



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

**FOR THE YEAR ENDED
DECEMBER 31, 2022**

DATED: FEBRUARY 23, 2023

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PRESIDENT'S MESSAGE

Fellow Unitholders:

Our portfolio, our team and our tenants, all combined with our business strategy, continue to show great strength and resilience in the face of remarkable challenges. In the last three years, we have navigated a pandemic with lockdowns that materially affected business operators, an economic resurgence that created supply-chain challenges and increased inflation, and a series of aggressive interest rate hikes. As I write this message, the market is suggesting a pause in rate hikes given downward-trending inflation, and there is increased anticipation that the Canadian economy will experience a soft landing. Recent discussions with our tenants indicate that customers are “trading-down” to more essential-needs and value goods and services – offerings that dominate our portfolio and have proven time-and-again to be steady and reliable in a softening economy.

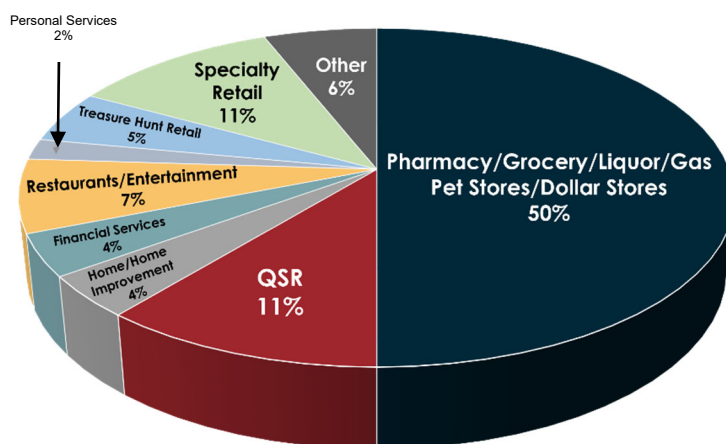
We finished 2022 with our most robust development pipeline ever. While we continue to evaluate additional opportunities, our focus coming into 2023 is to execute and deliver on the developments we have in the pipeline. Demand from leading national retailers remains very strong and pre-leasing for these projects is progressing well. Recent volatility in construction pricing is calming, and project schedules are increasingly predictable. The successful completion of these developments will contribute incremental new income and value over the next two years.

Healthy retailer demand has also allowed us to push renewal spreads, and occupancy in our existing portfolio is at an all-time high. The positive impact from having new and relevant retailers at our centres and increasing our NOI outweighs the short-term impact on AFFO resulting from leasing costs.

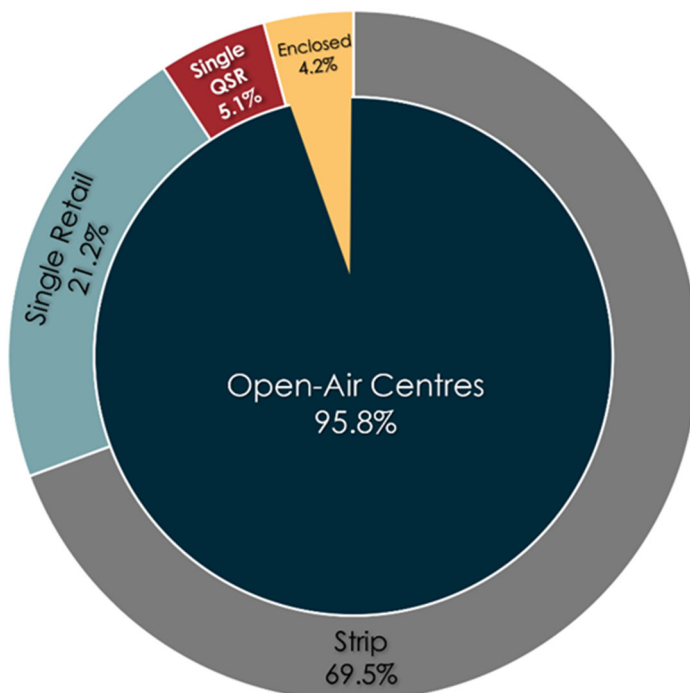
Most of Plaza's debt is comprised of longer-term, fixed-rate mortgages with well-laddered expiries, which has long been our debt strategy. Mortgages expiring in 2022 were renewed at similar rates, which minimized the impact of increasing interest rates on our business. Mortgages expiring in 2023 are also expected to be renewed at similar rates, and in some instances, lower rates. Even with this, we are not immune to increasing interest rates as they have had an impact on our operating and development lines, as well as construction financing for new developments. While we expect interest rates to continue to stabilize, we are being prudent and discerning about our sources and use of capital.

Plaza continues selling non-core assets above our book values and we are reinvesting the proceeds in new value-add projects anchored by leading essential needs and value

REVENUE BY RETAIL CATEGORY (based on base rents)



MIX BY PROPERTY TYPE (based on NOI)



Plaza Retail REIT

retailers. The result is a newer, more relevant portfolio that generates returns from quality, stable tenants.

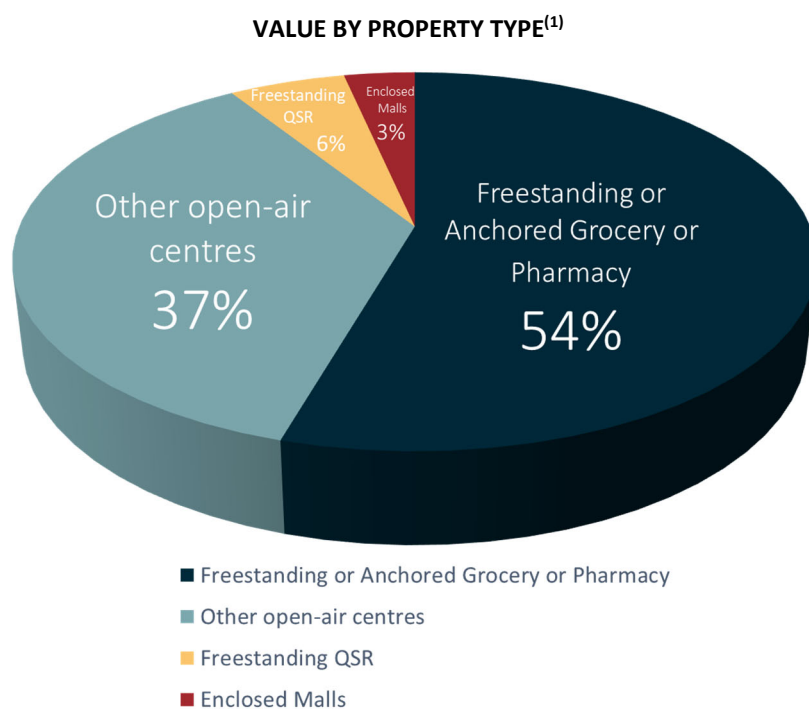
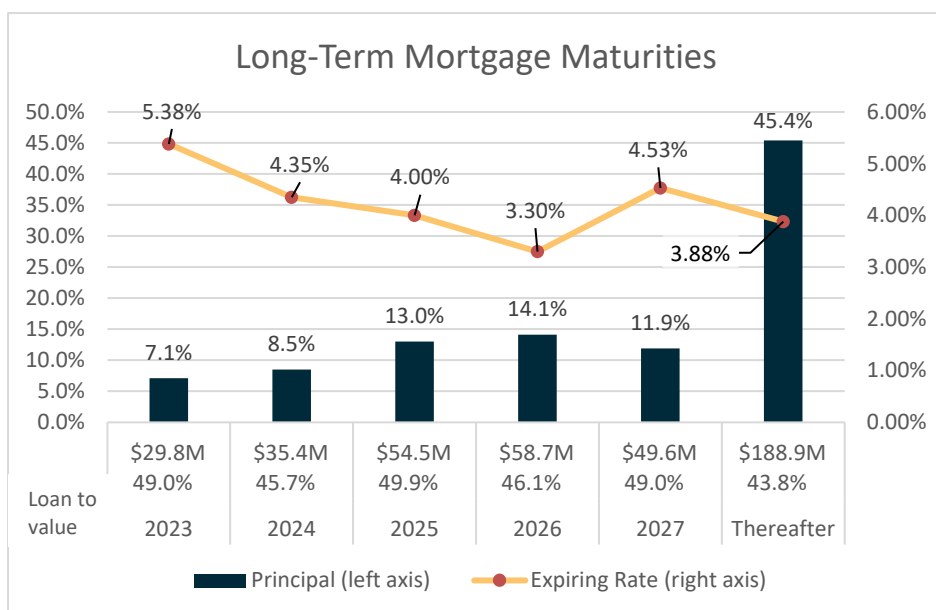
I would like to thank the Plaza team for their continued enthusiasm, energy, and dedication to growing our business. As indicated, 2022 was a very active year for our entire team, who have risen to the challenges presented by our dynamic and entrepreneurial approach. As new challenges inevitably continue to arise, I am confident that we have the people, vision, and platform to prosper.

Thank you to all of our stakeholders for your continued support.

Sincerely,



Michael Zakuta
President and CEO



(1) Excluding non-consolidated entities

PART I

BASIS OF PRESENTATION

Financial information included in this Management's Discussion and Analysis ("MD&A") includes material information up to February 23, 2023. The financial statements to which this MD&A relates were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

This MD&A has been reviewed and approved by management of Plaza Retail REIT (hereinafter referred to as "Plaza" or the "Trust") and the Board of Trustees (the "Board").

In addition to using financial measures determined in accordance with IFRS in this MD&A, Plaza also reports on certain additional non-GAAP financial measures, including: funds from operations ("FFO"); adjusted funds from operations ("AFFO"); earnings before interest, taxes, depreciation and amortization ("EBITDA"); same-asset net property operating income ("same-asset NOI"); and net property operating income ("NOI"). These measures are widely used in the Canadian real estate industry and Plaza believes they provide useful information to both management and investors in measuring the financial performance and financial condition of the Trust. These financial measures do not have any standardized definitions prescribed by IFRS and may not be comparable to similar titled measures reported by other entities. Refer to Part VII of this MD&A under the heading "Explanation of Non-GAAP Measures" for definitions of these financial measures and where to find reconciliations thereof.

FORWARD-LOOKING DISCLAIMER

This MD&A should be read in conjunction with the Trust's Consolidated Financial Statements and the notes thereto for the years ended December 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.

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

Forward-looking statements in this MD&A are made as of February 23, 2023 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 a declaration of trust dated as of November 1, 2013, amended as of March 26, 2020 (collectively 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 December 31, 2022 includes interests in 251 properties totaling approximately 8.8 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 December 31, 2022⁽¹⁾	Gross Leasable Area (sq. ft.) December 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	829,274	12	806,274
New Brunswick	53	1,928,719	52	1,929,422
Nova Scotia	33	1,249,948	33	1,227,068
Ontario	56	1,836,389	58	1,854,765
Prince Edward Island	11	601,031	11	595,281
Quebec	83	2,344,231	88	2,247,899
Total	251	8,840,848	257	8,711,965

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

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

BUSINESS ENVIRONMENT AND OUTLOOK

Plaza’s entrepreneurial culture and adaptability, combined with its strong fully-internalized platform, has allowed Plaza to grow and take advantage of opportunities in the marketplace. Plaza has always been dedicated to growing the business through value-add developments and redevelopments as well as opportunistic acquisitions. Its properties are primarily leased to national retailers, with a focus on retailers in the essential needs, value and convenience market segments – segments that generally are more e-commerce resilient, and tend to withstand, and potentially outperform, broader economic conditions, and provide stable cash flow.

