



QUARTERLY REPORT

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

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

**FOR THE THREE MONTHS ENDED
MARCH 31, 2022**

DATED: MAY 5, 2022

TABLE OF CONTENTS

PRESIDENT’S MESSAGE	1
PART I	
Basis of Presentation... ..	3
Forward-Looking Disclaimer	3
Overview of the Business	4
Business Environment and Outlook	4
Development Pipeline and Acquisitions/Dispositions.....	5
Summary of Selected Year to Date Information.	7
PART II	
Strategy.....	8
Environmental, Social and Governance	8
Key Performance Drivers and Indicators	9
Property and Corporate Financial Performance 2022 and 2021.....	11
Leasing and Occupancy.....	16
PART III	
Operating Liquidity and Working Capital.....	18
Capital Resources, Equity and Debt Activities.....	20
Commitments and Contingent Liabilities.....	26
PART IV	
Summary of Selected Quarterly Information	27
PART V	
Risks and Uncertainties	28
PART VI	
COVID-19 Impacts.	30
PART VII	
Related Party Transactions	31
PART VIII	
Disclosure Controls and Procedures and Internal Controls over Financial Reporting	33
Critical Accounting Policies	33
Future Accounting Policy Changes	34
Explanation of Non-GAAP Measures	34
Additional Information	36
Properties of the Trust	36
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS	37

PRESIDENT'S MESSAGE

Fellow Unitholders:

For over 20 years, Plaza has been developing new retail projects and transforming tired, outdated retail centres into modern, relevant properties. Our ability to develop, transform and re-invent retail properties is a hallmark of our business and part of Plaza's DNA. Our team's talent, institutional knowledge and experience gained over these 20+ years distinguishes Plaza from others, and continues to fuel our growth.

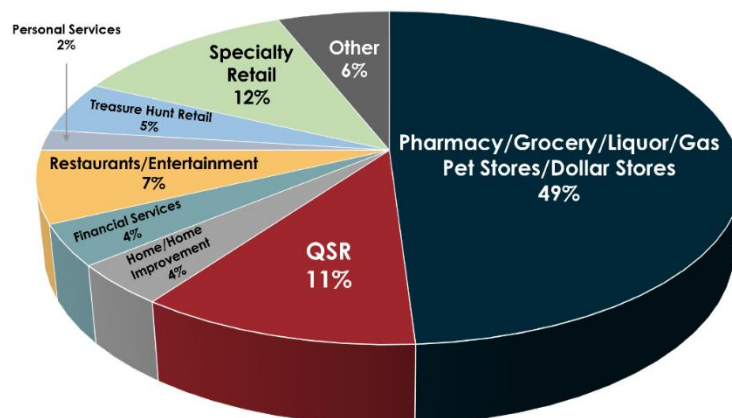
Our growth continues to be dependent on three intertwined elements. Firstly, our vision and experience underpin all of our activity. Retail is ever-changing and it is critically important for us to remain leaders in this regard. Over our history, Plaza has successfully converted fifteen enclosed malls into open-air centres (no one in Canada has completed as many transformations) and redeveloped thirteen empty large box stores. We have also built numerous retail properties from the ground-up, including a significant number of freestanding pharmacies. Plaza has been able to shift its focus between redevelopments and new developments to take advantage of opportunities within the markets Plaza operates and as market conditions evolve. We have financed these projects with various sources of capital, including retained cash flow, different sources of debt, non-core asset sales, as well as a number of partnerships. This creative approach to financing allows us to conserve capital, mitigate risk and maximize per-unit growth.

Secondly, our credibility with major retailers continues to grow in the post-pandemic era. In essence, we are a supplier to the retail industry, and we built our business and reputation by helping value and convenience retailers grow throughout our geography. We take pride in fulfilling our commitments to retailers and we continue to prioritize this customer-service approach. As a result, we are very active with a growing number of institutional-quality essential-needs retailers.

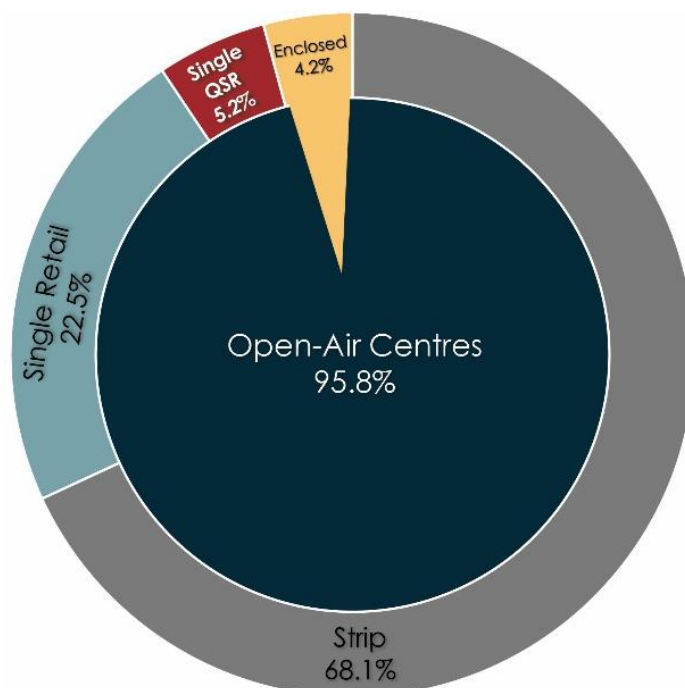
Lastly and most importantly, our team works very hard to deliver for our retailers and stakeholders and grow the business. We are not passive investors seeking acquisition opportunities of finished product that is marginally accretive for unitholders – we want to create real unitholder value by actively working with retailers to help them expand their businesses. At Plaza, we are running a development and redevelopment business with a strong track record of creating value, as opposed to just buying properties and collecting rent.

We are opportunity-driven, recognizing opportunities where others may not, and we deliver. Our growth is reflective of this and largely being generated in two ways – retailer demand for new development, and repositioning assets that we purchase for redevelopment. Our pipeline for new development projects is very healthy and is being driven primarily by growth requirements from major grocers and other essential-needs retailers. In addition, we are evaluating

REVENUE BY RETAIL CATEGORY (based on base rents)



MIX BY PROPERTY TYPE (based on NOI)

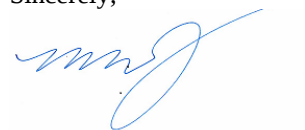


Plaza Retail REIT

a number of income-producing assets that would benefit from Plaza's vision, experience, reputation and action. We are very excited about the diversity and quality of our new development and redevelopment pipelines. We anticipate continued growth in response to increasing demand for Plaza's platform.

Thank you for your ongoing commitment and support.

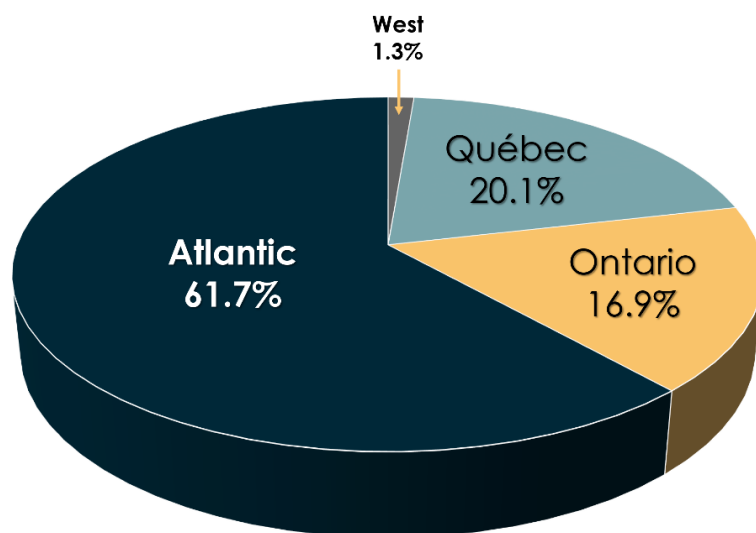
Sincerely,



Michael Zakuta

President and CEO

MIX BY GEOGRAPHY (based on base rents)



PART I

BASIS OF PRESENTATION

Financial information included in this Management's Discussion and Analysis ("MD&A") includes material information up to May 5, 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 this MD&A, Plaza reports 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. Plaza believes these financial measures provide useful information to both management and investors in measuring the financial performance and financial condition of Plaza. These financial measures do not have any standardized definitions prescribed by IFRS and may not be comparable to similar titled measures reported by other entities. Refer to Part VIII of this MD&A under the heading "Explanation of Non-GAAP Measures", for definitions of these financial measures.

FORWARD-LOOKING DISCLAIMER

This MD&A should be read in conjunction with the Trust's Condensed Interim Consolidated Financial Statements and the notes thereto for the three months ended March 31, 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, especially given the uncertainties imposed by the current coronavirus pandemic (also referred to as "COVID-19").

Certain information in this MD&A contains forward-looking statements, based on the Trust's estimates and assumptions, which are subject to numerous known and unknown risks and uncertainties, including those described under the heading "Risks and Uncertainties" in Part V of this MD&A and under the heading "Risk Factors" in the Trust's Annual Information Form ("AIF") for the year ended December 31, 2021. This may cause the actual results, performance and achievements of the Trust to differ materially from future results, performance or achievements expressed or implied by such forward-looking statements. Without limiting the foregoing, the words "believe", "expect", "continue", "anticipate", "could", "may", "intend", "will", "estimate", "goal", "strive", "planning" or "planned" and variations of such words and similar expressions identify forward-looking statements. Forward-looking statements (which involve significant risks and uncertainties and should not be read as guarantees of future performance or results) include, but are not limited to, statements related to distributions, development activities, leasing expectations, financing and the availability of financing sources. Factors that could cause actual results, performance or achievements to differ from those expressed or implied by forward-looking statements include, but are not limited to: the duration and impact of the COVID-19 pandemic on the business, operations and financial condition of the Trust, its tenants and the economy in general; changes in economic, retail, capital market, or debt market conditions, including changes in interest rates and the rate of inflation; competitive real estate conditions; Plaza's ability to lease or re-lease space at current or anticipated rents; changes in operating costs; the availability of development and redevelopment opportunities for growth; demographic changes, including shifting consumer preferences, and changes in consumer behaviours which may result in a decrease in demand for physical space by retail tenants; tenant insolvencies or bankruptcies; and government regulations. This is not an exhaustive list of the factors that may affect Plaza's forward-looking statements. Other risks and uncertainties not presently known to Plaza, including any unforeseen impacts from pandemic conditions, could also cause actual results or events to differ materially from those expressed in forward-looking statements. Management believes that the expectations reflected in its forward-looking statements are based upon reasonable assumptions, however, management can give no assurance that actual results, performance or achievements will be consistent with these forward-looking statements.

These forward-looking statements are made as of May 5, 2022 and Plaza assumes no obligation to update or revise them to reflect new events or circumstances, except as required by applicable law.

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 March 31, 2022 includes interests in 255 properties totaling approximately 8.7 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 March 31, 2022⁽¹⁾	Gross Leasable Area (sq. ft.) March 31, 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	806,274	12	806,274
New Brunswick	52	1,929,421	52	1,929,422
Nova Scotia	32	1,229,786	33	1,227,068
Ontario	57	1,863,819	58	1,854,765
Prince Edward Island	11	595,281	11	595,281
Quebec	88	2,278,817	88	2,247,899
Total	255	8,754,654	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 tend to withstand broader economic conditions and are more e-commerce resilient. Plaza’s leasing efforts over the years have produced a portfolio that is dominated by national retailers, providing stable cash flow.

The uncertainty surrounding the continuation of COVID-19, whether as a pandemic or endemic, may or may not impact certain aspects of Plaza’s operations, including rental and occupancy rates, consumer demand and demand for retail space, capitalization rates, tenants’ ability to pay rent in full or at all, tenant inducements, 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. Please see the discussion under Risks and Uncertainties in Part V and COVID-19 Impacts in Part VI of this MD&A for additional details.

