



**MANAGEMENT'S DISCUSSION AND ANALYSIS
OF RESULTS OF
OPERATIONS AND FINANCIAL CONDITION
FOR THE THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2020 AND 2019**

DATED: NOVEMBER 12, 2020

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PART I

BASIS OF PRESENTATION

Financial information included in this Management’s Discussion and Analysis (“MD&A”) includes material information up to November 12, 2020. The financial statements to which this MD&A relates were prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

This MD&A has been reviewed and approved by management of Plaza Retail REIT (hereinafter referred to as “Plaza” or the “Trust”) and the Audit Committee on behalf of the Board of Trustees (the “Board”).

In this MD&A, Plaza reports non-IFRS financial measures, including: funds from operations (“FFO”); adjusted funds from operations (“AFFO”); earnings before interest, taxes, depreciation and amortization (“EBITDA”); and same-asset net property operating income (“same-asset NOI”). Plaza also reports net property operating income (“NOI”) as an additional IFRS measure. These measures are widely used in the Canadian real estate industry. Plaza believes these financial measures provide useful information to both management and investors in measuring the financial performance and financial condition of Plaza. These financial measures do not have any standardized definitions prescribed by IFRS and may not be comparable to similar titled measures reported by other entities. Refer to Part VIII of this MD&A under the headings “Explanation of Non-IFRS Measures Used in this Document” and “Explanation of Additional IFRS Measures Used in this Document”, for definitions of these financial measures.

FORWARD-LOOKING DISCLAIMER

This MD&A should be read in conjunction with the Trust’s Condensed Interim Consolidated Financial Statements and the notes thereto for the nine months ended September 30, 2020 and 2019, along with the MD&A of the Trust for the year ended December 31, 2019. Historical results, including trends which might appear, should not be taken as indicative of future operations or results, especially given the uncertainties imposed by the current coronavirus pandemic (also referred to as “COVID-19”).

Certain information in this MD&A contains forward-looking statements, based on the Trust’s estimates and assumptions, which are subject to numerous known and unknown risks and uncertainties, including those described under the heading “Risks and Uncertainties” in Part V of this MD&A and under the heading “Risk Factors” in the Trust’s Annual Information Form (“AIF”) for the year ended December 31, 2019. This may cause the actual results, performance and achievements of the Trust to differ materially from future results, performance or achievements expressed or implied by such forward-looking statements. Without limiting the foregoing, the words “believe”, “expect”, “continue”, “anticipate”, “could”, “may”, “intend”, “will”, “estimate”, “goal”, “strive”, “planning” or “planned” and variations of such words and similar expressions identify forward-looking statements. Forward-looking statements (which involve significant risks and uncertainties and should not be read as guarantees of future performance or results) include, but are not limited to, statements related to distributions, development activities, leasing expectations, financing and the availability of financing sources. Factors that could cause actual results, performance or achievements to differ from those expressed or implied by forward-looking statements include, but are not limited to: the duration and impact of the COVID-19 pandemic on the business, operations and financial condition of the Trust, its tenants and the economy in general; changes in economic, retail, capital market, or debt market conditions, including changes in interest rates and the rate of inflation; and competitive real estate conditions; Plaza’s ability to lease or re-lease space at current or anticipated rents; changes in operating costs; the availability of development and redevelopment opportunities for growth; demographic changes, including shifting consumer preferences, and changes in consumer behaviours which may result in a decrease in demand for physical space by retail tenants; tenant insolvencies or bankruptcies; and government regulations. This is not an exhaustive list of the factors that may affect Plaza’s forward-looking statements. Other risks and uncertainties not presently known to Plaza, including any unforeseen impacts from pandemic conditions, could also cause actual results or events to differ materially from those expressed in forward-looking statements. Management believes that the expectations reflected in its forward-looking statements are based upon reasonable assumptions, however, management can give no assurance that actual results, performance or achievements will be consistent with these forward-looking statements.

These forward-looking statements are made as of November 12, 2020 and Plaza assumes no obligation to update or revise them to reflect new events or circumstances, except as required by applicable law.

Plaza Retail REIT

OVERVIEW OF THE BUSINESS

Headquartered in Fredericton, New Brunswick, Plaza is an unincorporated “open-ended” real estate investment trust (a “REIT”) established pursuant to its declaration of trust dated as of November 1, 2013 and amended as of March 26, 2020 (the “Declaration of Trust”). Plaza is the successor to Plazacorp Retail Properties Ltd. (“Plazacorp”), which began operations in 1999. Plaza trades on the Toronto Stock Exchange under the symbol “PLZ.UN”.

Plaza is a developer, owner and manager of retail real estate located primarily in Ontario, Quebec and Atlantic Canada. It has a twenty year history of accretive acquisitions, redevelopments and developments which have contributed to growth in net asset value (“NAV”) and FFO per unit. Some of the key attributes of Plaza’s business model are:

- Plaza conducts its business in a manner to maximize NAV and FFO growth per unit and, accordingly, unitholder value;
- Plaza’s entrepreneurial abilities allow it to adapt to changing market conditions;
- Plaza has developed strong relationships with leading retailers;
- Plaza’s business is driven by value-add opportunities to develop and redevelop, for its own account, unenclosed retail real estate throughout Canada;
- Plaza strives to minimize the amount of short-term debt that it obtains, thereby locking in returns for unitholders and minimizing financing risk;
- Plaza has a competitive advantage as a developer in Atlantic Canada and Quebec; and
- Plaza is fully internalized and able to develop retail properties in-house.

Summary of Properties

The Trust’s portfolio at September 30, 2020 includes interests in 272 properties totaling approximately 8.6 million square feet (which are predominantly occupied by national tenants) and additional lands held for development. These include properties indirectly held by Plaza through its subsidiaries and through joint arrangements.

	Number of Properties September 30, 2020 ⁽¹⁾	Gross Leasable Area (sq. ft.) September 30, 2020 ^{(1) (2)}	Number of Properties December 31, 2019 ⁽¹⁾	Gross Leasable Area (sq. ft.) December 31, 2019 ^{(1) (2)}
Alberta	2	34,238	2	34,238
Manitoba	1	17,018	1	17,018
Newfoundland and Labrador	12	798,699	12	793,854
New Brunswick	52	1,929,922	52	1,943,764
Nova Scotia	34	1,210,644	33	1,161,369
Ontario	66	1,879,395	68	1,690,869
Prince Edward Island	11	596,035	11	596,035
Quebec	94	2,157,122	95	2,146,617
Total	272	8,623,073	274	8,383,764

⁽¹⁾ Includes properties under development and non-consolidated investments.

⁽²⁾ At 100%, regardless of the Trust’s ownership interest in the properties.

BUSINESS ENVIRONMENT AND OUTLOOK

Plaza’s entrepreneurial culture and adaptability, combined with its strong fully-internalized platform, has allowed Plaza to grow and take advantage of opportunities in the marketplace. Plaza has always been dedicated to growing the business through value-add developments and redevelopments and opportunistic acquisitions. Its properties are primarily leased to national retailers, with a focus on retailers in the essential needs market segment – a segment that generally tends to withstand broader economic conditions and is more e-commerce resilient. Plaza’s leasing efforts over the years have produced a portfolio that is dominated by national retailers, providing a more stable cash flow.

The COVID-19 pandemic has had and will continue to have a material impact on Plaza’s business and Plaza’s tenants, the full extent and duration of which is uncertain at this time. The Trust has withdrawn its outlook for 2020 contained in its Management Discussion and Analysis for the year ended December 31, 2019. Please see the discussion under Risks and Uncertainties in Part V and COVID-19 Impacts in Part VI of the MD&A for additional details, including Plaza’s efforts to mitigate the impacts of the COVID-19 pandemic on its business.

Plaza Retail REIT

DEVELOPMENT PIPELINE AND ACQUISITIONS/DISPOSITIONS

Development Pipeline

Plaza currently owns an interest in the following projects under development or redevelopment which, upon completion, are expected to be accretive to Plaza's earnings. These projects are under construction, development, or planning and are anticipated to be completed at various points over the next three years as indicated:

Properties under development/redevelopment	Square Footage ⁽¹⁾	Ownership	Occupied or Committed at September 30, 2020 ⁽⁴⁾	Anticipated Completion Date ⁽⁵⁾
In Planning/In Development:				
Open-Air Centre:				
Taunton Rd., Oshawa, ON	40,000	50%	n/a	Q3 2021
Northern Avenue Plaza, Sault Ste. Marie, ON	159,308	50%	96%	1-2 years
Plaza de L'Ouest, Sherbrooke, QC – Phase III	20,000	50%	n/a	1-2 years
Fairville Boulevard, Saint John, NB – Phase III.2	8,000	100%	24%	1-2 years
St. Jerome, St. Jerome (Montreal), QC -Phase III.2 ⁽²⁾	70,000	20%	n/a	1-2 years
The Shoppes at Galway, St. John's, NL – Phase I.4 ⁽²⁾	97,500	50%	n/a	1-2 years
The Shoppes at Galway, St. John's, NL – Phase II ⁽²⁾	100,000	50%	n/a	2-3 years
The Shoppes at Galway, St. John's, NL – Phase III ⁽²⁾	85,000	50%	n/a	2-3 years
Hogan Court – Phase II, Bedford, NS	20,200	100%	n/a	1-2 years
100 Saint-Jude Nord, Granby, QC – Phase II ⁽²⁾	40,657	10%	n/a	2-3 years
Tri-City Center, Cambridge, ON	229,000	50%	90%	2-3 years
Single Use:				
Beaubien St., Montreal, QC	10,000	100%	n/a	Q3 2021
464 Dundas St., Belleville, ON ⁽³⁾	2,500	100%	100%	1-2 years
1726 Huron Church Rd, Windsor, ON ⁽³⁾	14,069	100%	n/a	1-2 years
Expansion:				
Les Galeries Montmagny, Montmagny, QC	1,653	50%	n/a	Q4 2021
Champlain St. Plaza, Dieppe (Moncton), NB–Phase II.2	10,000	100%	n/a	1-2 years
Pleasant Street, Yarmouth, NS	1,000	50%	n/a	1-2 years
Granite Drive, New Minas, NS	10,000	100%	n/a	1-2 years
In Construction:				
Enclosed Mall to Open-Air Centre:				
Timiskaming Plaza, New Liskeard, ON	93,737	50%	75%	1-2 years
Open-Air Centre:				
1324 Blvd Talbot, Saguenay (Chicoutimi), QC	104,786	50%	100%	Q4 2020
The Shoppes at Galway, St. John's, NL – Phase I.2 ⁽²⁾	7,520	50%	100%	Q4 2020
The Shoppes at Galway, St. John's, NL – Phase I.3 ⁽²⁾	32,500	50%	100%	Q4 2020
Hogan Court – Phase I, Bedford, NS	47,361	100%	91%	Q3 2021
Rideau Plaza, Smiths Falls, ON	18,640	75%	n/a	1-2 years
Single Use:				
140 Rue Pres. Kennedy, Levis, QC	3,200	100%	100%	Q4 2020
Expansion:				
Silver Fox Plaza, New Minas, NS	12,560	100%	100%	Q4 2020
Fairville Boulevard, Saint John, NB – Phase III.1	2,380	100%	100%	Q4 2020
Mountainview Plaza, Midland, ON	3,600	20%	100%	Q4 2020
Powell Drive, Carbonear, NL	1,674	100%	n/a	Q4 2020
SP Magog, Magog, QC	1,740	50%	100%	Q2 2021
Queens Place Drive Plaza, Liverpool, NS	4,000	100%	100%	Q2 2021
Total	1,252,585			

(1) Approximate square footage upon completion or to be added on expansion.

(2) This is owned in a limited partnership that is part of the Trust's non-consolidated trusts and partnerships.

(3) This is an existing property being redeveloped.

(4) Occupied or committed based on redeveloped square footage.

(5) There is potential for COVID-19 to impact the anticipated completion dates as shown.

Plaza Retail REIT

Plaza's goal is to achieve unlevered returns on developments/redevelopments of between 8%-10%.

There is excess density at existing properties which would represent approximately 28 thousand additional square feet of gross leasable area, at Plaza's ownership percentage.

At September 30, 2020, there is one land assembly and two property acquisitions under purchase agreement and subject to due diligence or other conditions. These land purchases and property acquisitions, if executed, will represent an additional 170 thousand square feet of retail space at completion, at Plaza's ownership percentage.

The total estimated costs for the developments and redevelopments (noted in the chart on the previous page) are between \$110 million and \$120 million, of which approximately \$60 million has already been spent (all figures represent Plaza's ownership percentage). The unspent amount has not been fully or specifically budgeted or committed at this time. For the projects in construction, remaining costs to complete are between \$11 million and \$12 million. The majority of unspent amounts for Plaza's development projects are funded by Plaza's existing development facilities or construction loans.

Acquisitions/Dispositions

During the nine months ended September 30, 2020, the Trust acquired and disposed of the following properties:

Property Acquired	% Acquired	Period ending September 30, 2020⁽¹⁾
Northern Avenue Plaza, Sault Ste. Marie, ON	50%	\$ 8,727

⁽¹⁾ Including closing costs

Properties Disposed	% Disposed	Net Proceeds Nine Months Ending September 30, 2020
Quick Service Restaurants – Neufchatel, QC, Arnprior, ON, Hamilton, ON and Windsor, ON	100%	\$ 1,924
Five single-use properties located in Calgary, AB, New Glasgow, NS, Antigonish, NS and in Montreal, QC ⁽¹⁾	50%	4,616
Total disposals		\$ 6,540

⁽¹⁾ The Trust sold a 50% non-managing co-ownership interest in five properties for net proceeds of \$12.3 million, \$4.6 million after assumption by the purchaser of long-term financing on the properties.

