



**MANAGEMENT'S DISCUSSION AND ANALYSIS
OF RESULTS OF
OPERATIONS AND FINANCIAL CONDITION**

**FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 2022**

DATED: NOVEMBER 10, 2022

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PRESIDENT’S MESSAGE

Fellow Unitholders:

Our business remains strong and our outlook positive. We are pleased to report that, excluding the impact of lease termination fees received and COVID-related bad-debt expense last year, year-to-date FFO increased by 2%. Like other real estate entities, we face the competing headwinds of inflation, interest rates and construction delays, and we are carefully managing our business to minimize our exposure to each. Despite these challenges, we are continuing with our business plan to grow through strategic and accretive developments and redevelopments, active leasing and management of our existing properties, and recycling capital through the disposition of non-core assets.

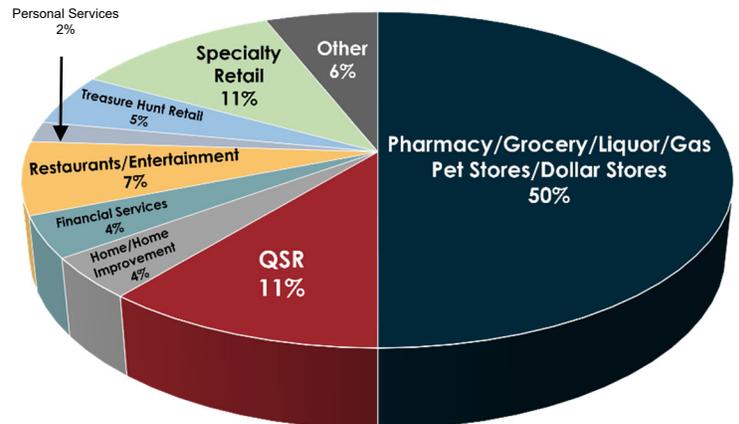
The growth of our business depends to a large extent on demand from Canada’s leading essential needs, value and convenience retailers. We are currently experiencing some of the strongest demand that we have seen in recent memory from these retailers, and we completed more leasing activity in the first nine months of 2022 than we did during similar periods in the past five years. We have five new grocery-anchored developments in either planning or construction, with strong pre-leasing in place. We have also taken advantage of this demand to back-fill existing vacancy, and this is the first time that we have reported occupancy of over 97%. Leasing and development activity requires capital, and we are thoughtfully managing our leasing and development costs.

We are also being very discerning in allocating capital and are pursuing growth opportunities that will have meaningful and positive impacts on our business for years to come. For instance, we continue to work with major grocers, pharmacies and value retailers to help them realize their expansion plans, and are not pursuing new development or redevelopment activity that does not have a strong grocery, pharmacy or value anchor.

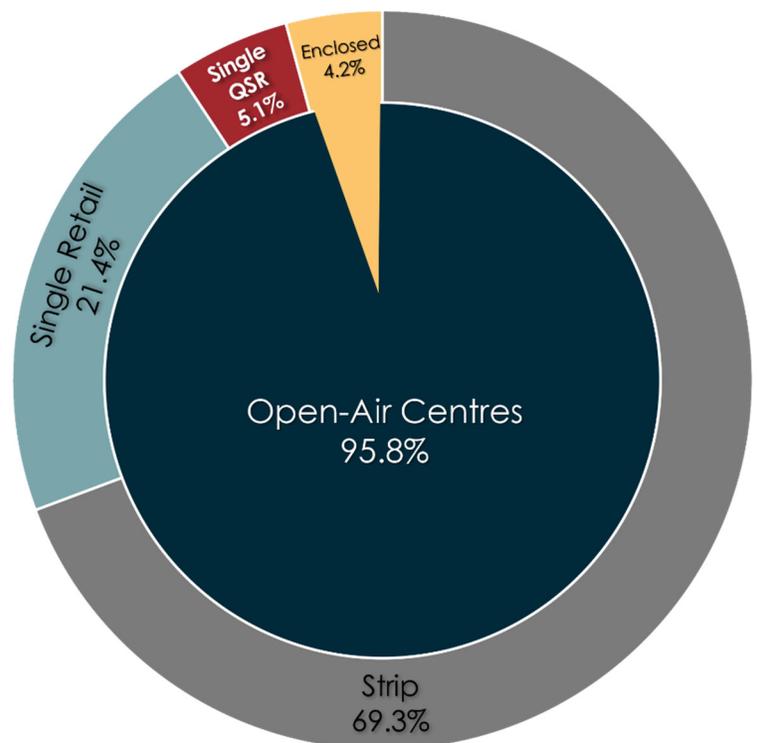
Our capital recycling program also remains strong and recent interest rate hikes have had minimal impact on demand and pricing for the smaller non-core assets that we are selling. In addition to raising capital at low hurdle rates, the sale of non-core assets provides the additional benefit of increasing the average size of our properties and ensuring that the average age of our portfolio remains low. These twin benefits ensure that we continue to have a highly-efficient and relevant portfolio.

As real estate is capital intensive, rising interest rates have an impact on the industry, and will have an impact on Plaza’s results. Given the current interest rate environment, our Series E convertible debenture (\$47,250,000) expiring in March 2023 will be replaced with other facilities with interest rates most likely exceeding the existing 5.1% coupon. We are very fortunate to have stayed true to our conservative debt management strategy and that we established a well-structured maturity ladder for our fixed-

REVENUE BY RETAIL CATEGORY (based on base rents)



MIX BY PROPERTY TYPE (based on NOI)



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rate mortgages, which represent the majority of our debt. While we remain cognizant of rising rates and are managing our business accordingly, this significantly reduces the short- and medium-term impacts of interest rate volatility on Plaza.

We remain as confident as ever in our business and our ability to navigate through the current headwinds.

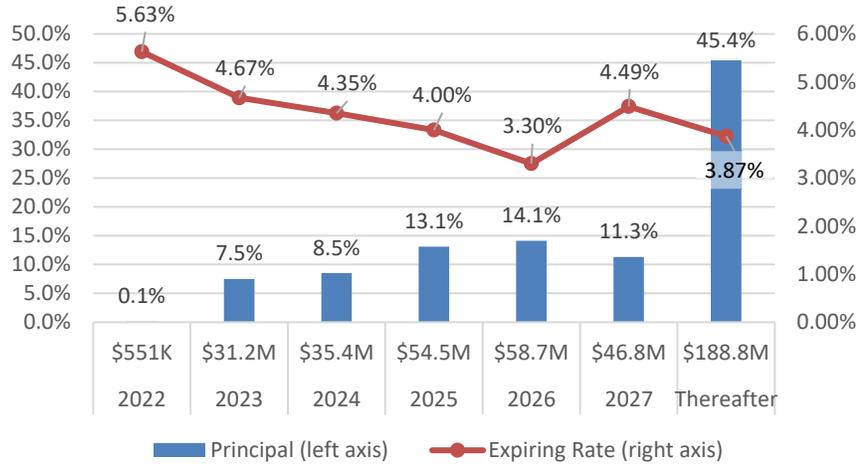
Thank you for your continued support.

Sincerely,



Michael Zakuta
President and CEO

Long-Term Mortgage Maturities



PART I

BASIS OF PRESENTATION

Financial information included in this Management's Discussion and Analysis ("MD&A") includes material information up to November 10, 2022. The financial statements to which this MD&A relates were prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, 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 Board of Trustees (the "Board").

In addition to using financial measures determined in accordance with International Financial Reporting Standards ("IFRS") in this MD&A, Plaza also reports on certain additional non-GAAP financial measures, including: funds from operations ("FFO"); adjusted funds from operations ("AFFO"); earnings before interest, taxes, depreciation and amortization ("EBITDA"); same-asset net property operating income ("same-asset NOI"); and net property operating income ("NOI"). These measures are widely used in the Canadian real estate industry and Plaza believes they provide useful information to both management and investors in measuring the financial performance and financial condition of the Trust. 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 VII of this MD&A under the heading "Explanation of Non-GAAP Measures" for definitions of these financial measures and where to find reconciliations thereof.

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 three and nine months ended September 30, 2022 and 2021, along with the MD&A of the Trust for the year ended December 31, 2021. Historical results, including trends which might appear, should not be taken as indicative of future operations or results.

Certain information in this MD&A contains forward-looking statements that reflect Plaza's current estimates, beliefs and assumptions, which are based on management's perception of historic trends, current conditions and future expectations, as well as other factors it believes are appropriate in the circumstances. Forward-looking statements 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, 2021. This may cause the actual results, performance and achievements of the Trust to differ materially from future results, performance or achievements expressed, implied or projected 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 the Trust's future growth potential, prospects and opportunities, 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: changes in economic, retail, capital market, or debt market conditions, including recessions and changes in interest rates and the rate of inflation; supply chain constraints; 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 new or renewed pandemic conditions, could also cause actual results or events to differ materially from those expressed in forward-looking statements. Management believes that the estimates, beliefs and assumptions reflected in its forward-looking statements are reasonable, however, management can give no assurance that actual results, performance or achievements will be consistent with these forward-looking statements.

Forward-looking statements in this MD&A are made as of November 10, 2022 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 (“TSX”) 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 more than a twenty-year history of accretive acquisitions, redevelopments and developments which have added high-quality real estate to Plaza’s portfolio and 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 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, redevelop, lease, manage and finance retail properties in-house.

Summary of Properties

The Trust’s portfolio at September 30, 2022 includes interests in 253 properties totaling approximately 8.9 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, 2022 ⁽¹⁾	Gross Leasable Area (sq. ft.) September 30, 2022 ^{(1) (2)}	Number of Properties December 31, 2021 ⁽¹⁾	Gross Leasable Area (sq. ft.) December 31, 2021 ^{(1) (2)}
Alberta	2	34,238	2	34,238
Manitoba	1	17,018	1	17,018
Newfoundland and Labrador	12	826,274	12	806,274
New Brunswick	53	1,928,739	52	1,929,422
Nova Scotia	33	1,230,370	33	1,227,068
Ontario	56	1,876,978	58	1,854,765
Prince Edward Island	11	600,281	11	595,281
Quebec	85	2,348,315	88	2,247,899
Total	253	8,862,213	257	8,711,965

(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 as well as opportunistic acquisitions. Its properties are primarily leased to national retailers, with a focus on retailers in the essential needs, value and convenience market segments – segments that generally are more e-commerce resilient, and tend to withstand, and potentially outperform, broader economic conditions. Plaza’s leasing efforts over the years have produced a portfolio that is dominated by national retailers, providing stable cash flow. Tenant demand for new space remains strong, particularly from the essential needs, value and convenience retailers.

Increases in Government of Canada bond yields and interest rates, and economic headwinds, have impacted the REIT sector, including Plaza’s unit price. Our conservative debt management philosophy, where we have maintained a very well-balanced debt maturity ladder, locked-in rates for longer terms, generally used small individual debt issuances and limited our exposure to the unsecured debt market, will continue to serve us well and will help mitigate the impact of rising interest rates. Please see the discussion under Risks and Uncertainties in Part V for additional details.