Tenant demand for new space remains strong, particularly from the essential needs, value and convenience retailers. Although construction costs and timelines continue to see pressure from labour shortages, supply chain pressures and inflation, we are starting to see some stabilization. Plaza will continue to take a measured approach to new development and redevelopment while striving to complete projects that are sustainable and profitable, with no dilution to unitholders.

Plaza Retail REIT

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

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 and create value. 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 December 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
Beaubien St., Montreal, QC ⁽³⁾	10,000	100%	100%	Q4 2023
Les Immeubles SBT Drummondville, QC	81,000	50%	43%	1-2 years
Mapleview Dr., Barrie, ON	59,000	50%	n/a	1-2 years
Niagara Street Plaza, Welland, ON	94,000	50%	n/a	1-2 years
Timiskaming Plaza, New Liskeard, ON ⁽³⁾	24,000	50%	n/a	2-3 years
Dieppe Boulevard Plaza, Dieppe, NB	81,000	100%	n/a	1-2 years
Expansion:				
Granite Drive, New Minas, NS ⁽³⁾	2,000	100%	n/a	1-2 years
Pleasant Street, Yarmouth, NS ⁽³⁾	1,000	50%	n/a	1-2 years
Petitcodiac Plaza, Dieppe (Moncton), NB - Phase II.2 ⁽³⁾	10,000	100%	n/a	2-3 years
Millidge Avenue PJC, Saint John, NB ⁽³⁾	2,500	100%	n/a	2-3 years
Princess Auto, Charlottetown, PE	5,000	100%	100%	Q4 2023
Under Construction:				
Open-Air Centre:				
Gibson Boulevard Plaza, Stewiacke, NS	19,578	100%	100%	Q4 2023
Taunton Rd., Oshawa, ON	46,000	50%	64%	Q4 2023
Northern Avenue Plaza, Sault Ste. Marie, ON ⁽³⁾	172,000	50%	91%	Q3 2023
Tri-City Center, Cambridge, ON ⁽³⁾	189,000	50%	99%	Q1 2023
100 Saint-Jude Nord, Granby, QC - Phase II ⁽²⁾⁽³⁾	40,657	10%	95%	Q3 2023
St. Jerome, St. Jerome (Montreal), QC - Phase III.2 ⁽²⁾⁽³⁾	60,000	27.5%	100%	Q1 2023
L'Axe, Chicoutimi, QC	92,000	37.5%	63%	Q3 2023
Single Use:				
450 Wharncliffe Road South, London, ON ⁽³⁾	1,790	100%	100%	Q1 2023
Total	1,283,025			

(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, 686,472 square feet are included in the Trust's GLA at December 31, 2022.

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

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

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

Plaza Retail REIT

In addition to the properties under development/redevelopment noted above, at December 31, 2022, there is excess density at existing properties which would represent approximately 16 thousand additional square feet of gross leasable area, at Plaza's ownership percentage.

In addition to the properties under development/redevelopment noted above, at December 31, 2022, there are four land assemblies under purchase agreement and subject to due diligence and/or other conditions. If completed, these land purchases, will represent an additional 199 thousand square feet of retail space, at Plaza's ownership percentage.

The total estimated costs for the developments and redevelopments (noted in the chart on the previous page) are between \$159 million and \$163 million, of which approximately \$82 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 under construction, remaining costs to complete are between \$16 million and \$18 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 year ended December 31, 2022, the Trust acquired the following properties:

Properties Acquired (000s)	% Acquired	Year Ended December 31, 2022
Gibson Boulevard Plaza, Stewiacke, NS	100%	\$ 399
Dieppe Boulevard Plaza., Dieppe, NB	100%	3,242
Niagara Street Plaza, Welland, ON	50%	9,580
Total properties acquired		\$ 13,221

During the year ended December 31, 2022, the Trust disposed of the following properties:

Properties Disposed (000s)	% Disposed	Gross Proceeds Year Ended December 31, 2022
Quick Service Restaurants and non-core assets ⁽¹⁾	100%	\$ 8,355
Non-core asset in Port Hope, ON	50%	3,993
Total disposals		\$ 12,348

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

SUMMARY OF SELECTED ANNUAL INFORMATION

	12 Months Ended December 31, 2022	12 Months Ended December 31, 2021	12 Months Ended December 31, 2020	
(000s, except as otherwise noted)	(unaudited)	(unaudited)	(unaudited)	
Financial Amounts				
Revenue ⁽⁷⁾	\$ 111,245	\$ 110,632	\$ 106,898	
NOI ⁽¹⁾⁽⁷⁾	\$ 70,581	\$ 71,779	\$ 68,750	
Same-asset NOI ⁽¹⁾	\$ 69,726	\$ 68,677	N/A ⁽³⁾	
FFO ⁽¹⁾⁽⁷⁾	\$ 41,383	\$ 44,703	\$ 36,995	
AFFO ⁽¹⁾⁽⁷⁾	\$ 33,186	\$ 37,478	\$ 32,604	
EBITDA ⁽¹⁾⁽⁷⁾	\$ 69,723	\$ 72,521	\$ 65,883	
Profit (loss) and total comprehensive income (loss)	\$ 54,221	\$ 100,489	\$ (14,937)	
Total assets	\$ 1,269,011	\$ 1,214,834	\$ 1,139,127	
Total non-current liabilities	\$ 558,081	\$ 572,925	\$ 541,846	
Total mortgages, mortgage bonds, notes payable, bank credit facilities, and land lease liabilities	\$ 645,940	\$ 613,837	\$ 620,321	
Total debentures	\$ 62,200	\$ 65,401	\$ 60,807	
Weighted average units outstanding ⁽²⁾	103,001	102,986	103,048	
Normal course issuer bid – units repurchased	19	28	396	
Amounts on a Per Unit Basis				
FFO ⁽¹⁾	\$ 0.402	\$ 0.434	\$ 0.359	
AFFO ⁽¹⁾	\$ 0.322	\$ 0.364	\$ 0.316	
Distributions	\$ 0.280	\$ 0.280	\$ 0.280	
Financial Ratios				
Weighted average interest rate – fixed rate mortgages	4.06%	3.87%	4.07%	
Debt to gross assets (excluding convertible debentures) ⁽¹⁾	51.2%	50.9%	55.0%	
Debt to gross assets (including convertible debentures) ⁽¹⁾	55.8%	55.8%	59.7%	
Interest coverage ratio ⁽¹⁾	2.50x	2.65x	2.30x	
Debt coverage ratio ⁽¹⁾	1.68x	1.81x	1.64x	
Distributions as a % of FFO ⁽¹⁾⁽⁴⁾	69.7%	64.5%	78.0%	
Distributions as a % of AFFO ⁽¹⁾⁽⁴⁾	86.9%	76.9%	88.5%	
Leasing Information				
Square footage leased during the period (total portfolio)	1,447,389	1,342,400	1,027,185	
Same-asset committed occupancy ⁽⁵⁾	97.4%	96.0%	95.3%	
Committed occupancy – including non-consolidated investments ⁽⁶⁾	97.5%	96.5%	95.7%	
Mix of Tenancy Based on Base Rents⁽⁵⁾				
National	90.3%	90.5%	90.3%	
Regional	3.7%	3.6%	3.8%	
Local	4.0%	4.1%	4.0%	
Non retail	2.0%	1.8%	1.9%	
Other				
Average term to maturity - mortgages	5.3 Years	5.5 Years	5.5 Years	
Average term to maturity - leases ⁽⁵⁾	5.9 Years	5.9 Years	5.9 Years	
Overall capitalization rate ⁽⁵⁾	6.73%	6.90%	7.19%	
Property Type Breakdown	Number of Properties December 31, 2022	Square Footage (000s)	Number of Properties December 31, 2021	Square Footage (000s)
Open-Air Centres	117	6,746	116	6,591
Enclosed Malls	3	719	3	713
Single Use – Quick Service Restaurant	59	185	70	187
Single Use – Retail	72	1,191	68	1,221
Total	251	8,841	257	8,712

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

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

⁽³⁾ Not applicable as the same-asset calculation relates to assets owned since January 1, 2021.

⁽⁴⁾ Includes distributions on Class B exchangeable LP units.

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

⁽⁶⁾ Excludes properties under development.

⁽⁷⁾ For the year ended December 31, 2021, there was \$3.2 million recognized in lease termination revenue.

PART II

STRATEGY

Plaza's principal goal is to deliver growth in per-unit NAV and FFO from a diversified portfolio of retail properties, with a focus on essential needs, convenience and value retail.

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
- pursue the strategy of the Trust 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 committing to new developments or redevelopments;
- 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

Plaza is committed to responsible and transparent environmental, social and governance ("ESG") practices and to ensuring they are integrated in all aspects of its operations. We have undertaken a number of ESG initiatives, further described below, which we continue to expand upon.

We anticipate issuing our inaugural ESG report in April 2023. This report will be an important milestone in Plaza's ESG journey and will further outline the ESG factors important to our business, the areas we will continue to focus on going forward, and our progress to date.

Environmental

Plaza's goal is to create resilient, safe, and sustainable communities. We believe that prosperity and sustainability go hand in hand, and that managing environmental impacts and improving efficiency will generate more desirable properties to serve all our stakeholders well into the future.

Our approach to managing our environmental impact starts at the beginning of a project life-cycle, at the investment stage, and continues throughout development and redevelopment, as applicable, ownership and management. During the due diligence process of an acquisition, we conduct environmental site assessments on each property we acquire, or obtain existing environmental site assessments that have been conducted within the past six months. Our development and construction

protocols are based on the latest industry standards and processes and adhere to the highest health and safety practices and applicable legislation. In addition, Plaza prides itself on adapting to changes in the retail landscape and reinventing underperforming properties to create opportunities in new markets for its retailers. This includes redeveloping existing buildings where feasible, as opposed to building new. We have successfully redeveloped fourteen enclosed malls into open-air centres and have successfully redeveloped numerous retail projects, including repositioning and filling empty box stores with multiple tenants. Redevelopments allow us to reuse and repurpose building materials and works on site, which can lead to reductions in carbon emissions when compared to a new build – all the way from the extraction of the materials to the transport, the actual construction and demolition of old buildings.

Post-development or redevelopment, we continue to look for ways to limit our environmental impact. As a vertically integrated real estate company, we develop programs across our platform to increase our energy efficiency and measure our environmental data using in-house resources. These programs include an LED retrofit program further discussed below, enhanced insulation in buildings, reduced paper consumption, and holding meetings virtually when appropriate to reduce travel and its impact.

We launched a retrofit program in 2017 to replace incandescent, energy-intensive light fixtures with LED lighting, which continues today. These upgrades were undertaken for exterior lighting, primarily in parking lots. In 2022 we were able to complete LED conversions at 11 of our sites, bringing the total conversions to 44 properties since 2017. This represents approximately 1/3 of the properties where Plaza is responsible for maintaining exterior lighting. We have planned 11 additional LED retrofits in 2023.