Plaza Retail REIT

DEVELOPMENT PIPELINE AND ACQUISITIONS/DISPOSITIONS

Development Pipeline

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

Properties under development/redevelopment	Square Footage ⁽¹⁾	Ownership	Occupied or Committed at March 31, 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%	75%	Q1 2023
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%	92%	Q1 2023
Beaubien St., Montreal, QC ⁽³⁾	10,000	100%	100%	Q1 2023
Les Immeubles SBT Drummondville, QC	81,000	50%	41%	Q4 2023
Mapleview Dr., Barrie, ON	59,000	50%	n/a	2-3 years
Timiskaming Plaza, New Liskeard, ON ⁽³⁾	24,000	50%	n/a	2-3 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	1-2 years
Millidge Avenue PJC, Saint John, NB ⁽³⁾	2,500	100%	n/a	2-3 years
In Construction:				
Open-Air Centre:				
Hogan Court, Bedford, NS - Phase II	22,502	100%	100%	Q3 2022
464 Dundas St., Belleville, ON ⁽³⁾	2,500	100%	100%	Q4 2022
450 Wharnccliffe Road South, London, ON ⁽³⁾	1,790	100%	100%	Q2 2022
Taunton Rd., Oshawa, ON	46,000	50%	64%	Q2 2023
Northern Avenue Plaza, Sault Ste. Marie, ON ⁽³⁾	172,000	50%	70%	Q3 2023
1726 Huron Church Rd, Windsor, ON ⁽³⁾	8,000	100%	75%	Q3 2022
Tri-City Center, Cambridge, ON ⁽³⁾	189,000	50%	99%	Q4 2022
L'Axe, Chicoutimi, QC	92,000	37.5%	52%	Q4 2023
Single Use:				
1916 Wyandotte Street West, Windsor, ON ⁽³⁾	1,532	100%	100%	Q3 2022
435 St. Peters Ave., Bathurst, NB ⁽³⁾	3,143	100%	100%	Q3 2022
Total	1,125,764			

(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, 578,093 square feet are included in the Trust's GLA at March 31, 2022.

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

(5) Certain projects have been delayed due to COVID-19, 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%.

There is excess density at existing properties which would represent approximately 22 thousand additional square feet of gross leasable area, at Plaza's ownership percentage.

At March 31, 2022, there are seven land assemblies under purchase agreement and subject to due diligence or other conditions. These land purchases, if executed, will represent an additional 345 thousand square feet of retail space at completion, at Plaza's ownership percentage.

Plaza Retail REIT

The total estimated costs for the developments and redevelopments (noted in the chart on the previous page) are between \$115 million and \$125 million, of which approximately \$59 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 \$21 million and \$22 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 three months ended March 31, 2022, the Trust disposed of the following properties:

Properties Disposed	% Disposed	Gross Proceeds
		Three Months Ended March 31, 2022
Quick Service Restaurants and non-core assets ⁽¹⁾	100%	\$ 2,278
Total disposals		\$ 2,278

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

SUMMARY OF SELECTED YEAR TO DATE INFORMATION

	3 Months Ended March 31, 2022 (unaudited)	3 Months Ended March 31, 2021 (unaudited)	3 Months Ended March 31, 2020 (unaudited)	
(000s, except as otherwise noted)				
Financial Amounts				
Revenues	\$ 27,904	\$ 26,708	\$ 27,322	
NOI ⁽¹⁾	\$ 17,130	\$ 16,308	\$ 16,888	
Same-asset NOI ⁽¹⁾	\$ 17,054	\$ 16,606	N/A ⁽³⁾	
FFO ⁽¹⁾	\$ 10,156	\$ 9,554	\$ 9,136	
AFFO ⁽¹⁾	\$ 9,080	\$ 8,676	\$ 7,734	
EBITDA ⁽¹⁾	\$ 17,047	\$ 16,476	\$ 16,412	
Profit (loss) and total comprehensive income (loss)	\$ 25,832	\$ 12,224	\$ (2,098)	
Total assets	\$ 1,236,430	\$ 1,145,399	\$ 1,149,116	
Total non-current liabilities	\$ 518,868	\$ 557,835	\$ 534,422	
Total mortgages, mortgage bonds, notes payable, bank credit facilities, and land lease liabilities	\$ 617,986	\$ 610,778	\$ 600,125	
Total debentures	\$ 63,045	\$ 63,112	\$ 54,627	
Weighted average units outstanding ⁽²⁾	103,004	102,994	103,270	
Normal course issuer bid – units repurchased	2	8	360	
Amounts on a Per Unit Basis				
FFO ⁽¹⁾	\$ 0.099	\$ 0.093	\$ 0.088	
AFFO ⁽¹⁾	\$ 0.088	\$ 0.084	\$ 0.075	
Distributions	\$ 0.070	\$ 0.070	\$ 0.070	
Financial Ratios				
Weighted average interest rate – fixed rate mortgages	3.88%	3.92%	4.22%	
Debt to gross assets (excluding convertible debentures) ⁽¹⁾	50.4%	54.1%	52.7%	
Debt to gross assets (including convertible debentures) ⁽¹⁾	55.2%	58.7%	57.3%	
Interest coverage ratio ⁽¹⁾	2.53x	2.40x	2.26x	
Debt coverage ratio ⁽¹⁾	1.69x	1.64x	1.60x	
Distributions as a % of FFO ⁽¹⁾	71.0%	75.4%	79.1%	
Distributions as a % of AFFO ⁽¹⁾	79.4%	83.1%	93.4%	
Leasing Information				
Square footage leased during the period (total portfolio)	396,323	445,164	198,099	
Same-asset committed occupancy ⁽⁴⁾	96.3%	95.4%	96.2%	
Committed occupancy – including non-consolidated investments ⁽⁵⁾	96.3%	95.8%	96.4%	
Mix of Tenancy Based on Base Rents ⁽⁴⁾				
National	90.8%	90.6%	90.7%	
Regional	3.5%	3.5%	3.9%	
Local	4.0%	4.1%	3.7%	
Non retail	1.7%	1.8%	1.7%	
Other				
Average term to maturity - mortgages	5.5 Years	5.6 Years	5.7 Years	
Average term to maturity - leases ⁽⁴⁾	5.8 Years	6.0 Years	6.1 Years	
Overall capitalization rate ⁽⁴⁾	6.73%	7.17%	7.21%	
Property Type Breakdown	Number of Properties March 31, 2022	Square Footage (000s)	Number of Properties December 31, 2021	Square Footage (000s)
Open-Air Centres	115	6,639	116	6,591
Enclosed	3	719	3	713
Single Use – Quick Service Restaurant	66	183	70	187
Single Use – Retail	71	1,214	68	1,221
Total	255	8,755	257	8,712

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

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

⁽³⁾ Not applicable as the same-asset calculation relates to assets owned since January 1, 2020.

⁽⁴⁾ Excludes properties under development and non-consolidated trusts and partnerships.

⁽⁵⁾ 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 has been and remains committed to ensuring that sustainability is integrated in all aspects of its operations, and will continue to grow responsibly to assure long-term unitholder value. Sound ESG practices are embedded in the way Plaza does business and management recognizes that, through these practices, benefits accrue to tenants, partners, the community at large and ultimately to unitholders. Plaza has undertaken a number of ESG initiatives, including:

- We created a Responsibility & Sustainability Committee 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 Plaza's reporting transparency and prioritize the ESG topics that impact Plaza's business and are important to stakeholders;
- We established the Women@Plaza initiative, dedicated to supporting and empowering female employees to reach their full potential in the workplace;
- We continue to support our team and assure a safe, healthy and inclusive working environment for all;
- We continue to build to latest industry standards and processes to develop safe, practical, and long-term sustainable projects, further to our goal to create communities where our people and tenants will thrive;
- We commenced tracking our consumption of utilities to assist in establishing reduction goals; and
- We continue to reduce our carbon footprint with LED conversions of parking lot and exterior lighting, enhanced insulation in buildings, and are exploring further sustainability processes and initiatives on properties across the Trust's portfolio.

Please see Plaza's website (www.plaza.ca) for additional information on our 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 three months ended March 31, 2022 compared to the three months ended March 31, 2021.

FFO ⁽¹⁾		YTD Q1 2022	YTD Q1 2021	% Change
	FFO	\$10,156	\$9,554	6.3%
	FFO per unit	\$0.099	\$0.093	6.5%
	Distributions as a % of FFO	71.0%	75.4%	(5.8%)
	➤ The increase in FFO and FFO per unit over the same period in the prior year was mainly due to an increase in NOI, and lower finance costs.			
AFFO ⁽¹⁾		YTD Q1 2022	YTD Q1 2021	% Change
	AFFO	\$9,080	\$8,676	4.7%
	AFFO per unit	\$0.088	\$0.084	4.8%
	Distributions as a % of AFFO	79.4%	83.1%	(4.5%)
	➤ The principal factors affecting AFFO are consistent with those impacting FFO, as well as higher leasing costs in the current period due to increased leasing activity, which will result in increased revenue in the future.			
Debt Service Ratios ⁽¹⁾		YTD Q1 2022	YTD Q1 2021	% Change
	Interest coverage ratio	2.53x	2.40x	5.4%
	Debt coverage ratio	1.69x	1.64x	3.0%
	➤ The interest and debt coverage ratios were higher mainly due to higher EBITDA and lower mortgage interest. Debt coverage and interest coverage ratios exceed the requirements under borrowing arrangements.			
Debt to Gross Assets ⁽¹⁾		Q1 2022	Q1 2021	% Change
	Debt to gross assets (excluding convertible debentures)	50.4%	54.1%	(6.8%)
	Debt to gross assets (including convertible debentures)	55.2%	58.7%	(6.0%)
	➤ 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.			
Same-Asset NOI ⁽¹⁾		YTD Q1 2022	YTD Q1 2021	% Change
	Same-asset NOI	\$17,054	\$16,606	2.7%
	➤ Same-asset NOI is higher mainly due to lease-up and rent escalations, as well as lower bad debt expense and write offs in the current period.			
Weighted Average Interest Rate – Fixed Rate Mortgages		Q1 2022	Q1 2021	% Change
	Weighted average interest rate – fixed rate mortgages	3.88%	3.92%	(1.0%)
	➤ Plaza continues to finance at low rates.			
Occupancy Levels		Q1 2022	Q1 2021	% Change
	Same-asset committed occupancy ⁽²⁾	96.3%	95.4%	0.9%
	Committed occupancy – including non-consolidated investments ⁽³⁾	96.3%	95.8%	0.5%

(1) This is a non-GAAP financial measure. Refer to the Non-GAAP Financial Measures in Part I and VIII 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.