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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, 2022 ⁽⁴⁾	Anticipated Completion Date ⁽⁵⁾
In Planning/In Development:				
Open-Air Centre:				
The Shoppes at Galway, St. John's, NL - Phase I.4 ⁽²⁾⁽³⁾	97,500	50%	n/a	1-2 years
The Shoppes at Galway, St. John's, NL - Phase II ⁽²⁾⁽³⁾	100,000	50%	n/a	2-3 years
The Shoppes at Galway, St. John's, NL - Phase III ⁽²⁾⁽³⁾	85,000	50%	n/a	2-3 years
Fairville Boulevard, Saint John, NB - Phase III.2 ⁽³⁾	8,000	100%	n/a	1-2 years
Lansdowne Plaza, Saint John, NB - Phase II ⁽³⁾	2,000	100%	n/a	1-2 years
100 Saint-Jude Nord, Granby, QC - Phase II ⁽²⁾⁽³⁾	40,657	10%	95%	Q3 2023
Beaubien St., Montreal, QC ⁽³⁾	10,000	100%	100%	Q4 2023
Les Immeubles SBT Drummondville, QC	81,000	50%	43%	1-2 years
Mapleview Dr., Barrie, ON	59,000	50%	n/a	1-2 years
Niagara Street Plaza, Welland, ON	94,000	50%	n/a	1-2 years
Timiskaming Plaza, New Liskeard, ON ⁽³⁾	24,000	50%	n/a	2-3 years
Dieppe Boulevard Plaza, Dieppe, NB	81,000	100%	n/a	1-2 years
Expansion:				
Granite Drive, New Minas, NS ⁽³⁾	2,000	100%	n/a	1-2 years
Pleasant Street, Yarmouth, NS ⁽³⁾	1,000	50%	n/a	1-2 years
Petitcodiac Plaza, Dieppe (Moncton), NB - Phase II.2 ⁽³⁾	10,000	100%	n/a	2-3 years
Millidge Avenue PJC, Saint John, NB ⁽³⁾	2,500	100%	n/a	2-3 years
Princess Auto, Charlottetown, PE	5,000	100%	100%	Q4 2023
In Construction:				
Open-Air Centre:				
Gibson Boulevard Plaza, Stewiacke, NS	19,400	100%	n/a	Q4 2023
Taunton Rd., Oshawa, ON	46,000	50%	64%	Q4 2023
Northern Avenue Plaza, Sault Ste. Marie, ON ⁽³⁾	172,000	50%	91%	Q3 2023
1726 Huron Church Rd, Windsor, ON ⁽³⁾	8,000	100%	100%	Q4 2022
Tri-City Center, Cambridge, ON ⁽³⁾	189,000	50%	99%	Q4 2022
Plaza de L'Ouest, Sherbrooke, QC - Phase III ⁽³⁾	4,640	50%	100%	Q4 2022
St. Jerome, St. Jerome (Montreal), QC - Phase III.2 ⁽²⁾⁽³⁾	60,000	20%	100%	Q1 2023
L'Axe, Chicoutimi, QC	92,000	37.5%	63%	Q3 2023
Single Use:				
450 Wharncliffe Road South, London, ON ⁽³⁾	1,790	100%	100%	Q4 2022
1916 Wyandotte Street West, Windsor, ON ⁽³⁾	1,532	100%	100%	Q4 2022
435 St. Peters Ave., Bathurst, NB ⁽³⁾	3,143	100%	100%	Q4 2022
464 Dundas St., Belleville, ON ⁽³⁾	2,500	100%	100%	Q2 2023
Total	1,302,662			

(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 developed or redeveloped. Of the total development gross leasable area (also referred to as "GLA") above, 683,667 square feet are included in the Trust's GLA at September 30, 2022.

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

(5) Certain projects have been delayed due to supply chain disruptions and labour shortages, which may continue to impact the anticipated completion dates as shown.

Plaza's goal is to achieve unlevered returns on developments/redevelopments of between 7%-9%.

In addition to the properties under development/redevelopment noted above, at September 30, 2022, there is excess density at existing properties which would represent approximately 16 thousand additional square feet of gross leasable area, at Plaza's ownership percentage.

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In addition to the properties under development/redevelopment noted above, at September 30, 2022, there are three land assemblies under purchase agreement and subject to due diligence or other conditions. These land purchases, if executed, will represent an additional 118 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 \$158 million and \$160 million, of which approximately \$77 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 \$18 million and \$19 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, 2022, the Trust acquired the following properties:

Properties Acquired	% Acquired	Nine Months Ended September 30, 2022
Gibson Boulevard Plaza, Stewiacke, NS	100%	\$ 399
Dieppe Boulevard Plaza., Dieppe, NB	100%	3,242
Niagara Street Plaza, Welland, ON	50%	9,580
Total properties acquired		\$13,221

During the nine months ended September 30, 2022, the Trust disposed of the following properties:

Properties Disposed	% Disposed	Gross Proceeds Nine Months Ended September 30, 2022
Quick Service Restaurants and non-core assets ⁽¹⁾	100%	\$ 6,341
Total disposals		\$ 6,341

⁽¹⁾ Quick service restaurants and non-core assets sold were in the following cities: Digby, NS, Hamilton, ON, Ottawa, ON, Wallaceburg, ON, Brossard, QC, Pierrefonds, QC and Victoriaville, QC.

SUMMARY OF SELECTED YEAR TO DATE INFORMATION

(000s, except as otherwise noted)	9 Months Ended September 30, 2022 (unaudited)	9 Months Ended September 30, 2021 (unaudited)	9 Months Ended September 30, 2020 (unaudited)	
Financial Amounts				
Total Revenue ⁽¹⁾	\$ 89,979	\$ 89,068	\$ 83,115	
NOI ⁽²⁾	\$ 52,991	\$ 54,591	\$ 50,613	
Same-asset NOI ⁽²⁾	\$ 52,597	\$ 51,856	N/A ⁽⁴⁾	
FFO ⁽²⁾	\$ 31,151	\$ 33,932	\$ 26,441	
AFFO ⁽²⁾	\$ 25,660	\$ 29,280	\$ 23,167	
EBITDA ⁽²⁾	\$ 52,291	\$ 55,146	\$ 47,874	
Profit (loss) and total comprehensive income (loss)	\$ 40,036	\$ 59,754	\$ (24,212)	
Total assets	\$ 1,257,585	\$ 1,169,298	\$ 1,137,228	
Total non-current liabilities	\$ 560,501	\$ 555,500	\$ 533,228	
Total mortgages, mortgage bonds, notes payable, bank credit facilities, and land lease liabilities	\$ 641,631	\$ 605,165	\$ 614,708	
Total debentures	\$ 61,930	\$ 66,324	\$ 61,508	
Weighted average units outstanding ⁽³⁾	103,003	102,986	103,074	
Normal course issuer bid – units repurchased	12	22	388	
Amounts on a Per Unit Basis				
FFO ⁽²⁾	\$ 0.302	\$ 0.329	\$ 0.257	
AFFO ⁽²⁾	\$ 0.249	\$ 0.284	\$ 0.225	
Distributions	\$ 0.210	\$ 0.210	\$ 0.210	
Financial Ratios				
Weighted average interest rate – fixed rate mortgages	4.01%	3.86%	4.12%	
Debt to gross assets (excluding convertible debentures) ⁽²⁾	51.5%	52.5%	54.7%	
Debt to gross assets (including convertible debentures) ⁽²⁾	56.3%	57.5%	59.3%	
Interest coverage ratio ⁽²⁾	2.52x	2.67x	2.22x	
Debt coverage ratio ⁽²⁾	1.69x	1.82x	1.61x	
Distributions as a % of FFO ⁽²⁾	69.4%	63.7%	81.8%	
Distributions as a % of AFFO ⁽²⁾	84.3%	73.9%	93.4%	
Leasing Information				
Square footage leased during the period (total portfolio)	1,037,893	935,267	682,403	
Same-asset committed occupancy ⁽⁵⁾	97.0%	96.2%	95.6%	
Committed occupancy – including non-consolidated investments ⁽⁶⁾	97.2%	96.2%	95.8%	
Mix of Tenancy Based on Base Rents⁽⁵⁾				
National	90.6%	90.3%	90.0%	
Regional	3.5%	3.8%	4.0%	
Local	4.0%	4.1%	4.0%	
Non retail	1.9%	1.8%	2.0%	
Other				
Average term to maturity - mortgages	5.5 Years	5.4 Years	5.4 Years	
Average term to maturity - leases ⁽⁵⁾	5.7 Years	5.8 Years	5.9 Years	
Overall capitalization rate ⁽⁵⁾	6.78%	6.99%	7.33%	
Property Type Breakdown				
	Number of Properties September 30, 2022	Square Footage (000s)	Number of Properties December 31, 2021	Square Footage (000s)
Open-Air Centres	116	6,740	116	6,591
Enclosed	3	719	3	713
Single Use – Quick Service Restaurant	61	189	70	187
Single Use – Retail	73	1,214	68	1,221
Total	253	8,862	257	8,712

(1) Total Revenue includes total property revenues, share of profit of associates, investment income and other income.

(2) This is a non-GAAP financial measure. Refer to the Non-GAAP Financial Measures in Part I and VII of this document for more information on each non-GAAP financial measure.

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

(4) Not applicable as the same-asset calculation relates to assets owned since January 1, 2021.

(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.

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;
- diligently manage its properties to ensure tenants are able to focus on their businesses; and
- assure the strategy of the Trust is pursued in a sustainable manner.

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.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG")

Plaza is committed to ensuring that sustainability is integrated in all aspects of its operations and that it continues to grow responsibly. Management believes that a strong approach to ESG will further enhance the value Plaza provides to its unitholders, tenants, lenders, partners, employees and the community at large.

Plaza created a Responsibility & Sustainability Committee in 2021 comprised of executives, senior management and other employees, whose mandate is to drive the continued development, enhancement and implementation of Plaza's ESG programs, advance new initiatives and improvements in reporting, and prioritize the ESG factors that impact Plaza's business and are important to our stakeholders.

Environmental

Plaza's goal is to create resilient, safe, and sustainable communities where its people and tenants will thrive. We believe that managing environmental impacts and achieving efficiency gains will generate more desirable properties to serve our tenants, colleagues and local communities well into the future.

Our commitment to limit our environmental impact starts at the initial stages of investment and development. We conduct environmental site assessments on each property we acquire and build to latest industry standards and processes to develop safe, practical, and long-term sustainable projects. We continue to reduce our carbon footprint with LED conversions of parking lot and exterior lighting in existing developments, enhanced insulation in buildings, holding meetings virtually, when

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appropriate, to reduce travel and its impact, and are exploring further sustainability processes and initiatives on properties across the Trust's portfolio. We also have a history of cleaning up contaminated sites prior to development or redevelopment and have commenced tracking our consumption of utilities to assist in establishing reduction goals.