In 2022, we also began to track utility consumption at our properties, focusing on the areas within our control where the main source of energy use is electricity, natural gas and propane. This was an important first step to enable us to understand our performance, report transparently to stakeholders and focus our efforts on finding energy efficiency opportunities in Plaza's portfolio. We recognize that we can also play a role in supporting our tenants to reduce their environmental impacts, and in 2022, we started to collaborate with our retailers to understand the drivers of their energy use and identify ways to help them use less at our sites. This will also allow us to better measure the full environmental impact of our properties and provide a starting point for us to work together in 2023 and beyond to create strategies and approaches, such as green leases or green leases clauses, to help our retailers reduce their impacts.

Social

Our colleagues, from those in our offices to those on the ground operationally at our properties, are the foundation of Plaza. We strive to create an environment that celebrates creativity, diversity and inclusion and provides a basis for personal growth, development and success.

Plaza offers a hybrid work environment, mixing in-office and remote work to offer flexibility and support to employees. This promotes health and safety, allows employees to enjoy more autonomy and work in ways that are most effective for them and improves work-life balance. We continually engage with our colleagues, including but not limited to company-wide monthly updates from the President & CEO and semi-annual company-wide update meetings on Plaza activities and matters of importance to employees. We also provide company-wide programs and events to support employee development and engagement. For instance, in 2022, Plaza laid the groundwork for the development of its diversity, equity and inclusion ("DEI") program with training for employees on the fundamentals of DEI and why it is so important in the workplace. We also continue to deliver our Women@Plaza program with engaging professional development and lifestyle events further described below. Cybersecurity training, resources and useful tips for use at work and at home is provided on an ongoing basis, and our colleagues may also pursue professional development and continuing education opportunities with financial assistance from Plaza.

Approximately 60% of Plaza's workforce overall is comprised of women, including 56% at the VP level and above, with 17% of executive officers being women. Diverse backgrounds, experiences and identities are also important in the composition of our Board, 43% of which are women. As noted above, Women@Plaza continues to be active across the entire organization, as well as in the communities in which Plaza operates. Women@Plaza is dedicated to supporting and empowering women to reach their full potential at Plaza by (i) raising awareness of issues faced by women in the workplace, (ii) aiding in and supporting professional development, and (iii) recognizing the efforts, contributions and distinct experiences of women and applauding their achievements. Since its launch, Women@Plaza has hosted events on diversity, stress management, mental health and well-being, mindfulness and leadership for the benefit of all employees and provides continuing support to other causes and community organizations.

In addition to maintaining a safe, happy and healthy workplace, Plaza believes that fostering relationships and collaboration with tenants and other stakeholders – including at the property level – supports the creation of safe and sustainable communities. We develop and nurture long-term relationships with our tenants and employ a hands-on approach to managing our properties,

with people on-site at the property level and colleagues that maintain constant communication with tenants. We are committed to providing the communities we serve with vibrant, safe places to shop. Our properties have dedicated pedestrian, bicycle and vehicle access, secure and well-lit common areas and are kept clean. We also contribute to our local communities by providing spaces for charities and non-profit organizations, as well as through fundraising and donations.

Governance

For more than 20 years, Plaza's culture has been predicated on core values of trust, respect and integrity. These values continue to play a critical role in Plaza's operations and form the basis of its overall approach to governance. Plaza has a robust Code of Business Conduct and Ethics that reinforces these values and requires members of the Board, executive officers and employees to act in a manner that will maintain the Trust's reputation for ethics, integrity and respect, and foster a culture of honesty and accountability. We feel that conducting business in this manner, and holding our people to these high standards, will allow Plaza to maintain the trust it has earned from its stakeholders over the years.

All of Plaza's governance practices and procedures are designed to maintain high standards of oversight, accountability, integrity and ethics while promoting sustainable long-term growth and unitholder value. As we advance on our ESG journey, we continue to strengthen our ESG governance structure. Formed in 2021, our Responsibility & Sustainability Committee is responsible to (i) prioritize the ESG initiatives that impact Plaza's business, ii) drive the continued development, enhancement and implementation of Plaza's ESG programs, iii) advance new initiatives and iv) ensure timely, accurate and transparent disclosure of ESG-related information. The Committee is comprised of executives, senior management and other employees from various departments and offices and reports directly to the Board, which has oversight of ESG and ESG-related risks, in accordance with the Board Mandate.

The Board embraces a culture of continuous improvement and regular evaluation, and its approach to ESG is no different. Through our ongoing efforts toward best practices, we look forward to the benefits that will accrue to our tenants, partners, employees, communities and, ultimately, to unitholders.

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

KEY PERFORMANCE DRIVERS AND INDICATORS

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

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.

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 key performance indicators discussed throughout this MD&A are summarized in the table below, for the year ended December 31, 2022, compared to the year ended December 31, 2021.

FFO ⁽¹⁾	(000s)	YTD Q4 2022	YTD Q4 2021	% Change
	FFO	\$41,383	\$44,703	(7.4%)
	FFO per unit	\$0.402	\$0.434	(7.4%)
	Distributions as a % of FFO	69.7%	64.5%	8.1%
	➤ The decrease in FFO and FFO per unit over the same period in the prior year was mainly due to lease termination revenue of \$3.2 million received and included in NOI in the prior year, offset by an increase in NOI in the current year. Excluding the impact of lease termination revenue, insurance proceeds and COVID-related bad debt expense in the prior year, FFO and FFO per unit would have been consistent with the prior year.			
AFFO ⁽¹⁾	(000s)	YTD Q4 2022	YTD Q4 2021	% Change
	AFFO	\$33,186	\$37,478	(11.5%)
	AFFO per unit	\$0.322	\$0.364	(11.5%)
	Distributions as a % of AFFO	86.9%	76.9%	13.0%
	➤ The principal factors affecting AFFO are consistent with those impacting FFO, as well as higher leasing costs in the current year due to increased leasing activity, which will result in increased revenue in the future. Excluding the impact of lease termination revenue, insurance proceeds and COVID-related bad debt expense in the prior year, AFFO and AFFO per unit would have decreased 3%, as a result of the increased leasing costs in the current year.			
Debt Service Ratios ⁽¹⁾		YTD Q4 2022	YTD Q4 2021	% Change
	Interest coverage ratio	2.50x	2.65x	(5.7%)
	Debt coverage ratio	1.68x	1.81x	(7.2%)
	➤ The interest and debt coverage ratios were lower mainly due to lower EBITDA as a result of prior year lease termination revenue received, as noted above. Debt coverage and interest coverage ratios exceed the requirements under borrowing arrangements.			
Debt to Gross Assets ⁽¹⁾		Q4 2022	Q4 2021	% Change
	Debt to gross assets (excluding convertible debentures)	51.2%	50.9%	0.6%
	Debt to gross assets (including convertible debentures)	55.8%	55.8%	-
	➤ The increase in debt to gross assets (excluding convertible debentures) over the same period in the prior year relates mainly to the increase in debt from the financing of development projects.			
Same-Asset NOI ⁽¹⁾	(000s)	YTD Q4 2022	YTD Q4 2021	% Change
	Same-asset NOI	\$69,726	\$68,677	1.5%
	➤ Same-asset NOI is higher mainly due to lease-up and rent escalations, as well as lower bad debt expense in the current year, partially offset by an increase in expenditures for certain operating expenses.			
Weighted Average Interest Rate – Fixed Rate Mortgages		Q4 2022	Q4 2021	% Change
	Weighted average interest rate – fixed rate mortgages	4.06%	3.87%	4.9%
	➤ The increase in the weighted-average interest rate is the result of refinancing mortgages at current rates.			
Occupancy Levels		Q4 2022	Q4 2021	% Change
	Same-asset committed occupancy ⁽²⁾	97.4%	96.0%	1.5%
	Committed occupancy – including non-consolidated investments ⁽³⁾	97.5%	96.5%	1.0%

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

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

(3) Excludes properties under development.

PROPERTY AND CORPORATE FINANCIAL PERFORMANCE 2022 AND 2021
Funds from Operations (FFO) and Adjusted Funds from Operations (AFFO)

Plaza's summary of FFO and AFFO for the three and twelve months ended December 31, 2022, compared to the three and twelve months ended December 31, 2021 is presented below:

(000s – except per unit amounts and percentage data, unaudited)	3 Months Ended December 31, 2022	3 Months Ended December 31, 2021	Change over Prior Period	12 Months Ended December 31, 2022	12 Months Ended December 31, 2021	Change over Prior Period
Profit and total comprehensive income for the period attributable to unitholders	\$ 14,154	\$ 40,735		\$ 53,891	\$ 99,615	
Incremental leasing costs included in administrative expenses ⁽⁷⁾	285	312		1,491	1,384	
Debt issuance costs	-	-		-	370	
Amortization of debt issuance costs ⁽⁸⁾	(121)	(125)		(483)	(464)	
Distributions on Class B exchangeable LP units included in finance costs	84	84		334	334	
Deferred income taxes	(46)	728		(4)	699	
Land lease principal repayments	(197)	(193)		(780)	(760)	
Fair value adjustment to restricted and deferred units	206	66		(40)	280	
Fair value adjustment to investment properties	(6,384)	(29,985)		(8,187)	(58,376)	
Fair value adjustment to investments ⁽⁹⁾	1,095	(65)		(49)	(9)	
Fair value adjustment to Class B exchangeable LP units	667	262		(286)	1,322	
Fair value adjustment to convertible debentures	267	(930)		(693)	1,903	
Fair value adjustment to interest rate swaps	2	(168)		(4,264)	(2,604)	
Fair value adjustment to right-of-use land lease assets	197	193		780	760	
Equity accounting adjustment ⁽¹⁰⁾	2	(46)		(327)	(229)	
Non-controlling interest adjustment ⁽⁶⁾	21	(97)		-	478	
FFO⁽¹⁾	\$ 10,232	\$ 10,771	(539)	\$ 41,383	\$ 44,703	(3,320)
FFO change over prior period - %			(5.0%)			(7.4%)
FFO⁽¹⁾	\$ 10,232	\$ 10,771		\$ 41,383	\$ 44,703	
Non-cash revenue – straight-line rent ⁽⁵⁾	(88)	71		31	277	
Leasing costs – existing properties ^{(2) (5) (11)}	(2,006)	(1,955)		(6,544)	(5,554)	
Maintenance capital expenditures – existing properties ⁽¹²⁾	(638)	(711)		(1,788)	(2,030)	
Non-controlling interest adjustment ⁽⁶⁾	26	22		104	82	
AFFO⁽¹⁾	\$ 7,526	\$ 8,198	(672)	\$ 33,186	\$ 37,478	(4,292)
AFFO change over prior period - %			(8.2%)			(11.5%)
Weighted average units outstanding – basic ⁽¹⁾⁽³⁾	102,993	102,982		103,001	102,986	
FFO per unit – basic⁽¹⁾	\$ 0.099	\$ 0.105	(5.7%)	\$ 0.402	\$ 0.434	(7.4%)
AFFO per unit – basic⁽¹⁾	\$ 0.073	\$ 0.080	(8.7%)	\$ 0.322	\$ 0.364	(11.5%)
Gross distribution to unitholders ⁽¹⁾⁽⁴⁾	\$ 7,208	\$ 7,208		\$ 28,836	\$ 28,832	
FFO payout ratio – basic⁽¹⁾	70.4%	66.9%		69.7%	64.5%	
AFFO payout ratio – basic⁽¹⁾	95.8%	87.9%		86.9%	76.9%	
FFO⁽¹⁾	\$ 10,232	\$ 10,771		\$ 41,383	\$ 44,703	
Interest on dilutive convertible debentures	788	788		3,125	3,125	
FFO – diluted⁽¹⁾	\$ 11,020	\$ 11,559	(539)	\$ 44,508	\$ 47,828	(3,320)
Diluted weighted average units outstanding ⁽¹⁾⁽³⁾	113,886	113,875		113,894	113,879	
AFFO⁽¹⁾	\$ 7,526	\$ 8,198		\$ 33,186	\$ 37,478	
Interest on dilutive convertible debentures	788	788		3,125	3,125	
AFFO – diluted⁽¹⁾	\$ 8,314	\$ 8,986	(672)	\$ 36,311	\$ 40,603	(4,292)
Diluted weighted average units outstanding ⁽¹⁾⁽³⁾	113,886	113,875		113,894	113,879	
FFO per unit – diluted⁽¹⁾	\$ 0.097	\$ 0.102	(4.9%)	\$ 0.391	\$ 0.420	(6.9%)
AFFO per unit – diluted⁽¹⁾	\$ 0.073	\$ 0.079	(7.6%)	\$ 0.319	\$ 0.357	(10.6%)