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 months ended March 31, 2022, compared to the three months ended March 31, 2021 is presented below:

	3 Months Ended March 31, 2022 (unaudited)	3 Months Ended March 31, 2021 (unaudited)
(000s – except per unit amounts and percentage data)		
Profit and total comprehensive income for the period attributable to unitholders	\$ 25,562	\$ 12,145
Add (deduct):		
Incremental leasing costs included in administrative expenses ⁽⁷⁾	339	316
Amortization of debenture issuance costs ⁽⁸⁾	(120)	(103)
Distributions on Class B exchangeable LP units included in finance costs	83	83
Deferred income taxes	966	37
Land lease principal repayments	(194)	(187)
Fair value adjustment to restricted and deferred units	111	82
Fair value adjustment to investment properties	(12,434)	(3,098)
Fair value adjustment to investments ⁽⁹⁾	(2,390)	110
Fair value adjustment to Class B exchangeable LP units	441	429
Fair value adjustment to convertible debentures	160	2,295
Fair value adjustment to interest rate swaps	(2,547)	(2,561)
Fair value adjustment to right-of-use land lease assets	194	187
Equity accounting adjustment ⁽¹⁰⁾	(186)	(169)
Non-controlling interest adjustment ⁽⁶⁾	171	(12)
Basic FFO⁽¹⁾	\$ 10,156	\$ 9,554
Add (deduct):		
Non-cash revenue – straight-line rent ⁽⁵⁾	115	146
Leasing costs – existing properties ^{(2) (5)(11)}	(1,091)	(818)
Maintenance capital expenditures – existing properties ^{(2) (5)(12)}	(126)	(225)
Non-controlling interest adjustment ⁽⁶⁾	26	19
Basic AFFO⁽¹⁾	\$ 9,080	\$ 8,676
Basic weighted average units outstanding ⁽³⁾	103,004	102,994
Basic FFO per unit⁽¹⁾	\$ 0.099	\$ 0.093
Basic AFFO per unit⁽¹⁾	\$ 0.088	\$ 0.084
Gross distributions to unitholders ⁽⁴⁾	\$ 7,209	\$ 7,208
Distributions as a percentage of basic FFO⁽¹⁾	71.0%	75.4%
Distributions as a percentage of basic AFFO⁽¹⁾	79.4%	83.1%
Basic FFO⁽¹⁾	\$ 10,156	\$ 9,554
Interest on dilutive convertible debentures	770	669
Diluted FFO⁽¹⁾	\$ 10,926	\$ 10,223
Diluted weighted average units outstanding ⁽³⁾	113,897	112,267
Basic AFFO⁽¹⁾	\$ 9,080	\$ 8,676
Interest on dilutive convertible debentures	770	669
Diluted AFFO⁽¹⁾	\$ 9,850	\$ 9,345
Diluted weighted average units outstanding ⁽³⁾	113,897	112,267
Diluted FFO per unit⁽¹⁾	\$ 0.096	\$ 0.091
Diluted AFFO per unit⁽¹⁾	\$ 0.086	\$ 0.083

(1) This is a non-GAAP financial measure. Refer to the Non-GAAP Financial Measures in Part I and VIII 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 expenditures at equity-accounted investments.

(6) The non-controlling interest ("NCI") adjustment, includes adjustments required to translate the profit and total comprehensive income attributable to NCI of \$270 thousand for the three months ending March 31, 2022 (March 31, 2021 - \$79 thousand) 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 25 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 25 of this MD&A.

Basic FFO for the three months ended March 31, 2022 increased by \$602 thousand over the prior year or 6.3% on a dollar basis and 6.5% on a per unit basis.

Items impacting FFO were:

- (i) an increase in NOI of \$429 thousand from acquisitions, developments and properties transferred to income producing properties ("IPP") in 2021 and 2022;
- (ii) an increase in same-asset NOI of \$448 thousand mainly due to development projects moving to same-asset and lower bad debt expense and write offs in the current year;
- (iii) a decrease in finance costs of \$105 thousand, mainly due to lower mortgage interest as a result of refinancing at lower rates; and
- (iv) an increase in administrative costs of \$149 thousand, mainly due to higher Trustee fees, additional recruitment costs and an increase in filing costs.

For the three months ended March 31, 2022, AFFO increased by \$404 thousand over the prior year or 4.7% on a dollar basis and 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 buyouts, and COVID-related bad debt expense and write-offs, FFO and FFO per unit would have been 7% higher than the prior year. AFFO and AFFO per unit adjusted for these same items would have been 5% higher than the prior year.

Profit and Total Comprehensive Income for the Period

The Trust recorded a profit for the three months ended March 31, 2022 of \$25.8 million compared to \$12.2 million for the same period in the prior year. The increase was mainly due to an increase in the fair value of investment properties of \$12.4 million in the current year compared to a fair value increase of \$3.1 million in the prior year. The fair value increase year over year was mainly due to a decrease in capitalization rates in the current quarter 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 \$2.6 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.

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 three months ended March 31, 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 March 31, 2022, approximately 48.2% 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 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

Plaza Retail REIT

taxes are generally net and fully recoverable from all tenants. Most tenants in open-air centres and single use properties are responsible for their own utilities, and changes to these costs do not materially impact NOI.

	3 Months Ended March 31, 2022 (unaudited)	3 Months Ended March 31, 2021 (unaudited)
(000s)		
Same-asset rental revenue ⁽¹⁾	\$ 26,443	\$ 25,630
Same-asset operating expenses ⁽¹⁾	(4,080)	(3,932)
Same-asset realty tax expense ⁽¹⁾	(5,309)	(5,092)
Same-asset NOI⁽¹⁾	\$ 17,054	\$ 16,606
Percentage increase (decrease) over prior period	2.7%	

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

Same-asset NOI for the three months ended March 31, 2022 increased by 2.7% compared to the prior year. The increase is mainly due to lease-up and rent escalations, as well as lower bad debt expense and write offs in the current year.

Excluding the impact of lease buyouts and COVID-related bad debt expense and write-offs from the current and prior year, same-asset NOI for the three months ended March 31, 2022, would have been 1% higher than the prior year. This measure still includes certain other impacts of the COVID-19 pandemic on NOI, such as its impact on occupancy and the timing of re-leasing space in the current year.

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

	3 Months Ended March 31, 2022 (unaudited)	3 Months Ended March 31, 2021 (unaudited)
(000s except percentage data)		
New Brunswick	\$ 4,425	\$ 4,348
Nova Scotia	2,742	2,749
Quebec	3,215	3,375
Alberta	154	150
Manitoba	94	94
Ontario	3,142	2,945
Newfoundland and Labrador	1,400	1,121
Prince Edward Island	1,882	1,824
Same-asset NOI⁽¹⁾	\$ 17,054	\$ 16,606
Percentage increase over prior period	2.7%	

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

Plaza Retail REIT

Net Property Operating Income (NOI)

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

	3 Months Ended March 31, 2022 (unaudited)	3 Months Ended March 31, 2021 (unaudited)
(000s)		
Same-asset NOI ⁽¹⁾	\$ 17,054	\$ 16,606
Developments and redevelopments transferred to income producing in 2021 & 2022 (\$590 thousand annualized NOI)	57	4
NOI from acquisitions, properties currently under development and redevelopment (\$6.3 million annualized NOI)	757	381
Straight-line rent	(115)	(146)
Administrative expenses charged to NOI	(730)	(694)
Lease buyout revenue	105	75
Properties disposed	2	82
Total NOI⁽¹⁾	\$ 17,130	\$ 16,308

- (1) This is a non-GAAP financial measure. Refer to the Non-GAAP Financial Measures in Part I and VIII 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.

Share of profit of associates for the three months ended March 31, 2022 includes Plaza's share of NOI of approximately \$1.4 million compared to \$1.3 million for the three months ended March 31, 2021. Share of profit of associates increased by \$2.6 million for the three months ended March 31, 2022 compared to the three months ended March 31, 2021. The increase was mainly due to the non-cash fair value adjustment to the underlying investment properties.

Overall committed occupancy for non-consolidated investments was 99.2% at March 31, 2022, compared to 98.1% at March 31, 2021.

Regular distributions received from associates for the three months ended March 31, 2022 were \$762 thousand compared to \$580 thousand for the three months ended March 31, 2021.

Finance Costs

Finance costs for the three months ended March 31, 2022 were \$6.8 million, compared to \$6.9 million for the same period in the prior year. The decrease was mainly due to lower mortgage interest as a result of refinancing at lower rates.

Administrative Expenses

Administrative expenses for the three months ended March 31, 2022 were \$180 thousand higher mainly due to an increase in fair value of restricted and deferred units, higher Trustee fees, additional recruitment costs and higher filing costs. Excluding the increase in the fair value of restricted and deferred units, administrative expenses would have been \$149 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 increase to investment properties of \$12.4 million for the three months ended March 31, 2022 compared to a fair value increase of \$3.1 million for the three months ended March 31, 2021. The fair value increase was mainly due to capitalization rate decreases 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, continues to improve.

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 March 31, 2022 was a net loss of \$160 thousand compared to a net loss of \$2.3 million 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 March 31, 2022 was a net loss of \$441 thousand compared to a net loss of \$429 thousand in the same period in the prior year.

LEASING AND OCCUPANCY

The following table represents leases expiring for the next 5 years and thereafter for Plaza's property portfolio at March 31, 2022 (excluding developments, redevelopments and non-consolidated investments).

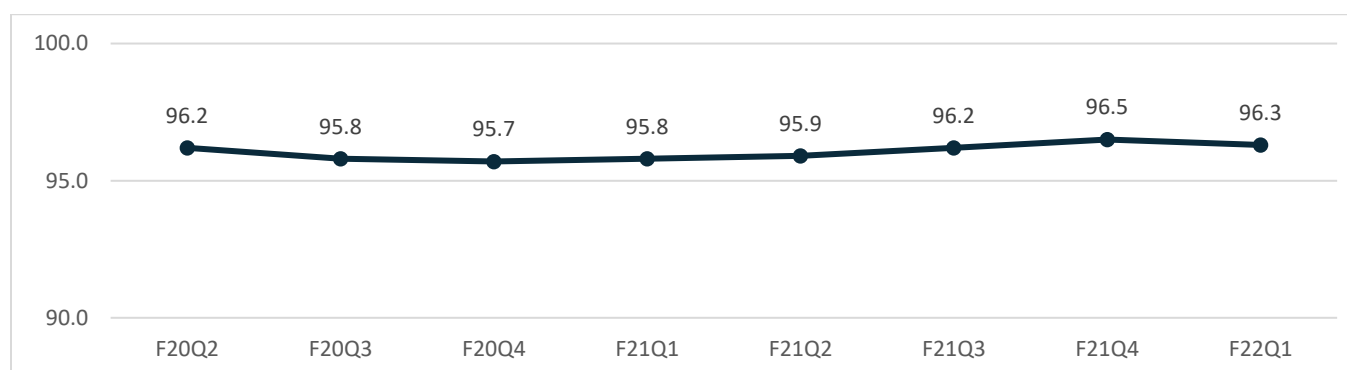
Year	Open-Air Centres		Enclosed Malls		Single-User Retail		Single-User QSR ⁽²⁾		Total	
	Sq Ft ⁽¹⁾	%	Sq Ft ⁽¹⁾	%	Sq Ft ⁽¹⁾	%	Sq Ft ⁽¹⁾	%	Sq Ft ⁽¹⁾	%
2022	209,715	4.4	49,470	8.3	-	-	17,334	10.9	276,519	4.2
2023	594,354	12.4	171,343	28.8	135,703	13.4	32,050	20.2	933,450	14.2
2024	526,425	11.0	91,116	15.3	50,262	5.0	-	-	667,803	10.2
2025	481,322	10.0	80,968	13.6	154,415	15.3	4,861	3.1	721,566	11.0
2026	560,129	11.7	8,574	1.4	58,594	5.8	4,269	2.7	631,566	9.7
2027	499,915	10.5	33,393	5.6	94,739	9.4	16,977	10.7	645,024	9.9
Thereafter	1,913,827	40.0	159,687	27.0	516,800	51.1	83,148	52.4	2,673,462	40.8
Subtotal	4,785,687	100.0	594,551	100.0	1,010,513	100.0	158,639	100.0	6,549,390	100.0
Vacant	183,405		124,357		-		3,626		311,388	
Total	4,969,092		718,908		1,010,513		162,265		6,860,778	
Weighted average lease term	5.8 years		3.6 years		7.5 years		6.4 years		5.8 years	

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

(2) QSR refers to quick service restaurants.

At March 31, 2022, same-asset committed occupancy was 96.3% compared to 95.4% at March 31, 2021.