Social

Plaza is committed to integrating ESG throughout its operations by focusing on factors that are important to our employees and communities. This includes fostering a culture of diversity and inclusion in the workplace and providing a safe, happy and healthy working environment where everyone is treated with equality and with respect. Plaza's workforce is 60% female overall, 60% female at the VP level and above, and 20% of the named executive officers are female. Plaza recognizes that its success is ultimately driven by its people and is proud to promote a culture where all employees share these commitments. Plaza has also introduced a hybrid work environment to protect the health and safety of its employees, provide flexibility and support work-life balance.

Plaza is dedicated to supporting and empowering female identifying employees to reach their full potential in the workplace by (i) raising awareness of issues faced by women in the workplace, (ii) aiding in and supporting professional development, and (iii) recognizing the efforts, contributions and distinct experiences of female identifying employees and applauding their achievements. Since its launch, Women@Plaza has hosted events on diversity, stress management, mental health, mindfulness, and leadership for the benefit of all employees and provides continuing support to other causes and community organizations whose values align with Women@Plaza's mission. Women@Plaza has also established an annual recognition award to recognize the achievements of exceptional female-identifying Plaza employees. The first award was granted on International Women's Day 2022.

The Trust participates in fundraisers and contributes to various organizations within the communities in which it operates.

Plaza also believes that fostering relationships and collaboration with tenants and stakeholders at the property level supports the creation of safe and sustainable communities. As part of this, we are committed to offering accessible and safe places to shop by providing safe pedestrian, bicycle, and vehicle access, secure and well-lit common areas and clean environments on our sites.

Governance

Plaza believes sound governance practices to be essential to its success and the Board is committed to fostering an environment of good governance. Plaza's governance practices are designed to maintain high standards of oversight, accountability, integrity and ethics while promoting sustainable long-term growth and unitholder value. The board embraces a culture of continuous improvement and regular evaluation, including an annual assessment of effectiveness and performance overseen by the Board's Governance and Compensation Committee. The Board is comprised of over 70% independent members, and 43% of the Board is female.

Please see Plaza's website (www.plaza.ca) for additional information on its ESG programs.

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 this 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 table discusses the key performance indicators for the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021.

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FFO⁽¹⁾		YTD Q3 2022	YTD Q3 2021	% Change
	FFO	\$31,151	\$33,932	(8.2%)
	FFO per unit	\$0.302	\$0.329	(8.2%)
	Distributions as a % of FFO	69.4%	63.7%	8.9%
	<p>➤ The decrease in FFO and FFO per unit over the same period in the prior year was mainly due to prior year lease termination fees of \$3.1 million received and included in NOI, offset by an increase in NOI in the current year. Excluding the impact of lease termination fees, insurance proceeds and COVID-related bad debt expense in the prior year, FFO and FFO per unit would have increased 2%.</p>			
AFFO⁽¹⁾		YTD Q3 2022	YTD Q3 2021	% Change
	AFFO	\$25,660	\$29,280	(12.4%)
	AFFO per unit	\$0.249	\$0.284	(12.3%)
	Distributions as a % of AFFO	84.3%	73.9%	14.1%
	<p>➤ The principal factors affecting AFFO are consistent with those impacting FFO, as well as higher leasing costs in the current year due to increased leasing activity, which will result in increased revenue in the future. Excluding the impact of lease termination fees, insurance proceeds and COVID-related bad debt expense in the prior year, AFFO and AFFO per unit would have decreased 1% as a result of the increased leasing activity in the current year.</p>			
Debt Service Ratios⁽¹⁾		YTD Q3 2022	YTD Q3 2021	% Change
	Interest coverage ratio	2.52x	2.67x	(5.6%)
	Debt coverage ratio	1.69x	1.82x	(7.1%)
		<p>➤ The interest and debt coverage ratios were lower mainly due to lower EBITDA as a result of prior year lease termination fees received, as noted above. Debt coverage and interest coverage ratios exceed the requirements under borrowing arrangements.</p>		
Debt to Gross Assets⁽¹⁾		Q3 2022	Q3 2021	% Change
	Debt to gross assets (excluding convertible debentures)	51.5%	52.5%	(1.9%)
	Debt to gross assets (including convertible debentures)	56.3%	57.5%	(2.1%)
		<p>➤ The decrease in debt to gross assets over the same period in the prior year relates mainly to the fair value increase in investment properties recorded in the current year.</p>		
Same-Asset NOI⁽¹⁾		YTD Q3 2022	YTD Q3 2021	% Change
	Same-asset NOI	\$52,597	\$51,856	1.4%
		<p>➤ Same-asset NOI is higher mainly due to lease-up and rent escalations, as well as lower bad debt expense in the current year, partially offset by an increase in expenditures for certain operating expenses.</p>		
Weighted Average Interest Rate – Fixed Rate Mortgages		Q3 2022	Q3 2021	% Change
	Weighted average interest rate – fixed rate mortgages	4.01%	3.86%	3.9%
Occupancy Levels		Q3 2022	Q3 2021	% Change
	Same-asset committed occupancy ⁽²⁾	97.0%	96.2%	0.8%
	Committed occupancy – including non-consolidated investments ⁽³⁾	97.2%	96.2%	1.0%

(1) This is a non-GAAP financial measure. Refer to the Non-GAAP Financial Measures in Part I and VII of this document for more information on each non-GAAP financial measure.

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

(3) Excludes properties under development.

Plaza Retail REIT

PROPERTY AND CORPORATE FINANCIAL PERFORMANCE 2022 AND 2021

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, 2022, compared to the three and nine months ended September 30, 2021 is presented below:

	3 Months Ended September 30, 2022	3 Months Ended September 30, 2021	Change over Prior Period	9 Months Ended September 30, 2022	9 Months Ended September 30, 2021	Change over Prior Period
(000s – except per unit amounts and percentage data, unaudited)						
Profit and total comprehensive income for the period attributable to unitholders	\$7,151	\$27,756		\$39,737	\$58,880	
Incremental leasing costs included in administrative expenses ⁽⁷⁾	335	322		1,206	1,072	
Debenture issuance costs	-	24		-	370	
Amortization of debenture issuance costs ⁽⁸⁾	(121)	(118)		(362)	(339)	
Distributions on Class B exchangeable LP units included in finance costs	83	83		250	250	
Deferred income taxes	(619)	(73)		42	(29)	
Land lease principal repayments	(195)	(190)		(583)	(567)	
Fair value adjustment to restricted and deferred units	(88)	(25)		(246)	214	
Fair value adjustment to investment properties	4,235	(16,010)		(1,803)	(28,391)	
Fair value adjustment to investments ⁽⁹⁾	413	(133)		(1,144)	56	
Fair value adjustment to Class B exchangeable LP units	(322)	(119)		(953)	1,060	
Fair value adjustment to convertible debentures	(237)	(31)		(960)	2,833	
Fair value adjustment to interest rate swaps	(41)	(361)		(4,266)	(2,436)	
Fair value adjustment to right-of-use land lease assets	195	190		583	567	
Equity accounting adjustment ⁽¹⁰⁾	(29)	(28)		(329)	(183)	
Non-controlling interest adjustment ⁽⁶⁾	(29)	37		(21)	575	
FFO⁽¹⁾	\$10,731	\$11,324	(593)	\$31,151	\$33,932	(2,781)
FFO change over prior period - %			(5.2%)			(8.2%)
FFO⁽¹⁾	\$10,731	\$11,324		\$31,151	\$33,932	
Non-cash revenue – straight-line rent ⁽⁵⁾	(15)	31		119	206	
Leasing costs – existing properties ⁽²⁾⁽⁵⁾⁽¹¹⁾	(1,687)	(1,325)		(4,538)	(3,599)	
Maintenance capital expenditures – existing properties ⁽²⁾⁽⁵⁾⁽¹²⁾	(790)	(589)		(1,150)	(1,319)	
Non-controlling interest adjustment ⁽⁶⁾	39	5		78	60	
AFFO⁽¹⁾	8,278	9,446	(1,168)	25,660	29,280	(3,620)
AFFO change over prior period - %			(12.4%)			(12.4%)
Weighted average units outstanding - basic ⁽³⁾	103,000	102,980		103,003	102,986	
FFO per unit - basic⁽¹⁾	\$ 0.104	\$ 0.110	(5.5%)	\$ 0.302	\$ 0.329	(8.2%)
AFFO per unit - basic⁽¹⁾	\$ 0.080	\$ 0.092	(13.0%)	\$ 0.249	\$ 0.284	(12.3%)
Gross distributions to unitholders ⁽⁴⁾	\$ 7,209	\$ 7,207		\$ 21,628	\$ 21,624	
FFO payout ratio - basic⁽¹⁾	67.2%	63.6%		69.4%	63.7%	
AFFO payout ratio - basic⁽¹⁾	87.1%	76.3%		84.3%	73.9%	
FFO⁽¹⁾	\$ 10,731	\$ 11,324		\$ 31,151	\$ 33,932	
Interest on dilutive convertible debentures	788	788		2,337	2,337	
FFO - diluted⁽¹⁾	\$ 11,519	\$ 12,112	(593)	\$ 33,488	\$ 36,269	(2,781)
Diluted weighted average units outstanding ⁽³⁾	113,893	113,874		113,896	113,880	
AFFO⁽¹⁾	\$ 8,278	\$ 9,446		\$ 25,660	\$ 29,280	
Interest on dilutive convertible debentures	788	788		2,337	2,337	
AFFO - diluted⁽¹⁾	\$ 9,066	\$ 10,234	(1,168)	\$ 27,997	\$ 31,617	(3,620)
Diluted weighted average units outstanding ⁽³⁾	113,893	113,874		113,896	113,880	
FFO per unit - diluted⁽¹⁾	\$ 0.101	\$ 0.106	(4.7%)	\$ 0.294	\$ 0.318	(7.5%)
AFFO per unit - diluted⁽¹⁾	\$ 0.080	\$ 0.090	(11.1%)	\$ 0.246	\$ 0.278	(11.5%)

Plaza Retail REIT

- (1) This is a non-GAAP financial measure. Refer to the Non-GAAP Financial Measures in Part I and VII of this document for more information on each non-GAAP financial measure.
- (2) Based on actuals.
- (3) Includes Class B exchangeable LP units.
- (4) Includes distributions on Class B exchangeable LP units.
- (5) Includes proportionate share of revenue and expenditures at equity-accounted investments.
- (6) The non-controlling interest (“NCI”) adjustment, includes adjustments required to translate the profit and total comprehensive income (loss) attributable to NCI of \$85 thousand and \$299 thousand for the three and nine months ending September 30, 2022, respectively (September 30, 2021 - \$152 thousand and \$874 thousand, respectively) to FFO and AFFO for the NCI.
- (7) Incremental leasing costs included in administrative expenses include leasing costs of salaried leasing staff directly attributed to signed leases that would otherwise be capitalized if incurred from external sources. These costs are excluded from FFO in accordance with RealPAC’s definition of FFO.
- (8) Amortization of debenture issuance costs is deducted on a straight-line basis over the remaining term of the related convertible debentures, in accordance with RealPAC.
- (9) Fair value adjustment to investments relate to the unrealized change in fair value of equity accounted entities which are excluded from FFO in accordance with RealPAC’s definition of FFO.
- (10) Equity accounting adjustment for interest rate swaps includes the change in non-cash fair value adjustments relating to interest rate swaps held by equity accounted entities, which are excluded from FFO in accordance with RealPAC’s definition of FFO.
- (11) Leasing costs – existing properties include internal and external leasing costs except to the extent that leasing costs relate to development projects, in accordance with RealPAC’s definition of AFFO. See the Gross Capital Additions Including Leasing Fees note on page 29 of this MD&A.
- (12) Maintenance capital expenditures – existing properties include expenditures related to sustaining and maintaining existing space, in accordance with RealPAC’s definition of AFFO. See the Gross Capital Additions Including Leasing Fees note on page 29 of this MD&A.

