



ANNUAL REPORT

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

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

DECEMBER 31, 2025

DATED: MARCH 2, 2026

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PRESIDENT'S MESSAGE

To our unitholders,

2025 was a year that reinforced why Plaza's strategy works. In a market defined by cautious consumers, uneven economic signals, and still-elevated costs of capital and construction, our portfolio continued to demonstrate the durability of essential-needs retail, backed by disciplined execution and a fully internalized operating platform.

Through 2025, our portfolio's core attributes remained a competitive advantage: a focus on essential needs, convenience and value-oriented tenants, and properties that serve daily, repeat customer trips. Operationally, occupancy and leasing execution remained key themes. We ended the year with committed occupancy of 97.6% (and 99.0% excluding enclosed malls), reflecting both portfolio quality and continued tenant demand in our core categories. We also delivered strong operating fundamentals, with same-asset NOI up 1.7%, supported by rent escalations and leasing, partially offset by certain bad debts.

From an earnings standpoint, we achieved important momentum as the year progressed, including FFO per unit of \$0.395 in 2025, an outcome driven by same-asset performance, consolidations, cost savings and value creation initiatives. Just as importantly, we maintained our commitment to prudent financial management. As of year end 2025, we reported an interest coverage ratio of 2.46x, a debt coverage ratio of 1.70x and an improvement in our Net Debt to adjusted EBITDA to 8.9x, reflecting the ongoing focus on protecting balance sheet flexibility while executing on our strategy.

Looking at the broader market, several trends in Canadian retail real estate are reinforcing the attractiveness of Plaza's approach:

- Retail supply remains constrained across Canada, keeping vacancy tight amid strong leasing activity, driven in part by elevated development costs that have limited new construction.
- Grocery/Pharmacy-anchored centres continue to be cited among top performers, consistent with Plaza's focus on necessity-based demand and daily-needs shopping patterns.
- Capital markets are stabilizing, selectively. Gaps between net asset values and unit prices are narrowing, with retail leading the pack.

As we move into 2026, we are approaching the market with confidence, but also with the same discipline that has guided Plaza through multiple cycles throughout our 27-year history. Interest rates remain an important variable for valuation, financing and consumer sentiment. On January 28, 2026, the Bank of Canada held its policy rate at 2.25%, while emphasizing that uncertainty, particularly around global trade and other macro risks, continues to shape the outlook.

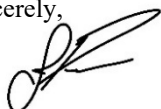
In this environment, our priorities are clear:

1. Optimize the existing portfolio
We will continue to focus on leasing, renewals, tenant mix, and property-level execution, because stable cash flow is built through day-to-day operating excellence.
2. Intensify and redevelop where returns justify the risk
Plaza's strategy remains anchored in the ability to unlock embedded value, through redevelopment, intensification, and recovering underutilized space, while securing appropriate pre-leasing and cost certainty before committing capital.
3. Be selective and disciplined in growth
We will continue to evaluate opportunities to add high-quality assets and consolidate / increase our ownership interests where it strengthens cash flow durability and long-term value creation.
4. Protect balance sheet flexibility
With uncertainty still present, maintaining liquidity and a prudent debt maturity profile is a strategic priority, one that will allow Plaza to act when opportunities emerge and navigate shifting market conditions with confidence.

Plaza's performance in 2025 reflects the durability of our strategy and the strength of our team. We remain focused on doing what we have done consistently: execute with discipline, improve portfolio quality, grow recurring cash flow, and create value through well-timed, well-underwritten investments.

Thank you for your continued confidence and support of Plaza.

Sincerely,



Jason Parravano
President & CEO

PART I

BASIS OF PRESENTATION

Financial information contained in this Management’s Discussion and Analysis (“MD&A”) includes information up to March 2, 2026, 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 the notes thereto for the years ended December 31, 2025, and 2024. 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, 2024. 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 anticipated rents; changes in operating

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costs; the availability of development and redevelopment opportunities for growth; failure to realize anticipated benefits associated with development and redevelopment initiatives and the timelines and costs related to such initiatives; 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-seven 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, and 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, 2025, includes interests in 191 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 venture arrangements.

	Number of Properties December 31, 2025 ⁽¹⁾	Gross Leasable Area (sq. ft.) December 31, 2025 ^{(1) (2)}	Number of Properties December 31, 2024 ⁽¹⁾	Gross Leasable Area (sq. ft.) December 31, 2024 ^{(1) (2)}
Alberta	2	34,238	2	34,238
Manitoba	1	17,018	1	17,018
Newfoundland and Labrador	10	814,249	11	830,145
New Brunswick	44	1,966,465	44	1,964,117
Nova Scotia	27	1,219,981	28	1,232,969
Ontario	43	1,843,375	48	1,782,664
Prince Edward Island	10	572,954	10	558,856
Quebec	54	2,342,992	68	2,376,835
Total	191	8,811,272	212	8,796,842

(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 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 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.

Although uncertainty remains as a result of an ever-changing trade environment, tenant demand for space remains strong, particularly from grocers and other essential needs, value, and convenience retailers. A lack of new supply, combined with strong demand, has driven higher rental rates. Plaza continues 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, and longer-term Government of Canada bond yields have trended to the long-term average. 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 interest rate increases. Please see the discussion under “Risks and Uncertainties” in Part V for additional details.

DEVELOPMENT PIPELINE AND ACQUISITIONS/DISPOSITIONS

Development Pipeline

The Trust takes a measured approach to development, redevelopment and optimization 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, 2025⁽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%	n/a	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
Expansion:				
Petitcodiac Plaza, Dieppe (Moncton), NB - Phase II.2 ⁽³⁾	16,800	100%	n/a	1-2 years
Quispamsis Town Centre, Quispamsis, NB ⁽³⁾	4,000	50%	n/a	1-2 years
L’Axe, Chicoutimi, QC ⁽³⁾	2,283	37.5%	100%	2026
Under Construction:				
Expansion:				
Granville Street Plaza, Summerside, PE ⁽³⁾	12,478	100%	100%	Q3 2026
Open-Air Centre:				
Les Immeubles SBT Drummondville, QC – Phase II.2 ⁽³⁾	10,000	50%	100%	Q1 2026
1000 Islands Plaza, Brockville, ON ⁽³⁾	28,000	50%	100%	Q2 2026
Niagara Street Plaza, Welland, ON	96,210	50%	64%	Q2 2026
Total	400,771			

(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, 111 thousand square feet are included in the Trust’s GLA at December 31, 2025. On completion of the development projects noted above, the total GLA will increase by approximately 290 thousand square feet.

(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, 2025, there is excess density at existing properties which would represent approximately 68 thousand additional square feet of gross leasable area, at Plaza's ownership percentage.

The total estimated costs for the developments and redevelopments (noted in the chart on the previous page) are between \$65 million and \$70 million, of which approximately \$38.7 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 approximately \$9.3 million. The majority of unspent amounts for Plaza's development projects are funded by Plaza's existing development facilities or construction loans.

Acquisitions/Dispositions

In January 2025, the Trust acquired the remaining 50% interest in two properties located in Halifax, NS – an open-air centre and a single-use retail property – for \$10.7 million from its previous co-owner. The Trust now owns a 100% interest in the properties. Net of assumption of debt, total cash consideration paid was \$5.6 million.

In June 2025, the Trust acquired the remaining 75% interest in three single-use retail properties located in Ontario for \$13.5 million from its previous partners in Plazacorp Ontario1 Limited Partnership. The Trust now owns a 100% interest in the properties. Net of assumption of debt, derivative liabilities, and other customary closing adjustments, total cash consideration paid was \$4.7 million.

There is also one land assembly under purchase agreement at December 31, 2025, subject to due diligence and other customary closing conditions. If completed, this land purchase will represent an additional 96 thousand square feet of retail space, at Plaza's ownership percentage.

During the year ended December 31, 2025, the Trust disposed of the following:

Properties Disposed (000s)	% Disposed	Gross Proceeds Year Ended December 31, 2025
Quick Service Restaurants and other non-core assets	100%	\$ 25,409
Land in Barrie, ON	100%	3,051
Total disposals		\$ 28,460
Less: assets previously held for sale		-
Disposals excluding assets previously held for sale		\$ 28,460

SUMMARY OF SELECTED YEAR TO DATE INFORMATION

(000s, except as otherwise noted, unaudited)	12 Months Ended December 31, 2025	12 Months Ended December 31, 2024	12 Months Ended December 31, 2023
Financial Amounts			
Revenues	\$ 126,434	\$ 121,280	\$ 114,064
NOI ⁽¹⁾	\$ 77,034	\$ 75,019	\$ 70,354
Same-asset NOI ⁽¹⁾	\$ 73,922	\$ 72,659	\$ N/A ⁽³⁾
FFO ⁽¹⁾	\$ 44,032	\$ 40,462	\$ 41,520
AFFO ⁽¹⁾	\$ 33,485	\$ 31,865	\$ 31,933
Adjusted EBITDA ⁽¹⁾	\$ 74,725	\$ 70,928	\$ 69,729
Profit and total comprehensive income	\$ 55,886	\$ 25,485	\$ 20,312
Total assets	\$ 1,281,376	\$ 1,239,970	\$ 1,263,416
Total non-current liabilities ⁽⁸⁾	\$ 504,300	\$ 523,602	\$ 500,249
Total mortgages, mortgage bonds, notes payable, face value of convertible debentures, non-convertible debentures, bank credit facilities, and right-use land lease liabilities	\$ 671,091	\$ 657,712	\$ 673,240
Weighted average trust units outstanding ⁽²⁾	111,584	111,535	109,485
Normal course issuer bid – trust units repurchased	-	5	28
Amounts on a Per Unit Basis			
FFO ⁽¹⁾	\$ 0.395	\$ 0.363	\$ 0.379
AFFO ⁽¹⁾	\$ 0.300	\$ 0.286	\$ 0.292
Distributions	\$ 0.280	\$ 0.280	\$ 0.280
Financial Ratios			
Weighted average interest rate – fixed rate mortgages	4.37%	4.27%	4.10%
Debt to gross assets (excluding right-of-use land leases) ⁽¹⁾	50.0%	50.6%	50.9%
Debt to gross assets (including right-of-use land leases) ⁽¹⁾	52.4%	53.1%	53.4%
Net debt to adjusted EBITDA (including right-of-use land leases) ⁽¹⁾	8.9	9.1	9.5
Interest coverage ratio ⁽¹⁾	2.46x	2.36x	2.48x
Debt coverage ratio ⁽¹⁾	1.70x	1.64x	1.69x
Distributions as a % of FFO ⁽¹⁾⁽⁴⁾	71.0%	77.2%	74.2%
Distributions as a % of AFFO ⁽¹⁾⁽⁴⁾	93.3%	98.0%	96.5%
Leasing Information			
Square footage leased during the period (total portfolio)	898,244	1,295,581	1,256,892
Same-asset committed occupancy ⁽⁵⁾	97.1%	97.0%	96.6%
Committed occupancy – including non-consolidated investments ⁽⁶⁾	97.6%	97.6%	97.0%
Mix of Tenancy Based on Base Rents⁽⁵⁾			
National	91.1%	90.9%	91.0%
Regional	3.3%	3.4%	3.2%
Local	3.8%	3.7%	3.9%
Non retail	1.8%	2.0%	1.9%
Other			
Average term to maturity - mortgages	4.8 Years	5.0 Years	4.7 Years
Average term to maturity - leases ⁽⁵⁾	5.5 Years	5.8 Years	5.8 Years
Overall capitalization rate ⁽⁷⁾	6.80%	6.87%	6.86%

Property Type Breakdown	Number of Properties December 31, 2025	Square Footage (000s)	Number of Properties December 31, 2024	Square Footage (000s)
Open-Air Centres	112	6,935	114	6,843
Enclosed Malls	3	723	3	723
Single Use – Quick Service Restaurant	14	39	31	56
Single Use – Retail	62	1,114	64	1,175
Total	191	8,811	212	8,797

(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, 2024.

(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, intensify 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 or redevelopment, as well as for future acquisitions;
- maintain access to cost effective sources of debt and equity capital to finance acquisitions, intensifications, redevelopments 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:

- redeveloping, optimizing or intensifying existing properties, or recovering previously underutilized space in our existing properties, to increase future cash flows and improve the quality of the portfolio;
- increasing our ownership interests in our existing properties where we currently own less than 100%;
- focusing on property leasing and operations to enhance occupancy rates, stabilize cash flows and deliver superior services to tenants;
- increasing rental rates to market as conditions permit;
- acquiring or developing high quality properties with the potential for increases in future cash flows;
- achieving appropriate pre-leasing prior to committing to new developments or redevelopments;
- managing properties to maintain high occupancies and staggering lease maturities appropriately;
- managing debt to maintain 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 remaining;
- retaining sufficient capital and liquidity to fund capital expenditures required to maintain the properties, and take advantage of opportunities that may arise;
- raising capital when required in the most efficient and cost-effective manner available;
- reviewing the portfolio to determine if opportunities exist to re-deploy equity from slow growth or non-core properties into higher growth opportunities;
- properly integrating newly acquired properties;
- creating and maintaining operational efficiencies; and
- using internal expertise to ensure that maximum value is realized from all properties.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Plaza remains committed to responsible and transparent environmental, social and governance (ESG) practices. We strive to embed ESG considerations that are relevant to Plaza's business and stakeholders into our operations and day-to-day business activities, and believe this integrated approach supports long-term value creation, organizational resilience and shared success for all our stakeholders.

ESG Oversight

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) identify and prioritize ESG initiatives that impact Plaza's business, (ii) advance

the development, enhancement and implementation of Plaza's ESG programs, (iii) recommend and progress new initiatives and (iv) support timely, accurate and transparent disclosure of ESG-related information. The Committee is comprised of cross-functional executives, senior management and employees from various regions, enabling comprehensive evaluation of ESG objectives, risks and opportunities and strengthening decision-making on ESG matters.

ESG Reporting

Plaza publishes an annual ESG Report to support clear and consistent communication with its stakeholders. We anticipate issuing our next ESG report in May 2026 with further information on Plaza's approach to ESG, the ESG initiatives and activities we focused on in 2025, progress achieved to date and areas we will continue to focus on going forward. The ESG Report is overseen by the Board and controls related to the Trust's ESG disclosures are reviewed by the Audit Committee.

Governance Framework

Plaza maintains a governance framework designed to support effective oversight, accountability and informed decision-making. The Governance & Compensation Committee oversees Plaza's governance practices, upholds its high standards of conduct and ethics and fosters a culture of continuous improvement. Plaza regularly reviews and updates its governance policies and procedures to promote transparency, ensure compliance with regulatory requirements and align with governance best practices.

Further information on Plaza's governance framework is available in the Trust's management information circular (the "Information Circular") for the annual meeting of unitholders held on May 28, 2025. The Information Circular can be found on our website at www.plaza.ca and under the Trust's profile on SEDAR+ at www.sedarplus.ca. The Information Circular is updated annually in connection with the Trust's annual meeting of unitholders.

KEY PERFORMANCE DRIVERS AND INDICATORS

There are numerous performance drivers, which affect Plaza's ability to achieve its goals. While management actively monitors and responds to these drivers, many are beyond management's control. The key performance drivers impacting Plaza can be divided into internal and external factors as detailed below.

Management believes that the Trust's key internal performance drivers are:

- occupancy rates;
- rental rates;
- tenant service; and
- maintaining competitive operating costs.

Management believes that the Trust's key external performance drivers are:

- tenant demand and a stable retail market;
- the availability and cost of equity and debt capital; and
- the availability and cost of new properties for acquisition, development or redevelopment.

The key performance indicators by which management measures Plaza's performance are as follows:

- FFO;
- AFFO;
- distributions as a percentage of FFO and AFFO
- debt service ratios;
- debt to gross assets;
- net debt to adjusted EBITDA;
- same-asset NOI;
- weighted average effective cost of debt; and
- occupancy levels.

Management believes that these performance indicators provide a meaningful basis for tracking 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, 2025, compared to the year ended December 31, 2024.

