> \$500 million	\$432 million	December 13, 2024 - Edinburgh Market Place February 21, 2025 - excess land February 28, 2025 - Sherwood Park Mall and Professional Centre March 31, 2025 - St. Albert Centre May 30, 2025 - Lansdowne Industrial July 21, 2025 - Carry Drive, Dunmore Plaza and Park Plaza July 23, 2025 - Northpointe Town Centre December 19, 2025 - Northland and Northland Professional Centre	Section 7.3, "Transactions"
Annual FFO** per unit <sup>1</sup> growth (fully diluted)	4% to 6%		Growth for the year ended December 31, 2023 was 0.5% Growth for the year ended December 31, 2024 was 6.5% Growth for the year ended December 31, 2025 was 9.2%	Section 9.2, "FFO** and AFFO**"
Annual Distribution Growth	2% to 4%		In November 2022 announced a 2.5% increase In November 2023 announced a 2.4% increase In November 2024 announced a 2.4% increase In November 2025 announced a 2.3% increase	Section 10.6, "Unit Equity and Distributions"

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

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

Readers are cautioned that there could be a significant risk that actual results for the year ending December 31, 2026 and the Trust's actual performance against the targets for the period ending December 31, 2027 as set forth above will vary from the financial outlook statements provided in this MD&A and that such variations may be material.

See Section 2, "Forward-Looking Statements and Financial Outlook" for a description of the material factors, assumptions, risks and uncertainties that could impact the financial outlook statements.

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

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### 5. SUSTAINABILITY

In 2025, Primaris updated its Board-led three-year sustainability strategic plan that aligns to the Trust's vision, mission, core values, and strategy, and supports long-term value creation. The updated 2026-2028 sustainability strategic plan (the "Sustainability Plan") maps out key sustainability priorities, goals, actions, and performance measures. The sustainability Plan has evolved over time as Primaris progresses and adapts to the changing needs of operating and investing environments.

The Sustainability Plan aligns to current investor focused Environmental, Social, Governance ("ESG") standards and frameworks:

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

#### Key 2025 Sustainability Milestones

In 2025, Primaris completed the following sustainability activities:

- Engaged a third-party consultant to complete a decarbonization study, which will support the development of green house gas emissions reduction asset plans, which will be evaluated based on both financial return and environmental impact;
- Awarded 2025 Green Lease Leaders with gold designation;
- Completed third annual GRESB submission achieving a score of 3 green stars, a 4 point improvement moving the overall score to 84;
- Received Sector Leader status in the 2025 GRESB Real Estate Assessment Standing Investments Benchmark;
- Published its inaugural [Green Finance Framework](#);
- Issued \$450 million in senior unsecured green debentures which net proceeds were used to fund eligible green projects as described in the Trust's Green Finance framework dated June 20, 2025; and
- Issued a [Green Bond Allocation Report](#) and third annual [Sustainability Report](#) in accordance with the Green Finance Framework.

#### Next Steps

In 2026, Primaris will be focused on:

- Developing decarbonization plans, aligned to TCFD, to achieve the Trust's GHG emissions reduction target;
- Developing an operational plan and budget for reducing climate exposure;
- Considering reporting requirements to meet the CSDS S1 and S2 reporting standards;
- Enhancing, measuring, and monitoring the tenant community engagement program; and
- Continuing to support community engagement programs at the Trust's shopping centres.

Sustainability is an essential component in Primaris' overall strategy from both risk mitigation and opportunity optimization standpoints. For more information on the Trust's Sustainability Plan, see the 2025 Sustainability Report, published in December 2025, available on the "sustainability" section on Primaris' website found [here](#). For greater certainty, none of the 2025 Sustainability Report, the Green Finance Framework, the Green Bond Allocation Report nor the "sustainability" section of the Primaris website are incorporated by reference herein and they do not form part of this MD&A.

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

### 6. SUMMARY OF SELECTED FINANCIAL AND OPERATIONAL INFORMATION

As at or for the years ended December 31, (in thousands of Canadian dollars unless otherwise indicated) (unaudited)	2025	2024	2023
Number of investment properties	32	37	39
Gross leasable area (in millions of square feet) (at Primaris' share)	15.2	13.3	12.5
Long-term in-place occupancy	81.7 %	90.4 %	89.0 %
In-place occupancy	87.2 %	94.5 %	92.4 %
Committed occupancy	90.6 %	95.6 %	94.2 %
Weighted average net rent per occupied square foot <sup>1</sup>	\$ 31.78	\$ 25.28	\$ 25.14
Weighted average lease term (in years)	4.1	4.2	4.3
Same stores sales productivity per square foot <sup>1</sup>	\$ 727	\$ 718	\$ 633
Same stores sales productivity growth <sup>3</sup>	1.3 %	1.1 %	5.9 %
Total assets	\$ 5,283,401	\$ 4,267,432	\$ 3,899,634
Total liabilities	\$ 2,750,498	\$ 2,106,483	\$ 1,795,707
Total non-current liabilities	\$ 2,208,929	\$ 1,594,94	\$ 1,412,615
Total rental revenue	\$ 648,467	\$ 501,925	\$ 410,970
Cash flow from (used in) operating activities	\$ 225,733	\$ 168,321	\$ 166,690
Distributions per Trust Unit	\$ 0.862	\$ 0.842	\$ 0.822
Cash Net Operating Income** ("Cash NOI")	\$ 359,527	\$ 280,506	\$ 277,122
Same Properties <sup>2</sup> Cash NOI** growth <sup>3</sup>	5.6 %	4.5 %	5.4 %
Net income (loss)	\$ 183,185	\$ 79,473	\$ 102,271
Net income (loss) per unit <sup>4</sup>	\$ 1.330	\$ 0.712	\$ 0.964
Funds from Operations** ("FFO") per unit <sup>4</sup> - average diluted	\$ 1.846	\$ 1.690	\$ 1.588
FFO** per unit growth <sup>3</sup>	9.2 %	6.5 %	0.5 %
FFO Payout Ratio**	46.7 %	49.8 %	51.8 %
Adjusted Funds from Operations** ("AFFO") per unit <sup>4</sup> - average diluted	\$ 1.353	\$ 1.157	\$ 1.129
AFFO** per unit growth <sup>3</sup>	16.9 %	2.5 %	(7.9)%
AFFO Payout Ratio**	63.7 %	76.5 %	73.3 %
Weighted average units outstanding <sup>4</sup> - diluted (in thousands)	127,313	108,295	99,714

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

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

<sup>2</sup> Properties owned throughout the entire 24 months ended December 31, 2025, excluding properties under development or major redevelopment, are referred to as "Same Properties".

<sup>3</sup> Prior years' amounts not restated for current period property categories.

<sup>4</sup> Per unit calculations, units outstanding, and weighted average diluted units outstanding assume the exchange of Exchangeable Preferred LP Units for Trust Units. See Section 10.6, "Unit Equity and Distributions".

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

### 6. SUMMARY OF SELECTED FINANCIAL AND OPERATIONAL INFORMATION (continued)

As at or for the years ended December 31, (in thousands of Canadian dollars unless otherwise indicated) (unaudited)	2025	2024	2023
Net Asset Value** ("NAV") per unit outstanding <sup>1</sup>	\$ 21.21	\$ 21.55	\$ 21.54
Average Net Debt** to Adjusted EBITDA** <sup>2</sup>	5.8x	5.8x	5.6x
Interest Coverage** <sup>2</sup>	3.1x	3.0x	3.6x
Liquidity <sup>3</sup>	\$ 644,287	\$ 589,774	\$ 654,323
Unencumbered assets	\$ 4,754,095	\$ 3,646,922	\$ 3,362,901
Unencumbered assets to unsecured debt	2.4x	2.5x	2.8x
Secured debt as a percent of Total Debt**	11.3 %	14.7 %	19.7 %
Total Debt** to Total Assets** <sup>2</sup>	41.6 %	40.3 %	38.3 %
Fixed rate debt as a percent of Total Debt**	100.0 %	98.0 %	100.0 %
Weighted average term to debt maturity - Total Debt** (in years)	4.1	4.0	3.6
Weighted average interest rate of Total Debt**	5.07 %	5.28 %	5.11 %

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

<sup>1</sup> Units outstanding assume the exchange of Exchangeable Preferred LP Units for Trust Units. See Section 10.6, "Unit Equity and Distributions".

<sup>2</sup> Calculated on the basis described in the trust indenture and supplemental indentures that govern the Trust's senior unsecured debentures (collectively, the "Trust Indentures"). See Section 10.4, "Capital Structure".

<sup>3</sup> Supplementary financial measure, see Section 1, "Basis of Presentation" - "Use of Operating Metrics". Liquidity is defined as the sum of cash and cash equivalents and the undrawn balances on Primaris' various unsecured credit facilities. See Section 10.2, "Liquidity and Unencumbered Assets".

#### Year End Highlights

As at the year ended December 31, 2025:

- 87.2% in-place occupancy, compared to 91.8% as at September 30, 2025 and 94.5% as at December 31, 2024;
- \$31.78 weighted average net rent per occupied square foot, compared to \$29.16 at September 30, 2025 and \$25.28 at December 31, 2024;
- \$727 per square foot same store sales productivity for the year ended December 31, 2025 (year ended December 31, 2024 - \$718 per square foot) (a supplementary financial measure see Section 1, "Basis of Presentation" - "Use of Operating Metrics");
- 5.8x Average Net Debt\*\* to Adjusted EBITDA\*\*, compared to 5.9x as at September 30, 2025 and 5.8x as at December 31, 2024;
- 41.6% Total Debt\*\* to Total Assets\*\* ratio;
- 11.3% ratio of secured debt to Total Debt\*\*;
- \$644.3 million in liquidity; and
- \$21.21 NAV\*\* per unit outstanding.

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

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During the year ended December 31, 2025:

- +5.6% Same Properties Cash NOI\*\* growth (+6.8% for the fourth quarter);
- +7.4% average increase in weighted average net rent per square foot for renewing leases considering initial year only (9.8% average increase considering contractual increases during new lease term);
- 2.5 million square feet of space renewed or leased;
- \$1.846 FFO\*\* per unit (average diluted), representing a 9.2% increase over the prior year, and an FFO Payout Ratio\*\* of 46.7% (for the three months ending December 31, 2025 FFO\*\* per unit \$0.513, representing a 11.6% increase over the prior year period, and a 42.3% FFO Payout Ratio\*\*);
- Completed \$1.6 billion of acquisitions adding 3.5 million square feet to GLA;
- Sold \$400 million of non-core assets;
- Issued \$650 million aggregate principal amount of senior unsecured debentures at an effective weighted average interest rate of 4.34% and a weighted average term to maturity of 6.2 years, reducing the weighted average interest rate to 5.07%;
- Issued 18,670,860 Trust Units on a bought-deal basis;
- Increased the distribution rate by 2.3%, from \$0.86 to \$0.88 per unit per annum, effective December 31, 2025; and
- Purchased for cancellation 5,237,809 Units under the normal course issuer bid ("NCIB") at an average price per unit of approximately \$15.13, representing a discount to NAV\*\* of approximately 28.7% (in the fourth quarter cancelled Units at an average price of approximately , or a discount to NAV\*\* of approximately ).

Subsequent to December 31, 2025, Primaris:

- Purchased for cancellation an additional 72,500 Units under the automatic share purchase plan ("ASPP") for consideration of \$1.2 million as of February 11, 2026, for total NCIB purchases since inception of the Trust 15,139,609 Units at an average price of \$14.33, or a discount to NAV\*\* of approximately 32.4%.

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

### 7. INVESTMENT PROPERTIES

Primaris owns, manages, leases, and develops retail properties in Canada. On December 31, 2025, the portfolio consisted of 32 properties, which are located across many growing, Canadian markets, in seven provinces, to reduce concentration risk and to enhance the long-term reliability of revenue.

The shopping centre portion of the portfolio comprises 27 assets nationwide (including 26 enclosed malls) and is situated on approximately 1,400 acres of land. Most properties are located close to major transportation nodes and public transit, with broad zoning permitting a wide range of uses beyond retail, enabling potential future value creation.

	December 31, 2025		December 31, 2024	
	Number of Investment Properties	GLA in thousands of square feet	Number of Investment Properties	GLA in thousands of square feet
Shopping centres	22	9,937	22	9,402
Other properties	4	680	9	705
Same Properties <sup>1</sup>	26	10,617	31	10,107
Acquisitions	6	4,575	5	2,845
Property under development <sup>2</sup>	—	—	1	349
<b>Number of investment properties</b>	<b>32</b>	<b>15,192</b>	<b>37</b>	<b>13,301</b>

<sup>1</sup> Properties owned throughout the entire 24 months ended December 31, 2025, excluding properties under development or major redevelopment, are referred to as "Same Properties". Comparable figures are for properties owned throughout the entire 24 months ended December 31, 2024. Shopping centres classified as Same Properties include 1 open air centre, Highstreet Shopping Centre in Abbotsford, BC.

<sup>2</sup> The property under development was sold December 19, 2025. See Section 7.3, "Transactions".

As at December 31, 2025 (\$ millions and thousands of square feet, unless otherwise indicated) (unaudited)	Total Portfolio				Shopping Centres <sup>1</sup>				Other Properties <sup>2</sup>	
	Fair Value	Count	GLA	In-place Occupancy	Fair Value	Count	GLA	In-place Occupancy	GLA	In-place Occupancy
Ontario	\$ 2,352.8	12	6,579	86.9 %	\$ 2,347.7	11	6,524	87.2 %	55	46.4 %
Alberta	804.4	8	2,983	83.6 %	795.1	6	2,921	83.9 %	62	72.5 %
British Columbia	532.0	2	1,196	86.1 %	532.0	2	1,196	86.1 %	—	— %
Maritime provinces <sup>3</sup>	508.7	5	1,634	97.0 %	419.9	3	1,016	95.6 %	618	99.3 %
Manitoba	107.1	2	407	93.0 %	107.1	2	407	93.0 %	—	— %
Quebec	876.3	3	2,393	85.2 %	876.3	3	2,393	85.2 %	—	— %
<b>Portfolio<sup>4</sup></b>	<b>\$ 5,181.3</b>	<b>32</b>	<b>15,192</b>	<b>87.2 %</b>	<b>\$ 5,078.1</b>	<b>27</b>	<b>14,457</b>	<b>86.9 %</b>	<b>735</b>	<b>93.0 %</b>

<sup>1</sup> Shopping centres include 26 enclosed malls and 1 open air centre, Highstreet Shopping Centre in Abbotsford, BC.

<sup>2</sup> Other properties include 2 plazas and 3 office buildings.

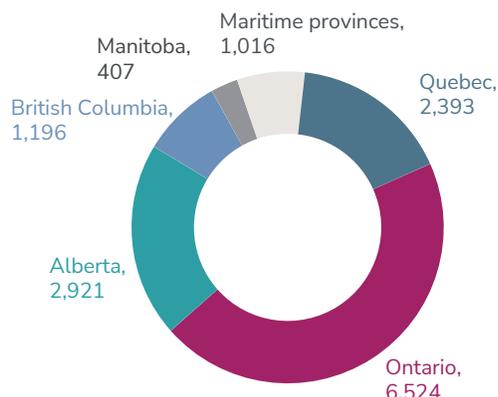
<sup>3</sup> Maritime provinces include Nova Scotia and New Brunswick.

<sup>4</sup> Includes investment properties classified as assets held for sale of \$172.8 million.

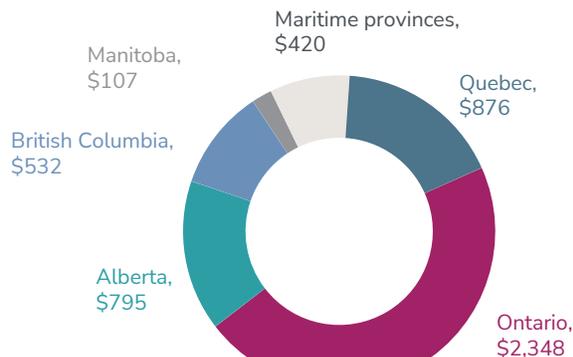
# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

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



Shopping Centres Value by Province (\$ millions)



On December 31, 2025, Primaris' top 10 properties, measured by Cash NOI\*\*, represented approximately 50% of the portfolio GLA, and approximately 65% of the portfolio fair value.

For the years ended or as at

(\$ millions and thousands of square feet, unless otherwise indicated) (unaudited)

		Cash NOI**	In-place Occupancy	GLA	Site Coverage
Promenades St-Bruno <sup>1</sup>	Montreal, QC	\$ 40.5	85.0 %	1,098	15 %
Southgate Centre (at 100%) <sup>1,2</sup>	Edmonton, AB	\$ 29.8	69.0 %	846	39 %
Lime Ridge Mall <sup>1</sup>	Hamilton, ON	\$ 29.2	64.8 %	811	19 %
Oshawa Centre <sup>1</sup>	Oshawa, ON	\$ 28.5	79.6 %	1,199	29 %
Les Galeries de la Capitale	Quebec City, QC	\$ 26.2	82.2 %	988	21 %
Halifax Shopping Centre	Halifax, NS	\$ 24.4	95.0 %	574	34 %
Orchard Park Shopping Centre	Kelowna, BC	\$ 23.2	79.7 %	651	39 %
Conestoga Mall	Waterloo, ON	\$ 19.8	98.4 %	666	37 %
Dufferin Mall	Toronto, ON	\$ 18.8	99.0 %	574	59 %
Devonshire Mall	Windsor, ON	\$ 18.0	87.9 %	679	25 %

<sup>1</sup> Estimated 2025 annual Cash NOI\*\* based on internal forecasts for acquisitions where a full trailing twelve-months are not available (see Section 7.3, "Transactions").

<sup>2</sup> Primaris owns 50% of the property.

### Investment Properties Classified as Held for Sale

Management is continuously reviewing the Trust's portfolio of investment properties to identify non-core assets for potential dispositions to provide capital to recycle into acquisitions of high quality enclosed malls. As at December 31, 2025, management classified one parcel of excess land and four income-producing properties, with a fair value of \$172.8 million, as held for sale (December 31, 2024 - three parcels of excess land and nine income-producing properties totaling \$239.9 million). The land parcel and income-producing properties are considered non-core assets.

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

### 7.1 Valuation

The fair value of Primaris' investment property portfolio as at December 31, 2025 and December 31, 2024 was as follows:

As at (\$ millions) (unaudited)	December 31, 2025		December 31, 2024	
Income-producing properties	\$	5,044.3	\$	3,919.6
Land held for development		137.0		147.0
<b>Investment properties</b>	<b>\$</b>	<b>5,181.3</b>	<b>\$</b>	<b>4,066.6</b>
Classified as:				
Investment properties	\$	5,008.5	\$	3,826.7
Investment properties classified as assets held for sale		172.8		239.9
	<b>\$</b>	<b>5,181.3</b>	<b>\$</b>	<b>4,066.6</b>

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

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

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

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

The following table presents the investment properties that were externally appraised in 2025, showing their fair values as at the end of the quarter in which each appraisal occurred, along with any updates made by management to those values as at December 31, 2025. Comparative figures for properties appraised in 2024 are also included.

As at (\$ millions) (unaudited)	2025				2024	
	Number of Properties <sup>1</sup>	Value of Properties		Number of Properties <sup>1</sup>	Value as at December 31, 2024	
		As at Quarter End Appraised	As at December 31, 2025			
March 31	5	\$ 814.9	\$ 824.0	4	\$ 231.0	
June 30	4	\$ 604.0	610.7	3	123.0	
September 30	3	\$ 171.5	176.2	4	144.1	
December 31	13	\$ 3,359.4	3,359.4	12	2,470.8	
<b>Year-to-date total</b>	<b>25</b>		<b>\$ 4,970.3</b>	<b>23</b>	<b>\$ 2,968.9</b>	
<b>Percentage of total portfolio</b>	<b>78.1%</b>		<b>95.9 %</b>	<b>62.2%</b>	<b>73.0 %</b>	

<sup>1</sup> Includes external appraisals of properties acquired in the quarter.

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

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

(unaudited) As at	Going-in Year-one Capitalization Rate		Discount Rate		Terminal Capitalization Rate	
	Weighted Average	Range	Weighted Average	Range	Weighted Average	Range
<b>December 31, 2025</b>	<b>7.15%</b>	<b>5.91% - 11.19%</b>	<b>8.37%</b>	<b>7.13% - 10.50%</b>	<b>7.26%</b>	<b>6.13% - 9.50%</b>
September 30, 2025	7.07%	5.79% - 12.70%	8.30%	7.13% - 10.50%	7.21%	6.13% - 9.50%
June 30, 2025	7.04%	5.60% - 12.68%	8.29%	7.13% - 10.50%	7.22%	6.13% - 9.50%
March 31, 2025	7.11%	5.59% - 12.57%	8.35%	7.13% - 10.50%	7.28%	6.13% - 9.50%
December 31, 2024	7.25%	5.29% - 12.70%	8.42%	7.13% - 10.50%	7.39%	6.13% - 9.50%
December 31, 2023	7.12%	5.83% - 13.91%	8.34%	7.13% - 10.50%	7.31%	6.13% - 9.50%
December 31, 2022	6.91%	3.65% - 9.49%	8.22%	6.75% - 10.00%	7.19%	5.75% - 9.00%
December 31, 2021	6.10%	4.89% - 8.01%	7.63%	5.25% - 8.75%	6.57%	5.25% - 9.50%

The compression of the key rates used in the valuation process from December 31, 2024 to December 31, 2025 for the portfolio was primarily driven by changes to portfolio composition. Management disposed of properties with higher rates than the portfolio average and acquired assets at rates lower than the portfolio average.

Primaris recorded unfavourable adjustments to the fair value of investment properties of \$33.2 million for the year ended December 31, 2025. The drivers of the fair value adjustments are listed below.

(\$ millions) (unaudited)			
For the periods ended December 31, 2025		Three months	Year end
Land held for development	\$	(10.0)	\$ (10.0)
Acquisitions <sup>1</sup>		10.3	33.7
Other income-producing properties:			
Discount rate and terminal capitalization rate impacts		(11.4)	(2.9)
Capital expenditures, NOI**, and other cash flow variable impacts		7.8	(54.0)
<b>Adjustment to fair value of investment properties</b>	<b>\$</b>	<b>(3.3)</b>	<b>\$ (33.2)</b>

<sup>1</sup> For each property acquired in the year, the difference between the value recorded at the date of acquisition and the value of the property calculated by the DCF method at the end of the quarter in which the particular property was acquired. Any subsequent changes in value during the year for an acquired property was included under the heading "Other income-producing properties" in the chart above.

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

### 7.2 Co-ownership Arrangements

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

Property	Location	Ownership interest as at	
		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%
Catarauqui Town Centre	Kingston, ON	50%	50%
Grant Park	Winnipeg, MB	50%	50%
Kildonan Place	Winnipeg, MB	50%	50%
Southgate Centre	Edmonton, AB	50%	—

### 7.3 Transactions

#### Acquisitions

On October 10, 2025, Primaris completed the acquisition of Promenades St-Bruno in Montreal, Quebec, Canada's second largest city. The shopping centre comprises 1,098 thousand square feet of GLA on 116 acres of land, for an approximate 15% site coverage, and is BOMA BEST silver certified.

On June 17, 2025, Primaris completed the acquisition of Lime Ridge Mall, a leading regional enclosed shopping centre in Canada's ninth largest population centre, Hamilton, Ontario. The shopping centre comprises 811 thousand square feet of GLA on 61 acres of land, for an approximate 19% site coverage. The shopping centre is BOMA BEST platinum certified. As part of the transaction, Primaris also acquired a 56 thousand square foot professional centre.

On January 31, 2025, Primaris completed the acquisitions of a 50% co-ownership interest in Southgate Centre in Edmonton, Alberta and a 100% interest in Oshawa Centre in Oshawa, Ontario. Southgate Centre added 422 thousand square feet of GLA on 39 acres of land, for approximately 66% site coverage, and is BOMA BEST gold certified. Oshawa Centre added 1,217 thousand square feet of GLA on 81 acres of land, for approximately 45% site coverage, and is BOMA BEST platinum certified.

On October 1, 2024, Primaris completed the acquisition of Les Galeries de la Capitale, a leading regional enclosed shopping centre in Canada's seventh largest population centre, Quebec City, Quebec. The shopping centre comprises 988 thousand square feet of GLA on 93 acres of land, for an approximate 40% site coverage. The shopping centre is BOMA BEST platinum certified and boasts a recently renovated amusement park with 18 attractions.

On June 10, 2024, Primaris purchased the grocery store building connected to Conestoga Mall in Waterloo, Ontario and the associated land.

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

The table below summarizes the Trust's acquisitions since January 1, 2024 (the "Acquisitions"):

Property Name	Location	In-place Occupancy (at Closing Date)	Total CRU Sales Volume <sup>1</sup> (at Closing Date) (\$ millions)	Same Stores Sales Productivity <sup>1</sup> per square foot (at Closing Date)	Purchase Price <sup>2</sup> (\$ millions)
Grocery store at Conestoga Mall	Waterloo, ON	100.0 %	n/a	n/a	\$ 0.2
Les Galeries de la Capitale	Quebec City, QC	97.0 %	\$ 210.7	\$ 861	325.0
<b>2024 Acquisitions</b>					<b>\$ 325.2</b>
Oshawa Centre	Oshawa, ON	86.3 %	\$ 255.1	\$ 809	585.0
Southgate Centre	Edmonton, AB	91.2 %	\$ 310.1	\$ 1,408	
Lime Ridge Mall	Hamilton, ON	78.4 %	\$ 254.4	\$ 879	416.0
Lime Ridge Professional Centre	Hamilton, ON	46.9 %	n/a	n/a	
Promenades St-Bruno	Montreal, QC	85.0 %	\$ 278.9	\$ 984	565.0
<b>2025 Acquisitions</b>					<b>\$ 1,566.0</b>
<b>Total Acquisitions</b>					<b>\$ 1,891.2</b>

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

<sup>2</sup> Excluding transaction costs.

### Dispositions

The table below summarizes the Trust's dispositions since January 1, 2024 (the "Dispositions"):

Property Name	Location	Property Type	In-place Occupancy (at Disposition Date)	Disposition Price <sup>1</sup> (\$ millions)	Closing Date
Garden City Square	Winnipeg, MB	Open air, non-grocery anchored centre	100.0 %	\$ 31.0	June 21, 2024
Sunridge Plaza	Calgary, AB	Open air, non-grocery anchored centre	100.0 %	14.2	September 30, 2024
Edinburgh Market Place	Guelph, ON	Open air, grocery anchored centre	100.0 %	31.5	December 13, 2024
<b>2024 Dispositions</b>				<b>\$ 76.7</b>	
4 acres	Medicine Hat, AB	Excess land	n/a	2.0	February 21, 2025
Sherwood Park Mall and Sherwood Park Professional Centre <sup>2</sup>	Sherwood Park, AB	Enclosed shopping centre and professional centre	94.7 %	107.0	February 28, 2025
St. Albert Centre <sup>3</sup>	St. Albert, AB	Enclosed shopping centre	97.3 %	60.0	March 31, 2025
Lansdowne Industrial	Peterborough, ON	Industrial Centre	87.3 %	9.9	May 30, 2025
Carry Drive, Dunmore Plaza and Park Plaza	Medicine Hat, AB	Strip plazas	74.2 %	12.7	July 21, 2025
Northpointe Town Centre	Calgary, AB	Open air plaza	100.0 %	54.5	July 23, 2025
Northland and Northland Professional Centre	Calgary, AB	Open air and professional centre	94.0 %	154.0	December 19, 2025
<b>2025 Dispositions</b>				<b>\$ 400.1</b>	
<b>Total Dispositions</b>				<b>\$ 476.8</b>	

<sup>1</sup> Before transactions costs.

