

PRIMARIS REAL ESTATE INVESTMENT TRUST

Unaudited Interim Condensed Consolidated Financial Statements

As at and for the three and six months ended June 30, 2025 and June 30, 2024

Dated: July 30, 2025

PRIMARIS REAL ESTATE INVESTMENT TRUST

Financial Results

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PRIMARIS REAL ESTATE INVESTMENT TRUST

Unaudited Interim Condensed Consolidated Statements of Financial Position

(in thousands of Canadian dollars)	Note	As at June 30, 2025	As at December 31, 2024
Assets			
Investment properties	3	\$ 4,466,534	\$ 3,826,635
Investment properties classified as assets held for sale	3	397,416	239,933
Rent receivables and other assets	5	84,436	86,090
Term deposit		—	100,000
Cash and cash equivalents		5,546	14,774
Total assets		\$ 4,953,932	\$ 4,267,432
Liabilities and Equity			
Liabilities			
Senior unsecured debentures	6	\$ 1,690,570	\$ 1,424,779
Mortgages payable	6	248,880	251,095
Unsecured credit facilities	7	131,497	35,000
Exchangeable Preferred LP Units	9	392,048	239,622
Trade payables and other liabilities	8	158,890	155,987
Total liabilities		2,621,885	2,106,483
Equity			
Unitholders' equity		2,332,047	2,160,949
Total liabilities and equity		\$ 4,953,932	\$ 4,267,432

Contingencies and commitments (Note 19)

Subsequent event (Note 21)

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

On behalf of the Board of Trustees:

Louis Forbes

Louis Forbes

Trustee

Alex Avery

Alex Avery

Trustee

PRIMARIS REAL ESTATE INVESTMENT TRUST

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

(in thousands of Canadian dollars)	Note	Three months ended June 30,		Six months ended June 30,	
		2025	2024	2025	2024
Net operating income					
Revenue	13	\$ 150,760	\$ 120,010	\$ 300,974	\$ 239,228
Operating costs	13	(65,257)	(50,029)	(133,336)	(104,495)
		85,503	69,981	167,638	134,733
Other income and expenses					
Interest and other income	14	1,400	1,541	3,725	3,858
Net interest and other financing charges	15	(31,854)	(23,097)	(62,988)	(45,402)
General and administrative	16	(9,140)	(7,805)	(17,672)	(16,039)
Amortization of other assets	5	(289)	(494)	(578)	(795)
Adjustment to fair value of derivative instruments	17	434	(912)	373	1,927
Adjustments to fair value of unit-based compensation	11	291	453	977	417
Adjustments to fair value of Exchangeable Preferred LP Units	9	4,352	5,827	12,862	(458)
Adjustments to fair value of investment properties	3	(318)	(3,248)	(22,811)	9,886
		(35,124)	(27,735)	(86,112)	(46,606)
Net income (loss) and comprehensive income (loss) attributable to Trust Unitholders		\$ 50,379	\$ 42,246	\$ 81,526	\$ 88,127

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

PRIMARIS REAL ESTATE INVESTMENT TRUST

Unaudited Interim Condensed Consolidated Statements of Changes in Unitholders' Equity

(in thousands of Canadian dollars)	Note	2025
Unitholders' Equity		
Balance, December 31, 2024		\$ 2,160,949
Net income (loss) attributable to Unitholders		81,526
Distributions		(44,120)
Trust Unit issuance, net of issue costs	10	105,968
Issued in exchange for Exchangeable Preferred LP Units	10	89,490
Units cancelled under normal course issuer bid	10	(60,719)
Obligation for purchase of Units under automatic share purchase plan	10	(1,047)
Balance, June 30, 2025		\$ 2,332,047

(in thousands of Canadian dollars)		2024
Unitholders' Equity		
Balance, December 31, 2023		\$ 2,103,927
Net income (loss) attributable to Unitholders		88,127
Distributions		(40,456)
Units cancelled under normal course issuer bid		(5,687)
Obligation for purchase of Units under automatic share purchase plan		(6,067)
Balance, June 30, 2024		\$ 2,139,844