SUMMARY OF SELECTED YEAR TO DATE INFORMATION

(000s, except as otherwise noted)	9 Months Ended September 30, 2020	9 Months Ended September 30, 2019	9 Months Ended September 30, 2018	
Financial Amounts				
Property rental revenue	\$ 80,063	\$ 84,988	\$ 77,949	
Total revenue	\$ 83,115	\$ 90,786	\$ 79,274	
NOI ⁽¹⁾	\$ 50,613	\$ 55,942	\$ 48,184	
Same-asset NOI ⁽¹⁾	\$ 48,299	\$ 49,535	N/A ⁽³⁾	
FFO ⁽¹⁾	\$ 26,441	\$ 31,802	\$ 26,082	
AFFO ⁽¹⁾	\$ 23,167	\$ 28,280	\$ 22,838	
EBITDA ⁽¹⁾	\$ 47,874	\$ 54,060	\$ 45,234	
Profit (loss) and total comprehensive income (loss)	\$ (24,212)	\$ 43,320	\$ 11,144	
Total assets	\$ 1,137,228	\$ 1,171,178	\$ 1,047,439	
Total non-current liabilities	\$ 533,228	\$ 556,839	\$ 479,792	
Total mortgages, mortgage bonds, notes payable, bank credit facilities, and land lease liabilities	\$ 614,708	\$ 541,610	\$ 497,434	
Total debentures	\$ 61,508	\$ 64,362	\$ 62,987	
Weighted average units outstanding ⁽²⁾	103,074	103,811	103,404	
Normal course issuer bid – units repurchased	388	584	-	
Amounts on a Per Unit Basis				
FFO ⁽¹⁾	\$ 0.257	\$ 0.306	\$ 0.252	
AFFO ⁽¹⁾	\$ 0.225	\$ 0.272	\$ 0.221	
Distributions	\$ 0.210	\$ 0.210	\$ 0.210	
Financial Ratios				
Weighted average interest rate – fixed rate mortgages	4.12%	4.33%	4.41%	
Debt to gross assets (excluding convertible debentures) ⁽⁴⁾	54.7%	52.0%	48.2%	
Debt to gross assets (including convertible debentures) ⁽⁴⁾	59.3%	56.5%	53.2%	
Interest coverage ratio ⁽¹⁾	2.22x	2.44x	2.29x	
Debt coverage ratio ⁽¹⁾	1.61x	1.76x	1.63x	
Distributions as a % of FFO	81.8%	68.5%	83.3%	
Distributions as a % of AFFO	93.4%	77.0%	95.1%	
Leasing Information				
Square footage leased during the period (total portfolio)	682,403	959,795	938,858	
Committed occupancy ⁽⁵⁾	95.3%	96.5%	95.9%	
Same-asset committed occupancy ⁽⁵⁾	95.2%	96.3%	96.0%	
Committed occupancy – including non-consolidated investments ⁽⁶⁾	95.8%	96.7%	96.2%	
Mix of Tenancy Based on Base Rents⁽⁵⁾				
National	90.0%	90.5%	89.6%	
Regional	4.0%	3.5%	4.1%	
Local	4.0%	4.2%	4.2%	
Non retail	2.0%	1.8%	2.1%	
Other				
Average term to maturity - mortgages	5.4 Years	5.8 Years	5.7 Years	
Average term to maturity - leases ⁽⁵⁾	5.9 Years	5.7 Years	5.8 Years	
IFRS capitalization rate ⁽⁵⁾	7.33%	7.08%	7.03%	
Property Type Breakdown				
	Number of Properties September 30, 2020	Square Footage (000s)	Number of Properties December 31, 2019	Square Footage (000s)
Open-Air Centres	115	6,513	114	6,266
Enclosed	3	713	3	713
Single Use – Quick Service Restaurant	85	229	88	237
Single Use – Retail	69	1,168	69	1,168
Total	272	8,623	274	8,384

(1) Refer to Part VIII under the headings “Explanation of Non-IFRS Measures used in this Document” and “Explanation of Additional IFRS Measures used in this Document” for further explanations.

(2) Includes Class B exchangeable limited partnership (“LP”) units.

(3) Not applicable as the same-asset calculation relates to assets owned since January 1, 2019.

(4) As of January 1, 2019, ratios include land lease liabilities and right-of-use land lease assets, prior year comparatives have not been restated.

(5) Excludes properties under development and non-consolidated trusts and partnerships.

(6) Excludes properties under development.

PART II

STRATEGY

Plaza's principal goal is to deliver growth in per-unit NAV and FFO from a diversified portfolio of retail properties. To achieve this goal, the Board has set development criteria of a minimum unlevered cash yield equal to 100 basis points above the mortgage constant for a 10 year mortgage at prevailing rates and assuming a 25 year amortization period.

The Trust strives to:

- acquire or develop properties at a cost that is consistent with the Trust's targeted return on investment;
- maintain high occupancy rates on existing properties while sourcing tenants for properties under development and future acquisitions;
- maintain access to cost effective sources of debt and equity capital to finance acquisitions and new developments; and
- diligently manage its properties to ensure tenants are able to focus on their businesses.

The Trust invests in the following property types:

- new properties developed on behalf of retailer clients or in response to demand;
- well located properties where Plaza can add value through efficiencies, density/development or redevelopment; and
- existing properties that will provide stable recurring cash flows with opportunity for growth.

Management intends to achieve Plaza's goals by:

- acquiring or developing high quality properties with the potential for increases in future cash flows;
- focusing on property leasing, operations and delivering superior services to tenants;
- managing properties to maintain high occupancies and staggering lease maturities appropriately;
- increasing rental rates when market conditions permit;
- achieving appropriate pre-leasing prior to commencing construction;
- managing debt to obtain both a low cost of debt and a staggered debt maturity profile;
- matching, as closely as practical, the weighted average term to maturity of mortgages to the weighted average lease term;
- retaining sufficient capital to fund capital expenditures required to maintain the properties;
- raising capital when required in the most cost-effective manner;
- properly integrating new properties acquired;
- using internal expertise to ensure that value is surfaced from all of the properties; and
- periodically reviewing the portfolio to determine if opportunities exist to re-deploy equity from slow growth or non-core properties into higher growth investments.

KEY PERFORMANCE DRIVERS AND INDICATORS

There are numerous performance drivers, many beyond management's control, that affect Plaza's ability to achieve its above-stated goals. These key drivers can be divided into internal and external factors.

Management believes that the key internal performance drivers are:

- occupancy rates;
- rental rates;
- tenant service; and
- maintaining competitive operating costs.

Management believes that the key external performance drivers are:

- the availability of new properties for acquisition and development;
- the availability and cost of equity and debt capital; and
- a stable retail market.

The key performance indicators by which management measures Plaza's performance are as follows:

- FFO;
- AFFO;
- debt service ratios;
- debt to gross assets;
- same-asset NOI;
- weighted average effective cost of debt;
- distributions as a percentage of FFO and AFFO; and
- occupancy levels.

The key performance indicators discussed throughout the MD&A are summarized in the table that follows. Management believes that its key performance indicators allow it to track progress towards the achievement of Plaza's primary goal of providing growth in per-unit NAV and FFO. The following chart discusses the key performance indicators for the nine months ended September 30, 2020 compared to the nine months ended September 30, 2019.

Plaza Retail REIT

FFO⁽¹⁾		YTD Q3 2020	YTD Q3 2019	% Change
	FFO	\$26,441	\$31,802	(16.9%)
	FFO per unit	\$0.257	\$0.306	(16.0%)
	Distributions as a % of FFO	81.8%	68.5%	19.4%
	<ul style="list-style-type: none"> ➤ The decrease in FFO and FFO per unit was mainly due to the impact of lease buyout revenues recorded from two significant lease buyout transactions in the prior year, an increase in bad debt expense in the current year, partially offset by lower operating expenses in the current year. ➤ Excluding the effect of the lease buyouts and severance settlements from the current and prior year, impacts of the Canada Emergency Commercial Rent Assistance (“CECRA”) program, rent abatements and bad debt expense from the current year, FFO would have been 6.3% higher than the prior year, and on a per unit basis, FFO would have been 7.1% higher than the prior year. 			
AFFO⁽¹⁾		YTD Q3 2020	YTD Q3 2019	% Change
	AFFO	\$23,167	\$28,280	(18.1%)
	AFFO per unit	\$0.225	\$0.272	(17.3%)
	Distributions as a % of AFFO	93.4%	77.0%	21.3%
	<ul style="list-style-type: none"> ➤ The principal factors influencing AFFO are consistent with those impacting FFO, along with lower leasing costs. ➤ Excluding the effect of the lease buyouts and severance settlements from the current and prior year, CECRA impacts and bad debt expense from the current year, AFFO would have been 11.3% higher than the prior year and, on a per unit basis, AFFO would have been 12.0% higher than the prior year. 			
Debt Service Ratios⁽¹⁾		YTD Q3 2020	YTD Q3 2019	% Change
	Interest coverage ratio	2.22x	2.44x	(9.0%)
	Debt coverage ratio	1.61x	1.76x	(8.5%)
	<ul style="list-style-type: none"> ➤ The interest and debt coverage ratios were lower than the prior year mainly due to lease buyout revenues in the prior year. The debt coverage and interest coverage ratios exceed the requirements under borrowing arrangements. 			
Debt to Gross Assets		Q3 2020	Q3 2019	% Change
	Debt to gross assets (excluding convertible debentures)	54.7%	52.0%	5.2%
	Debt to gross assets (including convertible debentures)	59.3%	56.5%	5.0%
	<ul style="list-style-type: none"> ➤ The increase in debt to gross assets over the prior year relates mainly to the fair value decrease to investment properties recorded for the nine months ended September 30, 2020. 			
Same-Asset NOI⁽¹⁾		YTD Q3 2020	YTD Q3 2019	% Change
	Same-asset NOI	\$48,299	\$49,535	(2.5%)
		<ul style="list-style-type: none"> ➤ Same-asset NOI is lower than the prior year due to an increase in the bad debt expense, CECRA impacts and rent abatements in the current year, partially offset by lower operating expenses in the current year. ➤ Excluding the effect of the lost revenue due to lease buyouts from the current and prior year, CECRA impacts, rent abatements and bad debt expense from the current year, same-asset NOI would have been 2.5% higher. 		
Weighted Average Interest Rate – Fixed Rate Mortgages		Q3 2020	Q3 2019	% Change
	Weighted average interest rate – fixed rate mortgages	4.12%	4.33%	(4.8%)
	<ul style="list-style-type: none"> ➤ Plaza continues to finance at low rates. 			
Occupancy Levels		Q3 2020	Q3 2019	% Change
	Committed occupancy ⁽²⁾	95.3%	96.5%	(1.2%)
	Same-asset committed occupancy ⁽²⁾	95.2%	96.3%	(1.1%)
	Committed occupancy – including non-consolidated investments ⁽³⁾	95.8%	96.7%	(0.9%)

(1) Refer to Part VIII under the headings “Explanation of Non-IFRS Measures used in this Document” and “Explanation of Additional IFRS Measures used in this Document” for further explanations.

(2) Excludes properties under development and non-consolidated investments.

(3) Excludes properties under development.

Plaza Retail REIT

PROPERTY AND CORPORATE FINANCIAL PERFORMANCE 2020 AND 2019

Funds from Operations (FFO) and Adjusted Funds from Operations (AFFO)

Plaza's summary of FFO and AFFO for the three and nine months ended September 30, 2020, compared to the three and nine months ended September 30, 2019 is presented below:

	3 Months Ended September 30, 2020 (unaudited)	3 Months Ended September 30, 2019 (unaudited)	9 Months Ended September 30, 2020 (unaudited)	9 Months Ended September 30, 2019 (unaudited)
(000s – except per unit amounts and percentage data)				
Profit (loss) and total comprehensive income (loss) for the period attributable to unitholders	\$ 9,143	\$ 10,037	\$ (24,214)	\$ 43,151
Add (deduct):				
Incremental leasing costs included in administrative expenses	335	308	1,221	1,152
Amortization of debenture issuance costs	(103)	(103)	(308)	(308)
Distributions on Class B exchangeable LP units included in finance costs	83	83	250	250
Deferred income taxes	(263)	131	(283)	598
Principal repayments of land lease liabilities	(178)	(166)	(494)	(494)
Fair value adjustment to restricted units	51	26	(182)	41
Fair value adjustment to investment properties	549	(1,644)	49,060	(19,758)
Fair value adjustment to investments	(2,274)	537	1,090	(96)
Fair value adjustment to Class B exchangeable LP units	287	322	(1,274)	679
Fair value adjustment to convertible debentures	1,872	265	(2,717)	4,479
Fair value adjustment to interest rate swaps	(229)	239	3,924	1,772
Fair value adjustment to right-of-use land lease assets	178	166	494	494
Equity accounting adjustment	(6)	1	179	(6)
Non-controlling interest adjustment	(59)	(76)	(305)	(152)
Basic FFO	\$ 9,386	\$ 10,126	\$ 26,441	\$ 31,802
Add (deduct):				
Non-cash revenue – straight-line rent ⁽⁴⁾	(159)	(204)	(417)	6
Leasing costs – existing properties ^{(1) (4)}	(332)	(798)	(1,886)	(2,514)
Maintenance capital expenditures – existing properties ^{(1) (4)}	(514)	(519)	(994)	(1,142)
Non-controlling interest adjustment	6	68	23	128
Basic AFFO	\$ 8,387	\$ 8,673	\$ 23,167	\$ 28,280
Basic weighted average units outstanding ⁽²⁾	102,970	103,598	103,074	103,811
Basic FFO per unit	\$ 0.091	\$ 0.098	\$ 0.257	\$ 0.306
Basic AFFO per unit	\$ 0.081	\$ 0.084	\$ 0.225	\$ 0.272
Gross distributions to unitholders ⁽³⁾	\$ 7,207	\$ 7,245	\$ 21,638	\$ 21,785
Distributions as a percentage of basic FFO	76.8%	71.5%	81.8%	68.5%
Distributions as a percentage of basic AFFO	85.9%	83.5%	93.4%	77.0%
Basic FFO	\$ 9,386	\$ 10,126	\$ 26,441	\$ 31,802
Interest on dilutive convertible debentures	684	684	2,036	2,029
Diluted FFO	\$ 10,070	\$ 10,810	\$ 28,477	\$ 33,831
Diluted weighted average units outstanding ⁽²⁾	112,243	112,871	112,348	113,084
Basic AFFO	\$ 8,387	\$ 8,673	\$ 23,167	\$ 28,280
Interest on dilutive convertible debentures	607	684	1,809	2,029
Diluted AFFO	\$ 8,994	\$ 9,357	\$ 24,976	\$ 30,309
Diluted weighted average units outstanding ⁽²⁾	111,333	112,871	111,437	113,084
Diluted FFO per unit	\$ 0.090	\$ 0.096	\$ 0.253	\$ 0.299
Diluted AFFO per unit	\$ 0.081	\$ 0.083	\$ 0.224	\$ 0.269

(1) Based on actuals.