- (1) This is a non-GAAP financial measure. Refer to the Non-GAAP Financial Measures in Part I and VII of this document for more information on each non-GAAP financial measure.
- (2) Based on actuals.
- (3) Includes Class B exchangeable LP units.
- (4) Includes distributions on Class B exchangeable LP units.
- (5) Includes proportionate share of revenue and expenditures at equity-accounted investments.
- (6) The non-controlling interest ("NCI") adjustment, includes adjustments required to translate the profit and total comprehensive income (loss) attributable to NCI of \$31 thousand and \$330 thousand for the three and twelve months ending December 31, 2022, respectively (December 31, 2021 - nil and \$874 thousand, respectively) to FFO and AFFO for the NCI.
- (7) Incremental leasing costs included in administrative expenses include leasing costs of salaried leasing staff directly attributed to signed leases that would otherwise be capitalized if incurred from external sources. These costs are excluded from FFO in accordance with RealPAC's definition of FFO.
- (8) Amortization of debenture issuance costs is deducted on a straight-line basis over the remaining term of the related convertible debentures, in accordance with RealPAC.
- (9) Fair value adjustment to investments relate to the unrealized change in fair value of equity accounted entities which are excluded from FFO in accordance with RealPAC's definition of FFO.
- (10) Equity accounting adjustment for interest rate swaps includes the change in non-cash fair value adjustments relating to interest rate swaps held by equity accounted entities, which are excluded from FFO in accordance with RealPAC's definition of FFO.
- (11) Leasing costs – existing properties include internal and external leasing costs except to the extent that leasing costs relate to development projects, in accordance with RealPAC's definition of AFFO. See the Gross Capital Additions Including Leasing Fees note on page 28 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 28 of this MD&A.

Basic FFO for the three months ended December 31, 2022 decreased by \$539 thousand over the prior year or 5.0% on a dollar basis and 5.7% on a per unit basis.

Items impacting FFO for the quarter were:

- (i) an increase in NOI of \$318 thousand from acquisitions, developments and properties transferred to income producing properties ("IPP") in 2021 and 2022;
- (ii) an increase in same-asset NOI of \$305 thousand mainly due to an increase in rental revenue from lease-up and rent escalations;
- (iii) a decrease in NOI of \$109 thousand from properties disposed;
- (iv) an increase in finance costs of \$556 thousand, mainly due to higher interest expense; and
- (v) an increase in administrative costs of \$262 thousand, mainly due to higher, IT, travel and recruitment costs.

For the three months ended December 31, 2022, AFFO decreased by \$672 thousand over the prior year or 8.2% on a dollar basis and 8.7% on a per unit basis. The AFFO and AFFO per unit were mainly impacted by the changes in FFO and FFO per unit described above.

Basic FFO for the twelve months ended December 31, 2022 decreased by \$3.3 million over the prior year or 7.4% on a dollar basis and per unit basis.

Items impacting FFO for the year were:

- (i) lease termination revenues received and included in NOI in the prior year of \$3.2 million;
- (ii) an increase in NOI of \$1.4 million from acquisitions, developments and properties transferred to income producing properties ("IPP") in 2021 and 2022;
- (iii) an increase in same-asset NOI of \$1.0 million mainly due to lease-up and rent escalations, as well as lower bad debt expense in the current year;
- (iv) a decrease in NOI of \$496 thousand from properties disposed;
- (v) an increase in administrative costs of \$1.1 million, mainly due to higher compensation expenses along with higher IT, travel and recruitment costs in the current year;
- (vi) an increase in finance costs of \$548 thousand, mainly due to higher interest expense; and
- (vii) higher insurance proceeds received in the prior year of \$537 thousand.

For the twelve months ended December 31, 2022, AFFO decreased by \$4.3 million over the prior year or 11.5% on a dollar 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. These are somewhat offset by lower maintenance capital expenditures.

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

Profit and Total Comprehensive Income for the Period

The Trust recorded a profit for the three months ended December 31, 2022 of \$14.2 million compared to \$40.7 million for the same period in the prior year. The decrease was mainly due to an increase in the fair value of investment properties of \$6.4 million in the current quarter compared to a fair value increase of \$30.0 million in the same quarter in the prior year. The fair value change year over year was mainly due to an increase in stabilized NOI, a decrease in capitalization rates and appraisals obtained in the current quarter.

Profit was also impacted by the same factors mentioned in the discussion of FFO above, as well as:

- (i) a decrease in the share of profit of associates of \$1.6 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.

The Trust recorded a profit for the twelve months ended December 31, 2022 of \$54.2 million compared to \$100.5 million for the same period in the prior year. The decrease was mainly due to an increase in the fair value of investment properties of \$8.2 million in the current year compared to a fair value increase of \$58.4 million in the same period in the prior year. The fair value change was mainly due to changes in stabilized NOI, capitalization rates and appraisals obtained. Profit was also impacted by the same factors mentioned in the discussion of FFO above, as well as:

- (i) a decrease in the share of profit of associates of \$244 thousand over the prior year, mainly relating to the non-cash fair value adjustment of the underlying properties in the current year; and
- (ii) changes in non-cash fair value adjustments relating to interest rate swaps, the Class B exchangeable LP units, and convertible debentures.

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

Same-asset categorization refers to those properties which were owned and operated by Plaza for both the entire years ended December 31, 2022 and 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 December 31, 2022, approximately 48.1% of the Trust's leased area is tied to a CPI cost recovery formula. As well, certain anchor tenant leases may restrict recovery of common costs. As a result, certain seasonal costs such as asphalt repairs, snow removal and other operating costs may not be completely offset by cost recoveries in a particular period, or recovery revenues may exceed costs. Municipal taxes are generally net and fully recoverable from all tenants. Most tenants in open-air centres and single use properties are responsible for their own utilities, and changes to these costs do not materially impact NOI.

	3 Months Ended December 31, 2022 (unaudited)	3 Months Ended December 31, 2021 (unaudited)	12 Months Ended December 31, 2022 (unaudited)	12 Months Ended December 31, 2021 (unaudited)
(000s)				
Same-asset rental revenue ⁽¹⁾	\$ 26,348	\$ 25,926	\$ 104,495	\$ 102,090
Same-asset operating expenses ⁽¹⁾	(3,877)	(3,814)	(14,089)	(13,288)
Same-asset realty tax expense ⁽¹⁾	(5,056)	(5,002)	(20,680)	(20,125)
Same-asset NOI⁽¹⁾	\$ 17,415	\$ 17,110	\$ 69,726	\$ 68,677
Percentage increase over prior period	1.8%		1.5%	

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

Same-asset NOI for the three and twelve months ended December 31, 2022, increased by 1.8% and by 1.5%, respectively, compared to the prior year. The increase in same-asset NOI for the three months ended December 31, 2022 is mainly due to

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lease-up and rent escalations in the current quarter. The increase in same-asset NOI for the twelve months ended December 31, 2022, over the same period in the prior year, is mainly due to lease-up and rent escalations, as well as lower bad debt expense in the current year, more than offsetting the increase in operating expenses.

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

	3 Months Ended December 31, 2022 (unaudited)	3 Months Ended December 31, 2021 (unaudited)	12 Months Ended December 31, 2022 (unaudited)	12 Months Ended December 31, 2021 (unaudited)
(000s except percentage data)				
New Brunswick	\$ 4,628	\$ 4,551	\$ 18,442	\$ 18,267
Nova Scotia	2,795	2,777	11,270	11,281
Quebec	3,396	3,297	13,371	13,624
Alberta	158	141	623	590
Manitoba	91	95	390	378
Ontario	3,081	3,028	12,445	11,805
Newfoundland and Labrador	1,280	1,294	5,387	5,099
Prince Edward Island	1,986	1,927	7,798	7,633
Same-asset NOI⁽¹⁾	\$ 17,415	\$ 17,110	\$ 69,726	\$ 68,677
Percentage increase over prior period	1.8%		1.5%	

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

Net Property Operating Income (NOI)

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

	3 Months Ended December 31, 2022 (unaudited)	3 Months Ended December 31, 2021 (unaudited)	12 Months Ended December 31, 2022 (unaudited)	12 Months Ended December 31, 2021 (unaudited)
(000s)				
Same-asset NOI ⁽¹⁾	\$ 17,415	\$ 17,110	\$ 69,726	\$ 68,677
Developments and redevelopments transferred to income producing in 2021 & 2022 (\$2.5 million stabilized NOI)	562	305	1,987	943
NOI from acquisitions, properties currently under development and redevelopment (\$5.4 million stabilized NOI)	365	304	1,807	1,422
Straight-line rent	88	(70)	(31)	(277)
Administrative expenses charged to NOI	(835)	(739)	(3,379)	(3,025)
Lease termination revenue	28	119	145	3,217
Properties disposed	50	159	326	822
Other	(83)	-	-	-
Total NOI⁽¹⁾	\$ 17,590	\$ 17,188	\$ 70,581	\$ 71,779

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

Share of Profit of Associates

Share of profit of associates consists of income from equity accounted investments, fair value changes in the underlying investment properties included within equity-accounted investments and other changes to the equity position of the equity-accounted investments that would impact the residual returns on wind-up (such as debt financing incurred). The share of the profits which the equity-accounted investments noted below are entitled to, is distributed first as a preferred return on invested capital with the remaining distributed as a residual return, as outlined below. If there is no preferred and residual return structure noted, the share of profits are distributed pro-rata in accordance with ownership position. 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%	-	-
Plazacorp Ontario3 Limited Partnership	50%	-	-
Plazacorp Ontario4 Limited Partnership	50%	-	-
RBEG Limited Partnership	50%	-	-
CPRDL Limited Partnership	50%	-	-
Fundy Retail Ltd.	50%	-	-
VGH Limited Partnership	20%	8%	27.5%
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%	-	-

- (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 December 31, 2022 includes Plaza's share of NOI of approximately \$1.1 million compared to \$1.2 million for the three months ended December 30, 2021. Share of profit of associates decreased by \$1.6 million for the three months ended December 31, 2022 compared to the three months ended December 31, 2021. The decrease was mainly due to the non-cash fair value adjustment to the underlying investment properties quarter over quarter.

