



**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED IN CANADIAN DOLLARS)**

**FOR THE THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2023 AND 2022**

DATED: NOVEMBER 9, 2023

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Plaza Retail REIT
Condensed Interim Consolidated Statements of Financial Position

(unaudited)

(in thousands of Canadian dollars)

September 30,
2023

December 31,
2022

Assets

Non-Current Assets

Investment properties (Note 4)	\$ 1,173,201	\$ 1,169,075
Investments	53,042	51,180
Tenant loans	333	235
Derivative assets (Note 11)	5,143	3,129
Deferred income tax asset	291	280
Total non-current assets	1,232,010	1,223,899

Current Assets

Cash	7,200	7,262
Receivables (Note 5)	4,946	4,138
Investment properties held for sale (Note 4(g))	736	19,260
Prepaid expenses and deposits (Note 6)	5,371	3,433
Tenant loans	63	55
Notes and advances receivable (Note 7)	11,723	10,964
Total current assets	30,039	45,112
Total assets	\$ 1,262,049	\$ 1,269,011

Liabilities and Unitholders' Equity

Non-Current Liabilities

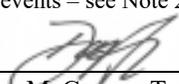
Debentures payable (Note 8)	\$ 14,301	\$ 15,394
Mortgage bonds payable (Note 9)	-	1,945
Mortgages payable and other loans (Note 10)	437,627	462,246
Class B exchangeable LP units (Note 20)	4,174	5,336
Land lease liabilities (Note 13)	63,792	64,403
Deferred income tax liability	8,649	8,757
Total non-current liabilities	528,543	558,081

Current Liabilities

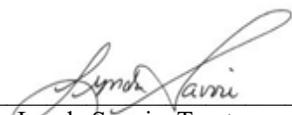
Current portion of debentures payable (Note 8)	5,991	46,806
Current portion of mortgage bonds payable (Note 9)	4,653	2,832
Bank indebtedness (Note 12)	46,541	37,800
Current portion of mortgages payable and other loans (Note 10)	86,020	74,723
Accounts payable, accrued liabilities, tenant payables and tenant deposits (Note 14)	27,800	25,473
Land lease liabilities (Note 13)	813	803
Notes payable (Note 15)	1,200	1,188
Total current liabilities	173,018	189,625
Total liabilities	701,561	747,706

Unitholders' equity	558,071	518,900
Non-controlling interests	2,417	2,405
Total unitholders' equity	560,488	521,305
Total liabilities and unitholders' equity	\$ 1,262,049	\$ 1,269,011

Subsequent events – see Note 25



 Doug McGregor, Trustee
 Chair of the Board



 Lynda Savoie, Trustee
 Chair of the Audit Committee

See accompanying notes which are an integral part of these condensed interim consolidated financial statements.

Plaza Retail REIT

Condensed Interim Consolidated Statements of Comprehensive Income

(unaudited)

(in thousands of Canadian dollars)

	3 Months Ended September 30, 2023	3 Months Ended September 30, 2022	9 Months Ended September 30, 2023	9 Months Ended September 30, 2022
Revenues (Note 16)	\$ 28,294	\$ 27,609	\$ 85,102	\$ 83,267
Operating expenses (Note 17)	(9,834)	(9,453)	(32,184)	(30,276)
Net property operating income	18,460	18,156	52,918	52,991
Share of profit of associates	1,337	535	2,608	4,300
Administrative expenses (Note 18)	(1,813)	(1,811)	(6,076)	(5,693)
Investment income	211	141	676	385
Other income	867	850	2,918	2,027
Income before finance costs, fair value adjustments and income taxes	19,062	17,871	53,044	54,010
Finance costs - operations (Note 19)	(7,029)	(7,366)	(21,527)	(21,117)
Finance costs - net change in fair value of convertible debentures (Note 8)	450	237	658	960
Finance costs - net change in fair value of Class B exchangeable LP units (Note 20)	416	322	1,017	953
Finance costs - net change in fair value of interest rate swaps (Note 11)	1,486	41	2,014	4,266
Net change in fair value of right-of-use land lease assets (Note 4)	(202)	(195)	(601)	(583)
Net change in fair value of investment properties (Note 4)	(10,919)	(4,235)	(10,472)	1,803
Profit before income tax	3,264	6,675	24,133	40,292
Income tax recovery (expense)				
- Current	(52)	(58)	(161)	(214)
- Deferred	143	619	119	(42)
	91	561	(42)	(256)
Profit and total comprehensive income for the period	\$ 3,355	\$ 7,236	\$ 24,091	\$ 40,036
Profit and total comprehensive income for the period attributable to:				
- Unitholders	\$ 3,375	\$ 7,151	\$ 24,009	\$ 39,737
- Non-controlling interests	(20)	85	82	299
	\$ 3,355	\$ 7,236	\$ 24,091	\$ 40,036

See accompanying notes which are an integral part of these condensed interim consolidated financial statements.

Plaza Retail REIT

Condensed Interim Consolidated Statements of Changes in Unitholders' Equity

(unaudited)

(in thousands of Canadian dollars)

	Trust Units (Note 20)	Retained Earnings	Unitholders' Equity	Non- Controlling Interests	Total Equity
Balance as at December 31, 2021	\$ 275,493	\$ 218,028	\$ 493,521	\$ 4,372	\$ 497,893
Profit and total comprehensive income for the period	-	39,737	39,737	299	40,036
Transactions with unitholders, recorded directly in equity:					
- Issuance of units under the RU and DU plan	62	-	62	-	62
- Repurchase of units under normal course issuer bid	(34)	(19)	(53)	-	(53)
- Distributions declared to unitholders (Note 21)	-	(21,378)	(21,378)	-	(21,378)
- Contributions to non-controlling interests	-	-	-	(382)	(382)
Balance as at September 30, 2022	\$ 275,521	\$ 236,368	\$ 511,889	\$ 4,289	\$ 516,178
Balance as at December 31, 2022	\$ 275,512	\$ 243,388	\$ 518,900	\$ 2,405	\$ 521,305
Profit and total comprehensive income for the period	-	24,009	24,009	82	24,091
Transactions with unitholders, recorded directly in equity:					
- Bought deal equity raise, net of issue costs (Note 20)	37,873	-	37,873	-	37,873
- Exchangeable unit redemption (Note 20)	145	-	145	-	145
- Repurchase of units under normal course issuer bid (Note 20)	(56)	(25)	(81)	-	(81)
- Distributions declared to unitholders (Note 21)	-	(22,775)	(22,775)	-	(22,775)
- Contributions to non-controlling interests	-	-	-	(70)	(70)
Balance as at September 30, 2023	\$ 313,474	\$ 244,597	\$ 558,071	\$ 2,417	\$ 560,488

See accompanying notes which are an integral part of these condensed interim consolidated financial statements.