Plaza Retail REIT

FFO⁽¹⁾	(000s)	YTD Q4 2025	YTD Q4 2024	% Change
	FFO	\$ 44,032	\$40,462	8.8%
	FFO per unit	\$ 0.395	\$0.363	8.8%
	Distributions as a % of FFO	71.0%	77.2%	(8.0%)
	<p>➤ The increase in FFO over the same period in the prior year was mainly due to higher NOI from same-asset, acquisitions, intensifications, developments and properties transferred to income producing, along with lower administrative costs due to the prior year reorganization costs of \$2.7 million. These are partially offset by the sale of non-core properties, from which the capital generated was recently deployed.</p>			
AFFO⁽¹⁾	(000s)	YTD Q4 2025	YTD Q4 2024	% Change
	AFFO	\$ 33,485	\$31,865	5.1%
	AFFO per unit	\$ 0.300	\$0.286	4.9%
	Distributions as a % of AFFO	93.3%	98.0%	(4.8%)
	<p>➤ The principal factors affecting AFFO are consistent with those impacting FFO, as well as higher leasing costs in the current year, reflecting efforts to attract higher-quality tenants, drive optimizations at existing properties and supporting improved rental spreads, along with higher maintenance capital expenditures.</p>			
Debt Service Ratios⁽¹⁾		YTD Q4 2025	YTD Q4 2024	% Change
	Interest coverage ratio	2.46x	2.36x	4.2%
	Debt coverage ratio	1.70x	1.64x	3.7%
	<p>➤ The interest and debt coverage ratio were mainly impacted by higher EBITDA partially offset by higher finance costs and lower capitalization of interest due to fewer development projects. Debt coverage and interest coverage ratios exceed the requirements under borrowing arrangements.</p>			
Debt to Gross Assets⁽¹⁾		Q4 2025	Q4 2024	% Change
	Debt to gross assets (excluding right-of-use land leases)	50.0%	50.6%	(1.3%)
	Debt to gross assets (including right-of-use land leases)	52.4%	53.1%	(1.3%)
	<p>➤ The decrease in debt to gross assets over the same period in the prior year relates mainly to a redemption of certain non-convertible debentures, and an increase in the fair value of investment properties.</p>			
Net Debt to Adjusted EBITDA⁽¹⁾		Q4 2025	Q4 2024	% Change
	Net debt to adjusted EBITDA (including right-of-use land leases)	8.9	9.1	(2.2%)
	<p>➤ The decrease in net debt to adjusted trailing EBITDA since December 31, 2024, relates to higher adjusted EBITDA, partially offset by an increase in mortgages.</p>			
Same-Asset NOI⁽¹⁾	(000s)	YTD Q4 2025	YTD Q4 2024	% Change
	Same-asset NOI	\$ 73,922	\$ 72,659	1.7%
	<p>➤ The increase in same-asset NOI over the same period in the prior year is due to an increase in rental revenue resulting from lease-up and rent escalations, partially offset by an increase in operating expenses including bad debt expense which reduced same-asset NOI by \$770 thousand in the current year.</p>			
Weighted Average Interest Rate – Fixed Rate Mortgages		Q4 2025	Q4 2024	% Change
	Weighted average interest rate – fixed rate mortgages	4.37%	4.27%	2.3%
	<p>➤ The increase in the weighted-average interest rate is the result of refinancing maturing mortgages and new mortgages at current rates.</p>			
Occupancy Levels		Q4 2025	Q4 2024	% Change
	Same-asset committed occupancy ⁽²⁾	97.1%	97.0%	0.1%
	Committed occupancy – including non-consolidated investments ⁽³⁾	97.6%	97.6%	0.0%

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

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

(3) Excludes properties under development

PROPERTY AND CORPORATE FINANCIAL PERFORMANCE 2025 AND 2024

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, 2025, compared to the three and twelve months ended December 31, 2024, is presented below:

(000s – except per unit amounts and percentage data, unaudited)	3 Months Ended December 31, 2025	3 Months Ended December 31, 2024	Change over Prior Period	12 Months Ended December 31, 2025	12 Months Ended December 31, 2024	Change over Prior Period
Profit and total comprehensive income for the period attributable to unitholders	\$ 24,617	\$ 8,183		\$ 55,285	\$ 25,045	
Incremental leasing costs included in administrative expenses ⁽⁷⁾	408	353		1,819	1,601	
Amortization of debenture issuance costs ⁽⁸⁾	(18)	(19)		(73)	(73)	
Distributions on Class B exchangeable LP units included in finance costs – operations	81	81		324	324	
Deferred income taxes	437	1,655		510	1,752	
Right-of-use land lease principal repayments	(215)	(207)		(862)	(818)	
Fair value adjustment to restricted and deferred units	88	(213)		471	(79)	
Fair value adjustment to investment properties	(13,975)	(1,847)		(14,468)	10,377	
Fair value adjustment to investments ⁽⁹⁾	(604)	(348)		(1,803)	(1,748)	
Fair value adjustment to Class B exchangeable LP units	139	(405)		867	(162)	
Fair value adjustment to convertible debentures	88	-		417	279	
Fair value adjustment to derivative assets and liabilities	(931)	(222)		345	1,515	
Fair value adjustment to right-of-use land lease assets	215	207		862	818	
Impairment of notes receivable – fair value component	-	976		-	976	
Equity accounting adjustment ⁽¹⁰⁾	(39)	70		(34)	440	
Non-controlling interest adjustment ⁽⁶⁾	410	250		372	215	
FFO⁽¹⁾	\$ 10,701	\$ 8,514	\$ 2,187	\$ 44,032	\$ 40,462	\$ 3,570
<i>FFO change over prior period - %</i>			<i>25.7%</i>			<i>8.8%</i>
FFO⁽¹⁾	\$ 10,701	\$ 8,514		\$ 44,032	\$ 40,462	
Non-cash revenue – straight-line rent ⁽⁵⁾	(68)	(137)		(275)	(524)	
Leasing costs – existing properties ⁽²⁾⁽⁵⁾⁽¹¹⁾	(598)	(1,624)		(6,433)	(5,576)	
Maintenance capital expenditures – existing properties ⁽¹²⁾	(949)	(812)		(3,946)	(2,590)	
Non-controlling interest adjustment ⁽⁶⁾	21	51		107	93	
AFFO⁽¹⁾	\$ 9,107	\$ 5,992	\$ 3,115	\$ 33,485	\$ 31,865	\$ 1,620
<i>AFFO change over prior period - %</i>			<i>52.0%</i>			<i>5.1%</i>
Weighted average trust units outstanding – basic ⁽¹⁾⁽³⁾	111,592	111,555		111,584	111,535	
FFO per unit – basic⁽¹⁾	\$ 0.096	\$ 0.076	26.3%	\$ 0.395	\$ 0.363	8.8%
AFFO per unit – basic⁽¹⁾	\$ 0.082	\$ 0.054	51.9%	\$ 0.300	\$ 0.286	4.9%
Gross distribution to unitholders ⁽⁴⁾	\$ 7,810	\$ 7,809		\$ 31,239	\$ 31,226	
FFO payout ratio – basic⁽¹⁾	73.0%	91.7%		71.0%	77.2%	
AFFO payout ratio – basic⁽¹⁾	85.8%	130.3%		93.3%	98.0%	
FFO⁽¹⁾	\$ 10,701	\$ 8,514		\$ 44,032	\$ 40,462	
Interest on dilutive convertible debentures	180	180		715	715	
FFO – diluted⁽¹⁾	\$ 10,881	\$ 8,694	\$ 2,187	\$ 44,747	\$ 41,177	\$ 3,570
Diluted weighted average trust units outstanding ⁽¹⁾⁽³⁾	114,122	114,086		114,114	114,065	
AFFO⁽¹⁾	\$ 9,107	\$ 5,992		\$ 33,485	\$ 31,865	
Interest on dilutive convertible debentures	180	-		715	715	
AFFO – diluted⁽¹⁾	\$ 9,287	\$ 5,992	\$ 3,295	\$ 34,200	\$ 32,580	\$ 1,620
Diluted weighted average trust units outstanding ⁽¹⁾⁽³⁾	114,122	111,555		114,114	114,065	
FFO per unit – diluted⁽¹⁾	\$ 0.095	\$ 0.076	25.0%	\$ 0.392	\$ 0.361	8.6%
AFFO per unit – diluted⁽¹⁾	\$ 0.081	\$ 0.054	50.0%	\$ 0.300	\$ 0.286	4.9%

(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) 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 \$471 thousand and \$601 thousand for the three and twelve months ending December 31, 2025 (December 31, 2024 - \$290 thousand and \$440 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 derivative assets and liabilities includes the change in non-cash fair value adjustments relating to derivative assets and liabilities 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 29 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 29 of this MD&A.

Basic FFO for the three months ended December 31, 2025, increased by \$2.2 million over the prior year or 25.7% on a dollar basis and 26.3% on a per unit basis.

Items impacting FFO for the quarter were:

- (i) an increase in NOI of \$644 thousand from acquisitions, intensifications, developments and properties transferred to IPP in 2024 and 2025;
- (ii) an increase in same-asset NOI of \$195 thousand mainly due to rent escalations and renewals, partially offset by slightly higher operating expenses, including \$337 thousand of bad debt in the current period;
- (iii) a decrease in administrative costs of \$2.1 million due to reorganization costs totaling \$2.7 million in the prior year, partially offset by \$425 thousand from an accrual timing change for bonuses in the current year, higher technology costs and professional fees in the current year;
- (iv) a decrease in NOI of \$548 thousand from properties sold, where the capital generated from those sales was recently deployed;
- (v) a decrease in lease termination fees of \$96 thousand; and
- (vi) a decrease of \$54 thousand in straight-line rent.

For the three months ended December 31, 2025, AFFO increased by \$3.1 million over the prior year, or increased 52.0% on a dollar basis and 51.9% 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 in the current period.

Basic FFO for the twelve months ended December 31, 2025, increased by \$3.6 million over the prior year or 8.8% on a dollar and per unit basis.

Items impacting FFO for the twelve months ended December 31, 2025, were:

- (i) an increase in NOI of \$3.0 million from acquisitions, intensifications, developments and properties transferred to IPP in 2024 and 2025;
- (ii) an increase in same-asset NOI of \$1.3 million mainly due to rent escalations and renewals, partially offset by higher operating expenses, particularly roof repairs, parking lot maintenance and snow removal. Same asset NOI was also impacted by \$770 thousand of bad debt recorded in the current period;
- (iii) a decrease in administrative costs of \$1.9 million due to reorganization costs totaling \$2.7 million in the prior year, partially offset by \$425 thousand from an accrual timing change for bonuses in the current year, \$123 thousand of restructuring costs in the current year, and higher technology costs, professional fees and directors’ fees in the current year;
- (iv) a decrease in NOI of \$1.6 million attributable to properties sold, with the capital generated from those sales having been recently deployed;
- (v) an increase in lease termination fees of \$90 thousand; and

- (vi) a decrease of \$249 thousand in straight-line rent.

For the twelve months ended December 31, 2025, AFFO increased by \$1.6 million over the prior year or increased 5.1% on a dollar basis and 4.9% 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 higher leasing costs related to optimization of existing assets, and higher maintenance capital expenditures. The optimization of existing assets will result in increased revenues in the future.

Profit and Total Comprehensive Income for the Period

The Trust recorded profit for the three months ended December 31, 2025, of \$25.1 million compared to a profit of \$8.5 million for the same period in the prior year.

Profit for the three months ended December 31, 2025, was 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 \$631 thousand over the same period in the prior year, relating to increased earnings, as well as an increase in the non-cash fair value adjustment of the underlying properties;
- (ii) a change in fair value of investment properties, with a \$14.0 million increase recorded in the current quarter compared to a \$1.8 million increase recorded in the same quarter in the prior year. The fair value change year over year was mainly due to decreased capitalization rates, increased stabilized NOI, as well as new appraisals; and
- (iii) changes in non-cash fair value adjustments relating to derivative assets and liabilities, impairment of notes receivables and Class B exchangeable LP units. Changes to the derivative assets and liabilities accounted for \$709 thousand of the increase, and the impairment of notes receivables \$992 thousand of the increase in profit compared to the same quarter last year. These increases were offset by a change in the fair value of Class B exchangeable LP units of \$544 thousand compared to the same quarter last year.

The Trust recorded a profit for the twelve months ended December 31, 2025, of \$55.9 million compared to \$25.5 million for the same period in the prior year. The increase was mainly due to an increase in the fair value of investment properties of \$14.5 million in the current year to date compared to a fair value decrease of \$10.4 million in the prior year to date. The fair value change year over year was mainly due to decreased capitalization rates, increased stabilized NOI, new appraisals, as well as the acquisition of the remaining interest in three Ontario and two Nova Scotia assets.

Profit for twelve months ended December 31, 2025, 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 \$1.2 million over the same period in the prior year, relating to increased earnings, as well as an increase in non-cash fair value adjustment of the underlying properties; and
- (ii) changes in non-cash fair value adjustments relating to derivative assets and liabilities, the Class B exchangeable LP units, and convertible debentures.

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

Same-asset categorization refers to those properties which were owned and operated by Plaza for the twelve months ended December 31, 2025, and December 31, 2024, 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”). For the twelve months ended December 31, 2025, approximately 49.3% of the Trust’s leased area is tied to a CPI cost recovery formula. As well, certain anchor tenant leases may restrict recovery of common costs. As a result, certain seasonal costs such as asphalt repairs, snow removal and other operating costs may not be completely offset by cost recoveries in a particular period, or recovery revenues may exceed costs. Municipal taxes are generally net and fully recoverable from all tenants. Most tenants in open-air centres and single use properties are responsible for their own utilities, and changes to these costs do not materially impact NOI.

	3 Months Ended December 31, 2025 (unaudited)	3 Months Ended December 31, 2024 (unaudited)	12 Months Ended December 31, 2025 (unaudited)	12 Months Ended December 31, 2024 (unaudited)
(000s)				
Same-asset rental revenue ⁽¹⁾	\$ 29,225	\$ 27,966	\$ 115,422	\$ 110,523
Same-asset operating expenses ⁽¹⁾	(4,522)	(4,068)	(16,149)	(15,177)
Same-asset realty tax expense ⁽¹⁾	(6,295)	(5,685)	(25,351)	(22,687)
Same-asset NOI⁽¹⁾	\$ 18,408	\$ 18,213	\$ 73,922	\$ 72,659
Percentage increase over prior period	1.1%		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.

Same-asset NOI for the three and twelve months ended December 31, 2025, increased by 1.1% and 1.7% 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, partially offset by increased operating expenses, particularly higher snow removal costs in 2025 given heavier snowfall in certain regions compared to the prior year, as well as roof and asphalt repairs and maintenance in 2025. Same asset NOI was also impacted by bad debt for the three and twelve months ended December 31, 2025 of \$337 thousand and \$770 thousand respectively, including \$204 thousand and \$544 thousand relating to the insolvency of Toys R Us. Excluding bad debt related to the insolvency of Toys R Us, same-asset NOI for the three and twelve months ended December 31, 2025, would have increased by 2.2% and 2.5% respectively. The following table shows a breakdown of same-asset NOI by province.

	3 Months Ended December 31, 2025 (unaudited)	3 Months Ended December 31, 2024 (unaudited)	12 Months Ended December 31, 2025 (unaudited)	12 Months Ended December 31, 2024 (unaudited)
(000s except percentage data)				
New Brunswick	\$ 4,834	\$ 4,629	\$ 19,267	\$ 18,421
Nova Scotia	3,552	3,523	14,210	13,859
Quebec	3,382	3,400	13,723	13,325
Alberta	152	151	628	638
Manitoba	103	95	405	385
Ontario	3,347	3,224	13,469	13,207
Newfoundland and Labrador	1,176	1,162	4,663	4,781
Prince Edward Island	1,862	2,029	7,557	8,043
Same-asset NOI⁽¹⁾	\$ 18,408	\$ 18,213	\$ 73,922	\$ 72,659
Percentage increase over prior period	1.1%		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.

Plaza Retail REIT

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, 2025 (unaudited)	3 Months Ended December 31, 2024 (unaudited)	12 Months Ended December 31, 2025 (unaudited)	12 Months Ended December 31, 2024 (unaudited)
Same-asset NOI ⁽¹⁾	\$ 18,408	\$ 18,213	\$ 73,922	\$ 72,659
Acquisitions, intensifications, developments and redevelopments transferred to IPP in 2024 & 2025 (\$6.1 million annual stabilized NOI)	1,500	816	5,482	2,368
NOI from properties currently under development and redevelopment (\$613 thousand annual stabilized NOI)	-	40	-	131
Straight-line rent	83	137	275	524
Administrative expenses charged to NOI	(876)	(888)	(4,094)	(3,850)
Lease termination revenue	(67)	29	321	231
Properties disposed	74	622	1,252	2,878
Other	(2)	(43)	(124)	78
Total NOI⁽¹⁾	\$ 19,120	\$ 18,926	\$ 77,034	\$ 75,019
Percentage increase over prior period	1.0%		2.7%	

- (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.

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 to which the equity-accounted investments noted below are entitled are distributed first as a preferred return on invested capital with the remainder 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 return on investment and Plaza’s residual return beyond the preferred returns.

