



QUARTERLY REPORT

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

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

JUNE 30, 2024

DATED: AUGUST 1, 2024

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PRESIDENT’S MESSAGE

Fellow Unitholders:

As we pass the midpoint of the fiscal year, one thing is very clear - essential needs and value retail fundamentals in Canada remain strong and continue to drive our growth. Population expansion across the markets in which we operate adds to the conviction we have for our existing assets and the opportunities for further development. With our focused pure play retail strategy and these strong fundamentals, we are well positioned and offer a compelling investment opportunity.

Throughout the first half of the year, we made progress on certain development projects in planning, which are now nearing the construction phase. Leasing demand at these properties remains robust, and our team is working hard to advance these projects. We continue to answer to the evolving needs of our tenants, whether building new, expanding existing properties or recycling existing space. Construction costs continue to stabilize, which will assist the long-term performance of our development program.

Our existing portfolio continues to be a significant part of our business, and tenant demand here also remains strong. We are in regular discussions with our key tenants to lease existing space, and we are constantly exploring the opportunity to create new space. It is clear that the need and demand for non-discretionary retail, such as our value and essential needs tenants, is strong, as renewal spreads exceeded 11% for our open-air centres. Solid leasing and operating performance has also allowed us to achieve occupancy levels north of 97% and same asset NOI growth of 3.2%. We are extremely proud of this performance.

At the beginning of the year, we targeted certain non-core dispositions under our capital recycling program. I am pleased to report that this program is progressing well. Appetite for smaller, stabilized retail remains robust, as many investors are actively seeking a steady income stream from real assets.

Term debt continues to be readily available for our assets and pricing remains compelling. Since last quarter, we have seen a continued drop in bond yields, which reduces our cost of term debt. Along with decreases in the overnight interest rate, this is positive for our business. Lower rates will help contribute to our overall success and fuel FFO growth as the year progresses.

Looking forward, we are ready to build upon our successes and explore avenues that create value and maximize total returns for unitholders.

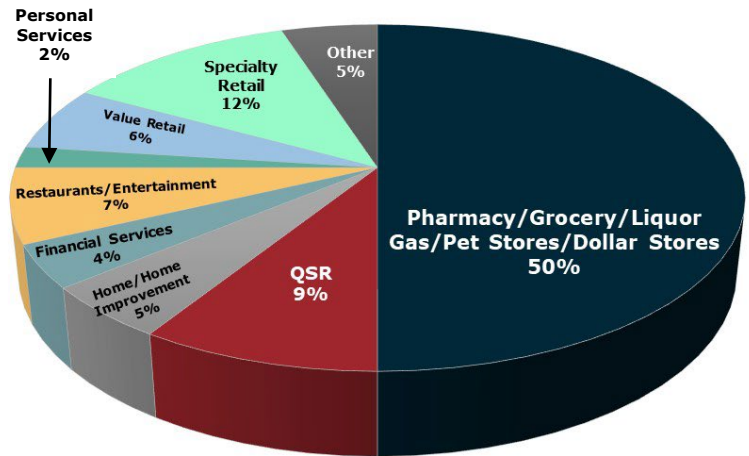
I wish to extend my thanks to all our stakeholders, including our unitholders and our team members for the continued support and hard work throughout the first half of 2024.

Sincerely,

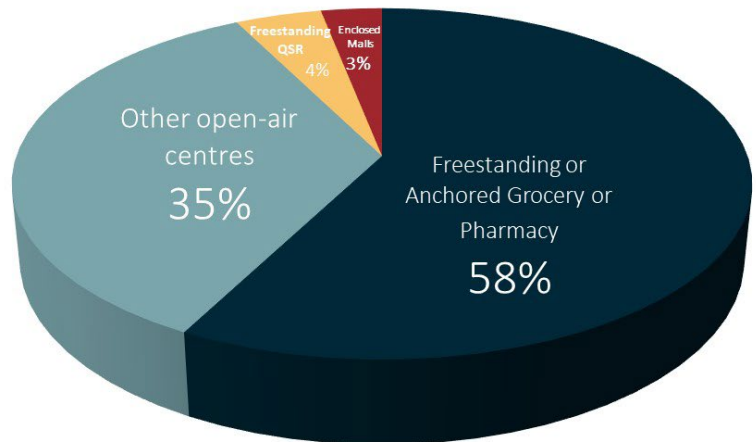


Michael Zakuta
President and CEO

**REVENUE BY RETAIL CATEGORY
(based on base rents)**



VALUE BY PROPERTY TYPE⁽¹⁾



(1) Excluding non-consolidated entities

PART I

BASIS OF PRESENTATION

Financial information contained in this Management's Discussion and Analysis ("MD&A") includes information up to August 1, 2024, and all information is current to that date, unless otherwise noted. The financial statements to which this MD&A relates were prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board ("IASB").

Unless the context indicates otherwise, references to "Plaza", the "Trust", "we", "us" and "our" in this MD&A refer to Plaza Retail REIT and its consolidated operations. This MD&A should be read in conjunction with the Trust's condensed interim consolidated financial statements and the notes thereto for the three and six months ended June 30, 2024 and 2023. Historical results, including trends which might appear, should not, however, be taken as indicative of future operations, performance or results. This MD&A should also be read in context of "Forward-Looking Statements" as provided below.

This MD&A has been reviewed and approved by management of the Trust and authorized for issue by the Audit Committee on behalf of the board of trustees (the "Board").

All amounts in this MD&A are reported in thousands of Canadian dollars, except where otherwise noted.

NON-GAAP FINANCIAL MEASURES

In addition to using financial measures determined in accordance with IFRS Accounting Standards, Plaza also measures performance using certain additional non-GAAP financial measures and reports on these measures in this MD&A so that investors may do the same, including: funds from operations ("FFO"); adjusted funds from operations ("AFFO"); earnings before interest, taxes, depreciation and amortization ("EBITDA"); net property operating income ("NOI"); and same-asset net property operating income ("same-asset NOI"). These measures are widely used in the Canadian real estate industry and Plaza believes they provide useful information for 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 Accounting Standards and, therefore, may not be comparable to similar titled measures reported by other real estate investment trusts or entities. Please 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 STATEMENTS

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, 2023. 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, as they relate to the Trust and its management. 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; failure to realize anticipated benefits associated with development and redevelopment initiatives and the timelines and costs related to such initiatives; 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 ability to adapt to environmental and social risks and in the context of the Trust's environmental, social and governance disclosures, additional factors such as the availability, accessibility and sustainability of comprehensive and quality data, and the development of applicable national and international laws, policies and 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 could also cause actual results or events to differ

Plaza Retail REIT

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 reflect Plaza's expectations only as of the date of this MD&A. Except as required by applicable law, Plaza does not undertake to update or revise any forward-looking statements, whether as a result of new information or circumstances, future events or otherwise.

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 February 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-four-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 June 30, 2024, includes interests in 225 properties totaling approximately 8.9 million square feet (which are predominantly occupied by national tenants), and additional lands held for development. These include properties indirectly held by Plaza through its subsidiaries and through joint arrangements.

	Number of Properties June 30, 2024 ⁽¹⁾	Gross Leasable Area (sq. ft.) June 30, 2024 ^{(1) (2)}	Number of Properties December 31, 2023 ⁽¹⁾	Gross Leasable Area (sq. ft.) December 31, 2023 ^{(1) (2)}
Alberta	2	34,238	2	34,238
Manitoba	1	17,018	1	17,018
Newfoundland and Labrador	12	839,365	12	839,250
New Brunswick	51	1,986,146	53	1,992,318
Nova Scotia	30	1,237,743	32	1,246,012
Ontario	48	1,814,177	50	1,836,800
Prince Edward Island	10	558,856	10	559,493
Quebec	71	2,385,122	72	2,386,185
Total	225	8,872,665	232	8,911,314

(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 take advantage of opportunities in the marketplace. Plaza has always been dedicated to growing the business and improving the quality of its portfolio through value-add developments and redevelopments, opportunistic acquisitions, and sales of non-core assets. Its properties are primarily leased to national retailers with a focus on retailers in the essential needs, value, and convenience market segments. These segments are generally more resilient and tend to withstand, and potentially outperform, broader economic conditions and provide stable cash flow.

Plaza Retail REIT

Tenant demand for new space remains strong, particularly from grocers and other essential needs, value, and convenience retailers. Although certain operating and construction costs, and timelines, continue to see pressure from labour shortages and inflation, the market is improving and stabilizing. Plaza will continue to take a measured approach to new development and redevelopment, while striving to complete projects that are sustainable and profitable.

Recent reductions in the overnight rate have started to have a positive impact, including reductions in Government of Canada bond yields. Although the market is improving, and inflation is starting to stabilize, higher interest rates and inflation concerns have impacted REIT results, the capital markets, and REIT unit prices. We believe our conservative debt management philosophy – pursuant to which we have maintained a 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 benefit the Trust and, among other things, help mitigate the impact of the current interest rate environment. Please see the discussion under “Risks and Uncertainties” in Part V for additional details.

On March 28, 2023, Plaza issued 8.548 million trust units on a bought deal-basis at a price of \$4.68 per unit, for gross proceeds of \$40 million. The proceeds were used to repay Plaza’s maturing Series E \$47.25 million convertible debentures on March 31, 2023.

DEVELOPMENT PIPELINE AND ACQUISITIONS/DISPOSITIONS

Development Pipeline

Development is an important component of Plaza’s business model, providing the Trust with an opportunity to add high quality real estate to its portfolio, at a reasonable cost. Plaza currently owns an interest in each of the following projects in planning, development or under construction which, upon completion, are expected to be accretive to Plaza’s earnings, create value and drive NAV growth:

Properties under development/redevelopment	Square Footage ⁽¹⁾	Ownership	Occupied or Committed at June 30, 2024 ⁽⁴⁾	Anticipated Completion Date ⁽⁵⁾
In Planning/In Development:				
Open-Air Centre:				
The Shoppes at Galway, St. John’s, NL - Phase A ⁽²⁾⁽³⁾	108,000	50%	n/a	2-3 years
The Shoppes at Galway, St. John’s, NL - Phase B ⁽²⁾⁽³⁾	17,500	50%	0%	1-2 years
The Shoppes at Galway, St. John’s, NL - Phase C-E ⁽²⁾⁽³⁾	87,000	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
Mapleview Dr., Barrie, ON	64,000	50%	20%	1-2 years
Niagara Street Plaza, Welland, ON	103,000	50%	6%	1-2 years
Les Immeubles SBT Drummondville, QC – Phase II.2	10,000	50%	n/a	1-2 years
Dieppe Boulevard Plaza, Dieppe, NB – Phase II ⁽³⁾	19,000	100%	n/a	1-2 years
Expansion:				
Petitcodiac Plaza, Dieppe (Moncton), NB - Phase II.2 ⁽³⁾	10,000	100%	n/a	2-3 years
Quispamsis Town Centre, Quispamsis, NB ⁽³⁾	2,500	50%	n/a	1-2 years
Millidge Avenue PJC, Saint John, NB ⁽³⁾	4,000	100%	n/a	1-2 years
L’Axe, Chicoutimi, QC	8,000	37.5%	20%	2-3 years
Under Construction:				
Open-Air Centre:				
Dieppe Boulevard Plaza, Dieppe, NB – Phase I ⁽³⁾	62,000	100%	100%	Q3 2024
Les Immeubles SBT Drummondville, QC – Phase II.1 ⁽³⁾	6,364	50%	100%	Q3 2024
The Shoppes at Galway, St. John’s, NL - Phase B ⁽²⁾⁽³⁾	15,200	50%	65%	Q2 2025
Expansion:				
100 Saint-Jude Nord, Granby, QC – Phase II.2 ⁽²⁾⁽³⁾	4,000	10%	100%	Q4 2024
Total	530,564			

(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, 154,203 square feet are included in the Trust’s GLA at June 30, 2024.

(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 Retail REIT

In addition to the properties under development or redevelopment noted above, at June 30, 2024, there is excess density at existing properties which would represent approximately 24 thousand additional square feet of gross leasable area, at Plaza's ownership percentage. There are also two land assemblies under purchase agreement at June 30, 2024 and subject to due diligence and/or other conditions. If completed, these land purchases will represent an additional 131 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 \$97 million and \$99 million, of which approximately \$57 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, the remaining costs to complete are between \$1 million and \$2 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 six months ended June 30, 2024, the Trust disposed of the following:

Properties Disposed (000s)	% Disposed	Gross Proceeds 6 Months Ended June 30, 2024
Quick Service Restaurants, non-core assets	100%	\$ 7,531
Non-core asset in Windsor, ON	100%	4,450
Total disposals		\$ 11,981

SUMMARY OF SELECTED YEAR TO DATE INFORMATION

(000s, except as otherwise noted)	6 Months Ended June 30, 2024 (unaudited)	6 Months Ended June 30, 2023 (unaudited)	6 Months Ended June 30, 2022 (unaudited)	
Financial Amounts				
Revenues	\$ 60,243	\$ 56,808	\$ 55,658	
NOI ⁽¹⁾	\$ 36,442	\$ 34,458	\$ 34,835	
Same-asset NOI ⁽¹⁾	\$ 35,606	\$ 34,496	N/A ⁽³⁾	
FFO ⁽¹⁾	\$ 20,543	\$ 20,066	\$ 20,420	
AFFO ⁽¹⁾	\$ 16,233	\$ 15,936	\$ 17,382	
EBITDA ⁽¹⁾	\$ 35,362	\$ 34,373	\$ 34,124	
Profit and total comprehensive income	\$ 11,893	\$ 20,736	\$ 32,800	
Total assets	\$ 1,256,541	\$ 1,261,012	\$ 1,244,354	
Total non-current liabilities ⁽⁸⁾	\$ 527,273	\$ 542,460	\$ 519,504	
Total mortgages, mortgage bonds, notes payable, face value of convertible debentures, non-convertible debentures, bank credit facilities, and right-of-use land lease liabilities	\$ 665,990	\$ 657,013	\$ 689,802	
Weighted average units outstanding ⁽²⁾	111,523	107,407	103,005	
Normal course issuer bid – units repurchased	5	11	5	
Amounts on a Per Unit Basis				
FFO ⁽¹⁾	\$ 0.184	\$ 0.187	\$ 0.198	
AFFO ⁽¹⁾	\$ 0.146	\$ 0.148	\$ 0.169	
Distributions	\$ 0.140	\$ 0.140	\$ 0.140	
Financial Ratios				
Weighted average interest rate – fixed rate mortgages	4.18%	4.06%	3.94%	
Debt to gross assets (excluding right-of-use land leases) ⁽¹⁾	51.3%	49.7%	53.2%	
Debt to gross assets (including right-of-use land leases) ⁽¹⁾	53.7%	52.3%	55.7%	
Interest coverage ratio ⁽¹⁾	2.41x	2.40x	2.51x	
Debt coverage ratio ⁽¹⁾	1.66x	1.66x	1.68x	
Distributions as a % of FFO ⁽¹⁾⁽⁴⁾	76.0%	75.8%	70.6%	
Distributions as a % of AFFO ⁽¹⁾⁽⁴⁾	96.2%	95.5%	83.0%	
Leasing Information				
Square footage leased during the period (total portfolio)	816,865	708,710	705,855	
Same-asset committed occupancy ⁽⁵⁾	97.2%	97.4%	96.6%	
Committed occupancy – including non-consolidated investments ⁽⁶⁾	97.6%	97.6%	96.6%	
Mix of Tenancy Based on Base Rents⁽⁵⁾				
National	90.8%	91.0%	90.6%	
Regional	3.4%	3.1%	3.5%	
Local	3.8%	3.8%	4.1%	
Non retail	2.0%	2.1%	1.8%	
Other				
Average term to maturity - mortgages	4.9 Years	5.1 Years	5.4 Years	
Average term to maturity - leases ⁽⁵⁾	6.0 Years	5.8 Years	5.8 Years	
Overall capitalization rate ⁽⁷⁾	6.84%	6.74%	6.77%	
Property Type Breakdown	Number of Properties June 30, 2024	Square Footage (000s)	Number of Properties December 31, 2023	Square Footage (000s)
Open-Air Centres	114	6,855	113	6,844
Enclosed Malls	3	723	3	723
Single Use – Quick Service Restaurant	41	85	46	148
Single Use – Retail	67	1,210	70	1,196
Total	225	8,873	232	8,911

(1) This is a non-GAAP financial measure. Refer to the “Non-GAAP Financial Measures” in Part I and “Explanation of Non-GAAP Financial Measures” in Part VII of this MD&A for more information.