(2) Includes Class B exchangeable LP units.

(3) Includes distributions on Class B exchangeable LP units.

(4) Includes proportionate share of expenditures at equity-accounted investments.

Three Months

Basic FFO for the three months ended September 30, 2020 decreased by \$740 thousand or 7.3% over the prior year and basic FFO per unit for the three months ended September 30, 2020 was 7.1% lower compared to the prior year.

Items impacting FFO were:

- (i) a decrease in same-asset NOI of \$471 thousand due to a decrease in revenue partially from CECRA and rent abatements, offset by lower operating expenses and revenue from new leasing;
- (ii) an increase in administrative costs of \$59 thousand, mainly due to higher severance settlements in the current year;
- (iii) a decrease in finance costs of \$318 thousand, mainly due to lower mortgage interest;
- (iv) an increase in NOI of \$233 thousand from acquisitions, developments and properties transferred to IPP in 2019 and 2020; and
- (v) a decrease of \$672 thousand in other income due to higher prior year development and leasing fees earned from co-owned properties.

For the three months ended September 30, 2020, AFFO decreased by \$286 thousand or 3.3% over the prior year and AFFO per unit for the three months ended September 30, 2020 was 3.6% lower compared to the prior year. The AFFO and AFFO per unit were mainly impacted by the changes in FFO and FFO per unit described above, along with lower leasing costs in the current quarter.

Excluding the impact of the lease buyouts and severance settlements from the current and prior year, CECRA impacts, rent abatements and bad debt expense from the current year, FFO and FFO per unit would have been 2.6% and 2.0% lower, respectively. AFFO and AFFO per unit adjusted for these same items would have been 6.7% higher and 7.3% higher, respectively.

Nine Months

Basic FFO for the nine months ended September 30, 2020 decreased by \$5.4 million or 16.9% over the prior year and basic FFO per unit for the nine months ended September 30, 2020 was 16.0% lower compared to the prior year.

Items impacting FFO were:

- (i) lease buyout revenues recorded in the prior year of \$5.6 million offset by current year buyouts of \$188 thousand;
- (ii) a decrease of \$1.3 million in other income due to higher prior year development and leasing fees earned from co-owned properties
- (iii) a decrease in same-asset NOI of \$1.2 million due to an increase in bad debt expense, a decrease in revenue partially from CECRA and rent abatements, offset by lower operating expenses and revenue from new leasing;
- (iv) a decrease in administrative costs of \$518 thousand, mainly due to lower salary expenses, lower professional fees, and lower travel and travel related expenses in the current year;
- (v) an increase in straight line rent of \$423 thousand, of which \$723 thousand relates to the landlord's write-off under the CECRA program and rent abatements;
- (vi) a decrease in finance costs of \$651 thousand due to lower mortgage interest, operating line interest and lower mortgage bond interest; and
- (vii) an increase in NOI of \$873 thousand from acquisitions, developments and properties transferred to IPP in 2019 and 2020.

For the nine months ended September 30, 2020, AFFO decreased by \$5.1 million, or 18.1% over the prior year and AFFO per unit decreased 17.3% over the prior year. The decrease in AFFO was mainly due to the changes in FFO and FFO per unit described above, along with lower leasing costs.

Excluding the impact of the lease buyouts and severance settlements from the current and prior year, CECRA impacts, rent abatements and bad debt expense from the current year, FFO and FFO per unit would have been 6.3% and 7.1% higher, respectively, than the prior year. AFFO and AFFO per unit adjusted for these same items would have been 11.3% and 12.0% higher, respectively, than the prior year.

Profit (Loss) and Total Comprehensive Income (Loss) for the Period

The Trust recorded a profit for the three months ended September 30, 2020 of \$9.2 million compared to a profit of \$10.1 million for the same period in the prior year. The decrease was mainly due to a decrease in the fair value of investment properties of \$549 thousand in the current year compared to a fair value increase of \$1.6 million in the prior year. The fair value decrease year over year was mainly due to an increase in capitalization rates in the current year, as well as more conservative assumptions for underwritten NOI and re-leasing costs. Profit was also impacted by the same factors mentioned in the discussion of FFO above, as well as:

- (i) an increase in the share of profit of associates of \$3.1 million over the prior year, mainly relating to the non-cash fair value adjustment of the underlying properties in the current quarter;
- (ii) net gain of \$229 thousand compared to a net loss of \$239 thousand in the prior year, relating to the non-cash fair value adjustment relating to the interest rate swaps; and
- (iii) a net loss of \$1.9 million compared to a net loss of \$265 thousand in the prior year, relating to the non-cash fair value adjustment to convertible debentures.

The Trust recorded a loss for the nine months ended September 30, 2020 of \$24.2 million compared to a profit of \$43.3 million for the same period in the prior year. The decrease was mainly due to a decrease in the fair value of investment properties of \$49.1 million as compared to a fair value increase of \$19.8 million in the prior year. The fair value decrease year over year was mainly due to an increase in capitalization rates, and more conservative assumptions for underwritten NOI and re-leasing costs. Profit was also impacted by the same factors mentioned in the discussion of FFO above, as well as:

- (i) a net gain of \$2.7 million compared to a net loss of \$4.5 million in the prior year, relating to the non-cash fair value adjustment to convertible debentures;
- (ii) a net gain of \$1.3 million compared to a net loss of \$679 thousand in the prior year, relating to the non-cash fair value adjustment relating to the Class B exchangeable LP units;
- (iii) a net loss of \$3.9 million compared to a net loss of \$1.8 million in the prior year, relating to the non-cash fair value adjustment relating to the interest rate swaps;
- (iv) a decrease in the share of profit of associates of \$1.0 million over the prior year, relating to the non-cash fair value adjustment relating to the underlying properties in the current year; and
- (v) a decrease in administrative expenses of \$741 thousand over the prior year, mainly due to lower salary expenses, lower professional fees, and lower travel and travel related expenses in the current year.

Same-Asset Net Property Operating Income (Same-Asset NOI)

Same-asset categorization refers to those properties which were owned and operated by Plaza for the nine months September 30, 2020 and the entire year ended December 31, 2019 and excludes partial year results from certain assets due to timing of acquisition, development, redevelopment or disposition.

Significant portions of the Trust’s leases have common cost recoveries from tenants linked to the consumer price index (“CPI”). At September 30, 2020, approximately 47.1% of the Trust’s leased area is tied to a CPI cost recovery formula. As well, certain anchor tenant leases may restrict recovery of common costs. As a result, certain costs such as snow removal and other operating costs may not be completely offset by cost recoveries in a period, or recovery revenues may exceed costs. Municipal taxes are generally net and fully recoverable from all tenants. Most tenants in open-air centres and single use properties are responsible for their own utilities, and changes to these costs do not materially impact NOI.

	3 Months Ended September 30, 2020 (unaudited)	3 Months Ended September 30, 2019 (unaudited)	9 Months Ended September 30, 2020 (unaudited)	9 Months Ended September 30, 2019 (unaudited)
(000s)				
Same-asset rental revenue	\$ 23,543	\$ 24,633	\$ 72,987	\$ 73,947
Same-asset operating expenses	(1,774)	(2,456)	(9,507)	(9,490)
Same-asset realty tax expense	(5,036)	(4,973)	(15,181)	(14,922)
Same-asset NOI	\$ 16,733	\$ 17,204	\$ 48,299	\$ 49,535

Same-asset NOI for the three and nine months ended September 30, 2020 was down 2.7% and 2.5%, respectively compared to the prior year mainly due to lost revenue due to lease buyouts during 2019, CECRA impacts, rent abatements and an increase in bad debt expense in the current year, offset by new lease up and rent increases in the portfolio along with a decrease in operating expenses in the current year.

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Excluding the effect of lease buyouts from the current and prior year, CECRA impacts, rent abatements and bad debt expense from the current year, same-asset NOI for the three months ended September 30, 2020 would have been 1.3% higher and for the nine months ended September 30, 2020 would have been 2.5% higher compared with the same periods in the prior year.

The following table shows a breakdown of same-asset NOI by province.

	3 Months Ended September 30, 2020 (unaudited)	3 Months Ended September 30, 2019 (unaudited)	9 Months Ended September 30, 2020 (unaudited)	9 Months Ended September 30, 2019 (unaudited)
(000s except percentage data)				
New Brunswick	\$ 4,612	\$ 4,891	\$ 13,253	\$ 13,739
Nova Scotia	2,730	2,651	8,066	7,763
Quebec	3,330	3,336	9,502	9,773
Alberta	99	92	293	263
Manitoba	94	88	277	265
Ontario	2,577	2,517	7,548	7,451
Newfoundland and Labrador	1,429	1,592	3,801	4,463
Prince Edward Island	1,862	2,037	5,559	5,818
Same-asset NOI	\$ 16,733	\$ 17,204	\$ 48,299	\$ 49,535
Percentage increase over prior period	(2.7%)		(2.5%)	

Net Property Operating Income (NOI)

The following table shows the breakdown of total NOI and relevant variances from the prior year.

	3 Months Ended September 30, 2020 (unaudited)	3 Months Ended September 30, 2019 (unaudited)	9 Months Ended September 30, 2020 (unaudited)	9 Months Ended September 30, 2019 (unaudited)
(000s)				
Same-asset NOI	\$ 16,733	\$ 17,204	\$ 48,299	\$ 49,535
Developments and redevelopments transferred to income producing in 2019 (\$2.1 million annualized NOI)	421	384	1,314	898
Developments and redevelopments transferred to income producing in 2020 (\$972 thousand annualized NOI)	126	128	322	335
Acquisitions (\$2.2 million annualized NOI)	326	233	706	457
NOI from properties currently under development and redevelopment (\$3.1 million annualized NOI)	131	25	342	119
Straight-line rent	159	204	417	(6)
Administrative expenses charged to NOI	(717)	(727)	(2,322)	(2,422)
Lease buyout revenue	100	111	188	5,613
Properties disposed	352	373	1,347	1,263
Other	-	80	-	150
Total NOI	\$ 17,631	\$ 18,015	\$ 50,613	\$ 55,942

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Share of Profit of Associates

Share of profit of associates consists of income from equity accounted investments, fair value changes in the underlying investment properties included within equity-accounted investments and other changes to the equity position of the equity-accounted investments that would impact the residual returns on wind-up (such as debt financing incurred). The following schedule shows Plaza's ownership position, rates of preferred returns on investment and Plaza's residual return beyond the preferred returns.

	Ownership Position	Preferred Return	Residual Return
Equity Accounted Investments⁽¹⁾			
Centennial Plaza Limited Partnership	10%	10%	20%
Trois Rivières Limited Partnership	15%	10%	30%
Plazacorp Ontario1 Limited Partnership	25%	8%	25%
Plazacorp Ontario2 Limited Partnership	50%	n/a	n/a
Plazacorp Ontario3 Limited Partnership	50%	n/a	n/a
Plazacorp Ontario4 Limited Partnership	50%	n/a	n/a
RBEG Limited Partnership	50%	n/a	n/a
CPRDL Limited Partnership	50%	n/a	n/a
Fundy Retail Ltd.	50%	n/a	n/a
VGH Limited Partnership	20%	8%	27%
Ste. Hyacinthe Limited Partnership	25%	n/a	n/a
144 Denison East Limited Partnership	25%	n/a	n/a
The Shoppes at Galway Limited Partnership ⁽²⁾	50%	n/a	n/a

⁽¹⁾ Equity and fair value accounted investments consist of the following properties: 3550 Sources, Centennial Plaza, Place Du Marche, BPK Levis and 100 Saint-Jude Nord (Centennial Plaza Limited Partnership); Plaza des Recollets (Trois Rivières Limited Partnership); Ottawa Street Almonte, Hastings Street Bancroft and Main Street Alexandria (Plazacorp Ontario1 Limited Partnership); Amherstview and Port Perry (Plazacorp Ontario2 Limited Partnership); King & Mill Newcastle (Plazacorp Ontario3 Limited Partnership); Manotick (Plazacorp Ontario4 Limited Partnership); Bureau en Gros (RBEG Limited Partnership); CPRDL (CPRDL Limited Partnership); Gateway Mall (Fundy Retail Ltd.); St. Jerome (VGH Limited Partnership); 5400 Laurier Ouest (Ste. Hyacinthe Limited Partnership); 144 Denison and 5150 Arthur-Sauvé (144 Denison East Limited Partnership); and the Shoppes at Galway (The Shoppes at Galway Limited Partnership).