	Ownership Position	Preferred Return	Residual Return
Equity Accounted Investments⁽¹⁾⁽³⁾			
Centennial Plaza Limited Partnership	10%	10%	20%
Trois Rivières Limited Partnership	15%	10%	30%
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%
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); 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); 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.

- (3) In June 2025, the Trust acquired the remaining interest in Plazacorp Ontario1 Limited Partnership. In October 2025, the Ste. Hyacinthe Limited Partnership sold the underlying property located at 5400 Laurier Ouest.

Plaza Retail REIT

Plaza's share of NOI in the Share of profit of associates for the three months ended December 31, 2025 was consistent with the same period in the prior year, at approximately \$1.5 million. Share of profit of associates increased by \$631 thousand for the three months ended December 31, 2025 compared to the three months ended December 31, 2024. The increase was mainly due to the non-cash fair value adjustment to the underlying investment properties quarter over quarter, offset by the acquisition of the remaining interest in three investment Ontario properties in June 2025 as outlined below.

Share of profit of associates for the twelve months ended December 31, 2025 includes Plaza's share of NOI of approximately \$6.5 million compared to \$6.3 million with the same period in the prior year. Share of profit of associates increased by \$1.2 million for the twelve months ended December 31, 2025 compared to the twelve months ended December 31, 2024. The increase was mainly due to the non-cash fair value adjustment to the underlying investment properties quarter over quarter, offset by the the acquisition of the remaining interest in Ontario-1 Limited Partnership. These properties are now consolidated as of June 1, 2025 and are no longer accounted for using the equity method.

Overall committed occupancy for non-consolidated investments was 99.6% at December 31, 2025, compared to 99.5% at December 31, 2024.

Regular distributions received from associates for the three months ended December 31, 2025 were \$1.3 million compared to \$525 thousand for the three months ended December 31, 2024. In addition to regular distributions, there were distributions as a result of proceeds of financing at underlying investment properties of \$136 thousand (for the quarter ended December 31, 2024 – nil).

Regular distributions received from associates for the twelve months ended December 31, 2025 were \$2.4 million, compared to \$1.9 million for the twelve months ended December 31, 2024. In addition to regular distributions, there were distributions as a result of proceeds of financing at underlying investment properties of \$136 thousand (for the year ended December 31, 2024 – \$110 thousand).

On June 1, 2025, the Trust completed the acquisition of the remaining 75% of the outstanding LP units of Plazacorp Ontario-1 Limited Partnership. The LP units were purchased by the Trust through payment of \$4.6 million in cash consideration. This entity was previously included in investments and accounted for using the equity method. The Trust now owns 100% of the LP units of Plazacorp Ontario-1 Limited Partnership along with the three underlying freestanding pharmacy properties (Ottawa Street Almonte, Hastings Street Bancroft and Main Street Alexandria). The properties are now consolidated as of June 1, 2025 and are no longer accounted for using the equity method.

In October 2025, the Ste. Hyacinthe Limited Partnership sold the underlying property located at 5400 Laurier Ouest, for gross proceeds of \$2.7 million. As a result of the sale the Trust received \$387 thousand, net of repayment of the mortgage and other customary closing costs, for its 25% interest (for the year ended December 31, 2024 – nil).

In January 2026, the Trust acquired an additional 6% of the LP units in Plazacorp Ontario 2 Limited Partnership for \$468 thousand in cash consideration. The transaction increases the Trusts ownership interest to 56%.

Finance Costs - Operations

Finance costs - operations for the three months ended December 31, 2025, were \$7.7 million, compared to \$7.9 million for the same period in the prior year. Finance costs were lower, due to lower operating line and debenture interest, partially offset by higher mortgage interest and an increase in early mortgage discharge fees.

Finance costs for the twelve months ended December 31, 2025, were \$31.1 million, compared to \$30.9 million in the prior year. The finance costs were mainly impacted by higher mortgage interest including lower capitalized interest as a result of fewer development projects, offset by lower operating line interest due to lower interest rates.

Administrative Expenses

Administrative expenses for the three months ended December 31, 2025, were \$2.8 million, compared to \$4.6 million in the same period in the prior year. The decrease in administrative expenses was a result of \$2.7 million of reorganization costs in the prior year including severance settlements, vesting of restricted units on termination and the write-off of greenfield development projects which will not be pursued. Administrative expenses for the three months ended December 31, 2025, were also impacted by higher professional fees and information technology ("IT") related costs, and an increase in the fair value of restricted and deferred units.

Administrative expenses for the twelve months ended December 31, 2025, were \$10.8 million, compared to \$12.1 million in the same period in the prior year. The decrease in administrative expenses was a result of the reorganization costs noted above. Administrative expenses were also impacted by the fair value of restricted and deferred units, which increased by \$550 thousand in the current year as well as higher professional fees and IT related costs.

Change in Fair Value of Investment Properties

Investment properties 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. The Trust's valuation policy is further detailed under Critical Accounting Policies in Part VII of this MD&A.

The Trust recorded a fair value increase to investment properties of \$14.0 million for the three months ended December 31, 2025, compared to an increase of \$1.8 million for the three months ended December 31, 2024. The Trust recorded a fair value increase to investment properties of \$14.5 million for the twelve months ended December 31, 2025, compared to a decrease of \$10.4 million for the twelve months ended December 31, 2024.

The fair value increase in the three months ending December 31, 2025 was mainly due to a decrease in capitalization rates, increased stabilized NOI, as well as new appraisals.

The fair value increase in the twelve months ending December 31, 2025 can be attributed to a decrease in capitalization rates, increased stabilized NOI, new appraisals, as well as the acquisition of the remaining interest in three Ontario and two Nova Scotia assets as detailed in Share of Profit of Associates above.

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

Change in Fair Value of Convertible Debentures

The fair value adjustment to convertible debentures for the three months ended December 31, 2025, was a net loss of \$88 thousand compared to a nil fair value adjustment in the same period in the prior year. The fair value adjustment to convertible debentures for the twelve months ended December 31, 2025 was a net loss of \$417 thousand compared to a net loss of \$279 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, 2025, was a net loss of \$139 thousand, compared to a net gain of \$405 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, 2025 was a net loss of \$867 thousand compared to a net gain of \$162 thousand in the same period in the prior year. The fair value changes relate to movement in the Trust's unit price.

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LEASING AND OCCUPANCY

The following table represents leases expiring for the next 5 years and thereafter for Plaza's property portfolio at December 31, 2025 (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⁾	%
2026	442,700	8.0	69,514	11.6	21,085	2.1	-	-	533,299	7.4
2027	591,667	10.6	75,580	12.6	60,366	6.1	-	-	727,613	10.1
2028	742,085	13.3	71,569	11.9	24,999	2.5	2,196	5.6	840,849	11.7
2029	741,111	13.3	68,845	11.5	27,904	2.8	1,152	2.9	839,012	11.7
2030	664,370	11.9	121,077	20.2	156,172	15.7	2,211	5.6	943,830	13.1
Thereafter	2,387,708	42.9	193,039	32.2	703,401	70.8	33,896	85.9	3,318,044	46.0
Subtotal	5,569,641	100.0	599,624	100.0	993,927	100.0	39,455	100.0	7,202,647	100.0
Vacant	97,217		104,055		-		-		201,272	
Total	5,666,858		703,679		993,927		39,455		7,403,919	
Weighted average lease term	5.2 years		4.6 years		7.1 years		11.1 years		5.5 years	

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

(2) QSR refers to quick service restaurants.

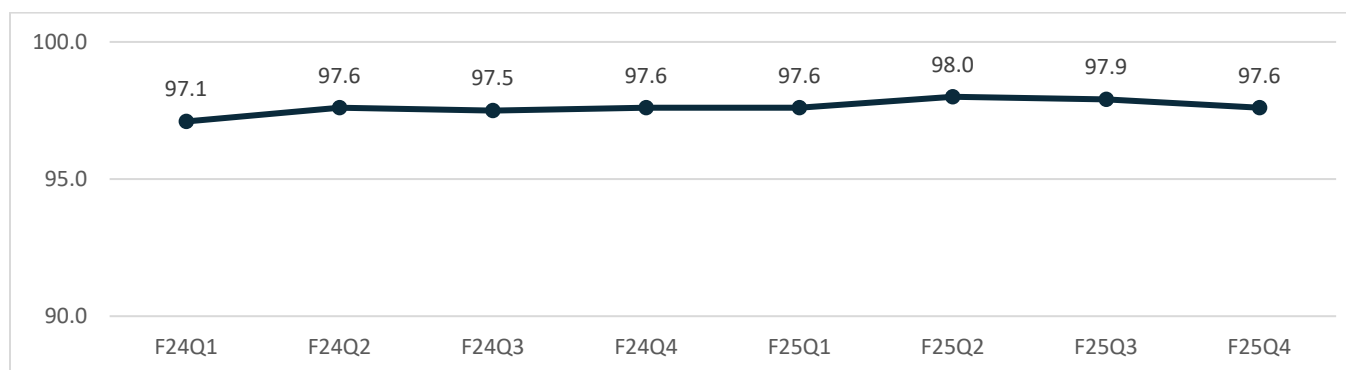
At December 31, 2025, same-asset committed occupancy was 97.1% compared to 97.0% at December 31, 2024.

Committed occupancy including non-consolidated investments (excluding properties under development and redevelopment) was 97.6% at December 31, 2025, consistent with December 31, 2024.

Excluding enclosed malls, committed occupancy, including non-consolidated investments (excluding properties under development and redevelopment) was 98.7% at December 31, 2025, compared to 99.0% at December 31, 2024.

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

COMMITTED OCCUPANCY %



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The weighted average contractual base rent per square foot on renewals and new leasing in 2025 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
2025					
Leasing renewals (sq. ft.)	409,639	68,674	49,204	4,170	531,687
Weighted average rent (\$/sq. ft.) - Renewed	\$17.26	\$13.89	\$15.14	\$11.00	\$16.58
Weighted average rent (\$/sq. ft.) - Expired	\$15.33	\$13.34	\$13.68	\$10.30	\$14.88
Renewal spread (first year of renewal term)	12.6%	4.1%	10.7%	6.8%	11.4%
Renewal spread (average rate in renewal term)⁽¹⁾	14.9%	5.5%	10.7%	6.8%	13.4%
New Leasing					
New leasing (sq. ft.)	135,420	34,814	-	-	170,234
Weighted average rent (\$/sq. ft.)	\$18.49	\$22.12	-	-	\$19.24
New leasing spread ⁽²⁾					81.6%
Expiries					
Expiries not renewed (sq. ft.)	173,367	8,797	-	-	182,164
Weighted average rent (\$/sq. ft.)	\$15.72	\$19.32	-	-	\$15.90
2026					
Expiries (sq. ft.)	442,700	69,514	21,085	-	533,299
Weighted average rent (\$/sq. ft.)	\$16.05	\$19.24	\$16.37	-	\$16.48

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

⁽²⁾ New leasing spread compares rent for the first year of the new lease to the rent for the previous tenant, if the space was occupied in the past twelve months. 115 thousand square feet of the above-noted new leasing had a tenant in the space in the previous twelve months, and thus is included in the new leasing spread.

In addition to the leasing indicated above, for the twelve months ended December 31, 2025, the Trust completed 103 thousand square feet of new leasing at developments and redevelopments at a weighted average rent of \$24.72 per square foot, and 94 thousand square feet of new leasing and renewals at market rates at non-consolidated investments. In total, including developments, redevelopments and non-consolidated investments, the Trust completed 898 thousand square feet of new and renewal leasing deals for the twelve months ended December 31, 2025.

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 98.4% at December 31, 2025, compared to 98.9% at December 31, 2024.
- Committed occupancy for enclosed malls was 85.2% at December 31, 2025, compared to 81.5% at December 31, 2024.
- Committed occupancy for single use assets was 100.0% at December 31, 2025, consistent with December 31, 2024.

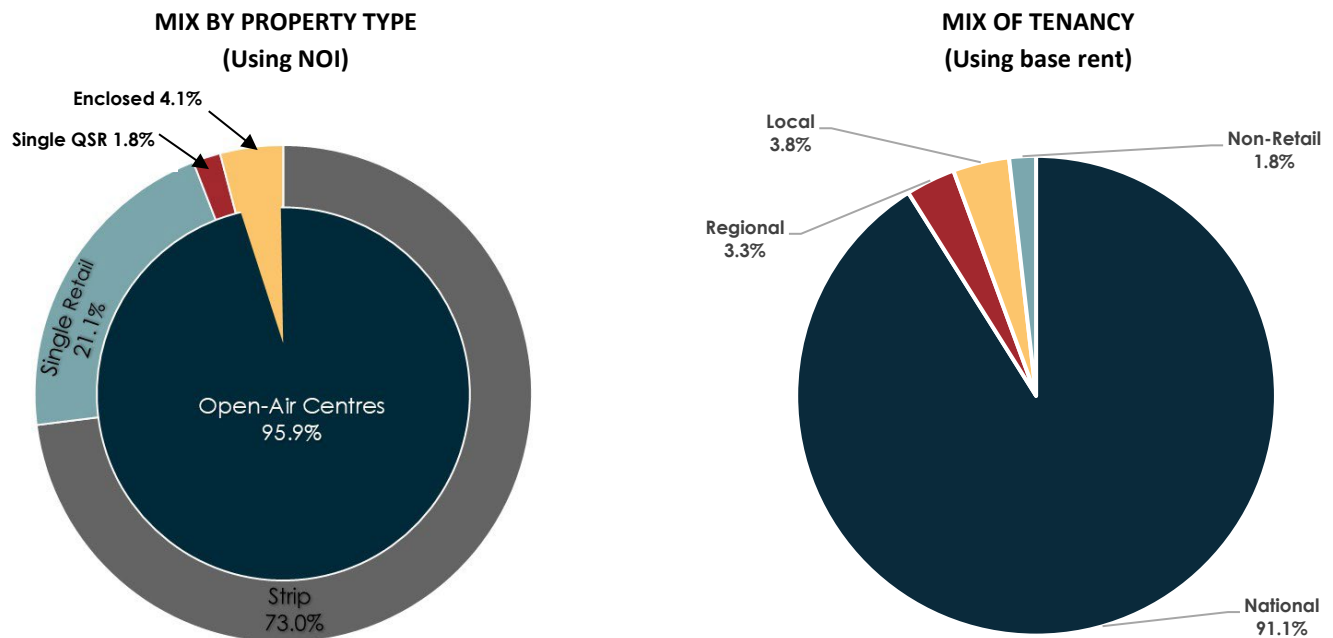
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Plaza has built a portfolio with a high-quality revenue stream. Plaza's ten largest tenants based upon current monthly base rents at December 31, 2025 represent approximately 54.7% of total base rent revenues in place.

	% of Base Rent Revenue ⁽⁶⁾		% of Base Rent Revenue ⁽⁶⁾
1. Shoppers Drug Mart/Loblaw ⁽¹⁾	27.6	6. Staples	3.0
2. Dollarama	5.7	7. Bulk Barn	1.7
3. TJX Group ⁽²⁾	4.4	8. Giant Tiger	1.7
4. Sobeys Group ⁽⁴⁾	3.7	9. Metro Inc ⁽⁵⁾	1.6
5. Canadian Tire Group ⁽³⁾	3.7	10. Princess Auto	1.6
Total: 54.7%			

- (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) Canadian Tire Group represents the following stores: Canadian Tire, Mark's/L'Équipeur, Party City, PartSource, Sport Chek, and Sports Experts.
- (4) Sobeys Group represents the following stores: Sobeys, IGA, Sobeys Fast Fuel, Foodland and Lawtons.
- (5) Metro Inc. represents the following stores: Metro, Jean Coutu, Food Basics and Pharmacie Brunet.
- (6) Excludes developments, redevelopments and non-consolidated investments.

The Trust's mix of tenancies is primarily made up of national tenants. The graphs below exclude developments, redevelopments and non-consolidated investments.



PART III

OPERATING LIQUIDITY AND WORKING CAPITAL

Cash flow, in the form of recurring rent generated from the portfolio, represents the primary source of liquidity to service debt, to pay operating, leasing and property tax costs, and to fund distributions. Costs of development activities are generally funded by a combination of debt and equity.

Cash flow from operations is dependent upon occupancy levels of properties owned, rental rates achieved, effective collection of rents, and efficiencies in operations as well as other factors.