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

PRIMARIS REAL ESTATE INVESTMENT TRUST

Unaudited Interim Condensed Consolidated Statements of Cash Flows

(in thousands of Canadian dollars)	Note	Three months ended June 30,		Six months ended June 30,	
		2025	2024	2025	2024
Cash provided by (used in):					
Operating activities:					
Net income (loss)		\$ 50,379	\$ 42,246	\$ 81,526	\$ 88,127
Net interest and other financing charges	15	31,854	23,097	62,988	45,402
Interest paid		(20,816)	(21,190)	(61,324)	(47,672)
Interest income	14	(555)	(927)	(2,345)	(2,635)
Interest received		575	927	4,071	2,635
Cash paid on vesting of Restricted Trust Units		—	—	(4,225)	(4,287)
Items not affecting cash	20	(4,179)	(1,452)	10,127	(10,839)
Change in non-cash operating items	20	(3,681)	2,016	(15,654)	(18,499)
		53,577	44,717	75,164	52,232
Financing activities:					
Senior unsecured debentures:					
Borrowings, net of financing costs	6	199,173	—	397,899	(256)
Repayments	6	—	—	(133,120)	—
Mortgages payable:					
Borrowings, net of deferred financing costs	6	—	(28)	—	74,571
Principal and debt maturity repayments	6	(1,166)	(1,465)	(2,338)	(40,194)
Credit Facilities					
Net advances (repayments)	7	10,497	—	96,497	—
Financing costs	7	(7)	(59)	(375)	(83)
Cash received on settlement of hedges	6	(1,432)	—	(370)	—
Trust Unit issuance, net of issue costs	10	(636)	—	(877)	—
Units cancelled under normal course issuer bid	10	(39,912)	(4,720)	(65,918)	(7,487)
Distributions paid		(21,683)	(20,491)	(43,580)	(40,495)
		144,834	(26,763)	247,818	(13,944)

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Unaudited Interim Condensed Consolidated Statements of Cash Flows

(in thousands of Canadian dollars)	Note	Three months ended June 30,		Six months ended June 30,	
		2025	2024	2025	2024
Investing activities:					
Investment properties:					
Acquisitions	2	(244,094)	(20,069)	(558,638)	(20,069)
Redevelopment costs	3	(11,868)	(6,781)	(17,787)	(23,657)
Building improvement costs	3	(160)	(119)	(381)	(1,012)
Recoverable and non-recoverable costs	3	(10,845)	(5,965)	(14,318)	(12,016)
Tenant allowances and leasing costs	3	610	(3,922)	(7,083)	(11,108)
Net proceeds on asset dispositions	3	9,230	25,674	161,392	25,674
Fixed Assets:					
Acquisitions	5	—	(344)	(195)	(507)
Repayment of vendor take-back notes	5	4,800	—	4,800	—
Term Deposit		—	—	100,000	—
Note receivable		—	—	—	40,840
		(252,327)	(11,526)	(332,210)	(1,855)
Increase (decrease) in cash and cash equivalents		(53,916)	6,428	(9,228)	36,433
Cash and cash equivalents, beginning of period		59,462	74,328	14,774	44,323
Cash and cash equivalents, end of period		\$ 5,546	\$ 80,756	\$ 5,546	\$ 80,756

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

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

(in thousands of Canadian dollars)

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

1. Statement of Compliance and Basis of Preparation

(a) Statement of compliance

These unaudited interim condensed consolidated financial statements have been prepared in accordance with IFRS and International Accounting Standard ("IAS") 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board ("IASB"). These unaudited interim condensed consolidated financial statements should be read in conjunction with the Trust's audited consolidated financial statements and accompanying notes for the year ended December 31, 2024. These unaudited interim condensed consolidated financial statements have been prepared applying the same accounting policies, assessments of estimates and judgements, and methods of computation as with the audited consolidated financial statements and accompanying notes for the year ended December 31, 2024.

These unaudited interim condensed consolidated financial statements were authorized by the Primaris Board of Trustees (the "Board") on July 30, 2025.

(b) Basis of preparation

The unaudited interim condensed consolidated financial statements are prepared on a going concern basis using the historical cost method except for investment properties (Note 3), Exchangeable Preferred LP Units (Note 9), liabilities for unit-based compensation plans (Note 11) and derivative instruments (Note 17), each of which is measured at fair value.

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

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

Primaris 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 unaudited interim condensed consolidated financial statements have been reclassified to conform with the current year presentation.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

(in thousands of Canadian dollars)

(c) Future Accounting Standards

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

IFRS 18, "Presentation and Disclosure in Financial Statements"

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

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 is currently assessing the impact of the new standard.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

(in thousands of Canadian dollars)

2. Acquisitions

On 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. 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	As at June 30, 2025
Cash consideration ⁱ		\$ 133,356	\$ 211,188	\$ 244,094	\$ 588,638
Add: Fair value of non-cash consideration					
7,222,261 Trust Units issued	10	51,318	—	55,527	106,845
Exchangeable Preferred LP Units issued ⁱⁱ	9	165,288	—	89,490	254,778
Purchase price		\$ 349,962	\$ 211,188	\$ 389,111	\$ 950,261

- The cash consideration for Oshawa Centre, Southgate Centre, and Lime Ridge Mall included acquisition costs of \$8,356, \$1,188, and \$9,094, respectively.
- \$175,000 Exchangeable Preferred LP Units, exchangeable into 8,020,165 Trust Units, were issued for the acquisition of Oshawa Centre, and \$100,000 Exchangeable Preferred LP Units, exchangeable into 4,672,897 Trust Units, were issued for the acquisition of Lime Ridge Mall and Professional Centre.