⁽²⁾ Land within this partnership is currently in development.

Share of profit of associates for the three months ended September 30, 2020 includes Plaza's share of NOI of approximately \$1.3 million compared to \$1.1 million for the three months ended September 30, 2019. Share of profit of associates increased by \$3.1 million for the three months ended September 30, 2020 compared to the three months ended September 30, 2019. The increase was mainly due to the non-cash fair value adjustment to the underlying investment properties.

Share of profit of associates for the nine months ended September 30, 2020 includes Plaza's share of NOI of approximately \$3.6 million compared to \$3.1 million for the nine months ended September 30, 2019. Share of profit of associates decreased by \$1.0 million for the nine months ended September 30, 2020 compared to the nine months ended September 30, 2019. The decrease was mainly due to the non-cash fair value adjustment to the underlying investment properties.

Overall committed occupancy for non-consolidated investments (excluding land under development) was 98.7% at September 30, 2020, compared to 98.5% at September 30, 2019.

Distributions received from associates for the three months ended September 30, 2020 were \$295 thousand compared to \$231 thousand for the three months ended September 30, 2019 for regular distributions. Regular distributions received from associates for the nine months ended September 30, 2020 were consistent with the nine months ended September 30, 2019 at \$1.3 million. In addition to the regular distributions, there were distributions as a result of proceeds from financing at an underlying investment property of \$2.6 million in the current quarter and \$444 thousand in the prior year.

Finance Costs

Finance costs for the three months ended September 30, 2020 were \$7.2 million, compared to \$7.5 million for the same period in the prior year, with the decrease mainly due to lower mortgage interest.

Finance costs for the nine months ended September 30, 2020 were \$21.7 million, compared to \$22.3 million for the same period in the prior year. Finance costs were impacted by:

- (i) lower mortgage bond interest of \$202 thousand due to the maturing of Series XI mortgage bonds in July 2019; and
- (ii) lower mortgage interest and operating line interest of \$323 thousand.

Administrative Expenses

Administrative expenses for the three months ended September 30, 2020 were \$84 thousand higher than the prior year mainly due to higher expenses from development deals that will not be pursued offset by lower travel and travel related expenses in the current year. Plaza offered an early retirement program during the quarter, and had five employees participate; this will result in administrative expense savings going forward.

Administrative expenses for the nine months ended September 30, 2020 were \$741 thousand lower than the prior year due to lower salary expenses, lower professional fees along with lower travel and travel related expenses.

Plaza maintains a fully internalized and integrated structure and therefore incurs certain costs related to development and redevelopment activity that are not capitalizable for accounting purposes or for AFFO purposes, but that in Plaza's view is not indicative of regular income producing activities. Plaza carries between \$700 and \$900 thousand per year in these costs included in administrative expenses. Other real estate entities that are not development-oriented or not fully internalized for their development activities would not incur this level of expenses, or they might otherwise be able to capitalize these costs for accounting purposes.

Change in Fair Value of Investment Properties

Investment properties are recorded at fair value based on a combination of external appraisals and internal valuations, whereby appropriate capitalization rates (supplied by independent appraisers) are applied to budgeted normalized net operating income (property revenue less property operating expenses).

The Trust recorded a fair value decrease to investment properties of \$549 thousand for the three months ended September 30, 2020 compared to a fair value increase of \$1.6 million for the three months ended September 30, 2019. The Trust recorded a fair value decrease to investment properties of \$49.1 million for the nine months ended September 30, 2020 compared to a fair value increase of \$19.8 million for the nine months ended September 30, 2019. The weighted average capitalization rate at September 30, 2020 was 7.33% compared to 7.07% at December 31, 2019 and 7.08% at September 30, 2019. The fair value decrease when comparing the three and nine months ended September 30, 2020 to the three and nine months ended September 30, 2019 was mainly due to an increase in capitalization rates, as well as more conservative assumptions for underwritten NOI and re-leasing costs.

Change in Fair Value of Convertible Debentures

The majority of the convertible debentures are publicly traded with their fair values based on their traded prices.

The fair value adjustment to convertible debentures for the three months ended September 30, 2020 was a net loss of \$1.9 million compared to a net loss of \$265 thousand in the prior year. The fair value adjustment to convertible debentures for the nine months ended September 30, 2020 was a net gain of \$2.7 million compared to a net loss of \$4.5 million in the prior year.

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Change in Fair Value of Class B Exchangeable LP Units

The Class B exchangeable LP units were issued effective January 1, 2015 in connection with the purchase by Plaza of the interests of certain equity partners in eight properties located in New Brunswick and Prince Edward Island. Distributions paid on these exchangeable units are based on the distributions paid to Plaza unitholders. The exchangeable LP units are exchangeable on a one-for-one basis into Plaza units at the option of the holders. The fair value of these exchangeable LP units is based on the trading price of Plaza's units.

The fair value adjustment to Class B exchangeable LP units for the three months ended September 30, 2020 was a net loss of \$287 thousand compared to a net loss of \$322 thousand in the prior year. The fair value adjustment to Class B exchangeable LP units for the nine months ended September 30, 2020 was a net gain of \$1.3 million compared to a net loss of \$679 thousand in the prior year.

LEASING AND OCCUPANCY

The following table represents leases expiring for the next 5 years and thereafter for Plaza's property portfolio at September 30, 2020 (excluding developments, redevelopments and non-consolidated investments).

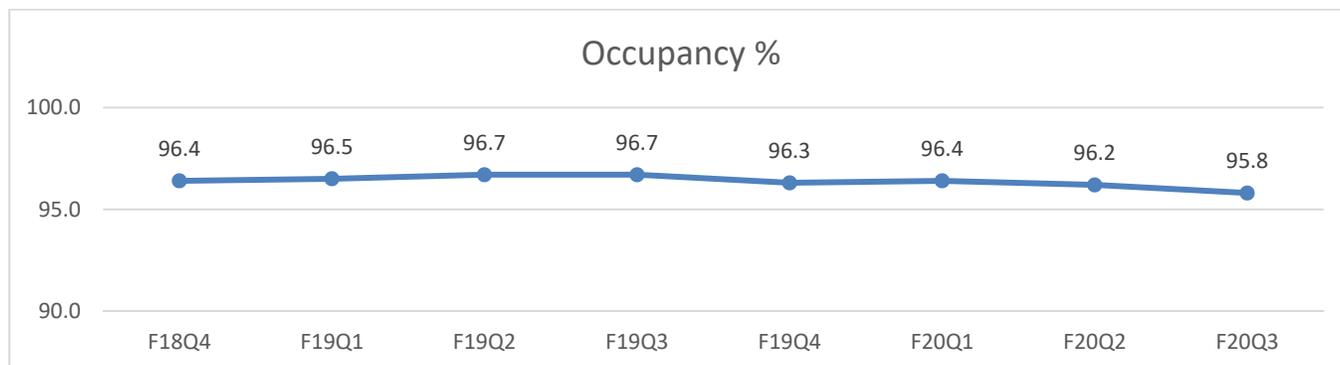
Year	Open-Air Centres		Enclosed Malls		Single-User Retail		Single-User QSR ⁽²⁾		Total	
	Sq Ft ⁽¹⁾	%	Sq Ft ⁽¹⁾	%	Sq Ft ⁽¹⁾	%	Sq Ft ⁽¹⁾	%	Sq Ft ⁽¹⁾	%
Remainder 2020	120,010	2.5	19,727	3.3	14,580	1.6	9,962	5.4	164,279	2.6
2021	467,164	9.9	122,480	20.4	38,537	4.3	17,796	9.8	645,977	10.1
2022	450,630	9.5	64,125	10.7	103,739	11.6	35,265	19.3	653,759	10.2
2023	604,195	12.7	154,533	25.7	154,177	17.2	32,464	17.7	945,369	14.7
2024	518,908	11.0	81,442	13.6	50,262	5.6	-	-	650,612	10.1
2025	455,907	9.6	41,328	6.9	141,935	15.9	2,650	1.4	641,820	10.0
Thereafter	2,122,771	44.8	116,592	19.4	391,840	43.8	85,098	46.4	2,716,301	42.3
Subtotal	4,739,585	100.0	600,227	100.0	895,070	100.0	183,235	100.0	6,418,117	100.0
Vacant	215,105		112,836		-		18,218		346,159	
Total	4,954,690		713,063		895,070		201,453		6,764,276	
Weighted average lease term	6.3 years		3.5 years		5.8 years		5.9 years		5.9 years	

⁽¹⁾ At 100%, regardless of the Trust's ownership interest in the properties.

⁽²⁾ QSR refers to quick service restaurants.

At September 30, 2020, committed occupancy including non-consolidated investments (excluding properties under development and redevelopment) was 95.8% compared to 96.7% at September 30 2019. Same-asset committed occupancy was 95.2% at September 30, 2020, compared to 96.3% at September 30, 2019.

Committed occupancy including non-consolidated investments (excluding properties under development and redevelopment) for the portfolio over the last eight quarters is as follows:



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The weighted average contractual base rent per square foot on renewals/new leasing in 2020 versus expiries (excluding developments, redevelopments and non-consolidated investments) is outlined in the following table:

	Open-Air Centres	Enclosed Malls	Single-User Retail	Single-User QSR
2020 – Q3 YTD				
Leasing renewals (sq. ft.)	342,057	70,479	16,018	6,387
Weighted average rent (\$/sq. ft.)	\$14.78	\$8.14	\$8.93	\$23.24
Change in weighted average rent	3.4%	2.4%	-	-
Expiries that renewed (sq. ft.)	342,057	70,479	16,018	6,387
Weighted average rent (\$/sq. ft.)	\$14.29	\$7.94	\$8.93	\$23.24
New leasing (sq. ft.)	81,676	6,648	4,598	-
Weighted average rent (\$/sq. ft.)	\$16.94	\$18.49	\$36.34	-
Expiries not renewed (sq. ft.)	118,760	33,701	1,590	8,010
Weighted average rent (\$/sq. ft.)	\$14.38	\$20.45	\$42.00	\$29.20
2020 – Remainder of Year				
Expiries (sq. ft.)	120,010	19,727	14,580	9,962
Weighted average rent (\$/sq. ft.)	\$13.55	\$14.99	\$7.54	\$30.09

Including developments, redevelopments and non-consolidated investments the Trust completed 682 thousand square feet of new and renewal leasing deals for the nine months ended September 30, 2020.

Plaza's financial exposure to vacancies and lease roll-overs differs among different retail asset types, as gross rental rates differ by asset class. Committed occupancy by asset class (excluding non-consolidated investments) was as follows:

- Committed occupancy in the open-air centres was 96.2% at September 30, 2020, compared to 97.3% at September 30, 2019.
- Committed occupancy for enclosed malls was 84.2% at September 30, 2020, compared to 87.3% at September 30, 2019.
- Committed occupancy for single use assets was 98.4% at September 30, 2020, compared to 99.0% at September 30, 2019.
- Pre-leased space in active properties under development was 87.8% at September 30, 2020.

Plaza has built a portfolio with a high quality revenue stream. Plaza's ten largest tenants based upon current monthly base rents at September 30, 2020 represent approximately 53.9% of total base rent revenues in place.

	% of Base Rent Revenue ⁽⁷⁾		% of Base Rent Revenue ⁽⁷⁾
1. Shoppers Drug Mart/Loblaws ⁽¹⁾	24.8	6. TJX Group ⁽⁵⁾	3.4
2. Dollarama	5.3	7. Staples	3.1
3. KFC ⁽²⁾	5.1	8. Bulk Barn	1.8
4. Canadian Tire Group ⁽³⁾	3.7	9. Tim Hortons/Burger King (RBI)	1.6
5. Sobeys Group ⁽⁴⁾	3.6	10. goeasy Ltd. ⁽⁶⁾	1.5
Total: 53.9%			

(1) Shoppers Drug Mart/Loblaws represents the following stores: Shoppers Drug Mart, No Frills, and Maxi.

(2) The majority is represented by 2 operators.

(3) Canadian Tire Group represents the following stores: Canadian Tire, Mark's/L'Équipeur, Party City and Sport Chek.

(4) Sobeys Group represents the following stores: Sobeys, IGA, Sobeys Fast Fuel and Lawtons.

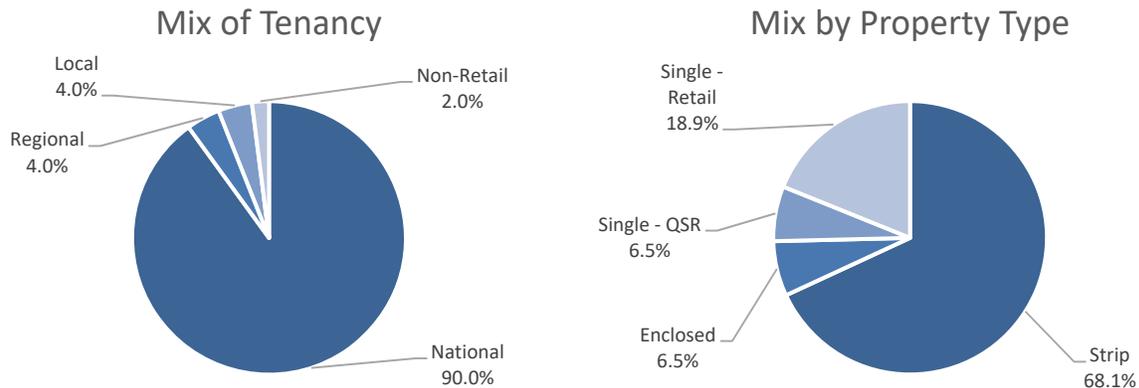
(5) TJX Group represents the following stores: Winners, HomeSense, and Marshalls.

