



ANNUAL REPORT

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

**CONSOLIDATED FINANCIAL STATEMENTS
(AUDITED IN CANADIAN DOLLARS)**

DECEMBER 31, 2024

DATED: FEBRUARY 26, 2025

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PRESIDENT’S MESSAGE

Fellow Unitholders:

As we reflect on the past year, I am proud to share the significant strides we have made at Plaza during 2024. Despite the challenges presented by the evolving economic landscape, our commitment to excellence and strategic growth has positioned us for continued success. Our portfolio, which is comprised of 8.8 million square feet of retail space, has demonstrated its resilience and attractiveness this past year.

In 2024, we focused on positioning the business for operational excellence, enhancing our portfolio through the completion of a few development projects in progress and the sale of non-core properties. Our efforts have not only increased our per unit FFO (net of one-time impacts) but also improved the quality and resilience of our properties. We have successfully expanded our footprint in markets we know very well, ensuring that we remain at the forefront of the retail real estate sector in Eastern Canada.

Our operating performance this year has been robust, with notable increases in same property NOI of 3.4%, overall leasing spreads of 7.4% and committed occupancy at 97.6%. This success is a testament to our dedicated team, whose hard work and innovative approaches have driven our achievements. We have also worked to better our balance sheet with a reduction in our net debt to adjusted EBITDA and an improved overall leverage ratio, providing us with the flexibility to seize new opportunities and navigate any uncertainties that may arise.

Looking ahead, we are excited about the opportunities for our business. We started off 2025 with the acquisition of the remaining 50% interest of Tacoma Plaza, a grocery and pharmacy-anchored open-air centre located in Halifax Regional Municipality. This acquisition is immediately accretive to our FFO and cashflow on a per unit basis. We will continue to pursue growth through strategic investments and through the optimization, intensification and development of our existing portfolio. In addition, we will continue to leverage the operational excellence we have demonstrated in 2024. There exists ongoing demand for our space and supply is lagging, as construction costs for new greenfield builds remain a challenge.

Our vision is to create long-term value for our unitholders while contributing positively to the communities we serve.

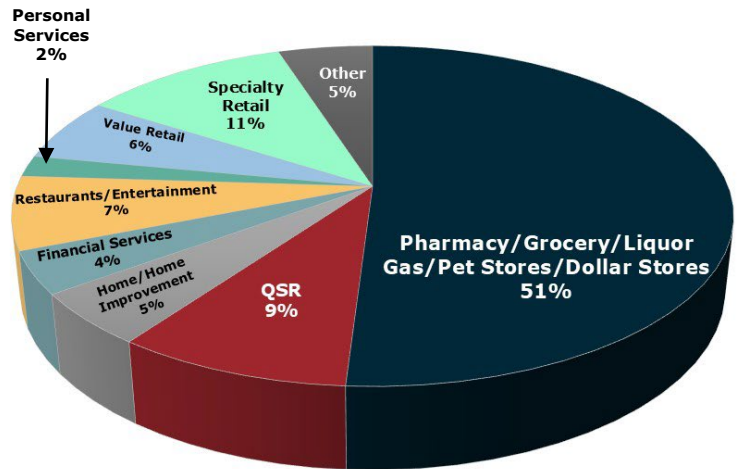
I would like to extend my heartfelt gratitude to our unitholders, employees, and partners for their unwavering support. Together, we will continue to build a prosperous future for Plaza.

Sincerely,

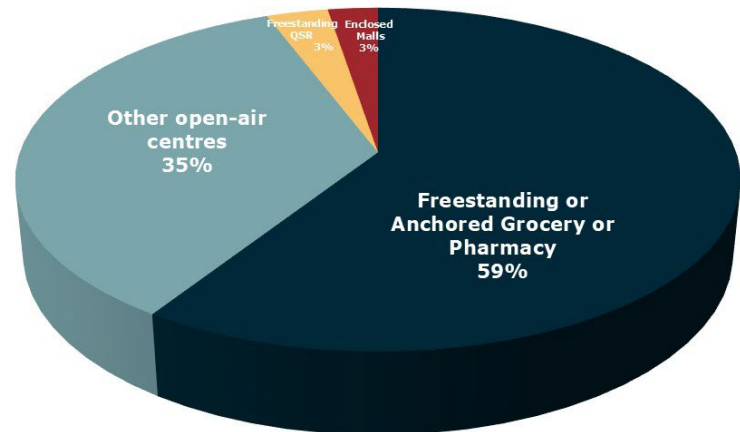


Jason Parravano
President & CEO

**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 February 26, 2025, 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 consolidated financial statements and accompanying notes for the years ended December 31, 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 issuance by 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"); adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"); net debt; 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", "outlook", "goal", "objective", "strive", "plan", "scheduled" and variations of such words and similar expressions suggesting future outcomes or events 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) in this MD&A include, but are not limited to, statements about Plaza's objectives, plans goals, as well as statements related to the Trust's future growth potential, prospects and opportunities, cash flows, distributions, development and redevelopment activities, leasing expectations, financing, and the availability of financing sources. Specific statements with respect to anticipated events and expectations can be found in various sections of this MD&A, including but not limited to, "Business Environment and Outlook" and "Development Pipeline and Acquisitions/Dispositions – Development Pipeline" in Part I; "Strategy" and "Environmental, Social and Governance" in Part II; and "Operating Liquidity and Working Capital" and "Capital Resources, Equity and Debt Activities" in Part III.

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; changes to applicable duties, tariffs and trade laws; 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

Plaza Retail REIT

anticipated benefits associated with development and redevelopment initiatives and the timelines and costs related to such initiatives; inability to make acquisitions and dispositions of properties in accordance with Plaza's strategy; 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 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-five-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 strategically acquire, develop, redevelop, optimize 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 an owner and developer in Atlantic Canada; and
- Plaza is fully internalized and able to develop, redevelop, lease, manage and finance retail properties in-house.

Summary of Properties

The Trust's portfolio at December 31, 2024, includes interests in 212 properties totaling approximately 8.8 million square feet (which are predominantly occupied by national tenants), and additional lands held for development. These include properties indirectly held by Plaza through its subsidiaries and through joint arrangements.

	Number of Properties December 31, 2024 ⁽¹⁾	Gross Leasable Area (sq. ft.) December 31, 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	11	830,145	12	839,250
New Brunswick	44	1,964,117	53	1,992,318
Nova Scotia	28	1,232,969	32	1,246,012
Ontario	48	1,782,664	50	1,836,800
Prince Edward Island	10	558,856	10	559,493
Quebec	68	2,376,835	72	2,386,185
Total	212	8,796,842	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.

Tariffs and a potential escalating trade war with the US have added uncertainty and resurfaced concerns of a recession, yet tenant demand for new space remains strong, particularly from grocers and other essential needs, value, and convenience retailers. Plaza will continue to take a measured approach to new development and redevelopment, with a renewed focus on improving the existing portfolio, while striving to complete projects that are sustainable and profitable.

Reductions in the overnight rate have reduced interest costs for floating rate debt, but longer-term Government of Canada bond yields remain slightly volatile. 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.

DEVELOPMENT PIPELINE AND ACQUISITIONS/DISPOSITIONS

Development Pipeline

Development and redevelopment are important components of Plaza’s business model, providing the Trust with an opportunity to add high quality real estate, or increase the quality of its existing 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 December 31, 2024 ⁽⁴⁾	Anticipated Completion Date
In Planning/In Development:				
Open-Air Centre:				
The Shoppes at Galway, St. John’s, NL - Phase A ⁽²⁾⁽³⁾	113,000	50%	n/a	2-3 years
The Shoppes at Galway, St. John’s, NL - Phase B ⁽²⁾⁽³⁾	30,000	50%	0%	1-2 years
The Shoppes at Galway, St. John’s, NL - Phase C-E ⁽²⁾⁽³⁾	86,000	50%	n/a	2-3 years
Lansdowne Plaza, Saint John, NB – Phase II ⁽³⁾	2,000	100%	n/a	1-2 years
Les Immeubles SBT Drummondville, QC – Phase II.2 ⁽³⁾	10,000	50%	n/a	1-2 years
Dieppe Boulevard Plaza, Dieppe, NB – Phase II ⁽³⁾	15,700	100%	19%	1-2 years
Expansion:				
Petitcodiac Plaza, Dieppe (Moncton), NB - Phase II.2 ⁽³⁾	16,800	100%	n/a	1-2 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
1000 Islands Plaza, Brockville, ON ⁽³⁾	30,000	50%	n/a	1-2 years
L’Axe, Chicoutimi, QC ⁽³⁾	2,500	37.5%	n/a	1-2 years
Under Construction:				
Open-Air Centre:				
The Shoppes at Galway, St. John’s, NL - Phase B ⁽²⁾⁽³⁾	15,200	50%	100%	Q1 2025
Niagara Street Plaza, Welland, ON	97,000	50%	36%	Q2 2026
Expansion:				
L’Axe, Chicoutimi, QC – Phase II ⁽³⁾	4,300	37.5%	36%	Q1 2025
Total	429,000			

(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, redeveloped or expanded. Of the total development gross leasable area (also referred to as “GLA”) above, 24,625 square feet are included in the Trust’s GLA at December 31, 2024

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

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In addition to the properties under development or redevelopment noted above, at December 31, 2024, there is excess density at existing properties which would represent approximately 77 thousand additional square feet of gross leasable area, at Plaza's ownership percentage. There is also one land assembly under purchase agreement at December 31, 2024 and subject to due diligence and/or other conditions. If completed, this land purchase will represent an additional 96 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 \$77 million and \$78 million, of which approximately \$34 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 \$6 million and \$7 million. The majority of unspent amounts for Plaza's development projects are funded by Plaza's existing development facilities or construction loans.

Acquisitions/Dispositions

During the year ended December 31, 2024, the Trust disposed of the following:

Properties Disposed (000s)	% Disposed	Gross Proceeds Year Ended December 31, 2024
Quick Service Restaurants and other non-core assets	100%	\$ 24,837
Non-core asset in Windsor, ON	100%	4,450
Total disposals		\$ 29,287
Less: assets previously held for sale		(1,140)
Disposals excluding assets previously held for sale		\$ 28,147

SUMMARY OF SELECTED ANNUAL INFORMATION

(000s, except as otherwise noted, unaudited)	12 Months Ended December 31, 2024	12 Months Ended December 31, 2023	12 Months Ended December 31, 2022
Financial Amounts			
Revenues	\$ 121,280	\$ 114,064	\$ 111,245
NOI ⁽¹⁾	\$ 75,019	\$ 70,354	\$ 70,581
Same-asset NOI ⁽¹⁾	\$ 71,758	\$ 69,420	N/A ⁽³⁾
FFO ⁽¹⁾	\$ 40,462	\$ 41,520	\$ 41,383
AFFO ⁽¹⁾	\$ 31,865	\$ 31,933	\$ 33,186
Adjusted EBITDA ⁽¹⁾	\$ 70,928	\$ 69,729	\$ 69,723
Profit and total comprehensive income	\$ 25,485	\$ 20,312	\$ 54,221
Total assets	\$ 1,239,970	\$ 1,263,416	\$ 1,269,011
Total non-current liabilities ⁽⁸⁾	\$ 523,602	\$ 500,249	\$ 540,851
Total mortgages, mortgage bonds, notes payable, face value of convertible debentures, non-convertible debentures, bank credit facilities, and right-of-use land lease liabilities	\$ 657,712	\$ 673,240	\$ 708,697
Weighted average units outstanding ⁽²⁾	111,535	109,485	103,001
Normal course issuer bid – units repurchased	5	28	19
Amounts on a Per Unit Basis			
FFO ⁽¹⁾	\$ 0.363	\$ 0.379	\$ 0.402
AFFO ⁽¹⁾	\$ 0.286	\$ 0.292	\$ 0.322
Distributions	\$ 0.280	\$ 0.280	\$ 0.280
Financial Ratios			
Weighted average interest rate – fixed rate mortgages	4.27%	4.10%	4.06%
Debt to gross assets (excluding right-of-use land leases) ⁽¹⁾	50.6%	50.9%	53.6%
Debt to gross assets (including right-of-use land leases) ⁽¹⁾	53.1%	53.4%	56.0%
Net debt to Adjusted EBITDA (excluding right-of-use land leases) ⁽¹⁾	8.3	8.6	9.1
Net debt to Adjusted EBITDA (including right-of-use land leases) ⁽¹⁾	9.1	9.5	10.1
Interest coverage ratio ⁽¹⁾	2.36x	2.48x	2.50x
Debt coverage ratio ⁽¹⁾	1.64x	1.69x	1.68x
Distributions as a % of FFO ⁽¹⁾⁽⁴⁾	77.2%	74.2%	69.7%
Distributions as a % of AFFO ⁽¹⁾⁽⁴⁾	98.0%	96.5%	86.9%
Leasing Information			
Square footage leased during the period (total portfolio)	1,295,581	1,256,892	1,447,389
Same-asset committed occupancy ⁽⁵⁾	97.0%	96.6%	97.4%
Committed occupancy – including non-consolidated investments ⁽⁶⁾	97.6%	97.0%	97.5%
Mix of Tenancy Based on Base Rents⁽⁵⁾			
National	90.9%	91.0%	90.3%
Regional	3.4%	3.2%	3.7%
Local	3.7%	3.9%	4.0%
Non retail	2.0%	1.9%	2.0%
Other			
Average term to maturity - mortgages	5.0 Years	4.7 Years	5.3 Years
Average term to maturity - leases ⁽⁵⁾	5.8 Years	5.8 Years	5.9 Years
Overall capitalization rate ⁽⁷⁾	6.87%	6.86%	6.73%

Property Type Breakdown	December 31, 2024		December 31, 2023	
	Number of Properties	Square Footage (000s)	Number of Properties	Square Footage (000s)
Open-Air Centres	114	6,843	113	6,844
Enclosed Malls	3	723	3	723
Single Use – Quick Service Restaurant	31	56	46	148
Single Use – Retail	64	1,175	70	1,196
Total	212	8,797	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, develop or redevelop properties that meet or exceed 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;
- redeveloping properties to improve the quality of the portfolio;
- 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 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.

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.

As part of Plaza's efforts to continue and enhance communication with its stakeholders, the Trust publishes an annual ESG report. We anticipate issuing our next ESG report in May 2025 with further information on Plaza's approach to ESG, the ESG initiatives and activities we focused on in 2024, our progress to date and areas we will continue to focus on going forward. The ESG Report is overseen by the Board and the controls related to the Trust's ESG disclosures are reviewed by the Audit Committee.

The Trust also has a robust governance framework in place. We believe that effective governance is key to Plaza's long-term success and contributes to maximizing stakeholder value. The Governance & Compensation Committee oversees our governance practices, upholds our high governance standards and embraces an environment of continuous improvement and evaluation. We regularly review our governance policies and procedures and update them as necessary to ensure transparency, accountability, compliance, and best practices.

Further information regarding Plaza's governance practices will be set out in the Trust's Management Information Circular for the annual meeting of unitholders scheduled to be held on May 28, 2025, which will be made available in advance of the meeting on the Trust's website at www.plaza.ca and on SEDAR+ at www.sedarplus.ca in accordance with applicable securities laws.

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
- tenant demand 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;
- net debt to adjusted EBITDA;
- 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 year ended December 31, 2024, compared to the year ended December 31, 2023.

Plaza Retail REIT

FFO⁽¹⁾	(000s)	YTD Q4 2024	YTD Q4 2023	% Change	
	FFO	\$40,462	\$41,520	(2.5%)	
	FFO per unit	\$0.363	\$0.379	(4.2%)	
	Distributions as a % of FFO	77.2%	74.2%	4.0%	
	<ul style="list-style-type: none"> ➤ The decrease in FFO over the prior year was mainly due to reorganization costs including severance settlements, vesting of restricted units on severance, and the write-off of greenfield development projects which will not be pursued. These are offset by higher NOI from same-asset, developments, and properties transferred to income producing. FFO per unit was also impacted by the issue of 8.548 million trust units in March 2023. ➤ Excluding the impact of the reorganization costs and the write-off of greenfield development projects, FFO per unit would have been \$0.387, an increase over the prior year of 2.1%, and distributions as a % of FFO would have been 72.3%. 				
AFFO⁽¹⁾	(000s)	YTD Q4 2024	YTD Q4 2023	% Change	
	AFFO	\$31,865	\$31,933	(0.2%)	
	AFFO per unit	\$0.286	\$0.292	(2.1%)	
	Distributions as a % of AFFO	98.0%	96.5%	1.6%	
	<ul style="list-style-type: none"> ➤ The principal factors affecting AFFO are consistent with those impacting FFO, as well as lower leasing costs in the current year. AFFO per unit was also impacted by the issue of 8.548 million trust units in March 2023. ➤ Excluding the impact of the reorganization costs and the write-off of greenfield development projects, AFFO per unit would have been \$0.310, an increase over the prior year of 6.2%, and distributions as a % of AFFO would have been 90.3%. 				
Debt Service Ratios⁽¹⁾		YTD Q4 2024	YTD Q4 2023	% Change	
	Interest coverage ratio	2.36x	2.48x	(4.8%)	
	Debt coverage ratio	1.64x	1.69x	(3.0%)	
		<ul style="list-style-type: none"> ➤ The interest and debt coverage ratio were impacted by higher NOI offset by lower adjusted EBITDA due to the impact from the reorganization costs, and higher finance costs. Excluding the reorganization costs the interest coverage ratio would have been 2.45 times and the debt coverage ratio would have been 1.71 times. Debt coverage and interest coverage ratios exceed the requirements under borrowing arrangements. 			
Debt to Gross Assets⁽¹⁾		Q4 2024	Q4 2023	% Change	
	Debt to gross assets (excluding right-of-use land leases)	50.6%	50.9%	(0.6%)	
	Debt to gross assets (including right-of-use land leases)	53.1%	53.4%	(0.6%)	
		<ul style="list-style-type: none"> ➤ The decrease in debt to gross assets over the same period in the prior year relates mainly due to a reduction in the operating line balance since last year. 			
Net debt to Adjusted EBITDA⁽¹⁾		Q4 2024	Q4 2023	% Change	
	Net debt to adjusted EBITDA (excluding right-of-use land leases)	8.3	8.6	(3.5%)	
	Net debt to adjusted EBITDA (including right-of-use land leases)	9.1	9.5	(4.2%)	
		<ul style="list-style-type: none"> ➤ The decrease in net debt to adjusted EBITDA relates mainly due to a reduction in the operating line balance since last year, as well as higher adjusted EBITDA. Excluding re-organization costs the reduction in net debt to adjusted EBITDA including and excluding right-of-use land leases would have been, 8.8 and 8.0, respectively. 			
Same-Asset NOI⁽¹⁾	(000s)	YTD Q4 2024	YTD Q4 2023	% Change	
	Same-asset NOI	\$71,758	\$69,420	3.4%	
		<ul style="list-style-type: none"> ➤ 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		Q4 2024	Q4 2023	% Change	
	Weighted average interest rate – fixed rate mortgages	4.27%	4.10%	0.17%	
		<ul style="list-style-type: none"> ➤ The increase in the weighted-average interest rate is the result of refinancing maturing mortgages at current rates. 			
Occupancy Levels		Q4 2024	Q4 2023	% Change	
	Same-asset committed occupancy ⁽²⁾	97.0%	96.6%	0.4%	
	Committed occupancy – including non-consolidated investments ⁽³⁾	97.6%	97.0%	0.6%	

⁽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 twelve months ended December 31, 2024, compared to the three and twelve months ended December 31, 2023 is presented below:

