ANNUAL REPORT

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

CONSOLIDATED FINANCIAL STATEMENTS
(AUDITED IN CANADIAN DOLLARS)

FOR THE YEAR ENDED
DECEMBER 31, 2021

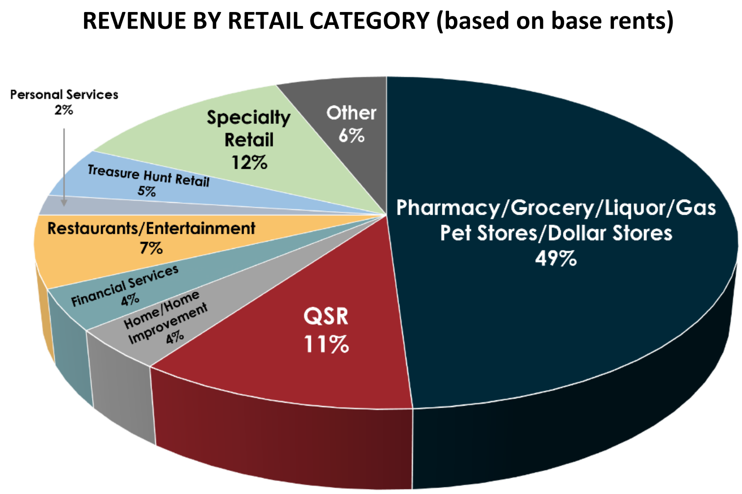
DATED: FEBRUARY 24, 2022

TABLE OF CONTENTS

PRESIDENT'S MESSAGE

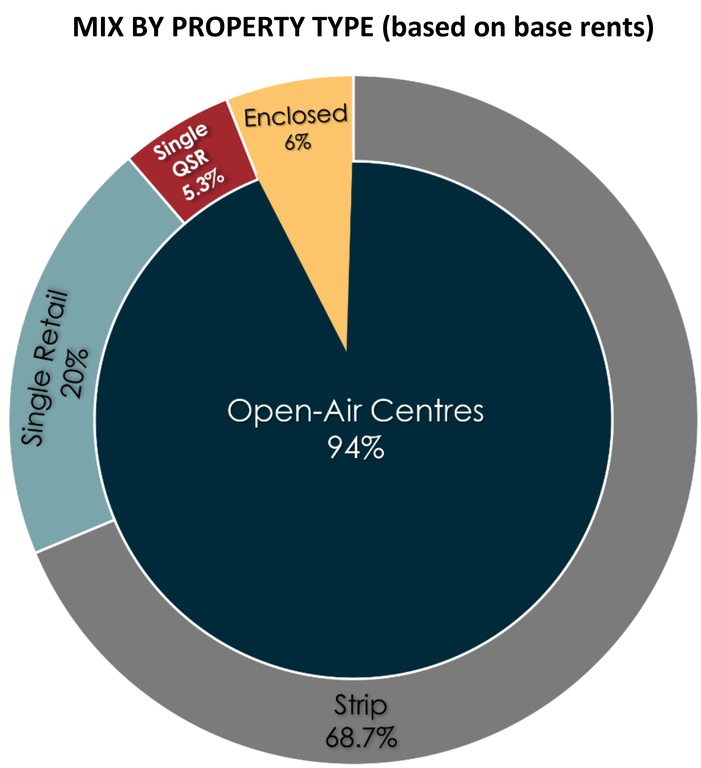
Fellow Unitholders:

We are very pleased with our strong results for the year. We generated solid growth in our key performance measures including FFO per unit, which is up significantly over both 2020 and pre-pandemic 2019. Our performance in 2021 was driven by the resilience of our tenants, our portfolio and our team.



Plaza's portfolio continued to withstand the pressures of the COVID-19 pandemic throughout 2021. Our rent collection, liquidity and operating environment have rebounded to, or improved over, pre-pandemic levels. Dominated by essential needs, value and convenience retailers in free-standing and open-air centers across a wide geography, our portfolio was designed to provide stability and its resilience has never been more apparent.

Plaza established itself over two decades ago by identifying and executing development and redevelopment opportunities primarily for grocery, pharmacy and essential needs anchored open-air projects in primary, strong secondary and tertiary markets throughout Eastern Canada. Plaza's strategy of being diversified across a wide geography includes having a dominant presence in strong secondary and tertiary markets. Although our properties performed particularly well over the last year, our pursuit of assets in these markets was not born during the COVID-19 pandemic. We have long been a forward-thinking developer that sees the value in these markets, and recognize their still-untapped potential. Plaza knows these markets well and has an established track record of securing dominant locations for retailers.