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.

	Grocery store at Conestoga Mall	Les Galeries de la Capitale	As at December 31, 2024
Cash consideration ⁱ	\$ 20,069	\$ 218,104	\$ 238,173
Add: Fair value of non-cash consideration			
Exchangeable Preferred LP Units issued ⁱⁱ	—	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.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

(in thousands of Canadian dollars)

3. Investment Properties

	Note	Six months ended June 30, 2025	Year ended December 31, 2024
Balance, beginning of period		\$ 4,066,568	\$ 3,785,347
Acquisitions	2	950,261	318,305
Building improvements		381	2,372
Operating capital:			
Recoverable and non-recoverable costs		4,764	19,533
Tenant allowances and leasing costs		11,292	22,415
Development capital:			
Redevelopment		24,770	49,311
Capitalized interest	15	1,669	3,740
Amortization of straight-line rent adjustments and tenant incentives		2,572	7,209
Dispositions		(175,516)	(75,283)
Adjustment to fair value of investment properties		(22,811)	(66,381)
Balance, end of period		\$ 4,863,950	\$ 4,066,568
Classified as:			
Investment Properties		\$ 4,466,534	\$ 3,826,635
Investment properties classified as held for sale		397,416	239,933
		\$ 4,863,950	\$ 4,066,568
Composition:			
Income-producing properties		\$ 4,716,950	\$ 3,919,568
Land held for development		147,000	147,000
		\$ 4,863,950	\$ 4,066,568

As at June 30, 2025, six investment properties with fair values totaling \$430,328 have been pledged as security for mortgages payable (December 31, 2024 – six and \$439,389, respectively).

Dispositions

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, after 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 5) and cash of \$49,184.

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, after 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 5) 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, after transaction costs.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

(in thousands of Canadian dollars)

Investment properties classified as held for sale

As at June 30, 2025, Primaris classified one parcel of excess land and ten income-producing properties totaling \$397,416 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 interim condensed consolidated financial statements.

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

As at	2025		2024	
	Number of Properties ⁱ	Value of Properties	Number of Properties ⁱ	Value of Properties
March 31	5	\$ 814,859	4	\$ 234,143
June 30	4	603,992	3	132,890
September 30	—	—	4	138,906
December 31	—	—	12	2,470,823
Total	9	\$ 1,418,851	23	\$ 2,976,762

i. Includes external appraisals of properties acquired 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

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

(in thousands of Canadian dollars)

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	June 30, 2025	December 31, 2024
Discount rate	8.29%	8.42%
Terminal capitalization rate	7.22%	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. The following table depicts the rate sensitivity of the Trust's income-producing properties:

Rate sensitivity increase (decreases)	Weighted Average		Fair value of income- producing properties (\$ millions)	Fair value variance (\$ millions)	Change (%)
	Discount rate (%)	Terminal capitalization rate (%)			
(0.75)%	7.54	6.47	5,293.2	576.2	12.2
(0.50)%	7.79	6.72	5,086.7	369.7	7.8
(0.25)%	8.04	6.97	4,895.1	178.1	3.8
June 30, 2025	8.29	7.22	4,717.0	—	—
0.25%	8.54	7.47	4,550.8	(166.2)	(3.5)
0.50%	8.79	7.72	4,395.6	(321.4)	(6.8)
0.75%	9.04	7.97	4,250.2	(466.8)	(9.9)

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

(in thousands of Canadian dollars)

4. 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 unaudited interim condensed consolidated financial statements.

Property	Location	Ownership interest as at	
		June 30, 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 14).

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Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

(in thousands of Canadian dollars)

5. Rent Receivables and Other Assets

As at	Note	June 30, 2025	December 31, 2024
Rent receivables		\$ 10,752	\$ 7,868
Allowance for expected credit loss		(3,391)	(2,808)
Rent receivables, net		7,361	5,060
Other accrued tenant receivables		8,347	6,107
Vendor take-back notes	3	14,124	4,800
Deposit on acquisition		—	30,000
Derivative assets ⁱ	17	373	—
Interest income receivable		82	1,808
Prepaid expense and other sundry assets		29,840	13,900
Fixed assets		15,962	16,345
Other long-term receivable		279	300
Right-of-use assets		4,382	3,984
Sublease receivable		3,686	3,786
		\$ 84,436	\$ 86,090
Classified as:			
Non-current		\$ 29,359	\$ 25,724
Current		55,077	60,366
		\$ 84,436	\$ 86,090