(000s – except per unit amounts and percentage data, unaudited)	3 Months Ended December 31, 2024	3 Months Ended December 31, 2023	Change over Prior Period	12 Months Ended December 31, 2024	12 Months Ended December 31, 2023	Change over Prior Period
Profit and total comprehensive income for the period attributable to unitholders	\$ 8,183	\$ (3,822)		\$ 25,045	\$ 20,187	
Incremental leasing costs included in administrative expenses ⁽⁷⁾	353	316		1,601	1,372	
Amortization of debenture issuance costs ⁽⁸⁾	(19)	(18)		(73)	(141)	
Distributions on Class B exchangeable LP units included in finance costs – operations	81	81		324	326	
Deferred income taxes	1,655	192		1,752	73	
Right-of-use land lease principal repayments	(207)	(203)		(818)	(804)	
Fair value adjustment to restricted and deferred units	(213)	32		(79)	(351)	
Fair value adjustment to investment properties	(1,847)	9,497		10,377	19,969	
Fair value adjustment to investments ⁽⁹⁾	(348)	(1,323)		(1,748)	(1,202)	
Fair value adjustment to Class B exchangeable LP units	(405)	81		(162)	(936)	
Fair value adjustment to convertible debentures	-	441		279	(217)	
Fair value adjustment to interest rate swaps	(222)	3,418		1,515	1,404	
Fair value adjustment to right-of-use land lease assets	207	203		818	804	
Impairment of notes receivable – fair value component	976	1,024		976	1,024	
Equity accounting adjustment ⁽¹⁰⁾	70	137		440	79	
Non-controlling interest adjustment ⁽⁶⁾	250	6		215	(67)	
FFO⁽¹⁾	\$ 8,514	\$ 10,062	(\$1,548)	\$ 40,462	\$ 41,520	(\$1,058)
<i>FFO change over prior period - %</i>			<i>(15.4%)</i>			<i>(2.5%)</i>
FFO⁽¹⁾	\$ 8,514	\$ 10,062		\$ 40,462	\$ 41,520	
Non-cash revenue – straight-line rent ⁽⁵⁾	(137)	(33)		(524)	(60)	
Leasing costs – existing properties ^{(2) (5) (11)}	(1,624)	(1,965)		(5,576)	(7,138)	
Maintenance capital expenditures – existing properties ⁽¹²⁾	(812)	(1,518)		(2,590)	(2,419)	
Non-controlling interest adjustment ⁽⁶⁾	51	27		93	30	
AFFO⁽¹⁾	\$ 5,992	\$ 6,573	(\$ 581)	\$ 31,865	\$ 31,933	(\$ 68)
<i>AFFO change over prior period - %</i>			<i>(8.8%)</i>			<i>(0.2%)</i>
Weighted average units outstanding – basic ⁽¹⁾⁽³⁾	111,555	111,527		111,535	109,485	
FFO per unit – basic⁽¹⁾	\$ 0.076	\$ 0.090	(15.6%)	\$ 0.363	\$ 0.379	(4.2%)
AFFO per unit – basic⁽¹⁾	\$ 0.054	\$ 0.059	(8.5%)	\$ 0.286	\$ 0.292	(2.1%)
Gross distribution to unitholders ⁽¹⁾⁽⁴⁾	\$ 7,809	\$ 7,806		\$ 31,226	\$ 30,826	
FFO payout ratio – basic⁽¹⁾	91.7%	77.6%		77.2%	74.2%	
AFFO payout ratio – basic⁽¹⁾	130.3%	118.8%		98.0%	96.5%	
FFO⁽¹⁾	\$ 8,514	\$ 10,062		\$ 40,462	\$ 41,520	
Interest on dilutive convertible debentures	180	180		715	715	
FFO – diluted⁽¹⁾	\$ 8,694	\$ 10,242	(\$1,548)	\$ 41,177	\$ 42,235	(\$1,058)
Diluted weighted average units outstanding ⁽¹⁾⁽³⁾	114,086	114,058		114,065	112,015	
AFFO⁽¹⁾	\$ 5,992	\$ 6,573		\$ 31,865	\$ 31,933	
Interest on dilutive convertible debentures	-	-		715	715	
AFFO – diluted⁽¹⁾	\$ 5,992	\$ 6,573	(\$ 581)	\$ 32,580	\$ 32,648	(\$ 68)
Diluted weighted average units outstanding ⁽¹⁾⁽³⁾	111,555	111,527		114,065	112,015	
FFO per unit – diluted⁽¹⁾	\$ 0.076	\$ 0.090	(15.6%)	\$ 0.361	\$ 0.377	(4.2%)
AFFO per unit – diluted⁽¹⁾	\$ 0.054	\$ 0.059	(8.5%)	\$ 0.286	\$ 0.291	(1.7%)

- (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) 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 \$290 thousand and \$440 thousand for the three and twelve months ending December 31, 2024, respectively (December 31, 2023 –\$43 thousand and \$125 thousand, respectively) to FFO and AFFO for the NCI.
- (7) Incremental leasing costs included in administrative expenses include leasing costs of salaried leasing staff directly attributed to signed leases that would otherwise be capitalized if incurred from external sources. These costs are excluded from FFO in accordance with RealPAC’s definition of FFO.
- (8) Amortization of debenture issuance costs is deducted on a straight-line basis over the remaining term of the related convertible debentures, in accordance with RealPAC.
- (9) Fair value adjustment to investments relate to the unrealized change in fair value of equity accounted entities which are excluded from FFO in accordance with RealPAC’s definition of FFO.
- (10) Equity accounting adjustment for interest rate swaps includes the change in non-cash fair value adjustments relating to interest rate swaps held by equity accounted entities, which are excluded from FFO in accordance with RealPAC’s definition of FFO.
- (11) Leasing costs – existing properties include internal and external leasing costs except to the extent that leasing costs relate to development projects, in accordance with RealPAC’s definition of AFFO. See the Gross Capital Additions Including Leasing Fees note on page 28 of this MD&A.
- (12) Maintenance capital expenditures – existing properties include expenditures related to sustaining and maintaining existing space, in accordance with RealPAC’s definition of AFFO. See the Gross Capital Additions Including Leasing Fees note on page 28 of this MD&A.

Basic FFO for the three months ended December 31, 2024, decreased by \$1.5 million over the prior year or 15.4% on a dollar basis and 15.6% on a per unit basis.

Items impacting FFO for the quarter were:

- (i) an increase in NOI of \$600 thousand from developments and properties transferred to income producing properties (“IPP”) in 2023 and 2024;
- (ii) an increase in same-asset NOI of \$818 thousand mainly due to rent escalations and renewals across the portfolio, along with the completion of the repositioning of certain properties, as well as lower operating expenses in the current period;
- (iii) a decrease in NOI of \$169 thousand from properties sold;
- (iv) an increase in finance costs - operations of \$935 thousand, mainly due to higher debenture interest from the issuance of Series IV and V non-convertible debentures, along with lower capitalized interest due to the timing of development projects, offset by lower operating line interest due to lower variable interest rates and lower utilization; and
- (v) an increase in administrative costs of \$2.6 million from reorganization costs including severance settlements and vesting of restricted units on severance totaling \$2.1 million, and the write-off of greenfield development projects which will not be pursued totaling \$578 thousand. Excluding the impact of the settlement costs and greenfield development deals, as well as the change in fair value of restricted and deferred units, administrative expenses would have been consistent with the same period in the prior year.

For the three months ended December 31, 2024, AFFO decreased by \$581 thousand over the prior year or 8.8% on a dollar basis and 8.5% 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 leasing costs and maintenance capital expenditures in the current period.

Excluding the impact of the reorganization costs including severances and the write-off of potential greenfield developments that will not be pursued, FFO and FFO per unit would have been 10.8% and 10.7% higher, respectively. AFFO and AFFO per unit adjusted for these same items would have both been 31.0% higher.

Basic FFO for the twelve months ended December 31, 2024 decreased by \$1.1 million over the prior year or 2.5% on a dollar basis and a decrease of 4.2% on a per unit basis.

Items impacting FFO for the twelve months ended December 31, 2024 were:

- (i) an increase in NOI of \$3.0 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-asst NOI of \$2.3 million mainly due to rent escalations and renewals across the portfolio, along with the completion of the repositioning of certain properties, as well as lower operating expenses in the current year;
- (iii) a decrease in NOI of \$985 thousand from properties sold;
- (iv) an increase in lease termination revenue of \$231 thousand in the current year;
- (v) an increase in finance costs - operations of \$2.4 million, mainly due to higher development line interest expense and lower capitalized interest expense, due to the timing of development projects; and
- (vi) an increase in administrative costs of \$3.5 million, impacted by reorganization costs including severance settlements and vesting of restricted units on termination totaling \$2.1 million, and the write-off of greenfield development projects which will not be pursued totaling \$578 thousand. Excluding the impact of the severances and greenfield development project write-offs, administrative expenses would have increased by \$909 thousand over the prior year. The net increase was mainly due to higher compensation expense from the hiring of new employees, and annual salary increases.

For the year ended December 31, 2024, AFFO decreased by \$68 thousand over the prior year or 0.2% on a dollar basis and 2.1% 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.

Excluding the impact of the reorganization costs including severances and the write-off of potential greenfield developments that will not be pursued, FFO and FFO per unit would have been 3.8% and 2.1% higher, respectively. AFFO and AFFO per unit adjusted for these same items would have been 8.1% and 6.2% higher, respectively.

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 December 31, 2024, of \$8.5 million compared to a loss of \$3.8 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 \$637 thousand over the prior year, mainly relating to the non-cash fair value adjustment of the underlying properties in the current year;
- (ii) the change in fair value of investment properties, with a \$1.8 million increase recorded in the current quarter compared to a \$9.5 million decrease recorded in the same quarter in the prior year. The fair value change year over year was mainly due to new appraisals obtained during the current quarter; 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 year ended December 31, 2024, of \$25.5 million compared to \$20.3 million for the same period in the prior year. The increase was mainly due to the change in fair value of investment properties, with a \$10.4 million decrease recorded in the current year compared to a \$20 million decrease recorded in the prior year to date. The fair value change year over year was mainly due to new appraisals obtained during the current year.

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 \$520 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.

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

Same-asset categorization refers to those properties which were owned and operated by Plaza for the entire years ended December 31, 2024 and 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 December 31, 2024, approximately 50.7% of the Trust's leased area is tied to a CPI cost recovery formula. As well, certain anchor tenant leases may restrict recovery of common costs. As a result, certain seasonal costs such as asphalt repairs, snow removal and other operating costs may not be completely offset by cost recoveries in a particular period, or recovery revenues may exceed costs. Municipal taxes are generally net and fully recoverable from all tenants. Most tenants in open-air centres and single use properties are responsible for their own utilities, and changes to these costs do not materially impact NOI.

(000s)	3 Months Ended December 31, 2024 (unaudited)	3 Months Ended December 31, 2023 (unaudited)	12 Months Ended December 31, 2024 (unaudited)	12 Months Ended December 31, 2023 (unaudited)
Same-asset rental revenue ⁽¹⁾	\$ 27,412	\$ 26,906	\$ 108,420	\$ 105,851
Same-asset operating expenses ⁽¹⁾	(3,948)	(4,346)	(14,628)	(15,092)
Same-asset realty tax expense ⁽¹⁾	(5,519)	(5,433)	(22,034)	(21,339)
Same-asset NOI⁽¹⁾	\$ 17,945	\$ 17,127	\$ 71,758	\$ 69,420
Percentage increase over prior period	4.8%		3.4%	

(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.

Same-asset NOI for the three and twelve months ended December 31, 2024, increased 4.8% and 3.4%, 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.

(000s except percentage data)	3 Months Ended December 31, 2024 (unaudited)	3 Months Ended December 31, 2023 (unaudited)	12 Months Ended December 31, 2024 (unaudited)	12 Months Ended December 31, 2023 (unaudited)
New Brunswick	\$ 4,648	\$ 4,391	\$ 18,472	\$ 18,087
Nova Scotia	3,585	3,281	14,103	13,321
Quebec	3,447	3,318	13,605	13,262
Alberta	151	151	640	628
Manitoba	95	93	386	376
Ontario	2,787	2,864	11,534	11,501
Newfoundland and Labrador	1,223	1,124	5,051	4,805
Prince Edward Island	2,009	1,905	7,967	7,440
Same-asset NOI⁽¹⁾	\$ 17,945	\$ 17,127	\$ 71,758	\$ 69,420
Percentage increase over prior period	4.8%		3.4%	

(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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Net Property Operating Income (NOI)

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

(000s)	3 Months Ended December 31, 2024 (unaudited)	3 Months Ended December 31, 2023 (unaudited)	12 Months Ended December 31, 2024 (unaudited)	12 Months Ended December 31, 2023 (unaudited)
Same-asset NOI ⁽¹⁾	\$ 17,945	\$ 17,127	\$ 71,758	\$ 69,420
Developments and redevelopments transferred to income producing in 2023 & 2024 (\$7.4 million annual stabilized NOI)	1,549	684	5,328	2,578
NOI from properties currently under development and redevelopment (\$372 thousand annual stabilized NOI)	9	274	57	38
Straight-line rent	137	17	524	60
Administrative expenses charged to NOI	(888)	(939)	(3,850)	(3,768)
Lease termination revenue	29	-	231	-
Properties disposed	165	334	1,032	2,017
Other	(20)	(61)	(61)	9
Total NOI⁽¹⁾	\$ 18,926	\$ 17,436	\$ 75,019	\$ 70,354
Percentage increase over prior period	8.5%		6.6%	

- (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.

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 are 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.

	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

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(Ste. Hyacinthe Limited Partnership); 144 Denison and 5150 Arthur-Sauvé (144 Denison East Limited Partnership); and the Shoppes at Galway (The Shoppes at Galway Limited Partnership).

- (2) Land within this partnership is currently in development.

Share of profit of associates for the three months ended December 31, 2024 includes Plaza's share of NOI of approximately \$1.5 million compared to \$1.3 million with the same period in the prior year. Share of profit of associates decreased by \$637 thousand for the three months ended December 31, 2024 compared to the three months ended December 31, 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 twelve months ended December 31, 2024 includes Plaza's share of NOI of approximately \$6.3 million compared to \$5.6 million in the same period in the prior year. Share of profit of associates increased by \$520 thousand for the twelve months ended December 31, 2024 compared to the twelve months ended December 31, 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 99.5% at December 31, 2024, compared to 98.4% at December 31, 2023.

Regular distributions received from associates for the three months ended December 31, 2024 were \$525 thousand, compared to \$443 thousand for the three months ended December 31, 2023. Regular distributions received from associates for the twelve months ended December 31, 2024 were \$1.9 million, compared to \$2.0 million for the twelve months ended December 31, 2023. In addition to regular distributions, there were distributions as a result of proceeds of financing at underlying investment properties of \$110 thousand for the twelve months ended December 31, 2024, nil for the twelve months ended December 31, 2023.

Finance Costs - Operations

Finance costs - operations for the three months ended December 31, 2024, were \$7.9 million, compared to \$7.0 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, higher development line interest expense and lower capitalized interest due to the timing of development projects, offset by lower operating line interest due to lower interest rates and a reduction in utilization.

Finance costs for the twelve months ended December 31, 2024 were \$30.9 million, compared to \$28.5 million for the same period in the prior year, mainly impacted by higher development line interest expense and lower capitalized interest expense, due to the timing of development projects.

Administrative Expenses

During the quarter, as part of a reorganization to manage costs and renew focus on redevelopment, intensification and optimizing the quality of the existing portfolio, the Trust reduced its workforce, resulting in charges of \$2.1 million. As a result, annualized cash savings of approximately \$1.6 million are anticipated, with an estimated annualized reduction in administrative expenses of approximately \$1.2 million. In addition, during the quarter, the Trust wrote off \$578 thousand of costs related to potential greenfield developments which will not be pursued.

Administrative expenses for the three months ended December 31, 2024, were \$4.6 million, compared to \$2.2 million for the same period in the prior year. The increase in administrative expenses was impacted by reorganization costs including severance settlements and the vesting of restricted units on termination as noted above, and the write-off of greenfield development projects which will not be pursued. Excluding the impact of the settlement costs and greenfield development project write-offs, administrative expenses would have decreased \$259 thousand, compared to the same period in the prior year. Excluding the change in the fair value of restricted and deferred units included in administrative expenses as well as the reorganization costs noted above, administrative expenses would have been consistent with the same period in the prior year.

Administrative expenses for the twelve months ended December 31, 2024 were \$12.1 million compared to \$8.3 million for the same period in the prior year. The increase in administrative expenses was impacted by the reorganization costs noted above. Excluding the impact of the reorganization costs, administrative expenses would have increased by \$1.2 million. Administrative expenses were mainly impacted by higher compensation expenses in the current year due to the hiring of new employees, and annual salary increases. Excluding the change in fair value of restricted and deferred units included in administrative expenses, as well as the reorganization costs noted above, administrative expenses would have been \$909 thousand higher than the prior year.

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Change in Fair Value of Investment Properties

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

The Trust recorded a fair value increase to investment properties of \$1.8 million for the three months ended December 31, 2024, compared to a fair value decrease of \$9.5 million for the three months ended December 31, 2023. The fair value increase in the current quarter was mainly due to new appraisals obtained during the quarter.

The Trust recorded a fair value decrease to investment properties of \$10.4 million for the twelve months ended December 31, 2024 compared to a fair value decrease of \$20 million for the twelve months ended December 31, 2023. The change was mainly due to new appraisals obtained during the year.

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 December 31, 2024 was nil compared to a net loss of \$441 thousand in the same period in the prior year. The fair value adjustment to convertible debentures for the twelve months ended December 31, 2024, was a net loss of \$279 thousand compared to a net gain of \$217 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 December 31, 2024 was a net gain of \$405 thousand, compared to a net loss of \$81 thousand in the same period in the prior year. The fair value adjustment to Class B exchangeable LP units for the twelve months ended December 31, 2024 was a net gain of \$162 thousand compared to a net gain of \$936 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 December 31, 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⁾	%
2025	357,520	6.4	91,135	15.9	30,195	3.1	4,058	5.1	482,908	6.7
2026	624,966	11.1	26,871	4.7	44,594	4.6	2,054	2.6	698,485	9.7
2027	582,933	10.4	71,771	12.5	74,308	7.7	11,804	14.9	740,816	10.2
2028	756,585	13.5	68,422	11.9	24,999	2.6	2,196	2.7	852,202	11.8
2029	741,239	13.2	69,947	12.2	27,904	2.9	1,152	1.5	840,242	11.6
Thereafter	2,549,147	45.4	245,470	42.8	765,976	79.1	58,118	73.2	3,618,711	50.0
Subtotal	5,612,390	100.0	573,616	100.0	967,976	100.0	79,382	100.0	7,233,364	100.0
Vacant	70,275		130,163		-		-		200,438	
Total	5,682,665		703,779		967,976		79,382		7,433,802	
Weighted average lease term	5.7 years		4.3 years		7.6 years		9.3 years		5.8 years	

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

(2) QSR refers to quick service restaurants.

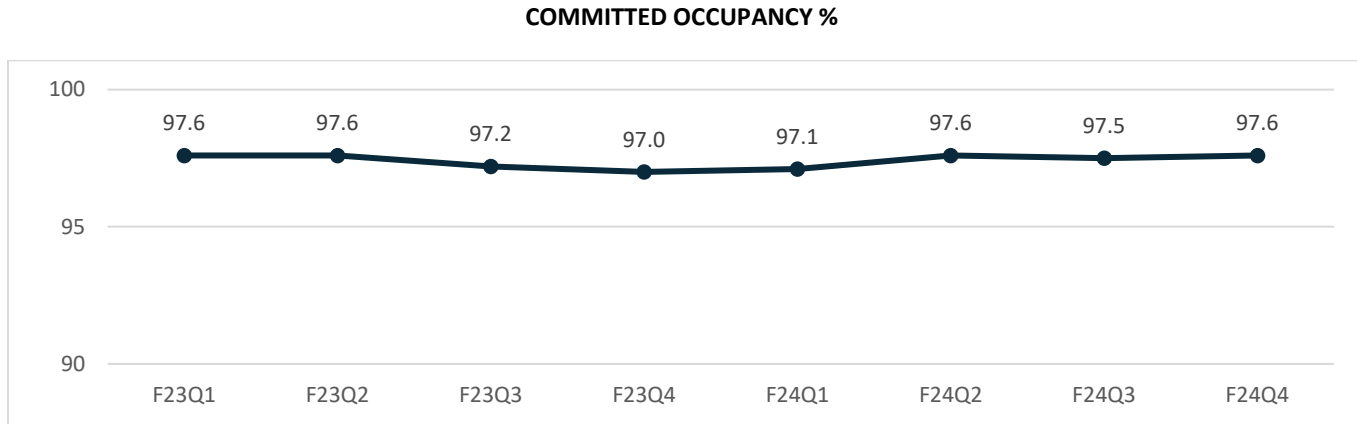
Plaza Retail REIT

At December 31, 2024, same-asset committed occupancy was 97.0% compared to 96.6% at December 31, 2023.