Plaza Retail REIT

Condensed Interim Consolidated Statements of

Cash Flows

(unaudited)

(in thousands of Canadian dollars)

	3 Months Ended September 30, 2023	3 Months Ended September 30, 2022	9 Months Ended September 30, 2023	9 Months Ended September 30, 2022
Cash obtained from (used for):				
Operating activities				
Profit and total comprehensive income for the period	\$ 3,355	\$ 7,236	\$ 24,091	\$ 40,036
Items not affecting cash:				
Finance costs - operations (Note 19)	7,029	7,366	21,527	21,117
Share of profit of associates	(1,337)	(535)	(2,608)	(4,300)
Net change in fair value of investment properties	10,919	4,235	10,472	(1,803)
Net change in fair value of convertible debentures	(450)	(237)	(658)	(960)
Net change in fair value of Class B exchangeable LP units	(416)	(322)	(1,017)	(953)
Net change in fair value of interest rate swaps (Note 11)	(1,486)	(41)	(2,014)	(4,266)
Net change in fair value of right-of-use land lease assets	202	195	601	583
Current and deferred income taxes	(91)	(561)	42	256
Issuance of units under the RU and DU plan	-	-	-	62
Straight-line rent (Note 16)	(16)	(15)	(27)	119
Interest paid	(5,919)	(5,461)	(19,132)	(17,516)
Imputed interest paid on land lease liabilities (Note 19)	(625)	(624)	(1,875)	(1,866)
Cash distributions paid to Class B exchangeable LP unitholders (Note 19)	(81)	(83)	(245)	(250)
Income taxes received	(56)	(63)	(75)	(19)
Distributions from equity accounted investments	462	199	1,526	1,261
Leasing commissions paid (Note 22(c))	(288)	(78)	(600)	(184)
Change in non-cash working capital (Note 22(a))	1,641	(204)	(2,079)	(3,870)
	<u>12,843</u>	<u>11,007</u>	<u>27,929</u>	<u>27,447</u>
Financing activities				
Cash distributions paid to unitholders	(7,725)	(7,126)	(22,574)	(21,378)
Repurchase of units under normal course issuer bid (Note 20)	(32)	(30)	(81)	(53)
Net proceeds from bought deal	-	-	37,873	-
Gross mortgage proceeds	7,172	54,669	45,184	105,190
Fees incurred for placement of mortgages	(153)	(9)	(377)	(435)
Early mortgage discharge fees paid (Note 19)	-	(174)	(50)	(180)
Mortgages repaid	(2,684)	(31,022)	(35,735)	(65,627)
Mortgages repaid on disposal of investment properties and land (Note 4(e))	-	(686)	(13,762)	(2,283)
Periodic mortgage principal repayments	(3,097)	(3,213)	(9,099)	(9,556)
Land lease principal repayments	(202)	(195)	(601)	(583)
Gross proceeds from mortgage bonds	85	1,080	2,345	2,080
Redemption of mortgage bonds	(210)	(2,275)	(2,470)	(3,485)
Gross proceeds from non-convertible debentures (Note 8)	-	-	6,000	1,300
Redemption of debentures (Note 8)	-	-	(47,250)	(3,763)
Fees incurred for placement of mortgage bonds and debentures	(4)	(7)	(23)	(69)
Increase (decrease) in notes payable	10	(6)	12	(18)
	<u>(6,840)</u>	<u>11,006</u>	<u>(40,608)</u>	<u>1,140</u>
Investing activities				
Investment properties – additions (Note 22(c))	(16,430)	(9,637)	(35,672)	(24,272)
Acquisition of investment properties and land	-	(12,822)	-	(13,221)
Proceeds from disposal of investment properties and land (Note 4(e))	7,529	2,519	31,623	6,341
Proceeds from assets previously held for sale	-	-	9,719	-
Advances to equity accounted investments for developments	(580)	-	(780)	(166)
Contributions to non-controlling interests, recorded in non-controlling interests and in liabilities	(52)	(52)	(162)	(382)
Decrease in deposits for acquisitions and financings	44	1,792	16	388
Increase in notes and advances receivable	(233)	(196)	(759)	(4,251)
Repayment of tenant loans	15	13	50	69
Issuance of tenant loans	(61)	(23)	(159)	(23)
	<u>(9,768)</u>	<u>(18,406)</u>	<u>3,876</u>	<u>(35,517)</u>
Net increase (decrease) in cash	(3,765)	3,607	(8,803)	(6,930)
Cash less bank indebtedness, beginning of the period	(35,576)	(35,788)	(30,538)	(25,251)
Cash less bank indebtedness, end of the period	\$ (39,341)	\$ (32,181)	\$ (39,341)	\$ (32,181)

See accompanying notes which are an integral part of these condensed interim consolidated financial statements.

Plaza Retail REIT

Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2023 (unaudited)

(tabular amounts in thousands of Canadian dollars, except per unit amounts and as otherwise indicated)

1. Reporting Entity

Plaza Retail REIT (the “Trust” or “Plaza”) is an unincorporated “open-ended” real estate investment trust established pursuant to its declaration of trust dated as of November 1, 2013 and amended as of March 26, 2020 (the “Declaration of Trust”) and is governed by the laws of the Province of Ontario. The address of the Trust’s head office is 98 Main Street, Fredericton, New Brunswick. The Trust operates a retail real estate ownership and development business in Canada. Management does not distinguish or group its operations by geography or any other basis when measuring its performance or making decisions. Accordingly, the Trust has a single reportable segment for disclosure purposes.

2. Basis of Preparation

Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board (“IASB”). The condensed interim consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements for the year ended December 31, 2022, which have been prepared in accordance with IFRS Accounting Standards, as issued by the IASB.

The condensed interim consolidated financial statements were authorized for issue by the Audit Committee on behalf of the Board of Trustees (the “Board”) of the Trust on November 9, 2023.

3. Summary of Significant Accounting Policies

Future Changes in Accounting Policies

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”, (the 2020 amendments), providing a more general approach to the classification of liabilities based on the contractual agreements in place at the reporting date. On October 31, 2022 the IASB issued *Non-current Liabilities with Covenants* (Amendments to IAS 1) (the 2022 amendments), to improve the information provided about long-term debt with covenants. The 2020 amendments and the 2022 amendments (collectively “the Amendments”) are effective for annual reporting periods beginning on or after January 1, 2024. Earlier adoption is permitted.