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

(3) Not applicable as the same-asset calculation relates to assets owned since January 1, 2023.

(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) Excludes non-consolidated trusts and partnerships.

(8) Adjusted for IAS 1 amendments adopted January 1, 2024.

PART II

STRATEGY

Plaza's principal goal is to deliver long-term growth in per-unit NAV and FFO from a diversified portfolio of sustainable 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 remains committed to responsible and transparent environmental, social and governance (ESG) practices and we strive to ensure they are integrated in all aspects of our operations and day-to-day business activities. We believe this supports a foundation for creating lasting value and resilience and facilitates success for all our stakeholders.

We also believe that effective governance is key to Plaza's long-term success and contributes to maximizing stakeholder value. The Board has overall responsibility for the oversight of ESG at Plaza, with the Responsibility & Sustainability Committee overseeing and managing implementation of Plaza's ESG programs. This includes remaining abreast of emerging trends and stakeholder expectations and regularly updating the Board on Plaza's ESG initiatives, plans, and progress. The Responsibility & Sustainability Committee's mandate is 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 cross-functional executives, senior management and other employees, across a number of regions. This structure and approach contribute to thorough evaluation of ESG objectives, risks and opportunities and effective and efficient decision-making on ESG matters.

Further information on Plaza's approach to ESG, the ESG initiatives and activities we focused on in 2023, our progress to date and areas we will continue to focus on going forward is set out in Plaza's 2023 ESG Report, available on the Trust's website at www.plaza.ca. The ESG report is not incorporated herein by reference.

Further information regarding Plaza's governance practices is set out in the Trust's Management Information Circular for the Annual & Special Meeting of Unitholders held on May 23, 2024, which is available on available on the Trust's website at www.plaza.ca and on SEDAR+ at www.sedarplus.ca.

KEY PERFORMANCE DRIVERS AND INDICATORS

There are numerous performance drivers, many beyond management's control, which 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 and cost 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 long-term growth in per-unit NAV and FFO. The key performance indicators discussed throughout this MD&A are summarized in the table below, for the six months ended June 30, 2024, compared to the six months ended June 30, 2023.

Plaza Retail REIT

FFO⁽¹⁾	(000s)	YTD Q2 2024	YTD Q2 2023	% Change	
	FFO	\$20,543	\$20,066	2.4%	
	FFO per unit	\$0.184	\$0.187	(1.6%)	
	Distributions as a % of FFO	76.0%	75.8%	0.3%	
	➤ The increase in FFO over the same period in the prior year was mainly due to higher NOI from same-asset, developments, and properties transferred to income producing. These are offset by a decrease in NOI from property dispositions, higher finance costs and higher administrative expenses mainly due to the hiring of new employees. FFO per unit was impacted by the issue of 8.548 million trust units in March 2023.				
AFFO⁽¹⁾	(000s)	YTD Q2 2024	YTD Q2 2023	% Change	
	AFFO	\$16,233	\$15,936	1.9%	
	AFFO per unit	\$0.146	\$0.148	(1.4%)	
	Distributions as a % of AFFO	96.2%	95.5%	0.7%	
	➤ The principal factors affecting AFFO are consistent with those impacting FFO, as well as increased maintenance capital expenditures from extraordinary expenditures, and lower leasing costs in the current period.				
Debt Service Ratios⁽¹⁾		YTD Q2 2024	YTD Q2 2023	% Change	
	Interest coverage ratio	2.41x	2.40x	0.4%	
	Debt coverage ratio	1.66x	1.66x	-	
	➤ The interest coverage ratio has improved slightly, and the debt coverage ratios was consistent with last year. The ratios were impacted by higher EBITDA mainly due to higher NOI offset by higher finance costs. Debt coverage and interest coverage ratios exceed the requirements under borrowing arrangements.				
	Debt to Gross Assets⁽¹⁾		Q2 2024	Q2 2023	% Change
Debt to gross assets (excluding right-of-use land leases)		51.3%	49.7%	3.2%	
Debt to gross assets (including right-of-use land leases)		53.7%	52.3%	2.7%	
➤ The increase in debt to gross assets over the same period in the prior year relates mainly to the change in fair value of investment properties since Q2 2023.					
Same-Asset NOI⁽¹⁾		(000s)	YTD Q2 2024	YTD Q2 2023	% Change
	Same-asset NOI	\$35,606	\$34,496	3.2%	
	➤ The increase in same-asset NOI over the same period in the prior year, is due to an increase in same-asset rental revenue due to lease-up and rent escalations, the completion of the repositioning of certain properties, and lower operating expenses.				
	Weighted Average Interest Rate – Fixed Rate Mortgages		Q2 2024	Q2 2023	% Change
		Weighted average interest rate – fixed rate mortgages	4.18%	4.06%	3.0%
➤ The increase in the weighted-average interest rate is the result of refinancing maturing mortgages at current rates.					
Occupancy Levels			Q2 2024	Q2 2023	% Change
		Same-asset committed occupancy ⁽²⁾	97.2%	97.4%	(0.2%)
	Committed occupancy – including non-consolidated investments ⁽³⁾	97.6%	97.6%	-	

- (1) This is a non-GAAP financial measure. Refer to “Non-GAAP Financial Measures” in Part I and “Explanation of Non-GAAP Financial Measures” in Part VII of this MD&A for more information.
- (2) Excludes properties under development and non-consolidated investments.
- (3) Excludes properties under development.

PROPERTY AND CORPORATE FINANCIAL PERFORMANCE 2024 AND 2023

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

Plaza's summary of FFO and AFFO for the three and six months ended June 30, 2024, compared to the three and six months ended June 30, 2023 is presented below:

(000s – except per unit amounts and percentage data, unaudited)	3 Months Ended June 30, 2024	3 Months Ended June 30, 2023	Change over Prior Period	6 Months Ended June 30, 2024	6 Months Ended June 30, 2023	Change over Prior Period
Profit and total comprehensive income for the period attributable to unitholders	\$ 2,385	\$ 12,936		\$ 11,789	\$ 20,634	
Incremental leasing costs included in administrative expenses ⁽⁷⁾	539	453		865	737	
Amortization of debenture issuance costs ⁽⁸⁾	(18)	(19)		(36)	(105)	
Distributions on Class B exchangeable LP units included in finance costs – operations	81	81		162	164	
Deferred income taxes	96	(459)		196	24	
Right-of-use land lease principal repayments	(203)	(200)		(406)	(399)	
Fair value adjustment to restricted and deferred units	(116)	(56)		(146)	(156)	
Fair value adjustment to investment properties	7,316	827		8,628	(447)	
Fair value adjustment to investments ⁽⁹⁾	257	(90)		60	572	
Fair value adjustment to Class B exchangeable LP units	(232)	(232)		(301)	(601)	
Fair value adjustment to convertible debentures	(72)	(753)		(147)	(208)	
Fair value adjustment to interest rate swaps	345	(1,980)		(629)	(528)	
Fair value adjustment to right-of-use land lease assets	203	200		406	399	
Equity accounting adjustment ⁽¹⁰⁾	50	(19)		106	(25)	
Non-controlling interest adjustment ⁽⁶⁾	(4)	-		(4)	5	
FFO⁽¹⁾	\$ 10,627	\$ 10,689	\$ (62)	\$ 20,543	\$ 20,066	\$ 477
<i>FFO change over prior period - %</i>			(0.6%)			2.4%
FFO⁽¹⁾	\$ 10,627	\$ 10,689		\$ 20,543	\$ 20,066	
Non-cash revenue – straight-line rent ⁽⁵⁾	(174)	44		(217)	(11)	
Leasing costs – existing properties ^{(2) (5) (11)}	(1,308)	(2,336)		(2,931)	(3,441)	
Maintenance capital expenditures – existing properties ⁽¹²⁾	(229)	(590)		(1,175)	(678)	
Non-controlling interest adjustment ⁽⁶⁾	8	-		13	-	
AFFO⁽¹⁾	\$ 8,924	\$ 7,807	\$ 1,117	\$ 16,233	\$ 15,936	\$ 297
<i>AFFO change over prior period - %</i>			14.3%			1.9%
Weighted average units outstanding – basic ⁽¹⁾⁽³⁾	111,526	111,530		111,523	107,407	
FFO per unit – basic⁽¹⁾	\$ 0.095	\$ 0.096	(1.0%)	\$ 0.184	\$ 0.187	(1.6%)
AFFO per unit – basic⁽¹⁾	\$ 0.080	\$ 0.070	14.3%	\$ 0.146	\$ 0.148	(1.4%)
Gross distribution to unitholders ⁽¹⁾⁽⁴⁾	\$ 7,806	\$ 7,807		\$ 15,611	\$ 15,214	
FFO payout ratio – basic⁽¹⁾	73.5%	73.0%		76.0%	75.8%	
AFFO payout ratio – basic⁽¹⁾	87.5%	100.0%		96.2%	95.5%	
FFO⁽¹⁾	\$ 10,627	\$ 10,689		\$ 20,543	\$ 20,066	
Interest on dilutive convertible debentures	179	178		357	354	
FFO – diluted⁽¹⁾	\$ 10,806	\$ 10,867	\$ (61)	\$ 20,900	\$ 20,420	\$ 480
Diluted weighted average units outstanding ⁽¹⁾⁽³⁾	114,056	114,060		114,054	109,938	
AFFO⁽¹⁾	\$ 8,924	\$ 7,807		\$ 16,233	\$ 15,936	
Interest on dilutive convertible debentures	179	178		357	354	
AFFO – diluted⁽¹⁾	\$ 9,103	\$ 7,985	\$ 1,118	\$ 16,590	\$ 16,290	\$ 300
Diluted weighted average units outstanding ⁽¹⁾⁽³⁾	114,056	114,060		114,054	109,938	
FFO per unit – diluted⁽¹⁾	\$ 0.095	\$ 0.095	-	\$ 0.183	\$ 0.186	(1.6%)
AFFO per unit – diluted⁽¹⁾	\$ 0.080	\$ 0.070	14.3%	\$ 0.145	\$ 0.148	(2.0%)

(1) This is a non-GAAP financial measure. Refer to “Non-GAAP Financial Measures” in Part I and “Explanation of Non-GAAP Financial Measures” in Part VII of this MD&A for more information.

- (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 attributable to NCI of \$52 thousand and \$104 thousand for the three and six months ending June 30, 2024, respectively (June 30, 2023 – \$49 thousand and \$102 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 26 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 26 of this MD&A.

Basic FFO for the three months ended June 30, 2024, decreased by \$62 thousand over the prior year or (0.6%) on a dollar basis and by (1.0%) on a per unit basis.

Items impacting FFO for the quarter were:

- (i) an increase in NOI of \$622 thousand from developments and properties transferred to income producing properties (“IPP”) in 2023 and 2024;
- (ii) an increase in same-asset NOI of \$477 thousand mainly due to rent escalations and renewals across the portfolio, along with the completion of the repositioning of certain properties;
- (iii) a decrease in NOI of \$353 thousand from properties sold;
- (iv) an increase in finance costs - operations of \$811 thousand, mainly due to higher debenture interest from the issuance of Series IV and V non-convertible debentures, early mortgage discharge fees, along with lower capitalized interest due to the timing of development projects;
- (v) an increase in administrative costs of \$100 thousand, mainly due to higher compensation expenses from the hiring of new employees, and year over year salary increases; and
- (vi) an increase in investment and other income of \$93 thousand.

For the three months ended June 30, 2024, AFFO increased by \$1.1 million over the prior year or 14.3% on a dollar basis and 14.3% on a per unit basis. The AFFO and AFFO per unit were impacted by the changes in FFO and FFO per unit described above, as well as lower maintenance capital expenditures and leasing costs in the current period.

Basic FFO for the six months ended June 30, 2024 increased by \$477 thousand over the prior year or 2.4% on a dollar basis and by (1.6%) on a per unit basis.

Items impacting FFO for the six months ended June 30, 2024 were:

- (i) an increase in NOI of \$1.7 million from developments and properties transferred to income producing properties (“IPP”) in 2023 and 2024, offset by a \$235 thousand allowance provided to a tenant in consideration of delayed delivery of premises at a development property in the prior year;
- (ii) an increase in same-asset NOI of \$1.1 million mainly due to rent escalations and renewals across the portfolio, as well as lower operating expenses in the current period;
- (iii) a decrease in NOI of \$672 thousand from properties sold;
- (iv) an increase in finance costs - operations of \$654 thousand, mainly due to higher operating and development line interest expense and lower capitalized interest expense, due to the timing of development projects;
- (v) an increase in administrative costs of \$649 thousand, mainly due to higher compensation expenses from the hiring of new employees, and annual salary increases; and
- (vi) a decrease in investment and other income of \$146 thousand due to higher leasing and development fees, due to increased development activity, in the prior period.

Plaza Retail REIT

For the six months ended June 30, 2024, AFFO increased by \$297 thousand over the prior year or 1.9% on a dollar basis and a decrease of (1.4%) on a per unit basis. The AFFO and AFFO per unit were mainly impacted by the changes in FFO and FFO per unit described above, as well as lower leasing costs, offset by increased maintenance capital expenditures from extraordinary expenditures.

Year-to-date FFO and AFFO per unit results were also impacted by the issue of 8.548 million trust units in March 2023.

Profit and Total Comprehensive Income for the Period

The Trust recorded profit for the three months ended June 30, 2024, of \$2.4 million compared to a profit of \$13.0 million for the same period in the prior year.

Profit was 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 \$398 thousand over the prior year, mainly relating to the non-cash fair value adjustment of the underlying properties in the current year;
- (ii) a decrease in the fair value of investment properties of \$7.3 million in the current quarter compared to a fair value decrease of \$827 thousand in the same quarter in the prior year. The fair value change year over year was mainly due the fair value write-down of an enclosed mall, and cost overruns on a development property; and
- (iii) 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 six months ended June 30, 2024 of \$11.9 million compared to \$20.7 million for the same period in the prior year. The decrease was mainly due to a decrease in the fair value of investment properties of \$8.6 million in the current year to date compared to a fair value increase of \$447 thousand in the prior year to date. The fair value change year over year was mainly due to the fair value write-downs during the current year as noted above.

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

- (i) an increase in the share of profit of associates of \$371 thousand over the prior year, mainly relating to the non-cash fair value adjustment of the underlying properties; and
- (ii) changes in non-cash fair value adjustments relating to interest rate swaps, the Class B exchangeable LP units, and convertible debentures.

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

Same-asset categorization refers to those properties which were owned and operated by Plaza for the six months ended June 30, 2024, and the entire year ending December 31, 2023, 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 June 30, 2024, approximately 46.5% 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 June 30, 2024 (unaudited)	3 Months Ended June 30, 2023 (unaudited)	6 Months Ended June 30, 2024 (unaudited)	6 Months Ended June 30, 2023 (unaudited)
(000s)				
Same-asset rental revenue ⁽¹⁾	\$ 27,310	\$ 26,615	\$ 54,614	\$ 53,131
Same-asset operating expenses ⁽¹⁾	(3,732)	(3,810)	(7,916)	(8,039)
Same-asset realty tax expense ⁽¹⁾	(5,585)	(5,289)	(11,092)	(10,596)
Same-asset NOI⁽¹⁾	\$ 17,993	\$ 17,516	\$ 35,606	\$ 34,496
Percentage increase over prior period	2.7%		3.2%	

- (1) This is a non-GAAP financial measure. Refer to "Non-GAAP Financial Measures" in Part I and "Explanation of Non-GAAP Financial Measures" in Part VII of this MD&A for more information.