(6) goeasy Ltd. represents the following stores: easyfinancial and easyhome.

(7) Excludes developments, redevelopments and non-consolidated investments.

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The Trust's mix of tenancies, based on base rents, is primarily made up of national tenants. The graphs below exclude developments, redevelopments and non-consolidated investments.



PART III

OPERATING LIQUIDITY AND WORKING CAPITAL

Cash flow, in the form of recurring rent generated from the portfolio, represents the primary source of liquidity to service debt, to pay operating, leasing and property tax costs, and to fund distributions. Costs of development activities, which form a large portion of accounts payable and accrued liabilities, are generally funded by a combination of debt and equity.

Cash flow from operations is dependent upon occupancy levels of properties owned, rental rates achieved, effective collection of rents, and efficiencies in operations as well as other factors.

Plaza maintains a prudent cash distribution policy, in order to retain sufficient funds to manage the business, including ongoing maintenance capital expenditures and debt service. New capital raised is generally directed to acquisitions or continuing development activities, which are discretionary, based on the availability of such capital. In setting the annual distributions to unitholders, Plaza reviews budgets and forecasts and considers future growth prospects for the business, including developments/redevelopments and leasing within the portfolio and considers cash flow and profitability, the sustainability of margins, maintenance capital expenditures, debt service requirements, the satisfaction of statutory tests imposed by the laws governing Plaza for the declaration of distributions and other conditions, among other things. Plaza may also look at other capital market factors when determining distributions. Profit under IFRS is not used by Plaza when setting the annual distribution, as profit reflects, among other things, non-cash fair value adjustments relating to the Trust's income producing property and convertible debentures – items that are not reflective of Plaza's ability to pay distributions and outside of Plaza's control. In addition, because of items such as principal repayments, distributions may also exceed actual cash available from time to time.

Although Plaza currently pays distributions on a monthly basis, there can be no assurance regarding the amount and frequency of such distributions. Future distribution payments and the level thereof are subject to the discretion of the Board and will depend upon the numerous factors outlined above.

There can be no assurance regarding the amount of income to be generated by Plaza's properties. The ability of Plaza to make cash distributions, and the actual amount distributed, will be entirely dependent on the operations and assets of Plaza, and will be subject to various factors including financial performance, current and forecasted economic conditions, obligations under applicable credit facilities, the sustainability of income derived from the tenant profile of Plaza's properties and maintenance capital expenditure requirements. Distributions may be increased, reduced or suspended entirely depending on Plaza's operations and the performance of Plaza's assets, at the discretion of the Board.

Plaza's annual distributions are currently set at \$0.28 per unit.

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(000s)	3 Months Ended September 30, 2020 (unaudited)	3 Months Ended September 30, 2019 (unaudited)	9 Months Ended September 30, 2020 (unaudited)	9 Months Ended September 30, 2019 (unaudited)
Cash distributions paid ⁽¹⁾	\$ 7,207	\$ 7,245	\$ 21,638	\$ 21,785

⁽¹⁾ Cash distributions include cash distributions paid and payable to unitholders and distributions on Class B exchangeable LP units classified as finance costs.

Total distributions compared to cash provided by operating activities is summarized in the following table.

(000s)	3 Months Ended September 30, 2020 (unaudited)	3 Months Ended September 30, 2019 (unaudited)	9 Months Ended September 30, 2020 (unaudited)	9 Months Ended September 30, 2019 (unaudited)
Cash provided by operating activities ⁽¹⁾	\$ 19,309	\$ 11,860	\$ 25,885	\$ 30,920
Total distributions ⁽²⁾	(7,207)	(7,245)	(21,638)	(21,785)
Excess of cash provided by operating activities over total distributions	\$ 12,102	\$ 4,615	\$ 4,247	\$ 9,135

⁽¹⁾ Cash provided by operating activities is presented net of interest paid, but excludes distributions paid on Class B exchangeable LP units classified as finance costs.

⁽²⁾ Total distributions include cash distributions paid and payable to unitholders and distributions on Class B exchangeable LP units classified as finance costs.

Plaza believes its current distributions are sustainable based on expected and historical results and cash flows. The Trust continuously assesses the sustainability of future cash distributions based on various factors, including Plaza's operations and others discussed above.

Plaza's rent collections during Q3 have improved dramatically. Including the federal government contribution under the CECRA program, all of which has been received to date, Plaza collected 97.4% of gross rent for the quarter.

Plaza Retail REIT

CAPITAL RESOURCES, EQUITY AND DEBT ACTIVITIES

Operating and Development Facilities

(000s)	\$44.0 Million Operating	\$20.0 Million Development	\$15.0 Million Development
December 31, 2019 ⁽¹⁾	\$ 17,339	\$ -	\$ 8,924
Net change	14,203	-	(7,981)
September 30, 2020 ⁽¹⁾	\$ 31,542	\$ -	\$ 943
Interest rate	Prime + 1.50% or BA + 2.75%	Prime + 0.75% or BA + 2.25%	Prime + 1.50% or BA + 2.75%
Maturity	July 31, 2021	July 31, 2021	July 31, 2021
Security	First charges on pledged properties	First charges on applicable pledged development property	First charges on applicable pledged development property
Other terms	Debt service, maximum leverage, occupancy & equity maintenance covenants	Debt service & maximum leverage covenants	Debt service, maximum leverage, occupancy & equity maintenance covenants
Line reservations available for letters-of-credit	\$2.0 million	\$1.5 million	\$0.5 million
Issued and outstanding	\$0.5 million	-	-

⁽¹⁾ Excludes unamortized finance charges.

Funding is secured by first mortgage charges on properties or development properties as applicable. The Trust must maintain certain financial ratios to comply with the facilities. As of September 30, 2020, all debt covenants in respect of the above facilities have been maintained.

Costs of development activities are generally funded by a combination of debt and equity. Timing of development activities or whether a development project is launched at all (including those listed in Part I of this MD&A under the heading "Development Pipeline and Acquisitions/Dispositions – Development Pipeline") is dependent on tenant demand and availability of capital, among other factors. Plaza's operating facility is generally used to fund the equity portion of development projects. Plaza's existing development facilities or new construction loans entered into (generally in the case where Plaza has partners in a development) are used to fund construction costs until permanent long-term financing is placed on the finished development. Given the rotation of development projects onto, and off of, the development facilities and the availability of specific construction financing when required, Plaza's facilities and its debt capacity are currently sufficient to fund ongoing planned and committed development expenditures.

Plaza's liquidity at September 30, 2020 is comprised of \$8.0 million of cash, \$12.0 million available to be drawn on the operating line, \$34.1 million of unused development facilities, \$8.5 million of unused construction facilities, including non-consolidated investments, and unencumbered assets with a value of approximately \$30.0 million.

Plaza Retail REIT

Mortgage Bonds

Plaza's mortgage bonds are secured by either property or cash. The terms of the mortgage bonds are as follows:

(000s)	Series X.1	Series X.2	Series XII
Interest rate	6.00%	6.15%	5.50%
Maturity date	March 25, 2021	June 25, 2022	July 15, 2022
Amount	\$2,005	\$3,195	\$3,000

The Series X and XII mortgage bonds can be deployed up to 90% of the cost of a property under a first or second charge on that property. If it is a second charge, the total debt, including mortgage bonds, cannot exceed 90%. These mortgage bonds can be reallocated to different properties from time to time as required.

On June 25, 2020, \$6.0 million of Series X mortgage bonds matured and \$5.2 million of these bonds were extended or issued. Of the \$5.2 million, \$2.0 million of these bonds were extended to March 25, 2021 at an interest rate of 6.0% and \$3.2 million of these bonds were extended to June 25, 2022 at an interest rate of 6.15%.

Debentures

Convertible and non-convertible debentures are subordinate and unsecured. Convertible debentures are recorded at fair value and changes in the fair value are recorded quarterly in profit and loss. The debenture terms are as follows:

(000s)	Convertible Series E	Convertible Series VII	Non-convertible Series I	Non-convertible Series II
Interest rate	5.10%	5.50%	5.00%	5.00%
Conversion price	\$5.65	\$6.04	n/a	n/a
Par call date	April 1, 2022	June 30, 2020	n/a	n/a
Maturity date	March 31, 2023	June 30, 2021	May 2, 2021	February 28, 2022
Face amount	\$47,250	\$5,500	\$3,860	\$6,000

Mortgages

During 2020, the Trust obtained new long-term financing for a property located in Mississauga, ON in the amount of \$5.75 million with a term of 10 years and an interest rate of 3.75%, at the Trust's consolidated percentage ownership of 50%.

During 2020, the Trust obtained new long-term financing for a property located in Brampton, ON in the amount of \$9.4 million with a term of 10 years and an interest rate of 2.29% and a mortgage was refinanced for a property located in St. Thomas, ON in the amount of \$6.0 million with a term of 10 years and an interest rate of 2.68%.

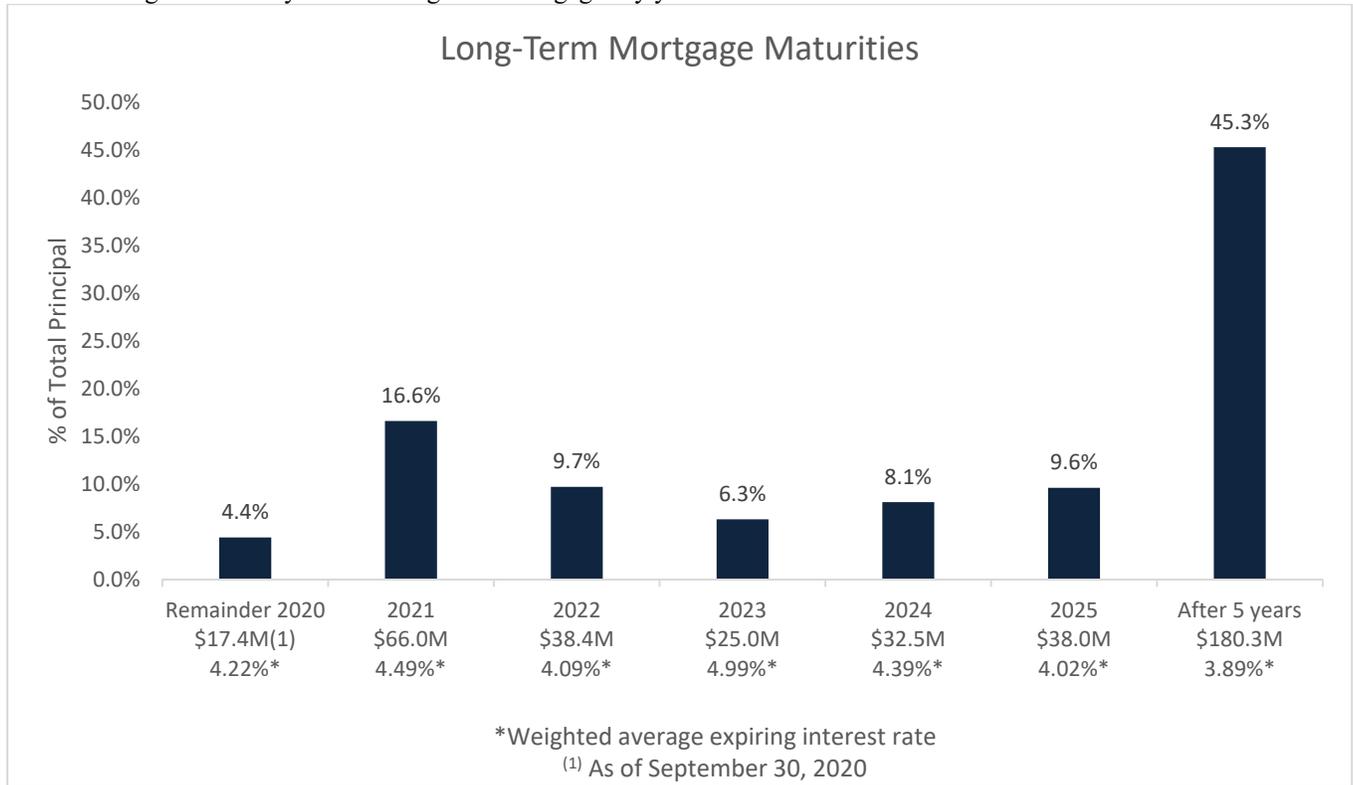
During 2020, the Trust renewed four mortgages for properties located in Edmunston, NB, Saint John, NB, and in New Glasgow, NS in the amount of \$12.7 million with a weighted average term of 1 year and at a weighted average interest rate of 2.13%.

During 2020, the Trust obtained an interim facility of \$5.6 million for an acquired strip plaza located in Sault Ste. Marie, ON. This facility has a 2 year term with an interest rate of prime plus 1.00% or BA plus 2.50%. Mezzanine financing was also obtained during this acquisition, for two unsecured interest-only fixed rate loans in the amounts of \$1.8 million and \$1.2 million with a 5 year and 6 month term, respectively, with an interest rate of 5.0%.

The Trust's strategy is to balance maturities and terms on new debt with existing debt maturities to minimize maturity exposure in any one year and to reduce overall interest costs. Maintaining or improving the average cost of debt will be dependent on market conditions at the time of refinancing. Plaza's debt strategy involves maximizing the term of long-term debt available based on the tenant profiles for the assets being financed, at current market rates, in order to stabilize cash flow available for reinvestment and distribution payments.