The Amendments to IAS 1 affect only the presentation of liabilities in the statement of financial position and seek to clarify that the classification of liabilities as current or non-current should be based on the rights that are in existence at the end of the reporting period. Further, the Amendments make clear that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability and that the settlement of a liability refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

Plaza intends to adopt the amendments in its consolidated financial statements beginning on January 1, 2024, when the amendments become effective. At that time, the Class B exchangeable LP units and the Series VIII convertible debentures will be reclassified from non-current liabilities to current liabilities on the Consolidated Statement of Financial Position.

Plaza Retail REIT

Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2023 (unaudited)

(tabular amounts in thousands of Canadian dollars, except per unit amounts and as otherwise indicated)

4. Investment Properties

	September 30, 2023				December 31, 2022			
	Income producing properties	Properties under development	Right-of-use land lease assets	Total	Income producing properties	Properties under development	Right-of-use land lease assets	Total
Balance, beginning of the period:	\$ 1,025,249	\$ 78,620	\$ 65,206	\$ 1,169,075	\$ 1,017,733	\$ 57,585	\$ 65,986	\$ 1,141,304
Additions (deductions):								
Additions to investment properties	12,203	26,124	-	38,327	12,469	26,337	-	38,806
Acquisitions of investment properties and land	-	-	-	-	-	13,221	-	13,221
Disposals (Note 4(e))	(22,082)	-	-	(22,082)	(12,348)	-	-	(12,348)
Transfers	44,046	(44,046)	-	-	17,558	(17,558)	-	-
Straight line rent receivable change	(360)	50	-	(310)	(115)	60	-	(55)
Reclass to investment properties held for sale (Note 4(g))	(736)	-	-	(736)	(19,260)	-	-	(19,260)
Change in fair value – income producing and under development	(10,940)	468	-	(10,472)	9,212	(1,025)	-	8,187
Change in fair value – right-of-use land lease assets	-	-	(601)	(601)	-	-	(780)	(780)
Balance, end of the period:	\$ 1,047,380	\$ 61,216	\$ 64,605	\$ 1,173,201	\$ 1,025,249	\$ 78,620	\$ 65,206	\$ 1,169,075

The majority of the Trust's income producing properties and properties under development have been pledged as security under various debt agreements.

Fair value disclosure

Investment properties (including those owned through equity accounted joint ventures) are measured at fair value using valuations prepared by either the Trust's internal valuation team or external independent appraisers. The fair value of investment properties is based on a combination of external appraisals and internal valuations based on a capitalization matrix provided by independent appraisers, classified as Level 3 financial instruments (see (i), below, for a more detailed description of the Trust's valuation approach). The significant unobservable inputs include capitalization rates, future stabilized net operating income, which is supported by the terms of existing leases in place and current market rents to renew or lease up vacant or expiring space, adjusted for estimated or normalized vacancy rates based on market conditions and factoring in expected maintenance costs.

Income Producing Properties

(i) 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 future stabilized net operating income (property revenue less property operating expenses), with the resulting value reduced by any costs required to achieve stabilization. Future stabilized net operating income adjusts net operating income for items such as market property management fees, or in the case of development properties, to reflect full intended occupancy (less a normal vacancy allowance). The Trust utilizes quarterly capitalization rate matrices provided by an external 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. 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.

Plaza Retail REIT

Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2023 (unaudited)

(tabular amounts in thousands of Canadian dollars, except per unit amounts and as otherwise indicated)

(ii) External appraisals

Independent appraisals are obtained in the normal course of business. 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. Where warranted, adjustments will be made to the internal valuations prepared using the direct capitalization method to reflect the assumptions contained in the external valuations, and/or the external valuation will be utilized for valuation purposes.

Of the total fair value of income producing properties and properties under development in the chart on the previous page, \$117.3 million of investment properties were based on external appraisals obtained during the year to date, with \$9.3 million based on external appraisals obtained during the current quarter, (year ended December 31, 2022 - \$222.9 million).

Properties Under Development

Properties under development are valued using a combination of the internal approach, as noted above, and external appraisals. The resulting values are reduced by future cash outlays for costs to complete the development and achieve stabilization, including construction, development, lease-up and related costs.

As at September 30, 2023 the Trust has utilized the following range of capitalization rates:

	Number of Properties ⁽¹⁾	Weighted average capitalization rates ⁽¹⁾	Capitalization Rate Matrix Ranges	
			Primary Market	Secondary Market
Freestanding or Mini Box	68	6.28%	5.25% - 8.25%	6.00% - 9.75%
Quick Service Restaurant	48	6.81%	5.50% - 8.50%	5.75% - 10.50%
Anchored Open-Air Centre – Class A	16	6.47%	5.25% - 8.00%	5.75% - 8.75%
Anchored Open-Air Centre – Class B	41	6.87%	5.50% - 9.00%	6.25% - 10.00%
Unanchored Open-Air Centre	33	7.43%	5.50% - 9.00%	6.50% - 11.50%
Enclosed Malls – Community	3	9.15%	8.00% - 12.50%	7.75% - 13.50%
	209	6.80%		

⁽¹⁾ Excludes properties under development and non-consolidated trusts and partnerships.

Freestanding or Mini Box - defined as a freestanding retail, non-restaurant use such as a pharmacy or equivalent national box retailer. May include nominal additional gross leasable area (“GLA”) if the additional GLA is 15% or less than the total GLA or gross revenue.

Quick Service Restaurant – defined as freestanding retail quick-service restaurant.

Anchored Open-Air Centre – Class A - defined as a food or equivalent-anchored retail open-air centre, 20,000-125,000 square feet and where the anchor tenant(s) represents 70% or more of GLA or gross revenue.

Anchored Open-Air Centre – Class B - defined as a food or equivalent-anchored retail open-air centre, 20,000-200,000 square feet and where the anchor tenant(s) represents less than 70% of GLA or gross revenue.

Unanchored Open-Air Centre – defined as an unanchored retail open-air centre less than 75,000 square feet.

Enclosed Malls - Community – defined as an enclosed community mall with food or department/junior department store or equivalent anchors.

At September 30, 2023 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 \$42.5 million. An increase of 0.25% in the capitalization rates used would have resulted in a decrease in investment properties of approximately \$39.5 million.