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Same-asset NOI for the three and six months ended June 30, 2024, increased 2.7% and 3.2%, respectively compared to the same period in the prior year. The increase is due to an increase in revenue from leasing and rent escalations over the same period in the prior year, the completion of the repositioning of certain properties, and lower operating expenses.

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

	3 Months Ended June 30, 2024 (unaudited)	3 Months Ended June 30, 2023 (unaudited)	6 Months Ended June 30, 2024 (unaudited)	6 Months Ended June 30, 2023 (unaudited)
(000s except percentage data)				
New Brunswick	\$ 4,628	4,676	\$ 9,213	\$ 9,213
Nova Scotia	3,478	3,354	6,928	6,594
Quebec	3,378	3,383	6,725	6,550
Alberta	162	157	326	314
Manitoba	102	95	196	188
Ontario	2,949	2,884	5,884	5,718
Newfoundland and Labrador	1,343	1,274	2,496	2,407
Prince Edward Island	1,953	1,693	3,838	3,512
Same-asset NOI⁽¹⁾	\$ 17,993	\$ 17,516	\$ 35,606	\$ 34,496
Percentage increase over prior period	2.7%		3.2%	

- (1) This is a non-GAAP financial measure. Refer to “Non-GAAP Financial Measures” in Part I and “Explanation of Non-GAAP Financial Measures” in Part VII of this MD&A for more information.

Net Property Operating Income (NOI)

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

	3 Months Ended June 30, 2024 (unaudited)	3 Months Ended June 30, 2023 (unaudited)	6 Months Ended June 30, 2024 (unaudited)	6 Months Ended June 30, 2023 (unaudited)
(000s)				
Same-asset NOI ⁽¹⁾	\$ 17,993	\$ 17,516	\$ 35,606	\$ 34,496
Developments and redevelopments transferred to income producing in 2023 & 2024 (\$5.5 million annual stabilized NOI)	1,061	663	1,969	771
NOI from properties currently under development and redevelopment (\$5.6 million annual stabilized NOI)	271	47	388	75
Straight-line rent	174	(39)	218	20
Administrative expenses charged to NOI	(1,116)	(1,107)	(2,076)	(1,931)
Lease termination revenue	-	-	30	-
Properties disposed	66	419	278	950
Other	(59)	144	29	77
Total NOI⁽¹⁾	\$ 18,390	\$ 17,643	\$ 36,442	\$ 34,458

- (1) This is a non-GAAP financial measure. Refer to “Non-GAAP Financial Measures” in Part I and “Explanation of Non-GAAP Financial Measures” in Part VII of this MD&A for more information.

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 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 is 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.

Plaza Retail REIT

	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 June 30, 2024 includes Plaza's share of NOI of approximately \$1.6 million compared to \$1.4 million with the same period in the prior year. Share of profit of associates decreased by \$398 thousand for the three months ended June 30, 2024 compared to the three months ended June 30, 2023. 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 six months ended June 30, 2024 includes Plaza's share of NOI of approximately \$3.1 million compared to \$2.8 million in the same period in the prior year. Share of profit of associates increased by \$371 thousand for the six months ended June 30, 2024 compared to the six months ended June 30, 2023. The increase was mainly due to the non-cash fair value adjustment to the underlying investment properties year over year.

Overall committed occupancy for non-consolidated investments was 98.8% at June 30, 2024, compared to 98.5% at June 30, 2023.

Regular distributions received from associates for the three months ended June 30, 2024 were \$532 thousand, compared to \$719 thousand for the three months ended June 30, 2023, due to the timing of annual distributions paid by two associates. Regular distributions received from associates for the six months ended June 30, 2024 were \$872 thousand, compared to \$1.1 million for the six months ended June 30, 2023, due to the timing of annual distributions paid by two associates. In addition to regular distributions, there were distributions as a result of proceeds of financing at underlying investment properties of \$110 thousand for the three and six months ended June 30, 2024, nil for the three and six months ended June 30, 2023.

Finance Costs - Operations

Finance costs - operations for the three months ended June 30, 2024, were \$7.7 million, compared to \$6.9 million in the same period in the prior year. The finance costs were mainly impacted by higher debenture interest from the issuance of Series IV and V non-convertible debentures, early mortgage discharge fees, along with lower capitalized interest due to the timing of development projects.

Finance costs for the six months ended June 30, 2024 were \$15.2 million, compared to \$14.5 million for the same period in the prior year, mainly impacted by higher operating and development line interest expense and lower capitalized interest expense, due to the timing of development projects.

Administrative Expenses

Administrative expenses for the three months ended June 30, 2024, were \$2.4 million, consistent with the same period in the prior year. Administrative expenses were impacted by higher compensation expenses with the hiring of new employees offset by lower IT, travel and reporting costs. Excluding the decrease in the fair value of restricted and deferred units, administrative expenses would have been \$100 thousand higher than the same period in the prior year.

Administrative expenses for the six months ended June 30, 2024 were \$4.9 million compared to \$4.3 million for the same period in the prior year. Administrative expenses were mainly impacted by higher compensation expenses in the current period due to the hiring of new employees, and annual salary increases. Excluding the fair value of restricted and deferred units, administrative expenses would have been \$649 thousand higher than the same period in the prior year.

Change in Fair Value of Investment Properties

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

The Trust recorded a fair value decrease to investment properties of \$7.3 million for the three months ended June 30, 2024, compared to a fair value decrease of \$827 thousand for the three months ended June 30, 2023. The fair value decrease in the current quarter was mainly due to reductions to forecasted stabilized NOI at an enclosed mall, and cost overruns on a development property.

The Trust recorded a fair value decrease to investment properties of \$8.6 million for the six months ended June 30, 2024 compared to a fair value increase of \$447 thousand for the six months ended June 30, 2023. The change was mainly due to the fair value write-downs during the current year, as noted above.

The investment market for the Trust's properties occupied by grocery and other essential needs, convenience, and value-based retailers, as well as its stable properties, remains strong.

Change in Fair Value of Convertible Debentures

The fair value adjustment to convertible debentures for the three months ended June 30, 2024 was a net gain of \$72 thousand compared to a net gain of \$753 thousand in the same period in the prior year. The fair value adjustment to convertible debentures for the six months ended June 30, 2024 was a net gain of \$147 thousand compared to a net gain of \$208 thousand in the same period in the prior year. The fair value changes relate to movement in the Trust's unit price and risk-free interest rates.

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 Class B exchangeable LP units are exchangeable on a one-for-one basis into trust units at the option of the holders. The fair value of these exchangeable LP units is based on the trading price of Plaza's trust units.

The fair value adjustment to Class B exchangeable LP units for the three months ended June 30, 2024 was a net gain of \$232 thousand, consistent with the same period in the prior year. The fair value adjustment to Class B exchangeable LP units for the six months ended June 30, 2024 was a net gain of \$301 thousand compared to a net gain of \$601 thousand in the same period in the prior year. The fair value changes relate to movement in the Trust's unit price.

LEASING AND OCCUPANCY

The following table represents leases expiring for the next 5 years and thereafter for Plaza’s property portfolio at June 30, 2024 (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⁾	%
2024	185,542	3.3	24,232	4.0	-	-	11,892	11.6	221,666	3.0
2025	417,152	7.5	144,422	23.7	36,991	3.7	7,711	7.6	606,276	8.4
2026	621,251	11.2	25,354	4.1	58,594	5.8	2,054	2.0	707,253	9.7
2027	584,904	10.5	45,087	7.4	77,799	7.8	11,804	11.6	719,594	9.9
2028	758,584	13.7	66,523	10.9	24,999	2.5	8,688	8.5	858,794	11.8
2029	707,738	12.7	68,244	11.2	27,904	2.8	4,212	4.1	808,098	11.1
Thereafter	2,281,890	41.1	236,037	38.7	777,027	77.4	55,807	54.6	3,350,761	46.1
Subtotal	5,557,061	100.0	609,899	100.0	1,003,314	100.0	102,168	100.0	7,272,442	100.0
Vacant	92,904		112,875		-		6,637		212,416	
Total	5,649,965		722,774		1,003,314		108,805		7,484,858	
Weighted average lease term	5.8 years		4.3 years		8.0 years		7.7 years		6.0 years	

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

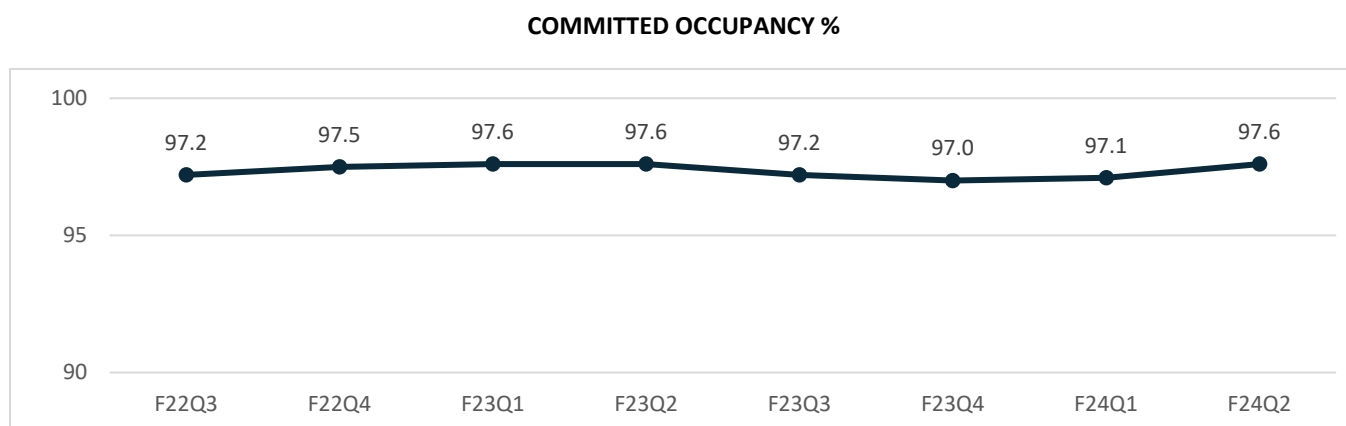
(2) QSR refers to quick service restaurants.

At June 30, 2024, same-asset committed occupancy was 97.2% compared to 97.4% at June 30, 2023.

Committed occupancy including non-consolidated investments (excluding properties under development and redevelopment) was 97.6% at June 30, 2024 consistent with June 30, 2023.

Excluding enclosed malls, committed occupancy, including non-consolidated investments (excluding properties under development and redevelopment) was 98.8% at June 30, 2024 compared to 98.6% at June 30, 2023.

Committed occupancy for the portfolio over the last eight quarters is as follows:



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The weighted average contractual base rent per square foot on renewals and new leasing in 2024 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
2024 – Q2 YTD					
Leasing renewals (sq. ft.)	318,716	117,574	138,520	-	574,810
Weighted average rent (\$/sq. ft.) - Renewed	\$15.09	\$12.61	\$17.04	-	\$15.05
Weighted average rent (\$/sq. ft.) - Expired	\$13.56	\$12.35	\$16.19	-	\$13.95
Renewal spread (first year of renewal term)	11.3%	2.1%	5.3%	-	7.9%
Renewal spread (average rate in renewal term) ⁽¹⁾	12.3%	2.7%	9.1%	-	9.7%
New Leasing					
New leasing (sq. ft.)	42,352	46,209	-	-	88,561
Weighted average rent (\$/sq. ft.)	\$20.06	\$9.26	-	-	\$14.42
Expiries					
Expiries not renewed (sq. ft.)	38,443	6,298	-	-	44,741
Weighted average rent (\$/sq. ft.)	\$13.91	\$13.17	-	-	\$13.81
Remainder of 2024					
Expiries (sq. ft.)	185,542	24,232	-	11,892	221,666
Weighted average rent (\$/sq. ft.)	\$14.40	\$16.02	-	\$37.92	\$15.83

⁽¹⁾ Rent on expiry compared to the average rent over the term of the renewal.

In addition to the leasing indicated above, for the six months ended June 30, 2024, the Trust completed 5 thousand square feet of new leasing at developments and redevelopments at a weighted-average rent of \$40.95 per square foot, and 148 thousand square feet of renewals and new leasing at market rates at non-consolidated investments. In total, including developments, redevelopments and non-consolidated investments, the Trust completed 817 thousand square feet of new and renewal leasing deals for the six months ending June 30, 2024.

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 open-air centres was 98.6% at June 30, 2024, compared to 98.4% at June 30, 2023.
- Committed occupancy for enclosed malls was 84.4% at June 30, 2024, compared to 87.4% at June 30, 2023.
- Committed occupancy for single use assets was 99.5% at June 30, 2024, compared to 99.5% at June 30, 2023.

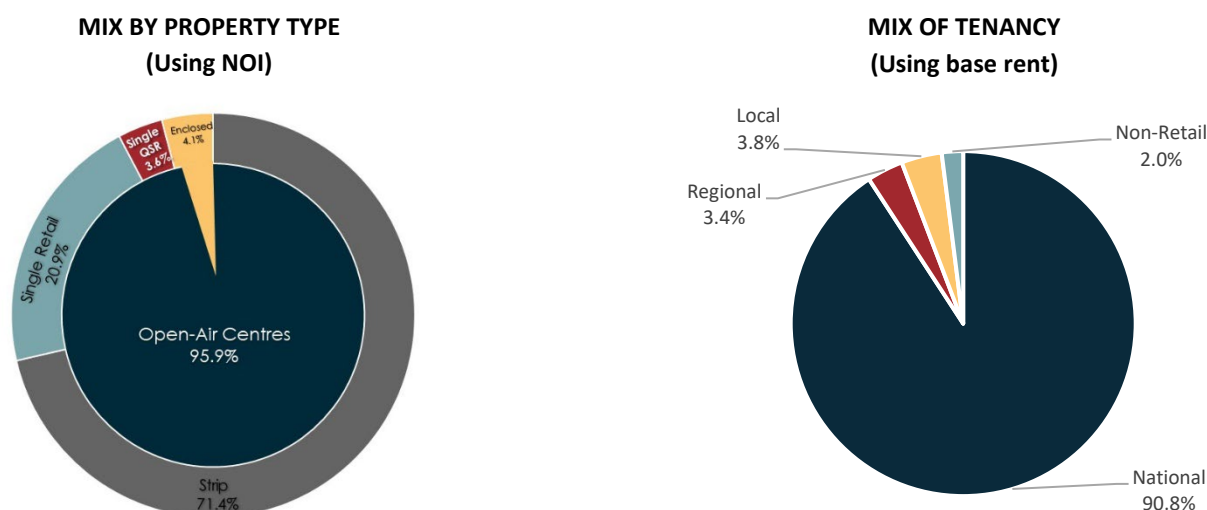
Plaza Retail REIT

Plaza has built a portfolio with a high-quality revenue stream. Plaza's ten largest tenants based upon current monthly base rents at June 30, 2024 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⁾	24.3	6. Staples	3.0
2. Dollarama	6.7	7. KFC ⁽⁵⁾	2.5
3. TJX Group ⁽²⁾	4.4	8. Bulk Barn	1.7
4. Sobeys Group ⁽³⁾	3.7	9. Metro Inc. ⁽⁶⁾	1.7
5. Canadian Tire Group ⁽⁴⁾	3.6	10. Giant Tiger	1.7
Total: 53.3%			

- (1) Shoppers Drug Mart/Loblaw represents the following stores: Shoppers Drug Mart, No Frills, Atlantic Superstore, Pharmaprix and Maxi.
- (2) TJX Group represents the following stores: Winners, HomeSense, and Marshalls.
- (3) Sobeys Group represents the following stores: Sobeys, IGA, Sobeys Fast Fuel, Foodland and Lawtons.
- (4) Canadian Tire Group represents the following stores: Canadian Tire, Mark's/L'Équipeur, Party City, PartSource, Sport Chek, and Sports Experts.
- (5) The majority is represented by two operators.
- (6) Metro Inc. represents the following stores: Metro, Jean Coutu, Food Basics and Pharmacie Brunet.
- (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

Plaza Retail REIT

development activities, which are discretionary, or to pay down debt, based on the availability of such capital. In setting the distributions to unitholders, Plaza reviews budgets and forecasts and considers future growth prospects for the business, including developments/redevelopments and leasing within the portfolio and considers cash flow and profitability, the sustainability of margins, maintenance capital expenditures, debt service requirements, the satisfaction of statutory tests imposed by the laws 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. Total distributions increased over last year due to the issue of 8.548 million units, via bought deal, on March 28, 2023, as follows:

	3 Months Ended June 30, 2024 (unaudited)	3 Months Ended June 30, 2023 (unaudited)	6 Months Ended June 30, 2024 (unaudited)	6 Months Ended June 30, 2023 (unaudited)
(000s)				
Cash distributions paid ⁽¹⁾	\$ 7,806	\$ 7,805	\$ 15,611	\$ 15,013

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

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

	3 Months Ended June 30, 2024 (unaudited)	3 Months Ended June 30, 2023 (unaudited)	6 Months Ended June 30, 2024 (unaudited)	6 Months Ended June 30, 2023 (unaudited)
(000s)				
Cash provided by operating activities ⁽¹⁾	\$ 1,962	\$ 2,976	\$ 15,988	\$ 15,086
Cash distributions paid to Class B exchangeable LP unitholders	81	81	162	164
Cash provided by operating activities excluding distributions paid to Class B exchangeable LP unitholders	\$ 2,043	\$ 3,057	\$ 16,150	\$ 15,250
Total distributions ⁽²⁾	(7,806)	(7,805)	(15,611)	(15,013)
Excess/(deficiency) of cash provided by operating activities over total distributions	\$ (5,763)	\$ (4,748)	\$ 539	\$ 237

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

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

As a result of the timing of significant property tax payments and employee bonus payments, distributions exceed cash provided by operating activities in the current quarter. Since the shortfall is due to timing only, Plaza does not believe that the distributions should be regarded as a return of capital. In the interim, the excess distributions have been funded through Plaza's operating line of credit. Plaza believes its current distributions are sustainable based on expected and historical results and cash flows.