Basic FFO for the three months ended September 30, 2022 decreased by \$593 thousand over the prior year or 5.2% on a dollar basis and 5.5% on a per unit basis.

Items impacting FFO were:

- (i) an increase in NOI of \$347 thousand from acquisitions, developments and properties transferred to income producing properties (“IPP”) in 2021 and 2022;
- (ii) a decrease in same-asset NOI of \$145 thousand mainly due to higher operating expenses due to timing of certain operating expenses, somewhat offset by an increase in rental revenue from lease-up and rent escalations;
- (iii) a decrease in NOI of \$111 thousand from properties disposed;
- (iv) an increase in finance costs of \$348 thousand, mainly due to higher interest expense;
- (v) an increase in administrative costs of \$160 thousand, mainly due to higher compensation expenses along with higher travel costs; and
- (vi) insurance proceeds received in the three months ended September 30, 2021 of \$372 thousand.

For the three months ended September 30, 2022, AFFO decreased by \$1.2 million over the prior year or 12.4% on a dollar basis and 13.0% on a per unit basis. The AFFO and AFFO per unit were mainly impacted by the changes in FFO and FFO per unit described above, as well as higher leasing costs in the current year due to increased leasing activity, which will result in increased revenue in the future.

Excluding the impact of lease termination fees, insurance proceeds and COVID-related bad debt expense in the prior year, FFO and FFO per unit would have been 3% lower than the prior year. AFFO and AFFO per unit adjusted for these same items would have been 9.7% lower than the prior year.

Basic FFO for the nine months ended September 30, 2022 decreased by \$2.8 million over the prior year or 8.2% on a dollar basis and per unit basis.

Items impacting FFO were:

- (i) lease termination fees revenues received in the prior year of \$3.1 million;
- (ii) an increase in NOI of \$1.2 million from acquisitions, developments and properties transferred to income producing properties (“IPP”) in 2021 and 2022;
- (iii) an increase in same-asset NOI of \$741 thousand mainly due to lease-up and rent escalations, as well as lower bad debt expense in the current year;
- (iv) a decrease in NOI of \$381 thousand from properties disposed; and
- (v) an increase in administrative costs of \$801 thousand, mainly due to higher compensation expenses, higher Trustee fees, additional recruitment costs, along with higher travel costs in the current year; and
- (vi) insurance proceeds received in the prior year of \$726 thousand.

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For the nine months ended September 30, 2022, AFFO decreased by \$3.6 million over the prior year or 12.4% on a dollar basis and 12.3% on a per unit basis. The AFFO and AFFO per unit were mainly impacted by the changes in FFO and FFO per unit described above, as well as higher leasing costs in the current year due to increased leasing activity, which will result in increased revenue in the future. These are somewhat offset by lower maintenance capital expenditures.

Excluding the impact of lease termination fees, insurance proceeds and COVID-related bad debt expense in the prior year, FFO and FFO per unit would have been 2% higher than the prior year. AFFO and AFFO per unit adjusted for these same items would have been 1% lower than the prior year.

Profit and Total Comprehensive Income for the Period

The Trust recorded a profit for the three months ended September 30, 2022 of \$7.2 million compared to \$27.9 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 \$4.2 million in the current quarter compared to a fair value increase of \$16.0 million in the same quarter in the prior year. The fair value change year over year was mainly due to a decrease in capitalization rates and appraisals obtained in the current quarter. Profit was also impacted by the same factors mentioned in the discussion of FFO above, as well as:

- (i) a decrease in the share of profit of associates of \$641 thousand over the prior year, mainly relating to the non-cash fair value adjustment of the underlying properties in the current year; and
- (ii) changes in non-cash fair value adjustments relating to interest rate swaps, the Class B exchangeable LP units, and convertible debentures.

The Trust recorded a profit for the nine months ended September 30, 2022 of \$40.0 million compared to \$59.8 million for the same period in the prior year. The decrease was mainly due to an increase in the fair value of investment properties of \$1.8 million in the current year compared to a fair value increase of \$28.4 million in the same period in the prior year. The fair value change was mainly due to changes in capitalization rates and appraisals obtained. 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 \$1.3 million over the prior year, mainly relating to the non-cash fair value adjustment of the underlying properties in the current year; and
- (ii) changes in non-cash fair value adjustments relating to interest rate swaps, the Class B exchangeable LP units, and convertible debentures.

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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 ended September 30, 2022 and the entire year-ending December 31, 2021, and excludes non-consolidated investments and 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, 2022, approximately 48.0% 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 seasonal costs such as asphalt repairs, snow removal and other operating costs may not be completely offset by cost recoveries in a particular 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.

(000s)	3 Months Ended September 30, 2022 (unaudited)	3 Months Ended September 30, 2021 (unaudited)	9 Months Ended September 30, 2022 (unaudited)	9 Months Ended September 30, 2021 (unaudited)
Same-asset rental revenue ⁽¹⁾	\$ 25,940	\$ 25,427	\$ 78,597	\$ 76,593
Same-asset operating expenses ⁽¹⁾	(2,738)	(2,297)	(10,291)	(9,531)
Same-asset realty tax expense ⁽¹⁾	(5,245)	(5,028)	(15,709)	(15,206)
Same-asset NOI⁽¹⁾	\$ 17,957	\$ 18,102	\$ 52,597	\$ 51,856
Percentage increase (decrease) over prior period	(0.8%)		1.4%	

- (1) This is a non-GAAP financial measure. Refer to the Non-GAAP Financial Measures in Part I and VII of this document for more information on each non-GAAP financial measure.

Same-asset NOI for the three and nine months ended September 30, 2022 decreased by 0.8% and increased by 1.4%, respectively, compared to the prior year. The decrease in same-asset NOI for the three months ended September 30, 2022 is mainly due to higher operating expenses due to timing of certain operating expenses in the current quarter, somewhat offset by an increase in rental revenue from lease-up and rent escalations. The increase in same-asset NOI for the nine months ended September 30, 2022 over the same period in the prior year, is mainly due to lease-up and rent escalations, as well as lower bad debt expense in the current year, more than offsetting the increase in operating expenses.

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

(000s except percentage data)	3 Months Ended September 30, 2022 (unaudited)	3 Months Ended September 30, 2021 (unaudited)	9 Months Ended September 30, 2022 (unaudited)	9 Months Ended September 30, 2021 (unaudited)
New Brunswick	\$ 4,791	\$ 4,904	\$ 13,803	\$ 13,706
Nova Scotia	2,873	2,942	8,475	8,503
Quebec	3,434	3,489	10,014	10,364
Alberta	157	151	466	449
Manitoba	109	95	299	284
Ontario	3,175	3,087	9,537	8,957
Newfoundland and Labrador	1,362	1,364	4,107	3,805
Prince Edward Island	2,056	2,070	5,896	5,788
Same-asset NOI⁽¹⁾	\$ 17,957	\$ 18,102	\$ 52,597	\$ 51,856
Percentage increase (decrease) over prior period	(0.8%)		1.4%	

- (1) This is a non-GAAP financial measure. Refer to the Non-GAAP Financial Measures in Part I and VII of this document for more information on each non-GAAP financial measure.

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Net Property Operating Income (NOI)

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

(000s)	3 Months Ended September 30, 2022 (unaudited)	3 Months Ended September 30, 2021 (unaudited)	9 Months Ended September 30, 2022 (unaudited)	9 Months Ended September 30, 2021 (unaudited)
Same-asset NOI ⁽¹⁾	\$ 17,957	\$ 18,102	\$ 52,597	\$ 51,856
Developments and redevelopments transferred to income producing in 2021 & 2022 (\$2.0 million stabilized NOI)	513	340	1,459	671
NOI from acquisitions, properties currently under development and redevelopment (\$4.9 million stabilized NOI)	448	274	1,408	1,002
Straight-line rent	16	(31)	(116)	(206)
Administrative expenses charged to NOI	(806)	(733)	(2,539)	(2,276)
Lease termination revenue	12	-	117	3,098
Properties disposed	16	127	65	446
Total NOI⁽¹⁾	\$ 18,156	\$ 18,079	\$ 52,991	\$ 54,591

(1) This is a non-GAAP financial measure. Refer to the Non-GAAP Financial Measures in Part I and VII of this document for more information on each non-GAAP financial measure.

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%	6%	pro-rata
144 Denison East Limited Partnership	25%	6%	pro-rata
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.

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Share of profit of associates for the three months ended September 30, 2022 includes Plaza's share of NOI of approximately \$1.5 million compared to \$1.4 million for the three months ended September 30, 2021. Share of profit of associates decreased by \$641 thousand for the three months ended September 30, 2022 compared to the three months ended September 30, 2021. The decrease was mainly due to the non-cash fair value adjustment to the underlying investment properties quarter over quarter.

Share of profit of associates for the nine months ended September 30, 2022 includes Plaza's share of NOI of approximately \$4.1 million compared to \$3.9 million for the nine months ended September 30, 2021. Share of profit of associates increased by \$1.3 million for the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021. The increase was mainly due to the non-cash fair value adjustment to the underlying investment properties year over year.

Overall committed occupancy for non-consolidated investments was 98.8% at September 30, 2022, compared to 98.8% at September 30, 2021.

Regular distributions received from associates for the three months ended September 30, 2022 were \$200 thousand compared to \$170 thousand for the three months ended September 30, 2021. Distributions received from associates for the nine months ended September 30, 2022 were \$1.3 million compared to \$1.5 million for the nine months ended September 30, 2021.

Finance Costs

Finance costs for the three months ended September 30, 2022 were \$7.4 million, compared to \$7.0 million for the same period in the prior year. The increase was mainly due to higher mortgage interest as a result of new mortgages and refinancings, along with higher interest from the increase in variable rates.

Finance costs for the nine months ended September 30, 2022 were consistent at \$21.1 million, compared to the same period in the prior year, impacted by the changes noted above.

Administrative Expenses

Administrative expenses for the three months ended September 30, 2022 were \$97 thousand higher mainly due to higher compensation expenses, Trustee fees, and legal, travel and recruitment costs in the current period, offset by a decrease in fair value of restricted and deferred units. Excluding the decrease in the fair value of restricted and deferred units, administrative expenses would have been \$160 thousand higher than the same period in the prior year.