Although the fair value of investment properties reflects the Trust’s best estimates as at September 30, 2023, the Trust continues to review its future net property operating income and cash flow projections and valuation of investment properties in light of the current interest rate and macro-economic environment. Certain aspects of Plaza’s operations could be further

Plaza Retail REIT

Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2023 (unaudited)

(tabular amounts in thousands of Canadian dollars, except per unit amounts and as otherwise indicated)

affected, including rental and occupancy rates, consumer demand and demand for retail space, capitalization rates, temporary or long-term labour or supply chain disruptions and the impact on construction costs and development projects, and the resulting value of Plaza's properties.

As at December 31, 2022 the Trust has utilized the following range of capitalization rates:

	Number of Properties ⁽¹⁾	Weighted average capitalization rates ⁽¹⁾	Capitalization Rate Matrix Ranges	
			Primary Market	Secondary Market
Freestanding or Mini Box	69	6.23%	5.00% - 8.25%	5.75% - 9.75%
Quick Service Restaurant	60	6.65%	5.25% - 8.50%	5.75% - 10.50%
Anchored Open-Air Centre – Class A	16	6.45%	5.00% - 8.00%	5.50% - 8.75%
Anchored Open-Air Centre – Class B	43	6.82%	5.25% - 9.00%	6.25% - 10.00%
Unanchored Open-Air Centre	35	7.04%	5.25% - 9.00%	6.50% - 11.50%
Enclosed Malls – Community	3	9.25%	8.00% - 12.50%	7.75% - 13.50%
	226	6.73%		

⁽¹⁾ Excludes properties under development and non-consolidated trusts and partnerships.

(a) Straight-line Rent

Included in investment properties at September 30, 2023 is \$11.6 million (December 31, 2022 - \$11.9 million) of straight-line rents receivable arising from the recognition of rental revenue on a straight-line basis over the lease terms in accordance with IFRS 16, *Leases*.

(b) Surplus Land

Included in investment properties at September 30, 2023 is \$12.6 million of surplus lands at fair value (December 31, 2022 - \$8.1 million).

(c) Borrowing Costs

The total amount of borrowing costs capitalized for the period ended September 30, 2023 is \$2.8 million (for the period ended September 30, 2022 - \$898 thousand).

(d) Acquisitions of Investment Properties and Land

Properties Acquired	% Acquired	Nine Months Ended September 30, 2023 ⁽¹⁾	Year Ended December 31, 2022 ⁽¹⁾
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

⁽¹⁾ Including closing costs

Plaza Retail REIT

Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2023 (unaudited)

(tabular amounts in thousands of Canadian dollars, except per unit amounts and as otherwise indicated)

(e) Disposals

Properties Disposed	% Disposed	Gross Proceeds	Gross Proceeds
		Nine Months Ended September 30, 2023 ⁽¹⁾	Year Ended December 31, 2022
Quick Service Restaurants, excess land and non-core assets	100%	\$ 25,829	\$ 8,355
Non-core asset in Port Hope, ON	50%	-	3,993
Non-core asset in Brampton, ON	100%	15,513	-
Total disposals		\$ 41,342	\$ 12,348
Less: assets previously held for sale		(19,260)	-
Disposals excluding assets previously held for sale		\$ 22,082	\$ 12,348

⁽¹⁾ Gross proceeds after closing costs, before repayment of mortgages.

Reconciliation of disposals with the Statements of Cash Flows	Net Proceeds	Net Proceeds
	Nine Months Ended September 30, 2023	Year Ended December 31, 2022
Total disposals	\$ 41,342	\$ 12,348
Mortgages repaid on disposal	(13,762)	(3,769)
Net proceeds - cash	\$ 27,580	\$ 8,579

Recorded on the Statement of Cash Flows in:

Investing activities: Proceeds from disposal of investment properties and land	\$ 31,623	\$ 12,348
Financing activities: Mortgages repaid on disposal of investment properties and land	(13,762)	(3,769)
Investing activities: Proceeds from assets previously held for sale	9,719	-
Net proceeds - cash	\$ 27,580	\$ 8,579

(f) Right-of-use land lease assets

The Trust has investment properties located on land which is leased. The Trust has 27 long-term land leases (affecting 26 properties). Land leases expire (excluding any non-automatic renewal periods) on dates ranging from 2027 to 2084 with an average life of 31 years, with some of the leases also containing non-automatic renewal options, extending the average life of the leases to 57 years including these non-automatic renewal options.

(g) Investment properties held for sale

The Trust has segregated one investment property as held for sale with a fair value of \$736 thousand for a property located in Dolbeau-Mistassini, QC (December 31, 2022 - \$19.3 million). The sale closed in October 2023.

5. Receivables

Receivables consist of the following:

	September 30, 2023	December 31, 2022
Tenant accounts receivable, net of allowance	\$ 416	\$ 751
Tenant CAM and tax recovery accrual	1,137	1,040
Tenant accounts receivable – annual tax billings	75	6
Excise tax	2,026	1,090
Other receivables	1,270	1,127
Income tax receivable	22	124
Total receivables	\$ 4,946	\$ 4,138

Plaza Retail REIT

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The Trust determines its allowance for doubtful accounts on a tenant-by-tenant basis using an expected credit loss model taking into consideration lease terms, industry conditions and status of the tenants' accounts, among other factors. Accounts are written off only when all collection efforts have been exhausted. The allowance for doubtful accounts balance at September 30, 2023 is \$481 thousand (December 31, 2022 - \$674 thousand). This amount is deducted from tenant accounts receivable.

6. Prepaid Expenses and Deposits

Prepaid expenses and deposits consist of the following:

	September 30, 2023	December 31, 2022
Prepaid expenses	\$ 750	\$ 1,475
Prepaid property taxes	3,849	1,170
Deposits for acquisitions and financings	772	788
Total prepaid expenses and deposits	\$ 5,371	\$ 3,433

7. Notes and Advances Receivable

The notes and advances receivable are owed by co-owners of investment properties as a result of funding requirements on a short-term basis during development of investment properties, and by minority interest shareholders of consolidated entities. The notes and advances are due on demand.

Due from:	Interest Rate	September 30, 2023	December 31, 2022
Co-owners of certain investment properties (payable on demand)	6.00% ⁽¹⁾	\$ 7,137	\$ 7,129
	Prime + 1.5% ⁽¹⁾	322	322
	Prime + 1.25%	1,250	-
	Prime + 6.0%	2,418	2,165
	Non-interest bearing	44	794
Minority interest shareholders (payable on demand)	Prime + 0.75% or BA plus 2.25%	502	502
	Prime + 2.0%	50	50
	Non-interest bearing	-	2
Total notes and advances receivable		\$ 11,723	\$ 10,964

⁽¹⁾ Michael Zakuta and Earl Brewer, related parties, own interests in common with the Trust in the underlying properties (Mountainview Plaza, Midland, ON and Park St. Plaza, Kenora, ON). See Note 23(c)(ii) for additional information.