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Plaza's liquidity at June 30, 2024 is comprised of \$7.8 million of cash, \$15.7 million available to be drawn on the operating line, \$23.0 million of unused development facilities, \$3.3 million of unused construction facilities at consolidated properties, \$1.7 million of unused construction facilities at non-consolidated investments, and unencumbered assets with a value of approximately \$8.8 million. This liquidity, as well as cash flow from operating activities, the ability to renew and refinance mortgages, renew operating and development facilities and other debt when necessary, is expected to allow Plaza to meet all its obligations as they become due.

CAPITAL RESOURCES, EQUITY AND DEBT ACTIVITIES

Operating and Development Facilities

(000s)	\$60.0 Million Operating	\$20.0 Million Development	\$15.0 Million Development
December 31, 2023 ⁽¹⁾	\$ 49,344	\$ 8,889	\$ 1,293
Net change	(6,754)	3,087	(1,293)
June 30, 2024 ⁽¹⁾	\$ 42,590	\$ 11,976	\$ -
Interest rate	Prime + 0.75% or CORRA + 2.30%	Prime + 0.75% or CORRA + 2.50%	Prime + 0.75% or CORRA + 2.30%
Maturity	July 31, 2024	July 31, 2024	July 31, 2024
Security	First charges on pledged properties	First charges on applicable pledged development property	First charges on applicable pledged development property
Other terms	Debt service, maximum leverage, occupancy & equity maintenance covenants	Debt service & maximum leverage covenants	Debt service, maximum leverage, occupancy & equity maintenance covenants
Line reservations available for letters-of-credit	\$2.0 million	\$1.5 million	\$0.5 million
Issued and outstanding	\$0.5 million	-	-

⁽¹⁾ Excludes unamortized finance charges.

Funding is secured by first mortgage charges on properties or development properties as applicable. The Trust must maintain certain financial ratios to comply with the facilities. In July 2024, the \$20.0 million development line was renewed with the same pricing until July 31, 2025, and the \$15.0 million development line and the \$60.0 million operating line were renewed with the same pricing until July 31, 2026. As of June 30, 2024, 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.

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Interim Facilities

(000s)	Interest Rate Range	Maturity Dates	June 30, 2024	December 31, 2023
\$8.0 million interim facility	Prime plus 1.50% or CORRA plus 2.80%	July 16, 2024	\$ 4,409	\$ 7,075
\$1.2 million unsecured interest-only loan	Prime plus 1.05% (min 5.00%)	January 15, 2024	-	1,171
\$13.4 million interim facility	Prime plus 1.00% or CORRA plus 2.80%	August 31, 2024	13,312	13,057
\$6.75 million interim facility	Prime plus 1.00% or CORRA plus 2.80%	December 21, 2024	6,221	5,760
\$6.2 million interim facility	Prime plus 0.9% or CORRA plus 2.45%	August 15, 2024	3,938	3,938
\$6.75 million interim facility	Prime plus 0.95% or CORRA plus 2.75%	April 8, 2025	6,750	6,750
\$7.25 million interim facility	Prime plus 1.00% or CORRA plus 2.80%	January 1, 2025	7,171	6,667
\$5.0 million interim facility	Prime plus 0.95% or CORRA plus 2.75%	December 31, 2024	2,373	1,984
Total interim facilities			\$ 44,174	\$ 46,402

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 the facilities 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 these facilities. As of June 30, 2024, all debt covenants in respect of the above facilities have been maintained.

The \$1.2 million unsecured interest-only facility was repaid on maturity in January 2024.

In July 2024, the \$8.0 million interim facility was renewed for two years until July 2026.

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 XII	Series XII
Interest rate	6.15%	6.00%	6.00%	4.75%
Maturity date	July 15, 2025	July 15, 2024	July 15, 2024	July 15, 2024
Amount	\$1,510	\$725	\$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.

Plaza Retail REIT

In January 2024, \$250 thousand Series X.2 mortgage bonds and the \$1.16 million Series XII mortgage bonds matured. Of the total matured, \$150 thousand was repaid and the remaining \$1.26 million participated in the issuance of Series IV non-convertible debentures.

In June 2024, the \$1.5 million Series X.2 mortgage bonds matured and were extended to July 15, 2025. Of the total matured, \$70 thousand was repaid, \$1.43 million were extended and \$70 thousand new bonds were issued.

In July 2024, the \$725 thousand Series X.2 mortgage bonds and \$470 thousand of the \$520 thousand Series XII mortgage bonds renewed for one year at 6.15%, while \$50 thousand of the remaining Series XII mortgage bonds were redeemed.

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:

	Maturity Date	Interest Rate	June 30, 2024⁽¹⁾	December 31, 2023⁽¹⁾
Series VIII convertible debentures - Conversion price - \$4.75	March 31, 2026	5.95%	\$ 12,019	\$ 12,019
Total convertible debentures at face value			\$ 12,019	\$ 12,019
Series II non-convertible debentures	February 28, 2027	5.00%	\$ 3,537	\$ 3,537
Series III non-convertible debentures – Tranche A	March 31, 2025	6.75%	1,335	1,510
Series III non-convertible debentures – Tranche B	March 31, 2025	6.75%	4,665	4,490
Series IV non-convertible debentures – Tranche A	December 16, 2024	6.75%	579	579
Series IV non-convertible debentures – Tranche A	December 16, 2024	6.75%	2,672	2,672
Series IV non-convertible debentures – Tranche C	December 16, 2024	6.75%	1,749	-
Series V non-convertible debentures	October 30, 2024	6.75%	3,000	-
Total non-convertible debentures at face value			\$ 17,537	\$ 12,788

⁽¹⁾ Presented at face value.

In January 2024, \$1.7 million Series IV non-convertible debentures – Tranche C were issued with a maturity of December 16, 2024 and an interest rate of 6.75%.

In April 2024, \$3.0 million Series V non-convertible debentures were issued with a maturity date of October 31, 2024 and an interest rate of 6.75%.

In June 2024, \$579 thousand of Series IV unsecured debentures were extended at the same rate until December 16, 2024.

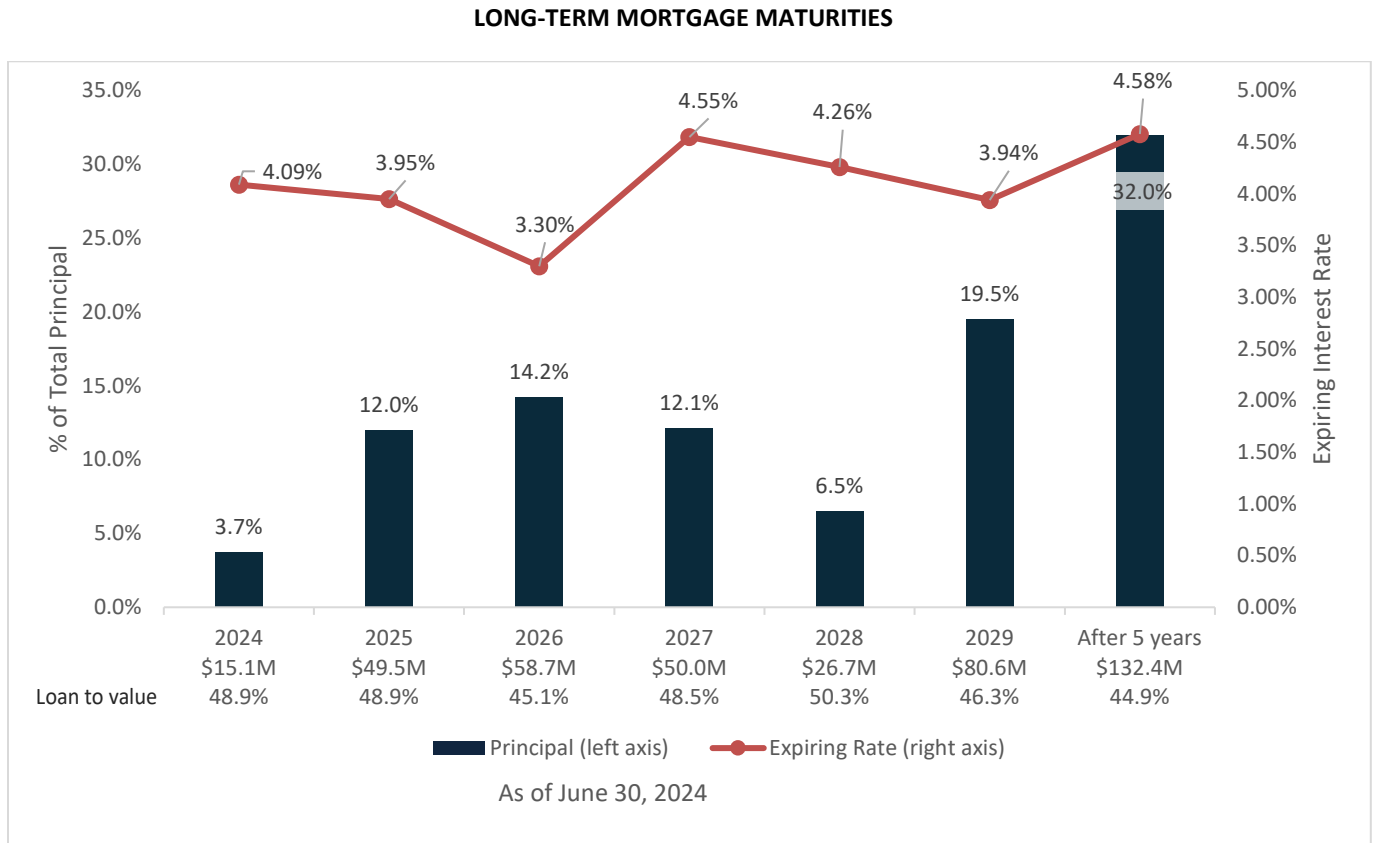
Mortgages

During 2024, the Trust obtained new long-term fixed-rate financing of \$41.5 million, at the Trust's ownership percentage, with a weighted average term of 9.7 years and a weighted average interest rate of 5.44%.

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 4.9 years. The average remaining repayment (amortization) period on long-term mortgage debt is 24.0 years.

Plaza Retail REIT

Debt Service Ratios

Plaza's summary of EBITDA and debt service ratios for the three and six months ended June 30, 2024, compared to the three and six months ended June 30, 2023, is presented below:

	3 Months Ended June 30, 2024 (unaudited)	3 Months Ended June 30, 2023 (unaudited)	6 Months Ended June 30, 2024 (unaudited)	6 Months Ended June 30, 2023 (unaudited)
(000s – except debt service ratios)				
Profit and total comprehensive income for the period	\$ 2,437	\$ 12,985	\$ 11,893	\$ 20,736
Add (deduct):				
Income taxes	155	(408)	340	133
Finance costs - operations	7,744	6,933	15,152	14,498
Fair value adjustment to investment properties	7,316	827	8,628	(447)
Fair value adjustment to investments ⁽¹⁾	257	(90)	60	572
Fair value adjustment to convertible debentures	(72)	(753)	(147)	(208)
Fair value adjustment to Class B exchangeable LP units	(232)	(232)	(301)	(601)
Fair value adjustment to restricted and deferred units	(116)	(56)	(146)	(156)
Fair value adjustment to interest rate swaps	345	(1,980)	(629)	(528)
Fair value adjustment to right-of-use land lease assets	203	200	406	399
Equity accounting adjustment for interest rate swaps ⁽²⁾	50	(19)	106	(25)
Adjusted EBITDA⁽³⁾	\$ 18,087	\$ 17,407	\$ 35,362	\$ 34,373
Finance costs ⁽⁴⁾	\$ 7,381	\$ 6,863	\$ 14,678	\$ 14,306
Periodic principal repayments ⁽⁵⁾	3,371	3,180	6,565	6,401
Total debt service	\$ 10,752	\$ 10,043	\$ 21,243	\$ 20,707
Debt service ratios				
Interest coverage ratio ⁽³⁾	2.45 times	2.54 times	2.41 times	2.40 times
Debt coverage ratio ⁽³⁾	1.68 times	1.73 times	1.66 times	1.66 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, early mortgage discharge fees, non-controlling interest liability adjustment and distributions on Class B exchangeable LP units recorded in finance costs - operations.

(5) Includes right-of-use land lease principal repayments.

For the three months ended June 30, 2024, the interest and debt coverage ratios were mainly impacted by the increase in EBITDA offset by higher finance costs. For the six months ended June 30, 2024, the interest coverage ratio improved slightly, and the debt coverage ratio was consistent with the same period in the prior year, impacted by the factors noted above.

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:

	June 30, 2024	December 31, 2023	June 30, 2023
Debt to gross assets⁽¹⁾ (000s)			
Total debt including right-of-use land leases ⁽¹⁾⁽²⁾	\$ 673,990	\$ 673,240	\$ 657,013
Less: right-of-use land leases	(63,997)	(64,403)	(64,807)
Total debt excluding right-of-use land leases	<u>\$ 609,993</u>	<u>\$ 608,837</u>	<u>\$ 592,206</u>
Total gross assets excluding derivative asset	\$ 1,254,187	\$ 1,261,691	\$ 1,257,355
Less: right-of-use land leases	(63,997)	(64,403)	(64,807)
Total gross assets excluding right-of-use land leases	<u>\$ 1,190,190</u>	<u>\$ 1,197,288</u>	<u>\$ 1,192,548</u>
Debt to gross assets including right-of-use land leases⁽¹⁾	53.7%	53.4%	52.3%
Debt to gross assets excluding right-of-use land leases⁽¹⁾	51.3%	50.9%	49.7%

(1) This is a non-GAAP financial measure. Refer to "Non-GAAP Financial Measures" in Part I and "Explanation of Non-GAAP Financial Measures" in Part VII of this MD&A for more information.

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

The increase in debt to gross assets compared June 30, 2024, relates mainly to the change in fair value of investment properties since June 30, 2023. By its Declaration of Trust, Plaza is limited to an overall indebtedness ratio of 60% excluding convertible debentures and right-of-use land leases, and 65% including convertible debentures, excluding right-of-use land leases.