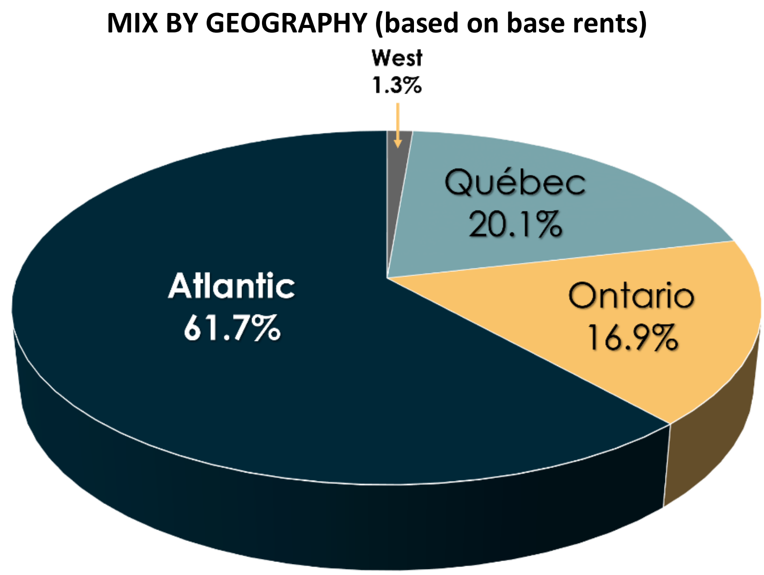
Our pipeline has grown largely due to new demand from our core retailers and remains strong. All of this gives us a true competitive edge and creates high barriers to entry for any competitor. We believe our focus and different business model will continue to deliver superior results for our unitholders, and we are observing growing interest from investors for essential needs, value and convenience assets such as ours. Capitalization rates for these assets that are compressing, combined with our development program, will lead to continued per unit growth in our NAV.

Plaza has and will continue to capitalize on opportunities to develop assets in primary markets when they arise. However, our focus on investing in strong secondary and tertiary markets has served Plaza well and we believe it will continue to do so in the future. As is evidenced by some of our recent development and redevelopment acquisitions, Plaza is seeing more opportunities than ever in strong secondary markets across Eastern Canada. We have the capital, infrastructure, experience, team and vision necessary to realize on these new opportunities.

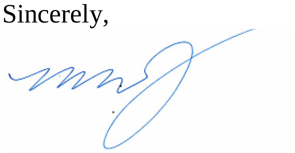
As a result of our strategy, we have irreplaceable assets leased to strong covenant retailers in a combination of primary, strong secondary and tertiary markets. These assets have long been under appreciated. It has taken an unprecedented pandemic to start to highlight their value.

We recognize and appreciate the investment that all of our stakeholders have made in Plaza. We have an incredible operating and development platform and we are extremely pleased with the efforts of the entire Plaza team. Our tenants, who showed resilience and adapted to an often rapidly-changing environment over the last year, have been remarkable. We are very excited about the future of our business of developing, redeveloping and owning essential needs, value and convenience open-air retail properties.

Thank you for your ongoing commitment and support.



Sincerely,



Michael Zakuta
President and CEO

PART I

BASIS OF PRESENTATION

Financial information included in this Management's Discussion and Analysis ("MD&A") includes material information up to February 24, 2022. The financial statements to which this MD&A relates were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

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

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

FORWARD-LOOKING DISCLAIMER

This MD&A should be read in conjunction with the Trust's Consolidated Financial Statements and the notes thereto for the year ended December 31, 2021 and 2020, along with the MD&A of the Trust for the year ended December 31, 2020. Historical results, including trends which might appear, should not be taken as indicative of future operations or results, especially given the uncertainties imposed by the current coronavirus pandemic (also referred to as "COVID-19").