Committed occupancy including non-consolidated investments (excluding properties under development and redevelopment) was 97.6% at December 31, 2024 compared to 97.0% at December 31, 2023.

Excluding enclosed malls, committed occupancy, including non-consolidated investments (excluding properties under development and redevelopment) was 99.0% at December 31, 2024 compared to 98.7% at December 31, 2023.

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



Plaza Retail REIT

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					
Leasing renewals (sq. ft.)	571,747	153,841	159,316	4,572	889,476
Weighted average rent (\$/sq. ft.) - Renewed	\$15.09	\$13.14	\$16.10	\$31.91	\$15.02
Weighted average rent (\$/sq. ft.) - Expired	\$14.00	\$12.82	\$15.32	\$31.17	\$14.12
Renewal spread (first year of renewal term)	7.8%	2.5%	5.1%	2.4%	6.4%
Renewal spread (average rate in renewal term) ⁽¹⁾	8.7%	3.2%	6.8%	2.4%	7.4%
2025					
New leasing (sq. ft.)	158,274	32,991	-	-	191,265
Weighted average rent (\$/sq. ft.)	\$18.32	\$16.95	-	-	\$18.08
2025					
Expiries not renewed (sq. ft.)	158,258	29,363	-	-	187,621
Weighted average rent (\$/sq. ft.)	\$13.37	\$12.83	-	-	\$13.29
2025					
Expiries (sq. ft.)	357,520	91,135	30,195	4,058	482,908
Weighted average rent (\$/sq. ft.)	\$15.24	\$14.43	\$12.97	\$31.27	\$15.08

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

Excluding the renewal of a theatre tenant at a lower base rent but with the addition of percentage rent, the renewal spread for open-air centres would have been 10.5% for the first year of the renewal, and 11.8% using the average rent in the renewal term. Total renewal spreads excluding this theatre tenant renewal would have been 8.0% for the first year of the renewal, and 9.3% using the average rent in the renewal term.

In addition to the leasing indicated above, for the twelve months ended December 31, 2024, the Trust completed 215 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 1.3 million square feet of new and renewal leasing deals for the twelve months ending December 31, 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 98.9% at December 31, 2024, compared to 98.5% at December 31, 2023.
- Committed occupancy for enclosed malls was 81.5% at December 31, 2024, compared to 78.9% at December 31, 2023.
- Committed occupancy for single use assets was 100.0% at December 31, 2024, compared to 99.5% at December 31, 2023.

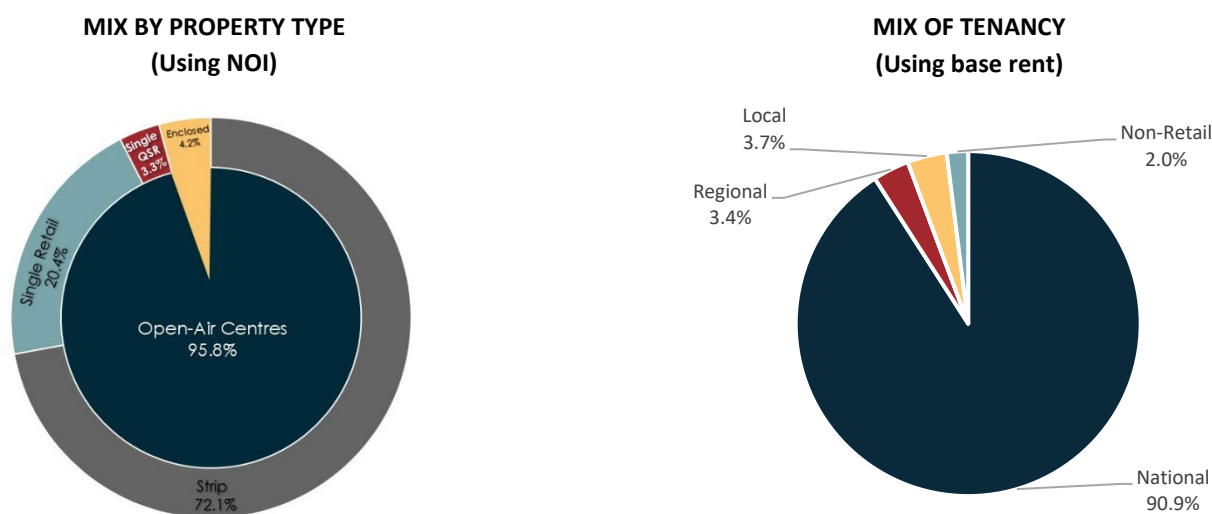
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Plaza has built a portfolio with a high-quality revenue stream. Plaza's ten largest tenants based upon current monthly base rents at December 31, 2024 represent approximately 53.6% of total base rent revenues in place.

	% of Base Rent Revenue ⁽⁷⁾		% of Base Rent Revenue ⁽⁷⁾
1. Shoppers Drug Mart/Loblaw ⁽¹⁾	25.8	6. Staples	3.0
2. Dollarama	6.1	7. KFC ⁽⁵⁾	1.9
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⁾	3.7	10. Giant Tiger	1.6
Total: 53.6%			

- (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 are 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 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

Plaza Retail REIT

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 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:

(000s)	3 Months Ended December 31, 2024 (unaudited)	3 Months Ended December 31, 2023 (unaudited)	12 Months Ended December 31, 2024 (unaudited)	12 Months Ended December 31, 2023 (unaudited)
Cash distributions paid ⁽¹⁾	\$ 7,809	\$ 7,806	\$ 31,226	\$30,625

⁽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 are summarized in the following table:

(000s)	3 Months Ended December 31, 2024 (unaudited)	3 Months Ended December 31, 2023 (unaudited)	12 Months Ended December 31, 2024 (unaudited)	12 Months Ended December 31, 2023 (unaudited)
Cash provided by operating activities ⁽¹⁾	\$ 14,015	\$ 14,364	\$ 39,864	\$ 42,293
Cash distributions paid to Class B exchangeable LP unitholders	81	81	324	326
Cash provided by operating activities excluding distributions paid to Class B exchangeable LP unitholders	\$ 14,096	\$ 14,445	\$ 40,188	\$ 42,619
Total distributions ⁽²⁾	(7,809)	(7,806)	(31,226)	(30,625)
Excess of cash provided by operating activities over total distributions	\$ 6,287	\$ 6,639	\$ 8,962	\$ 11,994

⁽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.

Plaza's liquidity at December 31, 2024 is comprised of \$8.9 million of cash, \$23.5 million available to be drawn on the operating line, \$22.2 million of unused development facilities, \$14.3 million of unused construction facilities at consolidated properties, \$0.5 million of unused construction facilities at non-consolidated investments, and unencumbered assets with a value of approximately \$7.4 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 ⁽²⁾ Operating	\$20.0 Million Development	\$15.0 Million Development
December 31, 2023 ⁽¹⁾	\$ 49,344	\$ 8,889	\$ 1,293
Net change	(23,914)	3,951	(1,293)
December 31, 2024 ⁽¹⁾	\$ 25,430	\$ 12,840	\$ -
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, 2026	July 31, 2025	July 31, 2025
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.

⁽²⁾ Based on the assets pledged at December 31, 2024, the available operating line limit was \$49.4 million of which \$25.4 million was drawn and therefore the maximum amount remaining available to be drawn, net of letters of credit of \$473 thousand, was \$23.5 million.

Funding is secured by first mortgage charges on properties or development properties as applicable. The Trust must maintain certain financial ratios to comply with the facilities. As these facilities mature, it is anticipated they will be renewed. As of December 31, 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 on and off 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	December 31, 2024	December 31, 2023
\$8.0 million interim facility	Prime plus 1.50% or CORRA plus 2.80%	July 16, 2026	\$ 4,209	\$ 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%	October 31, 2024	-	13,057
\$6.75 million interim facility	Prime plus 1.00% or CORRA plus 2.80%	December 21, 2025	6,221	5,760
\$15.6 million interim facility	Prime plus 0.75% or CORRA plus 2.45%	February 28, 2027	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%	April 1, 2025	7,171	6,667
\$5.0 million interim facility	Prime plus 0.95% or CORRA plus 2.75%	July 5, 2025	2,958	1,984
Total interim facilities			\$ 31,247	\$ 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 December 31, 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.

In October 2024, the \$13.4 million interim facility was repaid with the placement of long-term debt on the underlying property.

Mortgage Bonds

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

(000s)	Series X.2	Series XII
Interest rate	6.15%	6.15%
Maturity date	July 15, 2025	July 15, 2025
Amount	\$2,235	\$470

Plaza Retail REIT

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, \$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, the \$85 thousand Series XII mortgage bonds and \$385 thousand of the Series XII mortgage bonds matured and were extended to July 15, 2025, and \$50 thousand of Series XII were repaid.

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	December 31, 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 & B	March 31, 2025	6.75%	6,000	6,000
Series IV non-convertible debentures – Tranche A & C	June 16, 2025	6.00%	4,415	3,251
Series V non-convertible debentures	April 30, 2025	6.00%	3,000	-
Total non-convertible debentures at face value			\$ 16,952	\$ 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 December 2024, \$585 thousand of the Series IV unsecured debentures were redeemed and \$4.4 million were extended until June 16, 2025, at an interest rate of 6.00%.

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 October 2024, these were extended until April 30, 2025, at an interest rate of 6.00%.

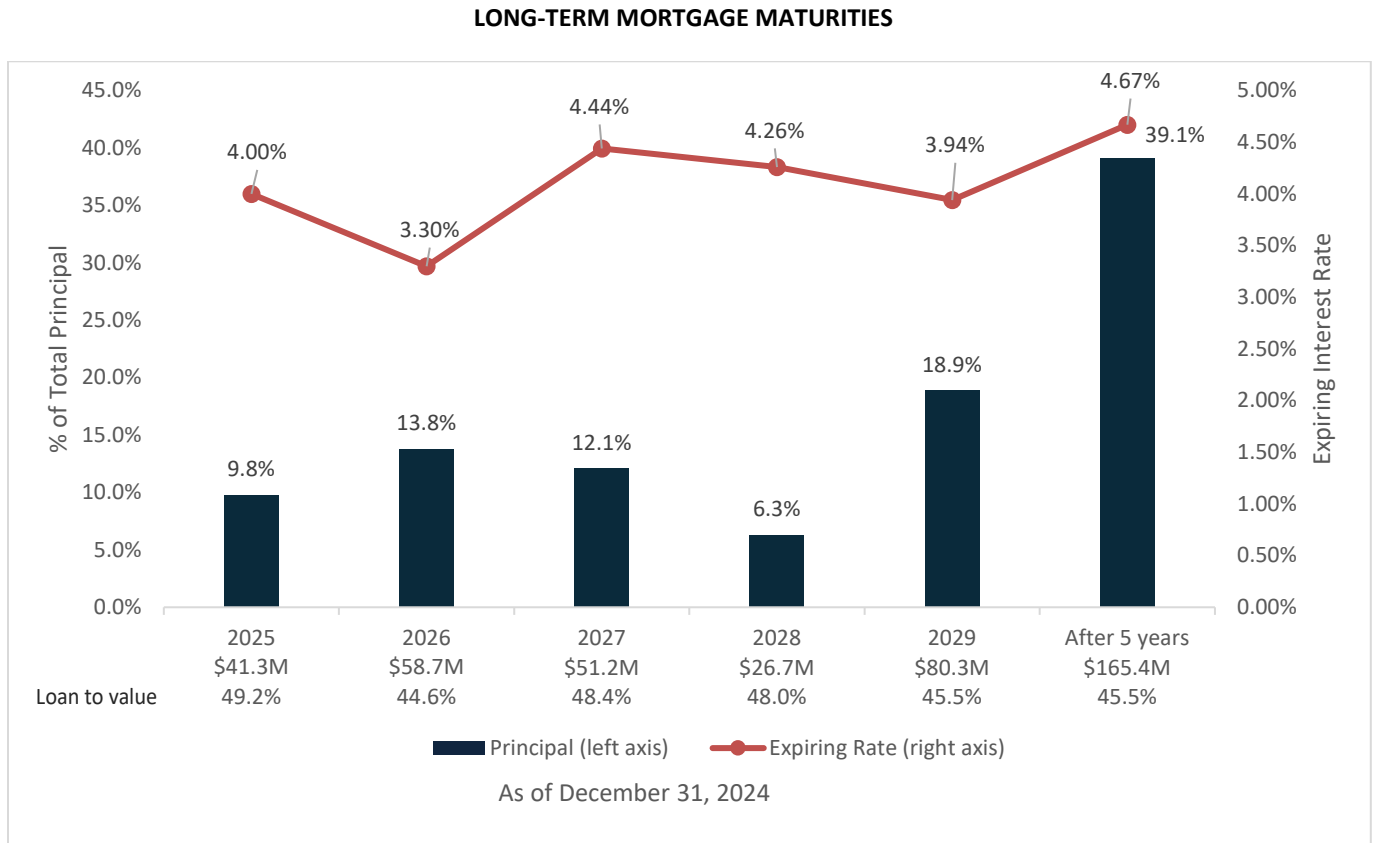
Mortgages

During 2024, the Trust obtained new long-term fixed-rate financing of \$84.8 million, at the Trust's ownership percentage, with a weighted average term of 9.5 years and a weighted average interest rate of 5.20%.

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 long-term mortgages is 5.0 years. The average remaining repayment (amortization) period on long-term mortgage debt is 24.1 years.

Plaza Retail REIT

Debt Service Ratios

Plaza's summary of adjusted EBITDA and debt service ratios for the three and twelve months ended December 31, 2024, compared to the three and twelve months ended December 31, 2023, is presented below:

	3 Months Ended December 31, 2024 (unaudited)	3 Months Ended December 31, 2023 (unaudited)	12 Months Ended December 31, 2024 (unaudited)	12 Months Ended December 31, 2023 (unaudited)
(000s – except debt service ratios)				
Profit and total comprehensive income for the period	\$ 8,473	\$ (3,779)	\$ 25,485	\$ 20,312
Add (deduct):				
Income taxes	1,859	317	2,167	359
Finance costs - operations	7,892	6,957	30,860	28,484
Fair value adjustment to investment properties	(1,847)	9,497	10,377	19,969
Fair value adjustment to investments ⁽¹⁾	(348)	(1,323)	(1,748)	(1,202)
Fair value adjustment to convertible debentures	-	441	279	(217)
Fair value adjustment to Class B exchangeable LP units	(405)	81	(162)	(936)
Fair value adjustment to restricted and deferred units	(213)	32	(79)	(351)
Fair value adjustment to interest rate swaps	(222)	3,418	1,515	1,404
Fair value adjustment to right-of-use land lease assets	207	203	818	804
Impairment of notes receivable – fair value component	976	1,024	976	1,024
Equity accounting adjustment for interest rate swaps ⁽²⁾	70	137	440	79
Adjusted EBITDA⁽³⁾	\$ 16,442	\$ 17,005	\$ 70,928	\$ 69,729
Finance costs ⁽⁴⁾	\$ 7,723	\$ 6,887	\$ 30,063	\$ 28,152
Periodic principal repayments ⁽⁵⁾	3,263	3,313	13,098	13,013
Total debt service	\$ 10,986	\$ 10,200	\$ 43,161	\$ 41,165
Debt service ratios				
Interest coverage ratio ⁽³⁾	2.13 times	2.47 times	2.36 times	2.48 times
Debt coverage ratio ⁽³⁾	1.50 times	1.67 times	1.64 times	1.69 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 and twelve months ended December 31, 2024, the interest and debt coverage ratios were mainly impacted by higher finance costs and lower adjusted EBITDA due to the impact from the reorganization costs, as detailed in Administrative Expenses above. Excluding the reorganization costs for the three and twelve months ended December 31, 2024, the interest coverage ratio would have been 2.48 and 2.45 times, respectively, and the debt coverage ratio would have been 1.74 times and 1.71 times, respectively.

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

Plaza Retail REIT

Debt to Gross Assets and Net debt to adjusted EBITDA

Plaza's debt to gross assets is presented below:

Debt to gross assets⁽¹⁾ (000s)	December 31, 2024	December 31, 2023
Total debt excluding derivative liabilities ⁽¹⁾⁽²⁾	\$ 657,712	\$ 673,240
Less: right-of-use land leases	(63,584)	(64,403)
Total debt excluding right-of-use land leases	\$ 594,128	\$ 608,837
Total gross assets excluding derivative asset	\$ 1,238,893	\$ 1,261,691
Less: right-of-use land leases	(63,584)	(64,403)
Total gross assets excluding right-of-use land leases	\$ 1,175,309	\$ 1,197,288
Debt to gross assets including right-of-use land leases⁽¹⁾	53.1%	53.4%
Debt to gross assets excluding right-of-use land leases⁽¹⁾	50.6%	50.9%

(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 decrease in debt to gross assets relates mainly due to a reduction in the operating line balance since last year. 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. At December 31, 2024, debt excluding convertible debentures and right-of-use land leases to gross assets was 49.5% and including convertible debentures, excluding right-of-use assets was 50.6%.

Net Debt to Adjusted EBITDA⁽¹⁾ (000s)	December 31, 2024	December 31, 2023
Total debt excluding derivative liabilities ⁽¹⁾⁽²⁾	\$ 657,712	\$ 673,240
Less: cash	(8,868)	(10,868)
Net debt excluding derivative liabilities ⁽¹⁾⁽²⁾	648,844	662,372
Less: right-of-use land leases	(63,584)	(64,403)
Net debt excluding right-of-use land leases	\$ 585,260	\$ 597,969
Adjusted EBITDA ⁽¹⁾	\$ 70,928	\$ 69,729
Net debt to Adjusted EBITDA including right-of-use land leases⁽¹⁾	9.1	9.5
Net debt to Adjusted EBITDA excluding right-of-use land leases⁽¹⁾	8.3	8.6

(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) Net 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, excluding cash.

The decrease in net debt to adjusted EBITDA relates mainly due to a reduction in the operating line balance since last year, as well as higher adjusted EBITDA. Excluding the reorganization costs for the twelve months ended December 31, 2024, the net debt to adjusted EBITDA including right-of-use land leases would have been 8.8 and excluding right-of-use lands would have been 8.0.

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Units

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

At February 26, 2025 (000s) (unaudited)	Units
Current outstanding units	110,418
Class B exchangeable LP units	1,156
Series VIII convertible debentures	2,530
Total adjusted units outstanding	114,104

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 the twelve-month period from September 28, 2023 to September 27, 2024. All units purchased under the NCIB were cancelled (on a monthly basis, on or before the record date for each monthly distribution). 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, allowed 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 also concluded on September 27, 2024.

For the year ended December 31, 2024, 4,920 units have been repurchased for cancellation under the NCIB at a weighted average price of \$3.6391. With this, to December 31, 2024, Plaza has purchased a total of 1,196,730 units for cancellation since the commencement of its original NCIB on September 28, 2018 at a weighted average price of \$4.0162.