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 August 1, 2024 (000s) (unaudited)	Units
Current outstanding units	110,374
Class B exchangeable LP units	1,156
Series VIII convertible debentures	2,530
Total adjusted units outstanding	114,060

On September 26, 2023, the Trust announced that it had received approval from the TSX for the renewal of its normal course issuer bid ("NCIB") for a further year. Plaza's prior NCIB expired on September 27, 2023. The period of the renewed NCIB commenced on September 28, 2023, and will conclude on the earlier of the date on which purchases under the bid have been completed and September 27, 2024. Under the terms of the renewed NCIB, the Trust can purchase up to 7,107,380 of its issued and outstanding units through the facilities of the TSX and any alternative trading system in Canada. Subject to certain prescribed exemptions and any block purchase made in accordance with the rules of the TSX, daily purchases made by the Trust may not exceed 11,148 units, representing 25% of the average daily trading volume of the units on the TSX for the six-month period ended August 31, 2023 (being 44,595 units). All units that are purchased under the renewed NCIB will be cancelled (on a monthly basis, on or before the record date for each monthly distribution). Unitholders may obtain a copy of the NCIB renewal notice, without charge, by contacting the Trust.

Plaza also entered into a new automatic securities purchase plan agreement (the "Purchase Plan") with its designated broker in order to facilitate purchases of units under the renewed NCIB. The Purchase Plan, which was pre-cleared by the TSX, allows for purchases of units by Plaza at times when it would ordinarily not be permitted to make purchases due to regulatory restrictions or self-imposed blackout periods. The Purchase Plan will terminate on September 27, 2024.

For the six months ended June 30, 2024, 4,920 units have been repurchased for cancellation under Plaza's renewed NCIB at a weighted average price of \$3.6391. With this, to June 30, 2024, Plaza has purchased a total of 1,196,730 units for cancellation since the commencement of the original NCIB on September 28, 2018 at a weighted average price of \$4.0162.

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

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Right-of-Use 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 30 years, with some of the leases also containing non-automatic renewal options, extending the average remaining life of the leases to 57 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 June 30, 2024, the recorded amount of the right-of-use assets and land lease liabilities is \$64.0 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)	Land Rent Paid	
	June 30, 2024	June 30, 2023
Related Parties:		
A company beneficially-owned by Earl Brewer and Michael Zakuta	\$ 602	\$ 600

Gross Capital Additions Including Leasing Fees:

(000s)	3 Months Ended June 30, 2024 (unaudited)	3 Months Ended June 30, 2023 (unaudited)	6 Months Ended June 30, 2024 (unaudited)	6 Months Ended June 30, 2023 (unaudited)
Existing properties				
Leasing commissions	\$ 15	\$ 277	\$ 148	\$ 312
Other leasing costs	766	1,755	1,937	2,594
	781	2,032	2,085	2,906
Maintenance capital expenditures	229	590	1,175	678
Total capital additions – existing properties	1,010	2,622	3,260	3,584
Development/redevelopment properties				
Leasing commissions	142	79	264	235
Other leasing costs	(64)	1,497	245	4,146
Capital additions	5,125	6,544	14,953	11,589
Total capital additions - developments/redevelopments	5,203	8,120	15,462	15,970
Total gross additions per statements of cash flows⁽¹⁾	\$ 6,213	\$ 10,742	\$ 18,722	\$ 19,554
Reconciliation of leasing costs for AFFO purposes				
Leasing costs – existing properties per above	\$ 781	\$ 2,032	\$ 2,085	\$ 2,906
Internal leasing salaries	527	304	846	535
Total leasing costs – existing properties for AFFO purposes	\$ 1,308	\$ 2,336	\$ 2,931	\$ 3,441

(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 \$5.0 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 June 30, 2024 in respect of certain projects under development and other long-term obligations are as follows:

(000s)	Remainder 2024	Year 1 2025	Year 2 2026	Year 3 2027	Year 4 2028	Year 5 2029	After 5 Years	Face Value Total
Mortgages – periodic payments	\$ 6,246	\$ 11,607	\$ 10,199	\$ 9,024	\$ 7,835	\$ 6,003	\$ 15,727	\$ 66,641
Mortgages – due at maturity	15,131	47,722	58,701	49,993	26,723	80,656	132,376	411,302
Development lines of credit	11,976	-	-	-	-	-	-	11,976
Construction loans	44,174	-	-	-	-	-	-	44,174
Unsecured interest-only loans	-	1,800	-	-	-	-	-	1,800
Bank indebtedness	42,590	-	-	-	-	-	-	42,590
Mortgage bonds payable	1,245	1,510	-	-	-	-	-	2,755
Debentures ⁽¹⁾	8,000	6,000	12,019	3,537	-	-	-	29,556
Right-of-use land leases ⁽²⁾	1,673	3,378	3,379	3,427	3,394	3,423	109,536	128,210
Development activities	4,185	907	-	-	-	-	-	5,092
	\$ 135,220	\$ 72,924	\$ 84,298	\$ 65,981	\$ 37,952	\$ 90,082	\$ 257,639	\$ 744,096

⁽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 2024 will be renewed or refinanced as they come due. The overall loan to value on these mortgages is estimated at 46.5%.

Contingent Liabilities

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 June 30, 2024 totals \$5.1 million (June 30, 2023 - \$5.2 million) with a weighted average remaining term of 2.0 years (June 30, 2023 – 3.0 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 June 30, 2024 totals \$6.9 million (June 30, 2023 - \$7.1 million) with a weighted average remaining term of 3.5 years (June 30, 2023 – 4.5 years).

The Trust guarantees a \$3.4 million commitment (June 30, 2023 - \$3.6 million) relating to the mortgage of an asset sold in 2018, with a weighted average remaining term of 0.1 years at June 30, 2024 (June 30, 2023 – 1.1 years).

The Trust is contingently liable for certain obligations of its co-venturers, under guarantees in excess of its ownership percentages for six open-air centres and four free-standing properties. The excess guarantees amount to \$13.4 million (June 30, 2023 - \$15.4 million). Cross indemnities are in place for certain of these properties from co-venturers.

PART IV

SUMMARY OF SELECTED QUARTERLY INFORMATION

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

(000s except per unit and percentage data) (unaudited)	Q2'24	Q1'24	Q4'23	Q3'23	Q2'23	Q1'23	Q4'22	Q3'22
Revenues	\$30,672	\$29,571	\$28,962	\$28,294	\$28,463	\$28,345	\$27,978	\$27,609
Net property operating income ⁽¹⁾	\$18,390	\$18,052	\$17,436	\$18,460	\$17,643	\$16,815	\$17,590	\$18,156
Profit and total comprehensive income (loss)	\$2,437	\$9,456	(\$3,779)	\$3,355	\$12,985	\$7,751	\$14,185	\$7,236
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⁾	9.5¢	8.9¢	9.0¢	10.2¢	9.6¢	9.1¢	9.9¢	10.4¢
Funds from operations per unit – diluted ⁽¹⁾	9.5¢	8.9¢	9.0¢	10.1¢	9.5¢	9.0¢	9.7¢	10.1¢
Adjusted funds from operations per unit – basic ⁽¹⁾	8.0¢	6.6¢	5.9¢	8.5¢	7.0¢	7.9¢	7.3¢	8.0¢
Adjusted funds from operations per unit – diluted ⁽¹⁾	8.0¢	6.6¢	5.9¢	8.4¢	7.0¢	7.8¢	7.3¢	8.0¢
Distributions as a percentage of basic FFO ⁽¹⁾	73.5%	78.7%	77.6%	68.5%	73.0%	79.0%	70.4%	67.2%
Distributions as a percentage of basic AFFO ⁽¹⁾	87.5%	106.8%	118.8%	82.8%	100.0%	91.1%	95.8%	87.1%
Gross Leasable Area (000s of sq. ft.) (at 100%, excluding properties under development/redevelopment)								
Total income producing properties	8,633	8,576	8,393	8,350	7,974	7,886	7,926	7,945
Occupancy % (at 100%, excluding properties under development/redevelopment)								
Total income producing properties	97.6%	97.1%	97.0%	97.2%	97.6%	97.6%	97.5%	97.2%

⁽¹⁾ This is a non-GAAP financial measure. Refer to “Non-GAAP Financial Measures” in Part I and “Explanation of Non-GAAP Financial Measures” in Part VII of this MD&A for more information.

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 June 30, 2024, approximately 46.5% 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 June 30, 2024, the Trust held interests in 225 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, 2023 consolidated financial statements of the Trust for further details. Also see the Trust's AIF for the year ended December 31, 2023 dated March 27, 2024 for a list and descriptions of other risks and uncertainties applicable to the Trust's business.

Interest Rate, Financing and Refinancing Risk

Higher floating and fixed interest rates impact 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 \$987 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 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. Receivables include excise tax receivable, which have minimal to no collection risk.

Currently one tenant, Shoppers Drug Mart/Loblaws, represents 24.3% of current monthly base rents in place, Dollarama represents 6.7% and the TJX Group represents 4.4%. The top 10 tenants collectively represent approximately 53.3% of current monthly base rents in place. National and regional tenants represent 94.2% 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

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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.

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.

Labour Shortages

Labour shortages, particularly in construction-related trades, have impacted delivery timelines and operating and construction costs, although the environment continues to improve. Labour shortages may also impact the operations of certain of Plaza's tenants.

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)	June 30, 2024	December 31, 2023
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 mortgage bonds or unsecured debentures of the Trust as follows (stated at face value):

(000s)	June 30, 2024	December 31, 2023
Doug McGregor (Chairman and Trustee)	\$ 400	\$ 400
Stephen Johnson (Trustee)	519	519
Lynda Savoie (Trustee)	15	15
Michael Zakuta (President and Chief Executive Officer and Trustee)	1,065	684
Total	\$ 1,999	\$ 1,618

Key management personnel own \$200 thousand in non-convertible debentures of the Trust at June 30, 2024.

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	
Related Parties:	June 30, 2024	June 30, 2023
A company beneficially-owned by Earl Brewer and Michael Zakuta	\$ 602	\$ 600

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

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

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

Property	Ownership%	
	Earl Brewer	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%
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	-	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	
	June 30, 2024	December 31, 2023	June 30, 2024	June 30, 2023
Related Party:				
Earl Brewer	\$ 214	\$ 402	\$ 26	\$ 28
Michael Zakuta	\$ 240	\$ 447	\$ 35	\$ 41

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 all material information relating to the Trust is gathered and reported to senior management on a timely basis so that appropriate decisions can be made 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 Accounting Standards. The Trust maintains appropriate DC&P and ICFR (each as further defined in National Instrument 52-109, *Certification of Disclosure in Issuers’ Annual and Interim Filings*) 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 and they may not prevent or detect misstatements. 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 designed, or under their supervision caused to be designed, 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 June 30, 2024. At June 30, 2024, the design of the Trust’s DC&P provides reasonable assurance 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 June 30, 2024 the Trust’s ICFR were appropriately designed 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 six months ended June 30, 2024, 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. 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. Of the total fair value of income producing properties and properties under development, \$274 million were based on external appraisals as at June 30, 2024, (year ended December 31, 2023 - \$244 million).

At June 30, 2024 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 \$41.9 million. An increase of 0.25% in the capitalization rates used would have resulted in a decrease in investment properties of approximately \$38.8 million.

CHANGES IN ACCOUNTING POLICIES

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” or 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.

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

Plaza adopted the Amendments in the interim condensed consolidated financial statements beginning on January 1, 2024, when they became effective. As a result of adopting the amendments, Class B exchangeable LP units of \$4.255 million and \$5.336 million and Series VIII convertible debentures of \$11.244 million and \$11.894 million were reclassified from non-current liabilities to current liabilities on the Consolidated Statement of Financial Position, at December 31, 2023 and January 1, 2023, respectively. Consistent with the requirements under IAS 1 and National Instrument 51-102, Plaza has presented a third statement of financial position as at January 1, 2023, to show the effect of the adoption of the amendments at the beginning of the preceding period.

FUTURE ACCOUNTING POLICY CHANGES

On April 9, 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* to improve reporting of financial performance. IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. It carries forward many requirements from IAS 1 unchanged.

IFRS 18 applies for annual reporting periods beginning on or after January 1, 2027. Earlier application is permitted.

The new Accounting Standard introduces significant changes to the structure of a company’s income statement, more discipline and transparency in presentation of management’s own performance measures (commonly referred to as ‘non-GAAP measures’) and less aggregation of items into large, single numbers.

The main impacts of the new Accounting Standard include:

- introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities (i.e. operating, investing and financing);
- requiring disclosure about management performance measures (MPMs); and

- adding new principles for aggregation and disaggregation of information.

Plaza intends to adopt IFRS 18 in its consolidated financial statements beginning on January 1, 2027, when the standard becomes effective.

EXPLANATION OF NON-GAAP MEASURES

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

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 Accounting Standards. 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”.

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).

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, 2023 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.

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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”.

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 - operations 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 - operations. Total debt service is defined for this calculation as finance costs, as defined above, plus periodic mortgage principal repayments and right-of-use land lease principal repayments.

Debt to gross assets including right-of-use land leases and debt to gross assets excluding right-of-use land leases are non-GAAP financial measures. Debt to gross assets including right-of-use land leases and debt to gross assets excluding right-of-use land leases, as calculated by Plaza, may not be comparable to similarly titled measures reported by other entities. Plaza calculates the debt to gross assets including right-of-use land leases as total debt including the face value of convertible debentures divided by total gross assets, with both total debt and total gross assets including right-of-use land lease liabilities and assets, respectively. Plaza calculates the debt to gross assets excluding right-of-use land leases as total debt excluding right-of-use land lease liabilities divided by total gross assets excluding right-of-use land lease assets. Total debt is defined for this calculation as mortgage bonds, mortgages payable, face value of convertible debentures, non-convertible debentures, notes payable, right-of-use land lease liabilities (except when excluded per above) and bank indebtedness.

ADDITIONAL INFORMATION

Additional information relating to Plaza, including other required continuous disclosure documents, has been filed electronically with Canadian securities regulatory authorities on SEDAR+ and can be accessed at www.sedarplus.ca.

PROPERTIES OF THE TRUST

A chart listing the Trust’s properties at June 30, 2024 can be accessed on Plaza’s website at <http://plaza.ca/financial-reports-presentations-and-other-filings/>.

Plaza Retail REIT
Condensed Interim Consolidated Statements of Financial Position

(unaudited)
(in thousands of Canadian dollars)

June 30, 2024 December 31, 2023⁽¹⁾ January 1, 2023⁽¹⁾

Assets

Non-Current Assets

Investment properties (Note 4)	\$ 1,158,395	\$ 1,173,665	\$ 1,169,075
Investments	55,222	54,562	51,180
Tenant loans	526	321	235
Derivative assets (Note 11)	2,354	1,725	3,129
Deferred income tax asset	296	285	280
Total non-current assets	1,216,793	1,230,558	1,223,899

Current Assets

Cash	7,807	10,868	7,262
Receivables (Note 5)	4,307	5,041	4,138
Investment properties held for sale (Note 4(f))	9,173	1,140	19,260
Prepaid expenses and deposits (Note 6)	9,505	3,281	3,433
Tenant loans	68	62	55
Notes and advances receivable (Note 7)	8,888	12,466	10,964
Total current assets	39,748	32,858	45,112
Total assets	\$ 1,256,541	\$ 1,263,416	\$ 1,269,011

Liabilities and Unitholders' Equity

Non-Current Liabilities

Debentures payable (Note 8)	\$ 3,519	\$ 3,513	\$ 3,500
Mortgage bonds payable (Note 9)	1,510	-	1,945
Mortgages payable and other loans (Note 10)	450,031	424,317	462,246
Right-of-use land lease liabilities (Note 13)	63,171	63,585	64,403
Deferred income tax liability	9,042	8,834	8,757
Total non-current liabilities	527,273	500,249	540,851

Current Liabilities

Current portion of debentures payable (Note 8)	25,070	20,477	58,700
Current portion of mortgage bonds payable (Note 9)	1,238	4,155	2,832
Bank indebtedness (Note 12)	42,590	49,344	37,800
Current portion of mortgages payable and other loans (Note 10)	83,906	105,066	74,723
Accounts payable, accrued liabilities, tenant payables and tenant deposits (Note 14)	25,174	28,938	25,473
Current portion of right-of-use land lease liabilities (Note 13)	826	818	803
Notes payable (Note 15)	1,208	1,190	1,188
Class B exchangeable LP units (Note 20(b))	3,954	4,255	5,336
Total current liabilities	183,966	214,243	206,855
Total liabilities	711,239	714,492	747,706

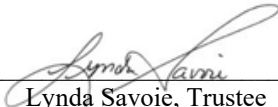
Unitholders' equity	542,809	546,487	518,900
Non-controlling interests	2,493	2,437	2,405
Total unitholders' equity	545,302	548,924	521,305
Total liabilities and unitholders' equity	\$ 1,256,541	\$ 1,263,416	\$ 1,269,011

(1) Restated to reflect retroactive application of amendments to IAS 1, refer to Note 3(i).