Committed occupancy including non-consolidated investments (excluding properties under development and redevelopment) was 96.3% compared to 95.8% at March 31, 2021. Occupancy for the portfolio over the last eight quarters is as follows:

OCCUPANCY %


Plaza Retail REIT

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
<u>2022 – Q1 YTD</u>					
Leasing renewals (sq. ft.)	84,682	62,676	88,382	-	235,740
Weighted average rent (\$/sq. ft.) - Renewed	\$16.87	\$13.44	\$18.50	-	\$16.57
Weighted average rent (\$/sq. ft.) - Expired	\$16.18	\$13.20	\$18.08	-	\$16.10
Renewal spread	4.3%	1.8%	2.3%	-	2.9%
New leasing (sq. ft.)	40,119	7,464	2,210	-	49,793
Weighted average rent (\$/sq. ft.)	\$16.09	\$13.25	\$30.00	-	\$16.28
Expiries not renewed (sq. ft.)	43,615	6,073	-	1,249	50,937
Weighted average rent (\$/sq. ft.)	\$12.46	\$14.16	-	\$31.50	\$13.13
<u>Remainder of 2022</u>					
Expiries (sq. ft.)	209,715	49,470	-	17,334	276,519
Weighted average rent (\$/sq. ft.)	\$15.75	\$16.69	-	\$27.28	\$16.64

In addition, for the three months ended March 31, 2022, the Trust completed 49 thousand square feet of new and renewal leasing deals on developments and redevelopments at market rates and 62 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 396 thousand square feet of new and renewal leasing deals for the year-ended March 31, 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 97.1% at March 31, 2022, compared to 96.4% at March 31, 2021.
- Committed occupancy for enclosed malls was 85.8% at March 31, 2022, compared to 86.1% at March 31, 2021.
- Committed occupancy for single use assets was 99.7% at March 31, 2022, compared to 99.2% at March 31, 2021.
- Pre-leased space in active properties under development was 86.0% at March 31, 2022.

Plaza Retail REIT

Plaza has built a portfolio with a high quality revenue stream. Plaza's ten largest tenants based upon current monthly base rents at March 31, 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⁾	24.5	6. Sobeys Group ⁽⁵⁾	3.5
2. Dollarama	6.2	7. Staples	3.1
3. KFC ⁽²⁾	4.2	8. Bulk Barn	1.9
4. TJX Group ⁽³⁾	3.6	9. Giant Tiger	1.6
5. Canadian Tire Group ⁽⁴⁾	3.5	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.

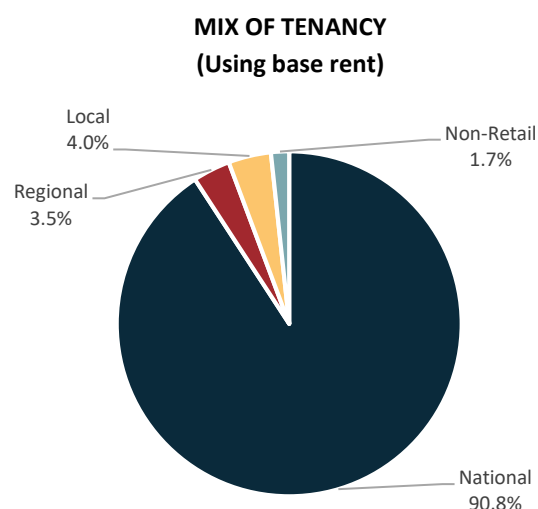
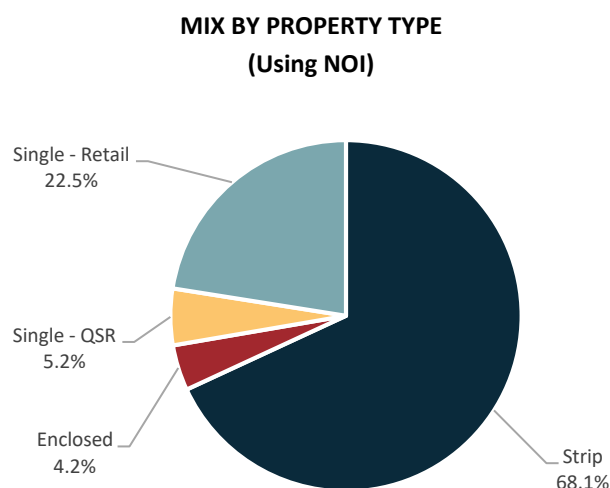
(3) TJX Group represents the following stores: Winners, HomeSense, and Marshalls.

(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 March 31, 2022 (unaudited)	3 Months Ended March 31, 2021 (unaudited)
(000s)		
Cash distributions paid ⁽¹⁾	\$ 7,209	\$ 7,208

⁽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 March 31, 2022 (unaudited)	3 Months Ended March 31, 2021 (unaudited)
(000s)		
Cash provided by operating activities ⁽¹⁾	\$ 10,694	\$ 13,751
Total distributions ⁽²⁾	(7,209)	(7,208)
Excess of cash provided by operating activities over total distributions	\$ 3,485	\$ 6,543

⁽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 are back to pre-COVID levels. Plaza has collected over 99% of gross rent in each quarter since Q4 2020 to date.

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	2,838	91	1,335
March 31, 2022 ⁽¹⁾	\$ 36,151	\$ 1,562	\$ 12,922
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, 2022	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	\$0.4 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 March 31, 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 March 31, 2022 is comprised of \$8.8 million of cash, \$18.5 million available to be drawn on the operating line, \$20.5 million of unused development facilities, \$12.9 million of unused construction facilities, including non-consolidated investments, and unencumbered assets with a value of approximately \$15.8 million.

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 XII
Interest rate	6.15%	5.50%
Maturity date	June 25, 2022	July 15, 2022
Amount	\$3,195	\$3,000

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.

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, \$3.763 million were repaid, \$2.237 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.

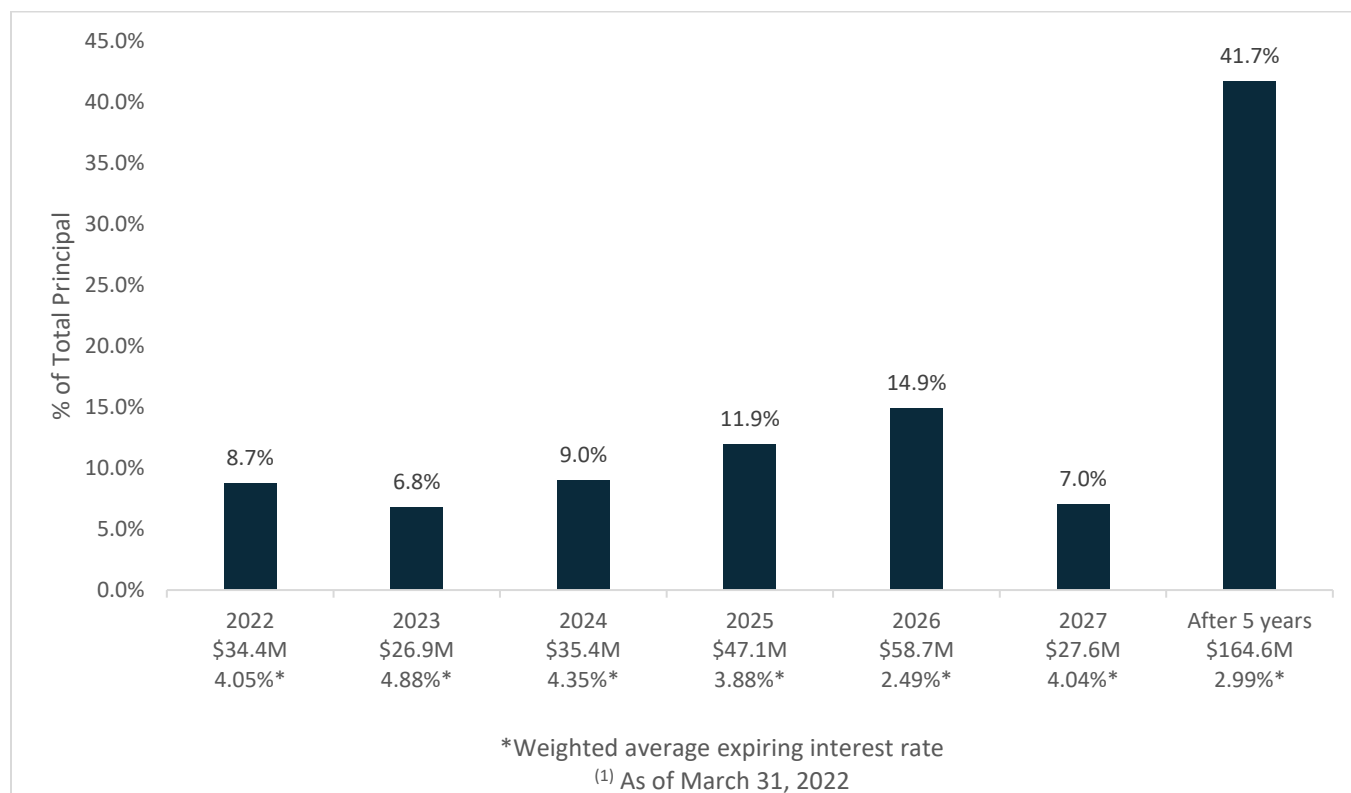
Mortgages

During 2022, the Trust obtained new long-term financing for two properties totaling \$13.8 million with a weighted average term of 10.0 years and a weighted average interest rate of 3.93%.

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

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

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

LONG-TERM MORTGAGE MATURITIES

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 23.7 years.

Debt Service Ratios

Plaza's summary of EBITDA and debt service ratios for the three months ended March 31, 2022 compared to the three months ended March 31, 2021 is presented below:

	3 Months Ended March 31, 2022 (unaudited)	3 Months Ended March 31, 2021 (unaudited)
(000s – except debt service ratios)		
Profit and total comprehensive income for the period	\$ 25,832	\$ 12,224
Add (deduct):		
Income taxes	1,063	69
Finance costs	6,803	6,908
Fair value adjustment to investment properties	(12,434)	(3,098)
Fair value adjustment to investments ⁽¹⁾	(2,390)	110
Fair value adjustment to convertible debentures	160	2,295
Fair value adjustment to Class B exchangeable LP units	441	429
Fair value adjustment to restricted and deferred units	111	82
Fair value adjustment to interest rate swaps	(2,547)	(2,561)
Fair value adjustment to right-of-use land lease assets	194	187
Equity accounting adjustment for interest rate swaps ⁽²⁾	(186)	(169)
EBITDA⁽³⁾	\$ 17,047	\$ 16,476
Finance costs ⁽⁴⁾	\$ 6,736	\$ 6,853
Periodic mortgage principal repayments ⁽⁵⁾	3,340	3,195
Total debt service	\$ 10,076	\$ 10,048
Debt service ratios		
Interest coverage ratio ⁽³⁾	2.53 times	2.40 times
Debt coverage ratio ⁽³⁾	1.69 times	1.64 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 VIII 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 months ended March 31, 2022, the interest and debt coverage ratios were higher mainly due to higher EBITDA as a result of higher NOI, and lower mortgage interest rates.