Share of profit of associates for the twelve months ended December 31, 2022 includes Plaza's share of NOI of approximately \$5.2 million compared to \$5.1 million for the twelve months ended December 31, 2021. Share of profit of associates decreased by \$244 thousand for the twelve months ended December 31, 2022 compared to the twelve months ended December 31, 2021. The increase was mainly due to the non-cash fair value adjustment to the underlying investment properties year over year.

Overall committed occupancy for non-consolidated investments was 98.3% at December 31, 2022, compared to 99.1% at December 31, 2021.

Regular distributions received from associates for the three months ended December 31, 2022 were \$350 thousand, consistent with the three months ended December 31, 2021. Regular distributions received from associates for the twelve months ended December 31, 2022 were \$1.6 million compared to \$1.9 million for the twelve months ended December 31, 2021. In addition to regular distributions, in the prior year there were distributions as a result of proceeds of financing at underlying investment properties of \$700 thousand for the three and twelve months ended December 31, 2021.

Finance Costs

Finance costs for the three months ended December 31, 2022 were \$7.3 million, compared to \$6.7 million for the same period in the prior year. The increase was mainly due to higher mortgage interest as a result of new mortgages and refinancings, along with higher interest from the increase in variable rates, offset somewhat by higher capitalization of interest due to an increase in development activity.

Finance costs for the twelve months ended December 31, 2022 were \$28.4 million, compared to \$27.9 million, for the same period in the prior year. The increase was mainly due to higher mortgage interest as a result of new mortgages and refinancings, along with higher interest from the increase in variable rates, offset somewhat by higher capitalization of interest due to an increase in development activity.

Administrative Expenses

Administrative expenses for the three months ended December 31, 2022 were \$478 thousand higher mainly due to higher IT, travel and recruitment costs in the current period, as well as an increase in fair value of restricted and deferred units. Excluding the increase in the fair value of restricted and deferred units, administrative expenses would have been \$262 thousand higher than the same period in the prior year.

Administrative expenses for the twelve months ended December 31, 2022 were \$821 thousand higher mainly due to higher compensation expenses, IT, travel and recruitment costs in the current year, offset by a decrease in fair value of restricted and deferred units. Excluding the decrease in the fair value of restricted and deferred units, administrative expenses would have been \$1.1 million 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 \$6.4 million for the three months ended December 31, 2022 compared to a fair value increase of \$30.0 million for the three months ended December 31, 2021. The fair value increase was mainly due to an increase in stabilized NOI, a decrease in capitalization rates and appraisals obtained in the current quarter. The Trust recorded a fair value increase to investment properties of \$8.2 million for the twelve months ended December 31, 2022 compared to a fair value increase of \$58.4 million for the twelve months ended December 31, 2021. The fair value change was mainly due to changes in capitalization rates and appraisals obtained. The investment market for the Trust's properties occupied by essential needs, convenience, and value-based retailers, as well as its stable properties, remains strong.

Change in Fair Value of Convertible Debentures

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

The fair value adjustment to convertible debentures for the three months ended December 31, 2022 was a net loss of \$267 thousand compared to a net gain of \$930 thousand in the same period in the prior year. The fair value adjustment to convertible debentures for the twelve months ended December 31, 2022 was a net gain of \$693 thousand compared to a net loss of \$1.9 million in the same period in the prior year.

Change in Fair Value of Class B Exchangeable LP Units

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

The fair value adjustment to Class B exchangeable LP units for the three months ended December 31, 2022 was a net loss of \$667 thousand compared to a net loss of \$262 thousand in the same period in the prior year. The fair value adjustment to Class

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B exchangeable LP units for the twelve months ended December 31, 2022 was a net gain of \$286 thousand compared to a net loss of \$1.3 million 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 December 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⁾	%
2023	443,438	9.0	145,718	23.4	24,999	2.5	27,101	17.8	641,256	9.6
2024	508,175	10.3	101,014	16.3	50,262	5.1	-	-	659,451	9.8
2025	517,952	10.5	126,113	20.3	154,415	15.6	2,211	1.4	800,691	12.0
2026	602,660	12.2	9,758	1.6	58,594	5.9	2,054	1.3	673,066	10.0
2027	598,777	12.1	31,318	5.0	77,799	7.9	21,570	14.2	729,464	10.9
Thereafter	2,268,647	45.9	207,682	33.4	623,347	63.0	99,584	65.3	3,199,260	47.7
Subtotal	4,939,649	100.0	621,603	100.0	989,416	100.0	152,520	100.0	6,703,188	100.0
Vacant	125,039		97,305		-		-		222,344	
Total	5,064,688		718,908		989,416		152,520		6,925,532	
Weighted average lease term	5.8 years		3.7 years		7.9 years		6.8 years		5.9 years	

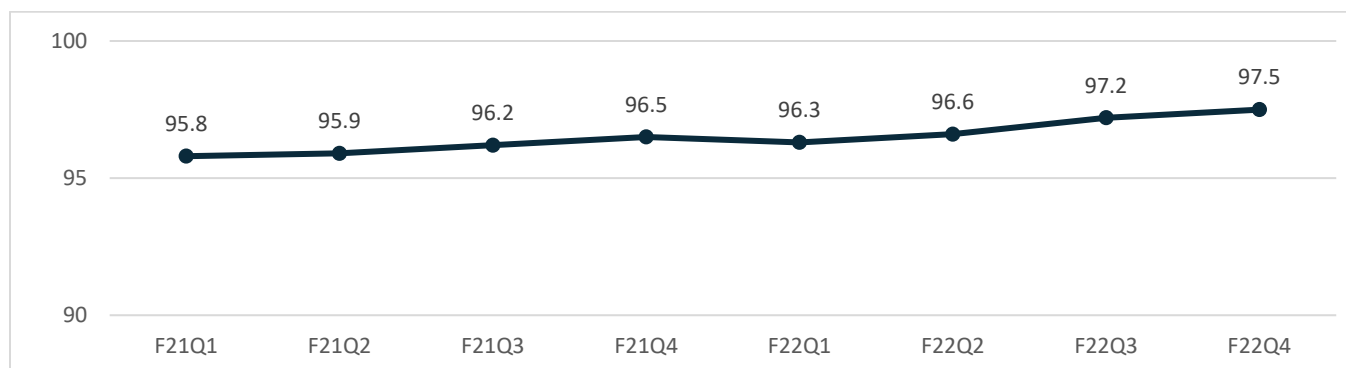
(1) At 100%, regardless of the Trust's ownership interest in the properties.

(2) QSR refers to quick service restaurants.

At December 31, 2022, same-asset committed occupancy was 97.4% compared to 96.0% at December 31, 2021.

Committed occupancy including non-consolidated investments (excluding properties under development and redevelopment) was 97.5% compared to 96.5% at December 31, 2021. Occupancy for the portfolio over the last eight quarters is as follows:

OCCUPANCY %



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The weighted average contractual base rent per square foot on renewals/new leasing in 2022 versus expiries (excluding developments, redevelopments and non-consolidated investments) is outlined in the following table:

	Open-Air Centres	Enclosed Malls	Single-User Retail	Single-User QSR	Total
2022 – Q4 YTD					
Leasing renewals (sq. ft.)	480,738	137,695	159,638	18,664	796,735
Weighted average rent (\$/sq. ft.) - Renewed	\$16.41	\$15.00	\$20.00	\$25.81	\$17.11
Weighted average rent (\$/sq. ft.) - Expired	\$15.70	\$14.60	\$19.52	\$24.81	\$16.49
Renewal spread	4.5%	2.7%	2.5%	4.0%	3.8%
New leasing (sq. ft.)	161,483	40,290	4,161	-	205,934
Weighted average rent (\$/sq. ft.)	\$14.27	\$18.27	\$30.63	-	\$15.38
Expiries not renewed (sq. ft.)	79,971	13,347	-	5,750	99,068
Weighted average rent (\$/sq. ft.)	\$14.20	\$13.12	-	\$25.52	\$14.71
2023					
Expiries (sq. ft.)	443,438	145,718	24,999	27,101	641,256
Weighted average rent (\$/sq. ft.)	\$11.93	\$14.71	\$12.73	\$31.51	\$13.42

In addition, for the twelve months ended December 31, 2022, the Trust completed 236 thousand square feet of new and renewal leasing deals on developments and redevelopments at market rates and 207 thousand square feet of new and renewal leasing deals at market rates at non-consolidated investments. In total, including developments, redevelopments and non-consolidated investments, the Trust completed 1.4 million square feet of new and renewal leasing deals for the year-ended December 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 98.1% at December 31, 2022, compared to 97.2% at December 31, 2021.
- Committed occupancy for enclosed malls was 89.8% at December 31, 2022, compared to 86.2% at December 31, 2021.
- Committed occupancy for single use assets was 100.00% at December 31, 2022, compared to 99.8% at December 31, 2021.
- Pre-leased space in active properties under development was 91.8% at December 31, 2022.

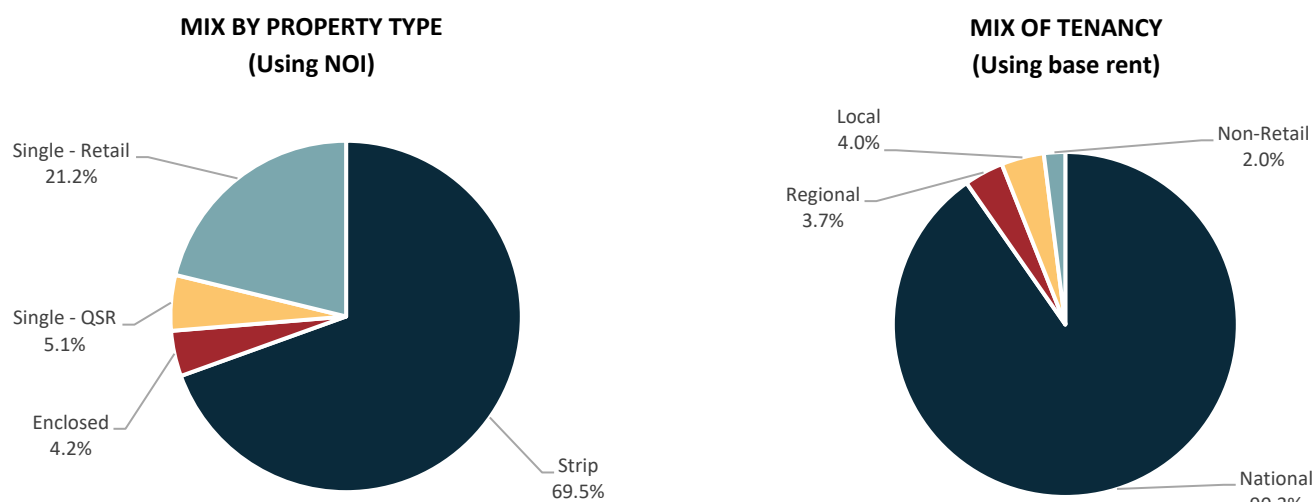
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Plaza has built a portfolio with a high quality revenue stream. Plaza's ten largest tenants based upon current monthly base rents at December 31, 2022 represent approximately 53.3% of total base rent revenues in place.