Subsequent events – see Notes 10 and 25



Doug McGregor, Trustee
Chair of the Board



Lynda Savoie, Trustee
Chair of the Audit Committee

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

Plaza Retail REIT

Condensed Interim Consolidated Statements of Comprehensive Income

(unaudited)

(in thousands of Canadian dollars)

	3 Months Ended June 30, 2024	3 Months Ended June 30, 2023	6 Months Ended June 30, 2024	6 Months Ended June 30, 2023
Revenues (Note 16)	\$ 30,672	\$ 28,463	\$ 60,243	\$ 56,808
Operating expenses (Note 17)	(12,282)	(10,820)	(23,801)	(22,350)
Net property operating income	18,390	17,643	36,442	34,458
Share of profit of associates	621	1,019	1,642	1,271
Administrative expenses (Note 18)	(2,462)	(2,422)	(4,922)	(4,263)
Investment income	311	255	650	465
Other income	1,114	1,077	1,720	2,051
Income before finance costs, fair value adjustments and income taxes	17,974	17,572	35,532	33,982
Finance costs - operations (Note 19)	(7,744)	(6,933)	(15,152)	(14,498)
Finance costs - net change in fair value of convertible debentures (Note 8)	72	753	147	208
Finance costs - net change in fair value of Class B exchangeable LP units (Note 20(b))	232	232	301	601
Finance costs - net change in fair value of interest rate swaps (Note 11)	(345)	1,980	629	528
Net change in fair value of right-of-use land lease assets (Note 4)	(203)	(200)	(406)	(399)
Impairment of notes receivables (Note 7)	(78)	-	(190)	-
Net change in fair value of investment properties (Note 4)	(7,316)	(827)	(8,628)	447
Profit before income tax	2,592	12,577	12,233	20,869
Income tax expense				
- Current	(59)	(51)	(144)	(109)
- Deferred	(96)	459	(196)	(24)
	(155)	408	(340)	(133)
Profit and total comprehensive income for the period	\$ 2,437	\$ 12,985	\$ 11,893	\$ 20,736
Profit and total comprehensive income for the period attributable to:				
- Unitholders	\$ 2,385	\$ 12,936	\$ 11,789	\$ 20,634
- Non-controlling interests	52	49	104	102
	\$ 2,437	\$ 12,985	\$ 11,893	\$ 20,736

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

Plaza Retail REIT

Condensed Interim Consolidated Statements of Changes in Unitholders' Equity

(unaudited)

(in thousands of Canadian dollars)

	Trust Units (Note 20)	Retained Earnings	Unitholders' Equity	Non- Controlling Interests	Total Equity
Balance as at January 1, 2023	\$ 275,512	\$ 243,388	\$ 518,900	\$ 2,405	\$ 521,305
Profit and total comprehensive income for the period	-	20,634	20,634	102	20,736
Transactions with unitholders, recorded directly in equity:					
- Bought deal equity raise, net of issue costs	37,873	-	37,873	-	37,873
- Exchangeable unit redemption (Note 20)	145	-	145	-	145
- Repurchase of units under normal course issuer bid	(33)	(16)	(49)	-	(49)
- Distributions declared to unitholders	-	(15,050)	(15,050)	-	(15,050)
- Contributions to non-controlling interests	-	-	-	(45)	(45)
Balance as at June 30, 2023	\$ 313,497	\$ 248,956	\$ 562,453	\$ 2,462	\$ 564,915
Balance as at January 1, 2024	\$ 313,442	\$ 233,045	\$ 546,487	\$ 2,437	\$ 548,924
Profit and total comprehensive income for the period	-	11,789	11,789	104	11,893
Transactions with unitholders, recorded directly in equity:					
- Repurchase of units under normal course issuer bid (Note 20)	(14)	(4)	(18)	-	(18)
- Distributions declared to unitholders (Note 21)	-	(15,449)	(15,449)	-	(15,449)
- Contributions to non-controlling interests	-	-	-	(48)	(48)
Balance as at June 30, 2024	\$ 313,428	\$ 229,381	\$ 542,809	\$ 2,493	\$ 545,302

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

Plaza Retail REIT
Condensed Interim Consolidated Statements of Cash Flows

(unaudited)

(in thousands of Canadian dollars)

3 Months Ended June 30, 2024	3 Months Ended June 30, 2023	6 Months Ended June 30, 2024	6 Months Ended June 30, 2023
---------------------------------------	---------------------------------------	---------------------------------------	---------------------------------------

Cash obtained from (used for):
Operating activities

Profit and total comprehensive income for the period	\$ 2,437	\$ 12,985	\$ 11,893	\$ 20,736
Items not affecting cash:				
Finance costs - operations (Note 19)	7,744	6,933	15,152	14,498
Share of profit of associates	(621)	(1,019)	(1,642)	(1,271)
Net change in fair value of investment properties	7,316	827	8,628	(447)
Net change in fair value of convertible debentures	(72)	(753)	(147)	(208)
Net change in fair value of Class B exchangeable LP units	(232)	(232)	(301)	(601)
Net change in fair value of interest rate swaps (Note 11)	345	(1,980)	(629)	(528)
Net change in fair value of right-of-use land lease assets	203	200	406	399
Impairment of notes receivable	78	-	190	-
Current and deferred income taxes	155	(408)	340	133
Straight-line rent (Note 16)	(175)	44	(218)	(11)
Interest paid	(6,727)	(6,196)	(13,057)	(13,213)
Imputed interest paid on right-of-use land lease liabilities (Note 19)	(632)	(626)	(1,261)	(1,250)
Cash distributions paid to Class B exchangeable LP unitholders (Note 19)	(81)	(81)	(162)	(164)
Income taxes paid	(89)	39	(308)	(19)
Distributions from equity accounted investments	532	718	872	1,064
Leasing commissions paid (Note 22(c))	(15)	(277)	(148)	(312)
Change in non-cash working capital (Note 22(a))	(8,204)	(7,198)	(3,620)	(3,720)
	<u>1,962</u>	<u>2,976</u>	<u>15,988</u>	<u>15,086</u>

Financing activities

Cash distributions paid to unitholders	(7,725)	(7,724)	(15,449)	(14,849)
Repurchase of units under normal course issuer bid (Note 20)	-	(32)	(18)	(49)
Net proceeds from bought deal	-	(11)	-	37,873
Gross mortgage proceeds	37,458	18,533	48,448	38,012
Fees incurred for placement of mortgages	(244)	(27)	(263)	(224)
Early mortgage discharge fees paid (Note 19)	(211)	-	(211)	(50)
Mortgages repaid	(26,566)	(16,359)	(33,928)	(33,051)
Mortgages repaid on disposal of investment properties and land (Note 4(d))	(3,197)	(1,348)	(3,844)	(13,762)
Early mortgage discharge fees paid on disposal of investment properties	(40)	-	(40)	-
Periodic mortgage principal repayments	(3,168)	(2,980)	(6,159)	(6,002)
Right-of-use land lease principal repayments	(203)	(200)	(406)	(399)
Gross proceeds of mortgage bonds	70	-	70	-
Redemption of mortgage bonds	(70)	-	(1,480)	-
Gross proceeds from non-convertible debentures (Note 8)	3,000	370	5,150	6,000
Redemption of debentures (Note 8)	-	-	(401)	(47,250)
Fees incurred for placement of mortgage bonds and debentures	(18)	(4)	(21)	(19)
Distribution from equity accounted investments from financing proceeds	110	-	110	-
Increase in notes payable	18	4	18	2
	<u>(786)</u>	<u>(9,778)</u>	<u>(8,424)</u>	<u>(33,768)</u>

Investing activities

Investment properties – additions (Note 22(c))	(6,198)	(10,465)	(18,574)	(19,242)
Proceeds from disposal of investment properties and land (Note 4(d))	10,205	8,354	10,841	24,094
Proceeds from assets previously held for sale (Note 4(d))	-	-	1,140	9,719
Advances to equity accounted investments for developments	-	-	-	(200)
Contributions to non-controlling interests, recorded in non-controlling interests and in liabilities	(51)	(61)	(103)	(110)
Increase in deposits for acquisitions and financings (Note 6)	(415)	-	(352)	(28)
Decrease (increase) in notes and advances receivable	3,692	(23)	3,388	(526)
Repayment of tenant loans	18	16	35	35
Issuance of tenant loans	(246)	(48)	(246)	(98)
	<u>7,005</u>	<u>(2,227)</u>	<u>(3,871)</u>	<u>13,644</u>
Net increase (decrease) in cash	8,181	(9,029)	3,693	(5,038)
Cash less bank indebtedness, beginning of the period	(42,964)	(26,547)	(38,476)	(30,538)
Cash less bank indebtedness, end of the period	\$ (34,783)	\$ (35,576)	\$ (34,783)	\$ (35,576)

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

Plaza Retail REIT

Notes to the Condensed Interim Consolidated Financial Statements

June 30, 2024

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

1. Reporting Entity

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

2. Basis of Preparation

Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board (“IASB”). The condensed interim consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements for the year ended December 31, 2023, which have been prepared in accordance with IFRS Accounting Standards, as issued by the IASB.

The condensed interim consolidated financial statements were authorized for issue by the Audit Committee on behalf of the Board of Trustees (the “Board”) of the Trust on August 1, 2024.

3. Summary of Material Accounting Policies

(i) Changes in Accounting Policies

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” or 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.

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

Plaza adopted the Amendments in the interim condensed consolidated financial statements beginning on January 1, 2024, when they became effective. As of result of adopting the amendments, Class B exchangeable LP units of \$4.255 million and \$5.336 million and Series VIII convertible debentures of \$11.244 million and \$11.894 million were reclassified from non-current liabilities to current liabilities on the Consolidated Statement of Financial Position, at December 31, 2023 and January 1, 2023, respectively. Consistent with the requirements under IAS 1 and National Instrument 51-102, Plaza has presented a third statement of financial position as at January 1, 2023, to show the effect of the adoption of the amendments at the beginning of the preceding period.

(ii) Future Accounting Policy Changes

On April 9, 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* to improve reporting of financial performance. IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. It carries forward many requirements from IAS 1 unchanged.

IFRS 18 applies for annual reporting periods beginning on or after January 1, 2027. Earlier application is permitted.

The new Accounting Standard introduces significant changes to the structure of a company’s income statement, more discipline and transparency in presentation of management's own performance measures (commonly referred to as 'non-GAAP measures,') and less aggregation of items into large, single numbers.

Plaza Retail REIT

Notes to the Condensed Interim Consolidated Financial Statements

June 30, 2024

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

The main impacts of the new Accounting Standard include:

- introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities (i.e. operating, investing and financing);
- requiring disclosure about management performance measures (MPMs); and
- adding new principles for aggregation and disaggregation of information.

Plaza intends to adopt IFRS 18 in its consolidated financial statements beginning on January 1, 2027, when the standard becomes effective.

4. Investment Properties

	June 30, 2024 ⁽¹⁾				December 31, 2023 ⁽¹⁾			
	Income producing properties	Properties under development	ROU land lease assets	Total	Income producing properties	Properties under development	ROU land lease assets	Total
Balance, beginning of the period:	\$ 1,036,377	\$ 72,886	\$ 64,402	\$ 1,173,665	\$ 1,025,249	\$ 78,620	\$ 65,206	\$ 1,169,075
Additions (deductions):								
Additions to investment properties	3,723	9,837	-	13,560	16,891	37,248	-	54,139
Disposals (Note 4(d))	(10,841)	-	-	(10,841)	(27,696)	-	-	(27,696)
Transfers	39,148	(39,148)	-	-	44,046	(44,046)	-	-
Straight line rent receivable change	211	7	-	218	35	25	-	60
Reclass to investment properties held for sale (Note 4(f))	(9,173)	-	-	(9,173)	(1,140)	-	-	(1,140)
Change in fair value – income producing and under development	(6,695)	(1,933)	-	(8,628)	(21,008)	1,039	-	(19,969)
Change in fair value – right-of-use land lease assets	-	-	(406)	(406)	-	-	(804)	(804)
Balance, end of the period:	\$ 1,052,750	\$ 41,649	\$ 63,996	\$ 1,158,395	\$ 1,036,377	\$ 72,886	\$ 64,402	\$ 1,173,665

⁽¹⁾ Reconciling numbers between the opening and ending balance for June 30, 2024, include six months of activity and between the opening and ending balance for December 31, 2023 include twelve months of activity.

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

Fair value disclosure

Investment properties (including those owned through equity accounted joint ventures) are measured at fair value using valuations prepared by either the Trust’s internal valuation team or external independent appraisers. The fair value of investment properties has been categorized as a Level 3 fair value (see (i) below, for a more detailed description of the Trust’s valuation approach and note 24 for a description of Level 3 classification). The significant unobservable inputs include capitalization rates and future stabilized net operating income, which is supported by the terms of existing leases in place and current market rents to renew or lease up vacant or expiring space, adjusted for estimated or normalized vacancy rates based on market conditions and factoring in expected maintenance costs.

Plaza Retail REIT

Notes to the Condensed Interim Consolidated Financial Statements

June 30, 2024

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

Income Producing Properties

(i) Internal approach – direct capitalization method

Income producing properties are valued using the direct capitalization method. Under this method, fair value is estimated by applying capitalization rates to future stabilized net operating income (property revenue less property operating expenses), with the resulting value reduced by any costs required to achieve stabilization. Future stabilized net operating income adjusts net operating income for items such as market property management fees, or in the case of development properties, to reflect full intended occupancy (less a normal vacancy allowance). The Trust utilizes quarterly capitalization rate matrices provided by an external appraiser. The capitalization rate matrices provide a range of rates for various geographic regions and for various types and qualities of properties within each region. The Trust generally utilizes capitalization rates within the range of rates provided. In addition, adjustments may be made to the internal valuations to reflect assumptions contained in external appraisals, discussed below, where the appraisal may better reflect the specific qualities of a property. To the extent that the externally provided capitalization rate ranges change from one reporting period to the next or should another rate within the provided ranges be more appropriate than the rate previously used, the fair value of the investment properties would increase or decrease accordingly.

(ii) External appraisals

Independent appraisals are obtained in the normal course of business. 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. When the external appraisal better reflects the value of a property, the external appraisal will be utilized for valuation purposes.

Of the total fair value of income producing properties and properties under development in the chart on the previous page, \$90.1 million were based on external appraisals obtained during the current quarter, (year ended December 31, 2023 - \$100.1 million).

As at June 30, 2024 the Trust has utilized the following range of capitalization rates:

	Number of Properties ⁽¹⁾	Weighted average capitalization rates ⁽¹⁾	Capitalization Rate Matrix Ranges	
			Primary Market	Secondary Market
Freestanding or Mini Box	68	6.28%	5.25% - 8.25%	6.00% - 9.75%
Quick Service Restaurant	42	6.95%	5.50% - 8.25%	5.75% - 10.00%
Anchored Open-Air Centre – Class A	15	6.48%	5.25% - 8.00%	5.75% - 8.75%
Anchored Open-Air Centre – Class B	41	6.92%	5.50% - 9.00%	6.25% - 10.00%
Unanchored Open-Air Centre	32	7.30%	5.50% - 9.00%	6.50% - 11.50%
Enclosed Malls – Community	3	9.83%	8.00% - 12.50%	8.50% - 13.50%
	201	6.84%		

⁽¹⁾ Excludes non-consolidated trusts and partnerships.