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

Debt to Gross Assets

Plaza's debt to gross assets is presented below:

	March 31, 2022	December 31, 2021	March 31, 2021
Debt to gross assets⁽¹⁾			
Current and long term debt ⁽²⁾	\$ 680,735	\$ 679,102	\$ 673,890
Less: Fair value of interest rate swaps	1,412	(1,135)	(1,178)
Total debt including convertible debentures	682,147	677,967	672,712
Less: convertible debentures at face value	(59,269)	(59,269)	(52,750)
Total debt excluding convertible debentures	\$ 622,878	\$ 618,698	\$ 619,962
Total gross assets	\$ 1,236,430	\$ 1,214,834	\$ 1,145,399
Debt to gross assets including convertible debentures⁽¹⁾	55.2%	55.8%	58.7%
Debt to gross assets excluding convertible debentures⁽¹⁾	50.4%	50.9%	54.1%

- (1) This is a non-GAAP financial measure. Refer to the Non-GAAP Financial Measures in Part I and VIII 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 decrease in debt to gross assets over December 31, 2021 relates mainly to the fair value increase to investment properties of \$12.4 million for the three months ended March 31, 2022. 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 May 5, 2022 (000s) (unaudited)	Units
Current outstanding units	101,815
Class B exchangeable LP units	1,191
Series VIII convertible debentures	2,530
Series E convertible debentures	8,363
Total adjusted units outstanding	113,899

On September 24, 2021, 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, 2021. The period of the renewed NCIB commenced on September 28, 2021 and will conclude on the earlier of the date on which purchases under the bid have been completed and September 27, 2022. Under the terms of the renewed NCIB, the Trust can purchase up to 6,455,226 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 20,461 units, representing 25% of the average daily trading volume of the units on the TSX for the six-month period ended August 31, 2021 (being 81,846 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, 2022.

For the three months ended March 31, 2022, 2,200 units have been repurchased for cancellation under Plaza's former and renewed NCIB at a weighted average price of \$4.5804. With this, to March 31, 2022, Plaza has purchased a total of 1,147,611 units for cancellation since the commencement of the original NCIB on September 28, 2018 at a weighted average price of \$4.0176.

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 33 years, with some of the leases also containing non-automatic renewal options, extending the average life of the leases to 59 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 March 31, 2022, the recorded amount of the right-of-use assets and land lease liabilities is \$65.8 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	
	March 31, 2022	March 31, 2021
A company beneficially-owned by Earl Brewer and Michael Zakuta	\$ 300	\$ 300

Gross Capital Additions Including Leasing Fees:

(000s)	3 Months Ended March 31, 2022 (unaudited)	3 Months Ended March 31, 2021 (unaudited)
Existing properties		
Leasing commissions	\$ 6	\$ 112
Other leasing costs	816	471
	822	583
Maintenance capital expenditures	126	225
Total capital additions – existing properties	948	808
Development/redevelopment properties		
Leasing commissions	51	35
Other leasing costs	1,175	1,723
Capital additions	5,906	2,588
Total capital additions - developments/redevelopments	7,132	4,346
Total gross additions per statements of cash flows⁽¹⁾	\$ 8,080	\$ 5,154
Reconciliation of leasing costs for AFFO purposes		
Leasing costs – existing properties per above	\$ 822	\$ 583
Internal leasing salaries	269	235
Total leasing costs – existing properties for AFFO purposes	\$ 1,091	\$ 818

⁽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.

COMMITMENTS AND CONTINGENT LIABILITIES
Commitments

The Trust estimates \$32.9 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 March 31, 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	\$ 9,353	\$ 11,088	\$ 10,790	\$ 11,195	\$ 8,394	\$ 7,608	\$ 19,646	\$ 78,074
Mortgages – due at maturity	34,442	21,244	33,638	45,246	56,303	27,586	164,585	383,044
Development lines of credit	1,562	12,922	-	-	-	-	-	14,484
Interim loan facilities	22,481	3,750	-	-	-	-	-	26,231
Unsecured interest-only loans	-	5,643	2,971	1,800	-	-	-	10,414
Bank indebtedness	-	36,151	-	-	-	-	-	36,151
Mortgage bonds payable	6,195	-	-	-	-	-	-	6,195
Debentures ⁽¹⁾	-	47,250	-	-	12,019	3,537	-	62,806
Land leases	2,432	3,286	3,323	3,363	3,394	3,423	115,057	134,278
Development activities	23,782	9,128	-	-	-	-	-	32,910
Total contractual obligations	\$ 100,247	\$ 150,462	\$ 50,722	\$ 61,604	\$ 80,110	\$ 42,154	\$ 299,288	\$ 784,587

⁽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 March 31, 2022 totals \$4.4 million with a weighted average remaining term of 0.8 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 March 31, 2022 totals \$5.4 million with a weighted average remaining term of 4.3 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 March 31, 2022 totals \$7.3 million with a weighted average remaining term of 5.7 years.

The Trust guarantees a \$3.8 million commitment relating to the mortgage of an asset sold in 2018, with a weighted average remaining term of 2.3 years at March 31, 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 \$14.2 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)	Q1'22	Q4'21	Q3'21	Q2'21	Q1'21	Q4'20	Q3'20	Q2'20
Revenues	\$27,904	\$27,383	\$26,597	\$29,944	\$26,708	\$26,835	\$25,960	\$26,781
Net property operating income ⁽¹⁾	\$17,130	\$17,188	\$18,079	\$20,204	\$16,308	\$18,137	\$17,631	\$16,094
Profit (loss) and total comprehensive income (loss)	\$25,832	\$40,735	\$27,908	\$19,622	\$12,224	\$9,275	\$9,185	\$(31,299)
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 ⁽²⁾	9.9¢	10.5¢	11.0¢	12.7¢	9.3¢	10.2¢	9.1¢	7.7¢
Funds from operations per unit – diluted ⁽²⁾	9.6¢	10.2¢	10.6¢	12.1¢	9.1¢	10.0¢	9.0¢	7.7¢
Adjusted funds from operations per unit – basic ⁽²⁾	8.8¢	8.0¢	9.2¢	10.8¢	8.4¢	9.2¢	8.1¢	6.8¢
Adjusted funds from operations per unit – diluted ⁽²⁾	8.6¢	7.9¢	9.0¢	10.5¢	8.3¢	9.0¢	8.1¢	6.8¢
Distributions as a percentage of basic FFO ⁽²⁾	71.0%	66.9%	63.6%	55.2%	75.4%	68.3%	76.8%	91.0%
Distributions as a percentage of basic AFFO ⁽²⁾	79.4%	87.9%	76.3%	64.6%	83.1%	76.4%	85.9%	102.3%
Gross Leasable Area (000s of sq. ft.) (at 100% and excluding non-consolidated investments and properties under development/redevelopment)								
Total income producing properties	6,861	6,842	6,845	6,860	6,863	6,869	6,764	6,744
Occupancy % (at 100% and excluding properties under development/redevelopment)								
Total income producing properties	96.3%	96.5%	96.2%	95.9%	95.8%	95.7%	95.7%	96.2%

⁽¹⁾ This is a non-GAAP financial measure. Refer to the Non-GAAP Financial Measures in Part I and VIII 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 March 31, 2022, approximately 48.2% 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 March 31, 2022, the Trust held interests in 255 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.

COVID-19

The worldwide spread of COVID-19, declared as a global pandemic by the World Health Organization, caused significant disruption to the Canadian economy. Although the operating environment and tenant demand for space has improved significantly, and continues to improve, the uncertainty surrounding the continuation of COVID-19, whether as a pandemic or endemic, may or may not have an impact on Plaza's business as well as the business of various tenants, thereby impacting tenants' abilities to meet their payment obligations, including rent, and potentially causing business closures or bankruptcy filings by some tenants. COVID-19, whether pandemic or endemic in its future state, and government restrictive measures intended to contain or manage its impact, has had and may continue to have an adverse impact on consumer demand, the demand for retail space, rental and occupancy rates, capitalization rates, tenants' ability to pay rent in full or at all, tenant inducements, temporary or long-term labour or supply chain disruptions and the impact on construction costs and development projects, future cash flows and the resulting valuation of Plaza's investment properties.

The uncertainty has also increased volatility in the capital markets, which may impact Plaza's ability to raise capital on acceptable terms or at all. Plaza continues to address the pandemic and prepare for subsequent potential changes in the management of the virus recognizing that even after the COVID-19 pandemic subsides, Plaza may continue to experience adverse impacts to its business as a result of its global economic impact, including any related recession, as well as lingering impacts on Plaza's suppliers, third-party service providers and/or tenants.

Plaza established a COVID-19 Committee in 2020 to identify and implement appropriate policies and procedures to ensure that Plaza is able to conduct business in a safe and effective manner. The COVID-19 Committee continues to operate and ensures that Plaza complies with evolving public health guidelines, and supports its tenants and employees appropriately.

Interest Rate, Financing and Refinancing Risk

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

The Trust mitigates interest rate risk by maintaining the majority of its debt at fixed rates. Floating rate debt is typically used on its operating line of credit and for development or redevelopment projects as interim financing, until the projects are completed and are then able to attract the appropriate long-term financing. The hypothetical impact of a 1% change in interest rates would be approximately \$780 thousand. The Trust mitigates its exposure to fixed-rate interest risk on its debt by staggering maturities in order to avoid excessive amounts of debt maturing in any one year. If market conditions warrant, the Trust may attempt to renegotiate its existing debt to take advantage of lower interest rates. The Trust has an ongoing requirement to access the debt markets and there is a risk that lenders will not refinance such maturing debt on terms and conditions acceptable to the Trust or on any terms at all. 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. 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/Loblaw, represents 24.5% of current monthly base rents in place, Dollarama represents 6.2% and franchisees of KFC represent 4.2%. The top 10 tenants collectively represent approximately 53.7% of current monthly base rents in place. National and regional tenants represent 94.3% of the tenant base, based on base rents in place.

Lease Roll-Over and Occupancy Risk

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

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

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

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

Development and Acquisition Risk

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

Environmental Risk

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.

PART VI

COVID-19 IMPACTS

The outbreak of COVID-19 resulted in numerous measures implemented by governments in Canada to combat the spread of the virus. Although the operating environment for Plaza and its tenants has improved significantly, and continues to improve, these measures, including physical distancing, retail closures or capacity restrictions, and travel restrictions, when imposed, resulted in material disruption to businesses, and had a material impact on the economy, including equity and capital markets.

Government-mandated retail closures in certain jurisdictions during early 2021 had an impact on certain tenants' ability to pay rent, and as a result, the Trust deferred a small amount of rent, with the deferred rent to be repaid in accordance with definitive repayment schedules.

The Government of Canada introduced the Canadian Emergency Wage Subsidy ("CEWS") program in 2020 which provided a subsidy for Canadian employers who have seen a drop in revenue during the COVID-19 pandemic. The Trust qualified and in 2021 recorded \$39 thousand of the subsidy to reduce operating expenses, \$19 thousand was recorded to reduce administrative expenses, and \$5 thousand was recorded to reduce capitalized salaries.

In October 2021, the Government of Canada introduced two programs to replace CERS and CEWS to provide continuing rent and wage support to eligible businesses, namely the Tourism and Hospitality Recovery Program (the "THRP") and the Hardest-Hit Business Recovery Program (the "HHBRP"). The THRP provides support to certain types of businesses operating in the tourism and hospitality industry, and the HHBRP will assist other hard-hit businesses. Certain provincial governments also provided programs to support retailers most impacted by the pandemic and resulting operating restrictions.

Rent Collections

Rent collections remain at pre-COVID levels, and during Q1 2022, Plaza collected 99.4% of rent to date. In addition, for previous rent deferrals that were scheduled to be repaid in Q1 2022, Plaza collected 100% of same.

To date, 98.9% of gross rent for April 2022 has been collected.

Although the fair value of its properties reflects its best estimates as at March 31, 2022 (see note 4 of the accompanying Financial Statements), Plaza is continuing to review its future NOI and cash flow projections. The investment market for the Trust's properties occupied by essential needs and value-based retailers and quick-service restaurants, as well as its stable properties located in strong secondary markets, continues to improve. Regardless, depending on the duration and full impacts of COVID-19, certain aspects of Plaza's operations could be affected, including rental and occupancy rates, demand for retail space, capitalization rates, and the resulting value of Plaza's properties. The full extent and duration of the COVID-19 pandemic, including the resulting impacts on Plaza's business and its tenants, remains uncertain at this time. As such, it is not possible to reliably estimate the length and severity of COVID-19 related impacts on the future financial results of the Trust.

PART VII
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)	March 31, 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)	March 31, 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 March 31, 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	
	March 31, 2022	March 31, 2021
A company beneficially-owned by Earl Brewer and Michael Zakuta	\$ 300	\$ 300

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.