<sup>2</sup> Disposition consideration included a \$4.1 million 5-year vendor take-back note with an annual interest rate of 6.0%.

<sup>3</sup> Disposition consideration included a \$10.0 million 1-year vendor take-back note with an annual interest rate of 6.0%.

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

### 7.4 Redevelopment and Development

Capital expenditures, including capitalized interest, were \$37.4 million in the year ended December 31, 2025 for redevelopment projects (year ended December 31, 2024 - \$53.1 million, including capitalized interest), which included the project to de-mall Northland (formerly Northland Village), the demolition and re-demise of the former anchor tenant space at Devonshire Mall, the addition of serviced pads for tenants, and master planning excess lands on various sites.

As shown in the table below, redevelopment projects have been completed at six properties adding \$3.0 million of incremental rent for the year ended December 31, 2025 over the prior year.

Property	Tenants	GLA	Rent Commencement
Northland, Calgary, Alberta	Dollarama, LensCrafters, Cobs Bread	20,300	Q1 2024
Northland, Calgary, Alberta	Northland Village Dental, Paramount Animal Hospital, Adrenalin Source	35,400	Q2 2024
Northland, Calgary, Alberta	Vera's Burger	1,900	Q3 2024
Northland, Calgary, Alberta	Goodlife Fitness, Chipotle, Popeye's Louisiana Kitchen	17,000	Q4 2024
Northland, Calgary, Alberta	Firehouse Subs	2,000	Q2 2025
Kildonan Place, Winnipeg, Manitoba	Scotiabank	5,318	Q1 2025
Lansdowne Place, Peterborough, Ontario	TD Bank	16,040	Q1 2025
Marlborough Mall, Calgary, Alberta	BMO Bank	16,040	Q2 2025
Devonshire Mall, Windsor Ontario	Sport Chek, Mark's	46,389	Q3 2025
Northland, Calgary, Alberta	Denim & Smith, Noodlebox, Curious Hair, Supplement King, Leela Eco Spa, Stacked Pancake House, Craft Cellars	13,852	Q3 2025
Kildonan Place, Winnipeg, Manitoba	Dollarama, Spencer Gifts, Showcase	18,931	Q4 2025
Peter Pond Mall, Fort McMurray, Alberta	Best Buy	10,291	Q4 2025

#### Kildonan Place

Kildonan Place is a grocery-anchored, enclosed mall in Winnipeg, Manitoba. In 2022, Cineplex relocated to a newly built Cineplex Junxion in the vacated Sears space. In 2025, Primaris began a redevelopment to remove the former theatre, create a new entrance, and relocate the new zero waste food court. The project will reduce GLA by approximately 30,000 square feet and is anticipated to cost approximately \$30 million (\$15 million at Primaris' share). Project spending was approximately \$2 million, at share, as at December 31, 2025.

#### Vacant Lands

The shopping centre portion of the portfolio is situated on approximately 1,400 acres of land of which approximately 400 acres are excess - not developed nor required to maintain parking ratios. With the closure of HBC, there are no longer any lease restrictions on the vacant lands. Management believes it will be able to surface value in the excess lands through retail development or land sales to developers for residential, hotel, entertainment, or other uses.

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

### Former Anchor Tenant Space

Primaris has full control of all 1.3 million square feet of former HBC GLA and has accelerated negotiations with retailers. The Trust's leasing strategy is twofold: firstly, execute long term leases with single tenant and multi-tenant configurations, ("Re-leasing Plans") where appropriate; and secondly, repurpose and subdivide space ("Redevelopment Plans"), to accommodate multiple large format tenants, and/or high-value CRU. While design, permitting, and planning activities are underway, Primaris is executing short-term leases with reputable tenants to restore rental income until Re-leasing and Redevelopment Plans are executed.

To date, Primaris has entered into leases at five of the eleven disclaimed locations. A short term tenant at Conestoga Mall opened at the end of 2025, with the remaining four of tenants taking possession in the first quarter of 2026, and anticipated to open in the second quarter.

With strong demand from retailers for space and improved visibility into Primaris' Redevelopment Plans, management now anticipates the retention and redevelopment of a greater portion of the former HBC space than previously contemplated. The capital investment to redevelop this space is now expected to be in the range of \$175 million to \$225 million.

The following table illustrates Primaris' anticipated Re-leasing and Redevelopment Plans for the eleven vacant former HBC locations.

<i>(in '000s square feet, unless otherwise indicated) (unaudited)</i>		<b>Property GLA (thousands of square feet)</b>	<b>HBC GLA (thousands of square feet)</b>	<b>Strategy</b>
Cataraqui Town Centre (50% owned)	Kingston, ON	286.3	56.5	Re-leasing
Les Galeries de la Capitale	Québec, QC	988.4	163.0	Re-leasing
Medicine Hat Mall	Medicine Hat, AB	467.8	93.2	Re-leasing
Place d'Orleans Shopping Centre (50% owned)	Orleans, ON	350.0	57.8	Re-leasing
Sunridge Mall	Calgary, AB	803.6	161.3	Re-leasing
Disclaimed on June 16, 2025		<b>2,896.1</b>	<b>531.8</b>	
Promenades St-Bruno	Montreal, QC	1,098.3	130.7	Re-leasing
Conestoga Mall	Waterloo, ON	665.8	130.6	Redevelopment
Lime Ridge Mall	Hamilton, ON	810.8	125.3	Re-leasing
Orchard Park Shopping Centre	Kelowna, BC	651.1	127.3	Redevelopment
Oshawa Centre	Oshawa, ON	1,199.4	122.6	Re-leasing
Southgate Centre (50% owned)	Edmonton, AB	422.9	118.3	Re-leasing
Disclaimed November 27, 2025		<b>4,848.3</b>	<b>754.8</b>	
<b>11 locations</b>		<b>7,744.4</b>	<b>1,286.6</b>	

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

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### **Devonshire Mall - completed**

Given the significant opportunity to grow NOI\*\* at Devonshire Mall, Primaris demolished the former two-level Sears space to create a new high-visibility mall entrance with approximately 29,000 square feet for the relocation of Sport Chek and approximately 18,000 square feet for the relocation of Mark's. The redevelopment brings additional traffic flow to a formerly quiet section of the mall. Project spending was approximately \$29 million as at December 31, 2025, including approximately \$0.6 million of interest capitalized to the project for the year ended December 31, 2025.

In addition, master plan work has commenced on approximately 18 acres of newly liberated land to the north of the mall, which has already attracted significant interest for retail and hospitality uses.

### **Northland - completed**

Northland (formerly Northland Village), situated on 32 acres in northwest Calgary, Alberta, was redeveloped from an enclosed mall into a 390,000 square foot mixed-use development of retail and office space. The project was sold on December 19, 2025 for approximately \$154 million.

The redevelopment project was completed over multiple phases as leases were signed for new pads on the site. Project spending was approximately \$128 million as at December 31, 2025. Approximately \$1.2 million of interest was capitalized to the project for the year ended December 31, 2025.

### **Guidance**

Management expects redevelopment capital expenditures to be in the range of \$60 to \$64 million for the 2026 fiscal year, primarily related to redevelopment projects at Kildonan Place and for vacant anchor tenant space (see Section 4, "Current Business Environment and Outlook").

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

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

### 8. OPERATIONAL PERFORMANCE

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

#### 8.1 Occupancy

In addition to in-place occupancy, management considers:

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

As at December 31, 2025, the Trust's portfolio had long-term in-place occupancy of 81.7%, in-place occupancy of 87.2%, and committed occupancy of 90.6%. In-place occupancy at December 31, 2025 of 87.2% was lower than the previous year primarily due to the lower occupancy rates of the Acquisitions compared to the remaining portfolio (approximately 3.4% negative impact) and the disclaimed HBC leases (approximately 6.7% negative impact).

In-place occupancy declined 4.6% from September 30, 2025 to 87.2% as at December 31, 2025, primarily due to the impact of the five HBC leases, or approximately 624 thousand square feet, that were disclaimed in the quarter and the acquisition of Promenades St-Bruno.

	December 31, 2025	December 31, 2024
<b>Long-term in-place occupancy</b>	<b>81.7%</b>	90.4%
Add: Short-term leases	<b>5.5%</b>	4.1%
<b>In-place occupancy</b>	<b>87.2%</b>	94.5%
Add: Committed leases	<b>3.4%</b>	1.1%
<b>Committed occupancy - portfolio</b>	<b>90.6%</b>	95.6%

In addition to the portfolio occupancy level, management monitors the occupancy performance for the 22 shopping centres that have been continuously in operation throughout the 24-month measurement period. As at December 31, 2025, the Same Properties shopping centres had long-term in-place occupancy of 86.3%, in-place occupancy of 90.9%, and committed occupancy of 92.4%. The driver for the year-over-year decrease in occupancy rates at the Same Properties was the disclaimed HBC leases.

	December 31, 2025	December 31, 2024
<b>Long-term in-place occupancy</b>	<b>86.3%</b>	90.4%
Add: Short-term leases	<b>4.6%</b>	3.9%
<b>In-place occupancy</b>	<b>90.9%</b>	94.3%
Add: Committed leases	<b>1.5%</b>	1.2%
<b>Committed occupancy - Same Property shopping centres<sup>1</sup></b>	<b>92.4%</b>	95.5%

<sup>1</sup> Properties owned throughout the entire 24 months ended December 31, 2025, excluding properties under development or major redevelopment, are referred to as "Same Properties". Shopping centres classified as Same Properties include 21 enclosed malls and 1 open air centre, Highstreet Shopping Centre in Abbotsford, BC.

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

### In-place Occupancy

The table below illustrates the changes in GLA and occupied GLA from December 31, 2024 to December 31, 2025.

(thousands of square feet, unless otherwise indicated)	Gross Leasable Area	Occupied GLA	In-place Occupancy
December 31, 2024	13,301	12,567	94.5 %
Tenant departures:			
Net rent tenants		(1,297)	
Gross rent tenants		(763)	
Percent rent in lieu tenants		(54)	
		(2,114)	
Tenant possessions:			
Net rent tenants		397	
Gross rent tenants		493	
Percent rent in lieu tenants		435	
		1,325	
Development activity	35	35	
Acquisition activity	3,586	3,044	
Disposition activity	(1,729)	(1,618)	
Other activities including remeasurements	(1)	3	
<b>December 31, 2025</b>	<b>15,192</b>	<b>13,242</b>	<b>87.2 %</b>
Tenant renewals:			
Square footage renewed (in thousands)		2,056	
Renewal rate		84.5 %	

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

In-place occupancy decreased 7.3% from December 31, 2024 to 87.2% at December 31, 2025.

In-place occupancy for Same Properties decreased 2.9% from December 31, 2024 to 91.3% at December 31, 2025. The disclaimed HBC leases negatively impacted occupancy for Same Properties by approximately 3.4% compared to December 31, 2024.

Average in-place occupancy is calculated by averaging the occupied square feet and total GLA for each month in the measurement period. For the year ended December 31, 2025, the average in-place occupancy rate was 91.0%, a decrease of 1.4% compared to December 31, 2024, due to the impact of the Acquisitions and the disclaimed HBC leases.

As at	2025 Count	In-place Occupancy	
		December 31, 2025	December 31, 2024
Shopping centres <sup>1</sup>	22	91.0%	94.3%
Other properties <sup>2</sup>	4	96.8%	92.8%
<b>Same Properties in-place occupancy<sup>3</sup></b>	26	<b>91.3%</b>	94.2%
Acquisitions <sup>4</sup>	6	77.5%	99.0%
<b>In-place occupancy excluding dispositions</b>	32	<b>87.2%</b>	94.6%
Dispositions <sup>5</sup>		—	93.6%
<b>In-place occupancy</b>		<b>87.2%</b>	94.5%
<b>Average in-place occupancy</b>			
Three months ended		88.9%	93.3%
Year to date		91.0%	92.4%

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

<sup>2</sup> Other properties classified as Same Properties include 2 plazas and 2 office buildings.

<sup>3</sup> Properties owned throughout the entire 24 months ended December 31, 2025, excluding properties under development or major redevelopment, are referred to as "Same Properties".

<sup>4</sup> Acquisitions includes 5 enclosed malls and 1 professional centre (see Section 7.3, "Transactions").

<sup>5</sup> Dispositions represents the sale of properties in 2025 and 2024 (see Section 7.3, "Transactions").

### Commercial Retail Unit Occupancy

Primaris' tenant base includes:

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

The following table presents in-place occupancy for the 22 Same Properties shopping centres, broken down between CRU and large format tenants.

As at	GLA Proportions	In-place Occupancy	
	December 31, 2025	December 31, 2025	December 31, 2024
CRU tenants	43%	93.6%	93.4%
Large format tenants	57%	88.9%	95.0%
<b>Same Properties shopping centres<sup>1</sup></b>	<b>100%</b>	<b>91.0%</b>	94.3%

<sup>1</sup> Properties owned throughout the entire 24 months ended December 31, 2025, excluding properties under development or major redevelopment, are referred to as "Same Properties". Shopping centres classified as Same Properties include 22 enclosed malls and 1 open air centre, Highstreet Shopping Centre in Abbotsford, BC.

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

### 8.2 Weighted Average Net Rent

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

The following table illustrates the change in weighted average net rent for in-place leases from December 31, 2024 to December 31, 2025.

<i>(per occupied square foot unless otherwise indicated)</i>	<b>Weighted Average Net Rent</b>	Change in Weighted Average Net Rent	Change in Occupied GLA (in thousands of square feet)	Weighted Average Net Rent
As at	<b>December 31, 2025</b>			December 31, 2024
CRU tenants	\$ <b>49.68</b>	\$ 6.42	925	\$ 43.26
Large format tenants	\$ <b>17.08</b>	\$ 2.71	(710)	\$ 14.37
<b>Weighted average net rent<sup>1</sup></b>	<b>\$ 31.78</b>	\$ 6.50	215	\$ 25.28

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

The increase in weighted average net rent was primarily driven by acquisition and disposition activities. The newly acquired properties have higher net rents than both the portfolio weighted average at December 31, 2024 and the net rents of the properties disposed. In addition, the HBC leases were disclaimed at net rents significantly lower than the portfolio weighted average at December 31, 2024.

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

### 8.3 Leasing Activity

During the three months ended December 31, 2025, Primaris completed 145 leasing deals totaling 1.1 million square feet. This leasing activity has primarily impacted the Trust's committed occupancy rate as, for the most part, the lease agreements have future commencement dates.

The weighted average spread on renewing rents is calculated as the change in new net rent compared to expiring net rent on lease deals on units of similar sizing. Rising rent spreads on renewing leases reflect rising tenant demand for space and the recovery in tenant sales performance.

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

(unaudited)		GLA (thousands of square feet)	Weighted Average Lease Term (in years)	Considering Only Initial Net Rent		Considering Contractual Net Rent Increases		Tenant Allowances and Leasing Costs	
				Weighted Average Net Rent <sup>1</sup> (per occupied square foot)	Weighted Average Spread on Renewing Rents <sup>1</sup>	Weighted Average Net Rent <sup>1</sup> (per occupied square foot)	Weighted Average Spread on Renewing Rents <sup>1</sup>	Lease Count	Costs per square foot <sup>2</sup>
For the three months ended December 31, 2025	Lease Count								
<b>CRU</b>									
New tenants	37	70	8.1	\$ 51.60		\$ 57.30			
Renewing tenants	62	108	4.0	\$ 56.50	6.9%	\$ 57.70	9.2%		
	99	178		\$ 54.60		\$ 57.50		23	\$ 70
<b>Large format</b>									
New tenants	3	301	7.8	\$ 5.40		\$ 7.80			
Renewing tenants	5	139	5.4	\$ 12.40	16.2%	\$ 12.50	17.2%		
	8	440		\$ 7.70		\$ 9.30		5	\$ 6
<b>Office</b>									
New tenants	—	—	—	\$ —		\$ —			
Renewing tenants	6	63	5.5	\$ 9.55	66.9%	\$ 11.30	100.5%		
	6	63		\$ 9.55		\$ 11.30		—	\$ —
<b>Short-term<sup>3</sup> and percent rent in lieu</b>									
	32	426	N/A	N/A		N/A			
<b>Total leasing</b>	<b>145</b>	<b>1,107</b>							
Renewing net rent leases	73	310			11.3%		14.8%		

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

<sup>2</sup> Average commitment per square foot for tenant allowances and leasing costs for the leases with such terms.

<sup>3</sup> Leases with an original term of less than one year.

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

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

During the year ended December 31, 2025, Primaris completed 646 leasing deals totaling 2.5 million square feet.

(unaudited)	For the year ended December 31, 2025	Lease Count	GLA (thousands of square feet)	Weighted Average Lease Term (in years)	Considering Only Initial Net Rent		Considering Contractual Net Rent Increases		Tenant Allowances and Leasing Costs	
					Weighted Average Net Rent <sup>1</sup> (per occupied square foot)	Weighted Average Spread on Renewing Rents <sup>1</sup>	Weighted Average Net Rent <sup>1</sup> (per occupied square foot)	Weighted Average Spread on Renewing Rents <sup>1</sup>	Lease Count	Costs per square foot <sup>2</sup>
<b>CRU</b>										
New tenants	125	232	7.8	\$	51.30		\$	56.10		
Renewing tenants	349	739	4.2	\$	46.60	6.7%	\$	47.50	8.9%	
	474	971		\$	47.70		\$	49.50		74 \$ 56
<b>Large format</b>										
New tenants	5	331	8.7	\$	6.60		\$	9.00		
Renewing tenants	17	433	4.9	\$	17.60	7.4%	\$	17.90	9.1%	
	22	764		\$	12.90		\$	14.00		7 \$ 8
<b>Office</b>										
New tenants	7	36	5.0	\$	12.50		\$	12.90		
Renewing tenants	20	104	4.7	\$	12.50	28.8%	\$	13.70	42.9%	
	27	140		\$	12.50		\$	13.50		6 \$ 22
<b>Short-term<sup>3</sup> and percent rent in lieu</b>										
	123	671	N/A		N/A			N/A		
<b>Total leasing</b>										
	<b>646</b>	<b>2,546</b>								
Renewing net rent leases	386	1,276				7.4%		9.8%		

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

<sup>2</sup> Average commitment per square foot for tenant allowances and leasing costs for the leases with such terms.

<sup>3</sup> Leases with an original term of less than one year.

Included in the leasing activity, for the three months and year ended December 31, 2025, were 32 and 123 leases, respectively, that were for a lease term of less than one year or for percentage rent in lieu of base rent.

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

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### 8.4 Tenant Sales

Tenant sales are important metrics for Primaris and are typically only reported by CRU tenants operating in enclosed malls. Analysis of tenant sales enables proactive management of merchandising, the identification of trends, and insights into tenant financial health in advance of any formal corporate disclosures.

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

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

Tenant sales for enclosed malls owned and operated during the periods shown below were as follows:

<i>For the years ended</i>		<i>(In-place Occupancy<sup>1</sup>)</i>	December 31, 2025		December 31, 2024	
			Total CRU Sales Volume <sup>2</sup>	Same Stores Sales Productivity <sup>2</sup>	Total CRU Sales Volume <sup>2</sup>	Same Stores Sales Productivity <sup>2</sup>
<i>(\$ thousands, and \$ per square foot) (unaudited)</i>						
Cataraqui Town Centre	Kingston, ON	68.6 %	\$ 86,836	\$ 626	\$ 85,048	\$ 616
Conestoga Mall	Waterloo, ON	98.4 %	192,633	1,033	181,468	1,007
Devonshire Mall	Windsor, ON	87.9 %	165,424	732	166,523	738
Dufferin Mall	Toronto, ON	99.0 %	108,364	752	108,397	753
Grant Park Shopping Centre	Winnipeg, MB	97.2 %	22,975	563	24,605	554
Halifax Shopping Centre	Halifax, NS	95.0 %	289,430	1,131	277,379	1,089
Kildonan Place	Winnipeg, MB	88.9 %	82,729	625	81,686	600
Lansdowne Place	Peterborough, ON	96.9 %	77,585	684	78,916	692
Marlborough Mall	Calgary, AB	95.2 %	41,207	436	41,152	435
McAllister Place	Saint John, NB	92.0 %	64,731	552	63,655	538
Medicine Hat Mall	Medicine Hat, AB	78.2 %	42,618	460	41,708	463
New Sudbury Centre	Sudbury, ON	97.6 %	116,436	811	119,867	844
Orchard Park Shopping Centre	Kelowna, BC	79.7 %	210,735	861	197,604	828
Park Place Mall	Lethbridge, AB	76.5 %	95,188	719	92,501	704
Peter Pond Mall	Fort McMurray, AB	99.0 %	70,923	806	73,241	821
Place D'Orleans Shopping Centre	Orleans, ON	91.8 %	73,967	622	75,608	622
Place du Royaume	Chicoutimi, QC	95.4 %	94,459	558	90,203	544
Quinte Mall	Belleville, ON	92.0 %	85,641	592	85,832	597
Regent Mall	Fredericton, NB	99.9 %	98,909	781	96,095	767
Stone Road Mall	Guelph, ON	96.6 %	113,280	609	111,269	601
Sunridge Mall	Calgary, AB	87.7 %	89,344	538	91,423	557
<b>Same Properties enclosed malls</b>			<b>\$ 2,223,414</b>	<b>\$ 727</b>	<b>\$ 2,184,180</b>	<b>\$ 718</b>
Les Galeries de la Capitale	Quebec City, QC	82.2 %	214,801	833	213,543	836
Oshawa Centre	Oshawa, ON	79.6 %	259,669	820	—	—
Southgate Centre	Edmonton, AB	69.0 %	320,072	1,419	—	—
Lime Ridge Mall	Hamilton, ON	64.8 %	255,947	870	—	—
Promenades St-Bruno	Montreal, QC	85.0 %	280,372	1,007	—	—
<b>Total enclosed malls</b>			<b>\$ 3,554,275</b>	<b>\$ 800</b>	<b>\$ 2,397,723</b>	<b>\$ 727</b>

<sup>1</sup> In-place occupancy as at December 31, 2025.

<sup>2</sup> Supplementary financial measure, see Section 1, "Basis of Presentation" - "Use of Operating Metrics".

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

### 8.5 Lease Maturities

As at December 31, 2025, the weighted average lease term for the portfolio was 4.1 years (December 31, 2024 – 4.2 years), 3.5 years for CRU tenants 5.2 years for large format tenants (December 31, 2024 – 3.4 years and 5.6 years, respectively). The following table sets out the lease maturity profile for the Trust's portfolio and the weighted average net rent per occupied square foot based on the rental rate in the year such leases mature.

Year of Maturity	Number of Leases Maturing	Occupied GLA (in thousands of square feet)	% of Occupied GLA	Weighted Average Net Rent per Occupied Square Foot <sup>2</sup>
<b>Portfolio:</b>				
Short-term <sup>1</sup>	138	262	2.0%	\$ 41.65
2026	758	1,760	13.3%	\$ 41.45
2027	518	1,995	15.1%	\$ 35.92
2028	465	1,375	10.4%	\$ 37.40
2029	431	1,769	13.4%	\$ 34.27
2030	275	1,146	8.7%	\$ 31.60
Thereafter	706	4,935	37.1%	\$ 29.78
<b>Total portfolio</b>	<b>3,291</b>	<b>13,242</b>	<b>100.0%</b>	<b>\$ 34.04</b>
<b>CRU tenants only:</b>				
Short-term <sup>1</sup>	138	262	2.0%	\$ 41.65
2026	741	1,202	9.1%	\$ 53.89
2027	471	897	6.8%	\$ 51.66
2028	436	812	6.1%	\$ 51.38
2029	382	684	5.2%	\$ 54.58
2030	245	449	3.4%	\$ 53.32
Thereafter	610	1,992	15.0%	\$ 54.28
<b>Total CRU tenants</b>	<b>3,023</b>	<b>6,298</b>	<b>47.6%</b>	<b>\$ 52.90</b>
<b>Large format tenants only</b>				
Short-term <sup>1</sup>	—	—	—%	—
2026	17	558	4.2%	\$ 16.83
2027	47	1,098	8.3%	\$ 20.38
2028	29	563	4.3%	\$ 17.29
2029	49	1,084	8.2%	\$ 20.19
2030	30	697	5.3%	\$ 16.56
Thereafter	96	2,944	22.1%	\$ 17.57
<b>Total large format tenants</b>	<b>268</b>	<b>6,944</b>	<b>52.4%</b>	<b>\$ 18.24</b>

<sup>1</sup> Includes month-to-month leases and leases on overhold.

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

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

### 8.6 Top 30 Tenants

As at December 31, 2025, 41.6% of Primaris' annualized minimum rent came from a group of its largest 30 tenants (December 31, 2024 - 44.8%). Primaris' top 10 tenants represent many of Canada's leading national value, staples and necessity-based retailers.

	Top Tenants <sup>1</sup>	Tenant Sector	% of Total Annualized Minimum Rent	Store Count (all banners)	Total GLA	% of Occupied GLA	WALT <sup>2</sup> (in years)	Credit Ratings (S&P)
1	Canadian Tire	Value Retail	4.2%	34	847,204	6.4%	3.5	BBB/ BBB
2	Loblaws	Grocery	2.9%	22	489,454	3.7%	5.1	BBB+ / BBB(H)
3	Walmart	Value Retail	2.2%	7	902,773	6.8%	8.3	AA/ -
4	TJX	Value Retail	2.2%	21	508,306	3.8%	4.0	A / -
5	Bell Canada	Telecom	2.1%	101	81,994	0.6%	2.4	BBB / BBB(H)
6	Gap	Apparel	1.9%	27	339,098	2.6%	2.8	BB / -
7	H&M	Apparel	1.8%	16	290,029	2.2%	3.5	BBB / -
8	Telus	Telecom	1.6%	70	54,671	0.4%	2.4	BBB- / BBB
9	YM	Value Retail	1.5%	68	613,917	4.6%	2.5	-
10	Rogers	Telecom	1.4%	90	44,156	0.3%	2.3	BBB- / BBB(L)
<b>Top 10 tenants</b>			<b>21.8%</b>	<b>456</b>	<b>4,171,602</b>	<b>31.4%</b>		
11	Cineplex	Other Retail	1.4%	10	309,756	2.3%	6.5	B+ / -
12	Reitmans	Apparel	1.2%	32	114,774	0.9%	3.3	-
13	Dollarama	Value Retail	1.2%	20	201,825	1.5%	4.5	BBB / BBB
14	American Eagle Outfitters	Apparel	1.2%	24	126,301	1.0%	2.2	-
15	La Vie en Rose	Apparel	1.2%	37	95,511	0.7%	5.2	-
16	MTY Group	Food	1.2%	58	24,218	0.2%	3.8	-
17	Dynamite	Apparel	1.2%	28	99,884	0.8%	4.3	-
18	Foot Locker	Apparel	1.1%	23	87,550	0.7%	2.2	BB- / -
19	Indigo Books & Music	Other Retail	1.1%	15	189,916	1.4%	3.2	-
20	Best Buy	Other Retail	1.1%	17	186,367	1.4%	3.2	BBB+ / -
21	Luxottica Retail	Personal Care	1.0%	38	71,724	0.5%	3.9	A / -
22	Sephora	Personal Care	1.0%	21	91,253	0.7%	3.4	-
23	Ardene	Apparel	0.9%	24	211,821	1.6%	4.3	-
24	Limited Brands	Apparel	0.9%	31	86,662	0.7%	3.8	BB+ / -
25	Soft Moc	Apparel	0.8%	22	58,400	0.4%	5.1	-
26	Recipe Unlimited	Food	0.7%	28	51,152	0.4%	3.5	-
27	Tesla	Other Retail	0.7%	3	98,978	0.7%	7.3	BBB/BBB
28	Zale Canada	Apparel	0.7%	19	27,467	0.2%	1.9	BBB/-
29	Sobeys	Food	0.6%	7	170,639	1.3%	6.0	BBB-/BBB
30	Goodlife Fitness	Other Retail	0.6%	8	150,338	1.1%	6.1	BBB-/BBB
<b>Top 30 tenants</b>			<b>41.6%</b>	<b>921</b>	<b>6,626,138</b>	<b>49.9%</b>		

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

<sup>2</sup> Weighted average lease term ("WALT") represents the average remaining lease duration weighted by the minimum rents of each lease.