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

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

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

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

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

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

Plaza Retail REIT
Notes to the Condensed Interim Consolidated Financial Statements
June 30, 2024

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

A sensitivity analysis of fair values of investment properties at June 30, 2024, based on changes to the capitalization rates used to determine fair values, is as follows:

Capitalization Rate Sensitivity Increase (Decrease)	Weighted average capitalization rate	Fair Value of Investment Properties ⁽¹⁾	Fair Value Variance	% Change
(0.75%)	6.09%	1,239,789	136,217	12.3%
(0.50%)	6.34%	1,190,689	87,117	7.9%
(0.25%)	6.59%	1,145,430	41,858	3.8%
June 30, 2024	6.84%	1,103,572	-	-
0.25%	7.09%	1,064,739	(38,833)	(3.5%)
0.50%	7.34%	1,028,611	(74,961)	(6.8%)
0.75%	7.59%	994,911	(108,661)	(9.8%)

⁽¹⁾ Includes assets held for sale and excludes right of use land lease assets and non-consolidated trusts and partnerships.

Although the fair value of investment properties reflects the Trust's best estimates as at June 30, 2024, the Trust continues to review its future net property operating income and cash flow projections and valuation of investment properties in light of the current macro-economic environment. Certain aspects of Plaza's operations could be further affected, including rental and occupancy rates, consumer demand and demand for retail space, capitalization rates, temporary or long-term labour or supply chain disruptions and the impact on construction costs and development projects, and the resulting value of Plaza's properties.

As at December 31, 2023 the Trust has utilized the following range of capitalization rates:

	Number of Properties ⁽¹⁾	Weighted average capitalization rates ⁽¹⁾	Capitalization Rate Matrix Ranges	
			Primary Market	Secondary Market
Freestanding or Mini Box	68	6.31%	5.25% - 8.25%	6.00% - 9.75%
Quick Service Restaurant	47	6.77%	5.50% - 8.50%	5.75% - 10.50%
Anchored Open-Air Centre – Class A	16	6.49%	5.25% - 8.00%	5.75% - 8.75%
Anchored Open-Air Centre – Class B	41	6.93%	5.50% - 9.00%	6.25% - 10.00%
Unanchored Open-Air Centre	33	7.33%	5.50% - 9.00%	6.50% - 11.50%
Enclosed Malls – Community	3	9.89%	8.00% - 12.50%	7.75% - 13.50%
	208	6.86%		

⁽¹⁾ Excludes non-consolidated trusts and partnerships.

Properties Under Development

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

(a) Straight-line Rent

Included in investment properties at June 30, 2024 is \$11.6 million (December 31, 2023 - \$11.5 million) of straight-line rents receivable arising from the recognition of rental revenue on a straight-line basis over the lease terms in accordance with IFRS 16, *Leases*.

(b) Surplus Land

Included in investment properties at June 30, 2024 is \$6.4 million of surplus lands at fair value (December 31, 2023 - \$8.1 million).

(c) Borrowing Costs

The total amount of borrowing costs capitalized for the period ended June 30, 2024 is \$1.5 million (for the period ended June 30, 2023 - \$1.8 million).

Plaza Retail REIT

Notes to the Condensed Interim Consolidated Financial Statements

June 30, 2024

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

(d) Disposals

Properties Disposed	% Disposed	Gross Proceeds 6 Months Ended June 30, 2024⁽¹⁾	Gross Proceeds Year Ended December 31, 2023
Quick Service Restaurants, non-core assets	100%	\$ 7,531	\$ 26,727
Non-core asset in Windsor, ON	100%	4,450	-
Non-core asset in Brampton, ON	100%	-	15,725
Surplus land in Welland, ON		-	4,504
Total disposals		\$ 11,981	\$ 46,956
Less: assets previously held for sale		(1,140)	(19,260)
Disposals excluding assets previously held for sale		\$ 10,841	\$ 27,696

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

Reconciliation of disposals with the Statements of Cash Flows	Net Proceeds Year Ended June 30, 2024	Net Proceeds Year Ended December 31, 2023
Total disposals	\$ 11,981	\$ 46,956
Mortgages repaid on disposal	(3,844)	(16,063)
Net proceeds - cash	\$ 8,137	\$ 30,893

Recorded on the Statement of Cash Flows in:

Investing activities: Proceeds from disposal of investment properties and land	\$ 10,841	\$ 37,237
Financing activities: Mortgages repaid on disposal of investment properties and land	(3,844)	(16,063)
Investing activities: Proceeds from assets previously held for sale	1,140	9,719
Net proceeds - cash	\$ 8,137	\$ 30,893

(e) Right-of-use land lease assets

The Trust has investment properties located on land which is leased. The Trust has 27 long-term land leases (affecting 26 properties). Land leases expire (excluding any non-automatic renewal periods) on dates ranging from 2027 to 2084 with an average life of 30 years, with some of the leases also containing non-automatic renewal options, extending the average life of the leases to 57 years including these non-automatic renewal options.

(f) Investment properties held for sale

The Trust has segregated six non-core investment properties located in New Brunswick, Newfoundland, Nova Scotia and Quebec as held for sale with a fair value of \$9.2 million (December 31, 2023 - \$1.1 million).

Plaza Retail REIT

Notes to the Condensed Interim Consolidated Financial Statements

June 30, 2024

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5. Receivables

Receivables consist of the following:

	June 30, 2024	December 31, 2023
Tenant accounts receivable, net of allowance	\$ 321	\$ 235
Tenant CAM and tax recovery accrual	906	1,497
Tenant accounts receivable – annual tax billings	1,011	263
Excise tax	421	1,968
Other receivables	1,552	1,078
Income tax receivable	96	-
Total receivables	\$ 4,307	\$ 5,041

The Trust determines its allowance for doubtful accounts on a tenant-by-tenant basis using an expected credit loss model taking into consideration lease terms, industry conditions and status of the tenants' accounts, among other factors. Accounts are written off only when all collection efforts have been exhausted. The allowance for doubtful accounts balance at June 30, 2024 is \$225 thousand (December 31, 2023 - \$320 thousand). This amount is deducted from tenant accounts receivable.

6. Prepaid Expenses and Deposits

Prepaid expenses and deposits consist of the following:

	June 30, 2024	December 31, 2023
Prepaid expenses	\$ 1,544	\$ 1,546
Prepaid property taxes	6,986	1,113
Deposits for acquisitions and financings	975	622
Total prepaid expenses and deposits	\$ 9,505	\$ 3,281

7. Notes and Advances Receivable

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

Due from:	Interest Rate	June 30, 2024	December 31, 2023
Co-owners of certain investment properties (payable on demand)	6.00% ⁽¹⁾	\$ 3,417	\$ 7,017
	Prime + 1.5% ⁽¹⁾	281	281
	Prime + 1.25%	1,250	1,250
	Prime + 6.0%	4,620	4,658
	Non-interest bearing	44	44
Minority interest shareholders (payable on demand)	Prime + 0.75% or BA plus 2.25%	502	502
	Prime + 2.0%	50	50
Vendor take-back mortgage on sale of asset	7.5%	250	-
Impairment of notes receivable		(1,526)	(1,336)
Total notes and advances receivable		\$ 8,888	\$ 12,466

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

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8. Debentures Payable

Debentures payable consist of the following:

	Maturity Date	Interest Rate	June 30, 2024	December 31, 2023 ⁽³⁾
Convertible ⁽¹⁾				
Series VIII	March 31, 2026	5.95%	\$ 11,098	\$ 11,244
Total convertible debentures			11,098	11,244
Series II non-convertible debentures ⁽²⁾	February 28, 2027	5.00%	3,537	3,537
Series III non-convertible debentures ⁽²⁾ – Tranche A	March 31, 2025	6.75%	1,335	1,510
Series III non-convertible debentures ⁽²⁾ – Tranche B	March 31, 2025	6.75%	4,665	4,490
Series IV non-convertible debentures ⁽²⁾ – Tranche A	December 16, 2024	6.75%	579	579
Series IV non-convertible debentures ⁽²⁾ – Tranche A	December 16, 2024	6.75%	2,672	2,672
Series IV non-convertible debentures ⁽²⁾ – Tranche C	December 16, 2024	6.75%	1,749	-
Series V non-convertible debentures ⁽²⁾	October 30, 2024	6.75%	3,000	-
Total non-convertible debentures			17,537	12,788
Total debentures payable			28,635	24,032
Less: unamortized finance charges – non-convertible debentures			(46)	(42)
Net debentures payable			28,589	23,990
Less: current portion of debentures payable			(25,070)	(20,477)
Total debentures payable – long-term portion			\$ 3,519	\$ 3,513

⁽¹⁾ Recorded at fair value based on a valuation methodology that uses differential equations for the Series VIII debentures. The fair value change of the total convertible debentures for the six month period ending June 30, 2024 was a gain of \$147 thousand (for the six month period ended June 30, 2023 – gain of \$208 thousand).

⁽²⁾ Recorded at amortized cost.

⁽³⁾ Restated to reflect retroactive application of amendments to IAS 1, refer to Note 3(i).

Convertible and non-convertible debentures are subordinate and unsecured.

In January 2024, \$1.7 million in Series IV unsecured debentures were issued at an interest rate of 6.75%, maturing December 16, 2024.

In February and March 2024, a total of \$6.0 million in Series III unsecured debentures were extended until March 31, 2025, at an interest rate of 6.75%.

In April 2024, \$3.0 million in Series V unsecured debentures were issued at an interest rate of 6.75%, maturing October 30, 2024.

In June 2024, \$579 thousand of Series IV unsecured debentures were extended at the same rate until December 16, 2024.

Current convertible debenture terms are as follows:

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

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9. Mortgage Bonds Payable

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

			June 30, 2024	December 31, 2023
	Interest Rates	Maturity Dates	Total	Total
Series X.2	6.00%	January 15, 2024	\$ -	\$ 250
Series X.2	6.15%	July 15, 2025	1,510	1,510
Series X.2	6.00%	July 15, 2024	725	725
Total Series X.2			2,235	2,485
Series XII	6.00%	January 15, 2024	-	1,160
Series XII	6.00%	July 15, 2024	85	85
Series XII	4.75%	July 15, 2024	435	435
Total Series XII			520	1,680
Gross mortgage bonds payable			2,755	4,165
Less: unamortized finance charges			(7)	(10)
Net mortgage bonds payable			2,748	4,155
Less: current portion of mortgage bonds payable			(1,238)	(4,155)
Net mortgage bonds payable – long-term portion			\$ 1,510	\$ -

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

In January 2024, the \$250 thousand Series X.2 mortgage bonds and the \$1.16 million Series XII mortgage bonds matured. Of the total matured, \$150 thousand was repaid and the remaining \$1.26 million participated in the issuance of Series IV non-convertible debentures.

In June 2024, the \$1.5 million Series X.2 mortgage bonds matured and were extended to July 15, 2025. Of the total matured, \$70 thousand was repaid, \$1.43 million were extended and \$70 thousand new bonds were issued.

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10. Mortgages Payable and Other Loans

	Interest Rate Range	Weighted Average Effective Interest Rate	Maturity Dates	June 30, 2024	December 31, 2023
Secured fixed rate loans:	2.33% - 6.45%	4.30%	Up to June 2034	\$ 477,943	\$ 471,191
Unsecured interest-only fixed rate loans ⁽¹⁾ :	5.00%	5.00%	Up to Sept 2025	1,800	3,600
Revaluation of loans upon acquisitions, net of amortization of \$6,571 (December 31, 2023 - \$6,549)				202	224
Less: unamortized finance charges				(2,149)	(2,154)
Total net fixed rate loans				477,796	472,861
Variable rate loans:					
- \$20 million development facility	Prime plus 0.75% or CORRA plus 2.5%		July 31, 2024	11,976	8,889
- \$15 million development facility	Prime plus 0.75% or CORRA plus 2.30%		July 31, 2024	-	1,293
- \$8.0 million interim facility	Prime plus 1.50% or CORRA plus 2.80%		July 16, 2024	4,409	7,075
- \$1.2 million unsecured interest-only loan ⁽¹⁾	Prime plus 1.05% (min. 5.00% rate)		January 15, 2024	-	1,171
- \$13.4 million interim facility	Prime plus 1.00% or CORRA plus 2.80%		August 31, 2024	13,312	13,057
- \$6.75 million interim facility	Prime plus 1.00% or CORRA plus 2.80%		December 21, 2024	6,221	5,760
- \$6.2 million interim facility	Prime plus 0.90% or CORRA plus 2.45%		August 15, 2024	3,938	3,938
- \$6.75 million interim facility	Prime plus 0.95% or CORRA plus 2.75%		April 8, 2025	6,750	6,750
- \$7.25 million interim facility	Prime plus 1.00% or CORRA plus 2.80%		January 1, 2025	7,171	6,667
- \$5.0 million interim facility	Prime plus 0.95% or CORRA plus 2.75%		December 31, 2024	2,373	1,984
Less: unamortized finance charges				(9)	(62)
Total net variable rate loans				56,141	56,522
Net mortgages payable				533,937	529,383
Less: mortgages payable and other loans – current portion				(83,906)	(105,066)
Total mortgages payable and other loans – long-term portion				\$ 450,031	\$ 424,317

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

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

To fund development activities the Trust has two revolving development facilities with Canadian chartered banks available upon pledging of specific assets. One is a \$20.0 million one-year revolving facility that bears interest at prime plus 0.75% or Canadian Overnight Repo Rate Average (“CORRA”) plus 2.5%, and the other is a \$15.0 million revolving facility that bears interest at prime plus 0.75% or CORRA plus 2.30%. In July 2024, the \$20.0 million development line was renewed with the

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same pricing until July 31, 2025 and the \$15.0 million development line was renewed with the same pricing until July 31, 2026. At June 30, 2024 there is \$23.0 million available on these development facilities (December 31, 2023 - \$24.8 million). The Trust must maintain certain financial ratios to comply with the facilities. These covenants include loan-to-value, debt coverage, interest coverage and occupancy covenants, as well as unitholder equity tests. As of June 30, 2024, the Trust is in compliance with all financial covenants.

Funding is generally secured by first mortgage charges on properties or development properties as applicable. Interim facilities are in place for financing the construction and development of specific properties. The \$8.0 million interim facility is secured by a property which is undergoing repositioning and stabilization. In July 2024, the \$8.0 million interim facility was renewed until July 2026. The remaining interim facilities are funding specific developments in progress; management expects that available funds under the respective facilities are sufficient to complete the respective developments. As the interim facilities mature, it is expected they will either be extended until construction has been completed or they will be converted to long-term mortgages on completion of the construction projects. The Trust must maintain certain financial ratios to comply with certain facilities. As of June 30, 2024, the Trust is in compliance with all financial covenants.

11. Derivative Assets and Liabilities

The Trust utilizes interest rate swaps in order to fix the variable interest rate on seven mortgages. The interest rate swaps mature in August 2027, May, June and August 2029, and November 2033, and are recorded at fair value, with movements in fair value recorded in profit and total comprehensive income. The interest rate swaps result in derivative assets of \$2.4 million at June 30, 2024, (December 31, 2023 – derivative assets of \$1.7 million). The Trust recorded a fair value gain on the interest rate swaps of \$629 thousand for the six months ended June 30, 2024 (for the six months ended June 30 2023 – gain of \$528 thousand).