Plaza maintains a prudent distribution policy in order to retain sufficient funds to manage the business, including ongoing maintenance capital expenditures and debt service. New capital raised is generally directed to acquisitions or continuing

Plaza Retail REIT

development activities, which are discretionary, or to pay down debt, based on the availability of such capital. In setting the distributions to unitholders, Plaza reviews budgets and forecasts and considers future growth prospects for the business, including developments/redevelopments and leasing within the portfolio and considers cash flow and profitability, the sustainability of margins, maintenance capital expenditures, debt service requirements, the satisfaction of statutory tests imposed by the laws governing Plaza for the declaration of distributions and other conditions, among other things. Plaza may also look at other capital market factors when determining distributions. Profit under IFRS is not used by Plaza when setting the annual distribution, as profit reflects, among other things, non-cash fair value adjustments relating to the Trust's income producing property and convertible debentures – items that are not reflective of Plaza's ability to pay distributions. In addition, because of items such as principal repayments or timing of expenditures, distributions may also exceed cash 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:

(000s)	3 Months Ended December 31, 2025 (unaudited)	3 Months Ended December 31, 2024 (unaudited)	12 Months Ended December 31, 2025 (unaudited)	12 Months Ended December 31, 2024 (unaudited)
Cash distributions paid ⁽¹⁾	\$ 7,810	\$ 7,809	\$ 31,239	\$ 31,226

⁽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, 2025 (unaudited)	3 Months Ended December 31, 2024 (unaudited)	12 Months Ended December 31, 2025 (unaudited)	12 Months Ended December 31, 2024 (unaudited)
Cash provided by operating activities ⁽¹⁾	\$ 12,603	\$ 14,015	\$ 40,082	\$ 39,864
Cash distributions paid to Class B exchangeable LP unitholders	81	81	324	324
Cash provided by operating activities excluding distributions paid to Class B exchangeable LP unitholders	\$ 12,684	\$ 14,096	\$ 40,406	\$ 40,188
Total distributions ⁽²⁾	(7,810)	(7,809)	(31,239)	(31,226)
Excess of cash provided by operating activities over total distributions	\$ 4,874	\$ 6,287	\$ 9,167	\$ 8,962

⁽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, 2025, is comprised of \$8.1 million of cash, \$23.6 million available to be drawn on the operating line, \$20.7 million of unused development facilities, \$11.5 million of unused construction facilities at consolidated properties, and unencumbered assets with a value of approximately \$3.5 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, 2024 ⁽¹⁾	\$ 25,430	\$ 12,840	\$ -
Net change	8,058	1,445	-
December 31, 2025 ⁽¹⁾	\$ 33,488	\$ 14,285	\$ -
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, 2026	July 31, 2026
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	-	-	-

⁽¹⁾ Excludes unamortized finance charges.

⁽²⁾ Based on the assets pledged at December 31, 2025, the available operating line limit was \$57.1 million of which \$33.5 million was drawn and therefore the maximum amount remaining available to be drawn, net of letters of credit of \$nil, was \$23.6 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, 2025, 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, 2025	December 31, 2024
\$8.0 million interim facility	Prime plus 1.50% or CORRA plus 2.80%	July 16, 2026	\$ 3,809	\$ 4,209
\$6.75 million interim facility	Prime plus 1.00% or CORRA plus 2.80%	March 21, 2026	6,221	6,221
\$15.6 million interim facility	Prime plus 0.75% or CORRA plus 2.45%	February 28, 2027	9,178	3,938
\$6.75 million interim facility	Prime plus 0.95% or CORRA plus 2.75%	April 8, 2025	-	6,750
\$7.25 million interim facility	Prime plus 1.00% or CORRA plus 2.80%	June 30, 2026	7,171	7,171
\$5.2 million interim facility	Prime plus 1.0% or CORRA plus 2.75%	December 5, 2026	706	-
\$5.0 million interim facility	Prime plus 0.95% or CORRA plus 2.75%	July 5, 2025	-	2,958
Total interim facilities			\$ 27,085	\$ 31,247

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 refinanced as 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, 2025, all debt covenants in respect of the above facilities have been maintained.

In April 2025, the \$6.8 million interim facility was repaid and replaced with long-term debt on the underlying property.

In June 2025, the \$5 million interim facility was repaid and replaced with 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	5.50%	5.50%
Maturity date	July 15, 2026	July 15, 2026
Amount	\$2,235	\$470

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 July 2025, the mortgage bonds were renewed for 1 year at an interest rate of 5.50%.

Plaza Retail REIT

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, 2025⁽¹⁾	December 31, 2024⁽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, 2027	5.50%	4,488	6,000
Series IV non-convertible debentures – Tranche A & C	December 16, 2026	5.50%	3,320	4,415
Series V non-convertible debentures	October 30, 2025	5.25%	-	3,000
Total non-convertible debentures at face value			\$ 11,345	\$ 16,952

⁽¹⁾ Presented at face value.

In March 2025, \$1.6 million of Series III unsecured debentures were redeemed, \$63 thousand new debentures were issued, and \$4.4 million were extended until March 31, 2027, at a rate of 5.50%.

In April 2025, \$600 thousand of the Series V unsecured debentures were redeemed and \$2.4 million were renewed for 6 months at a rate of 5.25%. In October 2025, the remaining \$2.4 million of Series V unsecured debentures matured and were repaid.

In June 2025, \$1.1 million of Series IV unsecured debentures were redeemed and \$3.3 million were extended until December 16, 2026 at a rate of 5.50%.

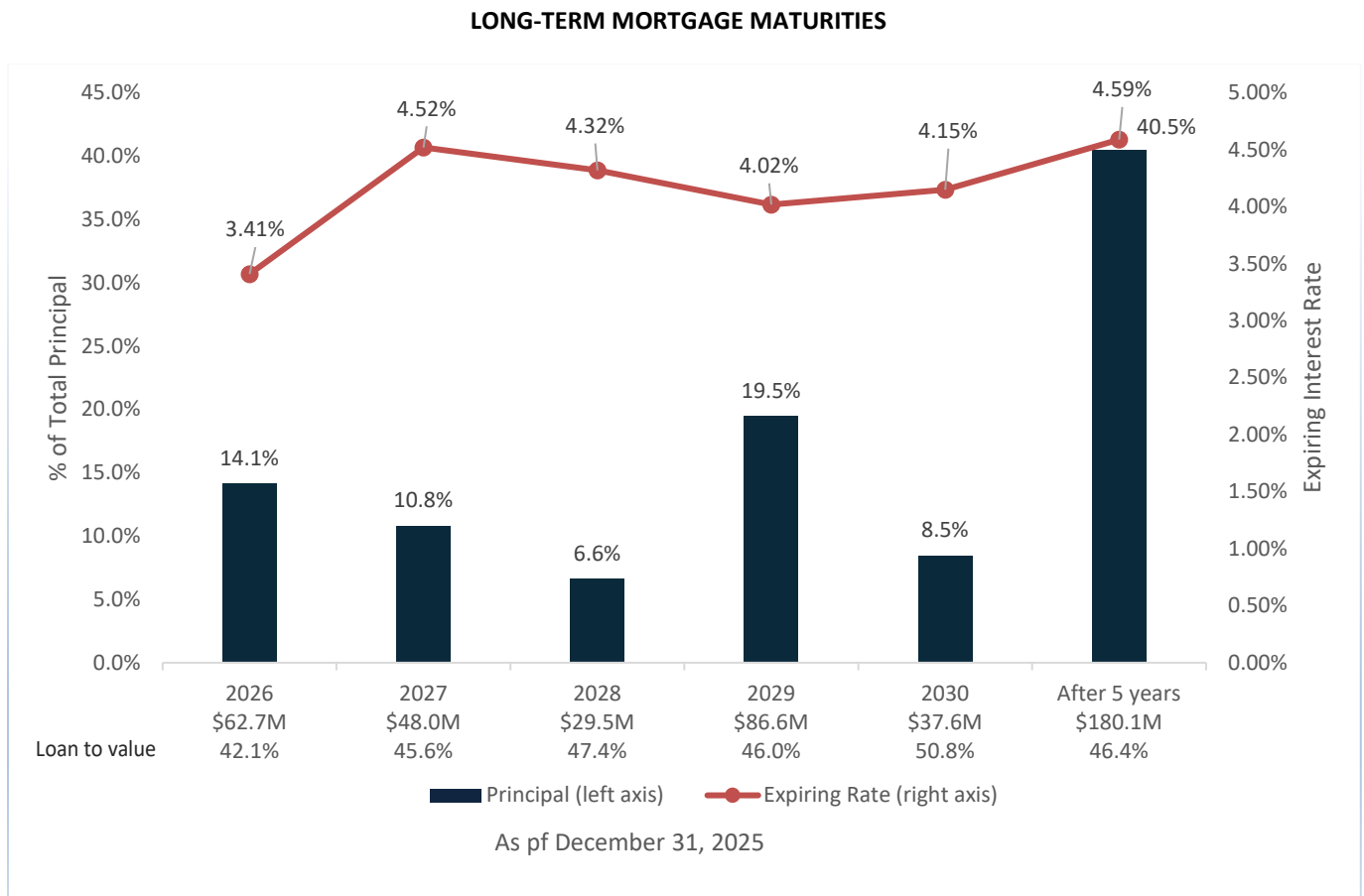
Mortgages

During 2025, the Trust obtained new and renewed long-term fixed-rate financing of \$60.3 million, at the Trust's ownership percentage, with a weighted average term of 6.8 years and a weighted average interest rate of 4.92%.

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

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Debt Service Ratios

Plaza's summary of adjusted EBITDA and debt service ratios for the three and twelve months ended December 31, 2025, compared to the three and twelve months ended December 31, 2024, is presented below:

(000s – except debt service ratios)	3 Months Ended December 31, 2025 (unaudited)	3 Months Ended December 31, 2024 (unaudited)	12 Months Ended December 31, 2025 (unaudited)	12 Months Ended December 31, 2024 (unaudited)
Profit and total comprehensive income for the period	\$ 25,088	\$ 8,473	\$ 55,886	\$ 25,485
Add (deduct):				
Income taxes	683	1,859	1,065	2,167
Finance costs - operations	7,739	7,892	31,117	30,860
Fair value adjustment to investment properties	(13,975)	(1,847)	(14,468)	10,377
Fair value adjustment to investments ⁽¹⁾	(604)	(348)	(1,803)	(1,748)
Fair value adjustment to convertible debentures	88	-	417	279
Fair value adjustment to Class B exchangeable LP units	139	(405)	867	(162)
Fair value adjustment to restricted and deferred units	88	(213)	471	(79)
Fair value adjustment to derivative assets and liabilities	(931)	(222)	345	1,515
Fair value adjustment to right-of-use land lease assets	215	207	862	818
Impairment of notes receivable – fair value component	-	976	-	976
Equity accounting adjustment for derivative assets and liabilities ⁽²⁾	(39)	70	(34)	440
Adjusted EBITDA⁽³⁾	\$ 18,491	\$ 16,442	\$ 74,725	\$ 70,928
Finance costs ⁽⁴⁾	\$ 7,387	\$ 7,723	\$ 30,316	\$ 30,063
Periodic principal repayments ⁽⁵⁾	3,470	3,263	13,694	13,098
Total debt service	\$ 10,857	\$ 10,986	\$ 44,010	\$ 43,161
Debt service ratios				
Interest coverage ratio ⁽³⁾	2.50 times	2.13 times	2.46 times	2.36 times
Debt coverage ratio ⁽³⁾	1.70 times	1.50 times	1.70 times	1.64 times

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

(2) Equity accounting adjustment for derivative assets and liabilities includes the change in non-cash fair value adjustments relating to derivative assets and liabilities 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 MD&A for more information on each non-GAAP financial measure.

(4) Excludes mark-to-market adjustments, early mortgage discharge fees, non-controlling interest liability adjustment and distributions on Class B exchangeable LP units recorded in finance costs - operations.

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

For the three months ended December 31, 2025, the interest and debt coverage ratios were impacted by higher EBITDA and lower finance costs due to lower operating line interest from lower interest rates and lower debenture interest, as well as lower administrative expenses due to \$2.7 million in reorganization costs in the prior year. For the twelve months ended December 31, 2025, the interest and debt coverage ratios were impacted by higher EBITDA partially offset by higher finance costs due to an increase in mortgages resulting in higher mortgage interest, as well as lower capitalization of interest due to fewer development projects

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:

	December 31, 2025	December 31, 2024
Debt to gross assets⁽¹⁾ (000s)		
Total debt excluding derivative liabilities ⁽¹⁾⁽²⁾	\$ 671,091	\$ 657,712
Less: right-of-use land leases	(62,661)	(63,584)
Total debt excluding right-of-use land leases	<u>\$ 608,430</u>	<u>\$ 594,128</u>
Total gross assets excluding derivative asset	\$ 1,280,676	\$ 1,238,893
Less: right-of-use land leases	(62,661)	(63,584)
Total gross assets excluding right-of-use land leases	<u>\$ 1,218,015</u>	<u>\$ 1,175,309</u>
Debt to gross assets including right-of-use land leases⁽¹⁾	52.4%	53.1%
Debt to gross assets excluding right-of-use land leases⁽¹⁾	50.0%	50.6%

(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) 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 over December 31, 2024, relates to the redemption of certain non-convertible debentures, the acquisition of and additions to investment properties, and partially offset by an increase in mortgages payable. 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, 2025, debt excluding convertible debentures and right-of-use land leases to gross assets was 49.0% and including convertible debentures, excluding right-of-use land leases was 50.0%.

	December 31, 2025	December 31, 2024
Net Debt to Adjusted EBITDA⁽¹⁾ (000s)		
Total debt excluding derivative liabilities ⁽¹⁾⁽²⁾	\$ 671,091	\$ 657,712
Less: cash	(8,092)	(8,868)
Net debt excluding derivative liabilities ⁽¹⁾⁽²⁾	<u>662,999</u>	<u>648,844</u>
Adjusted trailing 12-month EBITDA ⁽¹⁾	<u>\$ 74,725</u>	<u>\$ 70,928</u>
Net debt to Adjusted trailing EBITDA including right-of-use land leases⁽¹⁾	8.9	9.1

(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 trailing EBITDA since December 31, 2024, relates to an increase in mortgages, offset by higher adjusted EBITDA, partially due to lower administrative expenses as a result of \$2.7 million in reorganization costs in the prior year.

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Trust Units

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

At March 2, 2026 (000s) (unaudited)	Units
Current outstanding trust units	110,435
Class B exchangeable LP units	1,156
Series VIII convertible debentures	2,530
Total adjusted units outstanding	114,121

Between September 2018 and September 2024, Plaza purchased a total of 1,196,730 trust units for cancellation under a normal course issuer bid, as renewed 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 25 long-term land leases (affecting 25 properties). One of the land leases relates to shared parking facilities. Land lease expiries (excluding any non-automatic renewal periods) range from 2027 to 2084 with an average remaining life of 29 years. Certain leases also contain non-automatic renewal options, which extend the average remaining life of the leases to 57 years when included. Of the 25 land leases, 11 of the land leases have options to purchase, generally at fair market value.

On March 26, 2025, the Trust renewed five right-of-use land lease agreements, extending the lease terms and establishing future market rental rates. In addition, during the period there was a change in management's assumptions for a land lease renewal. In accordance with IAS 16, the right-of-use land lease assets and right-of-use land lease liabilities are required to be remeasured using the revised lease term, payments and discount rate as of the effective date of the lease renewal. This remeasurement has resulted in an increase to the land lease asset of \$1.2 million and an increase in the land lease liability of \$1.2 million.

In December 2025, the Trust sold a property located on leased land, resulting in a \$1.2 million reduction of right-of-use land lease assets.