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

### 8.7 Operating Capital Expenditures

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

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

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

Total operating capital expenditures and total capital expenditures for the three months and years ended December 31, 2025 and 2024 were as follows:

(\$ thousands unless otherwise indicated) (unaudited) For the periods ended December 31,	Three months		Year end	
	2025	2024	2025	2024
Recoverable costs	\$ 8,503	\$ 6,969	\$ 20,296	\$ 18,736
Non-recoverable costs	82	582	969	797
Tenant allowances and external leasing costs	6,299	6,378	23,581	22,415
<b>Total operating capital expenditures</b>	<b>14,884</b>	<b>13,929</b>	<b>44,846</b>	<b>41,948</b>
Percentage of revenue			6.9 %	8.4 %
Percentage of NOI**			12.2 %	14.5 %
Building improvements	2,387	1,020	3,008	2,372
Redevelopment	1,917	14,035	35,576	49,311
Capitalized interest	12	833	1,842	3,740
<b>Total capital expenditures</b>	<b>\$ 19,200</b>	<b>\$ 29,817</b>	<b>\$ 85,272</b>	<b>\$ 97,371</b>

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

### Guidance

Management estimates for the 2026 fiscal year operating capital expenditures will be in the range of \$53 to \$60 million.

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

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

### 9. RESULTS FROM OPERATIONS

(\$ thousands) (unaudited) For the periods ended December 31,	Three months		Year end	
	2025	2024	2025	2024
<b>Revenue</b>				
Base rent	\$ 93,886	\$ 73,160	\$ 341,048	\$ 272,345
Percent rent in lieu of base rent	5,178	3,512	14,198	11,931
Property tax and insurance recoveries	29,608	20,868	110,888	80,124
Property operating cost recoveries	38,066	29,393	122,726	95,359
Percentage rent	4,189	3,700	12,647	9,029
Straight-line rent adjustment	3,534	2,104	7,462	7,285
Lease surrender revenue	73	337	739	1,560
Specialty leasing revenue	11,412	8,223	29,290	20,102
Amusement park revenue	1,905	1,751	8,102	1,751
Parking and other sundry revenue	452	113	1,367	2,439
	<b>188,303</b>	<b>143,161</b>	<b>648,467</b>	<b>501,925</b>
<b>Operating Costs</b>				
Property tax and insurance expense	(38,494)	(27,071)	(141,104)	(105,101)
Recoverable property operating costs	(36,371)	(29,367)	(125,390)	(98,912)
Non-recoverable property operating costs	(1,947)	(1,091)	(5,815)	(4,061)
Amusement park operating costs	(1,250)	(1,154)	(5,011)	(1,154)
Bad debt (expense) recovery	(373)	(1,337)	(1,586)	(1,473)
Ground rent	(521)	(468)	(1,833)	(1,873)
	<b>(78,956)</b>	<b>(60,488)</b>	<b>(280,739)</b>	<b>(212,574)</b>
<b>Net Operating Income **</b>	<b>109,347</b>	<b>82,673</b>	<b>367,728</b>	<b>289,351</b>
<b>Other Income and Expenses</b>				
Interest and other income	1,396	2,426	7,372	9,867
Net interest and other financing charges	(37,025)	(27,591)	(134,580)	(99,174)
General and administrative expenses	(12,204)	(11,792)	(40,607)	(35,758)
Amortization of other assets	(216)	(286)	(1,106)	(1,272)
<b>Net Income before adjustments to fair value**</b>	<b>61,298</b>	<b>45,430</b>	<b>198,807</b>	<b>163,014</b>
Adjustments to fair value of derivative instruments	401	—	501	(3,546)
Adjustments to fair value of unit-based compensation	(319)	518	130	(1,312)
Adjustments to fair value of Exchangeable Preferred LP Units	2,745	11,264	16,993	(12,302)
Adjustments to fair value of investment properties	(3,346)	(35,048)	(33,246)	(66,381)
<b>Net income (loss)</b>	<b>\$ 60,779</b>	<b>\$ 22,164</b>	<b>\$ 183,185</b>	<b>\$ 79,473</b>

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

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

### 9.1 Components of Net Income (Loss)

#### Revenue

(\$ thousands) (unaudited)		Three months		Year end	
For the periods ended December 31,	Count	2025	2024	2025	2024
Shopping centres <sup>1</sup>	22	\$ 117,319	\$ 112,732	\$ 434,469	\$ 419,305
Other properties <sup>2</sup>	4	4,426	4,334	16,452	15,956
Same Properties <sup>3</sup>	26	121,745	117,066	450,921	435,261
Acquisitions <sup>4</sup>	6	63,116	13,896	173,707	14,430
Dispositions <sup>5</sup>		3,442	12,199	23,839	52,234
<b>Revenue</b>	<b>32</b>	<b>\$ 188,303</b>	<b>\$ 143,161</b>	<b>\$ 648,467</b>	<b>\$ 501,925</b>

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

<sup>2</sup> Other properties include 2 plazas and 2 office buildings.

<sup>3</sup> Properties owned throughout the entire 24 months ended December 31, 2025, excluding properties under development or major redevelopment, are referred to as "Same Properties".

<sup>4</sup> Acquisitions includes 5 enclosed malls and 1 professional centre (see Section 7.3, "Transactions").

<sup>5</sup> Dispositions represents the sales of properties in 2025 and 2024, including Northland formerly classified as property under development (see Section 7.3, "Transactions").

#### Three months

The \$45.1 million, or 31.5%, increase in revenue was primarily driven by a \$49.2 million, or 34.4%, contribution from the Acquisitions and revenue increases at the Same Properties shopping centres of \$4.6 million, or 3.2%, partially offset by revenue decreases of \$8.8 million from disposition activity. Revenue contribution from Acquisitions includes \$1.9 million from amusement park operations (2024 - \$1.8 million).

The increase in revenue from the Same Properties shopping centres was primarily attributable to growth in operating cost recovery revenue, base rent, percentage rent, and specialty leasing, partially offset by declines in straight-line rent and lease surrender revenue. The growth in revenue from Same Properties shopping centres was net of \$0.5 million of lost revenue from the disclaimed HBC locations (\$1.0 million lost revenue for the portfolio).

Same Properties shopping centres' revenue included a \$3.9 million contribution from recoveries arising from prior year impacts (2024-nil).

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

Long-term leases typically include contractual rent steps. In 2025, the Same Property shopping centres earned \$0.4 million from these contractual increases.

#### Year end

The \$146.5 million, or 29.2%, increase in revenue was primarily driven by a \$159.3 million, or 31.7%, contribution from the Acquisitions and revenue increases at the Same Properties shopping centres of \$15.2 million, or 3.0%, partially offset by revenue decreases of \$28.4 million from disposition activity. Revenue contribution from Acquisitions includes \$8.1 million from amusement park operations (2024 - \$1.8 million).

The increase in revenue from the Same Properties shopping centres was primarily attributable to growth in operating cost recovery revenue, base rent, percentage rent and specialty leasing, partially offset by declines in straight-line rent and lease surrender revenue. The growth in revenue from Same Properties shopping centres was net of \$1.9 million of lost revenue from the disclaimed HBC locations (\$3.0 million lost revenue for the portfolio).

Same Properties shopping centres' revenue included a \$7.6 million contribution from recoveries arising from prior year impacts (2024-nil).

In 2025, the Same Properties shopping centres and the Dispositions earned incremental rent of \$1.4 million and \$1.6 million, respectively, from completed redevelopment projects (see Section 7.4, "Redevelopment and Development").

Long-term leases typically include contractual rent steps. In 2025, the Same Property shopping centres earned \$2.7 million from these contractual increases.

# PRIMARIS REAL ESTATE INVESTMENT TRUST

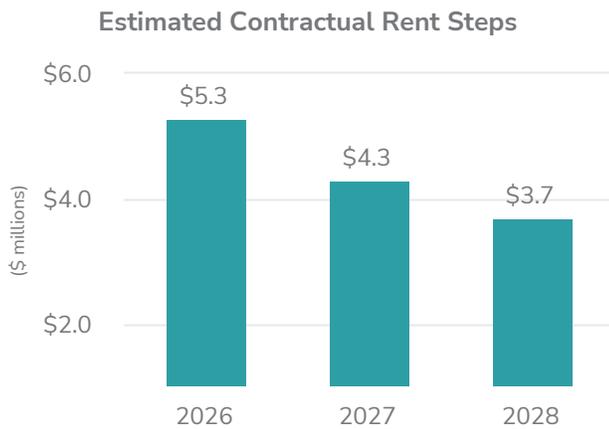
## Management's Discussion and Analysis

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

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

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

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



# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

### Operating Costs

(\$ thousands) (unaudited)		Three months		Year end	
For the periods ended December 31,	Count	2025	2024	2025	2024
Shopping centres	22	\$ 48,227	\$ 47,276	\$ 185,638	\$ 180,715
Other properties	4	1,984	2,017	7,170	6,764
Same Properties <sup>1</sup>	26	50,211	49,293	192,808	187,479
Acquisitions	6	27,343	7,021	78,999	7,136
Dispositions		1,402	4,174	8,932	17,959
<b>Operating costs</b>	<b>32</b>	<b>\$ 78,956</b>	<b>\$ 60,488</b>	<b>\$ 280,739</b>	<b>\$ 212,574</b>

<sup>1</sup> Properties owned throughout the entire 24 months ended December 31, 2025, excluding properties under development or major redevelopment, are referred to as "Same Properties".

#### Three months

The \$18.5 million, or 30.5%, increase in operating costs was primarily driven by a \$20.3 million, or 33.6%, contribution from the Acquisitions. Disposition activity decreased operating costs \$2.8 million.

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

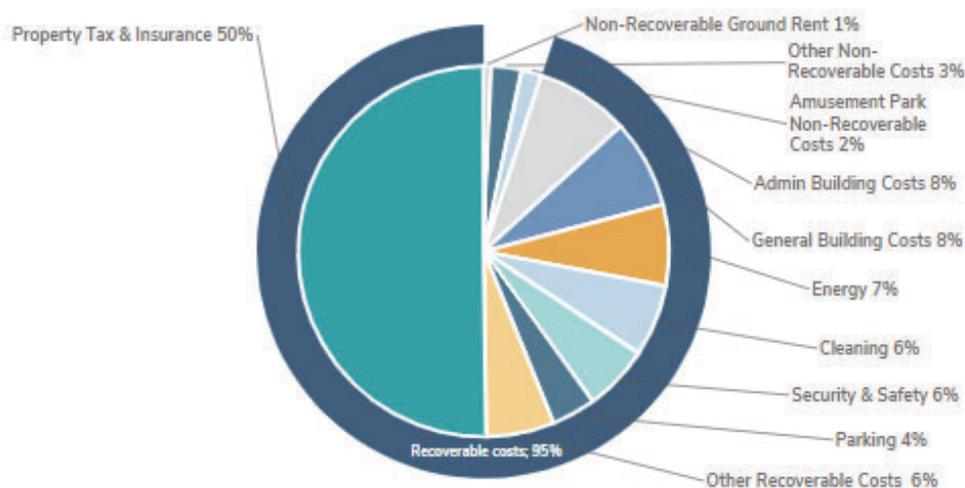
#### Year end

The \$68.2 million, or 32.1%, increase in operating costs was primarily driven by a \$71.9 million, or 33.8%, contribution from the Acquisitions. Disposition activity decreased operating costs \$9.0 million.

The operating costs for the Same Properties shopping centres were higher in the current period than in the prior year primarily due to growth in property tax expense and inflationary pressures.

For the year ended December 31, 2025, bad debt expense was \$1.6 million, or 0.5% of base rent (December 31, 2024 - \$1.5 million or 0.5%). Primaris tracks the monthly collection of base rent. For the year ended December 31, 2025, the average monthly rate for the collection of base rent was 99.7%.

The chart below illustrates the recoverable and non-recoverable components of total property operating costs for the year ended December 31, 2025.



# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

### Property Operating Cost Recovery Ratios

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

The table below illustrates the calculation of the Trust's combined recovery ratio for the three months and years ended December 31, 2025 and 2024.

(\$ thousands) (unaudited) For the periods ended December 31,	Three months		Year end	
	2025	2024	2025	2024
Property tax and insurance recovery revenue	\$ 29,608	\$ 20,868	\$ 110,888	\$ 80,124
Reverse: Recoveries of property taxes of prior years	—	—	(3,745)	—
Adjusted property tax and insurance recovery revenue	29,608	20,868	107,143	80,124
Property tax and insurance expense	(38,494)	(27,071)	(141,104)	(105,101)
<b>Property tax and insurance recovery ratio</b>	<b>76.9%</b>	<b>77.1%</b>	<b>75.9%</b>	<b>76.2%</b>
Property operating cost recovery revenue	\$ 38,066	\$ 29,393	\$ 122,726	\$ 95,359
Reverse: Recoveries attributed to prior years	(3,864)	—	(3,864)	—
Adjusted operating cost recovery revenue	34,202	29,393	118,862	95,359
Recoverable property operating costs	(36,371)	(29,367)	(125,390)	(98,912)
Amortized recoverable capital costs	(7,417)	(7,658)	(20,006)	(20,929)
Total recoverable operating costs	\$ (43,788)	\$ (37,025)	\$ (145,396)	\$ (119,841)
<b>Property operating costs and capital recovery ratio</b>	<b>78.1 %</b>	<b>79.4%</b>	<b>81.8 %</b>	<b>79.6%</b>
<b>Combined recovery ratio</b>	<b>77.6 %</b>	<b>78.4 %</b>	<b>78.9 %</b>	<b>78.0 %</b>

While impacts to operations from prior years occur regularly, management believes the reversals in the chart above represent prior year impacts in excess of historic norms.

Three months	Year end
The combined recovery ratio, excluding impacts attributed to prior years, was 0.8% lower than the same period of the prior year. The decline was driven by the impact of the Acquisitions which had lower recovery rates than the rest of the portfolio and the disclaimed HBC leases.	The combined recovery ratio, excluding impacts attributed to prior years, was 0.9% higher than the same period of the prior year. The increase was driven by strong leasing activity, partially offset by the impact of the Acquisitions which had lower recovery rates than in the rest of the portfolio, and the disclaimed HBC leases.
The net recoveries for the Same Properties were flat compared to the prior year as strong leasing activity offset the negative impact of the HBC closures.	The net recoveries for the Same Properties were flat compared to the prior year as strong leasing activity offset the negative impact of the HBC closures.

Each 1% increment to the combined recovery ratio increases NOI\*\* by approximately \$2.5 million per annum.

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

### Net Operating Income\*\*

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

(\$ thousands) (unaudited)		Three months		Year end	
For the periods ended December 31,	Count	2025	2024	2025	2024
Shopping centres	22	\$ 69,092	\$ 65,456	\$ 248,831	\$ 238,590
Other properties	4	2,442	2,317	9,282	9,192
Same Properties <sup>1</sup> NOI**	26	71,534	67,773	258,113	247,782
Acquisitions	6	35,773	6,875	94,708	7,294
Dispositions		2,040	8,025	14,907	34,275
<b>Net Operating Income**</b>	<b>32</b>	<b>\$ 109,347</b>	<b>\$ 82,673</b>	<b>\$ 367,728</b>	<b>\$ 289,351</b>

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

<sup>1</sup> Properties owned throughout the entire 24 months ended December 31, 2025, excluding properties under development or major redevelopment, are referred to as "Same Properties".

### Three months

The \$26.7 million, or 32.3%, increase in NOI\*\* was primarily attributable to a \$28.9 million, or 35.0%, contribution from the Acquisitions and a \$3.6 million, or 4.4%, increase from the Same Properties shopping centres. These increases were partially offset by a decline in NOI\*\* of \$6.0 million due to disposition activity.

Same Properties shopping centres' NOI\*\* included a \$3.9 million contribution from recoveries attributed to prior year impacts, partially offset by a \$0.5 million negative impact of HBC closures (\$1.0 million for the portfolio).

### Year end

The \$78.4 million, or 27.1%, increase in NOI\*\* was primarily attributable to a \$87.4 million, or 30.2%, contribution from the Acquisitions and a \$10.2 million, or 3.5%, increase from the Same Properties shopping centres. These increases were partially offset by a decline in NOI\*\* of \$19.4 million due to disposition activity.

The growth in the Same Properties shopping centres' NOI\*\* was primarily attributable to increases in net operating recoveries, base rent, percentage rent, and specialty leasing. These increases were partially offset by declines in percentage rent in lieu of base rent, straight-line rent, lease surrender and other sundry revenue. The Same Properties shopping centres growth was also reduced by \$1.9 million due to the HBC closures (\$3.0 million for the portfolio).

Same Properties shopping centres' operating recoveries included a \$7.6 million contribution from recoveries attributed to prior year impacts (2024 - nil).

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

### Cash NOI\*\* and Same Properties Cash NOI\*\*

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

(\$ thousands) (unaudited) For the periods ended December 31,	Three months		Year end	
	2025	2024	2025	2024
Revenue	\$ 188,303	\$ 143,161	\$ 648,467	\$ 501,925
Operating costs	(78,956)	(60,488)	(280,739)	(212,574)
<b>Net Operating Income**</b>	<b>109,347</b>	<b>82,673</b>	<b>367,728</b>	<b>289,351</b>
Exclude:				
Straight-line rent adjustment	(3,534)	(2,104)	(7,462)	(7,285)
Lease surrender revenue	(73)	(337)	(739)	(1,560)
<b>Cash Net Operating Income**</b>	<b>\$ 105,740</b>	<b>\$ 80,232</b>	<b>\$ 359,527</b>	<b>\$ 280,506</b>
<b>Cash NOI** margin</b>	<b>57.3 %</b>	<b>57.0 %</b>	<b>56.2 %</b>	<b>56.9 %</b>

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

### Three months

Cash NOI\*\* was \$25.5 million, or 31.8%, higher than the same period of the prior year. The Acquisitions contributed \$27.4 million, or 34.2%, to the increase and Same Properties shopping centres contributed \$4.4 million to the increase. These increases were partially offset by a decline in Cash NOI\*\* of \$6.4 million due to disposition activity.

Cash NOI\*\* included a \$3.9 million contribution from recoveries attributed to prior year impacts, partially offset by a \$1.8 million negative impact of HBC closures.

The Cash NOI\*\* margin increased 0.3% compared to the prior year period. The Cash NOI\*\* margin for the Same Properties was 58.4% in the quarter versus 57.2% for the same period of the prior year. The Cash NOI\*\* margin for the Acquisitions was 55.5% in the quarter.

### Year end

Cash NOI\*\* was \$79.0 million, or 28.2%, higher than the prior year. The Acquisitions contributed \$84.2 million, or 30.0%, to the increase and Same Properties shopping centres contributed \$13.4 million to the increase. These increases were partially offset by a decline in Cash NOI\*\* of \$18.7 million due to disposition activity.

Cash NOI\*\* included a \$7.6 million contribution from recoveries attributed to prior year impacts partially offset by a \$3.0 million negative impact of the HBC closures.

The Cash NOI\*\* margin decreased 0.7% compared to the prior year period reflecting the impact of acquisitions with recovery ratios lower than the portfolio average. The Cash NOI\*\* margin for the Same Properties was 56.8% in the current year versus 56.2% in the prior year. The Cash NOI\*\* margin for the Acquisitions was 53.6% for the year.

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

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

(\$ thousands) (unaudited) For the periods ended December 31,	Three months		Year end	
	2025	2024	2025	2024
Shopping centres	\$ 1,399	\$ 1,871	\$ 3,409	\$ 5,664
Other properties	44	28	79	185
Same Properties <sup>1</sup>	1,443	1,899	3,488	5,849
Acquisitions	1,686	218	3,412	247
Dispositions	405	(13)	562	1,189
<b>Straight-line rent adjustment</b>	<b>\$ 3,534</b>	<b>\$ 2,104</b>	<b>\$ 7,462</b>	<b>\$ 7,285</b>

<sup>1</sup> Properties owned throughout the entire 24 months ended December 31, 2025, excluding properties under development or major redevelopment, are referred to as "Same Properties".

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

(\$ thousands) (unaudited) For the periods ended December 31,	Three months		Year end	
	2025	2024	2025	2024
Shopping centres	\$ 46	\$ 313	\$ 620	\$ 1,491
Other properties	—	—	—	—
Same Properties <sup>1</sup>	46	313	620	1,491
Acquisitions	30	—	68	—
Dispositions	(3)	24	51	69
<b>Lease surrender revenue</b>	<b>\$ 73</b>	<b>\$ 337</b>	<b>\$ 739</b>	<b>\$ 1,560</b>

<sup>1</sup> Properties owned throughout the entire 24 months ended December 31, 2025, excluding properties under development or major redevelopment, are referred to as "Same Properties".

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

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

(\$ thousands) (unaudited)		Three months		Year end	
For the periods ended December 31,	Count	2025	2024	2025	2024
<b>Cash Net Operating Income** from:</b>					
Shopping centres	22	\$ 67,647	\$ 63,272	\$ 244,802	\$ 231,435
Other properties	4	2,398	2,289	9,203	9,007
<b>Same Properties Cash NOI**<sup>1</sup></b>	26	<b>70,045</b>	65,561	<b>254,005</b>	240,442
		<b>6.8 %</b>		<b>5.6 %</b>	
		<b>58.4 %</b>	57.2 %	<b>56.8 %</b>	56.2 %
Acquisitions	6	34,057	6,657	91,228	7,047
Dispositions		1,638	8,014	14,294	33,017
<b>Cash Net Operating Income**</b>	32	<b>\$ 105,740</b>	\$ 80,232	<b>\$ 359,527</b>	\$ 280,506

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

<sup>1</sup> Properties owned throughout the entire 24 months ended December 31, 2025, excluding properties under development or major redevelopment, are referred to as "Same Properties".

Three months	Year end
Same Properties Cash NOI** was \$4.5 million, or 6.8%, higher than the same period of the prior year, driven by the performance of the Same Properties shopping centres. The increase in the Same Properties shopping centres' Cash NOI** was primarily driven by higher revenues from base rent, net recoveries and specialty leasing revenue, partially offset by declines in percentage rent in lieu of base rent.	Same Properties Cash NOI** was \$13.6 million, or 5.6%, higher than the prior year, driven by the performance of the Same Properties shopping centres. The increase in the Same Properties shopping centres' Cash NOI** was primarily driven by higher revenues from base rent, net operating cost recoveries and specialty leasing revenue, partially offset by declines in percentage rent in lieu of base rent and other sundry income.
Same Properties Cash NOI** included a \$3.9 million, or 5.8%, contribution from recoveries attributed to prior year impacts, partially offset by \$1.1 million, or 1.7%, negative impact of HBC closures. Same Properties Cash NOI** growth excluding these two impacts would have been 2.6%.	Same Properties operating recoveries included a \$7.6 million, or 3.2%, contribution from recoveries attributed to prior year impacts and a negative impact of \$1.9 million, or 0.8%, from the disclaimed HBC locations. Same Properties Cash NOI** growth excluding these two impacts would have been 3.2%.

While impacts from prior years occur regularly, management believes the amounts considered in the analysis above represent prior year impacts in excess of historic norms.

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

### Interest and Other Income

(\$ thousands) (unaudited) For the periods ended December 31,	Three months		Year end	
	2025	2024	2025	2024
Interest income	\$ 484	\$ 1,619	\$ 3,267	\$ 7,026
Gain on extinguishment of debt	—	—	—	150
Property management fees	912	807	4,105	2,691
<b>Interest and other income</b>	<b>\$ 1,396</b>	<b>\$ 2,426</b>	<b>\$ 7,372</b>	<b>\$ 9,867</b>

Primaris earned \$0.2 million and \$0.7 million, respectively, during the three months and year ended December 31, 2025 from certain vendor take back notes (see Section 7.3, "Transactions") (for the three months and year ended December 31, 2024 - \$0.1 million and 0.2 million, respectively). The balance of the interest income was earned from a \$100 million term deposit which matured in March 2025 and cash balances. During the first three months of 2024, Primaris earned \$1.4 million in interest income on the notes receivable from its co-ownership partners. All such notes were repaid on March 28, 2024.

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

### Net Interest and Other Financing Charges

(\$ thousands) (unaudited) For the periods ended December 31,	Three months		Year end	
	2025	2024	2025	2024
Interest on mortgages payable	\$ 2,887	\$ 2,857	\$ 11,503	\$ 12,432
Interest on senior unsecured debentures	24,688	19,264	87,432	62,819
Bank interest and charges on unsecured credit facilities	1,392	1,315	7,207	9,827
Subtotal (for use in financial condition calculations) <sup>1</sup>	28,967	23,436	106,142	85,078
Distributions on Exchangeable Preferred LP Units	6,591	3,933	25,451	13,158
Finance charge - lease liability	77	78	311	326
Amortization of financing costs	1,044	620	3,144	2,921
Amortization of debt discount	358	357	1,374	1,431
Less: Capitalized interest	(12)	(833)	(1,842)	(3,740)
<b>Net interest and other financing charges</b>	<b>\$ 37,025</b>	<b>\$ 27,591</b>	<b>\$ 134,580</b>	<b>\$ 99,174</b>

<sup>1</sup> See Section 10.4, "Capital Structure".

#### Three months

The \$9.4 million increase in net interest and other financing charges was attributable to higher average borrowings primarily driven by acquisition activity, including the distributions on the Exchangeable Preferred LP Units, and the interest on debenture issuances in February, June and October 2025.

#### Year end

The \$35.4 million increase in net interest and other financing charges was attributable to higher average borrowings primarily driven by the acquisition activity, including the distributions on the Exchangeable Preferred LP Units, and the interest on debenture issuances in August 2024, and February, June and October 2025. At December 31, 2025, the weighted average interest rate was 5.07%, compared to 5.28% at December 31, 2024.