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 29 years, with some of the leases also containing non-automatic renewal options, extending the average remaining life of the leases to 55 years including these non-automatic renewal options. Of the 27 land leases, 11 of the land leases have options to purchase, generally at fair market value. At December 31, 2024, the recorded amount of the right-of-use assets and land lease liabilities is \$63.6 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	
	12 Months Ended December 31, 2024	12 Months Ended December 31, 2023
Related Parties:		
A company beneficially owned by Earl Brewer and Michael Zakuta	\$ 1,205	\$ 1,200

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Gross Capital Additions Including Leasing Fees:

(000s)	3 Months Ended December 31, 2024 (unaudited)	3 Months Ended December 31, 2023 (unaudited)	12 Months Ended December 31, 2024 (unaudited)	12 Months Ended December 31, 2023 (unaudited)
Existing properties				
Leasing commissions	\$ 66	\$ 143	\$ 319	\$ 463
Other leasing costs	1,208	1,584	3,678	5,681
	1,274	1,727	3,997	6,144
Maintenance capital expenditures	812	1,518	2,590	2,419
Total capital additions – existing properties	2,086	3,245	6,587	8,563
Development/redevelopment properties				
Leasing commissions	35	4	746	382
Other leasing costs	394	3,816	4,604	8,953
Capital additions	1,392	10,245	13,722	35,684
Total capital additions - developments/redevelopments	1,821	14,065	19,072	45,019
Total gross additions per statements of cash flows⁽¹⁾	\$ 3,907	\$ 17,310	\$ 25,659	\$ 53,582
Reconciliation of leasing costs for AFFO purposes				
Leasing costs – existing properties per above	\$ 1,274	\$ 1,727	\$ 3,997	\$ 6,144
Internal leasing salaries	350	238	1,579	994
Total leasing costs – existing properties for AFFO purposes	\$ 1,624	\$ 1,965	\$ 5,576	\$ 7,138

⁽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 \$4.1 million in commitments in respect of certain development and leasing activities. Management believes that Plaza has sufficient unused bank and development line availability, cash and/or mortgage bond deployment potential, to fund these commitments.

The Trust's estimated commitments at December 31, 2024, in respect of non-discounted contractual cash flows and maturities of financial liabilities with fixed repayment terms, including estimated interest payments are as follows:

(000s)	Year 1 2025	Year 2 2026	Year 3 2027	Year 4 2028	Year 5 2029	After 5 Years	Total
Mortgages – periodic payments	\$ 12,034	\$ 10,879	\$ 9,737	\$ 8,581	\$ 7,119	\$ 21,750	\$ 70,100
Mortgages – due at maturity	40,217	58,676	51,161	26,713	80,312	165,256	422,335
Mortgage interest	19,098	16,165	14,207	13,606	10,717	22,977	96,770
Development lines of credit	13,305	-	-	-	-	-	13,305
Construction loans	24,806	5,074	4,374	-	-	-	34,254
Unsecured interest-only loans	1,436	-	-	-	-	-	1,436
Bank indebtedness	26,349	-	-	-	-	-	26,349
Mortgage bonds payable	2,809	-	-	-	-	-	2,809
Debentures ⁽¹⁾	14,582	12,375	3,566	-	-	-	30,523
Current liabilities ⁽²⁾	23,610	-	-	-	-	-	23,610
Notes payable	1,209	-	-	-	-	-	1,209
Right-of-use land leases ⁽³⁾	3,378	3,379	3,427	3,394	3,423	109,536	126,537
Development activities	3,550	553	-	-	-	-	4,103
Total contractual obligations	\$ 186,383	\$ 107,101	\$ 86,472	\$ 52,294	\$ 101,571	\$ 319,519	\$ 853,340

⁽¹⁾ Stated at face value.

⁽²⁾ Balance includes accounts payable, accrued liabilities, tenant payables, tenant deposits, and income tax payable.

⁽³⁾ 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 2025 will be renewed or refinanced as they come due. The overall loan to value on these mortgages is estimated at 46.2%.

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 December 31, 2024, totals \$5.0 million (December 31, 2023 - \$5.2 million) with a weighted average remaining term of 1.5 years (December 31, 2023 – 2.5 years).

The Trust also has contingent liabilities as original borrower on three mortgages partially assumed by the purchasers of the underlying properties, where a 50% interest in each was sold in August 2020. Similarly, these sales did not relieve the Trust's obligations as original borrower in respect of these mortgages, but the commitments are subject to indemnity agreements. The debt subject to such guarantees at December 31, 2024, totals \$4.7 million (December 31, 2023 - \$7.0 million) with a weighted average remaining term of 4.4 years (December 31, 2023 – 4.0 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 (December 31, 2023 - \$13.8 million). Cross indemnities are in place for certain of these properties from co-venturers.

PART IV

SUMMARY OF SELECTED QUARTERLY INFORMATION

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

(000s except per unit and percentage data) (unaudited)	Q4'24	Q3'24	Q2'24	Q1'24	Q4'23	Q3'23	Q2'23	Q1'23
Revenues	\$30,623	\$30,414	\$30,672	\$29,571	\$28,962	\$28,294	\$28,463	\$28,345
Net property operating income ⁽¹⁾	\$18,926	\$19,651	\$18,390	\$18,052	\$17,436	\$18,460	\$17,643	\$16,815
Profit and total comprehensive income (loss)	\$8,473	\$5,119	\$2,437	\$9,456	(\$3,779)	\$3,355	\$12,985	\$7,751
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⁾	7.6¢	10.2¢	9.5¢	8.9¢	9.0¢	10.2¢	9.6¢	9.1¢
Funds from operations per unit – diluted ⁽¹⁾	7.6¢	10.2¢	9.5¢	8.9¢	9.0¢	10.1¢	9.5¢	9.0¢
Adjusted funds from operations per unit – basic ⁽¹⁾	5.4¢	8.6¢	8.0¢	6.6¢	5.9¢	8.5¢	7.0¢	7.9¢
Adjusted funds from operations per unit – diluted ⁽¹⁾	5.4¢	8.6¢	8.0¢	6.6¢	5.9¢	8.4¢	7.0¢	7.8¢
Distributions as a percentage of basic FFO ⁽¹⁾	91.7%	68.4%	73.5%	78.7%	77.6%	68.5%	73.0%	79.0%
Distributions as a percentage of basic AFFO ⁽¹⁾	130.3%	81.0%	87.5%	106.8%	118.8%	82.8%	100.0%	91.1%
Gross Leasable Area (000s of sq. ft.) (at 100%, excluding properties under development/redevelopment)								
Total income producing properties	8,794	8,786	8,633	8,576	8,393	8,350	7,974	7,886
Occupancy % (at 100%, excluding properties under development/redevelopment)								
Total income producing properties	97.6%	97.5%	97.6%	97.1%	97.0%	97.2%	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.

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. The decrease in funds from operations per unit and adjusted funds from operations per unit during Q4 2024 are due to severance costs recorded which are non-recurring.

Some of Plaza’s leases have common cost recoveries from tenants linked to CPI or otherwise have caps on operating cost recoveries. At December 31, 2024, approximately 50.7% of the Trust’s leased area is tied to a CPI cost recovery formula. As well, anchor tenant leases may restrict common area maintenance (also referred to as “CAM”) cost recoveries. As a result of all of these factors, seasonal fluctuations in NOI, FFO and AFFO occur primarily due to winter costs, as well as yearly repair and maintenance activities which typically occur in spring and early summer, which may create inconsistencies in quarterly recovery revenues compared with quarterly expenses.

PART V

RISKS AND UNCERTAINTIES

All real property investments are subject to a degree of risk and uncertainty. Such investments are affected by various factors including general economic conditions and local market circumstances. Local business conditions such as oversupply of space or a reduction in demand for space particularly affect real property investments. Management attempts to manage these risks through geographic and retail asset class diversification in the portfolio. At December 31, 2024, the Trust held interests in 212 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, 2024 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 \$695 thousand per annum.

The Trust mitigates its exposure to fixed-rate interest risk on its debt by staggering maturities and future financing obligations 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 25.8% of current monthly base rents in place, Dollarama represents 6.1% and the TJX Group represents 4.4%. The top 10 tenants collectively represent approximately 53.6% of current monthly base rents in place. National and regional tenants represent 94.3% of the tenant base, based on base rents in place.

Lease Roll-Over and Occupancy Risk

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

Plaza's principal management of occupancy risk is the skewing of tenancies towards national tenants, the signing of longer-term leases and significant pre-leasing of development space. In addition, 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 \$1.1 million per annum. The analysis does not identify a particular cause of such changing occupancy and as a result, it does not reflect the actions management may take in relation to the changes.

Development and Acquisition Risk

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

External Economic Conditions

Plaza is subject to risks generally incidental to the Canadian real estate, credit, capital and financial markets. Recessional economic conditions, financial liquidity issues, changes to applicable duties, tariffs and trade laws and policies and related economic tensions between governments, and geopolitical uncertainty may result in interruptions and/or volatility in the credit and capital markets, reduced business and consumer confidence, devaluations of assets directly or indirectly linked to the Canadian real estate finance markets and the concurrent reduction or unavailability of long and short-term liquidity from the capital markets at an economic cost of capital. These conditions could have an adverse effect on Plaza and its assets. Inflationary pressures and the resulting economic impacts may also adversely affect the Trust's financial condition and results of operations.

Sensitivity to global economic conditions, and their impact in Canada, may negatively affect the income received from Plaza's properties. Inherent illiquidity may limit Plaza's ability to vary its portfolio in response to changes in the global, national and/or local economic conditions and may ultimately prevent Plaza from implementing its strategies. Increased vacancy rates and difficulties re-leasing properties, commonly associated with recessionary economic conditions, may occur, and may adversely affect the income received from Plaza's real property assets.

Status of the REIT

Plaza is required to comply with specific restrictions regarding its activities and the investments held by it 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.

PART VI

RELATED PARTY TRANSACTIONS

Notes Payable to Related Parties

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

(000s)	December 31, 2024	December 31, 2023
Non-interest bearing notes:		
Entities owned (directly or indirectly), controlled or significantly influenced by Michael Zakuta (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)	December 31, 2024	December 31, 2023
Doug McGregor (Chairman and Trustee)	\$ 400	\$ 400
Stephen Johnson (Trustee)	384	519
Lynda Savoie (Trustee)	15	15
Michael Zakuta (Trustee)	1,065	684
Total	\$ 1,864	\$ 1,618

Key management personnel own \$200 thousand in non-convertible debentures of the Trust at December 31, 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 these land leases have options to purchase, of which one is at a fixed price and the others are at fair market value. The business purpose of the leases was to enhance levered equity returns on the affected assets. Land leases reduce Plaza’s equity requirement in the subject projects, spread risk and enhance project feasibility and overall unitholder returns.

(000s)	Land Rent Paid	
	December 31, 2024	December 31, 2023
Related Parties:		
A company beneficially-owned by Earl Brewer and Michael Zakuta	\$ 1,205	\$ 1,200

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 were 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	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Related Party:				
Earl Brewer	\$ 215	\$ 402	\$ 52	\$ 53
Michael Zakuta	\$ 241	\$ 447	\$ 75	\$ 72

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 are 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 have evaluated or caused an evaluation under their direct supervision of, the design and effectiveness of the Trust’s DC&P and ICFR (as defined in National Instrument 52-109, *Certification of Disclosure in Issuers’ Annual and Interim Filings*) as at December 31, 2024. Based on this evaluation, the Trust has concluded that the design and operation of the Trust’s DC&P and ICFR were effective as at December 31, 2024 in order to provide reasonable assurance that material information relating to the Trust would have been known to them by others and that information required to be disclosed by the Trust is recorded, processed, summarized, and reported on a timely basis and within the time period specified in securities legislation. Management has also determined that as at December 31, 2024 the Trust’s ICFR were appropriately designed and were operating effectively in accordance with the criteria established in the Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

During the twelve months ended December 31, 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 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. Management bases its judgments and estimates on historical experience and other factors it believes to be reasonable under the circumstances. However, uncertainty about underlying judgments and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Major sources of estimation uncertainty and the assumptions that have a significant risk of resulting in a material adjustment to the carrying values of assets and liabilities within the next financial year relate to the following:

- (i) Investment properties

Determining the fair value of investment properties is a major source of estimation uncertainty. Investment properties, which are carried on the consolidated statements of financial position at fair value, are valued by the Trust’s internal valuation team using internal financial information, external market data and capitalization rates provided by independent industry experts. The

valuations are based on a number of significant assumptions, such as capitalization rates, and future stabilized net operating income. The determination of future stabilized net operating income involves assumptions regarding future rental income and operating expenses. Should the underlying assumptions change, actual results could differ from the estimates.

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 external market data and quarterly capitalization rate matrices provided by an external appraiser as sources of market information. The capitalization rate matrices provide a range of rates for various geographic regions and for various types and qualities of properties within each region. To the extent that capitalization rate ranges change from one reporting period to the next or should another rate within the provided ranges be more appropriate than the rate previously used, the fair value of the investment properties would increase or decrease accordingly.

Plaza also engaged leading independent national real estate appraisal firms with representation and expertise across Canada, and specifically in the markets in which the Trust operates. These external appraisals were used by Management to assist in the validation of the market assumptions and market data used as part of its internal valuation model. For the year ended December 31, 2024, the Trust obtained external property appraisals representing approximately 20.1% (December 31, 2023 – 22.0%) of the Trust's investment properties.

At December 31, 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 \$41.6 million. An increase of 0.25% in the capitalization rates used would have resulted in a decrease in investment properties of approximately \$38.6 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") were 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 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 that will replace IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements to increase comparability of similar entities, especially related to how operating profit and loss is defined.

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

IFRS 18 introduces a defined structure for the statement of profit or loss that is composed of categories and required subtotals into one of five categories: (1) operating, (2) investing, (3) financing, (4) income taxes, and (5) discontinued operations. Management-defined performance measures (MPMs) will be required to be disclosed in a single note in the financial statements. In addition, all entities will be required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

Plaza is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the consolidated statement of comprehensive income, the statements of cash flow and the additional disclosures required for MPMs. 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 FINANCIAL MEASURES

The measures below 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.

Adjusted Earnings Before Interest, Taxes, Depreciation, and Amortization (Adjusted EBITDA) is a non-GAAP financial measure. Adjusted EBITDA, as calculated by Plaza, may not be comparable to similarly titled measures reported by other entities. Adjusted EBITDA is used in calculations that measure the Trust’s ability to service debt. Its calculation is profit before finance costs, income tax expense, depreciation and amortization 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 Adjusted 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, 2024 and excludes partial year results from certain assets due to timing of acquisition, development, redevelopment or disposition. Its calculation is revenues less operating expenses for the same-asset pool of properties. The revenues or operating expenses exclude the impact of non-cash straight-line rent, administrative expenses charged to NOI, property tax settlements and lease termination revenue. Excluding these items enables the users to better understand the period over period performance for a consistent pool of assets

Plaza Retail REIT

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 adjusted EBITDA divided by finance costs and adjusted 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.

Net debt to Adjusted EBITDA including right-of-use land leases and net debt to Adjusted EBITDA excluding right-of-use land leases are non-GAAP financial measures. Net debt to Adjusted EBITDA including right-of-use land leases and net debt to Adjusted EBITDA 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 net debt as debt as defined above less cash as reported on the consolidated statements of financial position. Plaza calculates the net debt to Adjusted EBITDA including right-of-use land leases as net debt divided by Adjusted EBITDA, with net debt including right-of-use land lease liabilities. Plaza calculates the net debt to Adjusted EBITDA excluding right-of-use land leases as net debt excluding right-of-use land lease liabilities divided by Adjusted EBITDA.

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 December 31, 2024 can be accessed on Plaza’s website at <http://plaza.ca/financial-reports-presentations-and-other-filings/>.

APPENDIX A

FOURTH QUARTER 2024 INCOME RESULTS

Consolidated Statements of Comprehensive Income

(000s) (unaudited)	3 Months Ended December 31, 2024	3 Months Ended December 31, 2023
Revenues	\$ 30,623	\$ 28,962
Operating expenses	<u>(11,697)</u>	<u>(11,526)</u>
Net property operating income	18,926	17,436
Share of profit of associates	1,246	1,883
Administrative expenses	(4,595)	(2,221)
Investment income	407	535
Other income	1,105	838
Income before finance costs, fair value adjustments and income taxes	17,089	18,471
Finance costs - operations	(7,892)	(6,957)
Finance costs – net change in fair value of convertible debentures	-	(441)
Finance costs – net change in fair value of Class B exchangeable LP units	405	(81)
Finance costs – net change in fair value of interest rate swaps	222	(3,418)
Net change in fair value of right-of-use land lease assets	(207)	(203)
Net change in fair value of investment properties	1,847	(9,497)
Impairment of notes receivable	(1,132)	(1,336)
Profit (loss) before income tax	10,332	(3,462)
Income tax recovery (expense)		
- Current	(204)	(125)
- Deferred	(1,655)	(192)
	<u>(1,859)</u>	<u>(317)</u>
Profit (loss) and total comprehensive income for the period	\$ 8,473	\$ (3,779)
Profit (loss) and total comprehensive income for the period attributable to:		
- Unitholders	\$ 8,183	\$ (3,822)
- Non-controlling interests	290	43
	<u>\$ 8,473</u>	<u>\$ (3,779)</u>

Management's Statement of Responsibility for Financial Reporting

The accompanying consolidated financial statements and information have been prepared by, and are the responsibility of, the management of the Trust. The financial statements have been prepared within accepted limits of materiality and in accordance with the International Financial Reporting Standards appropriate in the circumstances.

Management maintains appropriate systems of internal control. Policies and procedures are designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for preparation of financial statements.

The Board of Trustees (the "Board"), with the assistance of its Audit Committee, is responsible for ensuring that management fulfills its oversight responsibility for financial reporting and internal control. The Audit Committee consists entirely of independent trustees. At regular meetings, the Audit Committee reviews audit, internal control and financial reporting matters with management and the external auditors to satisfy itself that each is properly discharging its responsibilities. The financial statements, the independent auditors' report thereon, and the accompanying management's discussion and analysis have been reviewed by the Audit Committee and have been approved by the Board.

KPMG LLP, the independent auditors appointed by the unitholders based on the recommendation of the Board, have been engaged to audit the consolidated financial statements and provide an independent professional opinion thereon. The auditors have full and independent access to the Audit Committee to discuss audit and related matters with and without the presence of management and non-independent Trustees.



Jason Parravano
President and CEO
February 26, 2025



Jim Drake
Chief Financial Officer
February 26, 2025



KPMG LLP

Frederick Square
77 Westmorland Street, Suite 700
Fredericton, NB E3B 6Z3
Canada
Telephone 506 452 8000
Fax 506 450 0072

INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Plaza Retail REIT

Opinion

We have audited the consolidated financial statements of Plaza Retail REIT (the Entity), which comprise:

- the consolidated statements of financial position as at December 31, 2024 and December 31, 2023
- the consolidated statements of comprehensive income for the years then ended
- the consolidated statements of changes in unitholders' equity for the years then ended
- the consolidated statements of cash flows for the years then ended
- and notes to the consolidated financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2024 and December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2024.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our auditor's report.

Evaluation of the Valuation of Income Producing Properties

Description of the matter:

We draw attention to Notes 2(c)(i), 3(b), and 4 to the financial statements. The Entity uses the fair value model to account for income producing properties. The Entity has recorded income producing properties at fair value for an amount of \$1,078,098 thousand as at December 31, 2024. The income producing properties are measured at fair value using valuations prepared by the Entity's internal valuation team. Significant assumptions include capitalization rates and future stabilized net operating income.

Why the matter is a key audit matter:

We identified the evaluation of the fair value of income producing properties as a key audit matter. This matter represented an area of significant risk of material misstatement given the magnitude of income producing properties and the high degree of estimation uncertainty in determining the fair value of income producing properties. In addition, significant auditor judgment and specialized skills and knowledge were required in performing, and evaluating, the results of our audit procedures due to the sensitivity of the fair value of income producing properties to minor changes in certain significant assumptions.

How the matter was addressed in the audit:

The primary procedures we performed to address this key audit matter included the following:

For a selection of income producing properties, we assessed the Entity's ability to accurately forecast by comparing the Entity's future stabilized net operating income used in the prior year's estimate of the fair value of income producing properties to actual results.

For a selection of income producing properties, we compared the Entity's future stabilized net operating income to the actual historical net operating income. We assessed the future stabilized net operating income by:

- Taking into account the changes in conditions and events affecting the selected income producing properties, including future rental income and operating expenses; and
- Considering the adjustments, or lack of adjustments, made by the Entity in arriving at the future stabilized net operating income.



We involved valuations professionals with specialized skills and knowledge, who assisted in evaluating, for the overall portfolio the appropriateness of the capitalization rate ranges used by the Entity's internal valuation team. These rates were evaluated by comparing them to published reports of real estate industry commentators and recent appraisals, and considering the various characteristics of the portfolio.