Administrative expenses for the nine months ended September 30, 2022 were \$342 thousand higher mainly due to higher compensation expenses, Trustee fees, and legal, travel, IT and recruitment costs in the current year, offset by a decrease in fair value of restricted and deferred units. Excluding the decrease in the fair value of restricted and deferred units, administrative expenses would have been \$801 thousand higher than the same period in the prior year.

Change in Fair Value of Investment Properties

Investment properties are measured at fair value using valuations prepared by either the Trust's internal valuation team or external independent appraisers. Management uses the direct capitalization method to fair value investment properties. Under this method, fair value is estimated by applying capitalization rates to stabilized net operating income (property revenue less property operating expenses), with the resulting value reduced by any costs to complete or required to achieve stabilization.

The Trust recorded a fair value decrease to investment properties of \$4.2 million for the three months ended September 30, 2022 compared to a fair value increase of \$16.0 million for the three months ended September 30, 2021. The fair value decrease was mainly due to capitalization rate increases. The Trust recorded a fair value increase to investment properties of \$1.8 million for the nine months ended September 30, 2022 compared to a fair value increase of \$28.4 million for the nine months ended September 30, 2021. The fair value change was mainly due to changes in capitalization rates and appraisals obtained. The investment market for the Trust's properties occupied by essential needs, convenience, and value-based retailers, as well as its stable properties, remains strong.

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, 2022 was a net gain of \$237 thousand compared to a net gain of \$31 thousand in the same period in the prior year. The fair value adjustment to convertible

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debentures for the nine months ended September 30, 2022 was a net gain of \$960 thousand compared to a net loss of \$2.8 million in the same period in the prior year.

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, 2022 was a net gain of \$322 thousand compared to a net gain of \$119 thousand in the same period in the prior year. The fair value adjustment to Class B exchangeable LP units for the nine months ended September 30, 2022 was a net gain of \$953 thousand compared to a net loss of \$1.1 million in the same period in the prior year.

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LEASING AND OCCUPANCY

The following table represents leases expiring for the next 5 years and thereafter for Plaza's property portfolio at September 30, 2022 (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⁾	%
2022	77,151	1.6	24,635	4.1	-	-	5,896	3.9	107,682	1.6
2023	515,559	10.5	172,216	28.6	118,904	11.8	32,050	21.5	838,729	12.5
2024	532,411	10.8	96,890	16.1	50,262	5.0	-	-	679,563	10.2
2025	494,954	10.0	87,519	14.5	154,415	15.3	2,211	1.5	739,099	11.1
2026	602,191	12.2	9,758	1.6	58,594	5.8	2,054	1.4	672,597	10.1
2027	560,402	11.4	31,318	5.2	77,799	7.7	22,770	15.2	692,289	10.3
Thereafter	2,142,929	43.5	180,513	29.9	550,539	54.4	84,432	56.5	2,958,413	44.2
Subtotal	4,925,597	100.0	602,849	100.0	1,010,513	100.0	149,413	100.0	6,688,372	100.0
Vacant	130,117		116,059		-		2,216		248,392	
Total	5,055,714		718,908		1,010,513		151,629		6,936,764	
Weighted average lease term	5.7 years		3.4 years		7.1 years		6.5 years		5.7 years	

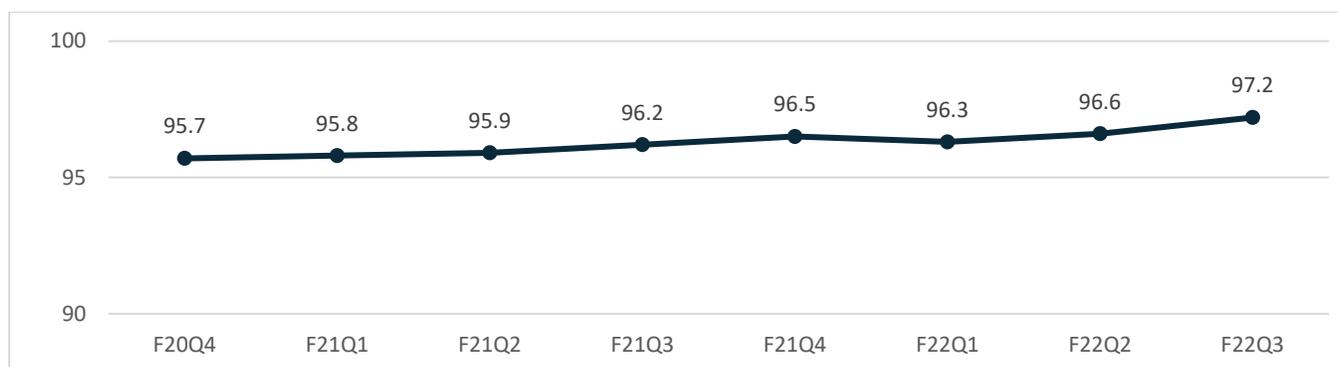
(1) At 100%, regardless of the Trust's ownership interest in the properties.

(2) QSR refers to quick service restaurants.

At September 30, 2022, same-asset committed occupancy was 97.0% compared to 96.2% at September 30, 2021.

Committed occupancy including non-consolidated investments (excluding properties under development and redevelopment) was 97.2% compared to 96.2% at September 30, 2021. Occupancy for the portfolio over the last eight quarters is as follows:

OCCUPANCY %



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The weighted average contractual base rent per square foot on renewals/new leasing in 2022 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	Total
2022 – Q3 YTD					
Leasing renewals (sq. ft.)	281,945	85,780	105,181	10,270	483,176
Weighted average rent (\$/sq. ft.) - Renewed	\$16.61	\$14.51	\$19.53	\$24.37	\$17.04
Weighted average rent (\$/sq. ft.) - Expired	\$16.02	\$14.31	\$19.11	\$23.34	\$16.54
Renewal spread	3.7%	1.4%	2.2%	4.4%	3.0%
New Leasing					
New leasing (sq. ft.)	142,194	24,412	-	-	166,606
Weighted average rent (\$/sq. ft.)	\$13.88	\$15.36	-	-	\$14.09
Expiries					
Expiries not renewed (sq. ft.)	69,699	15,488	-	3,464	88,651
Weighted average rent (\$/sq. ft.)	\$12.88	\$12.55	-	\$18.75	\$13.06
Remainder of 2022					
Expiries (sq. ft.)	77,151	24,635	-	5,896	107,682
Weighted average rent (\$/sq. ft.)	\$17.41	\$17.52	-	\$32.77	\$18.27

In addition, for the nine months ended September 30, 2022, the Trust completed 225 thousand square feet of new and renewal leasing deals on developments and redevelopments at market rates and 161 thousand square feet of new and renewal leasing deals at market rates at non-consolidated investments. In total, including developments, redevelopments and non-consolidated investments, the Trust completed 1.0 million square feet of new and renewal leasing deals for the year to date September 30, 2022.

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 was as follows:

- Committed occupancy in the open-air centres was 98.0% at September 30, 2022, compared to 96.9% at September 30, 2021.
- Committed occupancy for enclosed malls was 87.7% at September 30, 2022, compared to 86.2% at September 30, 2021.
- Committed occupancy for single use assets was 99.8% at September 30, 2022, consistent with September 30, 2021.
- Pre-leased space in active properties under development was 90.6% at September 30, 2022.

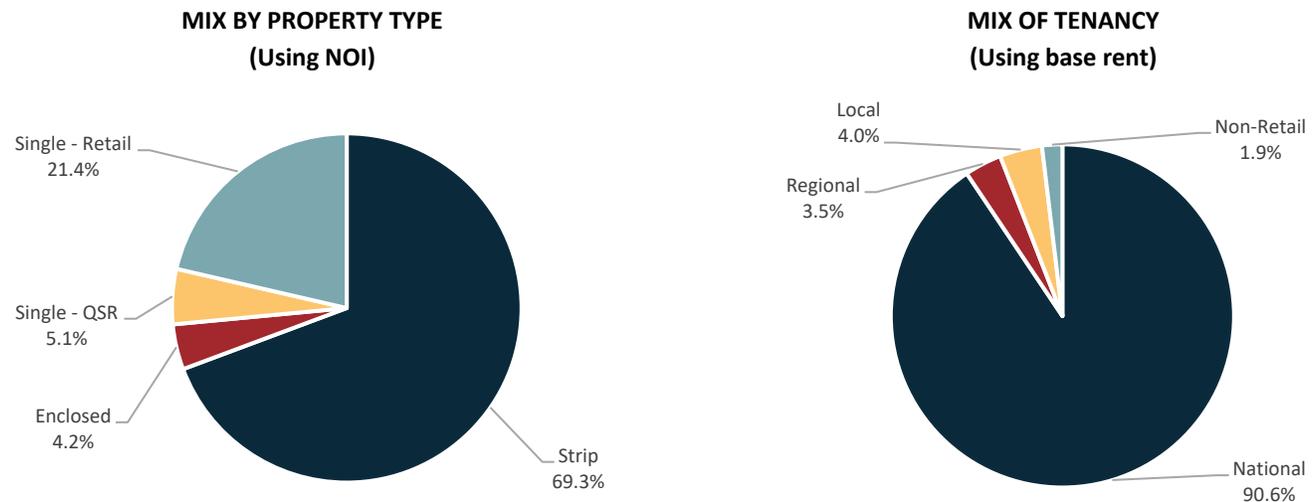
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Plaza has built a portfolio with a high quality revenue stream. Plaza's ten largest tenants based upon current monthly base rents at September 30, 2022 represent approximately 53.7% of total base rent revenues in place.

	% of Base Rent Revenue ⁽⁶⁾		% of Base Rent Revenue ⁽⁶⁾
1. Shoppers Drug Mart/Loblaw ⁽¹⁾	25.2	6. Sobeys Group ⁽⁵⁾	3.4
2. Dollarama	6.2	7. Staples	3.0
3. KFC ⁽²⁾	4.0	8. Bulk Barn	1.8
4. TJX Group ⁽³⁾	3.5	9. Giant Tiger	1.6
5. Canadian Tire Group ⁽⁴⁾	3.4	10. PetSmart	1.6
Total: 53.7%			

- (1) Shoppers Drug Mart/Loblaw represents the following stores: Shoppers Drug Mart, No Frills, Atlantic Superstore, Pharmaprix and Maxi.
- (2) The majority is represented by two operators.
- (3) TJX Group represents the following stores: Winners, HomeSense, and Marshalls.
- (4) Canadian Tire Group represents the following stores: Canadian Tire, Mark's/L'Équipeur, Party City, PartSource, Sport Chek, and Sports Experts.
- (5) Sobeys Group represents the following stores: Sobeys, IGA, Sobeys Fast Fuel and Lawtons.
- (6) Excludes developments, redevelopments and non-consolidated investments.