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

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

(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	Six months ended June 30, 2025	Year Ended December 31, 2024
Balance, beginning of period		\$ 2,808	\$ 1,680
Net bad debt expense (recovery)	13	956	1,473
Write off of amounts previously included in the ECL allowance		(373)	(345)
Balance, end of period		\$ 3,391	\$ 2,808

Vendor Take-back Notes

In connection with the completed dispositions of investment properties, the Trust had the following vendor take-back notes outstanding as at June 30, 2025 and December 31, 2024. For the three and six months ended June 30, 2025, Primaris earned interest income on the outstanding notes of \$214 and \$334, respectively (three and six months ended June 30, 2024 - nil and year ended December 31, 2024 - \$153) (Note 14). The notes are secured by charges against the disposed investment properties.

Maturity Date	Interest Rate	Note	As at or for the six months ended June 30, 2025	As at or for the year ended December 31, 2024
March 21, 2025 ⁱ	6.0%		\$ —	\$ 4,800
March 31, 2026	6.0%	3	10,000	—
February 28, 2030	6.0%	3	4,124	—
			\$ 14,124	\$ 4,800
Interest income			\$ 334	\$ 153

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

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Unaudited Interim Condensed 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 six months ended June 30, 2025 and year ended December 31, 2024.

For the six months ended June 30, 2025	Balance, beginning of period	Net Additions	Amortization	Balance, end of period
Amusement park:				
Land	\$ 2,197	\$ —	\$ —	\$ 2,197
Building	6,872	195	(139)	6,928
Amusement park equipment	6,952	—	(236)	6,716
Other ⁱ	324	—	(203)	121
	\$ 16,345	\$ 195	\$ (578)	\$ 15,962

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

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

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

6. Long-Term Debt

As at	June 30, 2025	December 31, 2024
Senior unsecured debentures	\$ 1,690,570	\$ 1,424,779
Mortgages payable	248,880	251,095
	\$ 1,939,450	\$ 1,675,874
Classified as:		
Non-current	\$ 1,937,847	\$ 1,541,028
Current	1,603	134,846
	\$ 1,939,450	\$ 1,675,874

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

(in thousands of Canadian dollars)

Senior unsecured debentures

Series	Issuance Date	Maturity Date	Interest Rate	As at	
				June 30, 2025	December 31, 2024
A	March 30, 2022	March 30, 2027	4.727%	\$ 250,000	\$ 250,000
B	March 30, 2022	March 30, 2025	4.267%	—	133,120
C	March 29, 2023	March 29, 2028	5.934%	250,000	250,000
D	November 22, 2023	June 30, 2029	6.374%	300,000	300,000
E	August 12, 2024	March 15, 2030	4.998%	300,000	300,000
F	August 12, 2024	March 15, 2032	5.304%	200,000	200,000
G	February 20, 2025	March 1, 2031	4.468%	200,000	—
H ⁱ	June 25, 2025	June 25, 2033	4.835%	200,000	—
Total principal outstanding				1,700,000	1,433,120
Deferred financing costs - net of accumulated amortization				(6,497)	(5,121)
Debt discounts - net of accumulated amortization				(2,933)	(3,220)
				\$ 1,690,570	\$ 1,424,779

i. Green Debenture

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. The net proceeds have been initially used for repayment of credit facilities.

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

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

During the 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.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

(in thousands of Canadian dollars)

As at June 30, 2025, the Trust's senior unsecured debentures had a weighted average effective interest rate of 5.31%, after reflecting original issue discounts, and a weighted average term to maturity of 4.6 years (December 31, 2024 - 5.39% and 4.0 years, respectively).

Mortgages payable

As at	June 30, 2025	December 31, 2024
Mortgage principal	\$ 249,685	\$ 252,023
Deferred financing costs - net of accumulated amortization	(805)	(928)
	\$ 248,880	\$ 251,095

As at June 30, 2025, the mortgages were secured by five investment properties with an aggregate fair value of \$366,085, bearing interest at fixed rates with a weighted average effective interest rate of 4.71% and a weighted average term to maturity of 3.8 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 4.71% 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:

	2025 remainder	2026	2027	2028	2029	Thereafter	Total
Senior unsecured debentures	\$ —	\$ —	\$ 250,000	\$ 250,000	\$ 300,000	\$ 900,000	\$ 1,700,000
Mortgages payable	2,375	4,908	97,901	33,770	1,225	109,506	249,685
	\$ 2,375	\$ 4,908	\$ 347,901	\$ 283,770	\$ 301,225	\$ 1,009,506	\$ 1,949,685

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

(in thousands of Canadian dollars)