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

### General and Administrative Expenses

(\$ thousands) (unaudited) For the periods ended December 31,	Three months		Year end	
	2025	2024	2025	2024
Salaries, benefits and recruiting costs	\$ 10,994	\$ 9,554	\$ 35,378	\$ 30,022
Unit-based compensation costs	1,881	1,868	6,868	6,797
Professional fees	610	984	3,205	3,009
Information technology costs	812	886	3,082	2,406
Software implementation costs	174	—	381	—
Investor relations and other public entity costs	293	406	1,336	1,320
Occupancy costs	485	342	1,673	1,521
Other	792	757	2,785	2,134
	<b>16,041</b>	14,797	<b>54,708</b>	47,209
Less: Salaries capitalized to development projects	(242)	(139)	(773)	(622)
Less: Allocations to recoverable operating costs	(3,595)	(2,866)	(13,328)	(10,829)
<b>General and administrative expenses</b>	<b>\$ 12,204</b>	\$ 11,792	<b>\$ 40,607</b>	\$ 35,758
Internal expenses for leases	(2,936)	(2,530)	(10,492)	(8,525)
General and administrative expenses impacting FFO**	<b>\$ 9,268</b>	\$ 9,262	<b>\$ 30,115</b>	\$ 27,233
Property revenue	\$ 188,303	\$ 143,161	\$ 648,467	\$ 501,925
General and administrative expenses impacting FFO** as a percent of rental revenue	<b>4.9%</b>	6.5%	<b>4.6%</b>	5.4%

The general and administrative expenses incurred in the year ended December 31, 2025 may not be indicative of the expenses that will be incurred in future years.

#### Three months

General and administrative expenses were \$0.4 million higher than the same period in 2024. Increases to personnel, bonus accruals and software implementation costs were the primary drivers of the increase, partially offset by larger allocations to the properties due to the Acquisitions.

Included in the general and administrative expenses are costs relating to full-time leasing and legal staff that can be reasonably and directly attributed to signed leases, and that would otherwise be capitalized if incurred from external sources. During the three months ended December 31, 2025, these internal leasing costs totaled \$2.9 million (2024 - \$2.5 million).

#### Year end

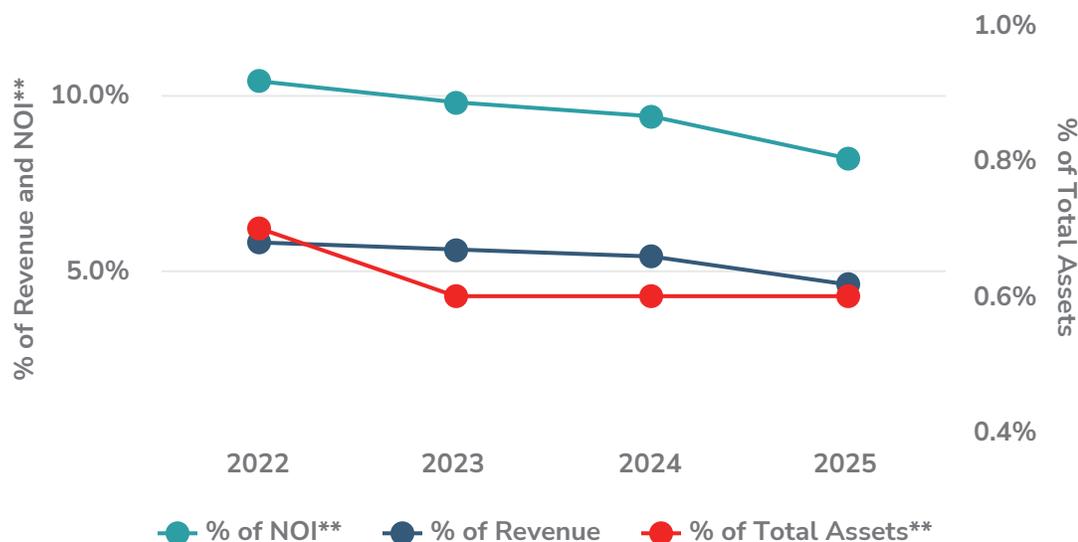
General and administrative expenses were \$4.8 million higher than for the same period in 2024. The increase was primarily attributable to personnel costs, bonus accruals, and information technology costs, partially offset by larger allocations to the properties due to the Acquisitions.

Included in the general and administrative expenses are costs relating to full-time leasing and legal staff that can be reasonably and directly attributed to signed leases, and that would otherwise be capitalized if incurred from external sources. During the year ended December 31, 2025, these internal leasing costs totaled \$10.5 million (2024 - \$8.5 million). Excluding the direct leasing costs, general and administrative expenses as a percent of rental revenue declined 0.8% from the prior year.

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

The graph below illustrates general and administrative expenses impacting FFO\*\* as a percentage of total assets, total revenue and NOI\*\* for the years ended December 31. Primaris is achieving economies of scale as the portfolio grows and the internal management platform is leveraged.



### Adjustments to Fair Value and Net Income (Loss)

(\$ thousands) (unaudited) For the periods ended December 31,	Three months		Year end	
	2025	2024	2025	2024
<b>Net Income before adjustments to fair value **</b>	\$ 61,298	\$ 45,430	\$ 198,807	\$ 163,014
Adjustments to fair value of derivative instruments	401	—	501	(3,546)
Adjustments to fair value of unit-based compensation	(319)	518	130	(1,312)
Adjustments to fair value of Exchangeable Preferred LP Units	2,745	11,264	16,993	(12,302)
Adjustments to fair value of investment properties	(3,346)	(35,048)	(33,246)	(66,381)
<b>Net Income (Loss)</b>	\$ 60,779	\$ 22,164	\$ 183,185	\$ 79,473

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

Primaris entered into interest rate swaps to economically hedge the variable interest rate associated with advances on variable rate debt. These derivative instruments are carried at their fair values, which values are impacted by changes to bond yields and as such, the adjustments to fair value incurred in the past are not predictors of future adjustments. Adjustments to the fair value of derivative instruments impact net income. See Section 10.3, "Components of Total Debt" - "Derivative Instruments" for details of the derivative instruments.

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

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

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

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

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### Three months

Net income was \$38.6 million higher than the same period in 2024. Net income before adjustments to fair value was \$15.9 million higher than the same period in 2024, primarily due to a \$26.7 million increase to NOI\*\* for the portfolio, partially offset by a \$9.4 million increase in net interest and other financing charges.

### Year end

Net income was \$103.7 million higher than the same period in 2024. Net income before adjustments to fair value was \$35.8 million higher than the same period in 2024, primarily due to a \$78.4 million increase to NOI\*\* for the portfolio, partially offset by a \$35.4 million increase in net interest and other financing charges.

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# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

### 9.2 FFO\*\* and AFFO\*\*

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

(\$ thousands except per unit amounts) (unaudited) For the periods ended December 31,	Three months		Year end	
	2025	2024	2025	2024
Net income (loss)	\$ 60,779	\$ 22,164	\$ 183,185	\$ 79,473
Reverse:				
Distribution on Exchangeable Preferred LP Units	6,591	3,933	25,451	13,158
Amortization of real estate assets	71	69	281	69
Adjustments to fair value of derivative instruments <sup>1</sup>	(401)	—	(501)	1,846
Adjustments to fair value of unit-based compensation	319	(518)	(130)	1,312
Adjustments to fair value of Exchangeable Preferred LP Units	(2,745)	(11,264)	(16,993)	12,302
Adjustments to fair value of income producing properties	3,346	35,048	33,246	66,381
Internal costs for leasing activity <sup>2</sup>	2,936	2,530	10,492	8,525
<b>Funds from Operations**</b>	<b>\$ 70,896</b>	<b>\$ 51,962</b>	<b>\$ 235,031</b>	<b>\$ 183,066</b>
FFO** per unit <sup>3</sup> - average basic	\$ 0.518	\$ 0.464	\$ 1.866	\$ 1.708
FFO** per unit <sup>3</sup> - average diluted	\$ 0.513	\$ 0.460	\$ 1.846	\$ 1.690
FFO Payout Ratio** - Target 45% - 50%	42.3 %	46.1 %	46.7 %	49.8 %
Total distributions declared per unit	\$ 0.217	\$ 0.212	\$ 0.862	\$ 0.842
Weighted average units outstanding <sup>3</sup> - basic (in thousands)	136,863	111,875	125,988	107,166
Weighted average units outstanding <sup>3</sup> - diluted (in thousands)	138,291	113,055	127,313	108,295
Number of units outstanding <sup>3</sup> - end of period (in thousands)	137,740	111,614	137,740	111,614

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

<sup>1</sup> The definition of FFO\*, as provided by REALPAC, allows for the changes in fair value of financial instruments which are economically effective hedges to be excluded from the calculation of FFO\*. The portion of the fair value change to derivatives which did not relate to an economically effective hedge negatively impacted fair value for the year ended December 31, 2024.

<sup>2</sup> Costs relating to full-time leasing and legal staff, included in general and administrative expenses, that can be reasonable and directly attributed to signed leases, and would otherwise be capitalized if incurred from external sources.

<sup>3</sup> Per unit calculations, units outstanding and weighted average units outstanding assume the exchange of Exchangeable Preferred LP Units for Trust Units. See Section 10.6, "Unit Equity and Distributions"

The FFO Payout Ratio\*\*, and AFFO Payout Ratio\*\*, were calculated assuming the exchange of the Exchangeable Preferred LP Units into Trust Units. The calculation of FFO\*, and AFFO\*, excludes the impact of distributions paid on the Exchangeable Preferred LP Units. The weighted average units outstanding, assumes that the Exchangeable Preferred LP Units were exchanged into Trust Units at the beginning of the period, or on the date the Exchangeable Preferred Trust Units were issued in the case where new Exchangeable Preferred Trust Units were issued during the period. As such, the total distributions declared per unit represents the distributions declared on Primaris' Trust Units during the period.

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

The following table reconciles FFO\*\* to AFFO\*\*.

(\$ thousands except per unit amounts) (unaudited) For the periods ended December 31,	Three months		Year end	
	2025	2024	2025	2024
Funds from Operations**	\$ 70,896	\$ 51,962	\$ 235,031	\$ 183,066
Reverse:				
Internal costs for leasing activity	(2,936)	(2,530)	(10,492)	(8,525)
Straight-line rent adjustment	(3,534)	(2,104)	(7,462)	(7,285)
Deduct:				
Recoverable and non-recoverable costs	(8,585)	(7,551)	(21,265)	(19,533)
Tenant allowances and external leasing costs	(6,299)	(6,378)	(23,581)	(22,415)
<b>Adjusted Funds from Operations**</b>	<b>\$ 49,542</b>	<b>\$ 33,399</b>	<b>\$ 172,231</b>	<b>\$ 125,308</b>
AFFO** per unit <sup>1</sup> - average basic	\$ 0.362	\$ 0.299	\$ 1.367	\$ 1.169
AFFO** per unit <sup>1</sup> - average diluted	\$ 0.358	\$ 0.295	\$ 1.353	\$ 1.157
AFFO Payout Ratio**	60.6 %	71.9 %	63.7 %	72.8 %
Total distributions declared per unit	\$ 0.217	\$ 0.212	\$ 0.862	\$ 0.842
Weighted average units outstanding <sup>1</sup> - basic (in thousands)	136,863	111,875	125,988	107,166
Weighted average units outstanding <sup>1</sup> - diluted (in thousands)	138,291	113,055	127,313	108,295
Number of units outstanding <sup>1</sup> - end of period (in thousands)	137,740	111,614	137,740	111,614

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

<sup>1</sup> Per unit calculations, units outstanding and weighted average units outstanding assume the exchange of Exchangeable Preferred LP Units for Trust Units. See Section 10.6, "Unit Equity and Distributions".

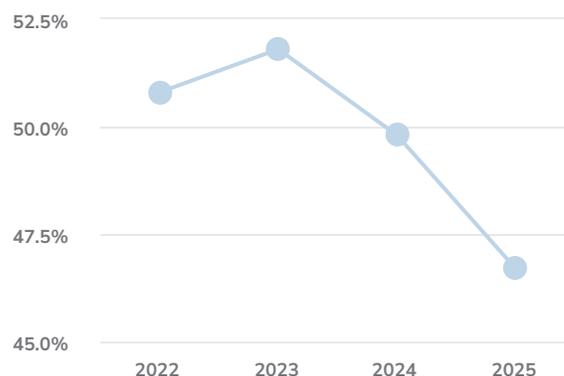
The calculation of AFFO\*\* considers the impact of operating capital expenditures that are necessary to maintain the productive capacity of the portfolio properties. Expenditures for recoverable and non-recoverable capital projects are impacted by seasonality. Tenant allowances and external leasing costs are not impacted by seasonality but do vary from quarter to quarter depending on the underlying terms of lease agreements completed during the period. In addition, during years of positive absorption, leasing costs will be higher. The operating capital expenditures for the three months and year ended December 31, 2025 should not be taken as indicative of future results.

### FFO Payout Ratio\*\*

Primaris was designed with a conservative capital structure to deliver a low FFO Payout Ratio\*, targeted at 45% to 50%.

The chart on the right shows the FFO Payout Ratio\*\* for each of the Trust's four fiscal year ends.

The FFO Payout Ratio\*\* for the year ended December 31, 2025 of 46.7% is approaching the bottom end of the Trust's targeted range.



# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

### Analysis of the Quarter

The table below illustrates the composition of FFO\*\* and the drivers of the change for the three months ended December 31, 2025 as compared to the same period in 2024.

(\$ thousands except per unit amounts) (unaudited) For the three months ended December 31,	2025		2024		Change	
	Contribution	per unit <sup>1</sup>	Contribution	per unit <sup>1</sup>	Contribution	per unit <sup>1</sup>
NOI** from:						
Same Properties <sup>2</sup>	\$ 71,534	\$ 0.517	\$ 67,773	\$ 0.600	\$ 3,761	\$ 0.033
Acquisitions	35,773	0.259	6,875	0.061	28,898	0.256
Dispositions	2,040	0.015	8,025	0.071	(5,985)	(0.053)
Interest and other income	1,396	0.010	2,426	0.021	(1,030)	(0.009)
Net interest and other financing charges (excluding distributions on Exchangeable Preferred LP Units)	(30,434)	(0.220)	(23,658)	(0.209)	(6,776)	(0.060)
General and administrative expenses (net of internal costs for leasing activity)	(9,268)	(0.067)	(9,262)	(0.082)	(6)	—
Amortization	(145)	(0.001)	(217)	(0.002)	72	0.001
Impact from variance of units outstanding	—	—	—	—	—	(0.115)
<b>FFO** and FFO** per unit - average diluted<sup>1</sup></b>	<b>\$ 70,896</b>	<b>\$ 0.513</b>	<b>\$ 51,962</b>	<b>\$ 0.460</b>	<b>\$ 18,934</b>	<b>\$ 0.053</b>
<b>FFO** per unit growth</b>		<b>11.6 %</b>				
<b>FFO Payout Ratio**</b>	<b>42.3 %</b>		<b>46.1 %</b>		<b>(3.8)%</b>	

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

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

<sup>2</sup> Properties owned throughout the entire 24 months ended December 31, 2025, excluding properties under development or major redevelopment, are referred to as "Same Properties".

FFO\*\* for the three months ended December 31, 2025 was \$0.053 per unit, or 11.6%, higher than the same period of the prior year. The increase was driven by NOI\*\* from Acquisitions of \$0.256 per unit and a \$0.033 per unit increase in NOI\*\* from Same Properties. These increases were partially offset by a decrease in NOI\*\* of \$0.053 per unit from the disposition activity, higher net interest and other financing charges of \$0.060 per unit, and a \$0.115 per unit decrease due to the net change in the weighted average units diluted outstanding (unit issuances for the Acquisitions partially offset by NCIB activity).

FFO\*\* for the three months ended December 31, 2025 included a \$3.9 million, or \$0.028 per unit, contribution from recoveries attributed to prior year impacts, partially offset by a \$1.0 million, or \$0.007 per unit, negative impact of HBC closures. FFO\*\* per unit excluding these two impacts would have been \$0.492 per unit.

While impacts from prior years occur regularly, management believes the amounts considered in the analysis above represent prior year impacts in excess of historic norms.

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

The table below illustrates the composition of AFFO\*\* and the drivers of the change for the three months ended December 31, 2025 as compared to the same period in 2024.

(\$ thousands except per unit amounts) (unaudited) For the three months ended December 31,	2025		2024		Change	
	Contribution	per unit <sup>1</sup>	Contribution	per unit <sup>1</sup>	Contribution	per unit <sup>1</sup>
FFO**	\$ 70,896	\$ 0.513	\$ 51,962	\$ 0.460	\$ 18,934	\$ 0.167
Internal costs for leasing activity	(2,936)	(0.021)	(2,530)	(0.022)	(406)	(0.004)
Straight-line rent adjustment	(3,534)	(0.026)	(2,104)	(0.019)	(1,430)	(0.013)
Recoverable and non-recoverable costs	(8,585)	(0.062)	(7,551)	(0.068)	(1,034)	(0.009)
Tenant allowances and leasing costs	(6,299)	(0.046)	(6,378)	(0.056)	79	0.001
Impact from variance of units outstanding	—	—	—	—	—	(0.079)
<b>AFFO** and AFFO** per unit - average diluted<sup>1</sup></b>	<b>\$ 49,542</b>	<b>\$ 0.358</b>	<b>\$ 33,399</b>	<b>\$ 0.295</b>	<b>\$ 16,143</b>	<b>\$ 0.063</b>
<b>AFFO** per unit growth</b>		<b>21.4 %</b>				
<b>AFFO Payout Ratio**</b>	<b>60.6 %</b>		<b>71.9 %</b>		<b>(11.3)%</b>	

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

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

AFFO\*\* for the three months ended December 31, 2025 was \$0.063 per unit higher than the same period of the prior year. The increase was driven by NOI\*\* growth, partially offset by higher net interest and other financing charges and an increase in the number of diluted units outstanding.

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

The table below illustrates the composition of FFO\*\* and the drivers of change for the three months ended December 31, 2025 to the prior quarter ended September 30, 2025.

(\$ thousands except per unit amounts) (unaudited) For the three months ended	December 31, 2025		September 30, 2025		Change	
	Contribution	per unit <sup>1</sup>	Contribution	per unit <sup>1</sup>	Contribution	per unit <sup>1</sup>
NOI** from:						
Same Properties <sup>2</sup>	\$ 71,534	\$ 0.517	\$ 61,881	\$ 0.483	\$ 9,653	\$ 0.075
Acquisitions	35,773	0.259	26,001	0.203	9,772	0.076
Dispositions	2,040	0.015	2,861	0.022	(821)	(0.006)
Interest and other income	1,396	0.010	2,251	0.017	(855)	(0.007)
Net interest and other financing charges (excluding distributions on Exchangeable Preferred LP Units)	(30,434)	(0.220)	(27,977)	(0.218)	(2,457)	(0.019)
General and administrative expenses (net of internal costs for leasing activity)	(9,268)	(0.067)	(8,004)	(0.062)	(1,264)	(0.010)
Amortization	(145)	(0.001)	(241)	(0.002)	96	0.001
Impact from variance of units outstanding	—	—	—	—	—	(0.040)
<b>FFO** and FFO** per unit - average diluted<sup>1</sup></b>	<b>\$ 70,896</b>	<b>\$ 0.513</b>	<b>\$ 56,772</b>	<b>\$ 0.443</b>	<b>\$ 14,124</b>	<b>\$ 0.070</b>
<b>FFO Payout Ratio**</b>	<b>42.3 %</b>		<b>48.5 %</b>		<b>(6.2)%</b>	

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

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

<sup>2</sup> Properties owned throughout the entire 24 months ended December 31, 2025, excluding properties under development or major redevelopment, are referred to as "Same Properties".

FFO\*\* for the three months ended December 31, 2025 was \$0.070 per unit higher than the prior quarter ended September 30, 2025. The quarter over quarter increase was primarily driven by an \$18.6 million, or \$0.145 per unit, increase in NOI\*\*. The fourth quarter acquisition of Promenades St-Bruno contributed \$8.9 million to the NOI\*\* increase, the prior year impacts contributed \$3.9 million to the increase, while seasonality added \$4.9 million from specialty leasing and \$1.2 million from percent rent in lieu of base rent.

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

### Analysis of the Year

The table below compares the composition of FFO\*\* and illustrates the drivers of the changes for the year ended December 31, 2025 as compared to the same period in 2024.

(\$ thousands except per unit amounts) (unaudited) For the year ended December 31,	2025		2024		Change	
	Contribution	per unit <sup>1</sup>	Contribution	per unit <sup>1</sup>	Contribution	per unit <sup>1</sup>
NOI** from:						
Same Properties <sup>2</sup>	\$ 258,113	\$ 2.027	\$ 247,782	\$ 2.288	\$ 10,331	\$ 0.095
Acquisitions	94,708	0.744	7,294	0.067	87,414	0.807
Dispositions	14,907	0.117	34,275	0.316	(19,368)	(0.179)
Interest and other income	7,372	0.058	9,867	0.091	(2,495)	(0.023)
Net interest and other financing charges (excluding distributions on Exchangeable Preferred LP Units)	(109,129)	(0.857)	(86,016)	(0.794)	(23,113)	(0.213)
General and administrative expenses (net of internal costs for leasing activity)	(30,115)	(0.237)	(27,233)	(0.251)	(2,882)	(0.027)
Unhedged portion of derivative fair value adjustment <sup>3</sup>	—	—	(1,700)	(0.016)	1,700	0.016
Amortization	(825)	(0.006)	(1,203)	(0.011)	378	0.003
Impact from variance of units outstanding	—	—	—	—	—	(0.323)
<b>FFO** and FFO** per unit - average diluted<sup>1</sup></b>	<b>\$ 235,031</b>	<b>\$ 1.846</b>	<b>\$ 183,066</b>	<b>\$ 1.690</b>	<b>\$ 51,965</b>	<b>\$ 0.156</b>
<b>FFO** per unit growth</b>		<b>9.2 %</b>				
<b>FFO Payout Ratio**</b>	<b>46.7 %</b>		<b>49.8 %</b>		<b>(3.1)%</b>	

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

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

<sup>2</sup> Properties owned throughout the entire 24 months ended December 31, 2025, excluding properties under development or major redevelopment, are referred to as "Same Properties".

<sup>3</sup> The definition of FFO\*\*, as provided by REALPAC, allows for the changes in fair value of financial instruments which are economically effective hedges to be excluded from the calculation of FFO\*\*. The portion of the fair value change to derivatives which did not relate to an economically effective hedge negatively impacted fair value in the period ending December 31, 2024.

FFO\*\* for the year ended December 31, 2025 was \$0.156 per unit, or 9.2%, higher than the comparable period in 2024. NOI\*\* increased \$0.095 per unit from Same Properties and \$0.807 per unit from the Acquisitions. These increases were partially offset by a decrease in NOI\*\* due to property dispositions of \$0.179 per unit, higher net interest and other financing charges of \$0.213 per unit, higher general and administrative expenses of \$0.027 per unit, and the net change in the units outstanding resulted in a \$0.323 per unit decrease (issuances for the Acquisitions partially offset by NCIB activity).

FFO\*\* for the year ended December 31, 2025 included a \$7.6 million, or \$0.060 per unit, contribution from recoveries attributed to prior year impacts, partially offset by a \$3.0 million, or \$0.024 per unit, negative impact of HBC closures. FFO\*\* per unit excluding these two impacts would have been \$1.810 per unit.

While impacts from prior years occur regularly, management believes the amounts considered in the analysis above represent prior year impacts in excess of historic norms.

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

The table below compares the composition of AFFO\*\* and illustrates the drivers of the changes for the year ended December 31, 2025 as compared to the same period in 2024.

(\$ thousands except per unit amounts) (unaudited) For the year ended December 31,	2025		2024		Change	
	Contribution	per unit <sup>1</sup>	Contribution	per unit <sup>1</sup>	Contribution	per unit <sup>1</sup>
FFO**	\$ 235,031	\$ 1.846	\$ 183,066	\$ 1.690	\$ 51,965	\$ 0.480
Internal costs for leasing activity	(10,492)	(0.082)	(8,525)	(0.079)	(1,967)	(0.018)
Straight-line rent adjustment	(7,462)	(0.059)	(7,285)	(0.067)	(177)	(0.002)
Recoverable and non-recoverable costs	(21,265)	(0.167)	(19,533)	(0.180)	(1,732)	(0.016)
Tenant allowances and leasing costs	(23,581)	(0.186)	(22,415)	(0.207)	(1,166)	(0.011)
Impact from variance of units outstanding	—	—	—	—	—	(0.238)
<b>AFFO** and AFFO** per unit - average diluted<sup>1</sup></b>	<b>\$ 172,231</b>	<b>\$ 1.352</b>	<b>\$ 125,308</b>	<b>\$ 1.157</b>	<b>\$ 46,923</b>	<b>\$ 0.195</b>
<b>AFFO** per unit growth</b>	<b>16.9 %</b>					
<b>AFFO Payout Ratio**</b>	<b>63.7 %</b>		<b>72.8 %</b>		<b>(9.1)%</b>	

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

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

AFFO\*\* for the year ended December 31, 2025 was \$0.195 per unit higher than the comparable period in 2024. The increase was driven by increased NOI\*\*, partially offset by higher operating capital spending, increased net interest and other financing charges, and the net change in units outstanding.

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

### Impact of NCIB Activity on FFO\*\* per unit

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

During the year ended December 31, 2025, Primaris purchased 5,237,809 Trust Units for cancellation at an average cost per unit of \$15.13, representing a discount of 28.7% to NAV\*\* per unit (year ended December 31, 2024 - 1,534,500, \$14.26, and 33.9%, respectively).

The table below illustrates the estimated positive impact of total NCIB activity from inception of the Trust to December 31, 2025 and December 31, 2024, respectively, on FFO\*\* per unit assuming the capital allocated to Trust Unit repurchases was instead applied to debt repayment.

(\$ thousands except per unit amounts) (unaudited)			
For the years ended December 31,	2025		2024
FFO**	\$	235,031	\$ 183,066
FFO** per unit <sup>1</sup> - average diluted - excluding NCIB activity	\$	1.689	\$ 1.559
FFO** per unit <sup>1</sup> - average diluted		1.846	1.690
<b>Increase to FFO** per unit from NCIB activity</b>	\$	<b>0.157</b>	\$ 0.131
FFO**	\$	235,031	\$ 183,066
Estimated impact to interest due to NCIB spending		10,155	6,649
FFO** with estimated interest impact	\$	245,186	\$ 189,715
FFO** per unit <sup>1</sup> - average diluted - excluding NCIB activity and estimated interest impact	\$	1.762	\$ 1.615
FFO** per unit <sup>1</sup> - average diluted		1.846	1.690
<b>Increase to FFO** per unit from NCIB activity net of estimated interest impact</b>	\$	<b>0.084</b>	\$ 0.075
Weighted average units outstanding <sup>1</sup> - diluted (in thousands)		127,313	108,295
Reverse NCIB activity of the prior years		9,829	8,295
Reverse weighted average NCIB activity in current year		2,017	860
Weighted average units outstanding <sup>1</sup> - excluding NCIB activity - diluted (in thousands)		139,159	117,450

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

<sup>1</sup> Units outstanding and weighted average diluted units outstanding assume the exchange of Exchangeable Preferred LP Units for Trust Units. See Section 10.6, "Unit Equity and Distributions".

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

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

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

(\$ thousands) (unaudited)					
For the periods		NCIB Spend	Cumulative NCIB Spend <sup>1</sup>	Weighted Average Interest Rate at the Quarter End	Estimated Potential Interest Savings
Q1 2024	\$	2,767	\$ 117,529	5.21 %	\$ 1,531
Q2 2024		4,720	\$ 122,249	5.19 %	1,586
Q3 2024		8,160	\$ 130,409	5.30 %	1,728
Q4 2024		6,228	\$ 136,637	5.28 %	1,804
<b>2024 Year</b>	<b>\$</b>	<b>21,875</b>			<b>\$ 6,649</b>
<b>Q1 2025</b>	<b>\$</b>	<b>26,006</b>	<b>\$ 162,643</b>	<b>5.20 %</b>	<b>\$ 2,114</b>
<b>Q2 2025</b>		<b>39,912</b>	<b>\$ 202,555</b>	<b>5.17 %</b>	<b>2,618</b>
<b>Q3 2025</b>		<b>5,329</b>	<b>\$ 207,884</b>	<b>5.17 %</b>	<b>2,687</b>
<b>Q4 2025</b>		<b>7,978</b>	<b>\$ 215,862</b>	<b>5.07 %</b>	<b>2,736</b>
<b>2025 Year</b>	<b>\$</b>	<b>79,225</b>			<b>\$ 10,155</b>

<sup>1</sup> Cumulative NCIB spend at period end since March 2022.