The Trust's mix of tenancies 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 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 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

Plaza Retail REIT

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. In addition, because of items such as principal repayments or timing of expenditures, distributions may also exceed 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.

	3 Months Ended September 30, 2022 (unaudited)	3 Months Ended September 30, 2021 (unaudited)	9 Months Ended September 30, 2022 (unaudited)	9 Months Ended September 30, 2021 (unaudited)
(000s)				
Cash distributions paid ⁽¹⁾	\$ 7,209	\$ 7,207	\$ 21,628	\$ 21,624

⁽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:

	3 Months Ended September 30, 2022 (unaudited)	3 Months Ended September 30, 2021 (unaudited)	9 Months Ended September 30, 2022 (unaudited)	9 Months Ended September 30, 2021 (unaudited)
(000s)				
Cash provided by operating activities ⁽¹⁾	\$ 11,090	\$ 13,200	\$ 27,697	\$ 36,124
Total distributions ⁽²⁾	(7,209)	(7,207)	(21,628)	(21,624)
Excess of cash provided by operating activities over total distributions	\$ 3,881	\$ 5,993	\$ 6,069	\$ 14,500

⁽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's rent collections continue at pre-COVID levels. Plaza has collected over 99% of gross rent in each quarter since Q4 2020 to date.

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CAPITAL RESOURCES, EQUITY AND DEBT ACTIVITIES

Operating and Development Facilities

(000s)	\$55.0 Million Operating	\$20.0 Million Development	\$15.0 Million Development
December 31, 2021 ⁽¹⁾	\$ 33,313	\$ 1,471	\$ 11,587
Net change	6,356	537	(11,587)
September 30, 2022 ⁽¹⁾	\$ 39,669	\$ 2,008	\$ -
Interest rate	Prime + 0.75% or BA + 2.00%	Prime + 0.75% or BA + 2.25%	Prime + 0.75% or BA + 2.00%
Maturity	July 31, 2023	July 31, 2023	July 31, 2023
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	\$0.2 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, 2022, 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, 2022 is comprised of \$7.5 million of cash, \$15.1 million available to be drawn on the operating line, \$33.0 million of unused development facilities, \$6.9 million of unused construction facilities at consolidated properties and \$4.8 million of unused construction facilities at non-consolidated investments at 100%, and unencumbered assets with a value of approximately \$18.4 million.

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Interim Facilities

(000s)	Interest Rate Range	Maturity Dates	September 30, 2022	December 31, 2021
\$9.7 million interim facility	Prime plus 1.50% or BA plus 2.50%	May 18, 2023	\$ 9,245	\$ 9,500
\$1.2 million unsecured interest-only loan	Prime plus 1.05% (min 5.00%)	January 15, 2024	1,171	1,171
\$10.08 million secured non-revolving construction credit facility	Prime plus 1.00% or BA plus 2.25%	April 24, 2023	9,980	8,855
\$8.8 million interim facility	Prime plus 1.00% or BA plus 2.50%	August 13, 2023	6,705	3,258
\$3.75 million interim facility	Prime plus 1.00% or BA plus 2.50%	December 20, 2023	3,750	3,750
\$6.2 million interim facility	Prime plus 0.9% or BA plus 2.15%	July 28, 2024	6,238	-
\$9.0 million interim facility	Prime plus 0.95%	April 11, 2024	4,953	-
Total interim facilities			\$ 42,042	\$ 26,534

Funding is generally secured by first mortgage charges on properties or development properties as applicable. These interim facilities are in place for financing the construction and development of specific properties. As they mature it is expected they will either be extended until construction has been completed or they will be converted to long-term mortgages on completion of the construction projects. The Trust must maintain certain financial ratios to comply with certain facilities. As of September 30, 2022, all debt covenants in respect of the above facilities have been maintained.

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.2	Series X.2	Series X.2	Series XII	Series XII	Series XII
Interest rate	3.75%	4.25%	4.75%	3.75%	4.25%	4.75%
Maturity date	December 25, 2022	June 25, 2023	June 25, 2024	January 15, 2023	July 15, 2023	July 15, 2024
Amount	\$750	\$725	\$1,510	\$1,285	\$85	\$435

The Series X.2 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, 2022, \$3.2 million Series X.2 mortgage bonds matured. Of the \$3.2 million that matured, \$1.2 million were repaid at that time, \$2.0 million were renewed and an additional \$1.0 million were issued.

On July 15, 2022, Series XII mortgage bonds matured. Of the \$3.0 million that matured, \$2.3 million were repaid at that time, \$725 thousand were renewed and an additional \$1.1 million were issued.

Plaza Retail REIT

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 (TSX: PLZ.DB.E)	Convertible Series VIII	Non-convertible Series II
Interest rate	5.10%	5.95%	5.00%
Conversion price	\$5.65	\$4.75	n/a
Par call date	April 1, 2022	March 31, 2025	n/a
Maturity date	March 31, 2023	March 31, 2026	February 28, 2027
Face amount	\$47,250	\$12,019	\$3,537

On February 28, 2022, the \$6.0 million Series II non-convertible debentures matured. Of those matured, \$3.8 million were repaid, \$2.2 million were renewed and an additional \$1.3 million were issued for five years.

In accordance with the Series E supplemental trust indenture made as of the 21st day of February, 2018, the Trust can elect to satisfy the \$47.25 million convertible debenture obligation, under the par-call option or on maturity, in whole or in part, by issuing units of the Trust at 95% of the 20 day volume weighted average price (“VWAP”) ending on the 5th day preceding the applicable date.

Mortgages

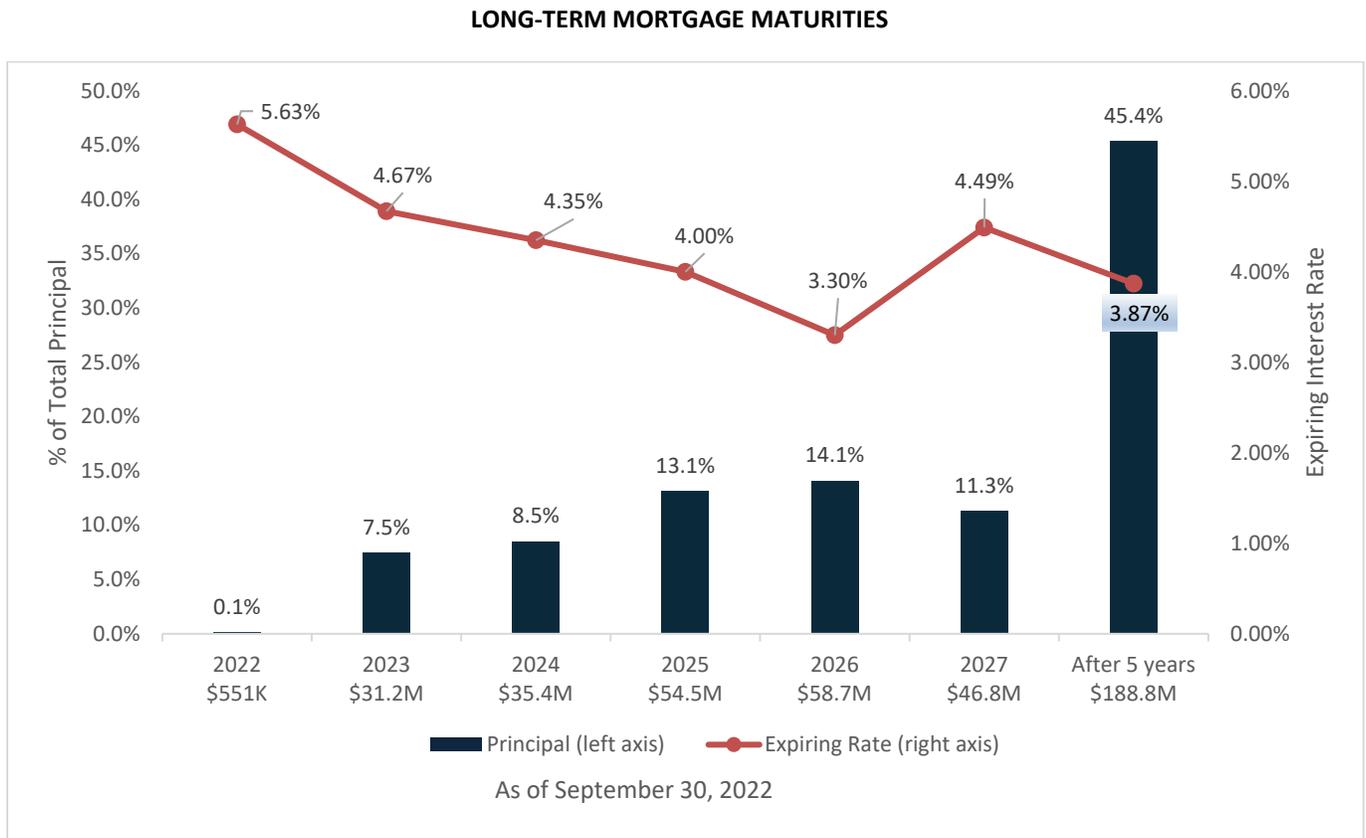
During 2022, the Trust renewed or obtained new long-term fixed-rate financing totaling \$77 million with a weighted average term of 6.9 years and a weighted average interest rate of 4.71%.

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, to reduce overall interest costs, and to match debt maturities with lease maturities when possible. 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).

Plaza Retail REIT

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



The weighted average term to maturity for the long-term mortgages is 5.5 years. The average remaining repayment (amortization) period on long-term mortgage debt is 24.2 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, 2022 compared to the three and nine months ended September 30, 2021 is presented below:

	3 Months Ended September 30, 2022 (unaudited)	3 Months Ended September 30, 2021 (unaudited)	9 Months Ended September 30, 2022 (unaudited)	9 Months Ended September 30, 2021 (unaudited)
(000s – except debt service ratios)				
Profit and total comprehensive income for the period	\$ 7,236	\$ 27,908	\$ 40,036	\$ 59,754
Add (deduct):				
Income taxes	(561)	56	256	177
Finance costs	7,366	7,018	21,117	21,125
Finance costs – convertible debenture costs	-	24	-	370
Fair value adjustment to investment properties	4,235	(16,010)	(1,803)	(28,391)
Fair value adjustment to investments ⁽¹⁾	413	(133)	(1,144)	56
Fair value adjustment to convertible debentures	(237)	(31)	(960)	2,833
Fair value adjustment to Class B exchangeable LP units	(322)	(119)	(953)	1,060
Fair value adjustment to restricted and deferred units	(88)	(25)	(246)	214
Fair value adjustment to interest rate swaps	(41)	(361)	(4,266)	(2,436)
Fair value adjustment to right-of-use land lease assets	195	190	583	567
Equity accounting adjustment for interest rate swaps ⁽²⁾	(29)	(28)	(329)	(183)
EBITDA⁽³⁾	\$ 18,167	\$ 18,489	\$ 52,291	\$ 55,146
Finance costs ⁽⁴⁾	\$ 7,130	\$ 6,786	\$ 20,744	\$ 20,693
Periodic mortgage principal repayments ⁽⁵⁾	3,408	3,204	10,139	9,574
Total debt service	\$ 10,538	\$ 9,990	\$ 30,883	\$ 30,267
Debt service ratios				
Interest coverage ratio ⁽³⁾	2.55 times	2.72 times	2.52 times	2.67 times
Debt coverage ratio ⁽³⁾	1.72 times	1.85 times	1.69 times	1.82 times

(1) Fair value adjustment to investments relate to the unrealized change in fair value of equity accounted entities.