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

	Six months ended			Six months ended	Year ended
	Senior unsecured debentures	Mortgages payable	June 30, 2025	June 30, 2024	December 31, 2024
Balance, beginning of period	\$ 1,424,779	\$ 251,095	\$ 1,675,874	\$ 1,284,776	\$ 1,284,776
Issuances	400,000	—	400,000	75,000	610,000
Repurchased and cancelled	—	—	—	—	(66,730)
Maturity repayments	(133,120)	—	(133,120)	(37,251)	(126,147)
Principal repayments	—	(2,338)	(2,338)	(2,943)	(5,491)
Extinguished on disposition of property	—	—	—	—	(20,142)
Settlement of forward hedge	(370)	—	(370)	—	—
Deferred financing costs	(2,101)	—	(2,101)	(685)	(3,535)
Total cash flow activities	264,409	(2,338)	262,071	34,121	387,955
Amortization of financing costs	725	123	848	705	1,862
Amortization of debt discount and hedge	657	—	657	716	1,431
Gain on extinguishment of debt	—	—	—	—	(150)
Total non-cash activities	1,382	123	1,505	1,421	3,143
Balance, end of period	\$ 1,690,570	\$ 248,880	\$ 1,939,450	\$ 1,320,318	\$ 1,675,874

7. Unsecured Credit Facilities

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

	As at and six months ended		As at and year ended
	June 30, 2025		December 31, 2024
Balance drawn, beginning of period	\$	35,000	\$ 200,000
Net advances (repayments)		96,497	(165,000)
Balance drawn, end of period	\$	131,497	\$ 35,000
Total credit available from unsecured credit facilities	\$	710,000	\$ 610,000
Total undrawn	\$	578,503	\$ 575,000
Classified as:			
Non-current	\$	128,000	\$ 35,000
Current		3,497	—
	\$	131,497	\$ 35,000

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

(in thousands of Canadian dollars)

Primaris has a \$600,000 unsecured syndicated revolving term facility which matures January 4, 2028. The syndicated revolving credit facility bears interest at variable rates of either: (i) Prime plus 0.35% per annum, or (ii) Adjusted Canadian Overnight Repo Rate Average ("CORRA") plus 1.35% per annum; a commitment fee on undrawn amounts of 0.27% per annum; and contains certain financial covenants. As at June 30, 2025, Primaris had \$28,000 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. As at June 30, 2025, Primaris had \$100,000 drawn on its bilateral non-revolving term facility.

Primaris also has an unsecured \$10,000 revolving demand facility to finance temporary overdraft positions bearing interest at Prime plus 0.50% per annum. The amount drawn at June 30, 2025 was \$3,497 (December 31, 2024 – nil).

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 17).

Costs incurred to enter into the facilities are recorded in other assets and amortized to net income over the life of the facility. Amortization of costs for the three and six months ended June 30, 2025 was \$283 and \$525, respectively (three and six months ended June 30, 2024 - \$138 and \$515, respectively, and year ended December 31, 2024 - \$1,059).

8. Trade Payables and Other Liabilities

As at	Note	June 30, 2025	December 31, 2024
Trade payables and accrued liabilities		\$ 45,565	\$ 44,534
Accrued capital expenditures		33,387	31,749
Accrued distribution payable		7,696	7,156
Accrued interest expense		22,855	21,701
Unit-based compensation plans	11	11,189	13,149
Obligation for purchase of Units under automatic share purchase plan	10	1,047	5,199
Lease liabilities		9,473	9,183
Deferred revenue		20,872	17,658
Tenant deposits		6,806	5,658
		\$ 158,890	\$ 155,987
Classified as:			
Non-current		\$ 17,836	\$ 18,912
Current		141,054	137,075
		\$ 158,890	\$ 155,987

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

(in thousands of Canadian dollars)

9. 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	Six months ended June 30, 2025		Year ended December 31, 2024	
		Underlying Units ⁱ	Value	Underlying Units ⁱ	Value
Balance, beginning of period		11,759,715	\$ 239,622	9,472,432	\$ 179,150
Issued for acquisitions	2	12,693,062	254,778	4,574,566	96,340
Exchanged into Trust Units		(4,672,897)	(89,490)	(2,287,283)	(48,170)
Adjustment to fair value		—	(12,862)	—	12,302
Balance, end of period		19,779,880	\$ 392,048	11,759,715	\$ 239,622
Classified as:					
Non-current			\$ —		\$ —
Current			392,048		239,622
			\$ 392,048		\$ 239,622

- i. Number of Trust Units issuable upon exchange of outstanding Exchangeable Preferred LP Units assuming there are 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	June 30, 2025	December 31, 2024
Expected Trust Unit distribution yield	5.84%	5.56%
Expected Unit price volatility (180 days average)	20.6%	20.5%
Proxy for bond yield (Government of Canada 30-year bond)	3.56%	3.33%
add: Relative spread adjustment to Primaris REIT	2.57%	2.47%
add: Subordination premium	1.12%	1.06%
Implied bond yield	7.25%	6.86%

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 2).