8. Debentures Payable

Debentures payable consist of the following:

	Maturity Date	Interest Rate	September 30, 2023	December 31, 2022
Convertible ⁽¹⁾				
Series E (TSX: PLZ.DB.E)	March 31, 2023	5.10%	\$ -	\$ 46,806
Series VIII	March 31, 2026	5.95%	10,803	11,906
Total convertible debentures			10,803	58,712
Series II non-convertible debentures ⁽²⁾⁽³⁾	February 28, 2027	5.00%	3,498	3,488
Series III non-convertible debentures ⁽²⁾⁽³⁾ – Tranche A	February 14, 2024	6.25%	1,508	-
Series III non-convertible debentures ⁽²⁾⁽³⁾ – Tranche B	March 31, 2024	6.25%	4,483	-
Net debentures payable			20,292	62,200
Less: current portion of debentures payable			(5,991)	(46,806)
Total debentures payable – long-term portion			\$ 14,301	\$ 15,394

⁽¹⁾ Recorded at fair value based on closing market trading prices for the Series E debentures and market rates for the Series VIII debentures. The fair value change of the total convertible debentures during 2023 was a gain of \$658 thousand (for the year ended December 31, 2022 – gain of \$693 thousand).

⁽²⁾ Recorded at amortized cost.

⁽³⁾ Net of unamortized finance charges of \$49 thousand (December 31, 2022 - \$49 thousand)

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Convertible and non-convertible debentures are subordinate and unsecured.

In February and March 2023, a total of \$6.0 million in Series III unsecured debentures were issued with a term of one year, at an interest rate of 6.25%.

On March 31, 2023, Plaza's Series E convertible debentures matured and the balance of \$47.25 million was repaid in full.

Current convertible debenture terms are as follows:

	Series VIII
Conversion price	\$4.75
Trust's first redemption date	March 31, 2024
Par call date	March 31, 2025
Maturity date	March 31, 2026
Face value outstanding	\$12,019
Publicly listed	no

Non-convertible debenture maturities are as follows:

	Series II	Series III	Series III
Face value outstanding	\$3,537	\$1,510	\$4,490
Maturity date	February 28, 2027	February 14, 2024	March 31, 2024

9. Mortgage Bonds Payable

Mortgage bonds payable are secured by 1st mortgages on various properties:

			September 30, 2023	December 31, 2022
	Interest Rates	Maturity Dates	Total	Total
Series X.2	6.00%	June 25, 2023	\$ -	\$ 250
Series X.2	4.25%	June 25, 2023	-	725
Series X.2	6.00%	December 25, 2023	500	500
Series X.2	6.00%	January 15, 2024	250	-
Series X.2	4.75%	June 25, 2024	1,510	1,510
Series X.2	6.00%	July 15, 2024	725	-
Total Series X.2			2,985	2,985
Series XII	3.75%	January 15, 2023	-	1,285
Series XII	6.00%	January 15, 2024	1,160	-
Series XII	6.00%	July 15, 2024	85	85
Series XII	4.75%	July 15, 2024	435	435
Total Series XII			1,680	1,805
Gross mortgage bonds payable			4,665	4,790
Less: unamortized finance charges			(12)	(13)
Net mortgage bonds payable			4,653	4,777
Less: current portion of mortgage bonds payable			(4,653)	(2,832)
Net mortgage bonds payable – long-term portion			\$ -	\$ 1,945

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.

In January 2023, Series XII mortgage bonds maturing January 15, 2023, were renewed with an interest rate of 6% per annum. Of the \$1.285 million, \$125 thousand were renewed for six months, maturing July 15, 2023, and \$1.16 million were renewed for one year to January 15, 2024.

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In June 2023, Series X.2 mortgage bonds maturing June 25, 2023, were renewed with an interest rate of 6% per annum. Of the \$975 thousand, \$250 thousand were renewed until January 15, 2024, and \$725 thousand were renewed until July 15, 2024.

In July 2023, the \$125 thousand in Series XII mortgage bonds which matured on July 15, 2023 were repaid and the \$85 thousand in Series XII mortgage bonds were extended for one year at 6.00%.

10. Mortgages Payable and Other Loans

	Interest Rate Range	Weighted Average Effective Interest Rate	Maturity Dates	September 30, 2023	December 31, 2022
Secured fixed rate loans:	2.29% - 7.00%	4.17%	Up to June 2034	\$ 473,148	\$ 481,122
Unsecured interest-only fixed rate loans ⁽¹⁾ :	5.00%	5.00%	Up to Sept 2025	3,600	9,243
Revaluation of loans upon acquisitions, net of amortization of \$6,538 (December 31, 2022 - \$6,505)				235	268
Less: unamortized finance charges				(2,246)	(2,374)
Total net fixed rate loans				474,737	488,259
Variable rate loans:					
- \$20 million development facility	Prime plus 0.75% or BA plus 2.25%		July 31, 2024	2,008	2,008
- \$15 million development facility	Prime plus 0.75% or BA plus 2.00%		July 31, 2024	793	-
- \$8.0 million interim facility	Prime plus 1.50% or BA plus 2.50%		July 16, 2024	7,163	9,150
- \$1.2 million unsecured interest-only loan ⁽¹⁾	Prime plus 1.05% (min. 5.00% rate)		January 15, 2024	1,171	1,171
- \$10.08 million interim facility	Prime plus 1.00% or BA plus 2.25%		April 24, 2023	-	9,980
- \$13.4 million interim facility	Prime plus 1.00% or BA plus 2.50%		August 31, 2024	12,992	8,017
- \$6.75 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 0.90% or BA plus 2.15%		July 28, 2024	6,238	6,238
- \$6.75 million interim facility	Prime plus 0.95% Prime plus 1.00% or BA plus 2.5%		April 11, 2024	6,750	6,073
- \$7.25 million interim facility	Prime plus 1.00% or BA plus 2.5%		June 21, 2024	6,379	2,407
- \$5.0 million interim facility	Prime plus 0.95% or BA plus 2.45%		December 31, 2024	1,754	-
Less: unamortized finance charges				(88)	(84)
Total net variable rate loans				48,910	48,710
Net mortgages payable				523,647	536,969
Less: mortgages payable – current portion				(86,020)	(74,723)
Total mortgages payable – long-term portion				\$ 437,627	\$ 462,246

⁽¹⁾ These loans are unsecured, however the lenders have recourse to the underlying properties in case of default.