	% of Base Rent Revenue ⁽⁷⁾		% of Base Rent Revenue ⁽⁷⁾
1. Shoppers Drug Mart/Loblaw ⁽¹⁾	25.0	6. Canadian Tire Group ⁽⁵⁾	3.4
2. Dollarama	6.1	7. Staples	3.0
3. KFC ⁽²⁾	3.8	8. Bulk Barn	1.8
4. TJX Group ⁽³⁾	3.5	9. RBI ⁽⁶⁾	1.7
5. Sobeys Group ⁽⁴⁾	3.4	10. Giant Tiger	1.6
Total: 53.3%			

- (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) Sobeys Group represents the following stores: Sobeys, IGA, Sobeys Fast Fuel and Lawtons.
- (5) Canadian Tire Group represents the following stores: Canadian Tire, Mark's/L'Équipeur, Party City, PartSource, Sport Chek, and Sports Experts.
- (6) RBI represents the following stores: Tim Hortons, Burger King, Popeyes and Firehouse Subs.
- (7) 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

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margins, maintenance capital expenditures, debt service requirements, the satisfaction of statutory tests imposed by the laws governing Plaza for the declaration of distributions and other conditions, among other things. Plaza may also look at other capital market factors when determining distributions. Profit under IFRS is not used by Plaza when setting the annual distribution, as profit reflects, among other things, non-cash fair value adjustments relating to the Trust's income producing property and convertible debentures – items that are not reflective of Plaza's ability to pay distributions. 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 December 31, 2022 (unaudited)	3 Months Ended December 31, 2021 (unaudited)	12 Months Ended December 31, 2022 (unaudited)	12 Months Ended December 31, 2021 (unaudited)
(000s)				
Cash distributions paid ⁽¹⁾	\$ 7,208	\$ 7,208	\$ 28,836	\$ 28,832

⁽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 December 31, 2022 (unaudited)	3 Months Ended December 31, 2021 (unaudited)	12 Months Ended December 31, 2022 (unaudited)	12 Months Ended December 31, 2021 (unaudited)
(000s)				
Cash provided by operating activities ⁽¹⁾	\$ 11,022	\$ 11,999	\$ 38,469	\$ 47,873
Cash distributions paid to Class B exchangeable LP unitholders	84	84	334	334
Cash provided by operating activities excluding distributions paid to Class B exchangeable LP unitholders	\$ 11,106	\$ 12,083	\$ 38,803	\$ 48,207
Total distributions ⁽²⁾	(7,208)	(7,208)	(28,836)	(28,832)
Excess of cash provided by operating activities over total distributions	\$ 3,898	\$ 4,875	\$ 9,967	\$ 19,375

⁽¹⁾ Cash provided by operating activities is presented net of interest paid.

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

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

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	4,487	537	(11,587)
December 31, 2022 ⁽¹⁾	\$ 37,800	\$ 2,008	\$ -
Interest rate	Prime + 0.75% or BA + 2.00%	Prime + 0.75% or BA + 2.25%	Prime + 0.75% or BA + 2.00%
Maturity	July 31, 2023	July 31, 2023	July 31, 2023
Security	First charges on pledged properties	First charges on applicable pledged development property	First charges on applicable pledged development property
Other terms	Debt service, maximum leverage, occupancy & equity maintenance covenants	Debt service & maximum leverage covenants	Debt service, maximum leverage, occupancy & equity maintenance covenants
Line reservations available for letters-of-credit	\$2.0 million	\$1.5 million	\$0.5 million
Issued and outstanding	\$0.7 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 these facilities mature it is anticipated they will be renewed. As of December 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 (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 December 31, 2022 is comprised of \$7.3 million of cash, \$16.5 million available to be drawn on the operating line, \$33.0 million of unused development facilities, \$9.3 million of unused construction facilities at consolidated properties, \$4.8 million of unused construction facilities at non-consolidated investments at 100%, and unencumbered assets with a value of approximately \$18.2 million.

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Interim Facilities

(000s)	Interest Rate Range	Maturity Dates	December 31, 2022	December 31, 2021
\$9.7 million interim facility	Prime plus 1.50% or BA plus 2.50%	March 16, 2023	\$ 9,150	\$ 9,500
\$1.2 million unsecured interest-only loan	Prime plus 1.05% (min 5.00%)	January 15, 2024	1,171	1,171
\$10.08 million secured non-revolving construction credit facility	Prime plus 1.00% or BA plus 2.25%	April 24, 2023	9,980	8,855
\$8.8 million interim facility	Prime plus 1.00% or BA plus 2.50%	August 13, 2023	8,017	3,258
\$6.75 million interim facility	Prime plus 1.00% or BA plus 2.50%	December 20, 2023	3,750	3,750
\$6.2 million interim facility	Prime plus 0.9% or BA plus 2.15%	July 28, 2024	6,238	-
\$6.75 million interim facility	Prime plus 0.95%	April 11, 2024	6,073	-
\$7.25 million interim facility	Prime plus 1.00% or BA plus 2.50%	June 21, 2024	2,407	-
Total interim facilities			\$ 46,786	\$ 26,534

Funding is generally secured by first mortgage charges on properties or development properties as applicable. These interim facilities are in place for financing the construction and development of specific properties. As they mature it is expected they will either be extended until construction has been completed or will be converted to long-term mortgages on completion of the construction projects. The Trust must maintain certain financial ratios to comply with certain facilities. As of December 31, 2022, all debt covenants in respect of the above facilities have been maintained.

Mortgage Bonds

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

(000s)	Series X.2	Series X.2	Series X.2	Series X.2	Series XII	Series XII	Series XII
Interest rate	6.00%	4.25%	6.00%	4.75%	3.75%	4.25%	4.75%
Maturity date	June 25, 2023	June 25, 2023	December 25, 2023	June 25, 2024	January 15, 2023	July 15, 2023	July 15, 2024
Amount	\$250	\$725	\$500	\$1,510	\$1,285	\$85	\$435

The Series X.2 and XII mortgage bonds can be deployed up to 90% of the cost of a property under a first or second charge on that property. If it is a second charge, the total debt, including mortgage bonds, cannot exceed 90%. These mortgage bonds can be reallocated to different properties from time to time as required.

On June 25, 2022, \$3.2 million Series X.2 mortgage bonds matured. Of the \$3.2 million that matured, \$1.2 million were repaid at that time, \$2.0 million were renewed and an additional \$1.0 million were issued.

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

On December 25, 2022, \$750 thousand Series X.2 mortgage bonds were renewed with an interest rate of 6% per annum. Of the \$750 thousand, \$250 thousand were renewed six months to June 25, 2023, and \$500 thousand were renewed twelve months to December 25, 2023.

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

Debentures

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

(000s)	Convertible Series E (TSX: PLZ.DB.E)	Convertible Series VIII	Non-convertible Series II
Interest rate	5.10%	5.95%	5.00%
Conversion price	\$5.65	\$4.75	n/a
Par call date	April 1, 2022	March 31, 2025	n/a
Maturity date	March 31, 2023	March 31, 2026	February 28, 2027
Face amount	\$47,250	\$12,019	\$3,537

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

The Trust has signed a commitment for a \$37.0 million bridge loan, from a schedule I bank, with a term of one year, maturing March 31, 2024, and an interest rate of prime plus 1.25% or BAs plus 2.25%. The proceeds of this loan, along with proceeds from certain asset sales, will be used to repay the Series E convertible debentures on maturity.

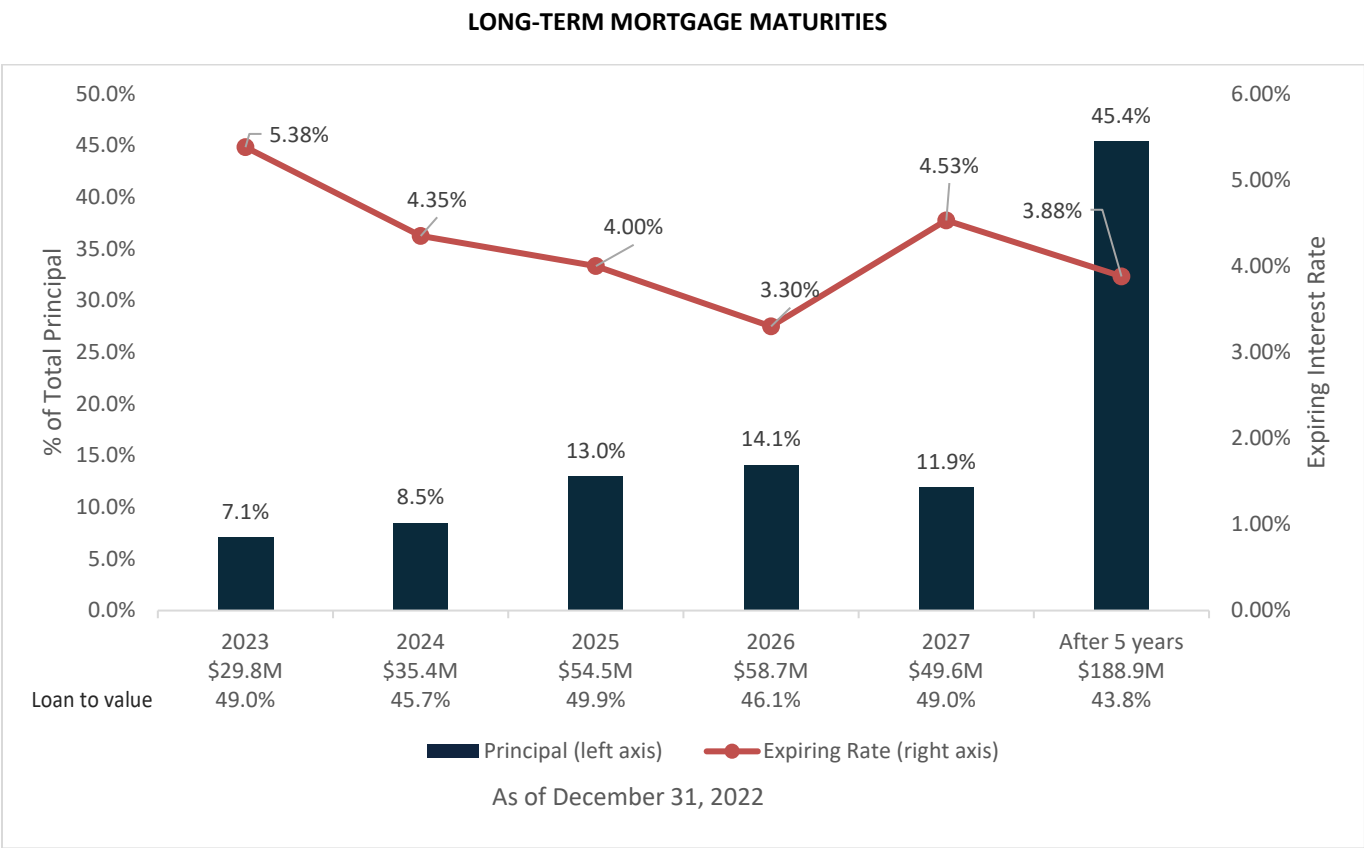
Mortgages

During 2022, the Trust renewed or obtained new long-term fixed-rate financing totaling \$81 million with a weighted average term of 6.9 years and a weighted average interest rate of 4.74%.