Other Information

Management is responsible for the other information. Other information comprises the information included in Management's Discussion and Analysis of Results of Operations and Financial Condition filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis of Results of Operations and Financial Condition filed with the relevant Canadian Securities Commissions as at the date of this auditor's report. If, based on the work we have performed on this information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.



Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.
- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG LLP

Chartered Professional Accountants

The engagement partner on the audit resulting in this auditor's report is James O'Neil.

Fredericton, Canada

February 26, 2025

Plaza Retail REIT

Consolidated Statements of Financial Position

(in thousands of Canadian dollars)

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

Assets

Non-Current Assets

Investment properties (Note 4)	\$ 1,155,872	\$ 1,173,665	\$ 1,169,075
Investments (Note 5)	57,594	54,562	51,180
Tenant loans	493	321	235
Derivative assets (Note 12)	1,077	1,725	3,129
Deferred income tax asset (Note 17)	285	285	280
Total non-current assets	1,215,321	1,230,558	1,223,899

Current Assets

Cash	8,868	10,868	7,262
Receivables (Note 6)	3,109	5,041	4,138
Investment properties held for sale (Note 4(f))	-	1,140	19,260
Prepaid expenses and deposits (Note 7)	4,391	3,281	3,433
Tenant loans	55	62	55
Notes and advances receivable (Note 8)	8,226	12,466	10,964
Total current assets	24,649	32,858	45,112
Total assets	\$ 1,239,970	\$ 1,263,416	\$ 1,269,011

Liabilities and Unitholders' Equity

Non-Current Liabilities

Debentures payable (Note 9)	\$ 3,530	\$ 3,513	\$ 3,500
Mortgage bonds payable (Note 10)	-	-	1,945
Mortgages payable and other loans (Note 11)	445,866	424,317	462,246
Derivative liabilities (Note 12)	868	-	-
Right-of-use land lease liabilities (Note 14)	62,752	63,585	64,403
Deferred income tax liability (Note 17)	10,586	8,834	8,757
Total non-current liabilities	523,602	500,249	540,851

Current Liabilities

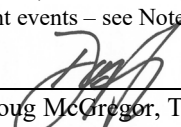
Current portion of debentures payable (Note 9)	24,916	20,477	58,700
Current portion of mortgage bonds payable (Note 10)	2,701	4,155	2,832
Bank indebtedness (Note 13)	25,430	49,344	37,800
Current portion of mortgages payable and other loans (Note 11)	89,981	105,066	74,723
Accounts payable, accrued liabilities, tenant payables and tenant deposits (Note 15)	23,610	28,938	25,473
Current portion of right-of-use land lease liabilities (Note 14)	832	818	803
Notes payable (Note 16)	1,209	1,190	1,188
Class B exchangeable LP units (Note 22)	4,093	4,255	5,336
Total current liabilities	172,772	214,243	206,855
Total liabilities	696,374	714,492	747,706

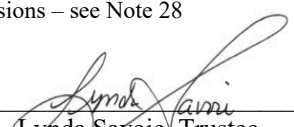
Unitholders' equity	540,815	546,487	518,900
Non-controlling interests	2,781	2,437	2,405
Total unitholders' equity	543,596	548,924	521,305
Total liabilities and unitholders' equity	\$ 1,239,970	\$ 1,263,416	\$ 1,269,011

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

Contingencies, commitments, guarantees and indemnities, litigation and provisions – see Note 28

Subsequent events – see Note 31


Doug McGregor, Trustee
Chair of the Board


Lynda Savoie, Trustee
Chair of the Audit Committee

notes which are an integral part of these consolidated financial statements.

Plaza Retail REIT
Consolidated Statements of Comprehensive Income
(in thousands of Canadian dollars)

	Year Ended December 31, 2024	Year Ended December 31, 2023
Revenues (Note 18)	\$ 121,280	\$ 114,064
Operating expenses (Note 19)	(46,261)	(43,710)
Net property operating income	75,019	70,354
Share of profit of associates (Note 5)	5,011	4,491
Administrative expenses (Note 20)	(12,114)	(8,297)
Investment income	1,363	1,211
Other income	3,522	3,756
Income before finance costs, fair value adjustments and income taxes	72,801	71,515
Finance costs - operations (Note 21)	(30,860)	(28,484)
Finance costs - net change in fair value of convertible debentures (Note 9)	(279)	217
Finance costs - net change in fair value of Class B exchangeable LP units (Note 22(b))	162	936
Finance costs - net change in fair value of interest rate swaps (Note 12)	(1,515)	(1,404)
Net change in fair value of right-of-use land lease assets (Note 4)	(818)	(804)
Impairment of notes receivables (Note 8)	(1,462)	(1,336)
Net change in fair value of investment properties (Note 4)	(10,377)	(19,969)
Profit before income tax	27,652	20,671
Income tax expense		
- Current	(415)	(286)
- Deferred	(1,752)	(73)
	(2,167)	(359)
Profit and total comprehensive income for the period	\$ 25,485	\$ 20,312
Profit and total comprehensive income for the period attributable to:		
- Unitholders	\$ 25,045	\$ 20,187
- Non-controlling interests	440	125
	\$ 25,485	\$ 20,312

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

Plaza Retail REIT

Consolidated Statements of Changes in Unitholders' Equity

(in thousands of Canadian dollars)

	Trust Units (Note 22)	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	-	20,187	20,187	125	20,312
Transactions with unitholders, recorded directly in equity:					
- Bought deal equity raise, net of issue costs	37,863	-	37,863	-	37,863
- Exchangeable unit redemption (Note 22)	145	-	145	-	145
- Repurchase of units under normal course issuer bid (Note 22)	(78)	(31)	(109)	-	(109)
- Distributions declared to unitholders (Note 24)	-	(30,499)	(30,499)	-	(30,499)
- Contributions to non-controlling interests	-	-	-	(93)	(93)
Balance as at December 31, 2023	\$ 313,442	\$ 233,045	\$ 546,487	\$ 2,437	\$ 548,924
Profit and total comprehensive income for the period	-	25,045	25,045	440	25,485
Transactions with unitholders, recorded directly in equity:					
- Issuance of units under the RU plan (Note 23)	203	-	203	-	203
- Repurchase of units under normal course issuer bid (Note 22)	(14)	(4)	(18)	-	(18)
- Distributions declared to unitholders (Note 24)	-	(30,902)	(30,902)	-	(30,902)
- Contributions to non-controlling interests	-	-	-	(96)	(96)
Balance as at December 31, 2024	\$ 313,631	\$ 227,184	\$ 540,815	\$ 2,781	\$ 543,596

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

Plaza Retail REIT
Consolidated Statements of Cash Flows
(in thousands of Canadian dollars)

Year Ended
December 31,
2024

Year Ended
December 31,
2023

Cash obtained from (used for):

Operating activities

Profit and total comprehensive income for the period	\$ 25,485	\$ 20,312
Items not affecting cash:		
Finance costs - operations (Note 21)	30,860	28,484
Share of profit of associates	(5,011)	(4,491)
Net change in fair value of investment properties	10,377	19,969
Net change in fair value of convertible debentures	279	(217)
Net change in fair value of Class B exchangeable LP units	(162)	(936)
Net change in fair value of interest rate swaps (Note 12 and 29)	1,515	1,404
Net change in fair value of right-of-use land lease assets	818	804
Issuance of units under the RU plan	203	-
Impairment of notes receivable	1,462	1,336
Current and deferred income taxes	2,167	359
Straight-line rent (Note 18)	(524)	(60)
Interest paid	(26,848)	(25,340)
Imputed interest paid on right-of-use land lease liabilities (Note 21)	(2,544)	(2,500)
Cash distributions paid to Class B exchangeable LP unitholders (Note 21)	(324)	(326)
Income taxes paid	(402)	(132)
Distributions from equity accounted investments (Note 5)	1,869	1,969
Leasing commissions paid (Note 25(c))	(319)	(463)
Change in non-cash working capital (Note 25(a))	963	2,121
	39,864	42,293

Financing activities

Cash distributions paid to unitholders	(30,902)	(30,299)
Repurchase of units under normal course issuer bid (Note 22)	(18)	(109)
Net proceeds from bought deal	-	37,863
Gross mortgage proceeds	94,670	62,617
Fees incurred for placement of mortgages	(648)	(398)
Early mortgage discharge fees paid (Note 21)	(211)	(50)
Mortgages repaid	(71,452)	(42,130)
Mortgages repaid on disposal of investment properties and land (Note 4(d))	(4,401)	(16,063)
Early mortgage discharge fees paid on disposal of investment properties (Note 21)	(40)	-
Periodic mortgage principal repayments	(12,280)	(12,209)
Right-of-use land lease principal repayments	(818)	(804)
Gross proceeds of mortgage bonds	70	2,345
Redemption of mortgage bonds	(1,530)	(2,970)
Gross proceeds from non-convertible debentures (Note 9)	5,150	9,251
Redemption of debentures (Note 9)	(986)	(47,250)
Fees incurred for placement of mortgage bonds and debentures	(27)	(24)
Distribution from equity accounted investments from financing proceeds (Note 5)	110	-
Increase in notes payable	19	2
	(23,294)	(40,228)

Investing activities

Investment properties – additions (Note 25(c))	(25,340)	(53,119)
Proceeds from disposal of investment properties and land (Note 4(d))	28,147	37,237
Proceeds from assets previously held for sale (Note 4(f))	1,140	9,719
Advances to equity accounted investments for developments (Note 5)	-	(860)
Contributions to non-controlling interests, recorded in non-controlling interests and in liabilities	(202)	(213)
Decrease (increase) in deposits for acquisitions and financings (Note 7)	(1,014)	166
Decrease (increase) in notes and advances receivable	2,778	(2,838)
Repayment of tenant loans	80	64
Issuance of tenant loans	(245)	(159)
	5,344	(10,003)
Net increase (decrease) in cash	21,914	(7,938)
Cash less bank indebtedness, beginning of the period	(38,476)	(30,538)
Cash less bank indebtedness, end of the period	\$ (16,562)	\$ (38,476)

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

Plaza Retail REIT

Notes to the Consolidated Financial Statements

December 31, 2024

(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

(a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) Accounting Standards as issued by the International Accounting Standards Board (“IASB”).

The consolidated financial statements were authorized for issuance by the Board on February 26, 2025.

(b) Basis of Measurement

The consolidated financial statements have been prepared on a historical cost basis, except for the following items in the consolidated statements of financial position that are measured at fair value:

- Derivatives;
- Unit-based payments;
- Convertible debentures;
- Investment properties;
- Investment properties included in investments; and
- Exchangeable LP units.

These consolidated financial statements are presented in Canadian dollars, which is the Trust’s functional currency.

(c) Use of Estimates and Judgments

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 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. Management bases its judgments and estimates on historical experience and other factors it believes to be reasonable under the circumstances. However, uncertainty about underlying judgments and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Major sources of estimation uncertainty and the assumptions that have a significant risk of resulting in a material adjustment to the carrying values of assets and liabilities within the next financial year relate to the following:

(i) Investment properties

Determining the fair value of investment properties is a major source of estimation uncertainty. Investment properties, which are carried on the consolidated statements of financial position at fair value, are valued by the Trust’s internal valuation team using internal financial information, external market data and capitalization rates provided by independent industry experts. The valuations are based on a number of significant assumptions, such as capitalization rates, and future stabilized net operating income. The determination of future stabilized net operating income involves assumptions regarding future rental income and operating expenses. Should the underlying assumptions change, actual results could differ from the estimates.

Plaza Retail REIT

Notes to the Consolidated Financial Statements

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

3. Summary of Material Accounting Policies

The Trust's material accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements.

(a) General and Consolidation

The consolidated financial statements comprise the financial statements of the Trust and the entities that it controls. All intra-group balances, transactions, income and expenses resulting from intra-group transactions are eliminated in full. Wholly owned subsidiaries are fully consolidated. When the Trust does not own all the equity in a subsidiary, the non-controlling equity interest is disclosed in the consolidated statement of financial position as a separate component of total equity. Investments in associates and joint ventures are accounted for using the equity method and initially recorded at cost and adjusted thereafter to recognize the Trust's share of the profit or loss and other comprehensive income of the associate or joint venture. The Trust's share of the associate or joint venture's profit or loss is recognized in the Trust's consolidated statements of comprehensive income under share of profit of associates. For joint operations, the Trust recognizes its proportionate share of assets, liabilities, revenues and expenses of the entities.

The financial statements of the associates, joint ventures, and joint operations are prepared for the same reporting period as the Trust, using consistent accounting policies.

(b) Investment Properties

Investment properties are determined to be investment properties when they are held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business. Investment properties include land and land improvements, buildings and building improvements, as well as furniture and equipment and certain intangibles, such as in-place leases, if any. Investment properties are measured initially at cost, including transaction costs, except for investment properties acquired in a business combination, where such transaction costs are expensed as incurred. After initial recognition, investment properties are measured at fair value, under IAS 40, Investment Property ("IAS 40") based on available market data at the reporting date. Fair value represents the amount at which the properties could be exchanged between knowledgeable, willing parties in an arm's length transaction at the date of valuation.

Management undertakes a review of the fair value of its investment properties at each reporting period to assess the continuing validity of the underlying assumptions, such as future stabilized net operating income, capitalization rates, and capital expenditures. Where increases or decreases are warranted, the Trust adjusts the fair values of its investment properties. Related fair value gains and losses are recorded in profit or loss in the period in which they arise.

Subsequent capital expenditures are added to the carrying value of the investment properties only when it is probable that future economic benefits will flow to the properties and the cost can be measured reliably. All repairs and maintenance costs are expensed as incurred.

(c) Properties Under Development

Properties under development for future use as investment property are accounted for as investment property under IAS 40.

(d) Capitalization of Costs

For development properties, the Trust capitalizes all direct expenditures incurred in connection with their acquisition, development and construction. These expenditures consist of all direct costs and borrowing costs on both specific and general debt. Borrowing costs are offset by any interest earned by the Trust on borrowed funds prior to utilization. The development period commences when activities necessary to prepare the asset for its intended use are in progress. Capitalization ceases when substantially all the activities necessary to prepare the asset for its intended use are complete.

(e) Right-of-Use Assets and Liabilities

The Trust has investment properties located on land which is leased.

At the commencement date of the lease, the Trust recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Trust uses its incremental borrowing rate at

Plaza Retail REIT

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

the lease commencement date because the interest rate implicit in the lease is not readily determinable. Subsequently, the lease liabilities are measured at amortized cost using the effective interest rate method. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

The Right-of-Use (“ROU”) assets are accounted for as investment property, as these land leases meet the definition of investment property under IAS 40, Investment property. On initial recognition, the Trust measures its ROU assets at an amount equal to the corresponding lease liability, plus any direct costs of obtaining the lease less any incentives provided by the lessor, adjusted for any prepaid or accrued lease payments. The ROU assets are subsequently measured at fair value and are included in investment properties in the consolidated statements of financial position.

(f) Revenue Recognition

The Trust enters as a lessor into lease agreements that fall within the scope of IFRS 16, “Leases” which are classified as operating leases. The Trust's revenues are earned from lease contracts with tenants and include both a lease component and a non-lease component. Base rent is allocated to lease components based on relative stand-alone selling prices. The stand-alone selling prices of rental components are determined using an adjusted market assessment approach and the stand-alone selling prices of service components are determined using an expected cost plus a margin approach.

The Trust recognizes contractual revenue from lease components on a straight-line basis over the lease term, which is included in revenue in the consolidated statements of comprehensive income due to its operating nature. An accrued straight-line rent receivable is recorded from tenants for the difference between the straight-line rent and the contractual base rent that is due from the tenant. Contingent rental income is recognized when it arises.

The lease agreements include certain services offered to tenants such as cleaning, utilities, security, landscaping, snow removal, property maintenance, as well as other support services. The consideration charged to tenants for these services includes fees charged based on a percentage of the rental income and reimbursement of certain expenses incurred. The Trust has determined that these services constitute a distinct non-lease component (transferred separately from the right to use the underlying asset) and are within the scope of IFRS 15, “Revenue from Contracts with Customers”. These property management services are considered a performance obligation, meeting the criteria for over time recognition and are recognized in the period that recoverable costs are incurred, or services are performed.

Lease termination revenue

Lease termination revenue represents amounts earned from tenants in connection with the cancellation or the early termination of their remaining lease obligations and is recognized on a straight-line basis over the modified lease term, commencing when a lease termination agreement is signed, and ending at the amended lease expiration date.

Other Income

Other income consists mainly of property management fees, leasing fees, project management fees and other miscellaneous fees charged to co-owners. Property management fees are generally based on a percentage of property revenues and are recognized when earned in accordance with the property management or co-ownership agreements. Leasing fees are incurred when the Trust is the leasing manager for co-owned properties and are recognized when earned in accordance with the property management or co-ownership agreements.

(g) Income Taxes

The Trust is a mutual fund trust and qualifies as a real estate investment trust for Canadian income tax purposes. Under current tax legislation, a real estate investment trust is entitled to deduct distributions of taxable income such that it is not liable to pay income tax, provided that its taxable income is fully distributed to unitholders. Accordingly, income taxes, comprised of current and deferred taxes, are only recorded for the Trust's corporate subsidiaries. The Trust intends to continue to qualify as a real estate investment trust and to make distributions not less than the amount necessary to ensure that the Trust will not be liable to pay income taxes. The Trust qualified as a real estate investment trust throughout 2024 and the 2023 comparative year.

Plaza Retail REIT

Notes to the Consolidated Financial Statements

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

(h) Investments

Investments consist of the Trust's associates and joint ventures accounted for using the equity method. For investments in entities not accounted for using the equity method, amounts received or receivable in accordance with the income distribution formula of the entity, if not capital or financing receipts, are included in income. For investments in entities accounted for using the equity method, amounts received are accounted for as a reduction of the investments and the proportionate share of the net income or loss from the investments are recorded in profit or loss for the period under share of profit of associates, and as an increase or decrease to the investments.

Investment properties that are held by equity-accounted entities are measured at fair value, consistent with the Trust's policy for its consolidated investment properties. The Trust's pro-rata share of any fair value gain or loss is calculated based on "winding-up" the specific entity and distributing the net assets to the partners as dictated by the respective agreements. The Trust's pro-rata share of any fair value gain or loss is recorded in profit or loss for the period within share of profit of associates.

(i) Financial Instruments

Financial assets and liabilities are recognized when the Trust becomes a party to the contractual provision of the financial instrument.

Classification and Measurement - Financial assets are classified and measured based on three categories: amortized cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVTPL"). Financial liabilities are classified and measured on two categories: amortized cost or FVTPL. Derivatives embedded in contracts where the host is a financial asset in the scope of IFRS 9, "Financial Instruments" are not separated, but the hybrid financial instrument as a whole is assessed for classification.

Financial assets are measured at amortized cost if both of the following conditions are met and it is not designated as FVTPL:

- the financial asset is held within a business model with the objective of collecting the contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets are measured at FVOCI if they meet both of the following conditions and are not designated at FVTPL:

- the financial asset is held within a business model whose objective is to both hold assets to collect contractual cash flows and to sell assets prior to maturity; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Assets held within another business model or assets that do not have contractual cash flow characteristics that are solely payments of principal and interest are measured at FVTPL.

Financial liabilities are classified and measured subsequently at amortized cost using the effective interest method or at FVTPL.

Plaza Retail REIT

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December 31, 2024

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

The Trust's financial assets and liabilities have been classified and measured as follows:

Asset / Liability	Classification and Measurement Basis
Cash	Amortized cost
Receivables	Amortized cost
Tenant loans	Amortized cost
Notes and advances receivable	Amortized cost
Debentures payable:	
- Convertible debentures	FVTPL
- Non-convertible debentures	Amortized cost
Mortgage bonds payable	Amortized cost
Mortgages payable and other loans	Amortized cost
Class B exchangeable LP units	FVTPL
Bank indebtedness	Amortized cost
Accounts payable, accrued liabilities, tenant payables and tenant deposits	Amortized cost
Notes payable	Amortized cost
Derivatives	FVTPL

Financial assets are not reclassified after their initial recognition, unless the Trust identifies changes in its business model in managing financial assets and would reassess the classification of financial assets.