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

### 10. LIQUIDITY AND CAPITAL RESOURCES

#### 10.1 Major Cash Flow Components

(\$ thousands) (unaudited) For the periods ended December 31,	Three months		Year end	
	2025	2024	2025	2024
Cash and cash equivalents, beginning of year	\$ 7,556	\$ 161,595	\$ 14,774	\$ 44,323
Cash flows provided by (used in):				
Operating activities	95,923	72,519	225,733	168,321
Financing activities	276,491	7,730	463,208	171,383
Investing activities	(345,683)	(227,070)	(669,428)	(369,253)
<b>Cash and cash equivalents, end of the year</b>	<b>\$ 34,287</b>	<b>\$ 14,774</b>	<b>\$ 34,287</b>	<b>\$ 14,774</b>

#### Cash flows provided by (used in) operating activities

Three months	Year end
The increase in cash flows from operating activities was primarily due to the increased contribution from properties' operations, partially offset by increased interest paid.	The increase in cash flows from operating activities was primarily due to the increased contribution from the properties' operations, partially offset by increased interest paid.

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

#### Cash flows provided by (used in) financing activities

Three months	Year end
The increase in cash flows from financing activities was primarily due to higher net proceeds, after debt repayments from debenture issuances and trust unit issuances.	The increase in cash flows from financing activities was primarily due to higher net proceeds, after debt repayment, from debenture and trust unit issuances in the current year compared to the prior year. The increase was partially offset by higher NCIB activity in 2025.

#### Cash flows provided by (used in) investing activities

Three months	Year end
The increase in cash flows used in investing activities was primarily due to the acquisition of Promenades St-Bruno in the quarter, partially offset by proceeds on asset dispositions.	The increase in cash flows used in investing activities was primarily due to the acquisitions completed in 2025, partially offset by proceeds on asset dispositions and the return of a term deposit.

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

### 10.2 Liquidity and Unencumbered Assets

Primaris manages its liquidity in order to fund its ongoing operations, finance future growth, and refinance or meet maturing payment obligations. Sources of liquidity primarily consist of cash flows from operations, cash, and cash equivalents, and available capacity under Primaris' unsecured credit facilities. Refinancing encumbered assets is another source of liquidity. There is also the potential to refinance low leverage assets at higher levels to access additional liquidity. If necessary, Primaris is also able to obtain financing on its unencumbered assets. Liquidity from the balance of cash and cash equivalents, and the undrawn balances on Primaris' unsecured credit facilities as at December 31, 2025 and December 31, 2024 was as follows:

(\$ thousands) (unaudited)				
As at		December 31, 2025	December 31, 2024	Change
Cash and cash equivalents		\$ 34,287	\$ 14,774	\$ 19,513
Unsecured credit facilities:	Facility Limit:			
Unsecured syndicated revolving term <sup>1</sup>	\$600,000	600,000	565,000	35,000
Unsecured revolving demand	\$10,000	10,000	10,000	—
<b>Liquidity</b>		<b>\$ 644,287</b>	<b>\$ 589,774</b>	<b>\$ 54,513</b>

<sup>1</sup> Liquidity calculation excludes the impact of outstanding letters of credit as at December 31, 2025 of \$457 (December 31, 2024 - \$250).

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

(\$ thousands) (unaudited)				
As at	Target Ratio	December 31, 2025	December 31, 2024	Change
Unencumbered assets - number		26	31	(5)
Unencumbered assets - value		\$ 4,754,095	\$ 3,646,922	\$ 1,107,173
Unencumbered asset value as a percentage of the investment properties' value		91.8%	89.7%	2.1%
Secured debt to Total Debt**	<40%	11.3%	14.7%	(3.4)%
Unsecured Debt		\$ 1,950,000	\$ 1,468,120	\$ 481,880
Unencumbered assets to unsecured debt		2.4x	2.5x	(0.1x)
Unencumbered assets in excess of unsecured debt		\$ 2,804,095	\$ 2,178,802	\$ 625,293
Percent of Cash NOI** generated by unencumbered assets		89.7%	86.1%	3.6%

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

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

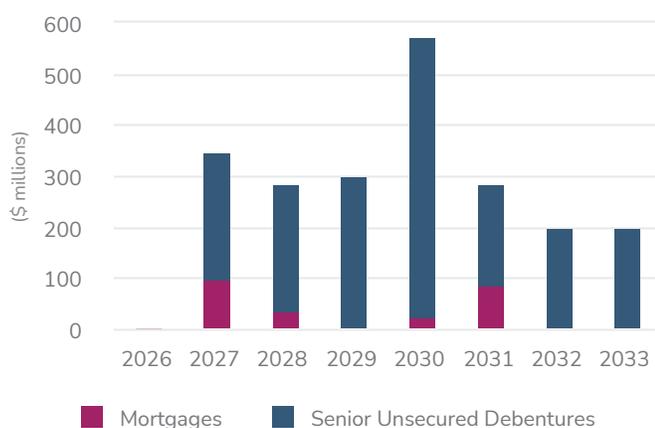
### 10.3 Components of Total Debt

The weighted average term to maturity for the Total Debt\*\* outstanding is 4.1 years with a weighted average interest rate of 5.07% (December 31, 2024 - 4.0 years and 5.28%, respectively). The table below outlines the Trust's scheduled principal repayments as at December 31, 2025.

(\$ thousands) (unaudited)	Senior Unsecured Debentures	Rate	Mortgages Payable	Rate	Total Debt	Rate
2026	\$ —	—	\$ 4,908	4.12%	\$ 4,908	4.12%
2027	250,000	4.82% <sup>1</sup>	97,901	4.36%	347,901	4.69%
2028	250,000	5.93%	33,770	4.63%	283,770	5.78%
2029	300,000	6.37%	1,225	3.44%	301,225	6.36%
2030	550,000	4.47%	24,506	3.44%	574,506	4.43%
Thereafter	600,000	4.87%	85,000	5.59%	685,000	4.96%
<b>Total Debt**</b>	<b>\$ 1,950,000</b>	<b>5.12%</b>	<b>\$ 247,310</b>	<b>4.72%</b>	<b>\$ 2,197,310</b>	<b>5.07%</b>
Unamortized:						
Debt discounts	(2,216)		—		(2,216)	
Financing costs	(6,810)		(688)		(7,498)	
	<b>\$ 1,940,974</b>		<b>\$ 246,622</b>		<b>\$ 2,187,596</b>	

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

#### Debt Maturity Profile



#### Exposure to Floating Interest Rates



# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

### Senior unsecured debentures

As at 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).

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 <sup>1</sup>	June 25, 2025	June 25, 2033	4.835%	200,000	—
I <sup>1</sup>	October 9, 2025	October 9, 2030	3.845%	250,000	—
				<b>\$ 1,950,000</b>	<b>\$ 1,433,120</b>

<sup>1</sup> Green Debenture

### 2025

On October 9, 2025, Primaris issued \$250 million aggregate principal amount of Series I senior unsecured debentures due October 9, 2030. The Series I senior unsecured debentures bear interest at a fixed annual rate of 3.845%, with semi-annual installments of interest due on April 9 and October 9 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. The net proceeds from the debenture were used to fund eligible green projects as described in the Trust's Green Finance Framework dated June 20, 2025.

On June 25, 2025, Primaris issued \$200 million aggregate principal amount of Series H senior unsecured debentures due June 25, 2033. The Series H senior 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 net proceeds from the debenture were used to fund eligible green projects as described in the Trust's Green Finance Framework dated June 20, 2025.

On March 28, 2025, Primaris repaid the remaining \$133.1 million aggregate principal amount of its Series B senior unsecured debentures. In August 2024, proceeds from the issuance of its Series E and F senior unsecured debentures were used to repurchase \$66.9 million of the Series B senior unsecured debentures and to invest \$100 million in short term investments to prefund the repayment of the remaining \$133.1 million principal amount.

On February 20, 2025, Primaris issued \$200 million 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 senior 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.

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

### 2024

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

A portion of the net proceeds were used to:

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

Primaris has no debt maturities until 2027.

### Mortgages payable

At December 31, 2025, Primaris had \$247.3 million (December 31, 2024 - \$252.0 million) of mortgages payable 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 (December 31, 2024 - 4.72% and 4.3 years).

In the first quarter of 2024, Primaris entered into new secured debt on Regent Mall and on Catarauqui Town Centre. In the third quarter of 2024, Primaris repaid the debt on Place d'Orleans Shopping Centre and Regent Mall. In the fourth quarter of 2024, Primaris entered into new secured debt on Place d'Orleans replacing the debt that matured in August 2024.

(\$ thousands) (unaudited)				As at	
Property	Location	Maturity	Contractual Interest	December 31, 2025	December 31, 2024
Regent Mall <sup>1,2</sup>	Fredericton, NB	March 2027	4.01%	\$ —	\$ —
Catarauqui Town Centre <sup>1</sup>	Kingston, ON	April 2027	5.29%	33,816	34,539
Place du Royaume <sup>1</sup>	Chicoutimi, QC	November 2027	3.80%	65,096	67,248
Place d'Orleans Shopping Centre <sup>1</sup>	Ottawa, ON	December 2028	4.62%	34,232	35,000
McAllister Place <sup>1</sup>	Saint John, NB	January 2030	3.41%	29,166	30,236
Stone Road Mall	Guelph, ON	March 2031	5.52%	85,000	85,000
			4.66%	\$ 247,310	\$ 252,023

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

<sup>2</sup> Primaris repaid its share of the debt, however debt on the property attributable to the co-owner was still outstanding at December 31, 2025 and impacted the Trust's guarantees (see Section 10.9, "Contractual Obligations"). There is a floating rate of interest on this mortgage.

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

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### Unsecured credit facilities

Primaris has a \$600 million 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 interest 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 million unsecured syndicated revolving term facility (December 31, 2024 - \$35 million).

On March 26, 2025, Primaris entered into a \$100 million unsecured bilateral non-revolving term facility maturing January 4, 2028, with a one-year extension at Primaris' option. 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 million drawn on the credit facilities, swapping the underlying variable rate for an all-in effective rate of 3.960% per annum until March 12, 2030. On December 18, 2025, Primaris settled and cancelled its bilateral non-revolving term facility. Primaris also settled the \$50 million interest rate swap for a net cash settlement of \$0.5 million.

Primaris also has a \$10 million unsecured revolving demand facility to finance temporary overdraft positions bearing interest at Prime plus 0.50% per annum. As at December 31, 2025, Primaris had no amount drawn on its unsecured revolving demand facility (December 31, 2024 - nil).

### Derivative Instruments

Primaris utilizes derivative instruments from time-to-time to manage exposure to fluctuations in interest rates.

During the fourth quarter of 2025, Primaris settled the previously outstanding interest rate swap, which had a notional amount of \$50 million. For the year ended December 31, 2025, the Trust recorded a gain of \$0.5 million.

During the third quarter of 2024, Primaris settled all previously outstanding interest rate swaps, which included swaps with notional amounts of \$200 million and \$20 million. For the year ended December 31, 2024, the Trust recorded a loss of \$3.5 million.

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

### 10.4 Capital Structure

The Trust is subject to certain financial and non-financial covenants under its senior unsecured debentures and credit facilities that include maintaining certain leverage and interest coverage ratios. As at December 31, 2025, Primaris is compliant with all of its applicable financial covenants. It is a strategic objective of management to maintain a differentiated financial model that includes a strong balance sheet and conservative capital structure.



The table below illustrates the Trust's Total Debt\*\* to Total Assets\*\* and reconciles NAV\*\* to total assets as determined in accordance with GAAP.

(\$ thousands) (unaudited)					
As at	December 31, 2025		December 31, 2024		
				Change	
Investment properties	\$	5,008,515	\$	3,826,635	\$ 1,181,880
Investment properties classified as held for sale		172,813		239,933	(67,120)
Other assets		67,786		86,090	(18,304)
Term deposit		—		100,000	(100,000)
Cash and cash equivalents		34,287		14,774	19,513
<b>Total assets</b>	<b>\$</b>	<b>5,283,401</b>	<b>\$</b>	<b>4,267,432</b>	<b>\$ 1,015,969</b>
Mortgages payable	\$	247,310	\$	252,023	\$ (4,713)
Senior unsecured debentures		1,950,000		1,433,120	516,880
Unsecured credit facilities		—		35,000	(35,000)
<b>Total Debt**</b>	<b>\$</b>	<b>2,197,310</b>	<b>\$</b>	<b>1,720,143</b>	<b>\$ 477,167</b>
Deferred financing costs and debt discounts (net of accumulated amortization) excluded from Total Debt**		(9,714)		(9,269)	(445)
Exchangeable Preferred LP Units		387,917		239,622	148,295
Other liabilities		174,985		155,987	18,998
Total liabilities	\$	2,750,498	\$	2,106,483	\$ 644,015
Unitholders' equity	\$	2,532,903	\$	2,160,949	\$ 371,954
Add: Exchangeable Preferred LP Units		387,917		239,622	148,295
Add: Obligation for purchase of Trust Units under automatic share purchase plan <sup>1</sup>		1,126		5,199	(4,073)
Net Asset Value**	\$	2,921,946	\$	2,405,770	\$ 516,176
<b>Total Debt** to Total Assets**<sup>2</sup></b>		<b>41.6%</b>		<b>40.3%</b>	<b>1.3%</b>

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

<sup>1</sup> Liability recorded for the obligation to purchase Trust Units during the blackout period after December 31, 2025 under the automatic share purchase plan, but respective Trust Units were not yet cancelled.

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

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

### Net Asset Value\*\*

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

(\$ thousands except per unit amounts) (unaudited)	As at and for the year ended December 31, 2025	As at and for the year ended December 31, 2024
NAV** beginning of the period	\$ 2,405,770	\$ 2,284,877
Net Income before adjustments to fair value**	198,807	163,014
Adjustments to fair value of derivative instruments	501	(3,546)
Adjustments to fair value of unit-based compensation	130	(1,312)
Adjustments to fair value of Exchangeable Preferred LP Units	16,993	(12,302)
Adjustments to fair value of investment properties	(33,246)	(66,381)
Trust Unit Distributions	(92,785)	(81,690)
	<b>2,496,170</b>	<b>2,282,660</b>
<b>Other capital allocation activities</b>		
NCIB activity	(79,225)	(21,875)
Trust Units issued for Acquisitions - net of costs	267,216	36,343
Exchangeable Preferred LP Units issued for Acquisitions and adjustments to fair value of Exchangeable Preferred LP Units	237,785	108,642
NAV** end of the period	\$ 2,921,946	\$ 2,405,770
NAV** per unit outstanding	\$ 21.21	\$ 21.55
Number of units outstanding <sup>1</sup> - end of period (in thousands)	137,740	111,614

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

<sup>1</sup> Units outstanding assume the exchange of Exchangeable Preferred LP Units for Trust Units. See Section 10.6, "Unit Equity and Distributions".

In the year ended December 31, 2025, NAV\*\* grew \$516.2 million driven by the NOI\*\* contributions from the Acquisitions partially offset by higher interest and other financial charges. NAV\*\* per unit declined \$0.34 per unit driven by the increased unit count from the equity issuances attributable to acquisitions, the timing of the acquisitions, and the negative adjustments to fair value of investment properties. During the year ended December 31, 2025, Primaris repurchased and cancelled 5,237,809 Trust Units. This activity was a positive contribution of \$0.77 per unit to NAV\*\* (assuming units outstanding as the only variable changing).

In the year ended December 31, 2024, NAV\*\* grew \$120.9 million. Excluding the net growth from other capital allocation activities, NAV\*\* increased \$2.2 million despite incurring a negative \$66.4 million adjustment to the fair value of investment properties primarily due to the expansion of discount and terminal capitalization rates by 8 bps and a negative \$39.7 million impact due to higher interest expense.

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

### Impact of NCIB Activity on NAV\*\* per unit

To capitalize on the Trust Units trading at a price below the NAV\*\* per unit, Primaris continued to purchase Trust Units for cancellation under its NCIB program, on a leverage neutral basis (see Section 10.7, "Normal Course Issuer Bid"). During the year ended December 31, 2025, Primaris purchased 5,237,809 Units for cancellation at an average value per unit of \$15.13, representing a discount of 28.7% to NAV\*\* per unit (year ended December 31, 2024 - 1,534,500, \$14.26, and 33.9%, respectively).

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

(\$ thousands except per unit amounts) (unaudited)		Quarter ended	Quarter ended	Quarter ended	Quarter ended	As at
As at or for the periods ending	2025 Year End	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024
NAV** per unit		\$ 21.21	\$ 21.58	\$ 21.43	\$ 21.40	\$ 21.55
Average NAV** per unit in the quarter		\$ 21.40	\$ 21.51	\$ 21.42	\$ 21.48	
Trust Units repurchased under NCIB (in thousands)	5,238	515	354	2,664	1,705	
Value of Trust Units repurchased at the average of NAV** per unit in each period <sup>1</sup>	\$ 112,322	\$ 11,021	\$ 7,615	\$ 57,063	\$ 36,623	
Cost of repurchased units under NCIB	79,225	7,978	5,329	39,912	26,006	
<b>Excess value over repurchase cost</b>	<b>\$ 33,097</b>	<b>\$ 3,043</b>	<b>\$ 2,286</b>	<b>\$ 17,151</b>	<b>\$ 10,617</b>	
Excess value repurchased per unit	\$ 0.26	\$ 0.02	\$ 0.02	\$ 0.13	\$ 0.09	
Units outstanding at the end of the period (in thousands) <sup>2</sup>		137,740	126,807	127,160	121,366	111,614

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

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

<sup>2</sup> Units outstanding assume the exchange of Exchangeable Preferred LP Units for Trust Units. See Section 10.6, "Unit Equity and Distributions".

(\$ thousands except per unit amounts) (unaudited)		Quarter ended	Quarter ended	Quarter ended	Quarter ended	As at
As at or for the periods ending	2024 Year End	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
NAV** per unit		\$ 21.55	\$ 21.82	\$ 22.04	\$ 21.86	\$ 21.54
Trust Units repurchased under NCIB (in thousands)	1,534	390	589	354	201	
Value of Trust Units repurchased at the average of NAV** per unit in each period <sup>1</sup>	\$ 33,421	\$ 8,405	\$ 12,852	\$ 7,802	\$ 4,362	
Cost of repurchased units under NCIB	21,875	6,228	8,160	4,720	2,767	
<b>Excess value over repurchase cost</b>	<b>\$ 11,546</b>	<b>\$ 2,177</b>	<b>\$ 4,692</b>	<b>\$ 3,082</b>	<b>\$ 1,595</b>	
Excess value repurchased per unit	\$ 0.11	\$ 0.02	\$ 0.04	\$ 0.03	\$ 0.02	
Units outstanding at the end of the period (in thousands) <sup>2</sup>		111,614	104,913	105,503	105,857	106,058

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

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

<sup>2</sup> Units outstanding assume the exchange of Exchangeable Preferred LP Units for Trust Units. See Section 10.6, "Unit Equity and Distributions".

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

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

(\$ thousands except per unit amounts) (unaudited) For the periods ended	Year ended December 31, 2025		Year ended December 31, 2024	
<b>Impact of NCIB activity on the number of units outstanding:</b>				
Number of units outstanding <sup>1</sup> - end of period (in thousands)	137,740		111,614	
Number of Trust Units cancelled under the NCIB in the year (in thousands)	5,238		1,534	
Number of units outstanding <sup>1</sup> - excluding NCIB activity (in thousands)	142,978		113,148	
<b>Impact of NCIB on NAV** per unit considering the change to units outstanding:</b>				
Net Asset Value**	\$	2,921,946	\$	2,405,770
NAV** per unit outstanding	\$	21.21	\$	21.55
NAV** per unit outstanding - excluding NCIB activity		20.44		21.26
NAV** per unit impact of change in units outstanding only	\$	0.77	\$	0.29

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

<sup>1</sup> Units outstanding assume the exchange of Exchangeable Preferred LP Units for Trust Units. See Section 10.6, "Unit Equity and Distributions".

## Debt Metrics

Primaris' conservative capital structure leads to a low Average Net Debt\*\* to Adjusted EBITDA\*\* ratio.

(\$ thousands) (unaudited) For the years ended	December 31, 2025		December 31, 2024		Change
Adjusted EBITDA**	\$	331,961	\$	258,003	\$ 73,958
Average Net Debt**	\$	1,939,474	\$	1,487,657	\$ 451,817
Average Net Debt** to Adjusted EBITDA** Target 4.0x - 6.0x		5.8x		5.8x	—
Interest expense <sup>1</sup>	\$	106,142	\$	85,078	\$ 21,064
Interest Coverage** <sup>2</sup>		3.1x		3.0x	0.1x
Principal repayments	\$	4,713	\$	5,491	\$ (778)
Interest expense <sup>1</sup>	\$	106,142	\$	85,078	\$ 21,064
Debt Service Coverage**		3.0x		2.9x	0.1x

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

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

<sup>2</sup> Calculated on the basis described in the Trust Indentures.

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

The table below reconciles net income (loss), as determined in accordance with GAAP, to Adjusted EBITDA\*\* for the three months and years ended December 31, 2025 and 2024.

(\$ thousands) (unaudited) For the periods ended December 31,	Three months		Year end	
	2025	2024	2025	2024
Net income (loss)	\$ 60,779	\$ 22,164	\$ 183,185	\$ 79,473
Interest income <sup>1</sup>	(271)	(1,546)	(2,532)	(5,457)
Net interest and other financing charges	37,025	27,591	134,580	99,174
Amortization of other assets	216	286	1,106	1,272
Adjustments to fair value of derivative instruments	(401)	—	(501)	3,546
Adjustments to fair value of unit-based compensation	319	(518)	(130)	1,312
Adjustments to fair value of Exchangeable Preferred LP Units	(2,745)	(11,264)	(16,993)	12,302
Adjustments to fair value of investment properties	3,346	35,048	33,246	66,381
Adjusted EBITDA**	\$ 98,268	\$ 71,761	\$ 331,961	\$ 258,003

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

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

The tables below illustrate the calculation of Adjusted EBITDA\*\* for the periods ended December 31, 2025 and 2024.

(\$ thousands) (unaudited)	Year ended				
For the periods	December 31, 2025	Q4 2025	Q3 2025	Q2 2025	Q1 2025
Adjusted EBITDA**	\$ 331,961	98,268	82,013	77,422	74,258

(\$ thousands) (unaudited)	Year ended				
For the periods	December 31, 2024	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Adjusted EBITDA**	\$ 258,003	71,761	64,909	62,790	58,543

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

The tables that follow illustrate the calculation of Average Net Debt\*\* for the periods ended December 31, 2025 and 2024 based on the average of the Net Debt\*\* at the beginning of the period and each quarter end during the period included in the calculation of Adjusted EBITDA\*\*.

(\$ thousands) (unaudited)	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024
As at					
Total Debt**	\$ 2,197,310	\$ 2,048,508	\$ 2,081,182	\$ 1,871,851	\$ 1,720,143
less: Cash and cash equivalents	(34,287)	(7,556)	(5,546)	(59,462)	(114,774)
Net Debt**	\$ 2,163,023	\$ 2,040,952	\$ 2,075,636	\$ 1,812,389	\$ 1,605,369
Average Net Debt**	\$ 1,939,474				

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

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

(\$ thousands) (unaudited)	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
As at					
Total Debt**	\$ 1,720,143	\$ 1,741,434	\$ 1,528,609	\$ 1,530,074	\$ 1,493,803
less: Cash and cash equivalents and term deposit	(114,774)	(261,595)	(80,756)	(74,328)	(44,323)
Net Debt**	\$ 1,605,369	\$ 1,479,839	\$ 1,447,853	\$ 1,455,746	\$ 1,449,480
Average Net Debt**	\$ 1,487,657				

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

The tables below illustrate interest expense, for the calculation of the Interest Coverage\*\* and Debt Service Coverage\*\* ratios, for the periods ended December 31, 2025 and 2024.

(\$ thousands) (unaudited)	Year ended				
For the periods	December 31, 2025	Q4 2025	Q3 2025	Q2 2025	Q1 2025
Interest expense <sup>1</sup>	\$ 106,142	28,967	26,967	24,931	25,277

(\$ thousands) (unaudited)	Year ended				
For the periods	December 31, 2024	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Interest expense <sup>1</sup>	\$ 85,078	23,436	22,104	20,204	19,334

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

The tables below illustrate principal repayments, for the calculation of the Debt Service Coverage\*\* ratio, for the periods ended December 31, 2025 and 2024.

(\$ thousands) (unaudited)	Year ended				
For the periods	December 31, 2025	Q4 2025	Q3 2025	Q2 2025	Q1 2025
Principal repayments	\$ 4,713	1,198	1,177	1,166	1,172

(\$ thousands) (unaudited)	Year ended				
For the periods	December 31, 2024	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Principal repayments	\$ 5,491	1,149	1,399	1,465	1,478

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

### 10.5 Credit Rating

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

On March 15, 2023, Primaris received an issuer rating upgrade from DBRS to BBB (high), from BBB, maintaining a stable trend. This issuer rating upgrade resulted in a 0.25% reduction in Primaris' interest rates under its unsecured credit facilities as the applicable interest rate margins under its credit facilities are based on the external credit rating of the Trust. On April 17, 2025, DBRS completed its annual review and confirmed Primaris' issuer rating of BBB (high) with a stable trend.

The following table sets out the rating attributed to the Trust and its senior unsecured debentures as at December 31, 2025:

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

### 10.6 Unit Equity and Distributions

The table below illustrates the total Trust Units outstanding as at December 31, 2025 and December 31, 2024 assuming the exchange of all Exchangeable Preferred LP Units for Trust Units, and that no accrued and unpaid distributions at the time of such exchange.

<i>(units outstanding in thousands) (unaudited)</i>	December 31, 2025	December 31, 2024
As at		
Trust Units	117,960	99,854
Exchangeable Preferred LP Units	19,780	11,760
Total units	137,740	111,614

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 Promenades St-Bruno in Montreal, Quebec.

On June 17, 2025, 3,785,047 Trust Units and \$100 million of 6.00% Exchangeable Preferred LP Units, exchangeable into Trust Units at an exchange price of \$21.40, were issued as partial consideration for the Trust's acquisition of Lime Ridge Mall and Professional Centre in Hamilton, Ontario. The 3,785,047 Trust Units, along with an additional 4,672,897 Trust Units issued upon the exchange of the \$100 million Exchangeable Preferred LP Units, were subsequently sold to a syndicate of underwriters on a bought deal basis at a price of \$14.70 per unit in a secondary offering that closed on June 20, 2025. The Trust did not receive any proceeds from the secondary offering.

On January 31, 2025, 3,437,214 Trust Units were issued as partial consideration in connection with the Trust's acquisition of Oshawa Centre in Oshawa, Ontario and a 50% co-ownership interest in Southgate Centre in Edmonton, Alberta.