Plaza Retail REIT

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.

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	
	March 31, 2022	December 31, 2021	March 31, 2022	March 31, 2021
Earl Brewer	\$ 416	\$ 416	\$ 7	\$ 10
Barbara Trenholm	\$ 1	\$ 3	\$ 2	\$ 2
Michael Zakuta	\$ 463	\$ 463	\$ 11	\$ 15

PART VIII

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

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

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

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

The Trust’s Chief Executive Officer and Chief Financial Officer evaluated, or under their supervision caused to be evaluated, the design of the Trust’s DC&P and ICFR at March 31, 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 three months ended March 31, 2022, there were no changes in the Trust’s ICFR that occurred that have materially affected, or are reasonably likely to materially affect, the Trust’s ICFR.

CRITICAL ACCOUNTING POLICIES

Critical Accounting Estimates

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

(i) Investment properties

One significant estimate that affects the reported amounts of assets at the date of the Consolidated Financial Statements and the reported amounts of profit or loss during the period, relates to property valuations. Investment properties, which are carried on the consolidated statements of financial position at fair value, are valued either by the Trust or by external valuers. The 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.

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

(a) Internal approach – direct capitalization income approach

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 March 31, 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 \$43.7 million. An increase of 0.25% in the capitalization rates used would have resulted in a decrease in investment properties of approximately \$40.7 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 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 buyout revenue. Excluding these items enables the users to better understand the period over period performance for a consistent pool of assets from contractual rental rate changes embedded in lease agreements, and the impact of leasing and occupancy on the same-asset portfolio. See the reconciliation of same-asset NOI to NOI in Part II of this MD&A under the heading "Property and Corporate Financial Performance".

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 March 31, 2022 can be accessed on Plaza's website at www.plaza.ca.

Plaza Retail REIT
Condensed Interim Consolidated Statements of Financial Position

(unaudited)

(in thousands of Canadian dollars)

March 31, **December 31,**
2022 **2021**

Assets

Non-Current Assets

Investment properties (Note 4)	\$ 1,157,620	\$ 1,141,304
Investments	51,432	48,680
Tenant loans	280	308
Deferred income tax asset	296	303
Total non-current assets	1,209,628	1,190,595

Current Assets

Investment properties held for sale (Note 4)	760	-
Cash	8,778	8,062
Receivables (Note 5)	6,157	4,736
Prepaid expenses and deposits (Note 6)	3,445	3,780
Tenant loans	115	114
Notes and advances receivable (Note 7)	7,547	7,547
Total current assets	26,802	24,239
Total assets	\$ 1,236,430	\$ 1,214,834

Liabilities and Unitholders' Equity

Non-Current Liabilities

Debentures payable (Note 8)	\$ 15,559	\$ 59,405
Mortgages payable (Note 10)	422,496	433,907
Class B exchangeable LP units (Note 19)	6,063	5,622
Land lease liabilities (Note 12)	65,007	65,206
Deferred income tax liability	9,743	8,785
Total non-current liabilities	518,868	572,925

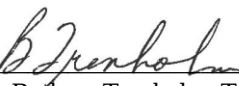
Current Liabilities

Current portion of debentures payable (Note 8)	47,486	5,996
Current portion of mortgage bonds payable (Note 9)	6,180	6,171
Bank indebtedness (Note 11)	36,151	33,313
Current portion of mortgages payable (Note 10)	86,161	73,248
Accounts payable, accrued liabilities, tenant payables and tenant deposits (Note 13)	23,219	23,296
Land lease liabilities (Note 12)	785	780
Notes payable (Note 14)	1,206	1,212
Total current liabilities	201,188	144,016
Total liabilities	720,056	716,941

Unitholders' equity	512,009	493,521
Non-controlling interests	4,365	4,372
Total unitholders' equity	516,374	497,893
Total liabilities and unitholders' equity	\$ 1,236,430	\$ 1,214,834

Subsequent events – see Note 24


 Doug McGregor, Trustee
 Chair of the Board


 Barbara Trenholm, 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
March 31,
2022

3 Months Ended
March 31,
2021

Revenues (Note 15)	\$ 27,904	\$ 26,708
Operating expenses (Note 16)	(10,774)	(10,400)
Net property operating income	17,130	16,308
Share of profit of associates	3,513	919
Administrative expenses (Note 17)	(1,817)	(1,637)
Investment income	118	119
Other income	568	744
Income before finance costs, fair value adjustments and income taxes	19,512	16,453
Finance costs (Note 18)	(6,803)	(6,908)
Finance costs - net change in fair value of convertible debentures (Note 8)	(160)	(2,295)
Finance costs - net change in fair value of Class B exchangeable LP units (Note 19)	(441)	(429)
Finance costs - net change in fair value of interest rate swaps (Note 10)	2,547	2,561
Net change in fair value of right-of-use land lease assets (Note 4)	(194)	(187)
Net change in fair value of investment properties (Note 4)	12,434	3,098
Profit before income tax	26,895	12,293
Income tax expense		
- Current	(97)	(32)
- Deferred	(966)	(37)
	(1,063)	(69)
Profit and total comprehensive income for the period	\$ 25,832	\$ 12,224
Profit and total comprehensive income for the period attributable to:		
- Unitholders	\$ 25,562	\$ 12,145
- Non-controlling interests	270	79
	\$ 25,832	\$ 12,224

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 19)	Retained Earnings	Total Attributable to Unitholders	Non- Controlling Interests	Total Equity
Balance as at December 31, 2020	\$ 275,453	\$ 146,954	\$ 422,407	\$ 4,495	\$ 426,902
Profit and total comprehensive income for the period	-	12,145	12,145	79	12,224
Transactions with unitholders, recorded directly in equity:					
- Repurchase of units under normal course issuer bid	(21)	(8)	(29)	-	(29)
- Distributions to unitholders (Note 20)	-	(7,125)	(7,125)	-	(7,125)
- Contributions to non-controlling interests	-	-	-	(46)	(46)
Balance as at March 31, 2021	\$ 275,432	\$ 151,966	\$ 427,398	\$ 4,528	\$ 431,926
Balance as at December 31, 2021	\$ 275,493	\$ 218,028	\$ 493,521	\$ 4,372	\$ 497,893
Profit and total comprehensive income for the period	-	25,562	25,562	270	25,832
Transactions with unitholders, recorded directly in equity:					
- Issuance of units under the RU and DU plan (Note 19)	62	-	62	-	62
- Repurchase of units under normal course issuer bid (Note 19)	(6)	(4)	(10)	-	(10)
- Distributions to unitholders (Note 20)	-	(7,126)	(7,126)	-	(7,126)
- Contributions to non-controlling interests	-	-	-	(277)	(277)
Balance as at March 31, 2022	\$ 275,549	\$ 236,460	\$ 512,009	\$ 4,365	\$ 516,374

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
March 31,
2022
3 Months
Ended
March 31,
2021
Cash obtained from (used for):
Operating activities

Profit and total comprehensive income for the period	\$ 25,832	\$ 12,224
Items not affecting cash:		
Finance costs (Note 18)	6,803	6,908
Share of profit of associates	(3,513)	(919)
Net change in fair value of investment properties	(12,434)	(3,098)
Net change in fair value of convertible debentures	160	2,295
Net change in fair value of Class B exchangeable LP units	441	429
Net change in fair value of interest rate swaps (Note 10)	(2,547)	(2,561)
Net change in fair value of right-of-use land lease assets	194	187
Current and deferred income taxes	1,063	69
Issuance of units under the RU and DU plan	62	-
Straight-line rent (Note 15)	115	146
Interest paid	(6,430)	(6,850)
Imputed interest paid on land lease liabilities (Note 18)	(620)	(556)
Income taxes paid	(75)	(112)
Distributions from equity accounted investments	762	580
Leasing commissions paid (Note 21(c))	(6)	(112)
Change in non-cash working capital (Note 21(a))	887	5,121
	10,694	13,751

Financing activities

Cash distributions paid to unitholders (Note 20)	(7,126)	(7,125)
Cash distributions paid to Class B exchangeable LP unitholders (Note 18)	(83)	(83)
Repurchase of units under normal course issuer bid (Note 19)	(10)	(29)
Gross mortgage proceeds	16,111	32,278
Fees incurred for placement of mortgages	(115)	(98)
Early mortgage discharge fees paid (Note 18)	(5)	-
Mortgages repaid	(8,928)	(32,853)
Periodic mortgage principal repayments	(3,146)	(3,008)
Land lease principal repayments	(194)	(187)
Redemption of mortgage bonds	-	(1,000)
Gross proceeds of non-convertible debentures (Note 8)	1,300	-
Redemption of debentures (Note 8)	(3,763)	-
Fees incurred for placement of convertible debentures	(59)	-
Series VIII convertible debenture deposits	-	3,960
Decrease in notes payable	(6)	(6)
	(6,024)	(8,151)

Investing activities

Investment properties – additions (Note 21(c))	(8,074)	(5,042)
Net proceeds from disposal of investment properties and land (Note 4(e))	2,278	361
Net proceeds from assets previously held for sale	-	2,343
Advances to equity accounted investments for developments	-	(168)
Distributions from subsidiaries from non-controlling interests	(277)	(46)
Decrease (increase) in deposits for acquisitions and financings (Note 6)	(747)	45
Increase in notes and advances receivable	-	(2)
Repayment of tenant loans	28	27
	(6,792)	(2,482)

Net increase (decrease) in cash

Cash less bank indebtedness, beginning of the period	(2,122)	3,118
	(25,251)	(25,177)

Cash less bank indebtedness, end of the period

	\$ (27,373)	\$ (22,059)
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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

March 31, 2022 (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, 2021, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the IASB.

The condensed interim consolidated financial statements do not include all the information required for full annual financial statements. The condensed interim consolidated financial statements should be read in conjunction with the 2021 annual financial statements of the Trust.

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 May 5, 2022.

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”, 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.

Plaza Retail REIT

Notes to the Condensed Interim Consolidated Financial Statements

March 31, 2022 (unaudited)

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

4. Investment Properties

	March 31, 2022				December 31, 2021			
	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:	\$ 1,017,733	\$ 57,585	\$ 65,986	\$ 1,141,304	\$ 972,430	\$ 21,960	\$ 66,746	\$ 1,061,136
Additions (deductions):								
Additions to investment properties	1,885	5,344	-	7,229	10,805	15,164	-	25,969
Acquisitions of investment properties and land	-	-	-	-	5,932	4,429	-	10,361
Disposals	(2,278)	-	-	(2,278)	(13,450)	-	-	(13,450)
Transfers	4,082	(4,082)	-	-	(9,962)	9,962	-	-
Straight line rent receivable change	(132)	17	-	(115)	(525)	197	-	(328)
Change in investment properties held for sale (Note 4(g))	(760)	-	-	(760)	-	-	-	-
Change in fair value – income producing and under development	14,633	(2,199)	-	12,434	52,503	5,873	-	58,376
Change in fair value – right-of-use land lease assets	-	-	(194)	(194)	-	-	(760)	(760)
Balance, end of the period:	\$ 1,035,163	\$ 56,665	\$ 65,792	\$ 1,157,620	\$ 1,017,733	\$ 57,585	\$ 65,986	\$ 1,141,304

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 either an internal approach or external appraisals.

Income Producing Properties

(i) Internal approach – direct capitalization income approach

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 key assumption is the capitalization rate for each specific property. 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.

(ii) 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. Where warranted, adjustments will be made to the internal valuations to reflect the assumptions contained in the external valuations.

Plaza Retail REIT

Notes to the Condensed Interim Consolidated Financial Statements

March 31, 2022 (unaudited)

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

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.

Of the total fair value in the chart on the previous page, \$49.9 million of investment properties were based on external appraisals obtained during the current quarter (year ended December 31, 2021 - \$156.5 million).