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

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

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



The weighted average term to maturity for the long-term mortgages is 5.3 years. The average remaining repayment (amortization) period on long-term mortgage debt is 24.0 years.

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Debt Service Ratios

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

	3 Months Ended December 31, 2022 (unaudited)	3 Months Ended December 31, 2021 (unaudited)	12 Months Ended December 31, 2022 (unaudited)	12 Months Ended December 31, 2021 (unaudited)
(000s – except debt service ratios)				
Profit and total comprehensive income for the period	\$ 14,185	\$ 40,735	\$ 54,221	\$ 100,489
Add (deduct):				
Income taxes	(81)	593	175	770
Finance costs	7,276	6,720	28,393	27,845
Finance costs – convertible debenture costs	-	-	-	370
Fair value adjustment to investment properties	(6,384)	(29,985)	(8,187)	(58,376)
Fair value adjustment to investments ⁽¹⁾	1,095	(65)	(49)	(9)
Fair value adjustment to convertible debentures	267	(930)	(693)	1,903
Fair value adjustment to Class B exchangeable LP units	667	262	(286)	1,322
Fair value adjustment to restricted and deferred units	206	66	(40)	280
Fair value adjustment to interest rate swaps	2	(168)	(4,264)	(2,604)
Fair value adjustment to right-of-use land lease assets	197	193	780	760
Equity accounting adjustment for interest rate swaps ⁽²⁾	2	(46)	(327)	(229)
Adjusted EBITDA⁽³⁾	\$ 17,432	\$ 17,375	\$ 69,723	\$ 72,521
Finance costs ⁽⁴⁾	\$ 7,196	\$ 6,657	\$ 27,941	\$ 27,350
Periodic principal repayments ⁽⁵⁾	3,350	3,233	13,489	12,807
Total debt service	\$ 10,546	\$ 9,890	\$ 41,430	\$ 40,157
Debt service ratios				
Interest coverage ratio ⁽³⁾	2.42 times	2.61 times	2.50 times	2.65 times
Debt coverage ratio ⁽³⁾	1.65 times	1.76 times	1.68 times	1.81 times

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

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

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

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

(5) Includes land lease principal repayments.

For the three months ended December 31, 2022, the interest and debt coverage ratios were impacted by higher finance costs. For the twelve months ended December 31, 2022 the interest and debt coverage ratios were impacted by lower EBITDA as a result of prior year lease termination revenues of \$3.2 million received and included in EBITDA.

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

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Debt to Gross Assets

Plaza's debt to gross assets is presented below:

	December 31, 2022	December 31, 2021
Debt to gross assets⁽¹⁾ (000s)		
Total debt including convertible debentures ⁽¹⁾⁽²⁾	\$ 708,697	\$ 677,967
Less: convertible debentures at face value	(59,269)	(59,269)
Total debt excluding convertible debentures	\$ 649,428	\$ 618,698
Total gross assets	\$ 1,269,011	\$ 1,214,834
Debt to gross assets including convertible debentures⁽¹⁾	55.8%	55.8%
Debt to gross assets excluding convertible debentures⁽¹⁾	51.2%	50.9%

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

(2) Total debt includes current and long-term debt defined for this purpose as mortgage bonds, mortgages payable, derivative liabilities, face value of convertible debentures, non-convertible debentures, notes payable, land lease liabilities and bank indebtedness.

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

Units

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

At February 23, 2023 (000s) (unaudited)	Units
Current outstanding units	101,798
Class B exchangeable LP units	1,191
Series VIII convertible debentures	2,530
Series E convertible debentures	8,363
Total adjusted units outstanding	113,882

On September 26, 2022, the Trust announced that it had received approval from the TSX for the renewal of its normal course issuer bid ("NCIB") for a further year. Plaza's prior NCIB expired on September 27, 2022. The period of the renewed NCIB commenced on September 28, 2022, and will conclude on the earlier of the date on which purchases under the bid have been completed or September 27, 2023. Under the terms of the renewed NCIB, the Trust can purchase up to 6,478,960 of its issued and outstanding units through the facilities of the TSX and/or any alternative trading system in Canada. Subject to certain prescribed exemptions and any block purchase made in accordance with the rules of the TSX, daily purchases made by the Trust may not exceed 13,703 units, representing 25% of the average daily trading volume of the units on the TSX for the six-month period ended August 31, 2022 (being 54,815 units). All units that are purchased under the renewed NCIB will be cancelled (on a monthly basis, on or before the record date for each monthly distribution). Unitholders may obtain a copy of the NCIB renewal notice, without charge, by contacting the Trust.

Plaza also entered into a new automatic securities purchase plan agreement (the "Purchase Plan") with its designated broker in order to facilitate purchases of units under the renewed NCIB. The Purchase Plan, which was pre-cleared by the TSX, allows for purchases of units by Plaza at times when it would ordinarily not be permitted to make purchases due to regulatory restrictions or self-imposed blackout periods. The Purchase Plan will terminate on September 27, 2023.

For the year ended December 31, 2022, 18,742 units have been repurchased for cancellation under Plaza's former and renewed NCIB at a weighted average price of \$4.2557. With this, to December 31, 2022, Plaza has purchased a total of 1,164,153 units for cancellation since the commencement of the original NCIB on September 28, 2018 at a weighted average price of \$4.0202.

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 remaining life of 32 years, with some of the leases also containing non-automatic renewal options, extending the average remaining life of the leases to 58 years including these non-automatic renewal options. Of the 27 land leases, 11 of the land leases have options to purchase, generally at fair market value. At December 31, 2022, the recorded amount of the right-of-use assets and land lease liabilities is \$65.2 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.

(000s) Related Parties:	Land Rent Paid	
	December 31, 2022	December 31, 2021
A company beneficially-owned by Earl Brewer and Michael Zakuta	\$ 1,200	\$ 1,200

Gross Capital Additions Including Leasing Fees:

(000s)	3 Months Ended December 31, 2022 (unaudited)	3 Months Ended December 31, 2021 (unaudited)	12 Months Ended December 31, 2022 (unaudited)	12 Months Ended December 31, 2021 (unaudited)
Existing properties				
Leasing commissions	\$ 172	\$ 58	\$ 356	\$ 293
Other leasing costs	1,644	1,678	5,141	4,317
	1,816	1,736	5,497	4,610
Maintenance capital expenditures	638	711	1,788	2,030
Total capital additions – existing properties	2,454	2,447	7,285	6,640
Development/redevelopment properties				
Leasing commissions	15	73	288	173
Other leasing costs	1,073	2,372	7,166	6,461
Capital additions	9,397	1,577	22,656	9,625
Total capital additions - developments/redevelopments	10,485	4,022	30,110	16,259
Total gross additions per statements of cash flows⁽¹⁾	\$ 12,939	\$ 6,469	\$ 37,395	\$ 22,899
Reconciliation of leasing costs for AFFO purposes				
Leasing costs – existing properties per above	\$ 1,816	\$ 1,736	\$ 5,497	\$ 4,610
Internal leasing salaries	190	219	1,047	944
Total leasing costs – existing properties for AFFO purposes	\$ 2,006	\$ 1,955	\$ 6,544	\$ 5,554

⁽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 \$24 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 December 31, 2022 in respect of certain projects under development and other long-term obligations are as follows:

(000s)	Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	After 5 Years	Face Value Total
Mortgages – periodic payments	\$ 12,130	\$ 11,753	\$ 12,208	\$ 9,336	\$ 8,108	\$ 20,061	\$ 73,596
Mortgages – due at maturity	24,139	33,640	52,708	58,692	49,551	188,890	407,620
Development lines of credit	2,008	-	-	-	-	-	2,008
Interim loan facilities	30,897	14,718	-	-	-	-	45,615
Unsecured interest-only loans	5,643	2,971	1,800	-	-	-	10,414
Bank indebtedness	37,800	-	-	-	-	-	37,800
Mortgage bonds payable	2,845	1,945	-	-	-	-	4,790
Debentures ⁽¹⁾	47,250	-	-	12,019	3,537	-	62,806
Land leases ⁽²⁾	3,288	3,325	3,363	3,394	3,423	115,057	131,850
Development activities	23,994	-	-	-	-	-	23,994
	\$ 189,994	\$ 68,352	\$ 70,079	\$ 83,441	\$ 64,619	\$ 324,008	\$ 800,493

⁽¹⁾ Stated at face value.

⁽²⁾ Land leases expire on dates ranging from 2027 to 2084 (including automatic renewal periods) with non-automatic renewal options ranging from 5 to 70 years.

Management believes that all mortgages maturing in 2023 will be renewed or refinanced as they come due. The overall loan to value on these mortgages is estimated at 46.0%.

The Trust has signed a commitment for a \$37.0 million bridge loan, from a schedule I bank, with a term of one year, maturing March 31, 2024, and an interest rate of prime plus 1.25% or BAs plus 2.25%. The proceeds of this loan, along with proceeds from certain asset sales, will be used to repay the Series E convertible debentures on maturity.

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 December 31, 2022 totals \$4.2 million with a weighted average remaining term of 0.1 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 December 31, 2022 totals \$5.3 million with a weighted average remaining term of 3.5 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 December 31, 2022 totals \$7.2 million with a weighted average remaining term of 5.0 years.

The Trust guarantees a \$3.7 million commitment relating to the mortgage of an asset sold in 2018, with a weighted average remaining term of 1.6 years at December 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 \$14.0 million. Cross indemnities are in place for certain of these properties from co-venturers.

PART IV
SUMMARY OF SELECTED QUARTERLY INFORMATION

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

(000s except per unit and percentage data) (unaudited)	Q4'22	Q3'22	Q2'22	Q1'22	Q4'21	Q3'21	Q2'21	Q1'21
Revenues	\$29,326	\$27,609	\$27,754	\$27,904	\$27,383	\$26,597	\$29,944	\$26,708
Net property operating income ⁽¹⁾	\$17,590	\$18,156	\$17,705	\$17,130	\$17,188	\$18,079	\$20,204	\$16,308
Profit and total comprehensive income	\$14,185	\$7,236	\$6,968	\$25,832	\$40,735	\$27,908	\$19,622	\$12,224
Distributions per unit	7.0¢	7.0¢	7.0¢	7.0¢	7.0¢	7.0¢	7.0¢	7.0¢
Funds from operations per unit – basic ⁽¹⁾	9.9¢	10.4¢	10.0¢	9.9¢	10.5¢	11.0¢	12.7¢	9.3¢
Funds from operations per unit – diluted ⁽¹⁾	9.7¢	10.1¢	9.7¢	9.6¢	10.2¢	10.6¢	12.1¢	9.1¢
Adjusted funds from operations per unit – basic ⁽¹⁾	7.3¢	8.0¢	8.1¢	8.8¢	8.0¢	9.2¢	10.8¢	8.4¢
Adjusted funds from operations per unit – diluted ⁽¹⁾	7.3¢	8.0¢	8.0¢	8.6¢	7.9¢	9.0¢	10.5¢	8.3¢
Distributions as a percentage of basic FFO ⁽¹⁾	70.4%	67.2%	70.2%	71.0%	66.9%	63.6%	55.2%	75.4%
Distributions as a percentage of basic AFFO ⁽¹⁾	95.8%	87.1%	86.8%	79.4%	87.9%	76.3%	64.6%	83.1%
Gross Leasable Area (000s of sq. ft.) (at 100%, excluding properties under development/redevelopment)								
Total income producing properties	7,926	7,945	7,869	7,863	7,819	7,781	7,808	7,814
Occupancy % (at 100%, excluding properties under development/redevelopment)								
Total income producing properties	97.5%	97.2%	96.6%	96.3%	96.5%	96.2%	95.9%	95.8%

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

During the last eight quarters occupancy has remained high which contributes to stable cash flow. Significant fluctuations in profit and loss are mainly due to non-cash fair value adjustments on the Trust's investment properties and debt instruments.