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

As at February 11, 2026, there were 117,887,978 Trust Units outstanding, or 137,667,858 Trust Units assuming the exchange of the Exchangeable Preferred LP Units into 19,779,880 Trust Units.

In accordance with the unit option plan of the Trust, no further options may be granted and following expiry of any remaining outstanding options thereunder, the unit option plan will terminate. As at February 11, 2026, there were options granted and outstanding to acquire up to 299,607 Units.

In February 2025, the Board of Trustees amended the Trust's incentive unit plan to, among other things, increase the overall maximum number of Units issuable under the incentive unit plan from 1,250,000 to 2,500,000. Such increase was confirmed by Unitholders at the Trust's annual meeting on May 1, 2025. As of February 11, 2026, the Trust had granted 1,422,375 incentive units which remain outstanding, 788 have been settled for Units and 1,076,837 incentive units remain available for grant.

### Exchangeable Preferred LP Units

As part of acquisition transactions, subsidiary limited partnerships of the Trust issued Exchangeable Preferred LP Units which are entitled to preferred distributions payable quarterly. In certain circumstances, the Exchangeable Preferred LP Units (together with any accrued and unpaid distributions thereon) are exchangeable into Trust Units. The following table details the Exchangeable Preferred LP Units outstanding as at December 31, 2025 and December 31, 2024.

Acquisition Transaction	Exchange Price	Trust Units on Exchange <sup>1</sup>	Distribution Rate	As at December 31, 2025	As at December 31, 2024
Conestoga Mall	\$21.49	3,722,662	6.00%	\$ 80,000	\$ 80,000
Halifax Shopping Centre	\$21.74	5,749,770	6.00%	125,000	125,000
Les Galeries de la	\$21.86	2,287,283	6.25%	50,000	50,000
Oshawa Centre	\$21.82	8,020,165	6.25%	175,000	—
<b>Value at Issuance</b>				\$ 430,000	\$ 255,000
<b>Fair value</b>				\$ 387,917	\$ 239,622
<b>Trust Units to be issued upon exchange</b>		<b>19,779,880</b>			

<sup>1</sup> Assumes there are no accrued and unpaid distributions on the Exchangeable Preferred LP Units at the time of exchange.

On June 17, 2025, a subsidiary limited partnership of the Trust issued \$100 million of Exchangeable Preferred LP Units, exchangeable into Trust Units at an exchange price of \$21.40 per unit, as partial consideration for the Trust's acquisition of Lime Ridge Mall and Professional Centre. These Exchangeable Preferred LP Units were exchanged into 4,672,897 Trust Units on June 20, 2025, which were subsequently sold to a syndicate of underwriters on a bought deal basis at a price of \$14.70 per unit in a secondary offering that closed the same day. The Trust did not receive any proceeds from the secondary offering.

On January 31, 2025, Primaris acquired Oshawa Centre in Oshawa, Ontario. As part of the acquisition consideration, a subsidiary limited partnership of the Trust issued \$175 million 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.

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

### Trust Unit Distributions

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

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

In the year ended December 31, 2025, Primaris declared \$92.8 million in distributions on the Trust Units. The monthly distributions reflect an annualized distribution of \$0.8617 per unit (year ended December 31, 2024 - \$81.7 million and \$0.8417 per unit, respectively). 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% effective December 31, 2025.

In the year ended December 31, 2025, Primaris declared \$25.5 million in distributions on the Exchangeable Preferred LP Units (year ended December 31, 2024 - \$13.2 million).

The tables below illustrate the amount of the Trust's distributions declared relative to the Trust's cash flows from operating activities and AFFO\*\*.

(\$ thousands) (unaudited)	Three months		Year end	
	2025	2024	2025	2024
For the periods ended December 31,				
Cash flows provided by operating activities	\$ 95,923	\$ 72,519	\$ 225,733	\$ 168,321
Less: Distributions declared on Trust Units	(25,628)	(21,177)	(92,785)	(81,690)
Less: Distributions declared on Exchangeable Preferred LP Units	(6,591)	(3,933)	(25,451)	(13,158)
<b>Excess of cash flows provided by operating activities over distributions</b>	<b>\$ 63,704</b>	<b>\$ 47,409</b>	<b>\$ 107,497</b>	<b>\$ 73,473</b>

(\$ thousands) (unaudited)	Three months		Year end	
	2025	2024	2025	2024
For the periods ended December 31,				
AFFO**	\$ 49,542	\$ 33,399	\$ 172,231	\$ 125,308
Less: Distributions declared on Trust Units	(25,628)	(21,177)	(92,785)	(81,690)
Less: Distributions declared on Exchangeable Preferred LP Units	(6,591)	(3,933)	(25,451)	(13,158)
<b>Excess of AFFO** over distributions</b>	<b>\$ 17,323</b>	<b>\$ 8,289</b>	<b>\$ 53,995</b>	<b>\$ 30,460</b>

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

### Taxation of the Trust

The Trust is a "mutual fund trust" and a "real estate investment trust" for purposes of the Tax Act. In each taxation year, the Trust will generally be subject to tax under Part I of the Tax Act on its taxable income for the year, including interest and net realizable taxable capital gains for that year, less the portion thereof that the Trust deducts in respect of the amounts paid or payable in the year to Unitholders. The Board intends to distribute all of the Trust's taxable income for each taxation year to the Unitholders and accordingly, the Trust will not be taxed on its income.

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

### 10.7 Normal Course Issuer Bid

On March 7, 2025, the TSX accepted Primaris' notice 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 Trust 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.

On March 11, 2025, Primaris entered into a new automatic share purchase plan ("ASPP") in respect of the renewed NCIB permitting the Trust's broker to continue purchasing Units in accordance with certain prearranged trading parameters, during periods when Primaris would not ordinarily be active in the market because of internal trading blackout periods, insider trading rules, or otherwise.

During the year ended December 31, 2025, Primaris purchased for cancellation 5,237,809 Trust Units under its NCIB program for aggregate consideration of \$79.2 million at an average cost per unit of approximately \$15.13.

(Unaudited)	Units Repurchased for Cancellation	Capital Allocated to NCIB	Average Price per unit	NAV** per unit (as at period end date)	Discount from NAV** per unit (as at period end date)	Impact on NAV** per unit outstanding <sup>1</sup>
For the periods ended,						
Year ended December 31, 2022	3,885,700	\$ 54,127	\$ 13.89	\$ 21.49	35.4 %	\$ 0.82
Year ended December 31, 2023	4,409,100	60,635	\$ 13.75	\$ 21.54	36.2 %	0.86
Year ended December 31, 2024	1,534,500	21,875	\$ 14.26	\$ 21.55	33.9 %	0.29
Quarter ended March 31, 2025	1,705,309	26,006	\$ 15.25	\$ 21.40	28.7 %	0.26
Quarter ended June 30, 2025	2,664,000	39,912	\$ 14.98	\$ 21.43	30.1 %	0.40
Quarter ended September 30, 2025	353,500	5,329	\$ 15.18	\$ 21.58	29.7 %	0.05
Quarter ended December 31, 2025	515,000	7,978	\$ 15.49	\$ 21.21	27.0 %	0.06
<b>Repurchased to December 31, 2025</b>	<b>15,067,109</b>	<b>\$ 215,862</b>	<b>\$ 14.31</b>	<b>\$ 21.21</b>	<b>32.5 %</b>	<b>\$ 2.74</b>
Repurchased subsequent to December 31, 2025	72,500	1,210	\$ 16.69			
<b>Total repurchases under the NCIB program from inception of the Trust through February 11, 2026</b>	<b>15,139,609</b>	<b>\$ 217,072</b>	<b>\$ 14.33</b>	<b>\$ 21.21</b>	<b>32.4 %</b>	

<sup>1</sup> The number of units outstanding was the only variable changed in the analysis.

At December 31, 2025, Primaris recorded an obligation in liabilities of \$1.13 million for the commitment to purchase Units under the ASPP. As at February 11, 2026, Primaris had purchased an additional 72,500 Units under the ASPP at an average per unit price of \$16.69 subsequent to year end.

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

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

### 10.8 Off-Balance Sheet Arrangements

In the normal course of operations, Primaris has issued letters of credit in connection with developments, financings, operations, and acquisitions. As at December 31, 2025, Primaris had outstanding letters of credit totaling \$0.5 million (December 31, 2024 - \$0.3 million).

Primaris has co-owners on various properties. As a rule, Primaris does not provide guarantees or indemnities for these co-owners because should such guarantees be provided, recourse would be available against the Trust in the event of a default of the co-owners. In such case, Primaris would have a claim against the underlying real estate investment. However, in certain circumstances, subject to compliance with the Declaration of Trust and the determination of management that the fair value of the co-owner's investment is greater than the mortgages payable which require Primaris' guarantee, such guarantees will be provided. As at December 31, 2025, Primaris had issued guarantees relating to co-owners' share of mortgage liabilities amounting to \$107.0 million (December 31, 2024 - \$107.7 million), which expire in 2027 and 2028 (December 31, 2024 - 2027 and 2028)

### 10.9 Contractual Obligations

As at December 31, 2025, the undiscounted future repayments on Primaris' debt instruments and other contractual obligations were as follows:

(\$ thousands) (unaudited)	2026	2027	2028	2029	2030	Thereafter	Total
Senior unsecured debentures - aggregate principal amount and interest	\$ 99,595	\$ 343,686	\$ 330,360	\$ 363,382	\$ 596,324	\$ 644,555	\$ 2,377,902
Mortgages payable - principal and interest	16,232	107,693	40,788	6,738	29,199	86,156	286,806
Other <sup>2</sup>	16,754	1,835	1,828	750	750	313	22,230
<b>Total obligation</b>	<b>\$ 132,581</b>	<b>\$ 453,214</b>	<b>\$ 372,976</b>	<b>\$ 370,870</b>	<b>\$ 626,273</b>	<b>\$ 731,024</b>	<b>\$ 2,686,938</b>

<sup>1</sup> Excludes interest on credit facilities and letters of credit.

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

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

### 11. QUARTERLY RESULTS OF OPERATIONS

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

(in thousands of Canadian dollars unless otherwise indicated)	Fourth Quarter 2025	Third Quarter 2025	Second Quarter 2025	First Quarter 2025	Fourth Quarter 2024	Third Quarter 2024	Second Quarter 2024	First Quarter 2024
Number of investment properties	32	33	37	36	37	37	38	39
GLA (in millions of square feet)	15.2	14.5	14.8	14.2	13.3	12.4	12.4	12.5
In-place occupancy	87.2%	91.8%	88.8%	93.2%	94.5%	93.4%	93.0%	92.0%
Committed occupancy	90.6%	92.8%	90.5%	94.2%	95.6%	94.8%	94.4%	94.1%
Total assets (in millions)	\$ 5,283	\$ 4,923	\$ 4,954	\$ 4,596	\$ 4,267	\$ 4,139	\$ 3,960	\$ 3,929
Total liabilities (in millions)	\$ 2,750	\$ 2,578	\$ 2,622	\$ 2,400	\$ 2,106	\$ 2,053	\$ 1,820	\$ 1,801
Rental revenue	\$188,303	\$159,190	\$150,760	\$150,214	\$143,161	\$119,536	\$120,010	\$119,218
Cash NOI**	\$105,740	\$ 89,393	\$ 83,971	\$ 80,423	\$ 80,232	\$ 70,024	\$ 67,379	\$ 62,871
Net income (loss)	\$ 60,779	\$ 40,880	\$ 50,379	\$ 31,147	\$ 22,164	\$(30,818)	\$ 42,246	\$ 45,881
Net income (loss) per unit <sup>1</sup>	\$ 0.441	\$ 0.322	\$ 0.396	\$ 0.294	\$ 0.199	\$(0.294)	\$ 0.400	\$ 0.433
Trust Units outstanding (in thousands)	117,960	107,027	107,380	101,586	99,854	95,441	96,031	96,385
Weighted average units outstanding <sup>1</sup> - diluted (in thousands)	138,291	128,224	122,841	119,965	113,055	106,237	106,852	106,911
Distribution per Trust Unit	\$ 0.217	\$ 0.215	\$ 0.215	\$ 0.215	\$ 0.212	\$ 0.210	\$ 0.210	\$ 0.210
Cash provided by operating activities	\$ 95,923	\$ 54,646	\$ 53,577	\$ 21,587	\$ 75,219	\$ 43,550	\$ 44,373	\$ 7,515
Operating capital expenditures	\$ 14,884	\$ 13,906	\$ 8,689	\$ 7,367	\$ 13,929	\$ 8,685	\$ 12,012	\$ 7,322
FFO**	\$ 70,896	\$ 56,772	\$ 54,662	\$ 52,701	\$ 51,962	\$ 44,558	\$ 45,068	\$ 41,478
FFO** per unit <sup>1</sup> - average diluted	\$ 0.513	\$ 0.443	\$ 0.445	\$ 0.439	\$ 0.460	\$ 0.419	\$ 0.422	\$ 0.388
FFO Payout Ratio**	42.3%	48.5%	48.3%	49.0%	46.1%	50.1%	49.8%	54.1%
AFFO**	\$ 49,542	\$ 38,896	\$ 42,275	\$ 41,518	\$ 33,399	\$ 32,284	\$ 29,482	\$ 30,143
AFFO** per unit <sup>1</sup> - average diluted	\$ 0.358	\$ 0.303	\$ 0.344	\$ 0.346	\$ 0.295	\$ 0.304	\$ 0.276	\$ 0.282
Total Debt** to Total Assets** <sup>2</sup>	41.6%	41.6%	42.0%	40.7%	40.3%	42.1%	38.6%	38.9%
Average Net Debt** to Adjusted EBITDA** <sup>3</sup>	5.8x	5.9x	5.8x	5.7x	5.8x	5.8x	5.7x	5.7x
Secured debt to Total Debt**	11.3%	12.1%	12.0%	13.4%	14.7%	13.7%	21.5%	21.6%
Weighted average term to debt maturity of Total Debt** (in years)	4.1	4.1	4.4	4.2	4.0	4.2	3.2	3.4
Weighted average interest rate of Total Debt**	5.07%	5.17%	5.17%	5.20%	5.28%	5.30%	5.19%	5.21%
NAV** per unit outstanding	\$ 21.21	\$ 21.58	\$ 21.43	\$ 21.40	\$ 21.55	\$ 21.82	\$ 22.04	\$ 21.86
Trust Unit market price - closing	\$ 15.59	\$ 15.33	\$ 14.72	\$ 14.89	\$ 15.47	\$ 16.35	\$ 13.27	\$ 13.95

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

<sup>1</sup> Net income (loss) per unit, weighted average units outstanding, FFO\*\* per unit and AFFO\*\* per unit are calculated assuming the exchange of Exchangeable Preferred LP Units for Trust Units. See Section 10.6, "Unit Equity and Distributions".

<sup>2</sup> Calculated on the basis described in the Trust Indentures.

<sup>3</sup> Adjusted EBITDA\*\* was calculated on a rolling four-quarters basis and Average Net Debt\*\* was calculated as the average of Net Debt\*\* at the beginning of the period and each quarter end during the rolling four-quarters included in the calculation of Adjusted EBITDA\*\*.

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

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### Factors impacting quarterly results of operations

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

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

Fourth quarter 2025: Issuance of 11,448,599 Trust Units pursuant to the Trust's public offering.

Fourth quarter 2025: Total Debt\*\* to Total Assets\*\* increased and secured debt to Total Debt\*\* decreased during the quarter primarily due to the issuance of \$250 million in senior unsecured debentures.

Fourth quarter 2025: Quarterly results were impacted by the acquisition of Promenades St-Bruno in Montreal, Quebec on October 10, 2025 for cash proceeds of \$499.1 million, including transaction costs.

Fourth quarter 2025: Disposition of an open air centre and a professional centre.

Fourth quarter 2025: Repurchased 515,000 Trust Units under the NCIB.

Third quarter 2025: Disposition of three strip plazas and an open air centre.

Third quarter 2025: Repurchased 353,500 Trust Units under the NCIB.

Second quarter 2025: Quarterly results were impacted by the acquisition of Lime Ridge Mall and Professional Centre in Hamilton, Ontario on June 17, 2025, for aggregate consideration comprised of \$235.0 million of cash (excluding acquisition costs), the issuance of \$81.0 million of Trust Units at an issue price of \$21.40 per unit, and the issuance of \$100.0 million Exchangeable Preferred LP Units which were exchanged into 4,672,89 Trust Units at an exchange price equal to \$21.40 per unit on June 20, 2025.

Second quarter 2025: Disposition of an industrial centre.

Second quarter 2025: Total Debt\*\* to Total Assets\*\* increased and secured debt to Total Debt\*\* decreased during the quarter primarily due to the issuance of \$200 million in senior unsecured debentures.

Second quarter 2025: Repurchased 2,664,000 Trust Units under the NCIB.

First quarter 2025: Quarterly results were impacted by the January 31, 2025 acquisition of Oshawa Centre in Oshawa, Ontario and a 50% co-ownership interest in Southgate Centre in Edmonton, Alberta for aggregate consideration comprised of \$335.0 million of cash (excluding acquisition costs), the issuance of \$75.0 million of Trust Units at an issue price of \$21.82 per unit, and the issuance of \$175.0 million of 6.25% Exchangeable Preferred LP Units exchangeable into Trust Units in certain circumstances at an exchange price equal to \$21.82 per unit, subject to customary adjustments.

First quarter 2025: Dispositions of two enclosed shopping centres and a professional centre.

First quarter 2025: Total Debt\*\* to Total Assets\*\* increased and secured debt to Total Debt\*\* decreased during the quarter primarily due to the issuance of \$200 million in senior unsecured debentures.

First quarter 2025: Repurchased 1,705,309 Trust Units under the NCIB.

Fourth quarter 2024: Repurchased 390,000 Trust Units under the NCIB.

Fourth quarter 2024: Disposition of grocery store anchored plaza.

Fourth quarter 2024: Issuance of 2,516,011 Trust Units pursuant to the Trust's public offering.

Fourth quarter 2024: Exchange of \$50.0 million Exchangeable Preferred LP Units into 2,287,283 Trust Units.

Fourth quarter 2024: Impact of IFRS accounting for amusement park assets, which are located within Les Galeries de la Capitale, increases amortization expense.

Fourth quarter 2024: Quarterly results were impacted by the October 1, 2024 acquisition of Les Galeries de la Capitale for aggregate consideration comprised of \$204.0 million of cash and the issuance of \$100.0 million of 6.25%

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

Exchangeable Preferred LP Units. Operating results from the acquisition include the revenue and expenses from the operation of both the shopping centre and the amusement park located within the centre.

Third quarter 2024: Repurchased 589,500 Trust Units under the NCIB.

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

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

Second quarter 2024: Repurchased 354,000 Trust Units under the NCIB.

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

First quarter 2024: Repurchased 201,000 Trust Units under the NCIB.

## 12. NON-GAAP MEASURES

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

Management believes these non-GAAP measures are useful to assessing the Trust's performance period over period and the Trust's ability to meet its financial obligations. However, none of the non-GAAP measures should be construed as an alternative to financial measures calculated in accordance with GAAP. Furthermore, these non-GAAP measures may not be comparable to similar measures presented by other real estate entities and should not be construed as an alternative to financial measures determined in accordance with IFRS. These non-GAAP financial measures are defined below and are cross referenced, as applicable, to a quantitative reconciliation contained in this MD&A to the most directly comparable GAAP financial measure in the Financial Statements.

Non-GAAP Measure	Description	Reconciliation
Net Income before adjustments to fair value	Defined as net income (loss) after reversing the impacts of changes to fair value items on the balance sheet that are not recorded using the historical cost method, including but not limited to investment properties, Exchangeable Preferred LP Units, liabilities for unit-based compensation and derivative instruments. Management believes net income (loss) excluding the impacts of fair value adjustments provides further insights to the results of operations.	Section 9.1, "Components of Net Income (Loss)"
Net Operating Income (NOI)	Defined as rental revenue, as calculated under GAAP, less property operating costs, as calculated under GAAP. The calculation excludes certain expenses such as interest in order to reflect properties' operations regardless of how they are financed. Management believes that NOI is an important measure of the income generated from the income-producing properties and is used by the Trust in evaluating the performance of the portfolio. It is also a key input in determining the value of the income-producing portfolio.	Section 9.1, "Components of Net Income (Loss)"

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

Non-GAAP Measure	Description	Reconciliation
Cash NOI	<p>Defined as NOI net of revenue from straight-line rent adjustment and lease surrender revenue.</p> <p>Straight-line rent adjustments result from the difference between cash rent received and revenue recognized on a straight-line basis over the full term of the lease for accounting purposes. This is a non-cash amount.</p> <p>Lease surrender revenue is earned when a tenant returns space to Primaris before the completion of the lease term. These amounts are not earned evenly over any calendar year and are not predictable.</p> <p>Management believes excluding non-cash revenue from straight-line rent adjustments and inconsistently earned lease surrender revenue from the Cash NOI calculation provides further insights to the operations of the income-producing property portfolio.</p>	Section 9.1, "Components of Net Income (Loss)"
Cash NOI Margin	<p>Cash NOI Margin is a ratio calculated based on Cash NOI as a percentage of rental revenue excluding the impact of straight-line rent adjustment and lease surrender revenue.</p> <p>Management believes that Cash NOI Margin is an important measure of the percentage of income generated from the income-producing properties and is used to evaluate the performance of the portfolio.</p>	Section 9.1, "Components of Net Income (Loss)"
Same Properties NOI / Cash NOI	<p>Same Properties NOI / Cash NOI is used to assess the period-over-period performance of those income-producing properties owned and operated by Primaris in both periods, excluding properties under development or major redevelopment. NOI / Cash NOI from properties that have been acquired, disposed, or are subject to significant change as a result of new development, redevelopment, expansion or demolition are excluded from the determination of Same Properties NOI / Cash NOI.</p> <p>Management believes Same Properties NOI / Cash NOI is useful in evaluating the realization of contractual rental rate changes embedded in lease agreements, and understanding the impact of period-over-period changes in occupancy, rental rates, and operating costs on income-producing property performance.</p>	Section 9.1, "Components of Net Income (Loss)"
Funds from Operations (FFO) / FFO per unit	<p>Primaris calculates FFO as defined by REALPAC. In calculating FFO, net income (or loss) is adjusted for items that do not arise from operating activities.</p> <p>Management believes that FFO is a useful measure of operating performance that, when compared period over period, reflects the impact on operations of trends in occupancy levels, rental rates, acquisition activity, and financing costs.</p> <p>FFO per unit is a non-GAAP ratio calculated by dividing FFO by the weighted average units, both basic and diluted (includes the impact of units outstanding under the Trust's incentive unit plan), outstanding during the period. The calculation for the units outstanding assumes the exchange of Exchangeable</p>	Section 9.2, "FFO** and AFFO***"
Adjusted Funds from Operations (AFFO) / FFO per unit	<p>Primaris calculates AFFO as defined by REALPAC. In calculating AFFO, FFO is adjusted for capital expenditures incurred to maintain the existing productive capacity of the property portfolio and eliminates the impact of straight-line rent adjustments. AFFO is impacted by the seasonality inherent in the timing of executing operating capital projects.</p> <p>Management believes that AFFO is a useful measure of operating performance. AFFO per unit is a non-GAAP ratio calculated by dividing AFFO by the weighted average units, both basic and diluted (includes the impact of units outstanding under the Trust's incentive unit plan), outstanding during the period. The calculation for the units outstanding assumes the exchange of Exchangeable Preferred LP Units for Trust Units.</p>	Section 9.2, "FFO** and AFFO***"

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

Non-GAAP Measure	Description	Reconciliation
FFO and AFFO Payout Ratios	FFO and AFFO Payout Ratios are supplementary measures calculated as cash distributions per unit divided by FFO and AFFO per diluted unit, respectively. Primaris uses these ratios to assess the sustainability of the Trust's distribution payments.	Section 9.2, "FFO** and AFFO***"
Secured debt to Total Debt	Secured debt to Total Debt is a non-GAAP ratio calculated as total secured debt divided by Total Debt. This ratio is a useful measure of the Trust's relative exposure to secured and unsecured debt in relation to total debt.	Section 10.2, "Liquidity and Unencumbered Assets"
Unencumbered Assets to Unsecured Debt	Unencumbered Assets to Unsecured Debt is a non-GAAP ratio calculated as the carrying value of all investment properties that have not been pledged as security for debt divided by total unsecured indebtedness. This ratio is a useful measure of the investment properties available to satisfy unsecured debt obligations.	Section 10.2, "Liquidity and Unencumbered Assets"
Debt or Total Debt	Debt (or Total Debt), as defined for use in certain financial ratios, is calculated as total outstanding debt from senior unsecured debentures, mortgages payable and credit facilities, excluding deferred financing costs and mark-to-market adjustments. The Exchangeable Preferred LP Units are also excluded.	Section 10.4, "Capital Structure"
Net Debt	Net Debt is calculated as Total Debt less cash and cash equivalents and term deposit balances.	Section 10.4, "Capital Structure"
Average Net Debt	The average of Net Debt outstanding is utilized in this MD&A for the calculation of Average Net Debt to Adjusted EBITDA. Unless otherwise indicated, Average Net Debt is calculated as the average of Net Debt at the beginning of the period and each quarter end during the period corresponding to the rolling four-quarters included in the calculation of Adjusted EBITDA.	Section 10.4, "Capital Structure"
Total Debt to Total Assets	Total Debt to Total Assets, defined in the Trust Indentures, is determined by dividing Total Debt as defined above by total assets as presented on the consolidated statement of financial position. Management believes this ratio is useful in evaluating the Trust's flexibility to incur additional financial leverage.	Section 10.4, "Capital Structure"
Net Asset Value (NAV) / NAV per unit	NAV is calculated as total assets less total liabilities as calculated under IFRS with the exception of excluding any outstanding Exchangeable Preferred LP Units or amounts accrued under the ASPP from total liabilities. NAV per unit is a non-GAAP ratio calculated by dividing NAV by the Units outstanding at end of the period.	Section 10.4, "Capital Structure"
Adjusted Earnings before Income, Tax, Depreciation and Amortization (Adjusted EBITDA)	Adjusted EBITDA is calculated as net income (loss) reversing, where applicable, interest expense, income taxes, depreciation expense, amortization expense, and adjustments to fair value. Adjusted EBITDA is used by management as an input in several debt metrics and financial ratios to assess the Trust's ability to satisfy obligations, including servicing debt, financing capital expenditures, and providing distributions to Unitholders. Due to seasonality of net operating income, management generally considers Adjusted EBITDA on a rolling four-quarters basis.	Section 10.4, "Capital Structure"
Average Net Debt to Adjusted EBITDA	Management uses the ratio of Average Net Debt to Adjusted EBITDA to assess the Trust's ability to service debt requirements and gauge the strength of the Trust's financial condition.	Section 10.4, "Capital Structure"

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Non-GAAP Measure	Description	Reconciliation
Interest Coverage	<p>Interest Coverage, defined in the Trust Indentures, is calculated as Adjusted EBITDA divided by interest expense on Total Debt. This excludes amortization of deferred financing costs and mark-to-market adjustments. Distributions paid on the Exchangeable Preferred LP Units are also excluded.</p> <p>Management calculates Interest Coverage to assess the Trust's ability to service the interest requirements of the outstanding debt.</p>	Section 10.4, "Capital Structure"
Debt Service Coverage	<p>Debt Service Coverage is calculated as Adjusted EBITDA divided by the sum of interest expense and regularly scheduled principal payments on Total Debt. Interest expense excludes amortization of deferred financing costs and mark-to-market adjustments and principal payments exclude balloon, bullet, or similar principal payments at maturity. Distributions paid on the Exchangeable Preferred LP Units are also excluded.</p> <p>Management calculates Debt Service Coverage to assess the Trust's ability to meet obligations of the outstanding debt.</p>	Section 10.4, "Capital Structure"

### 13. ENTERPRISE RISKS AND RISK MANAGEMENT

Primaris is exposed to various risks and uncertainties, many of which are beyond its control, the occurrence of which could materially and adversely affect the Trust's investments, prospects, cash flows, results of operations, or financial condition and the ability to make cash distributions to Unitholders and negatively affect the value of the Units.