As a conservative interest rate risk management practice, the Trust's use of floating-rate debt is generally limited to its operating line (to fund ongoing operations and acquisitions) and its development lines/construction loans (until long term fixed-rate mortgage financing is placed on the completed development projects).

The following is a maturity chart of long-term mortgages by year:



The weighted average term to maturity for the long-term mortgages is 5.4 years. The average remaining repayment (amortization) period on long-term mortgage debt is 21.0 years.

Plaza Retail REIT

Debt Service Ratios

Plaza's summary of EBITDA and debt service ratios for the three and nine months ended September 30, 2020, compared to the three and nine months ended September 30, 2019 is presented below:

	3 Months Ended September 30, 2020 (unaudited)	3 Months Ended September 30, 2019 (unaudited)	9 Months Ended September 30, 2020 (unaudited)	9 Months Ended September 30, 2019 (unaudited)
(000s – except debt service ratios)				
Profit (loss) and total comprehensive income (loss) for the period	\$ 9,185	\$ 10,076	\$ (24,212)	\$ 43,320
Add (deduct):				
Income taxes	(232)	129	(186)	786
Finance costs	7,190	7,508	21,698	22,349
Fair value adjustment to investment properties	549	(1,644)	49,060	(19,758)
Fair value adjustment to investments	(2,274)	537	1,090	(96)
Fair value adjustment to convertible debentures	1,872	265	(2,717)	4,479
Fair value adjustment to Class B exchangeable LP units	287	322	(1,274)	679
Fair value adjustment to restricted and deferred units	51	26	(182)	41
Fair value adjustment to interest rate swaps	(229)	239	3,924	1,772
Fair value adjustment to right-of-use land lease assets	178	166	494	494
Equity accounting adjustment for interest rate swaps	(6)	1	179	(6)
EBITDA	\$ 16,571	\$ 17,625	\$ 47,874	\$ 54,060
Finance costs ⁽¹⁾	\$ 7,149	\$ 7,467	\$ 21,572	\$ 22,158
Periodic mortgage principal repayments ⁽²⁾	3,038	2,837	8,250	8,573
Total debt service	\$ 10,187	\$ 10,304	\$ 29,822	\$ 30,731
Debt service ratios				
Interest coverage ratio	2.32 times	2.36 times	2.22 times	2.44 times
Debt coverage ratio	1.63 times	1.71 times	1.61 times	1.76 times

(1) Excludes mark-to-market adjustments, loan defeasance and early mortgage discharge fees, and distributions on Class B exchangeable LP units recorded in finance costs.

(2) Includes land lease principal repayments.

For the nine months ended September 30, 2020, the interest and debt coverage ratios were lower than the prior year mainly due to \$5.6 million in lease buyout revenues recorded in the prior year.

The debt coverage and interest coverage ratios exceed the requirements under Plaza's borrowing arrangements.

Debt to Gross Assets

Plaza's debt to gross assets is presented below:

	September 30, 2020	December 31, 2019	September 30, 2019
Debt to gross assets:			
Including convertible debentures ⁽¹⁾	59.3%	56.3%	56.5%
Excluding convertible debentures	54.7%	51.8%	52.0%

(1) Convertible debentures valued at cost.

The increase in debt to gross assets over the prior year relates mainly to the fair value decrease to investment properties of \$49.1 million for the nine months ended September 30, 2020. On January 1, 2019, the new accounting standard on leases was implemented requiring Plaza to record land lease liabilities and right-of-use land lease assets on its books. Excluding land leases and excluding convertible debentures, the debt to gross assets ratio is 51.9%; excluding land leases and including convertible debentures, the ratio is 56.8%. By its Declaration of Trust, Plaza is limited to an overall indebtedness ratio of 60% excluding convertible debentures and 65% including convertible debentures.

Plaza Retail REIT

Units

If all rights to convert units under the provisions of convertible debt were exercised and exchangeable LP units were exchanged, the impact on units outstanding would be as follows:

At November 12, 2020 (000s) (unaudited)	Units
Current outstanding units	101,773
Class B exchangeable LP units	1,191
Series VII convertible debentures	911
Series E convertible debentures	8,363
Total adjusted units outstanding	112,238

On September 24, 2020, the Trust announced that it had received approval from the TSX for the renewal of its normal course issuer bid (“NCIB”) for a further year. Plaza’s prior NCIB expired on September 27, 2020; the period of the renewed NCIB commenced on September 28, 2020 and will conclude on the earlier of the date on which purchases under the bid have been completed and September 27, 2021. Under the terms of the renewed NCIB, the Trust can purchase up to 6,472,223 of its issued and outstanding units through the facilities of the TSX and any alternative trading system in Canada. Subject to certain prescribed exemptions and any block purchase made in accordance with the rules of the TSX, daily purchases made by the Trust may not exceed 44,809 units, representing 25% of the average daily trading volume of the units on the TSX for the six-month period ended August 31, 2020 (being 179,239 units). All units that are purchased under the renewed NCIB will be cancelled (on a monthly basis, on or before the record date for each monthly distribution). Unitholders may obtain a copy of the NCIB renewal notice, without charge, by contacting the Trust.

Plaza also entered into a new automatic securities purchase plan agreement (the “Plan”) with its designated broker in order to facilitate purchases of units under the renewed NCIB. The Plan, which was pre-cleared by the TSX, allows for purchases of units by Plaza at times when it would ordinarily not be permitted to make purchases due to regulatory restrictions or self-imposed blackout periods. The Plan will terminate on September 27, 2021.

For the nine months ended September 30, 2020, 388,097 units have been repurchased for cancellation under Plaza’s prior and renewed NCIB at a weighted average price of \$3.5623. With this, to September 30, 2020, Plaza has purchased a total of 1,109,786 units for cancellation since the commencement of the original NCIB on September 28, 2018 at a weighted average of \$4.0148.

Subsequent to quarter end, an additional 3,350 units have been repurchased under the renewed NCIB at an average unit price of \$3.4055.

Land Leases

Return on invested cash or equity is a measure Plaza uses to evaluate development and strategic acquisitions. Investing in a project subject to a land lease reduces the cash equity required for an individual project and increases the number of projects which can be undertaken with available capital. This spreads risk and enhances overall unitholder return. In some instances, use of a land lease will enhance project feasibility where a project might not otherwise be undertaken without use of a land lease.

In January 2016, the IASB issued IFRS 16, *Leases* (“IFRS 16”). The new standard replaced the previous lease guidance in IFRS and related interpretations, requiring lessees to bring most leases on their statement of financial position. Lessor accounting remains similar to the current standard and the distinction between operating and finance leases is retained. The new standard was effective beginning January 1, 2019.

The Trust has investment properties located on land which is leased. Under the former lease standard, these leases were accounted for as operating leases and the related lease payments were expensed. Under the new lease standard, right-of-use (“ROU”) assets and land lease liabilities have been recorded along with the corresponding financing charges. The ROU assets are accounted for as investment property, as these land leases meet the definition of investment property under IAS 40, *Investment property*.

At transition, for leases classified as operating leases under the old standard, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Trust’s incremental borrowing rate as at January 1, 2019. The Trust elected to measure all its ROU assets at an amount equal to the lease liabilities, adjusted for any prepaid or accrued lease payments.

As at January 1, 2019, the Trust recognized lease liabilities of \$60.6 million recorded as land lease liabilities and ROU assets of \$60.6 million in investment properties on its statement of financial position. The nature and timing of the related expenses has changed under the new standard, as IFRS 16 replaces the straight-line operating lease expense recorded in NOI with interest expense on lease liabilities. Changes in the fair value of the ROU assets are also now being recorded.

Land lease commitments at December 31, 2018	\$ 126,374
Additional land lease commitments upon transition ⁽¹⁾	16,782
Total land lease liability commitments	143,156
Discounted using the incremental borrowing rate at January 1, 2019	(82,586)
Land lease liabilities recognized at January 1, 2019	\$ 60,570

⁽¹⁾ Land lease commitments upon transition represent those leases that, in the opinion of management, will be renewed for terms beyond the current contractual commitments based on the estimated useful lives of the investment properties occupying the leased land.

When measuring lease liabilities for leases that were classified as operating leases, the Trust discounted lease payments using its incremental borrowing rate at January 1, 2019. The weighted average rate applied was 4.67%.

The Trust has 27 long-term land leases (affecting 26 properties). One of the land leases relates to shared parking facilities. Land leases expire (excluding any non-automatic renewal periods) on dates ranging from 2022 to 2084 with an average life of 34 years, with some of the leases also containing non-automatic renewal options, extending the average life of the leases to 60 years including these non-automatic renewal options. Of the 27 land leases, 11 of the land leases have options to purchase, generally at fair market value. At September 30, 2020, the recorded amount of the right-of-use assets and land lease liabilities is \$66.9 million.

Plaza Retail REIT

Gross Capital Additions Including Leasing Fees:

(000s)	3 Months Ended September 30, 2020 (unaudited)	3 Months Ended September 30, 2019 (unaudited)	9 Months Ended September 30, 2020 (unaudited)	9 Months Ended September 30, 2019 (unaudited)
Existing properties				
Leasing commissions	\$ 48	\$ 63	\$ 329	\$ 226
Other leasing costs	32	554	526	1,504
	80	617	855	1,730
Maintenance capital expenditures	514	519	994	1,142
Total capital additions – existing properties	594	1,136	1,849	2,872
Development/redevelopment properties				
Leasing commissions	109	64	147	97
Other leasing costs	1,896	755	5,887	5,055
Capital additions	4,146	5,523	10,971	11,454
Total capital additions - developments/redevelopments	6,151	6,342	17,005	16,606
Total gross additions per statements of cash flows	\$ 6,745	\$ 7,478	\$ 18,854	\$ 19,478
Reconciliation of leasing costs for AFFO purposes				
Leasing costs – existing properties per above	80	\$ 617	\$ 855	\$ 1,730
Internal leasing salaries	252	181	1,031	784
Total leasing costs – existing properties for AFFO	\$ 332	\$ 798	\$ 1,886	\$ 2,514

COMMITMENTS AND CONTINGENT LIABILITIES

Commitments

The Trust estimates \$2.6 million in commitments in respect of development activities for the remainder of 2020. Management believes that Plaza has sufficient unused bank and development line availability, and/or mortgage bond deployment potential, to fund these commitments.

The Trust's estimated commitments at September 30, 2020 in respect of certain projects under development and other long-term obligations are as follows:

	Remainder 2020	Year 1 2021	Year 2 2022	Year 3 2023	Year 4 2024	Year 5 2025	After 5 Years	Face Value Total
Mortgages – periodic payments	\$ 3,011	\$ 10,568	\$ 10,022	\$ 8,624	\$ 8,250	\$ 7,200	\$ 25,567	\$ 73,242
Mortgages – due at maturity	17,432	66,041	38,455	25,030	32,468	38,012	180,290	397,728
Development lines of credit	-	943	-	-	-	-	-	943
Construction loans	6,560	8,855	5,558	-	-	-	-	20,973
Unsecured interest-only loans	-	1,200	-	5,643	2,971	1,800	-	11,614
Bank indebtedness	-	31,542	-	-	-	-	-	31,542
Mortgage bonds payable	-	2,005	6,195	-	-	-	-	8,200
Debentures ⁽¹⁾	-	9,360	6,000	47,250	-	-	-	62,610
Land leases	814	3,252	3,240	3,206	3,243	3,283	121,741	138,779
Development activities	2,600	15,752	-	-	-	-	-	18,352
Total contractual obligations	\$ 30,417	\$ 149,518	\$ 69,470	\$ 89,753	\$ 46,932	\$ 50,295	\$ 327,598	\$ 763,983

⁽¹⁾ Stated at face value.

Contingent Liabilities

The Trust has contingent liabilities as original borrower on three mortgages partially assumed by the purchasers of the underlying properties, where a 75% interest in each was sold in 2009. These commitments are subject to indemnity agreements. These sales did not relieve the Trust's obligations as original borrower in respect of these mortgages. The debt subject to such guarantees at September 30, 2020 totals \$4.8 million with a weighted average remaining term of 2.3 years. As well, the Trust has contingent liabilities as original borrower on six mortgages partially assumed by the purchasers of the underlying properties, where a 50% interest in each was sold in November 2017. These commitments are subject to indemnity agreements. These sales did not relieve the Trust's obligations as original borrower in respect of these mortgages. The debt subject to such guarantees at September 30, 2020 totals \$6.7 million with a weighted average remaining term of 4.8 years. The Trust also has contingent liabilities as original borrower on three mortgages partially assumed by the purchasers of the underlying properties, where a 50% interest in each was sold in August 2020. These commitments are subject to indemnity agreements. These sales did not relieve the Trust's obligations as original borrower in respect of these mortgages. The debt subject to such guarantees at September 30, 2020 totals \$7.6 million with a weighted average remaining term of 7.2 years.

The Trust guarantees a \$4.0 million commitment relating to the mortgage of an asset sold in 2018, with a weighted average remaining term of 3.8 years at September 30, 2020.

The Trust is contingently liable for certain obligations of its co-venturers, under guarantees in excess of its ownership percentages for six strip plazas and four free-standing properties. The excess guarantees amount to \$14.4 million. Cross indemnities are in place for certain of these properties from co-venturers.