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.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

(in thousands of Canadian dollars)

Assuming there are 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 2).

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 2) 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 are 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.

10. Unitholders' Equity

Trust Units (authorized - unlimited)

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

Trust Units outstanding

	Note	Six months ended		Year ended	
		June 30, 2025		December 31, 2024	
		Units	Value	Units	Value
Balance, beginning of period		99,854,530	\$ 2,246,018	96,585,736	\$ 2,186,779
Issued in public offering		—	—	2,516,011	39,124
Issued for acquisitions	2	7,222,261	106,845	—	—
Trust Unit issuance costs		—	(877)	—	(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		(4,369,309)	(60,719)	(1,534,500)	(20,075)
Obligation for purchase of units under automatic share purchase plan	8	—	(1,047)	—	(5,199)
Balance, end of period		107,380,379	\$ 2,379,710	99,854,530	\$ 2,246,018

Issued for acquisitions

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 2).

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 2).

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

(in thousands of Canadian dollars)

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 9).

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 9) held by the selling unitholder. Primaris received proceeds of \$39,124, before underwriters' fees and other issuance costs.

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 three and six months ended June 30, 2025, Primaris purchased for cancellation 2,664,000 and 4,369,309 Units, respectively, for consideration of \$39,912 and \$65,918 respectively (three and six months ended June 30, 2024 - 354,000 and 555,000 Units, respectively, for consideration of \$4,720 and \$7,487, respectively, and for the 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 June 30, 2025, Primaris recognized \$1,047 (Note 8) for the commitment to purchase Units under the ASPP (June 30, 2024 - \$6,067 and 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 will not be less than the amount necessary to ensure the Trust will not be liable to pay income taxes under the Income Tax Act (Canada).

For the six months ended June 30, 2025, Primaris declared monthly distributions totaling \$0.430 per Trust Unit (six months ended June 30, 2024 - \$0.420 and for the year ended December 31, 2024 - \$0.8417).

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

(in thousands of Canadian dollars)

11. Unit-based Compensation

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

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Trust Unit Options ("Options")	\$ (4)	\$ (73)	\$ (75)	\$ (60)
Restricted Trust Units ("RTU")	567	638	1,398	1,751
Performance Trust Units ("PTU")	377	624	585	953
Deferred Trust Units ("DTU")	127	11	225	192
	\$ 1,067	\$ 1,200	\$ 2,133	\$ 2,836
Recorded in:				
General and administrative expense	\$ 1,358	\$ 1,653	\$ 3,110	\$ 3,253
Adjustment to fair value of unit-based compensation	(291)	(453)	(977)	(417)
	\$ 1,067	\$ 1,200	\$ 2,133	\$ 2,836

As at June 30, 2025, the carrying value of the unit-based compensation liability was \$11,189 (Note 8) (June 30, 2024 - \$7,964 and 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 June 30, 2025 (December 31, 2024 - all).

The assumptions used to measure the fair value of the Options, as at June 30, 2025, under the Black-Scholes model (level 2) were as follows:

Expected distribution yield	5.84%
Expected Unit price volatility	23.06%
Risk-free interest rate	2.63%
Expected life of options	0.7 years

The following table details the Options outstanding as at June 30, 2025:

Exercise price	Expiry date	Number outstanding and exercisable	Remaining weighted average life (in years)
\$20.52	2026	328,425	0.7

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 Unaudited Interim Condensed 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 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).

	Six months ended June 30, 2025	Year ended December 31, 2024
Number outstanding, beginning of period	483,554	552,544
Granted	252,687	196,837
Granted on reinvestment of distributions	13,627	28,670
Settled	(273,786)	(294,497)
Cancelled	(13,222)	—
Number outstanding, end of period	462,860	483,554

During the six months ended June 30, 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 June 30, 2025.

Performance Trust Units

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

	Six months ended June 30, 2025	Year ended December 31, 2024
Number outstanding, beginning of period	395,388	169,720
Granted	150,817	220,313
Granted on reinvestment of distributions	13,640	20,547
Settled	—	(15,192)
Number outstanding, end of period	559,845	395,388

During the six months ended June 30, 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 June 30, 2025.

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

(in thousands of Canadian dollars)

Deferred Trust Units

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

	Six months ended June 30, 2025	Year ended December 31, 2024
Number outstanding, beginning of period	308,681	249,794
Granted	41,111	41,641
Granted on reinvestment of distributions	9,643	17,246
Number outstanding, end of period	359,435	308,681

During the six months ended June 30, 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 June 30, 2025, 333,936 outstanding DTUs have vested.