At December 31, 2025, the recorded amount of the right-of-use assets and land lease liabilities is \$62.6 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, 2025	12 Months Ended December 31, 2024
Related Parties:		
A company beneficially owned by Earl Brewer and Michael Zakuta	\$ 1,205	\$ 1,205

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Gross Capital Additions Including Leasing Fees:

(000s)	3 Months Ended December 31, 2025 (unaudited)	3 Months Ended December 31, 2024 (unaudited)	12 Months Ended December 31, 2025 (unaudited)	12 Months Ended December 31, 2024 (unaudited)
Existing properties				
Leasing commissions	\$ 168	\$ 66	\$ 660	\$ 319
Other leasing costs	122	1,208	4,566	3,678
	290	1,274	5,226	3,997
Maintenance capital expenditures	949	812	3,946	2,590
Total capital additions – existing properties	1,239	2,086	9,172	6,587
Development/redevelopment properties				
Leasing commissions	4	35	(20)	746
Other leasing costs	71	394	1,263	4,604
Capital additions	5,720	1,392	19,347	13,722
Total capital additions - developments/redevelopments	5,795	1,821	20,590	19,072
Total capital additions – acquisitions, net of assumption of mortgages	-	-	10,226	-
Total gross additions per statements of cash flows⁽¹⁾	\$ 7,034	\$ 3,907	\$ 39,988	\$ 25,659
Reconciliation of leasing costs for AFFO purposes				
Leasing costs – existing properties per above	\$ 290	\$ 1,274	\$ 5,226	\$ 3,997
Internal leasing salaries	308	350	1,207	1,579
Total leasing costs – existing properties for AFFO	\$ 598	\$ 1,624	\$ 6,433	\$ 5,576

⁽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 \$9.3 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, 2025, 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 2026	Year 2 2027	Year 3 2028	Year 4 2029	Year 5 2030	After 5 Years	Total
Mortgages – periodic payments	\$ 12,215	\$ 11,074	\$ 9,845	\$ 8,314	\$ 5,972	\$ 16,107	\$ 63,527
Mortgages – due at maturity	62,734	48,012	29,515	86,641	37,557	180,062	444,521
Mortgage and other debt interest	19,773	15,388	13,439	11,696	9,736	22,463	92,495
Development lines of credit	14,285	-	-	-	-	-	14,285
Construction loans	17,907	9,178	-	-	-	-	27,085
Bank indebtedness	33,488	-	-	-	-	-	33,488
Mortgage bonds payable	2,705	-	-	-	-	-	2,705
Debentures ⁽¹⁾	15,339	8,025	-	-	-	-	23,364
Current liabilities ⁽²⁾	24,300	-	-	-	-	-	24,300
Notes payable	1,573	-	-	-	-	-	1,573
Right-of-use land leases ⁽³⁾	3,342	3,359	3,326	3,369	3,447	119,628	136,471
Development and leasing activities	9,288	-	-	-	-	-	9,288
Total Contractual obligations	\$ 216,949	\$ 95,036	\$ 56,125	\$ 110,020	\$ 56,712	\$ 338,260	\$ 873,102

(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 2026 will be renewed or refinanced as they come due. The overall loan to value on these mortgages is estimated at 46.0%.

Contingent Liabilities

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, 2025, a \$4.9 million commitment (December 31, 2024 – \$5.0 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 0.5 years (December 31, 2024 – 1.5 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 guarantor in respect of these mortgages, but the commitments are subject to indemnity agreements. The debt subject to such guarantees at December 31, 2025, totals \$4.5 million (December 31, 2024 – \$4.7 million) with a weighted average remaining term of 3.4 years (December 31, 2024 – 4.4 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 three free-standing properties. The excess guarantees amount to \$12.9 million (December 31, 2024 – \$13.4 million). Cross indemnities are in place for certain of these properties from co-venturers.

PART IV

SUMMARY OF SELECTED QUARTERLY INFORMATION

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

(000s except per unit and percentage data) (unaudited)	Q4'25	Q3'25	Q2'25	Q1'25	Q4'24	Q3'24	Q2'24	Q1'24
Revenues	\$31,800	\$31,706	\$31,791	\$31,137	\$30,623	\$30,414	\$30,672	\$29,571
Net property operating income ⁽¹⁾	\$19,120	\$20,472	\$19,098	\$18,344	\$18,926	\$19,651	\$18,390	\$18,052
Profit and total comprehensive income (loss)	\$25,088	\$8,826	\$12,653	\$9,319	\$8,473	\$5,119	\$2,437	\$9,456
Distributions per unit	7.0¢	7.0¢	7.0¢	7.0¢	7.0¢	7.0¢	7.0¢	7.0¢
Funds from operations per unit – basic ⁽¹⁾	9.6¢	11.1¢	10.0¢	8.8¢	7.6¢	10.2¢	9.5¢	8.9¢
Funds from operations per unit – diluted ⁽¹⁾	9.5¢	11.0¢	10.0¢	8.7¢	7.6¢	10.2¢	9.5¢	8.9¢
Adjusted funds from operations per unit – basic ⁽¹⁾	8.2¢	7.7¢	6.7¢	7.4¢	5.4¢	8.6¢	8.0¢	6.6¢
Adjusted funds from operations per unit – diluted ⁽¹⁾	8.1¢	7.7¢	6.7¢	7.4¢	5.4¢	8.6¢	8.0¢	6.6¢
Distributions as a percentage of basic FFO ⁽¹⁾	73.0%	63.1%	69.8%	80.0%	91.7%	68.4%	73.5%	78.7%
Distributions as a percentage of basic AFFO ⁽¹⁾	85.9%	91.0%	104.0%	94.2%	130.3%	81.0%	87.5%	106.8%
Gross Leasable Area (000s of sq. ft.) (at 100%, excluding properties under development/redevelopment)								
Total income producing properties	8,664	8,706	8,742	8,759	8,794	8,786	8,633	8,576
Occupancy % (at 100%, excluding properties under development/redevelopment)								
Total income producing properties	97.6%	97.9%	98.0%	97.6%	97.6%	97.5%	97.6%	97.1%

⁽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 (FFO) per unit and adjusted funds from operations (AFFO) per unit during Q4 2024 were due to severance costs.

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, 2025, approximately 49.3% 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-related costs, and annual repair and maintenance activities, which typically occur in spring and early summer. This 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, 2025, the Trust held interests in 191 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 of the December 31, 2025, consolidated financial statements of the Trust for further details. Also see the Trust's AIF for the year ended December 31, 2024, dated March 26, 2025, 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 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 \$749 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 27.6% of current monthly base rents in place, Dollarama represents 5.7% and the TJX Group represents 4.4%. The top 10 tenants collectively represent approximately 54.7% of current monthly base rents in place. National and regional tenants represent 94.4% 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 for their share of property operating costs (subject to CPI 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, 2025	December 31, 2024
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, 2025	December 31, 2024
Doug McGregor (Chairman and Trustee)	\$ 400	\$ 400
Stephen Johnson (Trustee)	-	384
Lynda Savoie (Trustee)	15	15
Michael Zakuta (Trustee)	959	1,065
Total	\$ 1,374	\$ 1,864

There are no amounts owing to key management personnel in non-convertible debentures of the Trust at December 31, 2025 (December 31, 2024 - \$200 thousand).

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	
Related Parties:	December 31, 2025	December 31, 2024
A company beneficially-owned by Earl Brewer and Michael Zakuta	\$ 1,205	\$ 1,205

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%
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%

On June 1, 2025, the Trust completed the acquisition of the remaining 75% of the issued and outstanding LP units of Plazacorp Ontario1 Limited Partnership. Prior to the transaction, the Trust held a 25% ownership interest in the properties and Earl Brewer and Michael Zakuta indirectly held a total of 2.68% and 5.19%, respectively, of the Class A LP units in the limited partnership. The Class A LP units were purchased by the Trust at \$1.76 per unit, which price was established by an independent third-party and approved by a majority of the Class A unitholders of Plazacorp Ontario1 Limited Partnership. The transaction included the purchase of the Class A LP units held indirectly by Michael Zakuta and Earl Brewer, who also received \$1.76 per unit in common with all other Class A unitholders (\$378 thousand for a total of 215 thousand LP units for Michael Zakuta, and \$195 thousand for 111 thousand LP units for Earl Brewer). The transaction was approved by the Board, and Earl Brewer and Michael Zakuta recused themselves from the process. There are no amounts owing to the related parties following the Ontario1 Limited Partnership acquisition.

In January 2026, the Trust acquired an additional 6% of the LP units in Plazacorp Ontario2 Limited Partnership for \$461 thousand, increasing the Trust's ownership to 56%. Prior to the transaction, the Trust held a 50% interest in the properties, and accounted for them as equity investments, and Earl Brewer and Michael Zakuta indirectly held 4.87% and 4.67%, respectively, of the Class A LP units in the limited partnership. The Class A LP units were purchased by the Trust at \$2.21 per unit before customary closing adjustments, which price was established by an independent third-party. The transaction included the purchase of the Class A LP units held indirectly by Michael Zakuta who also received \$2.21 per unit in common with all other selling Class A unitholders (\$360 thousand for 163 thousand LP units for Michael Zakuta before customary closing adjustments). The transaction was approved by the Board, and Earl Brewer and Michael Zakuta recused themselves from the process.

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, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Earl Brewer	\$ 205	\$ 215	\$ 34	\$ 52
Michael Zakuta	\$ 230	\$ 241	\$ 53	\$ 75

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, 2025. 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, 2025 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, 2025, 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, 2025, 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, also referred to herein as IPP, 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 twelve months ended December 31, 2025, the Trust obtained external property appraisals representing approximately 30.0% (December 31, 2024 – 20.1%) of the Trust's investment properties.

At December 31, 2025, 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 \$44.0 million. An increase of 0.25% in the capitalization rates used would have resulted in a decrease in investment properties of approximately \$40.8 million.

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.

In May 2024, amendments to IFRS 9, “Financial Instruments” and IFRS 7, “Financial Instruments: Disclosures” were issued. The amendments clarify the timing of recognition and derecognition for a financial asset or financial liability, including clarifying that a financial liability is derecognized on the settlement date. Further, the amendments introduce an accounting policy choice to derecognize financial liabilities settled using an electronic payment system before the settlement date, if specific conditions are met. In addition, the amendments clarify the classification of financial assets with features linked to environmental, social and corporate governance. The amendments also require additional disclosures for financial instruments with contingent features and investments in equity instruments classified at fair value through other comprehensive income. These amendments are effective for annual reporting periods beginning on or after January 1, 2026. Early adoption is permitted, with an option to early adopt only the amendments related to the classification of financial assets.

The adoption is not expected to have a material impact on the Trust's consolidated financial statements.

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 fair value including on investment properties, deferred income taxes, derivative assets and liabilities, 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 derivative assets and liabilities. 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 from contractual rental rate changes embedded in lease agreements, and the impact of leasing and occupancy on the same-asset

Plaza Retail REIT

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 is a non-GAAP financial measure. Net debt to adjusted EBITDA including 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.

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, 2025, can be accessed on Plaza’s website at <http://plaza.ca/financial-reports-presentations-and-other-filings/>.

APPENDIX A

FOURTH QUARTER 2025 INCOME RESULTS

Consolidated Statements of Comprehensive Income

(000s) (unaudited)	3 Months Ended December 31, 2025	3 Months Ended December 31, 2024
Revenues	\$ 31,800	\$ 30,623
Operating expenses	(12,680)	(11,697)
Net property operating income	19,120	18,926
Share of profit of associates	1,877	1,246
Administrative expenses	(2,772)	(4,595)
Investment income	263	407
Other income	698	1,105
Income before finance costs, fair value adjustments and income taxes	19,186	17,089
Finance costs - operations	(7,739)	(7,892)
Finance costs – net change in fair value of convertible debentures	(88)	-
Finance costs – net change in fair value of Class B exchangeable LP units	(139)	405
Finance costs – net change in fair value of derivative assets and liabilities	931	222
Net change in fair value of right-of-use land lease assets	(215)	(207)
Net change in fair value of investment properties	13,975	1,847
Impairment of notes receivable	(140)	(1,132)
Profit before income tax	25,771	10,332
Income tax expense		
- Current	(246)	(204)
- Deferred	(437)	(1,655)
	(683)	(1,859)
Profit and total comprehensive income for the period	\$ 25,088	\$ 8,473
Profit and total comprehensive income for the period attributable to:		
- Unitholders	\$ 24,617	\$ 8,183
- Non-controlling interests	471	290
	\$ 25,088	\$ 8,473

Plaza Retail REIT

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.

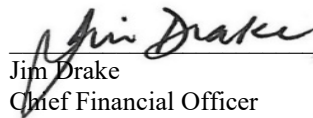
Management maintains appropriate systems of internal control. Policies and procedures are designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for preparation of financial 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
March 2, 2026



Jim Drake
Chief Financial Officer
March 2, 2026



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, 2025 and December 31, 2024
- 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, 2025 and December 31, 2024, 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.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP



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, 2025. 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 matters described below to be the key audit matters 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 \$1,075,208 thousand as at December 31, 2025. 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 and 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 and 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 other 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.

A handwritten signature in black ink that reads 'KPMG LLP' in a cursive, slanted font. A horizontal line is drawn underneath the signature.

Chartered Professional Accountants

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

Fredericton, Canada

March 2, 2026

Plaza Retail REIT
Consolidated Statements of Financial Position
(in thousands of Canadian dollars)

December 31, 2025 December 31, 2024

Assets

Non-Current Assets

Investment properties (Note 4)	\$ 1,163,578	\$ 1,155,872
Investments (Note 5)	58,268	57,594
Tenant loans	415	493
Derivative assets (Note 12)	700	1,077
Deferred income tax asset (Note 17)	258	285
Total non-current assets	1,223,219	1,215,321

Current Assets

Cash	8,092	8,868
Receivables (Note 6)	3,691	3,109
Investment properties held for sale (Note 4(f))	35,392	-
Prepaid expenses and deposits (Note 7)	3,121	4,391
Tenant loans	72	55
Notes and advances receivable (Note 8)	7,789	8,226
Total current assets	58,157	24,649
Total assets	\$ 1,281,376	\$ 1,239,970

Liabilities and Unitholders' Equity

Non-Current Liabilities

Debentures payable (Note 9)	\$ 8,021	\$ 3,530
Mortgages payable and other loans (Note 11)	421,889	445,866
Derivative liabilities (Note 12)	1,497	868
Right-of-use land lease liabilities (Note 14)	61,824	62,752
Deferred income tax liability (Note 17)	11,069	10,586
Total non-current liabilities	504,300	523,602

Current Liabilities

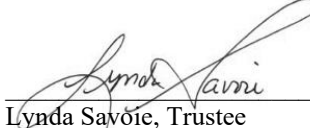
Current portion of debentures payable (Note 9)	15,237	24,916
Current portion of mortgage bonds payable (Note 10)	2,702	2,701
Bank indebtedness (Note 13)	33,488	25,430
Current portion of mortgages payable and other loans (Note 11)	107,141	89,981
Mortgages Payable on Income Producing Properties held for sale (Note 4(f) and 11)	18,300	-
Accounts payable, accrued liabilities, tenant payables and tenant deposits (Note 15)	24,300	23,610
Current portion of right-of-use land lease liabilities (Note 14)	837	832
Notes payable (Note 16)	1,573	1,209
Class B exchangeable LP units (Note 22)	4,960	4,093
Total current liabilities	208,538	172,772
Total liabilities	712,838	696,374

Unitholders' equity	565,252	540,815
Non-controlling interests	3,286	2,781
Total unitholders' equity	568,538	543,596
Total liabilities and unitholders' equity	\$ 1,281,376	\$ 1,239,970

Contingencies, commitments, guarantees and indemnities, litigation and provisions – see Note 28
Subsequent events – see Note 31



Doug McGregor, Trustee
Chair of the Board



Lynda Savóie, Trustee
Chair of the Audit Committee

See accompanying 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,
2025

Year Ended
December 31,
2024

Revenues (Note 18)	\$ 126,434	\$ 121,280
Operating expenses (Note 19)	(49,400)	(46,261)
Net property operating income	<u>77,034</u>	<u>75,019</u>
Share of profit of associates (Note 5)	6,233	5,011
Administrative expenses (Note 20)	(10,781)	(12,114)
Investment income	1,104	1,363
Other income	3,082	3,522
Income before finance costs, fair value adjustments and income taxes	<u>76,672</u>	<u>72,801</u>
Finance costs - operations (Note 21)	(31,117)	(30,860)
Finance costs - net change in fair value of convertible debentures (Note 9)	(417)	(279)
Finance costs - net change in fair value of Class B exchangeable LP units (Note 22(b))	(867)	162
Finance costs - net change in fair value of derivative assets and liabilities (Note 12)	(345)	(1,515)
Net change in fair value of right-of-use land lease assets (Note 4)	(862)	(818)
Impairment of notes receivables (Note 8)	(581)	(1,462)
Net change in fair value of investment properties (Note 4)	14,468	(10,377)
Profit before income tax	<u>56,951</u>	<u>27,652</u>
Income tax expense		
- Current	(555)	(415)
- Deferred	(510)	(1,752)
	<u>(1,065)</u>	<u>(2,167)</u>
Profit and total comprehensive income for the period	<u>\$ 55,886</u>	<u>\$ 25,485</u>
Profit and total comprehensive income for the period attributable to:		
- Unitholders	\$ 55,285	\$ 25,045
- Non-controlling interests	601	440
	<u>\$ 55,886</u>	<u>\$ 25,485</u>

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, 2024	\$ 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 trust units under the RU plan (Note 22)	203	-	203	-	203
- Repurchase of trust 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
Profit and total comprehensive income for the period	-	55,285	55,285	601	55,886
Transactions with unitholders, recorded directly in equity:					
- Issuance of trust units under the RU plan (Note 22)	67	-	67	-	67
- Distributions declared to unitholders (Note 24)	-	(30,915)	(30,915)	-	(30,915)
- Contributions to non-controlling interests	-	-	-	(96)	(96)
Balance as at December 31, 2025	\$ 313,698	\$ 251,554	\$ 565,252	\$ 3,286	\$ 568,538