(2) Equity accounting adjustment for interest rate swaps includes the change in non-cash fair value adjustments relating to interest rate swaps held by equity accounted entities.

(3) This is a non-GAAP financial measure. Refer to the Non-GAAP Financial Measures in Part I and VII of this document for more information on each non-GAAP financial measure.

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

(5) Includes land lease principal repayments.

For the three and nine months ended September 30, 2022, the interest and debt coverage ratios were impacted by lower EBITDA, mainly due to higher interest expense. For the nine months ended September 30, 2022 the interest and debt coverage ratios were further impacted by lower EBITDA as a result of prior year lease termination revenues received and included in EBITDA.

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

Plaza Retail REIT

Debt to Gross Assets

Plaza's debt to gross assets is presented below:

	September 30, 2022	December 31, 2021	September 30, 2021
Debt to gross assets⁽¹⁾			
Current and long term debt ⁽²⁾	\$ 704,835	\$ 679,102	\$ 670,423
Less: Fair value of interest rate swaps	3,132	(1,135)	2,436
Total debt including convertible debentures	707,967	677,967	672,859
Less: convertible debentures at face value	(59,269)	(59,269)	(59,269)
Total debt excluding convertible debentures	\$ 648,698	\$ 618,698	\$ 613,590
Total gross assets	\$ 1,257,585	\$ 1,214,834	\$ 1,169,298
Debt to gross assets including convertible debentures⁽¹⁾	56.3%	55.8%	57.5%
Debt to gross assets excluding convertible debentures⁽¹⁾	51.5%	50.9%	52.5%

- (1) This is a non-GAAP financial measure. Refer to the Non-GAAP Financial Measures in Part I and VII of this document for more information on each non-GAAP financial measure.
- (2) Current and long-term debt defined for this purpose as mortgage bonds, mortgages payable, face value of convertible debentures, non-convertible debentures, notes payable, land lease liabilities and bank indebtedness.

The increase in debt to gross assets over December 31, 2021 relates mainly to the increase in debt from the financing of development projects. By its Declaration of Trust, Plaza is limited to an overall indebtedness ratio of 60% excluding convertible debentures and 65% including convertible debentures.

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 10, 2022 (000s) (unaudited)	Units
Current outstanding units	101,803
Class B exchangeable LP units	1,191
Series VIII convertible debentures	2,530
Series E convertible debentures	8,363
Total adjusted units outstanding	113,887

On September 26, 2022, 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, 2022. The period of the renewed NCIB commenced on September 28, 2022 and will conclude on the earlier of the date on which purchases under the bid have been completed and September 27, 2023. Under the terms of the renewed NCIB, the Trust can purchase up to 6,478,960 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 13,703 units, representing 25% of the average daily trading volume of the units on the TSX for the six-month period ended August 31, 2022 (being 54,815 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 "Purchase Plan") with its designated broker in order to facilitate purchases of units under the renewed NCIB. The Purchase 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 Purchase Plan will terminate on September 27, 2023.

For the nine months ended September 30, 2022, 12,537 units have been repurchased for cancellation under Plaza's former and renewed NCIB at a weighted average price of \$4.2610. With this, to September 30, 2022, Plaza has purchased a total of 1,157,948 units for cancellation since the commencement of the original NCIB on September 28, 2018 at a weighted average price of \$4.0190.

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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 returns. 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.

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 2027 to 2084 with an average life of 32 years, with some of the leases also containing non-automatic renewal options, extending the average life of the leases to 58 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, 2022, the recorded amount of the right-of-use assets and land lease liabilities is \$65.4 million.

Plaza leases 9 parcels of land from an entity owned by the below-noted related parties at market rates. The land leases expire at various times from October 2043 to November 2047, subject to options to renew. All the land leases have options to purchase in favour of the Trust, of which one is at a fixed price with the remainder at fair market value.

Related Parties:	Land Rent Paid	
	September 30, 2022	September 30, 2021
A company beneficially-owned by Earl Brewer and Michael Zakuta	\$ 900	\$ 900

Gross Capital Additions Including Leasing Fees:

(000s)	3 Months Ended September 30, 2022 (unaudited)	3 Months Ended September 30, 2021 (unaudited)	9 Months Ended September 30, 2022 (unaudited)	9 Months Ended September 30, 2021 (unaudited)
	Existing properties			
Leasing commissions	\$ 78	\$ 78	\$ 184	\$ 235
Other leasing costs	1,392	1,021	3,497	2,639
	1,470	1,099	3,681	2,874
Maintenance capital expenditures	790	589	1,150	1,319
Total capital additions – existing properties	2,260	1,688	4,831	4,193
Development/redevelopment properties				
Leasing commissions	7	25	273	100
Other leasing costs	2,288	1,385	6,093	4,089
Capital additions	5,160	3,697	13,259	8,048
Total capital additions - developments/redevelopments	7,455	5,107	19,625	12,237
Total gross additions per statements of cash flows⁽¹⁾	\$ 9,715	\$ 6,795	\$ 24,456	\$ 16,430
Reconciliation of leasing costs for AFFO purposes				
Leasing costs – existing properties per above	\$ 1,470	\$ 1,099	\$ 3,681	\$ 2,874
Internal leasing salaries	217	226	857	725
Total leasing costs – existing properties for AFFO purposes	\$ 1,687	\$ 1,325	\$ 4,538	\$ 3,599

⁽¹⁾ The gross additions per the statements of cash flows include leasing commissions on existing properties in the operating activities section and the remainder of the total gross additions noted above in the investing activities section.

Plaza Retail REIT

COMMITMENTS AND CONTINGENT LIABILITIES

Commitments

The Trust estimates \$25.5 million in commitments in respect of certain development and leasing activities. Management believes that Plaza has sufficient unused bank and development line availability, cash and/or mortgage bond deployment potential, to fund these commitments.

The Trust's estimated commitments at September 30, 2022 in respect of certain projects under development and other long-term obligations are as follows:

	Remainder 2022	Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	After 5 Years	Face Value Total
Mortgages – periodic payments	\$ 3,349	\$ 11,969	\$ 11,614	\$ 12,061	\$ 9,181	\$ 7,994	\$ 19,968	\$ 76,136
Mortgages – due at maturity	551	25,563	33,636	52,709	58,695	46,818	188,816	406,788
Development lines of credit	-	2,008	-	-	-	-	-	2,008
Interim loan facilities	-	31,688	11,191	-	-	-	-	42,879
Unsecured interest-only loans	-	5,643	2,971	1,800	-	-	-	10,414
Bank indebtedness	-	39,668	-	-	-	-	-	39,668
Mortgage bonds payable	750	2,095	1,945	-	-	-	-	4,790
Debentures ⁽¹⁾	-	47,250	-	-	12,019	3,537	-	62,806
Land leases	818	3,286	3,323	3,363	3,394	3,423	115,057	132,664
Development activities	11,264	14,202	-	-	-	-	-	25,466
	\$ 16,732	\$ 183,372	\$ 64,680	\$ 69,933	\$ 83,289	\$ 61,772	\$ 323,841	\$ 803,619

⁽¹⁾ Stated at face value.

Management believes that all mortgages maturing in 2022 will be renewed or refinanced as they come due.

In accordance with the Series E supplemental trust indenture made as of the 21st day of February, 2018, the Trust can elect to satisfy the \$47.25 million convertible debenture obligation, under the par-call option or on maturity, in whole or in part, by issuing units of the Trust at 95% of the 20 day volume weighted average price (“VWAP”) ending on the 5th day preceding the applicable date.

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 sales did not relieve the Trust's obligations as original borrower in respect of these mortgages, however, the Trust's commitments are subject to indemnity agreements. The debt subject to such guarantees at September 30, 2022 totals \$4.2 million with a weighted average remaining term of 0.3 years.

The Trust has contingent liabilities as original borrower on five mortgages partially assumed by the purchasers of the underlying properties, where a 50% interest in each was sold in November 2017. These sales did not relieve the Trust's obligations as original borrower in respect of these mortgages, however, these commitments are also subject to indemnity agreements. The debt subject to such guarantees at September 30, 2022 totals \$5.3 million with a weighted average remaining term of 3.8 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. Similarly, these sales did not relieve the Trust's obligations as original borrower in respect of these mortgages but the commitments are subject to indemnity agreements. The debt subject to such guarantees at September 30, 2022 totals \$7.2 million with a weighted average remaining term of 5.2 years.

The Trust guarantees a \$3.7 million commitment relating to the mortgage of an asset sold in 2018, with a weighted average remaining term of 1.8 years at September 30, 2022.

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 \$14.0 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)	Q3'22	Q2'22	Q1'22	Q4'21	Q3'21	Q2'21	Q1'21	Q4'20
Revenues	\$27,609	\$27,754	\$27,904	\$27,383	\$26,597	\$29,944	\$26,708	\$26,835
Net property operating income ⁽¹⁾	\$18,156	\$17,705	\$17,130	\$17,188	\$18,079	\$20,204	\$16,308	\$18,137
Profit and total comprehensive income	\$7,236	\$6,968	\$25,832	\$40,735	\$27,908	\$19,622	\$12,224	\$9,275
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 ⁽¹⁾	10.4¢	10.0¢	9.9¢	10.5¢	11.0¢	12.7¢	9.3¢	10.2¢
Funds from operations per unit – diluted ⁽¹⁾	10.1¢	9.7¢	9.6¢	10.2¢	10.6¢	12.1¢	9.1¢	10.0¢
Adjusted funds from operations per unit – basic ⁽¹⁾	8.0¢	8.1¢	8.8¢	8.0¢	9.2¢	10.8¢	8.4¢	9.2¢
Adjusted funds from operations per unit – diluted ⁽¹⁾	8.0¢	8.0¢	8.6¢	7.9¢	9.0¢	10.5¢	8.3¢	9.0¢
Distributions as a percentage of basic FFO ⁽¹⁾	67.2%	70.2%	71.0%	66.9%	63.6%	55.2%	75.4%	68.3%
Distributions as a percentage of basic AFFO ⁽¹⁾	87.1%	86.8%	79.4%	87.9%	76.3%	64.6%	83.1%	76.4%
Gross Leasable Area (000s of sq. ft.) (at 100%, excluding properties under development/redevelopment)								
Total income producing properties	7,945	7,869	7,863	7,819	7,781	7,808	7,814	7,814
Occupancy % (at 100%, excluding properties under development/redevelopment)								
Total income producing properties	97.2%	96.6%	96.3%	96.5%	96.2%	95.9%	95.8%	95.7%

⁽¹⁾ This is a non-GAAP financial measure. Refer to the Non-GAAP Financial Measures in Part I and VII of this document for more information on each non-GAAP financial measure.