Certain information in this MD&A contains forward-looking statements, based on the Trust's estimates and assumptions, which are subject to numerous known and unknown risks and uncertainties, including those described under the heading "Risks and Uncertainties" in Part V of this MD&A and under the heading "Risk Factors" in the Trust's Annual Information Form ("AIF") for the year ended December 31, 2020. This may cause the actual results, performance and achievements of the Trust to differ materially from future results, performance or achievements expressed or implied by such forward-looking statements. Without limiting the foregoing, the words "believe", "expect", "continue", "anticipate", "could", "may", "intend", "will", "estimate", "goal", "strive", "planning" or "planned" and variations of such words and similar expressions identify forward-looking statements. Forward-looking statements (which involve significant risks and uncertainties and should not be read as guarantees of future performance or results) include, but are not limited to, statements related to distributions, development activities, leasing expectations, financing and the availability of financing sources. Factors that could cause actual results, performance or achievements to differ from those expressed or implied by forward-looking statements include, but are not limited to: the duration and impact of the COVID-19 pandemic on the business, operations and financial condition of the Trust, its tenants and the economy in general; changes in economic, retail, capital market, or debt market conditions, including changes in interest rates and the rate of inflation; competitive real estate conditions; Plaza's ability to lease or re-lease space at current or anticipated rents; changes in operating costs; the availability of development and redevelopment opportunities for growth; demographic changes, including shifting consumer preferences, and changes in consumer behaviours which may result in a decrease in demand for physical space by retail tenants; tenant insolvencies or bankruptcies; and government regulations. This is not an exhaustive list of the factors that may affect Plaza's forward-looking statements. Other risks and uncertainties not presently known to Plaza, including any unforeseen impacts from pandemic conditions, could also cause actual results or events to differ materially from those expressed in forward-looking statements. Management believes that the expectations reflected in its forward-looking statements are based upon reasonable assumptions, however, management can give no assurance that actual results, performance or achievements will be consistent with these forward-looking statements.

These forward-looking statements are made as of February 24, 2022 and Plaza assumes no obligation to update or revise them to reflect new events or circumstances, except as required by applicable law.

OVERVIEW OF THE BUSINESS

Headquartered in Fredericton, New Brunswick, Plaza is an unincorporated "open-ended" real estate investment trust (a "REIT") established pursuant to its declaration of trust dated as of November 1, 2013 and amended as of March 26, 2020 (the "Declaration of Trust"). Plaza is the successor to Plazacorp Retail Properties Ltd. ("Plazacorp"), which began operations in 1999. Plaza trades on the Toronto Stock Exchange ("TSX") under the symbol "PLZ.UN".

Plaza is a developer, owner and manager of retail real estate located primarily in Ontario, Quebec and Atlantic Canada. It has more than a twenty-year history of accretive acquisitions, redevelopments and developments which have added high-quality real estate to Plaza's portfolio and contributed to growth in net asset value ("NAV") and FFO per unit. Some of the key attributes of Plaza's business model are:

- Plaza conducts its business in a manner to maximize NAV and FFO growth per unit and, accordingly, unitholder value;
- Plaza's entrepreneurial abilities allow it to adapt to changing market conditions;
- Plaza has developed strong relationships with leading retailers;
- Plaza's business is driven by value-add opportunities to develop and redevelop, for its own account, unenclosed retail real estate throughout Canada;
- Plaza strives to minimize the amount of short-term debt that it obtains, thereby locking in returns for unitholders and minimizing financing risk;
- Plaza has a competitive advantage as a developer in Atlantic Canada and Quebec; and
- Plaza is fully internalized and able to develop retail properties in-house.

Summary of Properties

The Trust's portfolio at December 31, 2021 includes interests in 257 properties totaling approximately 8.7 million square feet (which are predominantly occupied by national tenants) and additional lands held for development. These include properties indirectly held by Plaza through its subsidiaries and through joint arrangements.

	Number of Properties December 31, 2021(1)	**Gross Leasable Area (sq. ft.) December 31, 2021(1) (2)**	Number of Properties December 31, 2020(1)	Gross Leasable Area (sq. ft.) December 31, 2020(1) (2)
Alberta	**2**	**34,238**	**2**	**34,238**
Manitoba	**1**	**17,018**	**1**	**17,018**
Newfoundland and Labrador	**12**	**806,274**	**12**	**806,305**
New Brunswick	**52**	**1,929,422**	**52**	**1,929,922**
Nova Scotia	**33**	**1,227,068**	**34**	**1,210,649**
Ontario	**58**	**1,854,765**	**63**	**1,862,815**
Prince Edward Island	**11**	**595,281**	**11**	**595,337**
Quebec	**88**	**2,247,899**	**93**	**2,155,724**
Total	**257**	**8,711,965**	**268**	**8,612,008**

(1) Includes properties under development and non-consolidated investments.
(2) At 100%, regardless of the Trust's ownership interest in the properties.