The Trust is committed to the practice of enterprise risk management (ERM) to identify and manage the potential events that represent risks to Primaris achieving its strategic objectives. Good governance practices are the foundation of risk governance. The Board sets the tone from the top of the organization by reinforcing the importance of risk management.

Management believes the risk factors described below and in Primaris' Annual Information Form are the most material risks that are faced by Primaris; however, they are not the only. Additional risk factors not presently known to management, or that management currently believes are immaterial could also materially and adversely affect the Trust's investments, prospects, cash flows, results of operations or financial condition, ability to make cash distributions to Unitholders and negatively affect the value of the Units.

#### 13.1 Risks Associated with Owning and Operating Real Property

All real property investments are subject to a degree of risk and uncertainty. Such investments are affected by various factors including general economic conditions, local real estate markets, demand for leased premises, competition from other available premises, and various other factors.

The value of real property, and any improvements thereto, may also depend on the credit and financial stability of the tenants. Distributable cash and the Trust's income would be adversely affected if one or more key tenants or a significant number of tenants were to become unable to meet their obligations under their leases or if a significant amount of available space in the properties, in which the Trust has an interest, is not able to be leased on economically favourable lease terms. In the event of default by a tenant, delays or limitations in enforcing rights as lessor may be experienced and substantial costs in protecting the Trust's investment may be incurred. Furthermore, at any time, a tenant of any of the properties in which the Trust has an interest may seek the protection of bankruptcy, insolvency, or similar laws that could result in the rejection and termination of such tenant's lease and thereby cause a reduction in the cash flow available to the Trust.

The Trust may, in the future, be exposed to a general decline of demand by tenants for space in properties. As well, certain of the leases of the properties held by the Trust have early termination provisions which, if exercised, would reduce the average lease term. However, such termination rights are generally exercisable only at a cost to the tenant

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and the amount of space in the Trust's portfolio of properties which could be affected by the exercise of early termination provisions is not significant.

The ability to rent unleased space in the properties in which the Trust has an interest will be affected by many factors and costs may be incurred in making improvements or repairs to property required by a new tenant. A prolonged deterioration in economic conditions could increase and exacerbate the foregoing risks. The failure to rent unleased space on a timely basis or at all would likely have an adverse effect on the Trust's financial condition.

Certain significant expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges must be made throughout the period of ownership of real property regardless of whether the property is producing any income. If the Trust is unable to meet mortgage payments on any property, losses could be sustained as a result of the mortgagee's exercise of its rights of foreclosure or sale.

A mortgage on any one property may, from time to time, exceed the estimated current market value of the related property. The cash flow from such a property may not be sufficient to cover debt servicing for that property. The cash flow from the portfolio of properties currently held by the Trust is, however, expected by management to be sufficient to cover any cash flow shortfalls on such a property.

### ***Current economic environment***

The Trust will be subject to risks involving the economy in general, including risks related to inflation, deflation or stagflation, recession, depression, rising interest rates, unemployment, geopolitical issues, such as sanctions, tariffs, trade disputes, trade tensions, conflicts, the imposition of exchange controls or other cross-border trade barriers and a local, regional, national or international outbreak of a contagious disease. Global inflation, exacerbated by supply chain issues and other macroeconomic conditions and geopolitical uncertainties, may keep central banks aggressive in their attempts to mitigate pricing pressures. In particular, increased tariffs on Canadian exports by the U.S., and any retaliatory tariffs or other actions undertaken by Canada, could have a significant effect on the economy and could cause increased costs and disruptions to the business of our key tenants, or have as yet unknown consequences, which in turn could impact on the Trust's financial condition and operations.

Poor economic conditions could adversely affect the Trust's ability to generate revenues, thereby reducing its operating income and earnings. It could also have an adverse impact on the ability of the Trust to maintain occupancy rates which could harm the Trust's financial condition. In weak economic environments, the Trust's tenants may be unable to meet their rental payments and other obligations due to the Trust, which could have a material and adverse effect on the Trust. In addition, fluctuations in interest rates or other financial market uncertainty or volatility may adversely affect the Trust's ability to refinance existing indebtedness on its maturity or on terms that are as favourable as the terms of existing indebtedness and may adversely affect the ability of the Trust to complete acquisitions on financially desirable terms.

### ***Real property valuations***

Valuations of real property reflect an assessment of value based on the facts and circumstances as of the date the valuations were made. Such valuations may not have incorporated all relevant facts or may have relied on incorrect assumptions which may have been too optimistic or not sufficiently optimistic. Furthermore, valuations conducted at one point in time may not be reflective of value at another point in time, nor may the valuation be reflective of the value that could be obtained on a sale or other transaction.

In addition, the valuation process is dependent on several inputs, including discount and terminal capitalization rates. Risks associated with the Trust's property valuation model include fluctuations in discount and terminal capitalization rates, which can significantly impact the value of the Trust's portfolio.

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### **Land leases**

To the extent that the properties in which the Trust has or will have an interest are located on leased land, the land leases may be subject to periodic rate resets that may fluctuate. This may result in significant rental rate adjustments and therefore have a potential negative effect on the cash flow of the Trust.

### **Geographic concentration**

The Trust's portfolio of properties is limited to Canadian retail properties, the majority of which are located in Ontario and Alberta. As a result, the Trust's performance, the market value of the properties and the income generated by the Trust are particularly sensitive to changes in the economic condition and regulatory environment of Ontario and Alberta. Adverse changes in the economic condition or regulatory environment of Ontario and Alberta may have a material adverse effect on the Trust's business, cash flows, financial condition and results of operations and its ability to make distributions.

### **Credit risk and tenant concentration**

The Trust is exposed to credit risk as an owner of real estate in that tenants may become unable to pay the contracted rents. Management mitigates this risk by carrying out appropriate credit checks and related due diligence on its significant tenants. In addition, management ensures that no tenant or related group of tenants, other than investment grade tenants, accounts for a significant portion of the Trust's cash flow.

In that regard, the Declaration of Trust restricts the leasing or subleasing of real property, premises or space to any person where that person and its affiliates would, after the contemplated lease or sublease, be leasing or subleasing real property, premises or space having a fair market value net of encumbrances in excess of 20% of Total Assets (as defined in the Declaration of Trust), unless the lease or sublease is for a renewal or where the lessee or sublessee is, or the lease or sublease is guaranteed by, the Government of Canada, the Government of the United States, any province or territory of Canada, any state of the United States, any municipality or city in Canada or the United States, or any agency or crown corporation thereof, and certain issuers, the securities of which meet stated investment criteria or are investment grade, or a Canadian chartered bank or trust company or insurance company registered or licensed federally or under the laws of a province of Canada.

### **Reliance on anchor tenants and tenant bankruptcies**

Retail shopping centres have traditionally relied on anchor tenants (department stores, discount department stores, and grocery stores), and therefore they are subject to the risk of such anchor tenants either moving out of the property or going out of business. Anchor tenants generally occupy large amounts of leasable area, pay a significant portion of the total rents at a property, and contribute to the success of other tenants by drawing significant numbers of customers to a property. Certain of the Trust's anchor tenants are permitted to cease operating from their leased premises at any time at their option. Other anchor tenants are permitted to cease operating from their leased premises or to terminate their leases if certain events occur. Notwithstanding that such tenants would remain liable to pay all remaining rent in accordance with their leases, the exercise of such rights by an anchor tenant may have a negative effect on a property. There can be no assurance that such rights will not be exercised by an anchor tenant in the future.

The Trust's profit could be adversely affected in the event of a downturn in the business or the bankruptcy, or insolvency of any anchor tenant (such as the recent proceedings involving the Hudson's Bay Company under the *Companies' Creditors Arrangement Act*). The closing of one or more anchor stores at a multi-tenant property could have an adverse effect on that property. At a multi-tenant property, vacated anchor tenant space tends to adversely affect the entire shopping centre because of the loss of the departed anchor tenant's power to draw customers to the property, which in turn may cause other tenants' operations to suffer and adversely affect such other tenants' ability to pay rent or perform any other obligations under their leases. Moreover, a lease termination by an anchor tenant or a failure by that anchor tenant to occupy the premises may entitle other tenants of the property to cease operating from their premises, to a

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reduction of rent payable under their leases, and/or to terminate their leases. No assurance can be given that the Trust will be able to quickly re-lease space vacated by an anchor tenant on favourable terms, if at all. If any anchor tenant were to leave a property, the property could be negatively affected, which could have an adverse effect on the Trust's financial condition and results of operations, and could decrease the amount of cash available to pay distributions.

Bankruptcy filings by retailers occur periodically in the normal course of operations for reasons such as increased competition, outdated business models, internet sales, changing demographics, poor economic conditions, rising costs, and changing shopping trends. The Trust continually seeks to re-lease, redevelop and repurpose vacant space resulting from any tenant bankruptcies.

### ***Lease rollover risk***

Lease rollover risk arises from the possibility that the Trust may experience difficulty renewing leases as they expire, or in re-leasing space vacated by tenants upon lease expiry, or that the Trust may not achieve rental rate increases upon such renewals. In order to mitigate this risk, management's strategy is to sign creditworthy tenants to leases that are long-term in nature, have staggered lease maturities and use built-in rental escalations, each of which assists in the Trust's pursuit to maintain predictable cash flow. The ability to rent unleased space in the properties in which the Trust has an interest will be affected by many factors. The failure to rent unleased space on a timely basis, or at all, or to achieve rental rate increases would likely have an adverse effect on the Trust's financial condition, and could decrease the amount of cash available for distribution.

### ***Competition***

The real estate business is competitive. Numerous other developers, managers, and owners of properties compete with the Trust in seeking tenants. Some of the properties that compete with the Trust's properties may be newer, better located, less levered, or have stronger anchor tenants than the Trust's properties. Some property owners with properties that compete with the Trust's properties may be better capitalized and stronger financially, and hence better able to withstand an economic downturn. Competitive pressures in such markets could have a negative effect on the Trust's ability to lease space in its properties, and on the rents charged or concessions granted, which could have an adverse effect on the Trust's financial condition and results of operation and decrease the amount of cash available for distribution.

The Trust competes for suitable real property investments with individuals, corporations, other real estate investment trusts, and institutions (both Canadian and foreign) which are presently seeking, or which may seek in the future, real property investments similar to those desired by the Trust. Many of these investors have greater financial resources than the Trust, or operate without the Trust's investment restrictions, or according to more flexible conditions. An increase in the availability of investment funds and interest in real property investments, would tend to increase competition for real property investment, thereby increasing purchase prices and reducing the yields thereon.

### ***Asset class concentration***

The Trust's portfolio of retail properties is primarily comprised of dominant enclosed shopping centre properties, with the remainder of the properties comprised of unenclosed shopping centres, mixed-use properties and one industrial centre. Significant deterioration of the retail shopping centre market in general, or the financial health of key tenants in particular, could have an adverse effect on the Trust's business, financial condition or results of operations. As well, shifting consumer preferences toward e-commerce may result in a decrease in the demand for physical space by retail tenants. The failure of the Trust to adapt to changes in the retail landscape, including finding new tenants to replace any lost income stream from existing tenants that reduce the amount of physical space they lease from the Trust could adversely affect the Trust's financial performance.

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### ***Construction risks***

It is likely that the Trust will be involved in various development projects. The Trust's obligations in respect of properties under construction, or which are to be constructed, are subject to risks which include (i) the potential insolvency of a third-party developer (where the Trust is not the developer); (ii) a third-party developer's failure to use advanced funds in payment of construction costs; (iii) a shortage of experienced labour in construction related trades; (iv) construction or other unforeseeable delays; (v) cost overruns; (vi) the failure of tenants to occupy and pay rent in accordance with existing lease agreements, some of which are conditional; (vii) the incurring of construction costs before ensuring rental revenues will be earned from the project; and (viii) increases in interest rates during the period of the development. Management strives to mitigate these risks where possible by entering into fixed price construction contracts with general contractors (and, to the extent possible, on a bonded basis) and by attempting to obtain long-term financing as early as possible during construction.

### ***Operating capital expenditures***

Operating capital expenditures are incurred in irregular amounts and may exceed actual cash available from operations during certain periods. The Trust may be required to use part of its debt capacity or reduce distributions in order to accommodate such expenditures. Operating capital outlays for recoverable improvements may exceed recovery of amounts from tenants.

### ***Co-ownership interest in properties***

In certain situations, the Trust may be adversely affected by a default by a co-owner of a property under the terms of a mortgage, lease, or other agreement. Although all co-owners' agreements to which the Trust is or may in the future become a party provide or will provide, as applicable, for remedies to the Trust in such circumstances, such remedies may not be exercisable in all circumstances, or may be insufficient or delayed, and may not cure a default in the event that such default by a co-owner is deemed to be a default of the Trust.

### ***Potential acquisition, investment and disposition opportunities and joint venture arrangements***

The Trust regularly evaluates business and growth opportunities and is expected to consider a number of acquisition, investment and disposition opportunities and joint venture arrangements to achieve its business and growth strategies. In the normal course, the Trust may have outstanding non-binding letters of intent and/or conditional agreements or may otherwise be engaged in discussions with respect to potential acquisitions and financing of new assets, the refinancing of existing assets, potential dispositions, establishment of new joint venture arrangements, the viability and status of its joint venture arrangements, and changes to its capital structure, each of which, individually or in the aggregate, may or may not be material if they were to progress. However, there can be no assurance that any of these discussions will result in a definitive agreement and, if they do, what the terms or timing of any acquisition, investment or disposition would be or that such acquisition, investment, or disposition will be completed by the Trust. Similarly, there can be no assurance that the Trust will enter into new joint venture arrangements or continue any existing joint venture arrangements. If the Trust does complete such transactions, the Trust cannot provide assurance that they will ultimately strengthen its competitive position or that they will not be viewed negatively by customers, securities analysts, or investors. Such transactions may also involve significant commitments of the Trust's financial and other resources. Any such activity may not be successful in generating revenue, income or other returns to the Trust, and the resources committed to such activities will not be available to the Trust for other purposes.

Acquisitions of properties by the Trust are subject to the normal commercial risks and satisfaction of closing conditions that may include, among other things, lender approval, *Competition Act* (Canada) approval, receipt of estoppel certificates, and obtaining title insurance. Such acquisitions may not be completed or, if completed, may not be on terms that are exactly the same as initially negotiated. In the event that the Trust does not complete an acquisition, it may have an adverse effect on the operations and results of the Trust in the future and its cash available for distributions.

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### ***Potential undisclosed liabilities associated with acquisitions***

The Trust is expected to acquire properties that are subject to existing liabilities, some of which may be unknown at the time of the acquisition or which the Trust may fail to uncover in its due diligence. Unknown liabilities might include liabilities for cleanup or remediation of undisclosed environmental conditions, claims by tenants, suppliers of goods and services, or other persons dealing with the vendor or predecessor entities (that have not been asserted or threatened to date), and accrued but unpaid liabilities incurred in the ordinary course of business. Representations and warranties given by third parties to the Trust regarding acquired properties may not adequately protect against these liabilities and any recourse against third parties may be limited by the financial capacity of such third parties. While in some instances the Trust may have the right to seek reimbursement against an insurer or another third party for certain of these liabilities, the Trust may not have recourse for all of these liabilities.

### ***Public health crises***

The Trust's business, cash flows, financial condition and results of operations could be materially adversely affected by the outbreak of epidemics or pandemics or other health crises beyond the Trust's control. Reactions to the spread or worsening of an outbreak may lead to, among other things, significant restrictions on travel, business closures, quarantines, social distancing and other containment measures and a general reduction in consumer activity. While these effects may be temporary, the duration of any business disruptions and related financial impact cannot be reasonably estimated, and may be instituted, terminated and re-instituted from time to time as an outbreak worsens or waves of an outbreak occur from time to time. Certain aspects of the Trust's business and operations that could potentially be impacted by such an event include rental income, occupancy, tenant inducements, future demand for space and market rents, changes in the preferences of tenants and prospective tenants, temporary or long-term labour shortages or disruptions, temporary or long-term impacts on domestic and global supply chains, increased risks to IT systems and networks, impairments and/or write-downs of assets, and the deterioration of worldwide credit and financial markets that could limit the Trust's ability to access capital and financing on acceptable terms or at all.

### ***Cyber security risk***

Cyber security has become an increasingly problematic issue for businesses in Canada and around the world. The occurrence, sophistication, and severity of cyber-attacks continue to rise, as hackers adopt artificial intelligence tools and other innovations. The risk of cyber-attacks has also increased as a result of geopolitical tensions, as vulnerability may be probed by state-sponsored actors. Cyber-attacks against large organizations are increasing in sophistication and are often focused on financial fraud, compromising sensitive data for inappropriate use, or disrupting business operations. A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity, or availability of the Trust's information resources. More specifically, a cyber-incident is an intentional attack or an unintentional event that can include gaining unauthorized access to information systems to disrupt operations, corrupt data, or steal confidential information. As the Trust's reliance on technology has increased, so have the risks posed to its systems. The Trust's primary risks that could directly result from the occurrence of a cyber-incident include operational interruption, damage to its reputation, damage to the Trust's business relationships with its tenants, disclosure of confidential information regarding its tenants, employees and third parties with whom the Trust interacts, and may result in negative consequences, including remediation costs, loss of revenue, additional regulatory scrutiny, and litigation. The Trust has implemented processes, procedures, and controls to help mitigate these risks, but these measures, as well as its increased awareness of a risk of a cyber-incident, do not guarantee that its financial results will not be negatively impacted by such an incident.

### ***Data governance and decision support***

Primaris depends on relevant and reliable information to operate its business. As the volume of data being generated and reported continues to increase, data accuracy, quality, and governance are required for effective decision making.

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Failure by Primaris to leverage data in a timely manner may adversely affect its ability to execute its strategy and therefore impact its financial performance.

### ***Environmental and climate change risk***

As an owner of interests in real property in Canada, the Trust is subject to various Canadian federal, provincial, and municipal laws relating to environmental matters. These laws impose a liability for the cost of removal and remediation of certain hazardous materials released or deposited on properties owned by the Trust or adjacent properties.

In accordance with best management practices, Phase I environmental audits are completed on all properties prior to acquisition. Further investigation will be conducted if Phase I tests indicate a potential problem. The Trust has operating policies to monitor and manage risk. In addition, the standard lease utilized requires tenants to comply with environmental laws and regulations and restricts tenants from carrying on environmentally hazardous activities or having environmentally hazardous substances on site.

Natural disasters and severe weather such as floods, ice storms, blizzards, and rising temperatures may result in damage to the Trust's properties. The extent of the Trust's casualty losses and loss in net operating income\*\* in connection with such events is a function of the severity of the event and the total amount of exposure in the affected area. The Trust is also exposed to risks associated with inclement winter weather, including increased need for maintenance and repair of the Trust's buildings. In addition, climate change, to the extent it causes changes in weather patterns, could have effects on the Trust's business by increasing the cost to recover and repair the Trust's properties and/or by increasing property insurance costs to insure a property against natural disasters and severe weather events.

The Trust has taken proactive steps to mitigate the risk of climate change on its business and its properties and to address the Trust's environmental impact.

### ***Dependence on key personnel, talent management and succession planning***

Primaris' continued growth is dependent on its ability to hire, retain and develop its leaders and other key personnel. Any failure to effectively attract and retain talented and experienced employees and to establish adequate succession planning and retention strategies could result in a lack of requisite knowledge, skill and experience. This could erode the Trust's competitive position or result in increased costs and competition for, or high turn-over of, employees. Any of the foregoing could have an adverse effect on the Trust.

### ***Potential conflicts of interest***

The Trust may be subject to various conflicts of interest because of the fact that members of management and the Trustees may be engaged in a wide range of real estate and other business activities and the Trust may become involved in transactions which conflict with the interests of the foregoing.

Management of the Trust and the Trustees may from time-to-time deal with persons, firms, institutions, or corporations with which the Trust may be dealing, or which may be seeking investments similar to those desired by the Trust. The interests of these persons could conflict with those of the Trust. In addition, from time to time, these persons may be competing with the Trust for available investment opportunities.

Any decisions regarding the enforcement by the Trust of the terms of any agreement entered into by the Trust with a non-independent Trustee or with an associate of a non-independent Trustee may be made by a majority of the independent Trustees. There is a risk that non-independent Trustees may attempt to influence the independent Trustees in this regard.

### ***Litigation and regulatory risk***

Primaris' operations are subject to a wide variety of laws and regulations across all of its operating jurisdictions and Primaris faces risks associated with legal and regulatory changes and litigation. In the normal course of operations,

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Primaris may become involved in various legal actions, including claims relating to personal injury, property damage, property taxes, land rights, and contractual and other commercial disputes and the resolution of such actions may have an adverse effect on the Trust's financial position or results of operations. Primaris retains external legal consultants to assist it in remaining current and compliant with legal and regulatory changes and to respond to litigation.

### ***Uninsured losses***

Primaris carries comprehensive general liability, environmental, fire, flood, extended coverage and rental loss insurance with policy specifications, limits and deductibles customarily carried for similar properties. There are, however, certain types of risks (including, but not limited to, environmental contamination or catastrophic events such as war, insurrection, rebellion, revolution, civil war, usurped power, or action taken by a government authority in hindering, combating or defending against such an event, nuclear reaction or nuclear radiation or radioactive contamination or acts of terrorism) which are either uninsurable, in whole or in part, or not insurable on an economically viable basis. Should an uninsured or under-insured loss occur, the Trust could lose its investment in, and anticipated profits and cash flows from, one or more of its properties, and the Trust would continue to be obliged to repay any recourse mortgage indebtedness on such properties.

## **13.2 Risks Relating to Financial Markets and Liquidity**

### ***Interest rate and other debt-related risks***

The Trust will be exposed to financing risk on maturing debt and interest rate risk on its borrowings. Despite recent reductions in the Bank of Canada overnight lending rate, ongoing economic uncertainty may result in a slower pace of interest rate cuts or a slower pace of changes in interest rates available in the market. Higher interest rates may lead to the Trust's debt being refinanced at higher rates than when initially obtained, thereby reducing net income and cash flows which could ultimately affect the level of distributions. The Trust aims to minimize 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.

If the Trust's indebtedness is replaced by new debt that has less favourable terms or if the Trust is unable to secure adequate funding, distributions by the Trust to Unitholders may be adversely impacted. In addition, failure by the Trust to comply with its obligations under the documents governing such indebtedness (including in the case of the credit facilities, the failure to meet certain financial ratios and financial conditions tests) may adversely impact the Trust's ability to make cash distributions on the Units.

The Trust's credit facilities contain terms and covenants that limit the discretion of management with respect to certain business matters. These covenants place restrictions on, among other things, the ability of the Trust to allow liens or other encumbrances to be created against the Trust's assets, to make certain payments, investments, loans and guarantees and to sell or otherwise dispose of assets and merge or consolidate with another entity. In addition, the credit facilities contain a number of financial covenants that require the Trust to meet certain financial ratios and financial condition tests. A failure to comply with the obligations in the credit facilities could result in a default which, if not cured or waived, could result in acceleration of the relevant indebtedness.

### ***Liquidity risk***

Real property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relationship with demand for and the perceived desirability of such investments. Such illiquidity will tend to limit the Trust's ability to vary its portfolio promptly in response to changing economic or investment conditions. If, for whatever reason, liquidation of assets is required, there is a risk that sale proceeds realized might be less than the previously estimated

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market value of the Trust's investments or that market conditions, including the impact of geopolitical events, would prevent prompt disposition of assets.

### ***Ability to access capital markets***

As the Trust distributes a portion of its income to Unitholders, the Trust may need to obtain additional capital through capital markets or financing activities with lenders, and the Trust's ability to access the capital markets through equity issues and forms of secured or unsecured debt financing may affect the operations of the Trust as such financing may be available only on disadvantageous terms, if at all. If financing is not available on acceptable terms, acquisitions or ongoing development projects may be curtailed and cash available for distributions or to fund future commitments may be adversely affected.

### ***Credit Rating Risk***

Credit ratings assigned to the Trust's debentures are not hold or sell recommendations, do not address the market price of the debentures, and are not assessments of the appropriateness of ownership of the debentures given various investment objectives. The credit ratings on the debentures may not reflect the potential impact of all risks and factors affecting the value of the debentures, including market risk, trading liquidity risk and covenant risk.

In addition, any credit rating that is assigned to the Trust's senior unsecured debentures may not remain in effect for any given period of time or may be lowered, withdrawn or revised by one or more of the rating agencies if, in their judgment, circumstances so warrant. Any lowering, withdrawal or revision of a credit rating may have an adverse effect on the market price of the debentures and the other securities of the Trust, may adversely affect a securityholder's ability to sell its debentures or other securities of the Trust and may adversely affect the Trust's access to financial markets and its cost of borrowing.

## **13.3 Risks Relating to Securities of the Trust**

### ***Prices of Primaris securities***

Publicly traded Units will not necessarily trade at values determined solely by reference to the underlying value of Trust assets. Accordingly, Units may trade at a premium or a discount to the underlying value of the assets of the Trust.

One of the factors that may influence the quoted price of Units is the annual yield on Units. Accordingly, an increase in market interest rates may lead investors in Units to demand a higher annual yield which could adversely affect the quoted price of Units. In addition, the quoted price of Units may be affected by changes in general market conditions, fluctuations in the markets for equity securities and numerous other factors beyond the control of the Trust.

Challenging market conditions, the health of the economy as a whole and numerous other factors beyond the control of the Trust, including geopolitical events, may have a material effect on the business, financial condition, liquidity, and results of operations of the Trust. Financial markets have previously experienced significant price and volume fluctuations that have particularly affected the market prices of securities of issuers and that have often been unrelated to the operating performance, underlying asset values, or the prospects of such issuers. There can be no assurance that such fluctuations in price and volume will not occur again. Accordingly, the market price of Units may decline even if the Trust's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If such increased levels of volatility and market turmoil occur, the Trust's operations could be adversely impacted, and the trading price of Units may be adversely affected.

### ***Debentures***

The likelihood that purchasers of the Trust's senior unsecured debentures will receive payments owing to them under the terms of such debentures will depend on the financial health of the Trust and its creditworthiness. In addition, such

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Discussion and Analysis

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debentures are unsecured obligations of the Trust and are subordinate in right of payment to all of the Trust's existing and future senior indebtedness. Therefore, if the Trust becomes bankrupt, liquidates its assets, reorganizes or enters into certain other transactions, the Trust's assets will be available to pay its obligations with respect to such debentures only after it has paid all of its senior indebtedness in full. There may be insufficient assets remaining following such payments to pay amounts due on any or all of the senior unsecured debentures then outstanding.