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, 2025	Year Ended December 31, 2024
--	------------------------------------	------------------------------------

Cash obtained from (used for):**Operating activities**

Profit and total comprehensive income for the period	\$ 55,886	\$ 25,485
Items not affecting cash:		
Finance costs - operations (Note 21)	31,117	30,860
Share of profit of associates (Note 5)	(6,233)	(5,011)
Net change in fair value of investment properties (Note 4)	(14,468)	10,377
Net change in fair value of convertible debentures (Note 9)	417	279
Net change in fair value of Class B exchangeable LP units (Note 22(b))	867	(162)
Net change in fair value of derivative assets and liabilities (Note 12 and Note 29)	345	1,515
Net change in fair value of right-of-use land lease assets (Note 4)	862	818
Issuance of trust units under the RU plan (Note 23)	67	203
Impairment of notes receivable (Note 8)	581	1,462
Current and deferred income taxes	1,065	2,167
Straight-line rent (Note 18)	(275)	(524)
Interest paid	(27,697)	(26,848)
Imputed interest paid on right-of-use land lease liabilities (Note 21)	(2,546)	(2,544)
Cash distributions paid to Class B exchangeable LP unitholders (Note 21)	(324)	(324)
Income taxes paid	(492)	(402)
Distributions from equity accounted investments (Note 5)	2,365	1,869
Leasing commissions paid (Note 25(c))	(660)	(319)
Change in non-cash working capital (Note 25(a))	(795)	963
	40,082	39,864

Financing activities

Cash distributions paid to unitholders	(30,915)	(30,902)
Repurchase of trust units under normal course issuer bid (Note 22)	-	(18)
Gross mortgage proceeds	72,198	94,670
Fees incurred for placement of mortgages	(597)	(648)
Early mortgage discharge fees paid (Note 21)	-	(211)
Mortgages repaid	(48,546)	(71,452)
Mortgages repaid on disposal of investment properties and land (Note 4(d))	(12,717)	(4,401)
Early mortgage discharge fees paid on disposal of investment properties (Note 21)	(123)	(40)
Periodic mortgage principal repayments	(12,832)	(12,280)
Right-of-use land lease principal repayments	(862)	(818)
Gross proceeds of mortgage bonds	-	70
Redemption of mortgage bonds	-	(1,530)
Gross proceeds from non-convertible debentures (Note 9)	63	5,150
Redemption of debentures (Note 9)	(5,670)	(986)
Fees incurred for placement of mortgage bonds and debentures	(27)	(27)
Distribution from equity accounted investments from financing proceeds (Note 5)	136	110
Increase in notes payable (Note 16)	364	19
	(39,528)	(23,294)

Investing activities

Investment properties – additions (Note 25(c))	(29,102)	(25,340)
Investment properties – acquisitions (Note 4(g) and 25(c))	(10,226)	-
Proceeds from disposal of investment properties and land (Note 4(d))	28,460	28,147
Proceeds from assets previously held for sale (Note 4(f))	-	1,140
Contributions to non-controlling interests, recorded in non-controlling interests and in liabilities	(475)	(202)
Decrease (increase) in deposits for acquisitions and financings (Note 7)	1,494	(1,014)
Decrease in notes and advances receivable (Note 8)	437	2,778
Repayment of tenant loans	73	80
Issuance of tenant loans	(49)	(245)
	(9,388)	5,344

Net increase (decrease) in cash

Cash less bank indebtedness, beginning of the period	(16,562)	(38,476)
Cash less bank indebtedness, end of the period	\$ (25,396)	\$ (16,562)

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

Plaza Retail REIT

Notes to the Consolidated Financial Statements

December 31, 2025

(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 (a “REIT”) established pursuant to its declaration of trust dated as of November 1, 2013 and amended as of March 26, 2020 (the “Declaration of Trust”) 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 March 2, 2026.

(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

December 31, 2025

(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 properties held to earn rental income for capital appreciation or both, and 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.

Plaza Retail REIT

Notes to the Consolidated Financial Statements

December 31, 2025

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

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 the lease commencement date, as 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.

Right-of-use (also sometimes referred to as “ROU”) assets are accounted for as investment property, as these land leases meet the definition of investment property under IAS 40. 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 right-of-use 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 into lease agreements, acting as a lessor, that fall within the scope of IFRS 16, “Leases” (“IFRS 16”) 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 and property maintenance, as well as other support services. The consideration charged to tenants for these services includes fees based on a percentage of rental income and the 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. It 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 applicable property management or co-ownership agreements. Leasing fees are incurred when the Trust is the leasing manager for co-owned properties and are also recognized when earned in accordance with the applicable property management or co-ownership agreements.

(g) Income Taxes

The Trust is a mutual fund trust and qualifies as a REIT for Canadian income tax purposes. Under current tax legislation, a REIT 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 REIT 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 REIT throughout 2025 and the 2024 comparative year.

Plaza Retail REIT

Notes to the Consolidated Financial Statements

December 31, 2025

(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

Notes to the Consolidated Financial Statements

December 31, 2025

(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

Trust 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. Trust units meet the conditions of IAS 32 and are, therefore, presented as equity.

Plaza Retail REIT

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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 Trust measures financial instruments, such as derivative assets, derivative liabilities, convertible debentures, and Class B exchangeable limited partnership (“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 Trust.

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 Trust 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 Trust 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) *Future Accounting Policy Changes*

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

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

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

The main impacts of the new Accounting Standard include:

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

Plaza intends to adopt IFRS 18 in its consolidated financial statements when the standard becomes effective.

In May 2024, amendments to IFRS 9 and IFRS 7, "Financial Instruments: Disclosures" were issued. The amendments clarify the timing of recognition and derecognition for a financial asset or financial liability, including clarifying that a financial liability is derecognized on the settlement date. Further, the amendments introduce an accounting policy choice to derecognize financial liabilities settled using an electronic payment system before the settlement date, if specific conditions are met. In addition, the amendments clarify the classification of financial assets with features linked to environmental, social and corporate governance. The amendments also require additional disclosures for financial instruments with contingent features and investments in equity instruments classified at fair value through other comprehensive income. These amendments are effective for annual reporting periods beginning on or after January 1, 2026. Early adoption is permitted, with an option to early adopt only the amendments related to the classification of financial assets.

The adoption is not expected to have a material impact on the Trust's consolidated financial statements.

4. Investment Properties

	December 31, 2025				December 31, 2024			
	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:	\$ 1,078,098	\$ 14,190	\$ 63,584	\$ 1,155,872	\$ 1,036,377	\$ 72,886	\$ 64,402	\$ 1,173,665
Additions (deductions):								
Additions to investment properties (Note 25(c))	14,658	15,885	-	30,543	9,122	11,903	-	21,025
Acquisitions of investment Properties (Note 25(c))	24,191	-	-	24,191	-	-	-	-
Consolidation of investment properties on acquisition	2,970	-	-	2,970	-	-	-	-
Disposals (Note 4(d))	(28,419)	(41)	-	(28,460)	(28,147)	-	-	(28,147)
Disposals (Note 4(e))	-	-	(1,216)	(1,216)	-	-	-	-
Transfers	5,280	(5,280)	-	-	68,986	(68,986)	-	-
Straight line rent receivable change	309	-	-	309	448	76	-	524
Reclass to investment properties held for sale (Note 4(f))	(35,392)	-	-	(35,392)	-	-	-	-
Change in fair value – income producing and under development	13,513	955	-	14,468	(8,688)	(1,689)	-	(10,377)
Change in fair value – right-of-use land lease assets	-	-	(862)	(862)	-	-	(818)	(818)
Impact of remeasurement of lease liability on right-of-use land lease assets	-	-	1,155	1,155	-	-	-	-
Balance, end of the period:	\$ 1,075,208	\$ 25,709	\$ 62,661	\$ 1,163,578	\$ 1,078,098	\$ 14,190	\$ 63,584	\$ 1,155,872

Plaza Retail REIT

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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 and associate investments) 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. 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, 2025, the Trust utilized external property appraisals representing approximately 30.0% (December 31, 2024 – 20.1%) of the Trust's investment properties.

As at December 31, 2025 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	66	6.29%	5.25% - 8.25%	5.75% - 9.75%
Quick Service Restaurant	17	6.55%	5.50% - 8.25%	5.50% - 10.00%
Anchored Open-Air Centre – Class A	18	6.42%	5.00% - 8.00%	5.75% - 8.75%
Anchored Open-Air Centre – Class B	42	6.95%	5.50% - 9.00%	6.25% - 10.00%
Unanchored Open-Air Centre	28	7.28%	5.50% - 9.00%	6.50% - 11.50%
Enclosed Malls – Community	3	9.72%	8.00% - 12.50%	7.75% - 13.50%
	174	6.80%		

⁽¹⁾ Excludes non-consolidated trusts and partnerships. Including non-consolidated trusts and partnerships the trust has interest in 191 properties as of December 31, 2025.

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.

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

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, 2025 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%)	\$61,066	\$93,986	\$126,906	\$143,366	\$159,826	\$192,746	\$225,666
(0.50%)	\$12,684	\$44,279	\$75,874	\$91,671	\$107,469	\$139,064	\$170,659
(0.25%)	\$(31,897)	\$(1,523)	\$28,851	\$44,038	\$59,226	\$89,600	\$119,974
-	\$(73,114)	\$(43,868)	\$(14,623)	\$-	\$14,623	\$43,868	\$73,114
0.25%	\$(111,338)	\$(83,139)	\$(54,941)	\$(40,841)	\$(26,742)	\$1,457	\$29,656
0.50%	\$(146,888)	\$(119,663)	\$(92,438)	\$(78,825)	\$(65,212)	\$(37,987)	\$(10,762)
0.75%	\$(180,038)	\$(153,721)	\$(127,403)	\$(114,244)	\$(101,086)	\$(74,768)	\$(48,451)

⁽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, 2025, 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, 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. Including non-consolidated trusts and partnerships the trust has interest in 212 properties as of December 31, 2024.

Properties Under Development

Properties under development are valued using the same valuation approach, as noted above for income producing properties. Future stabilized net operating income for properties under development reflects full intended occupancy, less a normal vacancy allowance. 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, 2025 is \$12.0 million (December 31, 2024 - \$11.8 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.

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Notes to the Consolidated Financial Statements

December 31, 2025

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

(b) Surplus Land

Included in investment properties at December 31, 2025 is \$4.1 million of surplus lands at fair value (December 31, 2024 - \$8.6 million).

(c) Borrowing Costs

The total amount of borrowing costs capitalized for the year ended December 31, 2025 is \$818 thousand (for the year ended December 31, 2024 - \$2.0 million).

(d) Disposals

Properties Disposed	%	Gross Proceeds Year Ended December 31, 2025 ⁽¹⁾	Gross Proceeds Year Ended December 31, 2024
	Disposed		
Quick Service Restaurants and other non-core assets	100%	\$ 25,409	\$ 24,837
Non-core asset in Windsor, ON	100%	-	4,450
Land in Barrie, ON		3,051	-
Total disposals		\$ 28,460	\$ 29,287
Less: assets previously held for sale		-	(1,140)
Disposals excluding assets previously held for sale		\$ 28,460	\$ 28,147

⁽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, 2025	Net Proceeds Year Ended December 31, 2024
Total disposals	\$ 28,460	\$ 29,287
Mortgages repaid on disposal	(12,717)	(4,401)
Early mortgage discharge fees paid on disposal	(123)	(40)
Net proceeds - cash	\$ 15,620	\$ 24,846

Recorded on the Statement of Cash Flows in:

Investing activities: Proceeds from disposal of investment properties and land	\$ 28,460	\$ 28,147
Financing activities: Mortgages repaid on disposal of investment properties and land	(12,717)	(4,401)
Financing activities: Early mortgage discharge fees paid on disposal	(123)	(40)
Investing activities: Proceeds from assets previously held for sale	-	1,140
Net proceeds - cash	\$ 15,620	\$ 24,846

(e) Right-of-use land lease assets

The Trust has investment properties located on land which is leased. The Trust has 25 long-term land leases (affecting 25 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 57 years including these non-automatic renewal options.

On March 26, 2025, the Trust renewed five right-of-use land lease agreements, resulting in the extension of the lease term and to establish future market rental rates. In addition, during the period there was a change in management's assumptions for a land lease renewal. In accordance with IAS 16, the right-of-use land lease assets and right-of-use land lease liabilities are required to be remeasured using the revised lease term, payments and discount rate as of the effective date of the lease renewal. This remeasurement has resulted in an increase to the land lease assets of \$1.2 million and an increase in the land lease liabilities of \$1.2 million.

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In December 2025, the Trust sold a property located on leased land, resulting in a \$1.2 million reduction of right-of-use land lease assets.

(f) Investment properties held for sale

As at December 31, 2025, the Trust segregated six investment properties, one located in New Brunswick, one located in Quebec, and four located in Ontario as held for sale with a fair value of \$35.4 million (December 31, 2024 - nil) and \$18.3 million in mortgages payable (December 31, 2024 - nil).

(g) Acquisitions of Investment Properties

In January 2025, the Trust acquired the remaining 50% interest in two properties located in Halifax, NS for \$10.7 million from its previous co-owner. The Trust now owns a 100% interest in the properties. Net of assumption of debt, total cash consideration paid was \$5.6 million (see Note 25(c)).

In June 2025, the Trust acquired the remaining 75% interest in three properties located in Ontario for \$13.5 million from its previous partners in Plazacorp Ontario-1 Limited Partnership. The Trust now owns a 100% interest in the properties. Net of assumption of debt, derivative liabilities, and other customary closing adjustments, total cash consideration paid was \$4.7 million (see Note 25(c)).

5. Investments

Investments consist of the following:

	Ownership Position	Preferred Return	Residual Return	December 31, 2025	December 31, 2024
Equity Accounted Investments					
Associates:					
Centennial Plaza Limited Partnership	10%	10%	20%	\$ 17,667	\$ 16,225
Trois Rivières Limited Partnership	15%	10%	30%	3,680	3,328
VGH Limited Partnership	20%	8%	27.5%	2,444	2,081
Plazacorp Ontario1 Limited Partnership	25%	8%	25%	-	3,034
Ste. Hyacinthe Limited Partnership	25%	6%	pro-rata	-	233
144 Denison East Limited Partnership	25%	6%	pro-rata	742	677
Total Associates				24,533	25,578
Joint Ventures:					
Plazacorp Ontario2 Limited Partnership	50%	-	-	5,319	5,218
Plazacorp Ontario3 Limited Partnership	50%	-	-	2,196	1,964
Plazacorp Ontario4 Limited Partnership	50%	-	-	3,025	2,866
RBEGL Limited Partnership	50%	-	-	2,840	2,537
CPRDL Limited Partnership	50%	-	-	3,119	2,977
Fundy Retail Ltd.	50%	-	-	1,096	1,027
The Shoppes at Galway Limited Partnership	50%	-	-	16,140	15,427
Total Joint Ventures				33,735	32,016
Total Investments				\$ 58,268	\$ 57,594

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, 2025 the Trust received \$2.4 million of regular distributions, and \$136 thousand in distributions from financing proceeds (for the year ended December 31, 2024 - \$1.9 million and \$110 thousand, respectively).

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In June 2025, the Trust acquired the remaining 75% interest in Plazacorp Ontario1 Limited Partnership for \$13.5 million, resulting in the derecognition of the investment under equity accounting, refer to note 4 (g).

In October 2025, the Ste. Hyacinthe Limited Partnership sold the underlying property located at 5400 Laurier Ouest, for gross proceeds of \$2.7 million. As a result of the sale the Trust received \$387 thousand, net of repayment of the mortgage and other customary closing costs, for its 25% interest .

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

	December 31, 2025		December 31, 2024	
	Equity Investments at 100%	Plaza's Interest ⁽¹⁾	Equity Investments at 100%	Plaza's Interest ⁽¹⁾
Current assets	\$ 11,917	\$ 2,769	\$ 7,831	\$ 2,146
Long term assets	355,785	111,020	371,852	113,543
Total assets	367,702	113,789	379,683	115,689
Current liabilities	4,482	1,289	4,307	1,190
Long term liabilities	171,516	54,231	186,391	56,905
Total liabilities	175,998	55,521	190,698	58,095
Net assets	\$ 191,704	\$ 58,268	\$ 188,985	\$ 57,594
Revenues	\$ 34,247	\$ 10,432	\$ 34,048	\$ 9,941
Expenses	(20,408)	(6,002)	(21,476)	(6,678)
Fair value gain (loss)	(3,294)	1,803	5,160	1,748
Share of profit of equity investments	\$ 10,545	\$ 6,233	\$ 17,732	\$ 5,011

⁽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.