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

Capitalization Rate Matrix Ranges				
	Number of Properties ⁽¹⁾	Weighted average capitalization rates	Primary Market	Secondary Market
Freestanding or Mini Box	72	6.16%	4.75% - 7.75%	5.50% - 9.25%
Quick Service Restaurant	64	6.36%	5.00% - 8.00%	5.50% - 10.00%
Anchored Open-Air Centre – Class A	15	6.34%	4.75% - 7.50%	5.25% - 8.25%
Anchored Open-Air Centre – Class B	43	6.87%	5.00% - 8.50%	6.00% - 9.50%
Unanchored Open-Air Centre	34	7.17%	5.50% - 8.50%	6.25% - 11.00%
Enclosed Malls – Community	3	9.47%	8.00% - 12.00%	7.50% - 13.00%
	231	6.73%		

⁽¹⁾ Excludes certain 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 March 31, 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 \$43.7 million. An increase of 0.25% in the capitalization rates used would have resulted in a decrease in investment properties of approximately \$40.7 million.

Although the fair value of investment properties reflects the Trust's best estimates as at March 31, 2022, the Trust continues to review its future net property operating income and cash flow projections and valuation of investment properties in light of COVID-19. Depending on the duration of subsequent waves of COVID-19 and any government interventions such as mandated closures, if any, certain aspects of Plaza's operations could be further affected, including rental and occupancy rates, consumer demand and demand for retail space, capitalization rates, tenants' ability to pay rent in full or at all, tenant inducements, 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.

Plaza Retail REIT

Notes to the Condensed Interim Consolidated Financial Statements

March 31, 2022 (unaudited)

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

As at December 31, 2021 the Trust utilized the following range of capitalization rates:

	Number of Properties ⁽¹⁾	Weighted average capitalization rates	Capitalization Rate Matrix Ranges	
			Primary Market	Secondary Market
Freestanding or Mini Box	73	6.34%	5.50% - 8.75%	6.00% - 9.25%
Quick Service Restaurant	66	6.79%	5.50% - 9.50%	6.00% - 11.25%
Anchored Open-Air Centre – Class A	17	6.52%	5.00% - 8.75%	6.00% - 9.50%
Anchored Open-Air Centre – Class B	42	6.95%	5.50% - 9.00%	6.50% - 10.50%
Unanchored Open-Air Centre	32	7.55%	6.00% - 9.75%	6.50% - 11.25%
Enclosed Malls – Community	3	9.51%	8.50% - 10.00%	7.75% - 11.50%
	233	6.90%		

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

(a) Straight-line Rent

Included in investment properties at March 31, 2022 is \$11.8 million (December 31, 2021 - \$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 March 31, 2022 is \$1.1 million of surplus lands at fair value (December 31, 2021 - \$1.1 million).

(c) Borrowing Costs

The total amount of borrowing costs capitalized for the period ended March 31, 2022 is \$113 thousand (for the period ended March 31, 2021 - \$65 thousand).

(d) Acquisitions of Investment Properties and Land

Properties Acquired	% Acquired	Three Months Ended	Year Ended
		March 31, 2022	December 31, 2021 ⁽¹⁾
Mapleview Dr., Barrie, ON	50%	\$ -	\$ 2,630
L'Axe, Chicoutimi, QC	37.5%	-	1,799
Les Immeubles SBT Drummondville, QC	50%	-	5,932
Total properties acquired		\$ -	\$ 10,361

⁽¹⁾ Including closing costs

Plaza Retail REIT

Notes to the Condensed Interim Consolidated Financial Statements

March 31, 2022 (unaudited)

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

(e) Disposals

		Gross Proceeds Three Months Ended March 31, 2022	Gross Proceeds Year Ended December 31, 2021
Properties Disposed	% Disposed		
Quick Service Restaurants and excess land – Port Hawkesbury, NS, Belleville, ON, Hamilton, ON, Lindsay, ON, Orleans, ON, Picton, ON, Toronto, ON, Chicoutimi, QC, Gatineau, QC, Levis, QC, Longueuil, QC, Montreal, QC, and Quebec City, QC.	100%	\$ -	\$ 16,452
Surplus land – Sherbrooke, QC	50%	-	125
Quick Service Restaurants and non-core assets – Digby, NS, and Ottawa, ON.	100%	2,278	-
Total disposals		\$ 2,278	\$ 16,577

(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 33 years, with some of the leases also containing non-automatic renewal options, extending the average life of the leases to 59 years including these non-automatic renewal options.

(g) Investment properties held for sale

The Trust has segregated two investment properties as held for sale of \$760 thousand at March 31, 2022 for properties located in Wallaceburg, ON and Victoriaville, QC (December 31, 2021 - nil). The sale of Wallaceburg, ON closed on April 22, 2022 and the sale of Victoriaville, QC is expected to close in May 2022.

5. Receivables

Receivables consist of the following:

	March 31, 2022	December 31, 2021
Tenant accounts receivable, net of allowance	\$ 1,418	\$ 1,185
Tenant accounts receivable – annual tax billings	1,179	43
Excise tax	973	648
Other receivables	2,376	2,627
Income tax receivable	211	233
Total receivables	\$ 6,157	\$ 4,736

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 March 31, 2022 is \$916 thousand (December 31, 2021 - \$996 thousand). This amount is deducted from tenant accounts receivable. The uncertainty caused by any subsequent waves of COVID-19 and any government interventions such as mandated closures, if any, may impact the allowance for doubtful accounts in future periods.

6. Prepaid Expenses and Deposits

Prepaid expenses and deposits consist of the following:

	March 31, 2022	December 31, 2021
Prepaid expenses	\$ 1,721	\$ 2,309
Deposits for acquisitions and financings	1,724	1,471
Total prepaid expenses and deposits	\$ 3,445	\$ 3,780

Plaza Retail REIT

Notes to the Condensed Interim Consolidated Financial Statements

March 31, 2022 (unaudited)

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

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	March 31, 2022	December 31, 2021
Co-owners of certain investment properties (payable on demand) ⁽¹⁾	6.00%	\$ 7,129	\$ 7,129
	Prime + 1.5%	322	322
	Non-interest bearing	44	44
Minority interest shareholders (payable on demand)	Prime + 2.0%	50	50
	Non-interest bearing	2	2
Total notes and advances receivable		\$ 7,547	\$ 7,547

⁽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 22(b)(ii) for additional information.

8. Debentures Payable

Debentures payable consist of the following:

	Maturity Date	Interest Rate	March 31, 2022	December 31, 2021
Convertible ⁽¹⁾				
Series E (TSX: PLZ.DB.E)	March 31, 2023	5.10%	\$ 47,486	\$ 47,359
Series VIII	March 31, 2026	5.95%	12,079	12,046
Total convertible debentures			59,565	59,405
Non-convertible ^{(2) (3)}	Feb 28 2027	5.00%	3,480	5,996
Net debentures payable			63,045	65,401
Less: current portion of debentures payable			(47,486)	(5,996)
Total debentures payable – long-term portion			\$ 15,559	\$ 59,405

⁽¹⁾ Recorded at fair value based on closing market trading prices of the debentures; the fair value change of the total convertible debentures during 2022 was a loss of \$160 thousand (for the period ended March 31, 2021 – loss of \$2.3 million)

⁽²⁾ Recorded at amortized cost

⁽³⁾ Net of unamortized finance charges of \$57 thousand (December 31, 2021 - \$4 thousand)

Convertible and non-convertible debentures are subordinate and unsecured.

Current convertible debenture terms are as follows:

	Series E	Series VIII
Conversion price	\$5.65	\$4.75
Trust's first redemption date	April 1, 2021	March 31, 2024
Par call date	April 1, 2022	March 31, 2025
Maturity date	March 31, 2023	March 31, 2026
Face value outstanding	\$47,250	\$12,019
Publicly listed	yes	no

Non-convertible debenture maturities are as follows:

	Series II
Face value outstanding	\$3,537
Maturity date	February 28, 2027

On February 28, 2022, the \$6.0 million Series II non-convertible debentures matured. \$3.763 million of these were repaid at that time, \$2.237 million were renewed and an additional \$1.3 million were issued for five years.

Plaza Retail REIT

Notes to the Condensed Interim Consolidated Financial Statements

March 31, 2022 (unaudited)

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

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.

9. Mortgage Bonds Payable

Mortgage bonds payable are secured by various properties:

	March 31, 2022			December 31, 2021
	Series X.2	Series XII	Total	Total
Various properties, 1 st mortgage	\$ 3,195	\$ -	\$ 3,195	\$ 3,195
Various properties, 1 st mortgage	-	3,000	3,000	3,000
Gross mortgage bonds payable	3,195	3,000	6,195	6,195
Less: unamortized finance charges			(15)	(24)
Net mortgage bonds payable			6,180	6,171
Less: current portion of mortgage bonds payable			(6,180)	(6,171)
Net mortgage bonds payable – long-term portion			\$ -	\$ -

	Series X.2	Series XII
Interest Rate	6.15%	5.50%
Maturity Date	June 25, 2022	July 15, 2022
Amount	\$3,195	\$3,000

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.

Plaza Retail REIT

Notes to the Condensed Interim Consolidated Financial Statements

March 31, 2022 (unaudited)

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

10. Mortgages Payable

	Interest Rate Range	Weighted Average Effective Interest Rate	Maturity Dates	March 31, 2022	December 31, 2021
Secured fixed rate loans:	2.17% - 7.00%	4.02%	Up to June 2034	\$ 461,118	\$ 459,374
Unsecured interest-only fixed rate loans:	5.00%	5.00%	Up to May 2024	9,243	9,243
Fair value of interest rate swaps				(1,412)	1,135
Revaluation of loans upon acquisitions, net of amortization of \$6,442 (December 31, 2021 - \$6,421)				331	352
Less: unamortized finance charges				(2,370)	(2,371)
Total net fixed rate loans				466,910	467,733
Variable rate loans:					
- \$20 million development facility	Prime plus 0.75% or BA plus 2.25%		July 31, 2022	1,562	1,471
- \$15 million development facility	Prime plus 0.75% or BA plus 2.00%		July 31, 2023	12,922	11,587
- \$9.7 million interim facility	Prime plus 1.50% or BA plus 2.50%		May 18, 2022	9,433	9,500
- \$1.2 million unsecured interest-only loan	Prime plus 1.05% (min. 5.00% rate)		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	9,049	8,855
- \$8.8 million interim facility	Prime plus 1.00% or BA plus 2.50%		August 13, 2023 December 20, 2023	3,999	3,258
- \$3.75 million interim facility	Prime plus 1.00% or BA plus 2.50%			3,750	3,750
Less: unamortized finance charges				(139)	(170)
Total net variable rate loans				41,747	39,422
Net mortgages payable				508,657	507,155
Less: mortgages payable – current portion				(86,161)	(73,248)
Total mortgages payable – long-term portion				\$ 422,496	\$ 433,907

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 two-year revolving facility that bears interest at prime plus 0.75% or BAs plus 2.00%. At March 31, 2022 there is \$20.5 million available on these development facilities (December 31, 2021 - \$21.9 million). Funding is secured by first mortgage charges on development properties. The Trust must maintain certain financial ratios to comply with the facilities. These covenants include loan-to-value, debt coverage, interest coverage and occupancy covenants, as well as unitholder equity tests. As of March 31, 2022 the Trust is in compliance with all financial covenants.

The Trust utilizes interest rate swaps in order to fix the variable interest rate on four mortgages. The interest rate swaps mature in May, June and August 2029 and are recorded at fair value in mortgages payable, with movements in fair value recorded in profit (loss).