PART IV

SUMMARY OF SELECTED QUARTERLY INFORMATION

Plaza's summary of selected quarterly information for the last eight quarters is presented below:

(000s except per unit and percentage data) (unaudited)	Q3'20	Q2'20	Q1'20	Q4'19	Q3'19	Q2'19	Q1'19	Q4'18
Total revenue ⁽¹⁾	\$29,736	\$23,522	\$29,857	\$27,685	\$28,437	\$28,491	\$33,858	\$26,162
Property rental revenue	\$25,960	\$26,781	\$27,322	\$27,473	\$26,868	\$26,373	\$31,747	\$26,068
Net property operating income	\$17,631	\$16,094	\$16,888	\$16,785	\$18,015	\$16,449	\$21,478	\$15,740
Profit (loss) and total comprehensive income (loss)	\$9,185	\$(31,299)	\$(2,098)	\$8,017	\$10,076	\$16,954	\$16,290	\$1,068
Distributions per unit	7.0¢	7.0¢	7.0¢	7.0¢	7.0¢	7.0¢	7.0¢	7.0¢
Funds from operations per unit – basic	9.1¢	7.7¢	8.8¢	8.9¢	9.8¢	8.1¢	12.8¢	7.9¢
Funds from operations per unit – diluted	9.0¢	7.7¢	8.7¢	8.8¢	9.6¢	8.0¢	12.3¢	7.8¢
Adjusted funds from operations per unit – basic	8.1¢	6.8¢	7.5¢	7.9¢	8.4¢	7.2¢	11.7¢	7.2¢
Adjusted funds from operations per unit – diluted	8.1¢	6.8¢	7.5¢	7.8¢	8.3¢	7.2¢	11.3¢	7.2¢
Distributions as a percentage of basic FFO	76.8%	91.0%	79.1%	78.6%	71.5%	86.3%	54.9%	89.0%
Distributions as a percentage of basic AFFO	85.9%	102.3%	93.4%	88.4%	83.5%	97.2%	60.0%	97.5%
Gross Leasable Area (000s of sq. ft.) (at 100% and excluding non-consolidated investments and properties under development/redevelopment)								
Total income producing properties	6,764	6,744	6,731	6,733	6,406	6,418	6,430	6,430
Occupancy % (at 100% and excluding non-consolidated investments and properties under development/redevelopment)								
Total income producing properties	95.3%	95.7%	96.1%	96.3%	96.5%	96.5%	96.3%	96.2%

(1) Includes investment income, other income and share of profit of associates.

During the last eight quarters occupancy has remained high which contributes to stability of cash flow. Significant fluctuations in profit and loss are mainly due to non-cash fair value adjustments on the Trust's investment properties and debt instruments. Fair value adjustments are based on market parameters for which the Trust has no control.

Some of Plaza's leases have common cost recoveries from tenants linked to CPI or otherwise have caps on operating cost recoveries. At September 30, 2020, approximately 47.1% of the Trust's leased area is tied to a CPI cost recovery formula. As well, anchor tenant leases may restrict common area maintenance (also referred to as "CAM") cost recoveries. As a result of all of these factors, seasonal fluctuations in NOI, FFO and AFFO occur primarily due to winter costs, as well as yearly repair and maintenance activities which typically occur in spring and early summer, which may create inconsistencies in quarterly recovery revenues compared with quarterly expenses.

PART V

RISKS AND UNCERTAINTIES

All property investments are subject to a degree of risk and uncertainty. Property investments are affected by various factors including general economic conditions and local market circumstances. Local business conditions such as oversupply of space or a reduction in demand for space particularly affect property investments. Management attempts to manage these risks through geographic and retail asset class diversification in the portfolio. At September 30, 2020, the Trust held interests in 272 properties spread geographically across Canada. Some of the more important risks are outlined below. See Financial Instruments and Risk Management Note 29 to the December 31, 2019 Consolidated Financial Statements of the Trust for further details. Also see the Trust's AIF for the year ended December 31, 2019 dated March 30, 2020 for a list of risks and uncertainties applicable to the Trust's business.

COVID-19

The worldwide spread of COVID-19 has been declared as a global pandemic by the World Health Organization and has caused, and may continue to cause, significant disruption to the Canadian economy. The COVID-19 pandemic has had and will likely continue to have an impact on Plaza's business as well as the business of various tenants, thereby impacting tenants' abilities to meet their payment obligations, including rent, and potentially causing business closures or bankruptcy filings by some tenants. The pandemic may also have an adverse impact on consumer demand, the demand for retail space, as well as rents.

The uncertainty has also increased volatility in the capital markets, which has negatively impacted the market price for the Trust units, and may impact the Trust's ability to raise capital on acceptable terms or at all. The Trust continues to prepare for one or more subsequent waves of the virus, including the implications of further delays in economic recovery. In addition, many of the risks disclosed in Plaza's Annual Information Form could be exacerbated by the pandemic.

Plaza has established a COVID-19 committee to oversee its response to this crisis, and has implemented appropriate policies and procedures to ensure that Plaza is continuing to conduct business in a safe and effective manner, including implementing technology to permit our entire team to work remotely. Plaza continues to actively support its tenants and employees by applying suitable opening and operating practices, such as increased sanitation and physical distancing, in compliance with various public health guidelines.

Interest Rate, Financing and Refinancing Risk

Management attempts to lock in cash returns on assets for the longest period possible, considering exposure to debt maturing and leases expiring in any given year. Matching as closely as possible the debt term on a particular asset with its average lease term, helps ensure that any interest rate increases could be offset by increases in rental rates.

The Trust mitigates interest rate risk by maintaining the majority of its debt at fixed rates. Floating rate debt is typically used on its operating line of credit and for development or redevelopment projects as interim financing, until the projects are completed and are then able to attract the appropriate long-term financing. The hypothetical impact of a 1% change in interest rates would be approximately \$546 thousand. The Trust mitigates its exposure to fixed-rate interest risk on its debt by staggering maturities in order to avoid excessive amounts of debt maturing in any one year. If market conditions warrant, the Trust may attempt to renegotiate its existing debt to take advantage of lower interest rates. The Trust has an ongoing requirement to access the debt markets and there is a risk that lenders will not refinance such maturing debt on terms and conditions acceptable to the Trust or on any terms at all. Management believes that all debts maturing in 2020 and 2021 or properties needing long term financing in 2020 and 2021 will be able to be financed or refinanced as they come due.

From time to time Plaza may enter into derivative instruments to hedge the cash flow variability on future interest payments on anticipated mortgage financings from changes in interest rates until the time the mortgage interest rate is set.

Plaza Retail REIT

Credit Risk

Credit risk mainly arises from the possibility that tenants may experience financial difficulty and will be unable to fulfill their lease commitments. Management mitigates this risk by ensuring that Plaza's tenant mix is diversified and heavily weighted to national tenants. Plaza also maintains a portfolio that is diversified geographically so that exposure to local business is lessened and Plaza limits loans granted under lease arrangements to credit-worthy, mainly national, tenants.

Currently one tenant, Shoppers Drug Mart/Loblaws, represents 24.8% of current monthly base rents in place, Dollarama represents 5.3% and franchisees of KFC represent 5.1%. The top 10 tenants collectively represent approximately 53.9% of current monthly base rents in place. National and regional tenants represent 94.0% of the tenant base, based on base rents in place.

Lease Roll-Over and Occupancy Risk

Lease roll-over risk arises from the possibility that Plaza may experience difficulty renewing leases as they expire or in re-leasing space vacated by tenants.

Plaza's principal management of occupancy risk is the skewing of tenancies towards national tenants, the signing of longer term leases and significant pre-leasing of development space. As well, management attempts to stagger the lease expiry profile so that Plaza is not faced with a disproportionate amount of square footage of leases expiring in any one year. Management further mitigates this risk by maintaining a diversified portfolio mix by geographic location and ensuring that the Trust maintains a well-staffed and highly skilled leasing department.

One of Plaza's performance drivers is related to same-property occupancy levels. The majority of Plaza's leases in place are referred to as "net leases", meaning tenants reimburse Plaza fully for their share of property operating costs (subject to consumer price index adjustments in many cases) and realty taxes. Many of Plaza's operating costs and realty taxes are not immediately reduced by vacancy. Certain costs such as janitorial costs would not decline with a decline in occupancy.

The hypothetical impact to NOI of a change in portfolio occupancy of 1% would be approximately \$600 thousand to \$1.0 million per annum. The analysis does not identify a particular cause of such changing occupancy and as a result, it does not reflect the actions management may take in relation to the changes.

Development and Acquisition Risk

Plaza's external growth prospects will depend in large part on identifying suitable development, redevelopment and acquisition opportunities, pursuing such opportunities, conducting necessary due diligence, consummating acquisitions (including obtaining necessary consents) and effectively operating the properties acquired or developed by the Trust. If Plaza is unable to manage its growth and integrate its acquisitions and developments effectively, its business, operating results and financial condition could be adversely affected. Developments and acquisitions may not meet operational or financial expectations due to unexpected costs or market conditions, which could impact the Trust's performance.

Environmental Risk

Plaza is subject to various laws relating to the environment which deal primarily with the costs of removal and remediation of hazardous substances such as asbestos or petroleum products. Environmental risk is relevant to Plaza's ability to sell or finance affected assets and could potentially result in liabilities for the costs of removal and remediation of hazardous substances or claims against Plaza. Management is not aware of any material non-compliance with environmental laws or regulations with regard to Plaza's portfolio, or of any material pending or threatened actions, investigations or claims against Plaza relating to environmental matters. Plaza manages environmental exposures in a proactive manner during every aspect of the property life cycle including extensive due diligence in respect of environmental risk before any purchase or development.

Status of the REIT

Plaza is required to comply with specific restrictions regarding its activities and the investments held by it in order to maintain its mutual fund trust status. Should Plaza cease to qualify as a mutual fund trust, the consequences could be material and adverse. As well, Plaza conducts its affairs in order to qualify as a REIT under applicable tax statutes so that it retains its status as a flow-through vehicle for the particular year. Should Plaza not meet the conditions to qualify as a REIT in a particular year, it may be subject to tax similar to a corporation, which may have an adverse impact on it and its unitholders, on the value of the units and on its ability to undertake financings and acquisitions, and its distributable cash may be materially reduced. Management believes that it complies with both the mutual fund trust rules and the REIT rules.

PART VI**COVID-19 Impacts**

The outbreak of COVID-19 has resulted in numerous measures implemented by governments in Canada to combat the spread of the virus. These measures, including physical distancing, previous widespread and current selective retail closures, and travel restrictions, have resulted in material disruption to businesses, and have had a material impact on the economy, including equity and capital markets.

The pandemic has also had an impact on Plaza's development program, with temporary delays as a result of construction shut-downs in certain jurisdictions, and delays with planning, rezoning and permitting.

COVID-19 has impacted Plaza's cash flow, as the Trust has received requests from tenants for rent deferrals and abatements, and certain tenants have withheld rent. To assist certain of Plaza's tenants that demonstrate a need for assistance, Plaza has agreed to defer a portion of their rent, with an agreement to repay the amount over a specified period, which generally commenced in Q3 2020. Plaza has also agreed to abate rent, or a portion thereof, for certain tenants. In addition, Plaza has participated in the CECRA program, which provides 75% rent abatement for eligible tenants for April through September, funded via a 25% write-off by the landlord and 50% funded by the federal government. The Quebec provincial government also announced that it would participate in the program by reimbursing landlords for 50% of their write-off, thereby reducing the landlord's write-off for Quebec properties to 12.5%.

In October 2020, the federal government announced the Canada Emergency Rent Subsidy ("CERS") to replace the CECRA program, which expired at the end of September. The CERS program is intended to provide support for eligible businesses that have experienced a revenue drop due to COVID-19, by subsidizing a percentage of their eligible expenses, including rent and interest on commercial mortgages. The maximum subsidy for eligible businesses is 65%, or up to 90% for eligible businesses temporarily shut down by a mandatory public health order. Notably, the new subsidy will be provided directly to tenants, unlike CECRA which required landlords to abate 25% of a qualified tenant's rent. Additional details on the program are currently pending and management will monitor the impact as the program is implemented by the government.

To mitigate the impacts from COVID-19, the Trust is prudently managing its capital, including temporarily deferring new acquisitions and developments that are not committed, proactively managing costs to reduce operating, general and administrative expenses, deferring monthly mortgage payments during Q2 under agreements with certain lenders, and deferring elective capital expenditures. Plaza continues to actively monitor the availability and anticipated effect of government relief programs that may be applicable, and participating in such programs where beneficial to the Trust and its tenants.

Rent Collections

	Q2 2020	Q3 2020
Gross rent collected from tenants	81.9%	94.8%
CECRA – 50% Federal Government contribution	3.6%	2.6%
Total: Collections including Federal Government CECRA	85.5%	97.4%
CECRA – 12.5% Government of Quebec contribution	0.3%	0.3%
CECRA – 25% Landlord write-off	1.5%	1.0%
Rent deferred	5.7%	0.5%
Rent abated	2.4%	0.3%
Remaining accounts receivable	4.6%	0.5%
Totals	100.0%	100.0%

For deferred rent that was to be repaid in September, Plaza collected 100% of same. For deferred rent that was to be repaid in October, to date, Plaza has collected 95% of same.

99% of Plaza's portfolio is now open, with restaurants in certain Ontario and Quebec jurisdictions offering take-out or delivery only.

Although the fair value of its properties reflects its best estimates as at September 30, 2020 (see Note 4 of the accompanying Financial Statements), Plaza is continuing to review its future NOI and cash flow projections. Depending on the duration and full impacts of COVID-19, certain aspects of Plaza's operations could be affected, including rental and occupancy rates, demand

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for retail space, capitalization rates, and the resulting value of Plaza's properties. The full extent and duration of COVID-19, including the resulting impacts on Plaza's business and its tenants, remains uncertain at this time.

PART VII

RELATED PARTY TRANSACTIONS

Notes Payable to Related Parties

The following non-interest bearing notes existed at the time of acquisition of properties in September 2000. The notes are repayable on sale or refinancing of the related asset.