The effective interest method is used for financial instruments measured at amortized cost and allocates interest over the relevant period. The effective interest rate used in the effective interest method, is the rate that discounts estimated future cash flows (including all fees paid or received that form an integral part of the Effective Interest Rate, transaction costs and other premiums or discounts) through the expected life of the instrument, to the gross carrying amount of a financial asset or to the amortized cost of a financial liability.

Any transaction costs associated with financial instruments measured at FVPTL are expensed as incurred.

Impairment - An allowance for expected credit losses ("ECL") is recognized at each balance sheet date for all financial assets measured at amortized cost or those measured at fair value through other comprehensive income, except for investments in equity instruments. The ECL model requires considerable judgment, including consideration of how changes in economic factors affect ECLs, which is determined on a probability-weighted basis.

Impairment losses, if incurred, would be recorded in the consolidated statement of comprehensive income with the carrying amount of the financial asset or group of financial assets reduced through the use of impairment allowance accounts. In periods after the impairment where the impairment loss has decreased, and such decrease can be related objectively to conditions and changes in factors occurring after the impairment was initially recognized, the previously recognized impairment loss would be reversed through the consolidated statement of comprehensive income. The impairment reversal would be limited to the lesser of the decrease in impairment or the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized, after the reversal.

General Hedging - IFRS 9 includes a general hedge accounting standard which aligns hedge accounting more closely with an entity's risk management objectives and strategies. The Trust does not currently apply hedge accounting in its financial statements.

(j) Trust Units

The Trust's units are redeemable at the option of the holder and, therefore, are considered puttable instruments. Puttable instruments are required to be accounted for as financial liabilities, except where certain conditions are met in accordance with IAS 32, "Financial instruments: presentation", in which case, the puttable instruments may be presented as equity. The Trust's units meet the conditions of IAS 32 and are, therefore, presented as equity.

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(k) Leasing Costs

Payments to tenants under lease contracts are characterized as either tenant improvements, which enhance the value of the property, or lease inducements. When the obligation is determined to be a tenant improvement, the Trust is considered to have acquired an asset. Accordingly, the tenant improvements are capitalized as part of investment property. When the obligation is determined to be a lease inducement, the amount is recognized as an asset which forms a component of investment property and is deferred and amortized over the term of the lease as a reduction of revenue.

(l) Finance Costs

Finance costs are comprised of interest expense on borrowings, imputed interest on right-of-use land lease liabilities, fair value changes in financial liabilities, the fair value adjustment on interest rate swap and transaction costs associated with the issuance of financial liabilities measured at fair value through profit or loss (such as convertible debentures). Transaction costs associated with financial liabilities presented at amortized cost are presented with the related debt instrument and amortized into finance costs using the effective interest method over the anticipated life of the related debt.

Fair value measurement

The REIT measures financial instruments, such as derivative assets, derivative liabilities, convertible debentures, and Class B exchangeable LP units, as well as non-financial assets, such as investment properties, at fair value at each statement of financial position date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the REIT.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The REIT uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the REIT determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(m) Changes in Accounting Policies adopted in the current year

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") were effective for annual reporting periods beginning on or after January 1, 2024.

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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 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.

(n) *Future Accounting Policy Changes*

On April 9, 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements that will replace IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements to increase comparability of similar entities, especially related to how operating profit and loss is defined.

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

IFRS 18 introduces a defined structure for the statement of profit or loss that is composed of categories and required subtotals into one of five categories: (1) operating, (2) investing, (3) financing, (4) income taxes, and (5) discontinued operations. Management-defined performance measures (MPMs) will be required to be disclosed in a single note in the financial statements. In addition, all entities will be required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

Plaza is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the consolidated statement of comprehensive income, the statements of cash flow and the additional disclosures required for MPMs. Plaza intends to adopt IFRS 18 in its consolidated financial statements beginning on January 1, 2027, when the standard becomes effective.

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4. Investment Properties

	December 31, 2024				December 31, 2023			
	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 (Note 25(c))	9,122	11,903	-	21,025	16,891	37,248	-	54,139
Disposals (Note 4(d))	(28,147)	-	-	(28,147)	(27,696)	-	-	(27,696)
Transfers	68,986	(68,986)	-	-	44,046	(44,046)	-	-
Straight line rent receivable change	448	76	-	524	35	25	-	60
Reclass to investment properties held for sale (Note 4(f))	-	-	-	-	(1,140)	-	-	(1,140)
Change in fair value – income producing and under development	(8,688)	(1,689)	-	(10,377)	(21,008)	1,039	-	(19,969)
Change in fair value – right-of-use land lease assets	-	-	(818)	(818)	-	-	(804)	(804)
Balance, end of the period:	\$ 1,078,098	\$ 14,190	\$ 63,584	\$ 1,155,872	\$ 1,036,377	\$ 72,886	\$ 64,402	\$ 1,173,665

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 the Trust's internal valuation team. 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.

Income Producing Properties

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 external market data and quarterly capitalization rate matrices provided by an external appraiser as sources of market information. The capitalization rate matrices provide a range of rates for various geographic regions and for various types and qualities of properties within each region. To the extent that capitalization rate ranges change from one reporting period to the next or should another rate within the provided ranges be more appropriate than the rate previously used, the fair value of the investment properties would increase or decrease accordingly.

Plaza also engaged leading independent national real estate appraisal firms with representation and expertise across Canada, and specifically in the markets in which the Trust operates. These external appraisals were used by Management to assist in the validation of the market assumptions and market data used as part of its internal valuation model. For the year ended December 31, 2024, the Trust obtained external property appraisals representing approximately 20.1% (December 31, 2023 – 22.0%) of the Trust's investment properties.

Plaza Retail REIT

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As at December 31, 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	63	6.30%	5.25% - 8.25%	5.75% - 9.75%
Quick Service Restaurant	33	6.59%	5.50% - 8.25%	5.50% - 10.00%
Anchored Open-Air Centre – Class A	18	6.47%	5.25% - 8.00%	5.75% - 8.75%
Anchored Open-Air Centre – Class B	41	7.00%	5.50% - 9.00%	6.25% - 10.00%
Unanchored Open-Air Centre	31	7.37%	5.50% - 9.00%	6.50% - 11.50%
Enclosed Malls – Community	3	9.80%	8.00% - 12.50%	7.75% - 13.50%
	189	6.87%		

⁽¹⁾ Excludes non-consolidated trusts and partnerships.

Freestanding or Mini Box - defined as a freestanding retail, non-restaurant uses 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.

Fair Value Sensitivity

The estimated fair values of investment properties are most sensitive to changes in capitalization rates and future stabilized net operating income. A change in the applied capitalization rates and future stabilized net operating income at December 31, 2024 would result in an increase (decrease) in the fair value of investment properties as follows:

Capitalization Rate Change	Future Stabilized Net Operating Income Change ⁽¹⁾						
	(\$5,000)	(\$3,000)	(\$1,000)	-	\$1,000	\$3,000	\$5,000
(0.75%)	\$53,810	\$86,461	\$119,111	\$135,437	\$151,762	\$184,412	\$217,063
(0.50%)	\$8,263	\$39,610	\$70,957	\$86,630	\$102,304	\$133,651	\$164,997
(0.25%)	(\$33,732)	(\$3,588)	\$26,557	\$41,630	\$56,702	\$86,847	\$116,991
-	(\$72,582)	(\$43,549)	(\$14,516)	-	\$14,516	\$43,549	\$72,582
0.25%	(\$108,631)	(\$80,630)	(\$52,629)	(\$38,628)	(\$24,628)	\$3,373	\$31,374
0.50%	(\$142,174)	(\$115,133)	(\$88,092)	(\$74,572)	(\$61,052)	(\$34,011)	(\$6,970)
0.75%	(\$173,468)	(\$147,323)	(\$121,178)	(\$108,105)	(\$95,032)	(\$68,887)	(\$42,742)

⁽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 December 31, 2024, the Trust continues to review its future stabilized net operating income and cash flow projections and valuation of investment properties considering the current macro-economic and geopolitical 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:

Plaza Retail REIT

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	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 the same valuation approach, as noted above for income producing properties. 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 December 31, 2024 is \$11.8 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 December 31, 2024 is \$8.6 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 December 31, 2024 is \$2.0 million (for the period ended December 31, 2023 - \$3.9 million).

Plaza Retail REIT

Notes to the Consolidated Financial Statements

December 31, 2024

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

(d) Disposals

Properties Disposed	% Disposed	Gross Proceeds Year Ended December 31, 2024⁽¹⁾	Gross Proceeds Year Ended December 31, 2023
Quick Service Restaurants and other non-core assets	100%	\$ 24,837	\$ 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		\$ 29,287	\$ 46,956
Less: assets previously held for sale		(1,140)	(19,260)
Disposals excluding assets previously held for sale		\$ 28,147	\$ 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 December 31, 2024	Net Proceeds Year Ended December 31, 2023
Total disposals	\$ 29,287	\$ 46,956
Mortgages repaid on disposal	(4,401)	(16,063)
Net proceeds - cash	\$ 24,886	\$ 30,893

Recorded on the Statement of Cash Flows in:

Investing activities: Proceeds from disposal of investment properties and land	\$ 28,147	\$ 37,237
Financing activities: Mortgages repaid on disposal of investment properties and land	(4,401)	(16,063)
Investing activities: Proceeds from assets previously held for sale	1,140	9,719
Net proceeds - cash	\$ 24,886	\$ 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 29 years, with some of the leases also containing non-automatic renewal options, extending the average life of the leases to 55 years including these non-automatic renewal options.

(f) Investment properties held for sale

In the prior year ending December 31, 2023, the Trust segregated one investment property as held for sale with a fair value of \$1.1 million for a property located in Granby, QC. The sale closed in February 2024.

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5. Investments

Investments consist of the following:

	Ownership Position	Preferred Return	Residual Return	December 31, 2024	December 31, 2023
Equity Accounted Investments					
Associates:					
Centennial Plaza Limited Partnership	10%	10%	20%	\$ 16,225	\$ 15,519
Trois Rivières Limited Partnership	15%	10%	30%	3,328	3,200
VGH Limited Partnership	20%	8%	27.5%	2,081	1,656
Plazacorp Ontario1 Limited Partnership	25%	8%	25%	3,034	2,963
Ste. Hyacinthe Limited Partnership	25%	6%	pro-rata	233	221
144 Denison East Limited Partnership	25%	6%	pro-rata	677	611
Total Associates				25,578	24,170
Joint Ventures:					
Plazacorp Ontario2 Limited Partnership	50%	-	-	5,218	4,930
Plazacorp Ontario3 Limited Partnership	50%	-	-	1,964	1,756
Plazacorp Ontario4 Limited Partnership	50%	-	-	2,866	2,689
RBEG Limited Partnership	50%	-	-	2,537	2,519
CPRDL Limited Partnership	50%	-	-	2,977	2,868
Fundy Retail Ltd.	50%	-	-	1,027	1,018
The Shoppes at Galway Limited Partnership	50%	-	-	15,427	14,612
Total Joint Ventures				32,016	30,392
Total Investments				\$ 57,594	\$ 54,562

For equity accounted investments in which the Trust has less than a 20% ownership interest, the Trust has significant influence over these entities as it has the power to participate in the financial and operating policy decisions of the entities but is not able to exercise control or joint control over those policies.

The share of profits which the equity-accounted investments noted above are entitled to is distributed first as a preferred return on invested capital with the remaining distributed as a residual return, as outlined above. If there is no preferred and residual return structure noted, the share of profits is distributed pro-rata in accordance with ownership position.

For the year ended December 31, 2024 the Trust received \$1.9 million of regular distributions (for the year ended December 31, 2023 - \$2.0 million) and \$110 thousand in distributions from financing proceeds (for the year ended December 31, 2023 – nil) from equity accounted investments. For the year ended December 31, 2024 the Trust made no contributions to its equity accounted investments (for the year ended December 31, 2023 - \$860 thousand).

Summary financial information for equity accounted investments, at 100% and the Trust's ownership position:

	December 31, 2024		December 31, 2023	
	Equity Investments at 100%	Plaza's Interest ⁽¹⁾	Equity Investments at 100%	Plaza's Interest ⁽¹⁾
Current assets	\$ 7,831	\$ 2,146	\$ 7,520	\$ 2,031
Long term assets	371,852	113,543	360,788	109,307
Total assets	379,683	115,689	368,308	111,338
Current liabilities	4,307	1,190	5,273	1,570
Long term liabilities	186,391	56,905	180,575	55,206
Total liabilities	190,698	58,095	185,848	56,776
Net assets	\$ 188,985	\$ 57,594	\$ 182,460	\$ 54,562
Revenues	\$ 34,048	\$ 9,941	\$ 31,360	\$ 9,064
Expenses	(21,476)	(6,678)	(19,583)	(5,775)
Fair value gain	5,160	1,748	2,905	1,202
Share of profit of equity investments	\$ 17,732	\$ 5,011	\$ 14,682	\$ 4,491

(1) Calculated at the Trust's effective interest of the equity accounted investments, if the underlying investments were wound-up based on allocation of residual interests for certain investments, as noted in the chart above.

(2)

Plaza Retail REIT

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The change in the Trust's equity investment is as follows:

	December 31, 2024	December 31, 2023
Balance, beginning of the year	\$ 54,562	\$ 51,180
Cash contributions	-	860
Distributions of operating proceeds	(1,869)	(1,969)
Distributions from financing proceeds	(110)	-
Share of profit of equity investments	5,011	4,491
Balance, end of the year	\$ 57,594	\$ 54,562

6. Receivables

Receivables consist of the following:

	December 31, 2024	December 31, 2023
Tenant accounts receivable, net of allowance	\$ 369	\$ 235
Tenant CAM and tax recovery accrual	920	1,497
Tenant accounts receivable – annual tax billings	74	263
Excise tax	783	1,968
Other receivables ⁽¹⁾	963	1,078
Total receivables	\$ 3,109	\$ 5,041

⁽¹⁾ A significant portion of other receivables are collectible from non-consolidated entities.

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 December 31, 2024 is \$227 thousand (December 31, 2023 - \$320 thousand). This amount is deducted from tenant accounts receivable.

7. Prepaid Expenses and Deposits

Prepaid expenses and deposits consist of the following:

	December 31, 2024	December 31, 2023
Prepaid expenses	\$ 1,422	\$ 1,546
Prepaid property taxes	1,333	1,113
Deposits for acquisitions and financings	1,636	622
Total prepaid expenses and deposits	\$ 4,391	\$ 3,281

Plaza Retail REIT

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8. Notes and Advances Receivable

The notes and advances receivable are owed by co-owners of investment properties because 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	December 31, 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%	550	1,250
	Prime + 6.0%	6,112	4,658
	Non-interest bearing	44	44
Minority interest shareholders (payable on demand)	Prime + 0.75% or BA plus 2.25%	570	502
	Prime + 2.0%	50	50
Vendor take-back mortgage on sale of asset	7.5%	-	-
Impairment of notes receivable		(2,798)	(1,336)
Total notes and advances receivable		\$ 8,226	\$ 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 26(c)(ii) for additional information.

9. Debentures Payable

Debentures payable consist of the following:

	Maturity Date	Interest Rate	December 31, 2024	December 31, 2023 ⁽³⁾
Convertible ⁽¹⁾				
Series VIII	March 31, 2026	5.95%	\$ 11,523	\$ 11,244
Total convertible debentures			11,523	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 & B	March 31, 2025	6.75%	6,000	6,000
Series IV non-convertible debentures ⁽²⁾ – Tranche A & C	June 16, 2025	6.00%	4,415	3,251
Series V non-convertible debentures ⁽²⁾	April 30, 2025	6.00%	3,000	-
Total non-convertible debentures			16,952	12,788
Total debentures payable			28,475	24,032
Less: unamortized finance charges – non-convertible debentures			(29)	(42)
Net debentures payable			28,446	23,990
Less: current portion of debentures payable			(24,916)	(20,477)
Total debentures payable – long-term portion			\$ 3,530	\$ 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 year ending December 31, 2024 was a loss of \$279 thousand (for the year ended December 31, 2023 – gain of \$217 thousand).

⁽²⁾ Recorded at amortized cost.

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

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 December 2024, \$585 thousand of the Series IV unsecured debentures were redeemed and \$4.4 million were extended until June 16, 2025, at an interest rate of 6.00%.

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 October 2024, these were extended until April 30, 2025, at an interest rate of 6.00%.

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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

10. Mortgage Bonds Payable

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

			December 31, 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	2,235	2,235
Total Series X.2			2,235	2,485
Series XII	6.00%	January 15, 2024	-	1,160
Series XII	6.15%	July 15, 2025	470	520
Total Series XII			470	1,680
Gross mortgage bonds payable			2,705	4,165
Less: unamortized finance charges			(4)	(10)
Net mortgage bonds payable			2,701	4,155
Less: current portion of mortgage bonds payable			(2,701)	(4,155)
Net mortgage bonds payable – long-term portion			\$ -	\$ -

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.

In July 2024, the \$725 thousand Series X.2 mortgage bonds, \$85 thousand Series XII mortgage bonds and \$385 thousand of the Series XII mortgage bonds matured and were extended to July 15, 2025, and \$50 thousand of Series XII were repaid.

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11. Mortgages Payable and Other Loans

	Interest Rate Range	Weighted Average Effective Interest Rate	Maturity Dates	December 31, 2024	December 31, 2023
Secured fixed rate loans:	2.33% - 6.29%	4.34%	Up to Oct 2034	\$ 492,435	\$ 471,191
Unsecured interest-only fixed rate loans ⁽¹⁾ :	5.00%	5.00%	Sept 2025	1,390	3,600
Revaluation of loans upon acquisitions, net of amortization of \$6,593 (December 31, 2023 - \$6,549)				180	224
Less: unamortized finance charges				(2,115)	(2,154)
Total net fixed rate loans				491,890	472,861
Variable rate loans:					
- \$20 million development facility	Prime plus 0.75% or CORRA plus 2.5%		July 31, 2025	12,840	8,889
- \$15 million development facility	Prime plus 0.75% or CORRA plus 2.30%		July 31, 2025	-	1,293
- \$8.0 million interim facility	Prime plus 1.50% or CORRA plus 2.80%		July 16, 2026	4,209	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%		October 31, 2024	-	13,057
- \$6.75 million interim facility	Prime plus 1.00% or CORRA plus 2.80%		December 21, 2025	6,221	5,760
- \$15.6 million interim facility	Prime plus 0.75% or CORRA plus 2.45%		February 28, 2027	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%		April 1, 2025	7,171	6,667
- \$5.0 million interim facility	Prime plus 0.95% or CORRA plus 2.75%		July 5, 2025	2,958	1,984
Less: unamortized finance charges				(130)	(62)
Total net variable rate loans				43,957	56,522
Net mortgages payable				535,847	529,383
Less: mortgages payable and other loans – current portion				(89,981)	(105,066)
Total mortgages payable and other loans – long-term portion				\$ 445,866	\$ 424,317

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

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All mortgages and facilities are secured by charges against specific assets. The long-term fixed rate loans do not have any financial debt covenants at December 31, 2024. 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%. At December 31, 2024 there is \$22.2 million available on these development facilities (December 31, 2023 - \$24.8 million). The Trust must maintain certain financial ratios to comply with the facilities, including a minimum unitholders’ equity; maximum leverage constraints; and maintenance of a minimum debt coverage ratio. The Trust is required to comply with the financial covenants at each quarter end date. At December 31, 2024, the Trust was in compliance with all covenants.

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

12. Derivative Assets and Liabilities

The Trust utilizes interest rate swaps to fix the variable interest rate on seven mortgages. The interest rate swaps mature in August 2027, May, June and August 2029, November 2033, and September 2034 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 \$1.1 million at December 31, 2024 and derivative liabilities of \$868 thousand at December 31, 2024, (December 31, 2023 – derivative assets of \$1.7 million). The Trust recorded a fair value loss on the interest rate swaps of \$1.5 million for the year ended December 31, 2024 (for the year ended December 31, 2023 – loss of \$1.4 million).