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

	December 31, 2025	December 31, 2024
Balance, beginning of the year	\$ 57,594	\$ 54,562
Distributions of operating proceeds	(2,365)	(1,869)
Distributions from financing proceeds	(136)	(110)
Derecognition of equity investment ⁽¹⁾	(3,058)	-
Share of profit of equity investments	6,233	5,011
Balance, end of the year	\$ 58,268	\$ 57,594

⁽¹⁾ In June the Trust acquired the remaining 75% interest in Plazacorp Ontario1 Limited Partnership for \$13.5 million, resulting in the derecognition of the investment under equity accounting, refer to note 4 (g).

6. Receivables

Receivables consist of the following:

	December 31, 2025	December 31, 2024
Tenant accounts receivable, net of allowance	\$ 444	\$ 369
Tenant CAM and tax recovery accrual	1,140	920
Tenant accounts receivable – annual tax billings	14	74
Excise tax	872	783
Other receivables	1,221	963
Total receivables	\$ 3,691	\$ 3,109

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

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written off only when all collection efforts have been exhausted. The allowance for doubtful accounts balance at December 31, 2025 is \$848 thousand (December 31, 2024 - \$227 thousand). This amount is deducted from tenant accounts receivable.

7. Prepaid Expenses and Deposits

Prepaid expenses and deposits consist of the following:

	December 31, 2025	December 31, 2024
Prepaid expenses	\$ 1,540	\$ 1,422
Prepaid property taxes	1,439	1,333
Deposits for acquisitions and financings	142	1,636
Total prepaid expenses and deposits	\$ 3,121	\$ 4,391

8. Notes and Advances Receivable

Notes and advances receivable are owed by co-owners of investment properties in respect 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, 2025	December 31, 2024
Co-owners of certain investment properties (payable on demand)	6.00% ⁽¹⁾	\$ 3,417	\$ 3,417
	Prime + 1.5% ⁽¹⁾	281	281
	Prime + 1.25%	-	550
	Prime + 6.0%	6,806	6,112
	Non-interest bearing	44	44
Minority interest shareholders (payable on demand)	Prime + 0.75% or BA plus 2.25%	570	570
	Prime + 2.0%	50	50
Impairment of notes receivable		(3,379)	(2,798)
Total notes and advances receivable		\$ 7,789	\$ 8,226

⁽¹⁾ Michael Zakuta and Earl Brewer, related parties, indirectly 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, 2025	December 31, 2024
Convertible ⁽¹⁾				
Series VIII	March 31, 2026	5.95%	\$ 11,940	\$ 11,523
Total convertible debentures			11,940	11,523
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, 2027	5.50%	4,488	6,000
Series IV non-convertible debentures ⁽²⁾ – Tranche A & C	December 16, 2026	5.50%	3,320	4,415
Series V non-convertible debentures ⁽²⁾	October 30, 2025	5.25%	-	3,000
Total non-convertible debentures			11,345	16,952
Total debentures payable			23,285	28,475
Less: unamortized finance charges – non-convertible debentures			(27)	(29)
Net debentures payable			23,258	28,446
Less: current portion of debentures payable			(15,237)	(24,916)
Total debentures payable – long-term portion			\$ 8,021	\$ 3,530

⁽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 ended December 31, 2025 was a loss of \$417 thousand (for the year ended December 31, 2024 – loss of \$279 thousand).

⁽²⁾ Recorded at amortized cost.

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Convertible and non-convertible debentures are subordinate and unsecured.

In March 2025, \$1.6 million of Series III unsecured debentures were redeemed, \$63 thousand new debentures were issued, and \$4.4 million were extended until March 31, 2027 at a rate of 5.50%.

In April 2025, \$600 thousand of the Series V unsecured debentures were redeemed and \$2.4 million were renewed for 6 months at a rate of 5.25%. In October 2025, \$2.4 million Series V unsecured debentures were repaid on maturity.

In June 2025, \$1.1 million of Series IV unsecured debentures were redeemed and \$3.3 million were extended until December 16, 2026 at a rate of 5.50%.

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, 2025	December 31, 2024
	Interest Rates	Maturity Dates	Total	Total
Series X.2	5.50%	July 15, 2026	\$ 2,235	\$ 2,235
Series XII	5.50%	July 15, 2026	470	470
Gross mortgage bonds payable			2,705	2,705
Less: unamortized finance charges			(3)	(4)
Net mortgage bonds payable			2,702	2,701
Less: current portion of mortgage bonds payable			(2,702)	(2,701)
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 July 2025, \$2.2 million of Series X.2 and \$470 thousand Series XII mortgage bonds were extended until July 15, 2026, at a coupon rate of 5.50%.

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11. Mortgages Payable and Other Loans

	Interest Rate Range	Weighted Average Effective Interest Rate	Maturity Dates	December 31, 2025	December 31, 2024
Secured fixed rate loans:	2.33% - 6.29%	4.40%	Up to June 2035	\$ 508,048	\$ 492,435
Unsecured interest-only fixed rate loans ⁽¹⁾ :	5.00%	5.00%	Sept 2025	-	1,390
Revaluation of loans upon acquisitions, net of amortization of \$6,637 (December 31, 2024 - \$6,593)				136	180
Less: unamortized finance charges				(2,161)	(2,115)
Total net fixed rate loans				506,023	491,890
Variable rate loans:					
- \$20 million development facility	Prime plus 0.75% or CORRA plus 2.5%		July 31, 2026	14,285	12,840
- \$15 million development facility	Prime plus 0.75% or CORRA plus 2.30%		July 31, 2026	-	-
- \$8.0 million interim facility	Prime plus 1.50% or CORRA plus 2.80%		July 16, 2026	3,809	4,209
- \$6.75 million interim facility	Prime plus 1.00% or CORRA plus 2.80%		March 21, 2026	6,221	6,221
- \$15.6 million interim facility	Prime plus 0.75% or CORRA plus 2.45%		February 28, 2027	9,178	3,938
- \$6.75 million interim facility	Prime plus 0.95% or CORRA plus 2.75%		April 8, 2025	-	6,750
- \$5.2 million interim facility	Prime plus 1.0% or CORRA plus 2.75%		December 5, 2026	706	-
- \$7.25 million interim facility	Prime plus 1.00% or CORRA plus 2.80%		June 30, 2026	7,171	7,171
- \$5.0 million interim facility	Prime plus 0.95% or CORRA plus 2.75%		July 5, 2025	-	2,958
Less: unamortized finance charges				(63)	(130)
Total net variable rate loans				41,307	43,957
Net mortgages payable				547,330	535,847
Less: mortgages payable and other loans – current portion				(107,141)	(89,981)
Less: mortgages payable on assets held for sale				(18,300)	-
Total mortgages payable and other loans – long-term portion				\$ 421,889	\$ 445,866

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

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

To fund development activities the Trust has two revolving development facilities with Canadian chartered banks available upon pledging of specific assets. One is a \$20.0 million revolving facility that bears interest at prime plus 0.75% or Canadian Overnight Repo Rate Average (“CORRA”) plus 2.5%, and the other is a \$15.0 million revolving facility that bears interest at prime plus 0.75% or CORRA plus 2.30%. In July 2025, the \$20.0 million development line was renewed with the same pricing until July 31, 2026. At December 31, 2025, there is \$20.7 million available on these development facilities (December 31, 2024 - \$22.2 million). The Trust must maintain certain financial ratios to comply with the facilities, including a minimum

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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, 2025, 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 eleven mortgages. The interest rate swaps mature at various dates between August 2027 and December 2035, 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 \$700 thousand at December 31, 2025 and derivative liabilities of \$1.5 million at December 31, 2025, (December 31, 2024 – derivative assets of \$1.1 million and derivative liabilities of \$868 thousand). The Trust recorded a fair value loss on the interest rate swaps of \$345 thousand for the year ended December 31, 2025 (for the year ended December 31, 2024 - a loss of \$1.5 million).

13. Bank Indebtedness

The Trust has a \$60.0 million (December 31, 2024 - \$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, 2025, the available limit was \$57.1 million of which \$33.5 million was drawn (December 31, 2024 – \$49.4 million available and \$25.4 million drawn) and therefore the maximum amount remaining available to be drawn on the facility was \$23.6 million (December 31, 2024 – \$23.5 million), net of letters of credit outstanding of nil (December 31, 2024 - \$473 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, 2025, the Trust was in compliance with all covenants. As security, at December 31, 2025, the Trust has provided a \$60.0 million demand debenture secured by a first mortgage over eighteen 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 25 long-term land leases (affecting 25 properties). Of the 25 land leases, 9 are with related parties. Land lease expiries (excluding any non-automatic renewal periods) range from 2027 to 2084, with an average life of 29 years. Certain leases also contain non-automatic renewal options, which extend the average life of the leases to 57 years when included.

On March 26, 2025, the Trust renewed five right-of-use land lease agreements, extending the lease terms establishing future market rental rates. In addition, during the period there was a change in managements assumptions for a land lease renewal. In accordance with IAS 16, the right-of-use land lease assets and right-of-use land lease liabilities are required to be remeasured using the revised lease term, payments and discount rate as of the effective date of the lease renewal. This remeasurement has resulted in an increase to the land lease assets of \$1.2 million and an increase in the land lease liabilities of \$1.2 million. 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.

In December 2025, the Trust sold a property located on leased land, resulting in a \$1.2 million reduction of right-of-use land lease liabilities.

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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, 2025	December 31, 2024
Accounts payable and accrued liabilities	\$ 11,598	\$ 11,107
Tenant CAM and tax accrual	968	939
Distributions payable	2,603	2,603
Excise tax payable	1,495	1,309
Accrued interest payable	1,525	1,692
Deferred tenant revenue and deposits	5,746	5,533
Income tax payable	56	48
Other	309	379
Total accounts payable, accrued liabilities, tenant payables and tenant deposits	\$ 24,300	\$ 23,610

16. Notes Payable

Notes payable consist of the following:

	Interest Rate	December 31, 2025	December 31, 2024
Non-interest bearing notes:			
Entities owned (directly and indirectly), controlled or significantly influenced by Michael Zakuta, Trustee of the Trust ⁽¹⁾	n/a	\$ 261	\$ 261
Unrelated parties and non-controlling interests	n/a	1,312	948
Total notes payable		\$ 1,573	\$ 1,209

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

17. Income Taxes

As previously noted, the Trust qualifies as a 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, 2025	December 31, 2024
<u>Deferred income tax assets</u>		
Tax loss carry-forwards of subsidiaries	\$ 258	\$ 285
<u>Deferred income tax liabilities</u>		
Income producing properties	11,069	10,586
Net deferred income tax liability	\$ 10,811	\$ 10,301

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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*).

	2025	2024
Cash distributions declared	\$ 30,915	\$ 30,902
Required cash distributions to ensure no Part I tax	21,957	15,659
Total excess over Part I tax	\$ 8,959	\$ 15,243

18. Revenues

	2025	2024
Contractual revenue	\$ 82,797	\$ 80,190
Straight-line rent	275	524
Property tax and insurance recoveries – current and prior year	27,773	26,299
Cost recovery revenue	14,750	13,902
Lease termination revenue	439	231
Other revenue	400	134
Total property revenues	\$ 126,434	\$ 121,280

19. Operating Expenses

	2025	2024
Property taxes and insurance	\$ 29,076	\$ 27,590
Recoverable expenses	17,955	16,940
Non-recoverable expenses	2,369	1,731
Total operating expenses	\$ 49,400	\$ 46,261

20. Administrative Expenses

	2025	2024
Salaries and benefits	\$ 5,815	\$ 6,174
Salaries and benefits – severance costs	165	1,855
Restricted units	380	147
Restricted units – severance costs	-	262
Professional services	1,200	1,063
Trustee fees	782	657
Office, travel and IT related expenses	1,888	1,458
Write-offs of potential projects not pursued	80	577
Total administrative expenses before fair value impact	\$ 10,310	12,193
Fair value items:		
- Restricted unit fair value	38	(6)
- Deferred unit fair value	433	(73)
Total administrative expenses	\$ 10,781	\$ 12,114

Total employee salaries and benefits, including restricted units, recorded by the Trust during the period ended December 31, 2025 were \$13.4 million, of which \$5.9 million is included in operating expenses, \$6.4 million is included in administrative expenses including severance costs, and \$1.1 million has been capitalized to investment properties (December 31, 2024 were \$15.3 million, of which \$5.6 million is included in operating expenses, \$8.3 million is included in administrative expenses and \$1.4 million and has been capitalized to investment properties).

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21. Finance Costs - Operations

	2025	2024
Mortgage interest	\$ 24,170	\$ 23,543
Debenture interest	1,522	1,750
Mortgage bond interest	159	157
Distributions paid to Class B exchangeable LP unitholders	324	324
Operating line of credit interest	1,712	3,043
Interest and bank charges	781	618
Amortization of finance charges	642	664
Early mortgage discharge fees	123	251
Imputed interest on right-of-use land lease liabilities	2,546	2,544
Mark to market amortization	(44)	(44)
Capitalization of interest	(818)	(1,990)
Finance costs - operations	\$ 31,117	\$ 30,860

22. Units of the REIT

(a) Authorized

The Declaration of Trust authorizes the issuance of an unlimited number of trust units and special voting units. Special voting units are only issued in tandem with the issuance of securities exchangeable into trust 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 trust 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 trust 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 LP 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 Class B exchangeable LP units are entitled to receive distributions per unit equal to those paid to the unitholders of the Trust.

	December 31, 2025		December 31, 2024	
	Units (000s)	Amount	Units (000s)	Amount
Exchangeable LP units outstanding, beginning of the period	1,156	\$ 4,093	1,156	\$ 4,255
Fair value adjustment for the period		867		(162)
Exchangeable LP units outstanding, end of the period	1,156	\$ 4,960	1,156	\$ 4,093

(ii) Special Voting Units

At December 31, 2025, there were 1,156,000 (December 31, 2024 - 1,156,000) special voting units outstanding, issued in connection with 1,156,000 (December 31, 2024 - 1,156,000) Class B exchangeable LP units of a subsidiary of the Trust (see above).

Plaza Retail REIT

Notes to the Consolidated Financial Statements

December 31, 2025

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

(iii) Trust Units

	Year Ended December 31, 2025		Year Ended December 31, 2024	
	Trust Units (000s)	Amount	Trust Units (000s)	Amount
Units outstanding, beginning of the period	110,418	\$ 313,631	110,368	\$ 313,442
Issuance of units:				
RU and DU plan	17	67	55	203
Repurchase and cancellation of units under normal course issuer bid	-	-	(5)	(14)
Units outstanding, end of the period	110,435	\$ 313,698	110,418	\$ 313,631

Unitholders have the right to redeem their trust 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, 2025, no unitholder had redeemed trust units.

Between September 2018 and September 2024, Plaza purchased a total of 1,196,730 trust units for cancellation under a normal course issuer bid, as renewed, 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 (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 (also referred to in this note as “RUs”) to employees and deferred units (also referred to in this note as “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 trust units (also referred to in this note as “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, 2025, 5,457,590 Units are available to be issued under the Equity Incentive Plan.

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.

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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 822,095 RUs have been granted by Plaza since the Restricted Unit Plan was originally put in place. For the year ended December 31, 2025, a compensation expense of \$380 thousand (for the year ended December 31, 2024 - \$409 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, 57,442 RUs vest in 2026, and 97,747 RUs vest in 2027, and 37,447 will vest in 2028. At December 31, 2025, the fair value of outstanding RUs was \$418 thousand, excluding distribution equivalents, with fair value determined using the closing price of the Units at that date.

	December 31, 2025	December 31, 2024
Restricted units outstanding, beginning of the year	108,633	79,064
Vested	(28,340)	(32,174)
Vested - severance	-	(54,740)
Granted	112,343	116,483
Restricted units outstanding, end of the year	192,636	108,633

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. For the year ended December 31, 2025, 34,203 DUs were granted to an executive officer, (for the year ended December 31, 2024 - nil).

At December 31, 2025, a total of 824,924 DUs have been granted or issued by Plaza since the Deferred Unit Plan was originally put in place and a total of 198,121 DUs have been redeemed for cash. For the year ended December 31, 2025, trustee fees of \$782 thousand were incurred, including \$491 thousand settled through the issuance of deferred units and \$291 thousand paid in cash (for the year ended December 31, 2024 - \$657 thousand including \$487 thousand for deferred units and \$170 thousand in cash), excluding the fair value impact. For the year ended December 31, 2025, the Trust issued \$129 thousand in deferred units as corporate salaries (for the year ended December 31, 2024 - nil). At December 31, 2025, the fair value of outstanding DUs was \$2.7 million, with fair value determined using the closing price of the Units at that date.