Plaza Retail REIT

Notes to the Condensed Interim Consolidated Financial Statements

March 31, 2022 (unaudited)

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

11. Bank Indebtedness

The Trust has a \$55.0 million (December 31, 2021 - \$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%. The amount available to be drawn fluctuates depending on the specific assets pledged as security. Based on the assets pledged at March 31, 2022, the available limit was \$55.0 million of which \$36.2 million (December 31, 2021 - \$33.3 million) was drawn and therefore the maximum amount remaining available to be drawn on the facility was \$18.5 million (December 31, 2021 - \$21.3 million), net of letters of credit outstanding of \$371 thousand (December 31, 2021 - \$371 thousand). As security, at March 31, 2022, the Trust has provided a \$50.0 million demand debenture secured by a first mortgage over thirty nine properties.

12. 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 33 years, with some of the leases also containing non-automatic renewal options, extending the average life of the leases to 59 years including these non-automatic renewal options.

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

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

	March 31, 2022	December 31, 2021
Accounts payable and accrued liabilities	\$ 11,872	\$ 11,580
Tenant CAM and tax accrual	1,352	1,392
Distributions payable	2,403	2,403
Excise tax payable	1,397	1,329
Accrued interest payable	1,634	2,111
Deferred tenant revenue and deposits	4,248	4,257
Other	313	224
Total accounts payable, accrued liabilities, tenant payables and tenant deposits	\$ 23,219	\$ 23,296

14. Notes Payable

Notes payable consist of the following:

	Interest Rate	March 31, 2022	December 31, 2021
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	945	951
Total notes payable		\$ 1,206	\$ 1,212

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

Plaza Retail REIT**Notes to the Condensed Interim Consolidated Financial Statements****March 31, 2022 (unaudited)****(tabular amounts in thousands of Canadian dollars, except per unit amounts and as otherwise indicated)****15. Revenues**

	3 Months Ended March 31, 2022	3 Months Ended March 31, 2021
Contractual revenue	\$ 19,020	\$ 18,479
Straight-line rent	(115)	(146)
Property tax and insurance recoveries	5,610	5,270
Cost recovery revenue	3,268	2,996
Lease buyout revenue	105	75
Other revenue	16	34
Total property revenues	\$ 27,904	\$ 26,708

16. Operating Expenses

	3 Months Ended March 31, 2022	3 Months Ended March 31, 2021
Property taxes and insurance	\$ 6,027	\$ 5,729
Recoverable expenses	4,156	3,660
Non-recoverable expenses ⁽¹⁾	591	1,011
Total operating expenses	\$ 10,774	\$ 10,400

⁽¹⁾ Non-recoverable expenses include bad debt expense of \$4 thousand for the three months ended March 31, 2022 (for the three months ended March 31, 2021 – \$442 thousand).

17. Administrative Expenses

	3 Months Ended March 31, 2022	3 Months Ended March 31, 2021
Salaries and benefits	\$ 1,084	\$ 1,084
Restricted and deferred units	22	40
Restricted and deferred unit fair value	111	82
Professional services	245	175
Trustee fees	97	53
Office expenses	258	203
Total administrative expenses	\$ 1,817	\$ 1,637

Total employee salaries and benefits, including restricted and deferred units, recorded by the Trust during the period were \$2.5 million, of which \$1.0 million is included in operating expenses, \$1.2 million is included in administrative expenses and \$295 thousand has been capitalized to investment properties (for the period ended March 31, 2021 – \$2.4 million, of which \$1.0 million is in operating expenses, \$1.2 million is in administrative expenses and \$264 thousand is in investment properties).

Plaza Retail REIT

Notes to the Condensed Interim Consolidated Financial Statements

March 31, 2022 (unaudited)

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

18. Finance Costs

	3 Months Ended March 31, 2022	3 Months Ended March 31, 2021
Mortgage interest	\$ 4,786	\$ 4,945
Debenture interest	846	801
Mortgage bond interest	90	120
Distributions paid to Class B exchangeable LP unitholders	83	83
Operating line of credit interest	240	264
Interest and bank charges	104	91
Amortization of finance charges	163	141
Loan defeasance and early mortgage discharge fees	5	-
Imputed interest on land lease liabilities	620	556
Mark to market amortization	(21)	(28)
Capitalization of interest	(113)	(65)
Total finance costs	\$ 6,803	\$ 6,908

19. 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 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.

	March 31, 2022		December 31, 2021	
	Units (000s)	Amount	Units (000s)	Amount
Exchangeable LP units outstanding, beginning of the period ⁽¹⁾	1,191	\$ 5,622	1,191	\$ 4,300
Fair value adjustment for the period	-	441	-	1,322
Exchangeable LP units outstanding, end of the period	1,191	\$ 6,063	1,191	\$ 5,622

⁽¹⁾ The dollar amount of the exchangeable LP units is at the fair value on the ending date of the prior period.

Plaza Retail REIT

Notes to the Condensed Interim Consolidated Financial Statements

March 31, 2022 (unaudited)

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

(ii) Special Voting Units

At March 31, 2022, there were 1,191,000 (December 31, 2021 - 1,191,000) special voting units outstanding, issued in connection with 1,191,000 (December 31, 2021 - 1,191,000) Class B exchangeable LP units of a subsidiary of the Trust (see above).

(iii) Units

	Three Months Ended March 31, 2022		Year Ended December 31, 2021	
	Trust Units (000s)	Amount	Trust Units (000s)	Amount
Units outstanding, beginning of the period	101,804	\$ 275,493	101,807	\$ 275,453
Issuance of units:				
RU and DU plan	13	62	25	116
Repurchase and cancellation of units under normal course issuer bid	(2)	(6)	(28)	(76)
Units outstanding, end of the period	101,815	\$ 275,549	101,804	\$ 275,493

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 period ended March 31, 2022 no unitholder had redeemed units.

On September 24, 2021, 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, 2021. The period of the renewed NCIB commenced on September 28, 2021 and will conclude on the earlier of the date on which purchases under the bid have been completed and September 27, 2022. Under the terms of the renewed NCIB, the Trust can purchase up to 6,455,226 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 20,461 units, representing 25% of the average daily trading volume of the units on the TSX for the six-month period ended August 31, 2021 (being 81,846 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, 2022.

For the three months ended March 31, 2022, 2,200 units have been repurchased for cancellation under Plaza's former and renewed NCIB at a weighted average price of \$4.5804. With this, to March 31, 2022, Plaza has purchased a total of 1,147,611 units for cancellation since the commencement of the original NCIB on September 28, 2018 at a weighted average price of \$4.0176.

20. Distributions

Distributions are declared monthly at the discretion of the Board.

	3 Months Ended March 31, 2022	3 Months Ended March 31, 2021
Cash distributions paid to unitholders ⁽¹⁾	\$ 7,126	\$ 7,125

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

Plaza Retail REIT

Notes to the Condensed Interim Consolidated Financial Statements

March 31, 2022 (unaudited)

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

21. Additional Cash Flow Information

(a) Changes in Non-Cash Working Capital

	3 Months Ended March 31, 2022	3 Months Ended March 31, 2021
Receivables	\$ (1,443)	\$ 1,103
Prepaid expenses and deposits	1,081	74
Change in construction accruals removed from investing activities	839	(856)
Accounts payable, accrued liabilities, tenant payables and tenant deposits	410	4,800
Total cash from change in non-cash working capital	\$ 887	\$ 5,121

(b) Changes in Liabilities Arising from Financing Activities

	March 31, 2022	December 31, 2021
Current and long-term debt ⁽¹⁾ – beginning of the period	\$ 651,547	\$ 651,977
Gross proceeds from convertible debentures	-	12,019
Gross proceeds from non-convertible debentures	1,300	-
Redemption/repayment of mortgage bonds and debentures	(3,763)	(11,365)
Periodic mortgage principal repayments	(3,146)	(12,047)
Land lease principal repayments	(194)	(760)
Mortgages repaid	(8,928)	(80,435)
Mortgages repaid on sale of investment properties	-	(3,476)
Gross mortgage proceeds	16,111	95,322
Gross mortgage bond proceeds	-	-
Fees incurred for placement of debt	(174)	(788)
Increase (decrease) in notes payable	(6)	(24)
Non-cash changes in current and long-term debt:		
Net change in fair value of Class B exchangeable LP units	441	1,322
Net change in fair value of interest rate swaps	(2,547)	(2,604)
Net change in fair value of convertible debentures	160	1,903
Amortization of finance charges	163	595
Mark to market amortization	(21)	(92)
Current and long-term debt ⁽¹⁾ – end of the period	\$ 650,943	\$ 651,547

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

Plaza Retail REIT

Notes to the Condensed Interim Consolidated Financial Statements

March 31, 2022 (unaudited)

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

(c) Reconciliation for Additions to Investment Properties

	3 Months Ended March 31, 2022	3 Months Ended March 31, 2021
Reconciliation with Note 4		
Additions to Investment Properties (note 4)	\$ 7,229	\$ 5,998
Non-cash impacts included in above:		
Amortization of tenant improvements	12	12
Change in construction accrual	839	(856)
Additions to Investment Properties – cash	\$ 8,080	\$ 5,154
Recorded on Consolidated Statement of Cash Flows in:		
Operating activities: Leasing commissions paid	\$ 6	\$ 112
Investing activities: Investment Properties – additions	8,074	5,042
Additions to Investment Properties - cash	\$ 8,080	\$ 5,154

22. 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 unsecured debentures of the Trust (stated at face value):

	March 31, 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 March 31, 2022 (December 31, 2021 - 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.

	March 31, 2022	December 31, 2021
Entities owned (directly or indirectly), controlled or significantly influenced by Michael Zakuta.	\$ 261	\$ 261

(b) 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.

	Land Rent Paid March 31, 2022	March 31, 2021
Related Parties:		
A company beneficially-owned by Earl Brewer and Michael Zakuta	\$ 300	\$ 300

Plaza Retail REIT

Notes to the Condensed Interim Consolidated Financial Statements

March 31, 2022 (unaudited)

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

- (ii) 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	
	March 31, 2022	December 31, 2021	March 31, 2022	March 31, 2021
Earl Brewer	\$ 416	\$ 416	\$ 7	\$ 10
Barbara Trenholm	\$ 1	\$ 3	\$ 2	\$ 2
Michael Zakuta	\$ 463	\$ 463	\$ 11	\$ 15

- (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

March 31, 2022 (unaudited)

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

23. 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, income taxes 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.

	March 31, 2022			December 31, 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Investment properties	\$ -	\$ -	\$ 1,091,828	\$ -	\$ -	\$ 1,075,318
Investment properties held for sale	760	-	-	-	-	-
Interest rate swaps included in mortgages payable	-	-	1,412	-	-	-
	\$ 760	\$ -	\$ 1,093,240	\$ -	\$ -	\$ 1,075,318
Class B exchangeable LP units	\$ 6,063	\$ -	\$ -	\$ 5,622	\$ -	\$ -
Series E convertible debentures	47,486	-	-	47,359	-	-
Series VIII convertible debentures	-	12,079	-	-	12,046	-
Interest rate swaps included in mortgages payable	-	-	-	-	-	1,135
	\$ 53,549	\$ 12,079	\$ -	\$ 52,981	\$ 12,046	\$ 1,135

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 (see note 4 for a more detailed description of the Trust's valuation approach). The significant unobservable inputs include normalized 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.

24. Subsequent Events

Financings

In April 2022, the Trust obtained long-term financing of \$14.2 million with a weighted average term of 5.5 years and a weighted average interest rate of 4.9%. An additional \$19.6 million of long-term financing, with a weighted average term of 8.7 years and a weighted average interest rate of 4.5%, was obtained for properties held in non-consolidated investments by the Trust.

Distributions

The Trust paid a cash distribution of \$0.02333 per unit for a total of \$2.4 million on April 18, 2022.

Investment Properties

On April 22, 2022, the Trust sold a property located in Victoriaville, QC for gross proceeds of \$425 thousand.

On April 29, 2022, the Trust sold a property located in Hamilton, ON for gross proceeds of \$835 thousand.

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