13. 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, 2026. The amount available to be drawn fluctuates depending on the specific assets pledged as security. Based on the assets pledged at December 31, 2024, the available limit was \$49.4 million of which \$25.4 million (December 31, 2023 – \$49.3 million) was drawn and therefore the maximum amount remaining available to be drawn on the facility was \$23.5 million (December 31, 2023 – \$10.1 million), net of letters of credit outstanding of \$473 thousand (December 31, 2023 - \$508 thousand). The Trust must maintain certain financial ratios to comply with the facilities, including a minimum unitholders’ equity, and maintenance of a minimum debt coverage ratio. The Trust is required to comply with the financial covenants at each quarter end date. At December 31, 2024, the Trust was in compliance with all covenants. As security, at December 31, 2024, the Trust has provided a \$60.0 million demand debenture secured by a first mortgage over nineteen properties.

14. 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 29 years, with some of the leases also containing non-automatic renewal options, extending the average life of the leases to 55 years including these non-automatic renewal options. See Note 28(b) for the right-of-use land lease payments for each of the next five years and a total of the amount owing for the remaining years after.

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

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

	December 31, 2024	December 31, 2023
Accounts payable and accrued liabilities	\$ 11,107	\$ 17,198
Tenant CAM and tax accrual	939	636
Distributions payable	2,603	2,603
Excise tax payable	1,309	1,712
Accrued interest payable	1,692	1,686
Deferred tenant revenue and deposits	5,533	4,635
Income tax payable	48	47
Other	379	421
Total accounts payable, accrued liabilities, tenant payables and tenant deposits	\$ 23,610	\$ 28,938

16. Notes Payable

Notes payable consist of the following:

	Interest Rate	December 31, 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	948	929
Total notes payable		\$ 1,209	\$ 1,190

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

17. Income Taxes

The Trust qualifies as a real estate investment trust ("REIT") for Canadian income tax purposes. The Trust expects to distribute all of its taxable income to unitholders and is entitled to deduct such distributions for income tax purposes. Accordingly, no provision for Canadian current income tax payable is required, except for amounts in its incorporated Canadian subsidiaries.

Where an entity does not qualify as a REIT for Canadian income tax purposes, certain distributions will not be deductible by that entity in computing its income for Canadian tax purposes. As a result, the entity will be subject to tax at a rate substantially equivalent to the general corporate income tax rate on distributed taxable income. Distributions paid in excess of taxable income will continue to be treated as a return of capital to unitholders. Undistributed taxable income is subject to the top marginal personal tax rate. The Trust consolidates certain wholly-owned incorporated entities that remain subject to tax. The current year tax disclosures and expense relate only to these entities.

The components of deferred taxes on the consolidated statements of financial position are as follows:

	December 31, 2024	December 31, 2023
<u>Deferred income tax assets</u>		
Tax loss carry-forwards of subsidiaries	\$ 285	\$ 285
<u>Deferred income tax liabilities</u>		
Income producing properties	10,586	8,834
Net deferred income tax liability	\$ 10,301	\$ 8,549

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Distributions are declared monthly at the discretion of the Board, provided that the Board intends to make distributions sufficient to reduce or eliminate the Trust's liability for income tax under Part I of the Income Tax Act (*Canada*).

	2024	2023
Cash distributions declared	\$ 30,902	\$ 30,499
Required cash distributions to ensure no Part I tax	15,659	21,976
Total excess over Part I tax	\$ 15,243	\$ 8,523

18. Revenues

	2024	2023
Contractual revenue	\$ 80,190	\$ 77,807
Straight-line rent	524	60
Property tax and insurance recoveries – current year	26,197	22,958
Property tax and insurance recoveries – prior year	102	-
Cost recovery revenue	13,902	13,004
Lease termination revenue	231	-
Other revenue	134	235
Total property revenues	\$ 121,280	\$ 114,064

19. Operating Expenses

	2024	2023
Property taxes and insurance	\$ 27,590	\$ 24,265
Recoverable expenses	16,940	16,872
Non-recoverable expenses	1,731	2,573
Total operating expenses	\$ 46,261	\$ 43,710

20. Administrative Expenses

	2024	2023
Salaries and benefits	\$ 6,174	\$ 5,207
Salaries and benefits – severance costs	1,855	-
Restricted units	147	142
Restricted units – severance costs	262	-
Professional services	1,063	1,163
Trustee fees	657	597
Office, travel and IT related expenses	1,458	1,480
Write-offs of potential projects not pursued	577	59
Total administrative expenses before fair value impact	12,193	8,648
Fair value items:		
- Restricted unit fair value	(6)	(20)
- Deferred unit fair value	(73)	(331)
Total administrative expenses	\$ 12,114	\$ 8,297

Total employee salaries and benefits, including restricted units, recorded by the Trust during the period ended December 31, 2024 were \$15.3 million, of which \$5.6 million is included in operating expenses, \$8.4 million is included in administrative expenses including severance costs, and \$1.4 million has been capitalized to investment properties (for the year ended December 31, 2023 – \$12.1 million, of which \$5.4 million is in operating expenses, \$5.3 million is in administrative expenses and \$1.4 million is in investment properties).

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21. Finance Costs - Operations

	2024	2023
Mortgage interest	\$ 23,543	\$ 23,146
Debenture interest	1,750	1,796
Mortgage bond interest	157	251
Distributions paid to Class B exchangeable LP unitholders	324	326
Operating line of credit interest	3,043	3,012
Interest and bank charges	618	674
Amortization of finance charges	664	675
Early mortgage discharge fees	251	50
Imputed interest on right-of-use land lease liabilities	2,544	2,500
Mark to market amortization	(44)	(44)
Capitalization of interest	(1,990)	(3,902)
Finance costs - operations	\$ 30,860	\$ 28,484

22. Units of the REIT

(a) Authorized

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

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

In addition, preferred units may from time to time be created and issued in one or more classes (each of which may be made up of unlimited series) without requiring voting unitholder approval. Before the issuance of preferred units of a series, the Board will execute an amendment to the Declaration of Trust containing a description of such series, including the designations, rights, privileges, restrictions and conditions determined by the Board, and the class of preferred units of which such series is a part. The issuance of preferred units is also subject to the prior written consent of the TSX.

(b) Issued and Outstanding

(i) Class B Exchangeable LP Units

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

	December 31, 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		(162)		(936)
Exchangeable LP units outstanding, end of the period	1,156	\$ 4,093	1,156	\$ 4,255

(ii) Special Voting Units

At December 31, 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).

Plaza Retail REIT

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

(iii) Units

	Year Ended December 31, 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	55	203	13	-
Repurchase and cancellation of units under normal course issuer bid	(5)	(14)	(28)	(78)
Units outstanding, end of the period	110,418	\$ 313,631	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 December 31, 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 the twelve-month period from September 28, 2023 to September 27, 2024. All units purchased under the NCIB were cancelled (monthly, on or before the record date for each monthly distribution).

Plaza also entered into a new automatic securities purchase plan agreement (the “Purchase Plan”) with its designated broker to facilitate purchases of units under the renewed NCIB. The Purchase Plan, which was pre-cleared by the TSX, allowed 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 also concluded on September 27, 2024.

For the year ended December 31, 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 December 31, 2024, Plaza has purchased a total of 1,196,730 units for cancellation since the commencement of its original NCIB on September 28, 2018 at a weighted average price of \$4.0162.

23. Omnibus Equity Incentive Plan

The Trust adopted its Amended & Restated Omnibus Equity Incentive Plan (the “Equity Incentive Plan” or “Plan”) following re-approval by unitholders at the annual & special meeting on May 23, 2024. The Equity Incentive Plan was originally put in place following unitholder approval on May 27, 2021 and superseded the Trust’s former restricted unit plan originally adopted on April 18, 2012, as subsequently amended from time to time (the “Restricted Unit Plan”) and the former deferred unit plan originally adopted on May 21, 2015 (the “Deferred Unit Plan”) (the Restricted Unit Plan and the Deferred Unit Plan are collectively referred to as the “Former Plans”) pursuant to which the Trust could issue restricted units (“RUs”) to employees and deferred units (“DUs”) to non-employee trustees, respectively. The Equity Incentive Plan provides for awards of RUs, DUs, performance units (“PUs”) and other Unit-based awards denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to Units. Under no circumstances are RUs, DUs or PUs considered Units, nor do they entitle a participant to any rights as a unitholder, including, without limitation, voting rights, distribution entitlements (other than as set out below) or rights on liquidation. Executive officers and all other employees of the Trust and its subsidiaries and affiliates are eligible to participate in the Equity Incentive Plan. Non-employee trustees are also eligible to participate, however, only with respect to DUs, as further described below. In other words, RUs and PUs may not be granted to trustees.

RUs and DUs outstanding under the Former Plans remain in full force and effect and are outstanding under the Equity Incentive Plan. No PUs or other Unit-based awards as described above have been issued and none are outstanding under the Plan. The maximum number of Units available for issuance under the Equity Incentive Plan is 5% of the outstanding Units at any time. Units underlying RUs and DUs that have expired or have been cancelled or settled in cash or without issuing Units from treasury will become available for subsequent issuance under the Plan. Issuances of additional Units by the Trust will result in new awards being available for grant. The Equity Incentive Plan is considered an “evergreen” plan and must be re-approved by Unitholders every three (3) years. As at December 31, 2024, 5,474,644 Units are available to be issued under the Equity Incentive Plan.

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RUs and DUs are credited with distribution equivalents under the Equity Incentive Plan in the form of additional RUs and DUs, respectively, as of each distribution payment date in respect of which normal cash distributions are paid on Units. Such distribution equivalents are computed by dividing: (a) the amount obtained by multiplying the amount of the distribution declared and paid per Unit by the number of RUs and DUs (in each case, vested and unvested), as applicable, held by the participant on the record date for the payment of such distribution, by (b) the volume weighted average closing price of Units on the TSX for the five (5) trading days immediately preceding the distribution payment date (or the "Market Price"). Distribution equivalents credited to a participant's accounts vest on the same schedule as the RUs and DUs to which they relate and will be settled on the same basis. Were any PUs outstanding, they would also be credited with distribution equivalents under the Equity Incentive Plan.

Restricted Units

A RU award is an award denominated in notional units that entitles the participant to receive Units. Unless otherwise determined by the Plan Administrator (the Board or, to the extent it delegates its administrative powers thereunder to the Governance & Compensation Committee, the Committee), certain RUs vest as follows: one-third (1/3) on the first anniversary of the date of grant, one-third (1/3) on the second anniversary of the date of grant and the balance on the third anniversary of the date of grant. This is the same vesting schedule that existed under the Restricted Unit Plan. Other RUs vest only at the end of a three-year period. Upon vesting, each RU will be redeemed for one Unit issued from treasury.

A total of 709,752 RUs have been granted by Plaza since the Restricted Unit Plan was originally put in place. For the year ended December 31, 2024, a compensation expense of \$409 thousand (for the year ended December 31, 2023 - \$142 thousand) has been recognized in respect of the RUs, excluding the fair value impact. Of the RUs outstanding at the end of the year, as noted below, 61,633 RUs vest over the next 3 years, and 47,000 RUs vest at the end of a three-year period. At December 31, 2024, the fair value of outstanding RUs was \$139 thousand, excluding distribution equivalents, with fair value determined using the closing price of the Trust units at that date.

	December 31, 2024	December 31, 2023
Restricted units outstanding, beginning of the year	79,064	53,687
Vested	(32,174)	(19,769)
Vested - severance	(54,740)	-
Granted	116,483	45,146
Restricted units outstanding, end of the year	108,633	79,064

Deferred Units

A DU award is an award denominated in notional units that entitles the participant to receive Units or, if so elected by the participant and subject to the approval of the Plan Administrator, cash, or a combination thereof. The Equity Incentive Plan permits Plaza to grant DUs to executive officers and other employees, in addition to non-employee trustees. Except as otherwise determined by the Plan Administrator, DUs vest immediately upon grant but are redeemable by a participant only on or after the date on which the participant is no longer employed by the Trust or a subsidiary or affiliate thereof or ceases to be a trustee (the "Termination Date"), provided that any such settlement date is not later than two (2) years following the Termination Date. In the event that a participant has not redeemed his or her DUs prior to the date that is two (2) years following the Termination Date, such DUs will be automatically redeemed for Units issued from treasury. These are the same general redemption features that existed under the Deferred Unit Plan. Each participant will have the right to elect to receive trustee fees (in the case of trustees) or bonus (in the case of employees) in the form of DUs. The Trust may, but is under no obligation to, match up to 50% of the elected amount for each participant. The amount, if any, of a participant's elected amount that is matched by the Trust may vary among participants. As at December 31, 2024, no DUs have been granted or issued to executive officers or other employees.

At December 31, 2024, a total of 670,496 DUs have been granted or issued by Plaza since the Deferred Unit Plan was originally put in place and a total of 110,850 DUs have been redeemed for cash. For the year ended December 31, 2024, trustee fees of \$657 thousand were incurred, including \$487 thousand for issued deferred units and \$170 thousand paid in cash (for the year ended December 31, 2023 - \$597 thousand including \$435 thousand for deferred units and \$162 thousand in cash), excluding the fair value impact. At December 31, 2024, the fair value of outstanding DUs was \$2.0 million, with fair value determined using the closing price of the Trust units at that date.

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	December 31, 2024	December 31, 2023
Deferred units outstanding, beginning of the year	470,205	380,620
Granted	10,867	9,889
Redeemed	(40,000)	(20,000)
Trustee fees taken as deferred units	78,054	69,688
Distributions paid on deferred units taken as additional deferred units	40,520	30,008
Deferred units outstanding, end of the year	559,646	470,205

24. Distributions

Distributions are declared monthly at the discretion of the Board.

	2024	2023
Distributions declared to unitholders ⁽¹⁾	\$ 30,902	\$ 30,499

⁽¹⁾ Distributions declared to unitholders exclude cash distributions paid on Class B exchangeable LP units classified as finance costs - operations. The Trust declared cash distribution of \$0.02333 per unit in December totaling \$2.6 million, which was paid on January 15, 2025.

25. Additional Cash Flow Information

(a) Changes in Non-Cash Working Capital

	2024	2023
Receivables	\$ 1,696	\$ (971)
Prepaid expenses and deposits	(96)	(13)
Change in construction accruals removed from investing activities	4,509	(647)
Accounts payable, accrued liabilities, tenant payables and tenant deposits	(5,146)	3,752
Total cash from change in non-cash working capital	\$ 963	\$ 2,121

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

(b) Changes in Liabilities Arising from Financing Activities

	December 31, 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	(986)	-
Redemption/repayment of mortgage bonds	(1,530)	(2,970)
Gross proceeds from mortgage bonds	70	2,345
Periodic mortgage principal repayments	(12,280)	(12,209)
Right-of-use land lease principal repayments	(818)	(804)
Mortgages repaid	(71,452)	(42,130)
Mortgages repaid on sale of investment properties	(4,401)	(16,063)
Gross mortgage proceeds	94,670	62,617
Fees incurred for placement of debt	(675)	(422)
Increase (decrease) in notes payable	19	2
Non-cash changes in current and long-term debt:		
Net change in fair value of Class B exchangeable LP units	(162)	(936)
Net change in fair value of convertible debentures	279	(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	664	675
Mark to market amortization	(44)	(44)
Current and long-term debt ⁽¹⁾ – end of the period	\$ 635,880	\$ 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

	2024	2023
Reconciliation with Note 4		
Additions to Investment Properties (Note 4)	\$ 21,025	\$ 54,139
Non-cash impacts included in above:		
Amortization of tenant improvements	125	90
Change in construction accrual	4,509	(647)
Additions to Investment Properties – cash	\$ 25,659	\$ 53,582
Recorded on Consolidated Statement of Cash Flows in:		
Operating activities: Leasing commissions paid	\$ 319	\$ 463
Investing activities: Investment Properties – additions	25,340	53,119
Additions to Investment Properties - cash	\$ 25,659	\$ 53,582

Plaza Retail REIT

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

26. 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):

	December 31, 2024	December 31, 2023
Doug McGregor (Chairman and Trustee)	\$ 400	\$ 400
Stephen Johnson (Trustee)	384	519
Lynda Savoie (Trustee)	15	15
Michael Zakuta (Trustee)	1,065	684
Total	\$ 1,864	\$ 1,618

Key management personnel own \$200 thousand in non-convertible debentures of the Trust at December 31, 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.

	December 31, 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	
	December 31, 2024	December 31, 2023
A company beneficially owned by Earl Brewer and Michael Zakuta	\$ 1,205	\$ 1,200

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(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	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Earl Brewer	\$ 215	\$ 402	\$ 52	\$ 53
Michael Zakuta	\$ 241	\$ 447	\$ 75	\$ 72

(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.

(d) Remuneration of Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any trustee of the entity. The remuneration of trustees and other key management personnel of the Trust during the years ended December 31, 2024 and 2023 was as follows:

	2024	2023
Salaries and benefits ⁽¹⁾	\$ 3,747	\$ 2,267
Share-based payments – including DUs and RUs ⁽¹⁾	907	541
Share-based payments – fair value impact of DUs and RUs	(79)	(351)
Total key management personnel compensation	\$ 4,575	\$ 2,457

⁽¹⁾ Salaries and benefits, and share-based payments include amounts related to reorganization costs including severance settlements and vesting of restricted units on severance.

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

(e) Significant Subsidiaries

	Ownership Interest	
	December 31, 2024	December 31, 2023
Plaza Master Limited Partnership	100%	100%
LeMarchant Property Holdings Inc.	100%	100%
Plaza Retail Limited Partnership #1	100%	100%
Bedford Commons 2 Property Holdings Inc.	100%	100%
Plaza Group Management Limited	100%	100%
Stavanger Torbay Limited Partnership	90%	90%
Spring Park Plaza Inc.	100%	100%
Granville Street Properties Limited Partnership	90%	90%
Wildan Properties Limited Partnership	90%	90%
Exhibition Plaza Inc.	90%	90%
Scott's Real Estate Limited Partnership	100%	100%
Scott's Acquisition Inc.	100%	100%
Riverside Emerald (Timmins) Limited Partnership	80%	80%
Plaza Tacoma Limited Partnership	100%	100%
Plazacorp Shediac Limited Partnership	100%	100%
Northwest Plaza Commercial Trust	100%	100%

27. Interests in Joint Operations

As described in Note 3(a), the consolidated financial statements include the Trust's proportionate interest in its activities characterized as joint operations with other parties. The following amounts represent the total proportionate amounts consolidated for these joint operations:

	December 31, 2024	December 31, 2023
Cash	\$ 7,104	\$ 7,072
Current assets	\$ 3,224	\$ 2,204
Long term assets	\$ 357,514	\$ 357,177
Current liabilities	\$ 46,743	\$ 54,312
Long term liabilities	\$ 158,373	\$ 151,288
Revenues	\$ 40,009	\$ 36,943
Expenses	\$ (25,050)	\$ (23,856)
Fair value loss	\$ (7,269)	\$ (9,059)

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The chart below details the Trust's ownership interest of direct and indirect investments and co-ownerships in real estate assets.