12. Income Taxes

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

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

(in thousands of Canadian dollars)

13. Net Operating Income

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Revenue:				
Base rent	\$ 81,535	\$ 66,505	\$ 161,330	\$ 131,610
Percent rent in lieu of base rent	2,893	2,808	5,054	5,511
Property tax and insurance recoveries	27,795	20,440	54,461	39,615
Property operating cost recoveries	26,952	21,785	56,243	45,540
Percentage rent	2,336	1,360	4,766	2,740
Straight-line rent adjustment	1,317	1,707	2,685	3,546
Lease surrender revenue	215	895	559	937
Specialty leasing revenue	5,880	3,682	11,338	7,961
Amusement park revenue	1,687	—	3,935	—
Parking and other sundry	150	828	603	1,768
	150,760	120,010	300,974	239,228
Operating costs:				
Property tax and insurance expense	(34,387)	(26,635)	(66,741)	(52,547)
Recoverable property operating costs	(27,664)	(22,196)	(59,596)	(49,118)
Non-recoverable property operating costs	(1,212)	(851)	(2,550)	(1,926)
Amusement park operating costs	(1,411)	—	(2,556)	—
Bad debt (expense) recovery	(114)	122	(956)	34
Ground rent	(469)	(469)	(937)	(938)
	(65,257)	(50,029)	(133,336)	(104,495)
	\$ 85,503	\$ 69,981	\$ 167,638	\$ 134,733

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

(in thousands of Canadian dollars)

14. Interest and Other Income

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Interest income	\$ 555	\$ 927	\$ 2,345	\$ 2,635
Property management fees	845	614	1,380	1,223
	\$ 1,400	\$ 1,541	\$ 3,725	\$ 3,858

15. Net Interest Expense and Other Financing Charges

	Note	Three months ended June 30,		Six months ended June 30,	
		2025	2024	2025	2024
Interest on mortgages payable		\$ 2,889	\$ 3,677	\$ 5,742	\$ 6,331
Interest on senior unsecured debentures		20,239	13,577	40,248	27,154
Bank interest and charges on unsecured credit facilities		1,803	2,950	4,218	6,053
Distribution on Exchangeable Preferred LP Units		6,591	3,075	12,270	6,150
Finance charge - lease liability		73	82	149	167
Amortization of deferred financing costs	6,7	698	507	1,373	1,220
Amortization of debt discount	6	314	358	657	716
		32,607	24,226	64,657	47,791
Less: Capitalized interest		(753)	(1,129)	(1,669)	(2,389)
		\$ 31,854	\$ 23,097	\$ 62,988	\$ 45,402

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

(in thousands of Canadian dollars)

16. General and Administrative Expenses

	Note	Three months ended June 30,		Six months ended June 30,	
		2025	2024	2025	2024
Salaries, benefits and recruiting costs		\$ 8,039	\$ 6,730	\$ 15,308	\$ 13,312
Unit-based compensation costs	11	1,358	1,653	3,110	3,253
Professional fees		682	633	1,747	1,449
Information technology costs		922	578	1,739	1,102
Investor relations and other public entity costs		351	269	686	537
Occupancy costs		328	354	677	834
Other		825	540	1,536	1,151
		12,505	10,757	24,803	21,638
Less: Salaries capitalized to development projects		(140)	(135)	(319)	(277)
Less: Recoverable operating cost allocations		(3,225)	(2,817)	(6,812)	(5,322)
		\$ 9,140	\$ 7,805	\$ 17,672	\$ 16,039

17. 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	June 30, 2025			December 31, 2024		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets							
Fair value through profit and loss:							
Derivative assets	5	\$ —	373	\$ —	\$ —	\$ —	\$ —
Liabilities							
Fair value through profit and loss:							
Unit-based compensation	8	—	11,189	—	—	13,149	—
Exchangeable Preferred LP Units	9	—	392,048	—	—	239,622	—
Amortized cost:							
Senior unsecured debentures	6	—	1,765,202	—	—	1,494,895	—
Mortgages payable		—	248,446	—	—	249,767	—
Credit facilities	7	—	131,497	—	—	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 Unaudited Interim Condensed Consolidated Financial Statements continued

(in thousands of Canadian dollars)

Derivative Instruments

Derivative instruments consisted of interest rate swaps to economically hedge the variable interest rate associated with advances on the credit facilities.

	Maturity Date	Notional Amount	Effective Interest Rate	As at June 30, 2025 Carrying Value	As at December 31, 2024 Carrying Value
Derivative assets					
Interest rate swap	March 12, 2030	\$50,000	3.960%	\$ 373	\$ —

During the three and six months ended June 30, 2025, the Trust recorded a gain of \$434 and \$373, respectively, for the change in fair value of the derivative instrument.