	December 31, 2025	December 31, 2024
Deferred units outstanding, beginning of the year	559,646	470,205
Granted	44,421	10,867
Redeemed	(87,271)	(40,000)
Trustee fees taken as deferred units	67,458	78,054
Distributions paid on deferred units taken as additional deferred units	42,549	40,520
Deferred units outstanding, end of the year	626,803	559,646

Plaza Retail REIT

Notes to the Consolidated Financial Statements

December 31, 2025

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

24. Distributions

Distributions are declared monthly at the discretion of the Board.

	2025	2024
Distributions declared to unitholders ⁽¹⁾	\$ 30,915	\$ 30,902

- ⁽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, 2026.

25. Additional Cash Flow Information

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

	2025	2024
Receivables	\$ (545)	\$ 1,696
Prepaid expenses and deposits	(224)	(96)
Change in construction accruals removed from investing activities	(909)	4,509
Accounts payable, accrued liabilities, tenant payables and tenant deposits	883	(5,146)
Total cash from change in non-cash working capital	\$ (795)	\$ 963

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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)

(b) Changes in Liabilities Arising from Financing Activities

	December 31, 2025	December 31, 2024
Current and long-term debt ⁽¹⁾ – beginning of the period	\$ 635,880	\$ 627,376
Gross proceeds from non-convertible debentures	63	5,150
Redemption/repayment of debentures	(5,670)	(986)
Redemption/repayment of mortgage bonds	-	(1,530)
Gross proceeds from mortgage bonds	-	70
Periodic mortgage principal repayments	(12,832)	(12,280)
Right-of-use land lease principal repayments	(862)	(818)
Land lease liability discharged sale of investment properties	(1,261)	-
Mortgages repaid	(48,546)	(71,452)
Mortgages repaid on sale of investment properties	(12,717)	(4,401)
Gross mortgage proceeds	72,198	94,670
Gross mortgage proceeds - acquisitions	13,402	-
Fees incurred for placement of debt	(624)	(675)
Increase in notes payable	364	19
Non-cash changes in current and long-term debt:		
Net change in fair value of Class B exchangeable LP units	867	(162)
Net change in fair value of convertible debentures	417	279
Amortization of finance charges	642	664
Recognition of finance charges on sold property	7	-
Impact of remeasurement of land lease liabilities	1,155	-
Mark to market amortization	(44)	(44)
Current and long-term debt ⁽¹⁾ – end of the period	\$ 642,484	\$ 635,880

⁽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

Reconciliation with Note 4	2025	2024
Investment Properties - additions (Note 4)	\$ 30,543	\$ 21,025
Total additions to investment properties	\$ 30,543	\$ 21,025
Investment Properties – acquisitions (Note 4)	24,191	-
Less: Assumption of debt on acquisition	(13,402)	-
Less: Assumption of derivative liabilities on acquisition	(563)	-
Total acquisitions, net of debt	10,226	-
Total consideration on additions and acquisitions, net of debt	\$ 40,769	\$ 21,025
Non-cash impacts included in above:		
Amortization of tenant improvements	128	125
Change in construction accrual	(909)	4,509
Additions to Investment Properties – cash	\$ 39,988	\$ 25,659
Recorded on Consolidated Statement of Cash Flows in:		
Operating activities: Leasing commissions paid	\$ 660	\$ 319
Investing activities: Investment Properties – additions	29,102	25,340
Investing activities: Investment Properties – acquisitions	10,226	-
Additions to Investment Properties - cash	\$ 39,988	\$ 25,659

Plaza Retail REIT

Notes to the Consolidated Financial Statements

December 31, 2025

(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, 2025	December 31, 2024
Doug McGregor (Chairman and Trustee)	\$ 400	\$ 400
Stephen Johnson (Trustee)	-	384
Lynda Savoie (Trustee)	15	15
Michael Zakuta (Trustee)	959	1,065
Total	\$ 1,374	\$ 1,864

There are no amounts owing to key management personnel in non-convertible debentures of the Trust at December 31, 2025 (December 31, 2024 - \$200 thousand).

(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, 2025	December 31, 2024
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.

	Land Rent Paid	
Related Parties:	December 31, 2025	December 31, 2024
A company beneficially owned by Earl Brewer and Michael Zakuta	\$ 1,205	\$ 1,205

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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)

(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%
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%

On June 1, 2025, the Trust completed the acquisition of the remaining 75% of the issued and outstanding units of Plazacorp Ontario-1 Limited Partnership. Prior to the transaction, the Trust held a 25% ownership interest in the properties and Earl Brewer and Michael Zakuta indirectly held a total of 2.68% and 5.19%, respectively, of the Class A units in the limited partnership. The Class A units were purchased by the Trust at \$1.76 per unit, which price was established by an independent third-party and approved by a majority of the Class A unitholders of Plazacorp Ontario-1 Limited Partnership. The transaction included the purchase of the Class A LP units held indirectly by Michael Zakuta and Earl Brewer, who also received \$1.76 per unit in common with all other Class A unitholders (\$378 thousand for 215 thousand LP units for Michael Zakuta, and \$195 thousand for 111 thousand LP units for Earl Brewer). The transaction was approved by the Board, and Earl Brewer and Michael Zakuta recused themselves from the process. There are no amounts owing to the related parties following the Ontario-1 Limited Partnership acquisition.

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, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Earl Brewer	\$ 205	\$ 215	\$ 34	\$ 52
Michael Zakuta	\$ 230	\$ 241	\$ 53	\$ 75

(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.

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(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, 2025 and 2024 was as follows:

	2025	2024
Salaries and benefits ⁽¹⁾	\$ 2,462	\$ 3,747
Share-based payments – including DUs and RUs ⁽¹⁾	605	907
Share-based payments – fair value impact of DUs and RUs	471	(79)
Total key management personnel compensation	\$ 3,538	\$ 4,575

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

(e) Significant Subsidiaries

	Ownership Interest	
	December 31, 2025	December 31, 2024
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 Shediak Limited Partnership	100%	100%
Northwest Plaza Commercial Trust	100%	100%
Plazacorp Ontario-1 Limited Partnership	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, 2025	December 31, 2024
Cash	\$ 6,938	\$ 7,104
Current assets	\$ 1,697	\$ 3,224
Long term assets	\$ 356,836	\$ 357,514
Current liabilities	\$ 31,161	\$ 46,743
Long term liabilities	\$ 174,521	\$ 158,373
Revenues	\$ 39,754	\$ 40,009
Expenses	\$ (24,686)	\$ (25,050)
Fair value gain (loss)	\$ 118	\$ (7,269)

Plaza Retail REIT

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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.

Accounting Method – Proportionate Consolidation	Ownership Interest	
	December 31, 2025	December 31, 2024
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%
Galerics 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 ⁽¹⁾	100%	50%
Tacoma Shoppers, NS ⁽¹⁾	100%	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%

⁽¹⁾ In January 2025, the Trust purchased the remaining 50% interest in Tacoma Centre and Tacoma Shoppers from co-owners (see Note 4(g)).

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)

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, 2025, there were no letters-of-credit issued and outstanding (December 31, 2024 – 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, 2025, there were no letters-of-credit issued and outstanding (December 31, 2024 – 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, 2025, there were no letters-of-credit issued and outstanding (December 31, 2024 - \$473 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, 2025:

	Year 1 2026	Year 2 2027	Year 3 2028	Year 4 2029	Year 5 2030	After 5 Years	Total
Mortgages – periodic payments	\$ 12,215	\$ 11,074	\$ 9,845	\$ 8,314	\$ 5,972	\$ 16,107	\$ 63,527
Mortgages – due at maturity	62,734	48,012	29,515	86,641	37,557	180,062	444,521
Mortgage and other debt interest	19,773	15,388	13,439	11,696	9,736	22,463	92,495
Development lines of credit	14,285	-	-	-	-	-	14,285
Construction loans	17,907	9,178	-	-	-	-	27,085
Bank indebtedness	33,488	-	-	-	-	-	33,488
Mortgage bonds payable	2,705	-	-	-	-	-	2,705
Debentures ⁽¹⁾	15,339	8,025	-	-	-	-	23,364
Current liabilities ⁽²⁾	24,300	-	-	-	-	-	24,300
Notes payable	1,573	-	-	-	-	-	1,573
Right-of-use land leases ⁽³⁾	3,342	3,359	3,326	3,369	3,447	119,628	136,471
Development activities	9,288	-	-	-	-	-	9,288
Total contractual obligations	\$ 216,949	\$ 95,036	\$ 56,125	\$ 110,020	\$ 56,712	\$ 338,260	\$ 873,102

⁽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, 2025, a \$4.9 million commitment (December 31, 2024 – \$5.0 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 0.5 years (December 31, 2024 – 1.5 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 guarantor in respect of these mortgages. The debt subject to such guarantees at December 31, 2025 totals, \$4.5 million (December 31, 2024 - \$4.7 million) with a weighted average remaining term of 3.4 years (December 31, 2024 – 4.4 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 three free-standing properties. The excess guarantees amount to \$12.9 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, 2025 (December 31, 2024 – 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:

- Twelve interest rate swap contracts with mortgages obtained between 2019 and 2025 with maturities between May 2029 and December 2035. The fair value of these contracts results in a derivative asset of \$700 thousand and derivative liabilities of \$1.5 million, at December 31, 2025 (December 31, 2024 - \$1.1 million and \$868 thousand). The total notional amounts under these interest rate swap contracts is \$83.3 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 January 2028 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 in the asset, for the Trust's share, of \$12 thousand at December 31, 2025 (December 31, 2024 - nil). The fair value of these contracts results in an increase to the liability, for the Trust's share, of \$38 thousand at December 31, 2025 (December 31, 2024 – \$440 thousand). The total notional amounts under these interest rate swap contracts is \$30.0 million, at 100% of ownership, with the fixed interest rates ranging from 3.34% to 5.50%.

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, 2025, if applied to all outstanding floating rate instruments would increase interest expense by \$749 thousand (for the year ended December 31, 2024 – \$695 thousand).

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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 94.4% of the in-place tenant base rent (December 31, 2024 – 94.3%). 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 \$872 thousand at December 31, 2025 (\$783 thousand at December 31, 2024). 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, 2025	December 31, 2024
Tenant loans, receivables, and notes and advances receivable	\$ 11,967	\$ 11,883
Cash	8,092	8,868
Total	\$ 20,059	\$ 20,751

Shoppers Drug Mart/Loblaw accounts for \$218 thousand of tenant loans at December 31, 2025 (December 31, 2024 - \$247 thousand).

Shoppers Drug Mart/Loblaw represents 27.6% of monthly base rents in place at December 31, 2025, while Dollarama represents 5.7% of monthly base rents in place. The top 10 tenants collectively represent approximately 54.6% 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, 2025, current liabilities of \$209 million (December 31, 2024 - \$173 million) exceeded current assets of \$58 million (December 31, 2024 - \$25 million), resulting in a net working capital deficit of \$151 million (December 31, 2024 - \$148 million). Current liabilities as of December 31, 2025 include \$94.5 million (December 31, 2024 - \$90 million) of mortgage financing which will be renewed or refinanced in due course, \$15.3 million (December 31, 2024 - \$24.9 million) of debentures payable which will be either renewed or repaid and \$33.5 million (December 31, 2024 - \$25.4 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, 2025, liquidity consists of cash of \$8.1 million (December 31, 2024 - \$8.9 million), \$23.6 million (December 31, 2024 - \$23.5 million) of available borrowing capacity under its revolving operating line, \$20.7 million (December 31, 2024 - \$22.2 million) of unused development facilities and \$11.5 million (December 31, 2024 - \$14.3 million) of unused construction facilities at consolidated properties, and unencumbered assets with a value of approximately \$3.5 million (December 31, 2024 - \$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 1.45% to 2.40% (December 31, 2024 - 1.80% to 2.75%). The rate used to determine the fair value of mortgage bonds was 6.15% (December 31, 2024 - 5.75%). The rate used to determine the fair value of non-convertible debentures was 6.75% (December 31, 2024 - 6.00%). The fair value of the Class B exchangeable LP units is based on the trading price for Plaza's Trust units.

(f) *External Economic Conditions*

Plaza is subject to risks generally incidental to the Canadian real estate, credit, capital and financial markets. Recessionary 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.

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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.

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

	Book Value December 31, 2025	Fair Value December 31, 2025	Book Value December 31, 2024	Fair Value December 31, 2024
Cash	\$ 8,092	\$ 8,092	\$ 8,868	\$ 8,868
Receivables	3,691	3,691	3,109	3,109
Notes and advances receivable	7,789	7,789	8,226	8,226
Derivative assets	700	700	1,077	1,077
Tenant loans	487	487	548	548
Total Financial Assets	\$ 20,759	\$ 20,759	\$ 21,828	\$ 21,828
Bank indebtedness	\$ 33,488	\$ 33,488	\$ 25,430	\$ 25,430
Accounts payable, accrued liabilities, tenant payables and tenant deposits	24,300	24,300	23,610	23,610
Total net fixed rate mortgage loans ⁽¹⁾	506,023	505,855	491,890	501,382
Total net variable rate mortgage loans or credit facilities ⁽²⁾	41,307	41,307	43,957	43,957
Convertible debentures	11,940	11,940	11,523	11,523
Non-convertible debentures ⁽²⁾	11,318	11,247	16,923	16,987
Mortgage bonds payable	2,702	2,702	2,701	2,695
Class B exchangeable LP units	4,960	4,960	4,093	4,093
Notes payable	1,573	1,573	1,209	1,209
Derivative liabilities	1,497	1,497	868	868
Total Financial Liabilities	\$ 639,108	\$ 639,869	\$ 622,204	\$ 631,754

⁽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, mortgage bonds, accounts payable, accrued liabilities, tenant payables and tenant deposits and notes payable approximate their recorded values due to their short-term nature. In accordance with IFRS Accounting Standards, the Trust is required to classify its financial instruments carried at fair value in the financial statements using a fair value hierarchy that exhibits the significance of the inputs used in making the measurements.

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

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

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

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

	December 31, 2025			December 31, 2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Derivative assets	\$ -	\$ -	\$ 700	\$ -	\$ -	\$ 1,077
	\$ -	\$ -	\$ 700	\$ -	\$ -	\$ 1,077
Class B exchangeable LP units	\$ 4,960	\$ -	\$ -	\$ 4,093	\$ -	\$ -
Derivative liabilities	-	-	1,497	-	-	868
Series VIII convertible debentures	-	-	11,940	-	-	11,523
	\$ 4,960	\$ -	\$ 13,437	\$ 4,093	\$ -	\$ 12,391

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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 Plaza's trust units at the end of the reporting period. Series VIII convertible debentures are valued as described in Note 9.

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, credit facilities, notes payable, right-of-use land lease liabilities, Class B exchangeable LP 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, 2025.

There were no changes to the Trust's approach to capital management for the year ended December 31, 2025.

The calculation of the total capital is summarized as follows:

	December 31, 2025	December 31, 2024
Total net fixed rate mortgage loans	\$ 506,023	\$ 491,890
Total net variable rate mortgage loans or credit facilities	41,307	43,957
Mortgage bonds payable	2,702	2,701
Debentures payable	23,258	28,446
Right-of-use land lease liabilities	62,661	63,584
Bank indebtedness	33,488	25,430
Class B exchangeable LP units	4,960	4,093
Notes payable	1,573	1,209
	675,972	661,310
Unitholders' equity	568,538	543,596
Total	\$ 1,244,510	\$ 1,204,906

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, 2026.

The Trust paid a cash distribution of \$0.02333 per unit for a total of \$2.6 million on February 17, 2026.

Dispositions

In January 2026, the Trust sold a property located in Ontario, which was classified as held for sale, for gross proceeds of \$550 thousand.

Acquisitions

In January 2026, the Trust acquired an additional 6% of the LP units in Plazacorp Ontario2 Limited Partnership for \$461 thousand, increasing the Trust's ownership to 56%. Prior to the transaction the Trust held a 50% interest in the properties, and accounted for them as equity investments, and Earl Brewer and Michael Zakuta indirectly held 4.87% and 4.67%, respectively, of the Class A LP units in the limited partnership. The Class A LP units were purchased by the Trust at \$2.21 per unit before

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customary closing adjustments, which price was established by an independent third-party. The transaction included the purchase of the Class A LP units held indirectly by Michael Zakuta who also received \$2.21 per unit in common with all other selling Class A unitholders (\$360 thousand for 163 thousand LP units for Michael Zakuta before customary closing adjustments). The transaction was approved by the Board, and Earl Brewer and Michael Zakuta recused themselves from the process.

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