All mortgages and facilities are secured by charges against specific assets. The unamortized finance charges are made up of fees and costs incurred to obtain the mortgage financing, less accumulated amortization.

To fund development activities the Trust has two revolving development facilities with Canadian chartered banks available upon pledging of specific assets. One is a \$20.0 million one-year revolving facility that bears interest at prime plus 0.75% or bankers' acceptances ("BAs") plus 2.25%, and the other is a \$15.0 million revolving facility that bears interest at prime plus 0.75% or BAs plus 2.00%. At September 30, 2023 there is \$32.2 million available on these development facilities (December 31, 2022 - \$33.0 million). The Trust must maintain certain financial ratios to comply with the facilities. These covenants

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include loan-to-value, debt coverage, interest coverage and occupancy covenants, as well as unitholder equity tests. As of September 30, 2023, the Trust is in compliance with all financial covenants.

Funding is generally secured by first mortgage charges on properties or development properties as applicable. Interim facilities are in place for financing the construction and development of specific properties. The \$8.0 million interim facility is secured by a property which is undergoing repositioning and stabilization. The remaining interim facilities are funding specific developments in progress; management expects that available funds under the respective facilities are sufficient to complete the respective developments. As the interim facilities 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, 2023, the Trust is in compliance with all financial covenants.

11. Derivative Assets and Liabilities

The Trust utilizes interest rate swaps in order to fix the variable interest rate on six mortgages. The interest rate swaps mature in August 2027, May, June and August 2029 and are recorded at fair value, with movements in fair value recorded in profit and total comprehensive income. The interest rate swaps result in derivative assets of \$5.143 million at September 30, 2023, (December 31, 2022 – derivative assets of \$3.129 million). The Trust recorded a fair value gain on the interest rate swaps of \$2.0 million for the nine months ended September 30, 2023 (for the year ended December 31, 2022 – gain of \$4.3 million).

12. Bank Indebtedness

The Trust has a \$55.0 million (December 31, 2022 - \$55.0 million) revolving operating line of credit facility with a Canadian chartered bank at the rate of prime plus 0.75% or BAs plus 2.00%, maturing July 31, 2024. The amount available to be drawn fluctuates depending on the specific assets pledged as security. Based on the assets pledged at September 30, 2023, the available limit was \$55.0 million of which \$46.5 million (December 31, 2022 – \$37.8 million) was drawn and therefore the maximum amount remaining available to be drawn on the facility was \$8.0 million (December 31, 2022 – \$16.5 million), net of letters of credit outstanding of \$508 thousand (December 31, 2022 - \$677 thousand). As security, at September 30, 2023, the Trust has provided a \$60.0 million demand debenture secured by a first mortgage over thirty-four properties.

13. Land Lease Liabilities

The Trust has investment properties located on land which is leased. The land lease liabilities relate to the right-of-use assets included in investment properties (Note 4). The Trust has 27 long-term land leases (affecting 26 properties). Of the 27 land leases, 9 are with related parties. Land leases expire (excluding any non-automatic renewal periods) on dates ranging from 2027 to 2084 with an average life of 31 years, with some of the leases also containing non-automatic renewal options, extending the average life of the leases to 57 years including these non-automatic renewal options.

14. Accounts Payable, Accrued Liabilities, Tenant Payables and Tenant Deposits

Accounts payable, accrued liabilities, tenant payables and tenant deposits consist of the following:

	September 30, 2023	December 31, 2022
Accounts payable and accrued liabilities	\$ 14,931	\$ 13,687
Tenant CAM and tax accrual	666	908
Distributions payable	2,602	2,403
Excise tax payable	1,650	1,347
Accrued interest payable	1,813	2,197
Deferred tenant revenue and deposits	5,811	4,560
Other	327	371
Total accounts payable, accrued liabilities, tenant payables and tenant deposits	\$ 27,800	\$ 25,473

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15. Notes Payable

Notes payable consist of the following:

	Interest Rate	September 30, 2023	December 31, 2022
Non-interest bearing notes:			
Entities owned (directly and indirectly), controlled or significantly influenced by Michael Zakuta, President, CEO and Trustee of the Trust ⁽¹⁾	n/a	\$ 261	\$ 261
Unrelated parties and non-controlling interests	n/a	939	927
Total notes payable		\$ 1,200	\$ 1,188

⁽¹⁾ The notes are repayable on sale or refinancing of the related asset.

16. Revenues

	3 Months Ended September 30, 2023	3 Months Ended September 30, 2022	9 Months Ended September 30, 2023	9 Months Ended September 30, 2022
Contractual revenue	\$ 19,441	\$ 19,197	\$ 58,165	\$ 57,512
Straight-line rent	16	15	27	(119)
Property tax and insurance recoveries	5,847	5,566	17,138	16,571
Cost recovery revenue	2,995	2,788	9,628	9,110
Lease termination revenue	-	12	-	117
Other revenue	(5)	31	144	76
Total property revenues	\$ 28,294	\$ 27,609	\$ 85,102	\$ 83,267

17. Operating Expenses

	3 Months Ended September 30, 2023	3 Months Ended September 30, 2022	9 Months Ended September 30, 2023	9 Months Ended September 30, 2022
Property taxes and insurance	\$ 5,897	\$ 5,996	\$ 17,869	\$ 17,662
Recoverable expenses	3,291	3,097	12,346	11,169
Non-recoverable expenses	646	360	1,969	1,445
Total operating expenses	\$ 9,834	\$ 9,453	\$ 32,184	\$ 30,276

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18. Administrative Expenses

	3 Months Ended September 30, 2023	3 Months Ended September 30, 2022	9 Months Ended September 30, 2023	9 Months Ended September 30, 2022
Salaries and benefits	\$ 1,184	\$ 1,124	\$ 4,027	\$ 3,867
Restricted units	16	33	107	38
Restricted unit fair value	(11)	(1)	(22)	(3)
Professional services	265	236	795	733
Trustee fees	222	153	440	385
Deferred unit fair value	(216)	(87)	(361)	(243)
Office, travel and IT related expenses	353	353	1,090	916
Total administrative expenses	\$ 1,813	\$ 1,811	\$ 6,076	\$ 5,693

Total employee salaries and benefits, including restricted units, recorded by the Trust during the period ended September 30, 2023 were \$9.3 million, of which \$4.0 million is included in operating expenses, \$4.2 million is included in administrative expenses and \$1.1 million has been capitalized to investment properties (for the period ended September 30, 2022 – \$8.6 million, of which \$3.7 million is in operating expenses, \$3.9 million is in administrative expenses and \$986 thousand is in investment properties).