	Ownership Interest	
	December 31, 2024	December 31, 2023
Accounting Method – Proportionate Consolidation		
5628 – 4 th St NW, Calgary, AB	50%	50%
Les Galeries Montmagny and Plaza Tache, QC	50%	50%
Bureau en Gros (Granby), QC	50%	50%
Plaza SP Magog, QC	50%	50%
Carrefour des Seigneurs, QC	25%	25%
Galeries des Cantons, QC	50%	50%
L'Axe, Chicoutimi, QC	37.5%	37.5%
Les Immeubles SBT Drummondville, QC	50%	50%
Plaza BDP Deux Montagnes, QC	37.5%	37.5%
Plaza Jean XXIII, QC	50%	50%
Plaza BBRF, QC	50%	50%
Plaza TS Magog, QC	50%	50%
Plaza De L'Ouest, QC	50%	50%
Plaza HDB, QC	33%	33%
SBT Chicoutimi, QC	50%	50%
4999 Queen Mary Road, QC	25%	25%
600 JP Perrault, QC	50%	50%
1 Mont-Royal Ave East, Montreal, QC	50%	50%
8222 Maurice-Duplessis Blvd, Montreal, QC	50%	50%
201 Chain Lake Drive Plaza, NS	50%	50%
209 Chain Lake Drive Plaza, NS	50%	50%
Tacoma Centre, NS	50%	50%
Tacoma Shoppers, NS	50%	50%
Robie Street Truro Plaza, NS	25%	25%
210 Wyse Road, NS	50%	50%
Pleasant Street Plaza, NS	50%	50%
Starrs Road Plaza, NS	50%	50%
Welton Street Plaza, NS	50%	50%
East River Plaza, New Glasgow, NS	50%	50%
303 Main St, Antigonish, NS	50%	50%
341 Mapleview Drive West, Barrie, ON	50%	50%
Scott Street Plaza, ON	50%	50%
St. Josephs Boulevard, ON	50%	50%
Civic Centre Road, ON	50%	50%
Ontario Street Port Hope, ON	50%	50%
Dufferin and Wilson, ON	50%	50%
615 King Street, ON	50%	50%
Park Street Plaza, ON	20%	20%
Mountainview Plaza, ON	20%	20%
Eastcourt, ON	50%	50%
Timiskaming, ON	50%	50%
6685 Century Ave, ON	50%	50%
1000 Islands Plaza (Brockville), ON	50%	50%
Tri-City Centre, ON	50%	50%
Northern Avenue Plaza, Sault Ste. Marie, ON	50%	50%
Rideau Plaza, Smith Falls, ON	75%	75%
Niagara Street Plaza, Welland, ON	50%	50%
Taunton Road, Oshawa, ON	50%	50%
University Ave., Charlottetown, PE	86%	86%
KGH Plaza, NB	25%	25%
681 Mountain Road, NB	25%	25%
201 Main Street - Sussex, NB	25%	25%
Boulevard Hebert Plaza, NB	50%	50%
Victoria Street Plaza, NB	50%	50%
Connell Road Plaza, NB	50%	50%
Madawaska Road Plaza, NB	50%	50%
Grand Falls Shopping Centre, NB	50%	50%
Northwest Centre, NB	50%	50%
Shediac West Plaza, NB	50%	50%
Quispamsis Town Centre, NB	50%	50%
The Village Shopping Centre, NL	50%	50%

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28. Contingencies, Commitments, Guarantees and Indemnities, Litigation and Provisions

(a) Contingencies

The \$20.0 million development line of credit has \$1.5 million available for use in the form of letters-of-credit. At December 31, 2024, there were no letters-of-credit issued and outstanding (December 31, 2023 – nil).

The \$15.0 million development line of credit has \$500 thousand available for use in the form of letters-of-credit. At December 31, 2024, there were no letters-of-credit issued and outstanding (December 31, 2023 – nil).

The \$60.0 million operating line of credit has \$2.0 million available for use in the form of letters-of-credit. At December 31, 2024, letters-of-credit in the amount of \$473 thousand were issued and outstanding (December 31, 2023 - \$508 thousand).

(b) Commitments

The following table provides information on the non-discounted contractual cash flows and maturities of financial liabilities with fixed repayment terms, including estimated interest payments at December 31, 2024:

	Year 1 2025	Year 2 2026	Year 3 2027	Year 4 2028	Year 5 2029	After 5 Years	Total
Mortgages – periodic payments	\$ 12,034	\$ 10,879	\$ 9,737	\$ 8,581	\$ 7,119	\$ 21,750	\$ 70,100
Mortgages – due at maturity	40,217	58,676	51,161	26,713	80,312	165,256	422,335
Mortgage interest	19,098	16,165	14,207	13,606	10,717	22,977	96,770
Development lines of credit	13,305	-	-	-	-	-	13,305
Construction loans	24,806	5,074	4,374	-	-	-	34,254
Unsecured interest-only loans	1,436	-	-	-	-	-	1,436
Bank indebtedness	26,349	-	-	-	-	-	26,349
Mortgage bonds payable	2,809	-	-	-	-	-	2,809
Debentures ⁽¹⁾	14,582	12,375	3,566	-	-	-	30,523
Current liabilities ⁽²⁾	23,610	-	-	-	-	-	23,610
Notes payable	1,209	-	-	-	-	-	1,209
Right-of-use land leases ⁽³⁾	3,378	3,379	3,427	3,394	3,423	109,536	126,537
Development activities	3,550	553	-	-	-	-	4,103
Total contractual obligations	\$ 186,383	\$107,101	\$ 86,472	\$ 52,294	\$ 101,571	\$ 319,519	\$ 853,340

(1) Stated at face value.

(2) Balance includes accounts payable, accrued liabilities, tenant payables, tenant deposits, and income tax payable.

(3) 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.

(c) Guarantees and Indemnities

The Trust continues to guarantee certain debt assumed by purchasers in connection with past dispositions of properties. These guarantees will remain until the debt is modified, refinanced or extinguished. These commitments are subject to indemnity agreements. At December 31, 2024 a \$5.0 million commitment (December 31, 2023 – \$5.2 million) relating to the mortgages on five assets in which the Trust sold a 50% interest in November 2017 is subject to such guarantees by the Trust. These mortgages have a weighted average remaining term of 1.5 years (December 31, 2023 – 2.5 years). The Trust also has contingent liabilities as original borrower on three mortgages partially assumed by the purchasers of the underlying properties, where a 50% interest in each was sold in August 2020. These commitments are subject to indemnity agreements. These sales did not relieve the Trust's obligations as original borrower in respect of these mortgages. The debt subject to such guarantees at December 31, 2024 totals \$4.7 million (December 31, 2023 - \$7.0 million) with a weighted average remaining term of 4.4 years (December 31, 2023 – 4.0 years).

The Trust is contingently liable for certain obligations of its co-venturers, under guarantees in excess of its ownership percentages for six strip plazas and four free-standing properties. The excess guarantees amount to \$13.4 million. Cross indemnities are in place for certain of these properties from co-venturers.

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(d) *Litigation*

The Trust is involved in litigation and claims in relation to the investment properties that arise from time to time in the normal course of business. Any liability that may arise from current or pending litigation would not have a significant adverse effect on these financial statements.

(e) *Provisions*

A provision is recognized if, as a result of a past event, the Trust has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The Trust has no material provisions recorded at December 31, 2024 (December 31, 2023 – nil).

29. Financial Instruments and Risk Management

In the normal course of its business, the Trust is exposed to a number of risks that can affect its operating performance. The Board monitors the Trust's risk management practices through periodic reviews. These risks and the actions taken to manage them are as follows:

(a) *Interest Rate Risk*

The Trust adopts a policy of holding floating rate debt generally only for properties under development or redevelopment, and for those properties pledged to support the operating line of credit. Floating rate debt on properties under development or redevelopment is converted to fixed rate debt, when market conditions are favorable, as soon as practical after an asset attains income producing status.

The Trust minimizes its exposure to fixed rate interest risk on its debt by staggering the maturities to avoid excessive amounts of debt maturing in any one year. If market conditions warrant, the Trust may attempt to renegotiate its existing debt to take advantage of lower interest rates. The Trust minimizes its exposure to short term interest rate risk by obtaining longer term financing as much as possible (generally 5-10 years or longer). The Trust matches as closely as possible the debt term on a particular asset with its average lease term remaining so that any interest rate increases could be offset by increases in rental rates.

The trust has entered into interest swap contracts with various Canadian chartered banks to convert certain mortgages from variable rates to fixed rates. There is a risk that interest rates will fluctuate during the term of these mortgages. The fair value of the swaps is calculated as the present value of the estimated future cash flows based on observable yield curves. The Trust intends to hold the mortgages to maturity and therefore would not realize the fair value fluctuations. The details of the interest swap contracts are as follows:

- Eight interest rate swap contracts with mortgages obtained between 2019 and 2024 with maturities between May 2029 and September 2034. The fair value of these contracts results in a derivative asset of \$1.1 million and derivative liabilities of \$868 thousand, at December 31, 2024 (December 31, 2023 - \$2.0 million). The total notional amounts under these interest rate swap contracts is \$71.4 million with the fixed interest rates ranging from 3.60% to 5.80%; and
- Interest rate swap contracts with mortgages obtained between 2010 and 2024 with maturities between July 2025 and June 2034, for properties held in equity-accounted investees. As these swaps relate to debt of equity-accounted investees, the interest rate swap contracts have been recorded at fair value in investments with changes in fair value reflected in share of profit of associates. The fair value of these contracts results in an increase to the liability, for the Trust's share, of \$440 thousand at December 31, 2024 (December 31, 2023 – \$79 thousand increase to the liability). The total notional amounts under these interest rate swap contracts is \$47.3 million, at 100% of ownership, with the fixed interest rates ranging from 3.32% to 5.90%.

Trade receivables and payables (other than tenant deposits) are interest free and have settlement dates within one year.

An increase of 100 basis points in interest rates at December 31, 2024 if applied to all outstanding floating rate instruments would increase interest expense by \$695 thousand (for the year ended December 31, 2023 – \$1.1 million).

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(b) Lease Rollover and Occupancy Risk

The Trust is exposed to the risk of not being able to replace tenants as leases expire or in re-leasing space vacated by tenants. The hypothetical impact to net property operating income of a change in occupancy of 1% would be approximately \$600 thousand to \$1.1 million per annum. The Trust's principal management of occupancy risk involves the skewing of tenancies towards national tenants focused on essential needs, convenience and value offerings, the signing of longer-term leases and significant pre-leasing of development space. As well, the Trust attempts to stagger the lease expiry profile so that the Trust is not faced with a disproportionate amount of square footage of leases expiring in any one year. The Trust further mitigates this risk by maintaining a diversified portfolio mix by geographic location and maintaining a well-staffed and highly skilled leasing department to deal with all leasing issues.

(c) Credit Risk

Credit risk arises from the possibility that tenants may experience financial difficulty and will be unable to fulfill their lease commitments. The Trust mitigates the risk of credit loss by ensuring that its tenant mix is diversified and heavily weighted to national tenants. National and regional tenants comprise 94.3% of the in-place tenant base rent (December 31, 2023 – 94.2%). As well, the Trust maintains a portfolio that is diversified geographically so that exposure to local business is reduced and the Trust limits loans granted under lease arrangements to credit-worthy mainly national tenants.

Receivables include excise tax receivable of \$783 thousand at December 31, 2024 (\$2.0 million at December 31, 2023). These receivables have minimal to no collection risk.

The Trust generally provides financial guarantees and advances only to wholly-owned subsidiaries, non-consolidated investments and joint arrangement partners during the development periods, subject to reciprocal indemnities, by utilizing established development lines of credit. Repayment of the advances occurs upon placing permanent financing on the related property or through cash flows generated by the related property upon completion of the development. Where lenders of first mortgages on joint arrangement properties require financial guarantees from the Trust, reciprocal indemnities are generally obtained from the Trust's joint arrangement partners. See Note 28(c) for details of guarantees.

The Trust limits cash transactions to high quality financial institutions to minimize its credit risk from cash and cash equivalents.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Carrying Amount	December 31, 2024	December 31, 2023
Tenant loans, receivables, and notes and advances receivable	\$ 11,883	\$ 17,890
Cash	8,868	10,868
Total	\$ 20,751	\$ 28,758

Shoppers Drug Mart/Loblaw accounts for \$247 thousand of tenant loans at December 31, 2024 (December 31, 2023- \$31 thousand).

Shoppers Drug Mart/Loblaw represents 25.8% of monthly base rents in place at December 31, 2024, while Dollarama represents 6.1% of monthly base rents in place. The top 10 tenants collectively represent approximately 53.6% of monthly base rents in place.

Deposits refundable to tenants may be withheld by the Trust in part or in whole if receivables due from the tenant are not settled or in case of other breaches of contract.

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(d) Liquidity and Debt Market Risk

Prudent liquidity risk management implies maintaining sufficient cash and an adequate amount of committed credit facilities to operate the business and pay obligations as they come due. The Trust manages its cash resources and committed credit facilities based on financial forecasts and anticipated cash flows. For debt and credit facilities, there is always risk that lenders may tighten their lending standards, which could make it challenging for the Trust to obtain financing on favourable terms or any terms at all. If this were to occur, it could adversely impact the Trust. The Trust works with numerous lenders to manage exposure to any single lender. The Trust staggers the maturities of its long-term mortgages 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. As well, the Trust obtains longer term financing as much as possible (generally 5-10 years or longer) to help mitigate debt market risk. Several mortgages and the development and operating lines contain material adverse change clauses which entitle the lenders to demand partial or full loan repayment when there are material adverse changes in the Trust's financial position. The Trust has determined that circumstances that could trigger action by a lender under these clauses are unlikely.

As of December 31, 2024, current liabilities of \$173 million (December 31, 2023 - \$214 million) exceeded current assets of \$25 million (December 31, 2023 - \$33 million), resulting in a net working capital deficit of \$152 million (December 31, 2023 - \$181 million). Current liabilities as of December 31, 2024 include \$93.6 million (December 31, 2023 - \$105.1 million) of mortgage financing which will be renewed or refinanced in due course, \$24.9 million (December 31, 2023 \$20.5 million) of debentures payable which will be either renewed or repaid and \$25.4 million (December 31, 2023 \$49.3 million) drawn on the Trust's revolving operating line which is anticipated to be renewed in due course. The REIT's immediate liquidity needs are met through cash-on-hand, cash flows from operations, refinancing of maturing mortgages and availability on its revolving operating line and other facilities. As of December 31, 2024, liquidity consists of cash of \$8.9 million (December 31, 2023 - \$10.9 million), \$23.5 million (December 31, 2023 - \$10.1 million) of available borrowing capacity under its revolving operating line, \$22.2 million (December 31, 2023 - \$24.8 million) of unused development facilities and \$14.3 million (December 31, 2023 - \$4.9 million) of unused construction facilities at consolidated properties, and unencumbered assets with a value of approximately \$7.4 million. Management believes that there is sufficient liquidity to meet the REIT's financial obligations for the foreseeable future.

(e) Fair Value

Generally, trading values for the Trust's financial instruments are not available. In determining estimates of the fair values of the financial instruments, the Trust must make assumptions regarding current market rates, considering the term of the instrument and its risk. Current market rates are generally selected from a range of potentially acceptable rates and accordingly, other effective rates and fair values are possible. The rates used in determining the fair value of fixed rate mortgages are corresponding term Government of Canada bonds plus credit spreads of 1.80% to 2.75% (December 31, 2023 – 1.85% to 2.80%). The rate used to determine the fair value of mortgage bonds was 5.75% (December 31, 2023 – 6.0%). The rate used to determine the fair value of non-convertible debentures was 6.0% (December 31, 2023 – 6.75%). The fair value of the Class B exchangeable LP units is based on the trading price for the Trust's units.

(f) External Economic Conditions

Plaza is subject to risks generally incidental to the Canadian real estate, credit, capital and financial markets. Recessional economic conditions, financial liquidity issues, changes to applicable duties, tariffs and trade laws and policies and related economic tensions between governments, and geopolitical uncertainty may result in interruptions and/or volatility in the credit and capital markets, reduced business and consumer confidence, devaluations of assets directly or indirectly linked to the Canadian real estate finance markets and the concurrent reduction or unavailability of long and short-term liquidity from the capital markets at an economic cost of capital. These conditions could have an adverse effect on Plaza and its assets. Inflationary pressures and the resulting economic impacts may also adversely affect the Trust's financial condition and results of operations.

Sensitivity to global economic conditions, and their impact in Canada, may negatively affect the income received from Plaza's properties. Inherent illiquidity may limit Plaza's ability to vary its portfolio in response to changes in the global, national and/or local economic conditions and may ultimately prevent Plaza from implementing its strategies. Increased vacancy rates and difficulties re-leasing properties, commonly associated with recessionary economic conditions, may occur, and may adversely affect the income received from Plaza's real property assets.

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The following chart shows the estimated fair value of the Trust's financial instruments.

	Book Value December 31, 2024	Fair Value December 31, 2024	Book Value December 31, 2023	Fair Value December 31, 2023
Cash	\$ 8,868	\$ 8,868	\$ 10,868	\$ 10,868
Receivables	3,109	3,109	5,041	5,041
Notes and advances receivable	8,226	8,226	12,466	12,466
Derivative assets	1,077	1,077	1,725	1,725
Tenant loans	548	548	383	383
Total Financial Assets	\$ 21,828	\$ 21,828	\$ 30,483	\$ 30,483
Bank indebtedness	\$ 25,430	\$ 25,430	\$ 49,344	\$ 49,344
Accounts payable, accrued liabilities, tenant payables and tenant deposits	23,610	23,610	28,938	28,938
Total net fixed rate mortgage loans ⁽¹⁾	491,890	501,382	472,861	453,977
Total net variable rate mortgage loans or credit facilities ⁽²⁾	43,957	43,957	56,522	56,522
Convertible debentures	11,523	11,523	11,244	11,244
Non-convertible debentures ⁽²⁾	16,923	16,987	12,746	12,551
Mortgage bonds payable	2,701	2,695	4,155	4,143
Class B exchangeable LP units	4,093	4,093	4,255	4,255
Notes payable	1,209	1,209	1,190	1,190
Derivative liabilities	868	868	-	-
Total Financial Liabilities	\$ 622,204	\$ 631,754	\$ 641,255	\$ 622,164

⁽¹⁾ Balance includes revaluation of loans and unamortized finance charges.

⁽²⁾ Balance includes unamortized finance charges.

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

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

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

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

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

	December 31, 2024			December 31, 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Derivative assets	\$ -	\$ -	\$ 1,077	\$ -	\$ -	\$ 1,725
	\$ -	\$ -	\$ 1,077	\$ -	\$ -	\$ 1,725
Class B exchangeable LP units	\$ 4,093	\$ -	\$ -	\$ 4,255	\$ -	\$ -
Derivative liabilities	-	-	868	-	-	-
Series VIII convertible debentures	-	-	11,523	-	-	11,244
	\$ 4,093	\$ -	\$ 12,391	\$ 4,255	\$ -	\$ 11,244

The fair value of the derivative assets and derivative liabilities 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 9.

Plaza Retail REIT

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30. Capital Management

The primary objective of the Trust's capital management is to ensure that it maintains adequate capital resources to support its business and maximize unitholder value. The Trust manages its capital structure with the primary goal of minimizing risk and ensuring the stability of cash flow from properties. Other goals include maintaining debt service and interest coverage ratios in compliance with bank and debenture covenants. The Trust has defined its capital to include bank indebtedness, mortgages payable, debentures payable, mortgage bonds payable, notes payable, right-of-use land lease liabilities, Class B exchangeable units and unitholders' equity.

Bank operating and development lines require maintenance of at least \$150 million of unitholders' equity; maximum leverage of 70% including convertible debentures and 65% excluding convertible debentures; maintenance of debt coverage ratios in excess of 1.5 times with the debt coverage ratios calculated exclusive of interest charged on subordinate debt and convertible debentures. The bank operating line also requires on pledged assets: 90% occupancy and generally 65% loan to value. In addition, under a development line, the Trust must maintain a ratio of mortgages plus bank indebtedness to the book value of its gross assets excluding fair value adjustments of not more than 70%. The Trust is in compliance with all financial debt covenants at December 31, 2024.

There were no changes to the Trust's approach to capital management for the year ended December 31, 2024.

The calculation of the total capital is summarized as follows:

	December 31, 2024	December 31, 2023
Total net fixed rate mortgage loans	\$ 491,890	\$ 472,861
Total net variable rate mortgage loans or credit facilities	43,957	56,522
Mortgage bonds payable	2,701	4,155
Debentures payable	28,446	23,990
Right-of-use land lease liabilities	63,584	64,403
Bank indebtedness	25,430	49,344
Class B exchangeable units	4,093	4,255
Notes payable	1,209	1,190
	661,310	676,720
Unitholders' equity	543,596	548,924
Total	\$ 1,204,906	\$ 1,225,644

31. Subsequent Events

Distributions

The Trust paid a cash distribution of \$0.02333 per unit for a total of \$2.6 million on January 15, 2025.

The Trust paid a cash distribution of \$0.02333 per unit for a total of \$2.6 million on February 18, 2025.

Acquisition

In January 2025, the Trust purchased an additional 50% interest in Tacoma Centre, a 181,000 square foot grocery and pharmacy-anchored retail strip plaza located in Halifax Regional Municipality, NS. The Trust now owns 100% of the property.

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