Some of Plaza's leases have common cost recoveries from tenants linked to CPI or otherwise have caps on operating cost recoveries. At December 31, 2022, approximately 48.1% of the Trust's leased area is tied to a CPI cost recovery formula. As well, anchor tenant leases may restrict common area maintenance (also referred to as "CAM") cost recoveries. As a result of all of these factors, seasonal fluctuations in NOI, FFO and AFFO occur primarily due to winter costs, as well as yearly repair and maintenance activities which typically occur in spring and early summer, which may create inconsistencies in quarterly recovery revenues compared with quarterly expenses.

PART V

RISKS AND UNCERTAINTIES

All real property investments are subject to a degree of risk and uncertainty. Such 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 real property investments. Management attempts to manage these risks through geographic and retail asset class diversification in the portfolio. At December 31, 2022, the Trust held interests in 251 properties spread geographically across Canada.

Some of the more central risks to Plaza's business are outlined below. See Financial Instruments and Risk Management Note 29 to the December 31, 2022 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 and descriptions of other risks and uncertainties applicable to the Trust's business.

Interest Rate, Financing and Refinancing Risk

The recent increases in floating and fixed interest rates impacts the cost of debt and could further impact capitalization rates. Plaza has always utilized a conservative debt management strategy and attempts to lock in cash returns on assets for the long-term, considering exposure to debt maturing and leases expiring in any given year. Matching as closely as possible the debt term on a particular asset with its average lease term helps ensure that interest rate increases could be offset by increases in rental rates.

The Trust also mitigates interest rate risk by maintaining the majority of its debt at fixed rates. Floating rate debt is typically used on Plaza's operating line of credit and for development or redevelopment projects as interim financing, until the projects are completed and are then able to attract the appropriate long-term financing. The hypothetical impact of a 1% change in interest rates on floating rate debt would be approximately \$837 thousand.

The Trust mitigates its exposure to fixed-rate interest risk on its debt by staggering maturities and future financing obligations in order to avoid excessive amounts of debt maturing in any one year, and by generally using small individual debt issuances to mitigate exposure on individual debt maturities. If market conditions warrant, the Trust may attempt to renegotiate its existing debt to take advantage of lower interest rates. The Trust has an ongoing requirement to access the debt markets and there is a risk that lenders will not refinance such maturing debt on terms and conditions acceptable to the Trust or on any terms at all. The Trust works with numerous lenders to manage exposure to any single lender. Management believes that all debts maturing over the next year will be able to be financed or refinanced as they come due.

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

Credit Risk

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

Currently one tenant, Shoppers Drug Mart/Loblaws, represents 25.0% of current monthly base rents in place, Dollarama represents 6.1% and franchisees of KFC represent 3.8%. The top 10 tenants collectively represent approximately 53.3% of current monthly base rents in place. National and regional tenants represent 94.0% of the tenant base, based on base rents in place.

Lease Roll-Over and Occupancy Risk

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

Plaza's principal management of occupancy risk is the skewing of tenancies towards national tenants, the signing of longer term leases and significant pre-leasing of development space. As well, management attempts to stagger the lease expiry profile so that Plaza is not faced with a disproportionate amount of square footage of leases expiring in any one year. Management further

mitigates this risk by maintaining a diversified portfolio mix by geographic location and ensuring that the Trust maintains a well-staffed and highly skilled leasing department.

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

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

Development and Acquisition Risk

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

Environmental Risk

As an owner of real property in Canada, Plaza is subject to various laws relating to environmental matters which deal primarily with liability for damages or costs with respect to the release of hazardous, toxic or other regulated substances into the environment, such as asbestos or petroleum products, and the removal or other remediation thereof. Applicable laws may impose liability regardless of whether the property owner knew of, or was responsible for, the presence of such substances. Environmental risk is relevant to Plaza's ability to sell or finance affected assets and could potentially result in liabilities for the costs of removal or other remediation of hazardous, toxic or other regulated substances or claims against Plaza. Management is not aware of any material non-compliance with environmental laws or regulations with regard to Plaza's portfolio, or of any material pending or threatened actions, investigations or claims against Plaza relating to environmental matters. Plaza manages environmental exposures in a proactive manner during every aspect of the property life cycle including extensive due diligence in respect of environmental risk before any purchase or development.

Status of the REIT

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

Supply Chain Constraints and Labour Shortages

Supply chain constraints continue, which impacts delivery timelines and costs of certain products. Labour shortages in certain industries may also impact certain of Plaza's tenants. Plaza will continue to monitor and follow all public health guidelines to ensure the safety of its tenants, customers and employees.

PART VI

RELATED PARTY TRANSACTIONS

Notes Payable to Related Parties

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

(000s)	December 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)	December 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 December 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.

(000s)	Land Rent Paid	
	December 31, 2022	December 31, 2021
Related Parties:		
A company beneficially-owned by Earl Brewer and Michael Zakuta	\$ 1,200	\$ 1,200

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

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

Plaza Retail REIT

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:

(000s)	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	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Related Party:				
Earl Brewer	\$ 410	\$ 416	\$ 39	\$ 40
Barbara Trenholm	\$ 1	\$ 3	\$ 7	\$ 13
Michael Zakuta	\$ 458	\$ 463	\$ 56	\$ 61

PART VII

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

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

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

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

The Trust’s Chief Executive Officer and Chief Financial Officer evaluated, or under their supervision caused to be evaluated, the design and operating effectiveness of the Trust’s DC&P and ICFR (as defined in National Instrument 52-109, *Certification of Disclosure in Issuers’ Annual and Interim Filings*) as at December 31, 2022. Based on that evaluation they determined that at December 31, 2022, the design and operation of the Trust’s DC&P were effective to ensure that material information relating to the Trust would have been known to them and that information required to be disclosed by the Trust is recorded, processed, summarized, and reported on a timely basis and within the time period specified in securities legislation. Management has also determined that as at December 31, 2022 the Trust’s ICFR were appropriately designed and operating effectively in accordance with the criteria established in the *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

During the twelve months ended December 31, 2022, there were no changes in the Trust’s DC&P and ICFR that occurred that have materially affected, or are reasonably likely to materially affect, the Trust’s DC&P and ICFR.

CRITICAL ACCOUNTING POLICIES

Critical Accounting Estimates

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

(i) Investment properties

Investment properties, which are carried on the consolidated statements of financial position at fair value, are valued either by the Trust’s internal valuation team or by external independent appraisers. The valuations are based on a number of significant assumptions, such as capitalization rates, future stabilized net operating income and capital expenditures. The determination of future stabilized net operating income involves assumptions regarding future rental income and operating expenses. These investment properties are sensitive to fluctuations in capitalization rates.

(a) Internal approach – direct capitalization method

Income producing properties are valued using the direct capitalization method. Under this method, fair value is estimated by applying capitalization rates to future stabilized net operating income (property revenue less property operating expenses), with

the resulting value reduced by any costs required to achieve stabilization. Future stabilized net operating income adjusts net operating income for items such as market property management fees, or in the case of development properties, to reflect full intended occupancy (less a normal vacancy allowance). The Trust utilizes quarterly capitalization rate matrices provided by an external appraiser. The capitalization rate matrices provide a range of rates for various geographic regions and for various types and qualities of properties within each region. The Trust generally utilizes capitalization rates within the range of rates provided. To the extent that the externally provided capitalization rate ranges change from one reporting period to the next or should another rate within the provided ranges be more appropriate than the rate previously used, the fair value of the investment properties would increase or decrease accordingly.

(b) External appraisals

Independent appraisals are obtained in the normal course of business. When an independent appraisal is obtained, the internal valuation team assesses all major inputs used by the independent valuers in preparing their reports and holds discussions with them on the reasonableness of their assumptions. Where warranted, adjustments will be made to the internal valuations prepared using the direct capitalization method to reflect the assumptions contained in the external valuations, and/or the external valuation will be utilized for valuation purposes.

At December 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 \$32.1 million. An increase of 0.25% in the capitalization rates used would have resulted in a decrease in investment properties of approximately \$29.7 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" (the 2020 amendments), providing a more general approach to the classification of liabilities based on the contractual agreements in place at the reporting date. On October 31, 2022 the IASB issued Non-current Liabilities with Covenants (Amendments to IAS 1) (the 2022 amendments), to improve the information provided about long-term debt with covenants. The 2020 amendments and the 2022 amendments (collectively "the Amendments") are effective for annual reporting periods beginning on or after January 1, 2024. Earlier adoption is permitted.

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

Plaza intends to adopt the amendments in its consolidated financial statements beginning on January 1, 2024, when the amendments become effective.

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 termination revenue. Excluding these items enables the users to better understand the period over period performance for a consistent pool of assets from contractual rental rate changes embedded in lease agreements, and the impact of leasing and occupancy on the same-asset portfolio. See the reconciliation of same-asset NOI to NOI in Part II of this MD&A under the heading "Property and Corporate Financial Performance".

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

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

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

ADDITIONAL INFORMATION

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

PROPERTIES OF THE TRUST

A chart listing the Trust's properties at December 31, 2022 can be accessed on Plaza's website at www.plaza.ca.

APPENDIX A**FOURTH QUARTER 2022 INCOME RESULTS****Consolidated Statements of Comprehensive Income**

(000s) (unaudited)	3 Months Ended December 31, 2022	3 Months Ended December 31, 2021
Revenues	\$ 27,978	\$ 27,383
Operating expenses	(10,388)	(10,195)
Net property operating income	17,590	17,188
Share of profit of associates	(561)	1,028
Administrative expenses	(2,180)	(1,701)
Investment income	177	121
Other income	1,103	784
Income before finance costs, fair value adjustments and income taxes	16,129	17,420
Finance costs	(7,276)	(6,720)
Finance costs – net change in fair value of convertible debentures	(267)	930
Finance costs – net change in fair value of Class B exchangeable LP units	(667)	(262)
Finance costs – net change in fair value of interest rate swaps	(2)	168
Net change in fair value of right-of-use land lease assets	(197)	(193)
Net change in fair value of investment properties	6,384	29,985
Profit before income tax	14,104	41,328
Income tax recovery (expense)		
- Current	35	135
- Deferred	46	(728)
	81	(593)
Profit and total comprehensive income for the period	\$ 14,185	\$ 40,735
Profit and total comprehensive income for the period attributable to:		
- Unitholders	\$ 14,154	\$ 40,735
- Non-controlling interests	31	-
	\$ 14,185	\$ 40,735