19. Finance Costs - Operations

	3 Months Ended September 30, 2023	3 Months Ended September 30, 2022	9 Months Ended September 30, 2023	9 Months Ended September 30, 2022
Mortgage interest	\$ 5,756	\$ 5,376	\$ 17,465	\$ 15,093
Debenture interest	317	826	1,471	2,497
Mortgage bond interest	64	69	188	248
Distributions paid to Class B exchangeable LP unitholders	81	83	245	250
Operating line of credit interest	820	583	1,973	1,166
Interest and bank charges	180	84	547	273
Amortization of finance charges	178	159	524	505
Loan defeasance and early mortgage discharge fees	-	174	50	180
Imputed interest on land lease liabilities	625	624	1,875	1,866
Mark to market amortization	(11)	(21)	(33)	(63)
Capitalization of interest	(981)	(591)	(2,778)	(898)
Finance costs - operations	\$ 7,029	\$ 7,366	\$ 21,527	\$ 21,117

20. Units of the REIT

(a) Authorized

The Declaration of Trust authorizes the issuance of an unlimited number of units and special voting units. Special voting units are only issued in tandem with the issuance of securities exchangeable into units.

Each special voting unit shall have no economic entitlement nor beneficial interest in the Trust including in the distributions or assets of the Trust but shall entitle the holder of record thereof to a number of votes at any meeting of the unitholders equal to the number of units that may be obtained upon the exchange of the exchangeable security to which such special voting unit is attached. Special voting units may only be issued in connection with or in relation to, securities exchangeable into units, for the purpose of providing voting rights with respect to the Trust to the holders of such securities. The creation or issuance of special voting units is subject to the prior written consent of the Toronto Stock Exchange (“TSX”).

In addition, preferred units may from time to time be created and issued in one or more classes (each of which may be made up of unlimited series) without requiring voting unitholder approval. Before the issuance of preferred units of a series, the Board

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will execute an amendment to the Declaration of Trust containing a description of such series, including the designations, rights, privileges, restrictions and conditions determined by the Board, and the class of preferred units of which such series is a part. The issuance of preferred units is also subject to the prior written consent of the TSX.

(b) *Issued and Outstanding*

(i) Class B Exchangeable LP Units

The Class B exchangeable units are economically equivalent to units of the Trust and are exchangeable at any time into units of the Trust on a one-for-one basis. These units are puttable instruments where the Trust has a contractual obligation to issue Trust units to the exchangeable unitholders upon redemption. Holders of the exchangeable LP units are entitled to receive distributions per LP unit equal to distributions per unit provided to the unitholders of the Trust.

	September 30, 2023		December 31, 2022	
	Units (000s)	Amount	Units (000s)	Amount
Exchangeable LP units outstanding, beginning of the period	1,191	\$ 5,336	1,191	\$ 5,622
Exchanges	(35)	(145)	-	-
Fair value adjustment for the period		(1,017)		(286)
Exchangeable LP units outstanding, end of the period	1,156	\$ 4,174	1,191	\$ 5,336

(ii) Special Voting Units

At September 30, 2023, there were 1,156,000 (December 31, 2022 - 1,191,000) special voting units outstanding, issued in connection with 1,156,000 (December 31, 2022 - 1,191,000) Class B exchangeable LP units of a subsidiary of the Trust (see above).

(iii) Units

	Nine Months Ended September 30, 2023		Year Ended December 31, 2022	
	Trust Units (000s)	Amount	Trust Units (000s)	Amount
Units outstanding, beginning of the period	101,800	\$ 275,512	101,804	\$ 275,493
Issuance of units:				
Units issued through bought deal	8,548	37,873	-	-
Exchange of Class B exchangeable LP units	35	145		
RU and DU plan	11	-	15	70
Repurchase and cancellation of units under normal course issuer bid	(20)	(56)	(19)	(51)
Units outstanding, end of the period	110,374	\$ 313,474	101,800	\$ 275,512

Unitholders have the right to redeem their units at the lesser of (i) 90% of the Market Price of the unit (Market Price is defined for this purpose in the Declaration of Trust as the weighted average trading price of the previous 10 trading days) and (ii) the most recent Closing Market Price (Closing Market Price is defined for this purpose in the Declaration of Trust as the weighted average trading price on the specified date) at the time of the redemption. The redemption price will be satisfied by cash, up to a limit of \$50 thousand for all redemptions in a calendar month, or a note payable. For the nine month period ended September 30, 2023 no unitholder had redeemed units.

On September 26, 2023, 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, 2023. The period of the renewed NCIB commenced on September 28, 2023, and will conclude on the earlier of the date on which purchases under the bid have been completed and September 27, 2024. Under the terms of the renewed NCIB, the Trust can purchase up to 7,107,380 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 11,148 units, representing 25% of the average daily trading volume of the units on the TSX for the six-month period ended August 31, 2023 (being 44,595 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.

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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, 2024.

For the nine months ended September 30, 2023, 19,627 units have been repurchased for cancellation under Plaza’s former and renewed NCIB at a weighted average price of \$4.0688. With this, to September 30, 2023, Plaza has purchased a total of 1,183,780 units for cancellation since the commencement of the original NCIB on September 28, 2018 at a weighted average price of \$4.0210.

On March 28, 2023, the Trust completed a bought deal public offering of 8.548 million units at a price of \$4.68 per unit for gross proceeds of \$40.0 million, and net proceeds of \$37.9 million after closing costs.

21. Distributions

Distributions are declared monthly at the discretion of the Board.

	3 Months Ended September 30, 2023	3 Months Ended September 30, 2022	9 Months Ended September 30, 2023	9 Months Ended September 30, 2022
Distributions declared to unitholders ⁽¹⁾	\$ 7,725	\$ 7,126	\$ 22,775	\$ 21,378

⁽¹⁾ Distributions declared to unitholders exclude cash distributions paid on Class B exchangeable LP units classified as finance costs - operations.