During the last eight quarters occupancy has remained high which contributes to stable 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.

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, 2022, approximately 48.0% 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, 2022, the Trust held interests in 253 properties spread geographically across Canada. Some of the more important risks are outlined below. See Financial Instruments and Risk Management Note 28 to the December 31, 2021 Consolidated Financial Statements of the Trust for further details. Also see the Trust's AIF for the year ended December 31, 2021 dated March 24, 2022 for a list of risks and uncertainties applicable to the Trust's business.

Interest Rate, Financing and Refinancing Risk

The recent increases in floating and fixed interest rates impacts the cost of debt, and could further impact capitalization rates. Plaza has always utilized a conservative debt management strategy and attempts to lock in cash returns on assets for the long-term, 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 interest rate increases could be offset by increases in rental rates.

The Trust also mitigates interest rate risk by maintaining the majority of its debt at fixed rates. Floating rate debt is typically used on Plaza's 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 on floating rate debt would be approximately \$837 thousand.

The Trust mitigates its exposure to fixed-rate interest risk on its debt by staggering maturities and future financing obligations in order to avoid excessive amounts of debt maturing in any one year, and by generally using small individual debt issuances to mitigate exposure on individual debt maturities. 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. The Trust works with numerous lenders to manage exposure to any single lender. Management believes that all debts maturing over the next year 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.

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 in the essential needs, convenience and value-based market segment. 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 25.2% of current monthly base rents in place, Dollarama represents 6.2% and franchisees of KFC represent 4.0%. The top 10 tenants collectively represent approximately 53.7% of current monthly base rents in place. National and regional tenants represent 94.1% 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.

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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 cleaning 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. Supply chain constraints and labour shortages could impact the cost, timing and feasibility of certain developments and acquisitions, or 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

As an owner of real property in Canada, Plaza is subject to various laws relating to environmental matters which deal primarily with liability for damages or costs with respect to the release of hazardous, toxic or other regulated substances into the environment, such as asbestos or petroleum products, and the removal or other remediation thereof. Applicable laws may impose liability regardless of whether the property owner knew of, or was responsible for, the presence of such substances. 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 or other remediation of hazardous, toxic or other regulated 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.

Pandemics, Supply Chain Constraints, and Labour Shortages

Plaza's tenants continue to operate under no restrictions. Although subsequent waves of the COVID-19 virus are possible, governments are taking a more balanced approach to management, and any impacts should be less disruptive. Supply chain constraints continue, which impacts delivery timelines and costs of certain products. Labour shortages in certain industries may also impact certain of Plaza's tenants. Plaza will continue to monitor and follow all public health guidelines to ensure the safety of its tenants, customers and employees.

PART VI

RELATED PARTY TRANSACTIONS

Notes Payable to Related Parties

The note payable from the related party was assumed on the Trust’s acquisition of the underlying property in September 2000. It is payable on the sale or refinancing of the underlying property.

(000s)	September 30, 2022	December 31, 2021
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 Trust has placed certain bonds and debentures by way of private placement, in which accredited investors may participate. Employees and trustees of the Trust (individually a “Trustee”, collectively “Trustees”) may be eligible to participate in these private placements, along with non-related parties.

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

(000s)	September 30, 2022	December 31, 2021
Earl Brewer (Trustee)	\$ -	\$ 300
Doug McGregor (Chairman and Trustee)	400	200
Lynda Savoie (Trustee)	15	15
Michael Zakuta (President and Chief Executive Officer and Trustee)	300	-
Total	\$ 715	\$ 515

No other Trustee or key management personnel own mortgage bonds or debentures of the Trust at September 30, 2022.

Other Related Party Transactions

TC Land LP, an entity controlled by Earl Brewer and Michael Zakuta, leases nine parcels of land to the Trust at market rates. 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. Land leases reduce Plaza’s equity requirement in the subject projects, spread risk and enhance project feasibility and overall unitholder returns.

Related Parties:	Land Rent Paid	
	September 30, 2022	September 30, 2021
A company beneficially-owned by Earl Brewer and Michael Zakuta	\$ 900	\$ 900

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.

The Trust has syndicated ownership of certain properties, where accredited investors may participate in the ownership of these properties in common with the Trust. These co-ownerships reduce Plaza’s equity requirement, spread risk and enhance project feasibility and overall unitholder returns. Employees and Trustees may be eligible to participate in these co-ownerships, along with non-related parties.

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The following related parties hold interests in common with the Trust's interest in the noted properties below:

Property	Ownership %		
	Earl Brewer	Barbara Trenholm	Michael Zakuta
Gateway Mall, Sussex, NB	25.00%	-	21.50%
Mountainview Plaza, Midland, ON and Park Street Plaza, Kenora, ON	4.33%	-	4.81%
Amherstview, Amherstview, ON and 1865 Scugog St, Port Perry, ON	4.87%	-	4.67%
KGH Plaza, Miramichi, NB, 681 Mountain Rd., Moncton, NB, 201 Main St., Sussex, NB, and Robie St Truro Plaza, Truro, NS	2.62%	5.08%	5.08%
Main St Alexandria, Alexandria, ON, Ottawa Street Plaza, Almonte, ON, and Hastings Street Plaza, Bancroft, ON	2.68%	-	5.19%
Quispamsis Town Centre, Quispamsis, NB	-	-	5.91%
Scott Street Plaza, St. Catharines, ON, 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	2.17%	-	2.17%
Boulevard Hebert Plaza and Victoria Street Plaza in Edmundston, NB, Grand Falls Shopping Centre and Madawaska Road Plaza, Grand Falls, NB, Connell Road Plaza, Woodstock, NB, Welton Street Plaza, Sydney, NS, and Pleasant Street Plaza and Starrs Road Plaza in Yarmouth, NS	0.69%	-	5.17%
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	-	5.35%	4.28%

The related parties resulting beneficial interest in accounts receivable owing to the Trust from the underlying properties, and in fees earned by a subsidiary of the Trust from the underlying properties are as follows:

Related Party:	Related parties beneficial ownership of accounts receivable balance owing to the Trust from the underlying properties		Related parties beneficial ownership of fees earned by a subsidiary of the Trust from the underlying properties	
	September 30, 2022	December 31, 2021	September 30, 2022	September 30, 2021
Earl Brewer	\$ 411	\$ 416	\$ 30	\$ 29
Barbara Trenholm	\$ 1	\$ 3	\$ 6	\$ 6
Michael Zakuta	\$ 460	\$ 463	\$ 41	\$ 43

PART VII

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, 2022. 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, 2022, there were no changes in the Trust’s DC&P and ICFR that occurred that have materially affected, or are reasonably likely to materially affect, the Trust’s DC&P and 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 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 using a mix of internal and external approaches as described below. The valuations are based on a number of assumptions, such as future stabilized net operating income and capitalization rates. The investment properties are sensitive to fluctuations in capitalization rates.

(a) Internal approach – direct capitalization method

Income producing properties are valued using the direct capitalization method. Under this method, fair value is estimated by applying capitalization rates to stabilized net operating income (property revenue less property operating expenses), with the resulting value reduced by any costs to complete or required to achieve stabilization. Future stabilized 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 significant 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 generally utilizes capitalization rates within the range of rates provided. Where warranted, adjustments will be made to the internal valuations to reflect the assumptions contained in the external appraisals (outlined below). 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.

(b) External appraisals

Independent appraisals are obtained in the normal course of business as refinancing activities require them. When an independent appraisal is obtained, the internal valuation team assesses all major inputs used by the independent valuers in preparing their reports and holds discussions with them on the reasonableness of their assumptions.

At September 30, 2022 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 \$29.2 million. An increase of 0.25% in the capitalization rates used would have resulted in a decrease in investment properties of approximately \$27.1 million.

FUTURE ACCOUNTING POLICY CHANGES

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

In January 2020, the IASB issued amendments to IAS 1, “Presentation of Financial Statements”, to clarify how to classify debt and other liabilities as either current or non-current. In November 2021, the IASB published the exposure draft Non-current Liabilities with Covenants (proposed amendments to IAS 1). The exposure draft aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions, in addition to addressing concerns about the classification of such a liability as current or non-current. The IASB proposed to defer the effective date of the 2020 amendments to no earlier than January 1, 2024. Early adoption is permitted. Plaza has not yet assessed the impact of these amendments on its consolidated financial statements.

EXPLANATION OF NON-GAAP MEASURES

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 non-GAAP 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 non-GAAP financial measures. FFO per unit and AFFO per unit as calculated by Plaza may not be comparable to similar titled measures reported by other entities. Plaza calculates FFO per unit and AFFO per unit as FFO or AFFO divided by the weighted average number of units outstanding.

Distributions as a percentage of basic FFO and distributions as a percentage of basic AFFO are non-GAAP financial measures. Distributions as a percentage of basic FFO and basic AFFO as calculated by Plaza may not be comparable to similar

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titled measures reported by other entities. Plaza calculates distributions as a percentage of basic FFO and distributions as a percentage of basic AFFO as gross distributions to unitholders divided by basic FFO or basic AFFO.

Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) is a non-GAAP 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 a non-GAAP 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, 2021, 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 termination 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".

Net Property Operating Income (NOI) is an industry term in widespread use. The Trust includes NOI as an additional non-GAAP financial 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).

Interest coverage ratio and debt coverage ratio are non-GAAP financial measures. Interest coverage ratio and debt coverage ratio, as calculated by Plaza, may not be comparable to similarly titled measures reported by other entities. Plaza calculates the interest coverage ratio and debt coverage ratio as EBITDA divided by finance costs and EBITDA divided by total debt service, respectively. Finance costs are defined for this calculation as finance costs as per the consolidated statements of comprehensive income (loss) excluding mark-to-market adjustments, convertible debenture issuance costs, loan defeasance and early mortgage discharge fees, and distributions on Class B exchangeable LP units recorded in finance costs. Total debt service is defined for this calculation as finance costs, as defined above, plus periodic mortgage principal repayments and land lease principal repayments.

Debt to gross assets including convertible debentures and debt to gross assets excluding convertible debentures are non-GAAP financial measures. Debt to gross assets including convertible debentures and debt to gross assets excluding convertible debentures, as calculated by Plaza, may not be comparable to similarly titled measures reported by other entities. Plaza calculates the debt to gross assets including convertible debentures as total debt including the face value of convertible debentures divided by total gross assets. Plaza calculates the debt to gross assets excluding convertible debentures at face value as total debt excluding convertible debentures divided by total gross assets. Total debt is defined for this calculation as mortgage bonds, mortgages payable, face value of convertible debentures, non-convertible debentures, notes payable, land lease liabilities and bank indebtedness, excluding fair value of interest-rate swaps.

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, 2022 can be accessed on Plaza's website at www.plaza.ca.