(000s)	September 30, 2020 (unaudited)	December 31, 2019
Non-interest bearing notes:		
Entities owned (directly or indirectly), controlled or significantly influenced by Michael Zakuta (President & Chief Executive Officer and trustee)	\$ 261	\$ 261

Bonds and Debentures Held

The trustees, directly or indirectly, held unsecured debentures of the Trust as follows (stated at face value):

(000s)	September 30, 2020 (unaudited)	December 31, 2019
Earl Brewer (trustee)	\$ 325	\$ 325
Stephen Johnson (trustee)	200	200
Doug McGregor (Chairman and trustee)	400	-
Total	\$ 925	\$ 525

No other trustee or key management personnel own mortgage bonds or debentures of the Trust at September 30, 2020.

Other Related Party Transactions

TC Land LP, an entity controlled by Michael Zakuta and Earl Brewer, leases nine parcels of land to the Trust at market rates, with a total annual rent of \$1.2 million. The land leases expire at various times from October 2043 to November 2047, subject to options to renew. All of these land leases have options to purchase, of which one is at a fixed price and the others are at fair market value. The business purpose of the leases was to enhance levered equity returns on the affected assets.

Earl Brewer and Michael Zakuta, directly or indirectly, hold interests in common with the Trust's 25% interest in the Gateway Mall, Sussex, NB. A subsidiary of the Trust manages the mall. At September 30, 2020 there is a \$10 thousand accounts receivable balance owing to the Trust for property management, leasing and development fees. For the nine months ended September 30, 2020, property management, development, financing and leasing fees of \$55 thousand were earned by a subsidiary of the Trust from this property.

The Montreal office of Plaza Group Management Limited (a wholly-owned subsidiary of the Trust) shares office space with a company indirectly owned by Michael Zakuta in an office building owned by that related party. The Trust pays no basic minimum rent for the space.

Earl Brewer and Michael Zakuta, directly or indirectly, hold interests in common with the Trust's 20% interest in Mountainview Plaza, Midland, ON and Park Street Plaza, Kenora, ON. A subsidiary of the Trust manages the malls. At September 30, 2020 there is \$6.0 million owed by the properties to the Trust which is recorded in notes and advances. As well, there is a \$55 thousand accounts receivable balance owing to the Trust for property management, leasing and development fees. For the nine months ended September 30, 2020, property management, leasing, development and financing fees of \$214 thousand were earned by a subsidiary of the Trust from these properties.

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Earl Brewer and Michael Zakuta, directly or indirectly, hold interests in common with the Trust's 50% interest in two single-use properties located in Amherstview and Port Perry, ON. A subsidiary of the Trust manages the properties. For the nine months ended September 30, 2020, property management fees of \$4 thousand were earned by a subsidiary of the Trust from these properties.

Earl Brewer, James Petrie, Barbara Trenholm and Michael Zakuta, directly or indirectly, hold interests in common with the Trust's 25% interest in KGH Plaza, Miramichi, NB, a single-use property located at 681 Mountain Road, Moncton, NB, a single-use property located at 201 Main Street, Sussex, NB and Robie Street Truro Plaza, Truro, NS. A subsidiary of the Trust manages the properties. At September 30, 2020 there is a \$6 thousand accounts receivable balance owing to the Trust for property management, development and leasing fees. For the nine months ended September 30, 2020, property management, leasing and development fees of \$60 thousand were earned by a subsidiary of the Trust from these properties.

Earl Brewer and Michael Zakuta, directly or indirectly, hold interests in common with the Trust's 50% interest in Scott Street Plaza, St. Catharines, ON, and five single-use properties located at St. Joseph's Boulevard, Orleans, ON, Dufferin and Wilson, Perth, ON, Ontario Street Port Hope, Port Hope, ON, Civic Centre Road, Petawawa, ON and 615 King Street, Gananoque, ON. A subsidiary of the Trust manages the properties. For the nine months ended September 30, 2020, property management fees of \$27 thousand were earned by a subsidiary of the Trust from these properties.

Earl Brewer, Denis Losier and Michael Zakuta, directly or indirectly, hold interests in common with the Trust's 50% interest in the following eight properties: Boulevard Hebert Plaza and Victoria Street Plaza in Edmundston, NB; Grand Falls Shopping Center and Madawaska Road Plaza in Grand Falls, NB; Connell Road Plaza, Woodstock, NB; Welton Street Plaza, Sydney, NS; and Pleasant Street Plaza and Starrs Road Plaza in Yarmouth, NS. A subsidiary of the Trust manages the properties. At September 30, 2020 there is a \$19 thousand accounts receivable balance owing to the Trust for property management fees. For the nine months ended September 30, 2020, property management, leasing and development fees of \$115 thousand were earned by a subsidiary of the Trust from these properties.

Barbara Trenholm and Michael Zakuta, directly or indirectly, hold interests in common with the Trust's 50% interest in the following five properties: 5628 4th Street NW, Calgary, AB, 303 Main St., Antigonish, NS, 912 East River Rd, New Glasgow, NS, 1 Mont-Royal Ave E, and 8222 Maurice-Duplessis Blvd., Montreal, QC. A subsidiary of the Trust manages the properties. At September 30, 2020 there is a \$4 thousand accounts receivable balance owing to the Trust for property management fees. From August 28, 2020 to September 30, 2020, property management fees of \$2 thousand were earned by a subsidiary of the Trust from these properties.

PART VIII

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure controls and procedures ("DC&P") are intended to provide reasonable assurance that material information is gathered and reported to senior management to permit timely decisions regarding public disclosure. Internal controls over financial reporting ("ICFR") are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Trust maintains appropriate DC&P and ICFR to ensure that information disclosed externally is complete, reliable and timely.

A control system, no matter how well conceived and operated, can provide only reasonable and not absolute assurance that the objectives of the control system are met. As a result of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, including instances of fraud, if any, have been detected. These inherent limitations include, amongst other items: (i) that management's assumptions and judgments could ultimately prove to be incorrect under varying conditions and circumstances; or (ii) the impact of isolated errors.

Additionally, controls may be circumvented by the unauthorized acts of individuals, by collusion of two or more people, or by management override. The design of any system of controls is also based, in part, upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

The Trust's Chief Executive Officer and Chief Financial Officer evaluated, or under their supervision caused to be evaluated, the design of the Trust's DC&P and ICFR at September 30, 2020. Based on that evaluation they determined that the Trust's DC&P

and ICFR were appropriately designed based on the criteria established in the *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

During the nine months ended September 30, 2020, there were no changes in the Trust's ICFR that occurred that have materially affected, or are reasonably likely to materially affect, the Trust's ICFR.

CRITICAL ACCOUNTING POLICIES

Critical Accounting Estimates

The preparation of the Trust's Consolidated Financial Statements requires management to make judgments, estimates and assumptions that affect the reported amounts of certain assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting period. The significant estimates and judgments include the assessment of fair values, the discount rates used in the valuation of the Trust's assets and liabilities, capitalization rates, the relative credit worthiness of the Trust to its counterparties, the determination of the accounting basis for investments and joint arrangements, the amount of borrowing costs to capitalize to properties under development and the selection of accounting policies.

(i) Investment properties

One significant judgment and key estimate that affects the reported amounts of assets at the date of the Consolidated Financial Statements and the reported amounts of profit or loss during the period, relates to property valuations. Investment properties, which are carried on the consolidated statements of financial position at fair value, are valued either by the Trust or by external valuers. The valuation of investment properties is one of the principal estimates and uncertainties of the financial statements. The valuations are based on a number of assumptions, such as appropriate capitalization rates and estimates of future rental income, operating expenses and capital expenditures. These investment properties are sensitive to fluctuations in capitalization and discount rates.

Specifically, the fair value of investment properties is based on a combination of external appraisals and internal valuations as noted below. Management undertakes a quarterly review of the fair value of its investment properties to assess the continuing validity of the underlying assumptions, such as cash flows and capitalization rates. Where increases or decreases are warranted, the Trust adjusts the fair values of its investment properties. Related fair value gains and losses are recorded in profit and loss in the period in which they arise.

(a) External appraisals

Independent appraisals are obtained in the normal course of business, generally as refinancing activities require them, and as applicable, the fair value of various investment properties is based on these external appraisals.

(b) Internal approach – direct capitalization income approach

Under this approach the Trust determines the fair value based upon capitalization rates applied to budgeted normalized net operating income (property revenue less property operating expenses). Normalized net operating income adjusts net operating income for things like market property management fees, or in the case of development properties, to reflect full intended occupancy (less a normal vacancy allowance). The key assumption is the capitalization rate for each specific property. The Trust receives quarterly capitalization rate matrices from an external independent appraiser. The capitalization rate matrices provide a range of rates for various geographic regions and for various types and qualities of properties within each region. The Trust utilizes capitalization rates within the range of rates provided. To the extent that the externally provided capitalization rate ranges change from one reporting period to the next or should another rate within the provided ranges be more appropriate than the rate previously used, the fair value of the investment properties would increase or decrease accordingly.

At September 30, 2020 a decrease of 0.25% in the capitalization rates used to determine the fair value of investment properties would have resulted in an increase in investment properties of approximately \$35.2 million. An increase of 0.25% in the capitalization rates used would have resulted in a decrease in investment properties of approximately \$32.8 million.

FUTURE ACCOUNTING POLICY CHANGES

Please refer to Note 3 to the Consolidated Financial Statements for the year ended December 31, 2019 for details about future accounting policy changes.

EXPLANATION OF NON-IFRS MEASURES USED IN THIS DOCUMENT

The below-noted measures are not defined by IFRS, and therefore should not be considered as alternatives to profit or net income calculated in accordance with IFRS.

Funds From Operations (FFO) and Adjusted Funds From Operations (AFFO) are not IFRS financial measures. FFO and AFFO are industry terms commonly used in the real estate industry and their calculations are prescribed in publications of the Real Property Association of Canada (“REALpac”). Plaza calculates FFO and AFFO in accordance with REALpac’s publications.

FFO and AFFO as calculated by Plaza may not be comparable to similar titled measures reported by other entities. FFO is an industry standard widely used for measuring operating performance and is exclusive of unrealized changes in the fair value of investment properties, deferred income taxes and gains or losses on property dispositions. AFFO is an industry standard widely used for measuring recurring or sustainable economic operating performance and AFFO further primarily adjusts FFO for operating capital and leasing (both internal and external) requirements that must be made to preserve the existing rental stream. Capital expenditures which generate a new investment or revenue stream, such as the development of a new property or the construction of a new retail pad during property expansion or intensification would not be included in determining AFFO. See the reconciliation of FFO and AFFO to profit for the period attributable to unitholders in Part II of this MD&A under the heading “Property and Corporate Financial Performance”.

Plaza considers FFO and AFFO meaningful additional measures as they adjust for certain non-cash and other items that do not necessarily provide an appropriate picture of the Trust’s recurring performance. They more reliably show the impact on operations of trends in occupancy levels, rental rates, net property operating income, interest costs and sustaining capital expenditures compared to profit determined in accordance with IFRS. As well, FFO and AFFO allow some comparability amongst different real estate entities using the same definition of FFO and AFFO.

FFO per unit and AFFO per unit are not IFRS financial measures. Plaza calculates FFO per unit and AFFO per unit as FFO or AFFO divided by the weighted average number of units outstanding.

Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) is not an IFRS financial measure. EBITDA, as calculated by Plaza, may not be comparable to similarly titled measures reported by other entities. EBITDA is used in calculations that measure the Trust’s ability to service debt. Its calculation is profit before finance costs, income tax expense, gains/losses on property dispositions, unrealized changes from fair value adjustments, transaction costs expensed as a result of the purchase of a business or properties, and net revaluation of interest rate swaps. See the reconciliation of EBITDA to profit for the period in Part III of this MD&A under the heading “Capital Resources, Equity and Debt Activities – Debt Service Ratios”.

Same-Asset Net Property Operating Income (Same-asset NOI) is not an IFRS financial measure. Same-asset NOI, as calculated by Plaza, may not be comparable to similarly titled measures reported by other entities. Same-asset NOI is used by Plaza to evaluate the period over period performance of those properties owned by Plaza since January 1, 2019, and excludes partial year results from certain assets due to timing of acquisition, development, redevelopment or disposition. Its calculation is revenues less operating expenses for the same-asset pool of properties. The revenues or operating expenses exclude the impact of non-cash straight-line rent, administrative expenses charged to NOI, property tax settlements and lease buyout revenue. Excluding these items enables the users to better understand the period over period performance for a consistent pool of assets from contractual rental rate changes embedded in lease agreements, and the impact of leasing and occupancy on the same-asset portfolio. See the reconciliation of same-asset NOI to NOI in Part II of this MD&A under the heading “Property and Corporate Financial Performance”.

EXPLANATION OF ADDITIONAL IFRS MEASURES USED IN THIS DOCUMENT

Net Property Operating Income (NOI) is an industry term in widespread use. The Trust includes NOI as an additional IFRS measure in its consolidated statement of comprehensive income. NOI as calculated by Plaza may not be comparable to similar titled measures reported by other entities. Plaza considers NOI a meaningful additional measure of operating performance of property assets, prior to financing considerations. Its calculation is total revenues less total operating expenses as shown in the consolidated statements of comprehensive income (property revenues less total property operating costs).

ADDITIONAL INFORMATION

Additional information relating to Plaza including the Management Information Circular, Material Change reports and all other continuous disclosure documents required by the securities regulators, are filed on the System for Electronic Document Analysis and Retrieval (SEDAR) and can be accessed electronically at www.sedar.com or on Plaza's website at www.plaza.ca.

PROPERTIES OF THE TRUST

A chart listing the Trust's properties at September 30, 2020 can be accessed on Plaza's website at www.plaza.ca.