22. Additional Cash Flow Information

(a) Changes in Non-Cash Working Capital

	3 Months Ended September 30, 2023	3 Months Ended September 30, 2022	9 Months Ended September 30, 2023	9 Months Ended September 30, 2022
Receivables	\$ (894)	\$ 53	\$ (537)	\$ 714
Prepaid expenses and deposits	3,254	2,247	(1,954)	(2,540)
Change in construction accruals removed from investing activities	(1,901)	(1,441)	(2,116)	(2,305)
Accounts payable, accrued liabilities, tenant payables and tenant deposits	1,182	(1,063)	2,528	261
Total cash from change in non-cash working capital	\$ 1,641	\$ (204)	\$ (2,079)	\$ (3,870)

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(b) Changes in Liabilities Arising from Financing Activities

	September 30, 2023	December 31, 2022
Current and long-term debt ⁽¹⁾ – beginning of the period	\$ 675,676	\$ 650,412
Repayment of convertible debentures	(47,250)	-
Gross proceeds from non-convertible debentures	6,000	1,300
Redemption/repayment of mortgage bonds and debentures	(2,470)	(7,248)
Gross proceeds from mortgage bonds	2,345	2,080
Periodic mortgage principal repayments	(9,099)	(12,709)
Land lease principal repayments	(601)	(780)
Mortgages repaid	(35,735)	(65,709)
Mortgages repaid on sale of investment properties	(13,762)	(3,769)
Gross mortgage proceeds	45,184	113,610
Fees incurred for placement of debt	(400)	(595)
Increase (decrease) in notes payable	12	(24)
Non-cash changes in current and long-term debt:		
Net change in fair value of Class B exchangeable LP units	(1,017)	(286)
Net change in fair value of convertible debentures	(1,103)	(693)
Net change in fair value of convertible debentures prior to repayment	445	-
Transfer to accounts payable	-	(476)
Exchange of Class B exchangeable LP units	(145)	-
Amortization of finance charges	524	647
Mark to market amortization	(33)	(84)
Current and long-term debt ⁽¹⁾ – end of the period	\$ 618,571	\$ 675,676

⁽¹⁾ Debt defined for this purpose as mortgage bonds, debentures, mortgages payable, notes payable, Class B exchangeable LP units and land lease liabilities.

(c) Reconciliation for Additions to Investment Properties

	3 Months Ended September 30, 2023	3 Months Ended September 30, 2022	9 Months Ended September 30, 2023	9 Months Ended September 30, 2022
Reconciliation with Note 4				
Additions to Investment Properties (Note 4)	\$ 18,590	\$ 11,141	\$ 38,327	\$ 26,723
Acquisitions of investment properties and land (Note 4)	-	12,822	-	13,221
Non-cash impacts included in above:				
Amortization of tenant improvements	29	14	61	37
Change in construction accrual	(1,901)	(1,440)	(2,116)	(2,304)
Additions to Investment Properties – cash	\$ 16,718	\$ 22,537	\$ 36,272	\$ 37,677
Recorded on Consolidated Statement of Cash Flows in:				
Operating activities: Leasing commissions paid	\$ 288	\$ 78	\$ 600	\$ 184
Investing activities: Investment Properties – additions	16,430	9,637	35,672	24,272
Investing activities: Acquisitions of investment properties and land	-	12,822	-	13,221
Additions to Investment Properties - cash	\$ 16,718	\$ 22,537	\$ 36,272	\$ 37,677

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23. Related Party Transactions

The following are the related party transactions of the Trust. All related party transactions have been recorded at the exchange amount.

(a) Bonds and Debentures

The trustees of the Trust (individually a “Trustee”, collectively the “Trustees”) own directly or indirectly the following mortgage bonds or unsecured debentures of the Trust (stated at face value):

	September 30, 2023	December 31, 2022
Doug McGregor (Chairman and Trustee)	\$ 400	\$ 400
Stephen Johnson (Trustee)	384	-
Lynda Savoie (Trustee)	15	15
Michael Zakuta (President and Chief Executive Officer and Trustee)	425	300
Total	\$ 1,224	\$ 715

No other Trustee or key management personnel own mortgage bonds or debentures of the Trust at September 30, 2023 (December 31, 2022 - nil).

(b) Notes Payable to Related Parties

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

	September 30, 2023	December 31, 2022
Entities owned (directly or indirectly), controlled or significantly influenced by Michael Zakuta.	\$ 261	\$ 261

Plaza Retail REIT

Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2023 (unaudited)

(tabular amounts in thousands of Canadian dollars, except per unit amounts and as otherwise indicated)

(c) Other Transactions with Related Parties

- (i) 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, 2023	September 30, 2022
A company beneficially owned by Earl Brewer and Michael Zakuta	\$ 900	\$ 900

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

Property	Ownership %	
	Earl Brewer	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 ⁽¹⁾	2.62%	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 ⁽¹⁾	-	4.28%

⁽¹⁾ Barbara Trenholm was a related party until her retirement from the Board of Trustees in May 2023.

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, 2023	December 31, 2022	September 30, 2023	September 30, 2022
Earl Brewer	\$ 412	\$ 410	\$ 44	\$ 30
Michael Zakuta	\$ 458	\$ 458	\$ 60	\$ 41

- (iii) 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 rent for the space.

Plaza Retail REIT

Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2023 (unaudited)

(tabular amounts in thousands of Canadian dollars, except per unit amounts and as otherwise indicated)

24. Financial Instruments and Risk Management

The fair value of the Trust's financial assets and liabilities that represent net working capital, including cash, receivables, notes and advances receivable, bank indebtedness, accounts payable, accrued liabilities, tenant payables and tenant deposits and notes payable approximate their recorded values due to their short-term nature. In accordance with IFRS, the Trust is required to classify its financial instruments carried at fair value in the financial statements using a fair value hierarchy that exhibits the significance of the inputs used in making the measurements.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data.

The following table provides information on financial assets and liabilities measured at fair value.

	September 30, 2023			December 31, 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Derivative assets	\$ -	\$ -	\$ 5,143	\$ -	\$ -	\$ 3,129
	\$ -	\$ -	\$ 5,143	\$ -	\$ -	\$ 3,129
Class B exchangeable LP units	\$ 4,174	\$ -	\$ -	\$ 5,336	\$ -	\$ -
Series E convertible debentures	-	-	-	46,806	-	-
Series VIII convertible debentures	-	-	10,803	-	11,906	-
	\$ 4,174	\$ -	\$ 10,803	\$ 52,142	\$ 11,906	\$ -

The fair value of the Derivative assets are based on market data including interest rates, as well as terms and cash flows of the underlying mortgages. The Class B exchangeable LP units are valued using the trading price of the Trust's units at the end of the reporting period. Series E and Series VIII convertible debentures are valued as described in Note 8.

25. Subsequent Events

Unitholders' Equity

Between October 1st and November 9th 2023, an additional 3,598 units have been repurchased under the normal course issuer bid at an average unit price of \$3.5688.

Investment Properties

In October 2023, the Trust sold a property located in Dolbeau-Mistassini, QC for \$736 thousand. This property was segregated as investment property held for sale.

Distributions

The Trust paid a cash distribution of \$0.02333 per unit for a total of \$2.6 million on October 16, 2023.