At June 30, 2024, Primaris had a \$200,000 interest rate swap and a \$20,000 interest rate swap outstanding and for the three and six months ended June 30, 2024 recorded a loss of \$912 and a gain of \$1,927, respectively (year ended December 31, 2024 - \$3,546 loss).

18. 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 June 30, 2025.

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

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

(in thousands of Canadian dollars)

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.

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 June 30, 2025, Primaris was compliant with all of its applicable financial covenants.

Capitalization

The following table details the capitalization of Primaris:

As at	Note	June 30, 2025	December 31, 2024
Liabilities:			
Senior unsecured debentures	6	\$ 1,700,000	\$ 1,433,120
Mortgages payable	6	249,685	252,023
Credit facilities	7	131,497	35,000
Exchangeable Preferred LP Units	9	392,048	239,622
Equity:			
Unitholders' equity		2,332,047	2,160,949
		\$ 4,805,277	\$ 4,120,714

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

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19. 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 interim condensed 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 June 30, 2025, Primaris had outstanding letters of credit totaling \$518 (December 31, 2024 - \$250).
- (c) Primaris is obligated, under certain contract terms, to construct and develop investment properties. As at June 30, 2025, Primaris has entered into contracts for capital projects and is committed to future payments of approximately \$74,428 (December 31, 2024 - \$7,247).
- (d) Primaris provides guarantees on behalf of third parties, including co-owners of properties. As at June 30, 2025, Primaris had issued guarantees relating to co-owners' share of mortgage liabilities amounting to \$107,385 (December 31, 2024 - \$107,710), which expire in 2027 and 2028 (December 31, 2024 - 2027)

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

2025 remainder	\$	996
2026		1,941
2027		1,941
2028		1,934
2029		856
Thereafter		3,026
	\$	10,694

20. Supplemental Cash Flow Information

	Note	Three months ended June 30,		Six months ended June 30,	
		2025	2024	2025	2024
Amortization of straight-line rent adjustments and tenant incentives	3	\$ (1,262)	\$ (1,675)	\$ (2,572)	\$ (3,499)
Unit-based compensation expense recorded in general and administrative expenses	11	1,358	1,653	3,110	3,253
Amortization of other assets	5	289	494	578	795
Amortization of right-of-use asset		195	196	412	384
Adjustment to the fair value of derivative instruments	17	(434)	912	(373)	(1,927)
Adjustment to fair value of unit-based compensation	11	(291)	(453)	(977)	(417)
Adjustment to fair value of Exchangeable Preferred LP Units	9	(4,352)	(5,827)	(12,862)	458
Adjustment to fair value of investment properties	3	318	3,248	22,811	(9,886)
Items not affecting cash		\$ (4,179)	\$ (1,452)	\$ 10,127	\$ (10,839)

PRIMARIS REAL ESTATE INVESTMENT TRUST

Notes to the Unaudited Interim Condensed Consolidated Financial Statements continued

(in thousands of Canadian dollars)

	Note	Three months ended June 30,		Six months ended June 30,	
		2025	2024	2025	2024
Net change in:					
Rent receivables, net	5	\$ (1,901)	\$ (3,079)	\$ (2,301)	\$ (2,760)
Other accrued tenant receivables	5	825	(377)	(2,240)	(2,062)
Prepaid expense and other sundry assets	5	(11,046)	(3,386)	(15,940)	(8,660)
Exclude additions to credit facilities' finance costs		7	59	375	83
Exclude non-cash amortization of credit facilities' finance costs	7	(283)	(138)	(525)	(515)
Other long-term receivable	5	10	(352)	21	(352)
Right-of-use assets		(810)	—	(810)	—
Sublease receivable	5	51	—	100	—
Trade payables and accrued liabilities	8	2,263	4,049	1,031	(5,841)
Unit-based compensation	8	1,009	1,155	(1,960)	(1,269)
Exclude unit-based compensation expense	11	(1,067)	(1,200)	(2,133)	(2,836)
Exclude cash settlement		—	—	4,225	4,287
Lease liabilities	8	569	(229)	290	(508)
Exclude finance charge on lease liability	15	(73)	(82)	(149)	(167)
Deferred revenue	8	5,579	5,618	3,214	1,464
Tenant deposits	8	1,186	(22)	1,148	637
Change in non-cash operating items		\$ (3,681)	\$ 2,016	\$ (15,654)	\$ (18,499)

21. Subsequent Events

On July 21, 2025, Primaris completed the disposition of three strip plazas in Medicine Hat, Alberta for proceeds of \$12.7 million before transaction costs.

On July 23, 2025, Primaris completed the disposition of an open air plaza in Calgary, Alberta for proceeds of \$54.5 million before transaction costs.