The senior unsecured debentures are also effectively subordinate to claims of creditors (including trade creditors) of the Trust's subsidiaries and claims of holders of the Exchangeable Preferred LP Units except to the extent the Trust is a creditor of such subsidiaries ranking at least *pari passu* with such other creditors or such subsidiaries have provided a guarantee with respect to the senior unsecured debentures. A parent entity is entitled only to the residual equity of its subsidiaries after all debt obligations of its subsidiaries are discharged. In the event of bankruptcy, liquidation or reorganization of the Trust, holders of indebtedness of the Trust (including holders of the senior unsecured debentures), may become subordinate to lenders to the subsidiaries of the Trust and to holders of Exchangeable Preferred LP Units, to the extent such subsidiary of the Trust has not provided a guarantee. The indentures governing such debentures do not prohibit or limit the ability of the Trust or its subsidiaries to incur additional debt or liabilities (including senior indebtedness), to amend and modify the ranking of any indebtedness or to make distributions, except, in respect of distributions where an event of default has occurred and such default has not been cured or waived. The indentures do not contain any provision specifically intended to protect holders of debentures in the event of a future leveraged transaction involving the Trust.

In addition, the Trust may be required to purchase all outstanding senior unsecured debentures upon the occurrence of a change of control. However, it is possible that following a change of control, the Trust will not have sufficient funds at that time to make any required purchase of such outstanding debentures or that restrictions contained in other indebtedness will restrict those purchases.

### ***Availability of cash for distributions***

Although the Trust intends to make distributions of its available cash to Unitholders in accordance with its distribution policy, these cash distributions may be reduced or suspended. The actual amount distributed by the Trust will depend on numerous factors including capital market conditions, the financial performance of the Trust's properties, the Trust's debt covenants and other obligations (including payment of distributions on the Exchangeable Preferred LP Units), its working capital requirements, its future capital requirements, its development commitments, and fluctuations in interest rates. Cash available to the Trust for distributions may be reduced from time to time because of items such as principal repayments on debt, tenant allowances, leasing commissions, capital expenditures, or any other business needs that Trustees deem reasonable. The Trust may be required to use part of its debt capacity in order to accommodate any or all of the above items. The market value of Units may decline significantly if the Trust suspends or reduces distributions. Trustees retain the right to re-evaluate the distribution policy from time to time as they consider appropriate.

### **Tax risk**

The Tax Act includes rules (referred to herein as the "SIFT Rules") which effectively tax certain income of a publicly-traded or listed trust that is distributed to its investors, and certain income of a publicly-traded or listed partnership, on the same basis as would have applied had the income been earned through a taxable Canadian corporation and distributed by way of dividend to its shareholders. The SIFT Rules apply only to "SIFT trusts", "SIFT partnerships" (each as defined in the Tax Act) and their investors. A trust that qualifies as a "real estate investment trust" (as defined in the Tax Act) for a taxation year will not be considered to be a SIFT trust in that year (the "REIT Exception").

Based on a review of the Trust's assets and revenues, management believes that the Trust will be able to meet the requirements of the REIT Exception for its current taxation year and intends to conduct the affairs of the Trust so that it will continue to meet the requirements of the REIT Exception at all future times. However, as the REIT Exception includes complex revenue and asset tests, no assurances can be provided that the Trust will qualify for the REIT

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Exception for the current taxation year or any subsequent taxation year such that the Trust and Unitholders will not be subject to the tax imposed by the SIFT Rules in the Trust's current taxation year or in future years. The SIFT Rules do not apply to a subsidiary trust or partnership of the Trust that is an "excluded subsidiary entity" (as defined in the Tax Act), which among other things, requires that only specified persons own units of such subsidiary trust or partnership. Four of the Trust's lower-tier subsidiary partnerships, which collectively hold seven acquired properties, do not presently qualify as excluded subsidiary entities. Management nonetheless does not believe that these subsidiaries are subject to the SIFT Rules, if they were, or that they would be subject to a material amount of tax under the SIFT Rules. However, there can be no assurances in this regard.

The likely effect of the SIFT Rules if they were to apply to the Trust, is unclear. In the event that the SIFT Rules were to apply to the Trust or any of its subsidiaries, they may adversely affect the after-tax returns of investors, the Trust's ability to finance future acquisitions through the issue of Units or other securities, the marketability of Units and the amount of cash available for distributions.

The Trust currently qualifies as a "mutual fund trust" for purposes of the Tax Act. There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the Canada Revenue Agency, including in respect of the treatment of mutual fund trusts, SIFT trusts and SIFT partnerships will not be changed in a manner which adversely affects the Trust or its subsidiaries, or holders of Units. If the Trust does not qualify as a "mutual fund trust" under the Tax Act or were to cease to so qualify, the income tax considerations applicable to the Trust and an investment in Units of the Trust would be materially and adversely different. In particular, if the Trust were to cease to qualify as a mutual fund trust and the Units cease to be listed on a designated stock exchange (which currently includes the TSX), the Units would cease to be qualified investments for registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability savings plans, deferred profit sharing plans, tax free savings accounts (each as defined in the Tax Act, collectively, "Exempt Plans").

In computing its income for purposes of the Tax Act, the Trust and its subsidiaries may generally claim a deduction in respect of reasonable interest expenses incurred for the purpose of earning income. The Tax Act includes rules related to the deductibility of interest and other financing expenses (the "EIFEL Rules") which generally limit the deductibility of interest and financing expenses of a Canadian resident corporation or trust that is not an "excluded entity" (as defined in the Tax Act) to a fixed ratio of tax EBITDA (as calculated in accordance with the EIFEL Rules). The Trust does not expect the EIFEL Rules to have an adverse impact on the Trust, its subsidiaries or the Unitholders, but there can be no assurances in this regard. If the EIFEL Rules were to apply to the Trust, or its subsidiaries, the taxable component of distributions paid by the Trust to Unitholders may be increased, which could reduce the after-tax return associated with an investment in Units.

The Tax Act includes rules (the "Equity Repurchase Rules"), under which a trust, the equity of which is listed on a "designated stock exchange" (which currently includes the TSX) that is a "real estate investment trust" for purposes of the Tax Act is subject to a 2% tax on the value of the trust's net equity repurchases (which would include purchases of Units by the Trust under the NCIB) in a taxation year, as calculated in accordance with the Equity Repurchase Rules, subject to a de minimis exception where the trust's gross equity repurchases in the year do not exceed \$1,000,000. If the Trust is required to pay tax under the Equity Repurchase Rules, the amount of cash available for distribution to investors would be reduced.

If the Trust experiences a "loss restriction event", as defined in the Tax Act (i) it will be deemed to have a year-end for tax purposes (which would result in an unscheduled distribution of undistributed net income and net realized capital gains, if any, at such time to Unitholders to the extent necessary to ensure that the Trust is not liable for income tax on such amounts under Part I of the Tax Act), and (ii) it will become subject to the loss restriction rules generally applicable to a corporation that experiences an acquisition of control, including a deemed realization of any unrealized capital

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losses and restrictions on its ability to carry forward unused losses to future taxation years. Generally, the Trust will be subject to a loss restriction event if a person becomes a “majority-interest beneficiary”, or a group of persons becomes a “majority-interest group of beneficiaries”, of the Trust, (each as defined in the affiliated persons rules contained in the Tax Act), with certain modifications. Generally, a majority-interest beneficiary of a trust is a beneficiary of the trust whose beneficial interests in the income or capital of the trust, as the case may be, together with the beneficial interests in the income or capital of the trust, as the case may be, of persons and partnerships with whom such beneficiary is affiliated for the purposes of the Tax Act, represent greater than 50% of the fair market value of all the interests in the income or capital of the trust, as the case may be.

### ***Dilution***

The number of Units the Trust is authorized to issue is unlimited. The Trustees have the discretion to issue additional Units in certain circumstances, including under the Trust's Unit Option Plan and Incentive Unit Plan, and the Trust may issue Units pursuant to any distribution reinvestment plan and/or unit purchase plan adopted in the future. In addition, the Trust has made and may make future acquisitions or enter into other transactions involving the issuance of securities, including Units and Exchangeable Preferred LP Units. The Trust has an obligation to deliver Units upon an exercise of a holder of Exchangeable Preferred LP Unit's exchange right in accordance with the terms of the Exchangeable Preferred LP Units. Any issuance of Units may have a dilutive effect on the investors of Units.

### ***Unitholder liability***

The Declaration of Trust provides that no Unitholder, Special Voting Unitholder, or annuitant under a plan of which a Unitholder or Special Voting Unitholder acts as trustee or carrier will be held to have any personal liability as such, and that no resort shall be had to, nor shall recourse or satisfaction be sought from, the private property of any Unitholder, Special Voting Unitholder, or annuitant for any liability whatsoever, in tort, contract or otherwise, to any person in connection with property of the Trust or the affairs of the Trust including, without limitation, for satisfaction of any obligation or claim arising out of or in connection with any contract or obligation of the Trust or of the Trustees or any obligation which a Unitholder, Special Voting Unitholder, or annuitant would otherwise have to indemnify the Trustee for any personal liability incurred by the Trustee as such. Only assets of the Trust are intended to be liable and subject to levy or execution for satisfaction of such liability.

Notwithstanding the foregoing, personal liability may arise in respect of claims against the Trust that do not arise under contracts, including claims in tort, claims for taxes and possibly certain other statutory liabilities. The possibility of any personal liability of this nature arising is considered remote as the nature of the Trust's activities are such that most of its obligations arise by contract and non-contractual risks are largely insurable. In the event that payments of the Trust's obligations were to be made by a Unitholder or Special Voting Unitholder, such holder would be entitled to reimbursement from the available assets of the Trust.

The Trustees will cause the activities of the Trust to be conducted with the advice of counsel, in such a way and in such jurisdictions as to avoid, to the extent they determine to be practicable and consistent with their fiduciary duty to act in the best interests of the Unitholders and Special Voting Unitholders, any material risk of liability on the Unitholders and Special Voting Unitholders for claims against the Trust.

Legislation has been enacted in the Province of Ontario and certain other provinces that is intended to provide unitholders in those provinces with limited liability. The *Trust Beneficiaries' Liability Act, 2004* (Ontario) provides that unitholders of a trust that is a reporting issuer and governed by the laws of Ontario are not liable, as beneficiaries, for any act, default, obligation, or liability of the trust or any of its trustees that arise after the legislation came into force. A trust is considered governed by the laws of Ontario if its declaration of trust or other constating instrument contains the customary provision to that effect. Primaris' Declaration of Trust contains such a provision, and accordingly, the Unitholders and Special Voting Unitholders are protected by this legislation. However, there remains a risk, which the Trust considers to be remote in the circumstances, that a Unitholder and Special Voting Unitholder could be held

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personally liable for the Trust's obligations to the extent that claims are not satisfied out of the Trust's assets. It is intended that the Trust's affairs will be conducted to seek to minimize such risk wherever possible.

### **Redemption right**

Unitholders are entitled to have their Units redeemed at any time on demand. It is anticipated that this redemption right will not be the primary mechanism for holders of Units to liquidate their investments. The entitlement of holders of Units to receive cash upon the redemption of their Units is subject to the limitations that: (i) the total amount payable by the Trust in respect of those Units and all other Units tendered for redemption in the same calendar month does not exceed \$50,000 (subject to certain adjustments and provided that the Trustees may waive this limitation at their sole discretion); (ii) at the time such Units are tendered for redemption, the outstanding Series A Units shall be listed for trading or quoted on a stock exchange or traded or quoted on another market which, in the sole discretion of the Trustees, provides representative fair market value prices for the Units; and (iii) the normal trading of Units is not suspended or halted on any stock exchange on which Units are listed (or, if not so listed, on any market on which Units are quoted for trading) on the Redemption Date (as defined in the Declaration of Trust available on SEDAR+) or for more than five trading days during the ten-day trading period commencing immediately prior to such date. In certain circumstances, the Declaration of Trust provides for the in-specie distribution of property of the Trust and/or Redemption Notes (as defined in the "Declaration of Trust" available on SEDAR+) in the event of a redemption of Units. The Redemption Notes which may be distributed in specie to Unitholders in connection with a redemption may not be qualified investments for Exempt Plans, and this may give rise to adverse consequences to an Exempt Plan or the holder of or the annuitant or subscriber under the Exempt Plan. Accordingly, holders of, or annuitant or subscribers under, an Exempt Plan should consult their own tax advisors before deciding to exercise the redemption rights attached to Units held in a trust governed by such an Exempt Plan. There is no established market is expected to develop for such notes, and they may be subject to resale restrictions under applicable securities laws.

### **Investment eligibility**

The Trust will endeavour to ensure that the Units continue to be qualified investments for Exempt Plans under the Tax Act, but there can be no assurance that the Units will continue to be qualified investments for Exempt Plans under the Tax Act. The Tax Act imposes penalties for the acquisition or holding of nonqualified investment by Exempt Plans or prohibited investments by Exempt Plans. Holders, annuitants, and subscribers of Exempt Plans should consult their own tax advisors with respect to whether the Units would be prohibited investments having regard to their particular circumstances.

### **Statutory remedies**

The Trust is not a legally recognized entity within the relevant definitions of the *Bankruptcy and Insolvency Act*, the *Companies' Creditors Arrangement Act* and, in some cases, the *Winding Up and Restructuring Act*. As a result, in the event a restructuring of the Trust were necessary, the Trust would not be able to access the remedies available thereunder.

The rights granted in the Declaration of Trust are granted as contractual rights afforded to securityholders of the Trust ("Securityholders"). Similar to other existing rights contained in the Declaration of Trust (e.g. take-over bid provisions and conflict of interest provisions), making these rights and remedies and certain procedures available by contract is structurally different from the manner in which the equivalent rights and remedies or procedures (including the procedure for enforcing such remedies) are made available to shareholders of a corporation, who benefit from those rights and remedies or procedures by the corporate statute that governs the corporation, such as the *Canada Business Corporations Act*. As such, there is no certainty how these rights, remedies or procedures may be treated by the courts in the non-corporate context or that a Securityholder will be able to enforce the rights and remedies in the manner contemplated by the Declaration of Trust. Furthermore, how the courts will treat these rights, remedies and procedures

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will be at the discretion of the court, and a court may choose not to accept jurisdiction to consider any claim contemplated in the Declaration of the Trust.

### 13.4 Risks Relating to Operations

#### *Theft and safety issues*

The rise in theft, particularly organized retail crime, along with the increase in violent incidents and aggressive behavior in Canadian retail settings, is a concerning trend. Several factors seem to be contributing to these challenges, including the current economic environment, the surge in inflation in recent years, the growth of online platforms and the evolving nature of criminal activity. Some retailers may struggle to protect their staff, customers, and merchandise leading to a negative impact on both community safety and profitability. Other retailers may incur significant costs to implement security measures to protect against these risks. Escalating incidents of theft and violence may lead to a reduction in consumer foot traffic and overall retail performance. These issues may cause increased costs and disruptions to the business of some of the Trust's key tenants, which in turn may impact on the Trust's financial condition and operations.

#### *Amusement park risk*

On October 1, 2024, Primaris acquired Les Galeries de la Capitale in Quebec City, Quebec, which included Méga Parc, an indoor amusement park located within the mall. There are inherent risks in owning and operating an amusement park, including high operational costs such as maintenance, staffing and utilities, safety and liability risks, including the risk of accidents or injuries, which can result in lawsuits, insurance claims and reputational damage, and high regulatory compliance costs, including complying with various safety, health, and zoning regulations.

## 14. OTHER DISCLOSURES

### 14.1 Future Changes in Accounting Standards

Primaris monitors the changes proposed by the International Accounting Standards Board ("IASB") and analyzes the effect that changes in the standards may have on disclosures. Standards issued, but not effective up to the date of issuance of the Financial Statements, which Primaris reasonably expects to be applicable to its operations, are described below. Primaris intends to adopt these standards when they become effective.

#### *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

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## Management's Discussion and Analysis

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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.

### **14.2 Critical Accounting Judgments, Estimates and Assumptions**

The preparation of the Financial Statements requires management to make significant judgments in the process of applying Primaris' accounting policies that affect the carrying amounts of assets and liabilities, and the reported amounts of revenues and expenses. In addition, estimates and assumptions are used, mainly in determining the measurement of balances recognized or disclosed in the 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 in the areas discussed below.

#### **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.

#### **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

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## Management's Discussion and Analysis

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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.

### **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.

### **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.

### **Income taxes**

#### *Judgments made in application of accounting policy*

Primaris uses judgment to interpret income tax rules and regulations and in determining that it meets all the conditions prescribed under the Tax Act. Primaris has determined that it qualifies as a REIT for the current year 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.

### **Exchangeable Preferred LP Units**

#### *Judgments made in application of accounting policy and use of estimates and assumptions*

Primaris uses judgment to complete the model to value 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 Trust Unit price volatility.

### **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, term to maturity, the 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.

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## Management's Discussion and Analysis

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### **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.

### **14.3 Internal Control Over Financial Reporting, and Disclosure Controls and Procedures**

#### **Internal Control Over Financial Reporting**

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

The Chief Executive Officer and Chief Financial Officer have caused the effectiveness of internal control over financial reporting to be evaluated using the framework established in "Internal Control - Integrated Framework" (2013) published by The Committee of Sponsoring Organizations of the Treadway Commission, as required by National Instrument 52-109 "Certification of Disclosure in Issuers' Annual and Interim Filings" ("NI 52-109"). Based on that evaluation, they have concluded that the design and operation of the Trust's internal control over financial reporting were effective as at December 31, 2025.

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

#### **Disclosure Controls and Procedures**

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

The Chief Executive Officer and Chief Financial Officer have caused the effectiveness of the disclosure controls and procedures to be evaluated, as required by NI 52-109. Based on that evaluation, they have concluded that the design and operation of the system of disclosure controls and procedures were effective as at December 31, 2025.

#### **Change in Internal Control Over Financial Reporting**

There were no changes in Primaris' internal control over financial reporting in the fourth quarter of 2025 that materially affected or are reasonably likely to affect the Trust's internal control over financial reporting.

### **14.4 Subsequent Events**

Purchased for cancellation an additional 72,500 Units under the ASPP for consideration of \$1.2 million as of February 11, 2026, for total NCIB purchases since inception of the Trust of 15,139,609 Units at an average price of \$14.33, or a discount to NAV\*\* per unit of approximately 32.4%.

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## Financial Results

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# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Management's Responsibility for Financial Reporting

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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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KPMG LLP  
Bay Adelaide Centre  
333 Bay Street, Suite 4600  
Toronto, ON M5H 2S5  
Canada  
Tel 416-777-8500  
Fax 416-777-8818

## 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

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### **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

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### ***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

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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
<b>Assets</b>			
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
<b>Total assets</b>		<b>\$ 5,283,401</b>	<b>\$ 4,267,432</b>
<b>Liabilities and Equity</b>			
<b>Liabilities</b>			
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
<b>Equity</b>			
Unitholders' equity		2,532,903	2,160,949
<b>Total liabilities and equity</b>		<b>\$ 5,283,401</b>	<b>\$ 4,267,432</b>

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
<b>Net operating income</b>			
Revenue	15	\$ 648,467	\$ 501,925
Operating costs	15	(280,739)	(212,574)
		<b>367,728</b>	<b>289,351</b>
<b>Other income and expenses</b>			
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)
		<b>(184,543)</b>	<b>(209,878)</b>
<b>Net income (loss) and comprehensive income (loss) attributable to Trust Unitholders</b>		<b>\$ 183,185</b>	<b>\$ 79,473</b>

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
<b>Unitholders' Equity</b>		
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)
<b>Balance, December 31, 2025</b>		<b>\$ 2,532,903</b>

(in thousands of Canadian dollars)		2024
<b>Unitholders' Equity</b>		
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):			
<b>Operating activities:</b>			
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
		<b>225,733</b>	<b>168,321</b>
<b>Financing activities:</b>			
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)
		<b>463,208</b>	<b>171,383</b>

Continued on next page

# 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
<b>Investing activities:</b>			
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
<b>Cash and cash equivalents, end of year</b>		<b>\$ 34,287</b>	<b>\$ 14,774</b>

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:

<b>Financial Asset / Liability</b>	<b>Classification and Measurement</b>
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 <sup>iii</sup>	As at December 31, 2025
Cash consideration <sup>i</sup>		\$ 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 <sup>ii</sup>	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 <sup>i</sup>		\$ 20,069	\$ 218,104	\$ 238,173
Add: Fair value of non-cash consideration				
Exchangeable Preferred LP Units issued <sup>ii</sup>	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)
<b>Balance, end of year</b>		<b>\$ 5,181,328</b>	<b>\$ 4,066,568</b>
Classified as:			
Investment Properties		\$ 5,008,515	\$ 3,826,635
Investment properties classified as held for sale		172,813	239,933
		<b>\$ 5,181,328</b>	<b>\$ 4,066,568</b>
Composition:			
Income-producing properties		\$ 5,044,328	\$ 3,919,568
Land held for development		137,000	147,000
		<b>\$ 5,181,328</b>	<b>\$ 4,066,568</b>

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 <sup>i</sup>	Value of Properties	Number of Properties <sup>i</sup>	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 <sup>ii</sup>	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
<b>December 31, 2025</b>	<b>8.37</b>	<b>5,044.3</b>	—	—
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
<b>December 31, 2025</b>	<b>7.26</b>	<b>5,044.3</b>	—	—
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 <sup>i</sup>		—	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)
<b>Balance, end of year</b>		<b>\$ 2,937</b>	<b>\$ 2,808</b>

### 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 <sup>i</sup>	6.0%		\$ —	\$ 4,800
March 31, 2026	6.0%	5	10,000	—
February 28, 2030	6.0%	5	4,124	—
			<b>\$ 14,124</b>	<b>\$ 4,800</b>
Interest income			<b>\$ 735</b>	<b>\$ 153</b>

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 <sup>i</sup>	324	472	(354)	442
	<b>\$ 16,345</b>	<b>\$ 667</b>	<b>\$ (1,106)</b>	<b>\$ 15,906</b>

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 <sup>i</sup>	866	543	(1,085)	324
	<b>\$ 866</b>	<b>\$ 16,751</b>	<b>\$ (1,272)</b>	<b>\$ 16,345</b>

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
	<b>\$ 2,187,596</b>	<b>\$ 1,675,874</b>
Classified as:		
Non-current	\$ 2,186,131	\$ 1,541,028
Current	1,465	134,846
	<b>\$ 2,187,596</b>	<b>\$ 1,675,874</b>

# 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 <sup>i</sup>	June 25, 2025	June 25, 2033	4.835%	200,000	—
I <sup>i</sup>	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:

			Year ended	
	Senior unsecured debentures	Mortgages payable	December 31, 2025	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)
<b>Total cash flow activities</b>	<b>513,275</b>	<b>(4,713)</b>	<b>508,562</b>	<b>387,955</b>
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)
<b>Total non-cash activities</b>	<b>2,920</b>	<b>240</b>	<b>3,160</b>	<b>3,143</b>
<b>Balance, end of year</b>	<b>\$ 1,940,974</b>	<b>\$ 246,622</b>	<b>\$ 2,187,596</b>	<b>\$ 1,675,874</b>

### 9. Unsecured Credit Facilities

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

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

## 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 <sup>i</sup>	Value	Underlying Units <sup>i</sup>	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
<b>Balance, end of year</b>		<b>19,779,880</b>	<b>\$ 387,917</b>	<b>11,759,715</b>	<b>\$ 239,622</b>
Classified as:					
Non-current			\$ —		\$ —
Current			387,917		239,622
			<b>\$ 387,917</b>		<b>\$ 239,622</b>

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 <sup>i</sup>	20.06%	20.50%
Risk-free rate	3.53%	3.33%
Credit Spread <sup>ii</sup>	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

### Notes to the Consolidated Financial Statements continued

*(in thousands of Canadian dollars)*

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)
<b>Balance, end of year</b>		<b>117,960,478</b>	<b>\$ 2,527,572</b>	<b>99,854,530</b>	<b>\$ 2,246,018</b>

#### 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

(in thousands of Canadian dollars)

### 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

## Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

### 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)	—
<b>Number outstanding, end of year</b>	<b>474,737</b>	<b>483,554</b>

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)
<b>Number outstanding, end of year</b>	<b>576,965</b>	<b>395,388</b>

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.

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

### Deferred Trust Units

DTUs entitle Trustees to receive the value of a DTU award in cash or Units, 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
<b>Number outstanding, end of year</b>	<b>370,673</b>	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
	<b>648,467</b>	<b>501,925</b>
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)
	<b>(280,739)</b>	<b>(212,574)</b>
	<b>\$ 367,728</b>	<b>\$ 289,351</b>

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
	\$	<b>1,683,331</b>

# 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
		<b>54,708</b>	47,209
Less: Salaries capitalized to development projects		(773)	(622)
Less: Recoverable operating cost allocations		(13,328)	(10,829)
		<b>\$ 40,607</b>	\$ 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
<b>Liabilities</b>							
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
<b>Items not affecting cash</b>		<b>\$ 17,355</b>	<b>\$ 85,025</b>

# PRIMARIS REAL ESTATE INVESTMENT TRUST

## Notes to the Consolidated Financial Statements continued

(in thousands of Canadian dollars)

	Note	Year ended December 31,	
		2025	2024
<b>Net change in:</b>			
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
<b>Change in non-cash operating items</b>		<b>\$ 21,605</b>	<b>\$ 929</b>

# Corporate Executives

## Management Team

**Alex Avery**

Chief Executive Officer

**Patrick Sullivan**

President & Chief Operating Officer

**Rags Davloor**

Chief Financial Officer

**Mordecai Bobrowsky**

Senior Vice President, General Counsel & Corporate Secretary

**Leslie Buist**

Senior Vice President, Finance

**Graham Procter**

Senior Vice President, Asset Management

**Leigh Murray**

Head, National Leasing

**Wilson Chung**

Vice President, Appraisal and Investments

**Sarah Senisterra**

Vice President, People + Culture

**Claire Mahaney**

Vice President, Investor Relations & Sustainability

**Joseph Martino**

Vice President, Information Technology

## Board of Trustees

**Avtar Bains<sup>1</sup>**

Independent Trustee

President, Premise Properties

**Anne Fitzgerald<sup>1,2</sup>**

Independent Trustee

Corporate Director

**Louis Forbes<sup>2,3</sup>**

Independent Trustee

Corporate Director

**Tim Pire<sup>1,3</sup>**

Independent Trustee

Corporate Director & Lecturer, University of Wisconsin

**Deborah Weinswig<sup>2,3</sup>**

Independent Trustee

Founder & CEO, Coresight Research

**Patrick Sullivan**

President & COO, Primaris REIT

**1. Investment Committee**

**2. Compensation, Governance and Nominating Committee**

**3. Audit Committee**

# Unitholders Information

## **Auditors:**

KPMG LLP

## **Legal Counsel:**

Blake, Cassels & Graydon LLP

## **Plan Eligibility:**

RRSP, RRIF, DPSP, RESP, RDSP, TFSA, and FHSA

## **Stock Exchange Listing:**

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

## **Registrar and Transfer Agent:**

Odyssey Trust Company

Trader's Bank Building

702 - 67 Yonge Street

Toronto Ontario, Canada

M5E 1J8

**Telephone:** 1-888-290-1175 (or for callers outside North America 1-587-885-0960)

**Email:** [shareholders@odysseytrust.com](mailto:shareholders@odysseytrust.com)

**Website:** [www.odysseytrust.com](http://www.odysseytrust.com)

**Investors, investment analysts and others seeking financial information should refer to:**

TSX: PMZ.UN

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

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

### **Alex Avery**

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### **Rags Davloor**

Chief Financial Officer

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### **Claire Mahaney**

VP, Investor Relations

& Sustainability

647-949-3093

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

### **Timothy Pire**

Chair of the Board

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



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