12. Bank Indebtedness

The Trust has a \$60.0 million (December 31, 2023 - \$60.0 million) revolving operating line of credit facility with a Canadian chartered bank at the rate of prime plus 0.75% or CORRA plus 2.30%, maturing July 31, 2024. In July 2024, the Trust renewed and extended the revolving operating line of credit to July 31, 2026 with the same pricing. The amount available to be drawn fluctuates depending on the specific assets pledged as security. Based on the assets pledged at June 30, 2024, the available limit was \$58.7 million of which \$42.5 million (December 31, 2023 – \$49.3 million) was drawn and therefore the maximum amount remaining available to be drawn on the facility was \$15.7 million (December 31, 2023 – \$6.7 million), net of letters of credit outstanding of \$473 thousand (December 31, 2023 - \$508 thousand). As security, at June 30, 2024, the Trust has provided a \$60.0 million demand debenture secured by a first mortgage over thirty properties.

13. Right-of-use Land Lease Liabilities

The Trust has investment properties located on land which is leased. The right-of-use land lease liabilities relate to the right-of-use assets included in investment properties (Note 4). The Trust has 27 long-term land leases (affecting 26 properties). Of the 27 land leases, 9 are with related parties. Land leases expire (excluding any non-automatic renewal periods) on dates ranging from 2027 to 2084 with an average life of 30 years, with some of the leases also containing non-automatic renewal options, extending the average life of the leases to 57 years including these non-automatic renewal options.

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

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

	June 30, 2024	December 31, 2023
Accounts payable and accrued liabilities	\$ 9,970	\$ 17,198
Tenant CAM and tax accrual	673	636
Distributions payable	2,602	2,603
Excise tax payable	1,596	1,712
Accrued interest payable	1,705	1,686
Deferred tenant revenue and deposits	8,277	4,635
Income tax payable	-	47
Other	351	421
Total accounts payable, accrued liabilities, tenant payables and tenant deposits	\$ 25,174	\$ 28,938

15. Notes Payable

Notes payable consist of the following:

	Interest Rate	June 30, 2024	December 31, 2023
Non-interest bearing notes:			
Entities owned (directly and indirectly), controlled or significantly influenced by Michael Zakuta, President, CEO and Trustee of the Trust ⁽¹⁾	n/a	\$ 261	\$ 261
Unrelated parties and non-controlling interests	n/a	947	929
Total notes payable		\$ 1,208	\$ 1,190

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

16. Revenues

	3 Months Ended June 30, 2024	3 Months Ended June 30, 2023	6 Months Ended June 30, 2024	6 Months Ended June 30, 2023
Contractual revenue	\$ 20,044	\$ 19,489	\$ 39,737	\$ 38,724
Straight-line rent	175	(44)	218	11
Property tax and insurance recoveries – current year	7,007	5,599	12,983	11,245
Property tax and insurance recoveries – prior year	(33)	33	110	46
Cost recovery revenue	3,447	3,248	7,127	6,633
Lease termination revenue	3	-	33	-
Other revenue	29	138	35	149
Total property revenues	\$ 30,672	\$ 28,463	\$ 60,243	\$ 56,808

17. Operating Expenses

	3 Months Ended June 30, 2024	3 Months Ended June 30, 2023	6 Months Ended June 30, 2024	6 Months Ended June 30, 2023
Property taxes and insurance	\$ 7,388	\$ 5,939	\$ 13,676	\$ 11,972
Recoverable expenses	4,567	4,588	9,268	9,055
Non-recoverable expenses	327	293	857	1,323
Total operating expenses	\$ 12,282	\$ 10,820	\$ 23,801	\$ 22,350

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18. Administrative Expenses

	3 Months Ended June 30, 2024	3 Months Ended June 30, 2023	6 Months Ended June 30, 2024	6 Months Ended June 30, 2023
Salaries and benefits	\$ 1,734	\$ 1,655	\$ 3,383	\$ 2,843
Restricted units	42	59	80	91
Restricted unit fair value	(10)	(5)	(13)	(11)
Professional services	284	274	538	530
Trustee fees	161	110	316	218
Deferred unit fair value	(106)	(51)	(133)	(145)
Office, travel and IT related expenses	357	380	751	737
Total administrative expenses	\$ 2,462	\$ 2,422	\$ 4,922	\$ 4,263

Total employee salaries and benefits, including restricted units, recorded by the Trust during the period ended June 30, 2024 were \$7.2 million, of which \$3.0 million is included in operating expenses, \$3.5 million is included in administrative expenses and \$761 thousand has been capitalized to investment properties (for the period ended June 30, 2023 – \$6.4 million, of which \$2.8 million is in operating expenses, \$2.9 million is in administrative expenses and \$772 thousand is in investment properties).

19. Finance Costs - Operations

	3 Months Ended June 30, 2024	3 Months Ended June 30, 2023	6 Months Ended June 30, 2024	6 Months Ended June 30, 2023
Mortgage interest	\$ 5,773	\$ 5,755	\$ 11,620	\$ 11,709
Debenture interest	442	317	838	1,154
Mortgage bond interest	35	63	74	124
Distributions paid to Class B exchangeable LP unitholders	81	81	162	164
Operating line of credit interest	816	672	1,884	1,153
Interest and bank charges	126	184	255	367
Amortization of finance charges	186	158	343	346
Early mortgage discharge fees	251	-	251	50
Imputed interest on right-of-use land lease liabilities	632	626	1,261	1,250
Mark to market amortization	(11)	(11)	(22)	(22)
Capitalization of interest	(587)	(912)	(1,514)	(1,797)
Finance costs - operations	\$ 7,744	\$ 6,933	\$ 15,152	\$ 14,498

20. Units of the REIT

(a) *Authorized*

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

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

In addition, preferred units may from time to time be created and issued in one or more classes (each of which may be made up of unlimited series) without requiring voting unitholder approval. Before the issuance of preferred units of a series, the Board will execute an amendment to the Declaration of Trust containing a description of such series, including the designations,

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rights, privileges, restrictions and conditions determined by the Board, and the class of preferred units of which such series is a part. The issuance of preferred units is also subject to the prior written consent of the TSX.

(b) *Issued and Outstanding*

(i) Class B Exchangeable LP Units

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

	June 30, 2024		December 31, 2023	
	Units (000s)	Amount	Units (000s)	Amount
Exchangeable LP units outstanding, beginning of the period	1,156	\$ 4,255	1,191	\$ 5,336
Exchanges	-	-	(35)	(145)
Fair value adjustment for the period		(301)		(936)
Exchangeable LP units outstanding, end of the period	1,156	\$ 3,954	1,156	\$ 4,255

(ii) Special Voting Units

At June 30, 2024, there were 1,156,000 (December 31, 2023 - 1,156,000) special voting units outstanding, issued in connection with 1,156,000 (December 31, 2023 - 1,156,000) Class B exchangeable LP units of a subsidiary of the Trust (see above).

(iii) Units

	Six Months Ended June 30, 2024		Year Ended December 31, 2023	
	Trust Units (000s)	Amount	Trust Units (000s)	Amount
Units outstanding, beginning of the period	110,368	\$ 313,442	101,800	\$ 275,512
Issuance of units:				
Units issued through bought deal	-	-	8,548	37,863
Exchange of Class B exchangeable LP units	-	-	35	145
RU and DU plan	11	-	13	-
Repurchase and cancellation of units under normal course issuer bid	(5)	(14)	(28)	(78)
Units outstanding, end of the period	110,374	\$ 313,428	110,368	\$ 313,442

Unitholders have the right to redeem their units at the lesser of (i) 90% of the Market Price of the unit (Market Price is defined for this purpose in the Declaration of Trust as the weighted average trading price of the previous 10 trading days) and (ii) the most recent Closing Market Price (Closing Market Price is defined for this purpose in the Declaration of Trust as the weighted average trading price on the specified date) at the time of the redemption. The redemption price will be satisfied by cash, up to a limit of \$50 thousand for all redemptions in a calendar month, or a note payable. For the period ended June 30, 2024 no unitholder had redeemed units.

On September 26, 2023, the Trust announced that it had received approval from the TSX for the renewal of its normal course issuer bid ("NCIB") for a further year. Plaza's prior NCIB expired on September 27, 2023. The period of the renewed NCIB commenced on September 28, 2023, and will conclude on the earlier of the date on which purchases under the bid have been completed and September 27, 2024. Under the terms of the renewed NCIB, the Trust can purchase up to 7,107,380 of its issued and outstanding units through the facilities of the TSX and any alternative trading system in Canada. Subject to certain prescribed exemptions and any block purchase made in accordance with the rules of the TSX, daily purchases made by the Trust may not exceed 11,148 units, representing 25% of the average daily trading volume of the units on the TSX for the six-month period ended August 31, 2023 (being 44,595 units). All units that are purchased under the renewed NCIB will be cancelled (on a monthly basis, on or before the record date for each monthly distribution). Unitholders may obtain a copy of the NCIB renewal notice, without charge, by contacting the Trust.

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

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for purchases of units by Plaza at times when it would ordinarily not be permitted to make purchases due to regulatory restrictions or self-imposed blackout periods. The Purchase Plan will terminate on September 27, 2024.

For the period ended June 30, 2024, 4,920 units have been repurchased for cancellation under Plaza's renewed NCIB at a weighted average price of \$3.6391. With this, to June 30, 2024, Plaza has purchased a total of 1,196,730 units for cancellation since the commencement of the original NCIB on September 28, 2018 at a weighted average price of \$4.0162.

21. Distributions

Distributions are declared monthly at the discretion of the Board.

	3 Months Ended June 30, 2024	3 Months Ended June 30, 2023	6 Months Ended June 30, 2024	6 Months Ended June 30, 2023
Distributions declared to unitholders ⁽¹⁾	\$ 7,725	\$ 7,726	\$ 15,449	\$ 15,050

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

22. Additional Cash Flow Information

(a) *Changes in Non-Cash Working Capital*

	3 Months Ended June 30, 2024	3 Months Ended June 30, 2023	6 Months Ended June 30, 2024	6 Months Ended June 30, 2023
Receivables	\$ 1,188	\$ 1,166	\$ 830	\$ (13)
Prepaid expenses and deposits	(6,193)	(5,786)	(5,872)	(5,208)
Change in construction accruals removed from investing activities	1,935	(1,685)	5,099	(215)
Accounts payable, accrued liabilities, tenant payables and tenant deposits	(5,134)	(893)	(3,677)	1,716
Total cash from change in non-cash working capital	\$ (8,204)	\$ (7,198)	\$ (3,620)	\$ (3,720)

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(b) Changes in Liabilities Arising from Financing Activities

	June 30, 2024	December 31, 2023
Current and long-term debt ⁽¹⁾ – beginning of the period	\$ 627,376	\$ 675,676
Repayment of convertible debentures	-	(47,250)
Gross proceeds from non-convertible debentures	5,150	9,251
Redemption/repayment of debentures	(401)	-
Redemption/repayment of mortgage bonds	(1,480)	(2,970)
Gross proceeds from mortgage bonds	70	2,345
Periodic mortgage principal repayments	(6,159)	(12,209)
Right-of-use land lease principal repayments	(406)	(804)
Mortgages repaid	(33,928)	(42,130)
Mortgages repaid on sale of investment properties	(3,844)	(16,063)
Gross mortgage proceeds	48,448	62,617
Fees incurred for placement of debt	(284)	(422)
Increase (decrease) in notes payable	18	2
Non-cash changes in current and long-term debt:		
Net change in fair value of Class B exchangeable LP units	(301)	(936)
Net change in fair value of convertible debentures	(147)	(662)
Net change in fair value of convertible debentures prior to repayment	-	445
Exchange of Class B exchangeable LP units	-	(145)
Amortization of finance charges	343	675
Mark to market amortization	(22)	(44)
Current and long-term debt ⁽¹⁾ – end of the period	\$ 634,433	\$ 627,376

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

(c) Reconciliation for Additions to Investment Properties

	3 Months Ended June 30, 2024	3 Months Ended June 30, 2023	6 Months Ended June 30, 2024	6 Months Ended June 30, 2023
Reconciliation with Note 4				
Additions to Investment Properties (Note 4)	\$ 4,244	\$ 12,410	\$ 13,560	\$ 19,737
Non-cash impacts included in above:				
Amortization of tenant improvements	34	17	63	32
Change in construction accrual	1,935	(1,685)	5,099	(215)
Additions to Investment Properties – cash	\$ 6,213	\$ 10,742	\$ 18,722	\$ 19,554
Recorded on Consolidated Statement of Cash Flows in:				
Operating activities: Leasing commissions paid	\$ 15	\$ 277	\$ 148	\$ 312
Investing activities: Investment Properties – additions	6,198	10,465	18,574	19,242
Additions to Investment Properties - cash	\$ 6,213	\$ 10,742	\$ 18,722	\$ 19,554

Plaza Retail REIT

Notes to the Condensed Interim Consolidated Financial Statements

June 30, 2024

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

23. Related Party Transactions

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

(a) Bonds and Debentures

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

	June 30, 2024	December 31, 2023
Doug McGregor (Chairman and Trustee)	\$ 400	\$ 400
Stephen Johnson (Trustee)	519	519
Lynda Savoie (Trustee)	15	15
Michael Zakuta (President and Chief Executive Officer and Trustee)	1,065	684
Total	\$ 1,999	\$ 1,618

Key management personnel own \$200 thousand in non-convertible debentures of the Trust at June 30, 2024 (December 31, 2023 - nil).

(b) Notes Payable to Related Parties

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

	June 30, 2024	December 31, 2023
Entities owned (directly or indirectly), controlled or significantly influenced by Michael Zakuta.	\$ 261	\$ 261

(c) Other Transactions with Related Parties

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

Related Parties:	Land Rent Paid	
	June 30, 2024	June 30, 2023
A company beneficially owned by Earl Brewer and Michael Zakuta	\$ 602	\$ 600

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

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

Property	Ownership %	
	Earl Brewer	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%
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	-	4.28%

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

Related Party:	Related parties' beneficial ownership of accounts receivable balance owing to the Trust from the underlying properties		Related parties' beneficial ownership of fees earned by a subsidiary of the Trust from the underlying properties	
	June 30, 2024	December 31, 2023	June 30, 2024	June 30, 2023
Earl Brewer	\$ 214	\$ 402	\$ 26	\$ 28
Michael Zakuta	\$ 240	\$ 447	\$ 35	\$ 41

(iii) The Montreal office of Plaza Group Management Limited, a wholly owned subsidiary of the Trust and Plaza's internalized property manager, shares office space with a company indirectly owned by Michael Zakuta in an office building owned by that related party. The Trust pays no rent for the space.

Plaza Retail REIT

Notes to the Condensed Interim Consolidated Financial Statements

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

24. Financial Instruments and Risk Management

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

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

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

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

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

	June 30, 2024			December 31, 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Derivative assets	\$ -	\$ -	\$ 2,354	\$ -	\$ -	\$ 1,725
	\$ -	\$ -	\$ 2,354	\$ -	\$ -	\$ 1,725
Class B exchangeable LP units	\$ 3,954	\$ -	\$ -	\$ 4,255	\$ -	\$ -
Series VIII convertible debentures	-	-	11,098	-	-	11,244
	\$ 3,954	\$ -	\$ 11,098	\$ 4,255	\$ -	\$ 11,244

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

25. Subsequent Events

Investment Properties

In July 2024, the Trust sold three non-core properties located in New Brunswick and Nova Scotia for \$3.4 million. These properties were segregated as investment properties held for sale.

Distributions

The Trust paid a cash distribution of \$0.02333 per unit for a total of \$2.6 million on July 15, 2024.

Financings

In July 2024, the Trust renewed the \$20.0 million development line with the same pricing until July 31, 2025. The \$15.0 million development line and the \$60.0 million revolving operating line of credit were renewed with the same pricing until July 31, 2026.

In July 2024, the \$8.0 million interim facility was renewed until July 2026.

In July 2024, long-term financing was obtained for two properties located in Dieppe, NB and Gander, NL for \$10.4 million with a ten-year term.

In July 2024, the \$725 thousand Series X.2 mortgage bonds and \$470 thousand of the \$520 thousand Series XII mortgage bonds renewed for one year at 6.15%, while \$50 thousand of the remaining Series XII mortgage bonds were redeemed.

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