BUSINESS ENVIRONMENT AND OUTLOOK

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

The COVID-19 pandemic has had a material impact on Plaza's tenants and Plaza's business, including reduced rent collections, particularly in 2020; rent deferrals, abatements and increased bad debt; previous fair value write-downs of its assets; and a reduction in occupancy. Although the operating environment and tenant demand for space has improved significantly, and continues to improve, the uncertainty surrounding the continuation of COVID-19, whether in a pandemic or endemic mode, may or may not impact certain aspects of Plaza's operations, including rental and occupancy rates, consumer demand and demand for retail space, capitalization rates, tenants' ability to pay rent in full or at all, tenant inducements, temporary or long-term labour or supply chain disruptions and the impact on construction costs and development projects, and the resulting value of Plaza's properties. Please see the discussion under Risks and Uncertainties in Part V and COVID-19 Impacts in Part VI of this MD&A for additional details.

DEVELOPMENT PIPELINE AND ACQUISITIONS/DISPOSITIONS

Development Pipeline

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

Properties under development/redevelopment	Square Footage(1)	Ownership	Occupied or Committed at December 31, 2021(4)	Anticipated Completion Date(5)
In Planning/In Development:				
Open-Air Centre:				
The Shoppes at Galway, St. John's, NL - Phase I.4(2)(3)	97,500	50%	n/a	1-2 years
The Shoppes at Galway, St. John's, NL - Phase II(2)(3)	100,000	50%	n/a	2-3 years
The Shoppes at Galway, St. John's, NL - Phase III(2)(3)	85,000	50%	n/a	2-3 years
Fairville Boulevard, Saint John, NB - Phase III.2(3)	8,000	100%	n/a	1-2 years
Lansdowne Plaza, Saint John, NB – Phase II(3)	2,000	100%	n/a	1-2 years
100 Saint-Jude Nord, Granby, QC - Phase II(2)(3)	40,657	10%	75%	Q1 2023
Plaza de L'Ouest, Sherbrooke, QC - Phase III(3)	4,500	50%	100%	Q4 2022
St. Jerome, St. Jerome (Montreal), QC - Phase III.2(2)(3)	60,000	20%	92%	Q1 2023
Les Immeubles SBT Drummondville, QC	81,000	50%	41%	Q4 2023
Mapleview Dr., Barrie, ON	59,000	50%	n/a	2-3 years
Timiskaming Plaza, New Liskeard, ON(3)	24,000	50%	n/a	2-3 years
Single Use:				
Beaubien St., Montreal, QC(3)	10,000	100%	100%	Q4 2022
1916 Wyandotte Street West, Windsor, ON(3)	1,532	100%	100%	Q2 2022
Expansion:				
Granite Drive, New Minas, NS(3)	2,000	100%	n/a	1-2 years
Pleasant Street, Yarmouth, NS(3)	1,000	50%	n/a	1-2 years
Champlain St. Plaza, Dieppe (Moncton), NB - Phase II.2(3)	10,000	100%	n/a	1-2 years
Millidge Avenue PJC, Saint John, NB(3)	2,500	100%	n/a	2-3 years
In Construction:				
Open-Air Centre:				
Rideau Plaza, Smith Falls, ON(3)	10,000	75%	65%	Q1 2022
Hogan Court, Bedford, NS – Phase I.2	4,600	100%	100%	Q1 2022
Hogan Court, Bedford, NS – Phase II.1	11,020	100%	100%	Q1 2022
Hogan Court, Bedford, NS – Phase II.2	11,480	100%	72%	Q3 2022
464 Dundas St., Belleville, ON(3)	2,500	100%	100%	Q2 2022
450 Wharncliffe Road South, London, ON(3)	1,790	100%	100%	Q2 2022
Taunton Rd., Oshawa, ON	46,000	50%	64%	Q2 2022
Northern Avenue Plaza, Sault Ste. Marie, ON(3)	172,000	50%	70%	Q3 2023
1726 Huron Church Rd, Windsor, ON(3)	8,000	100%	75%	Q3 2022
Tri-City Center, Cambridge, ON(3)	189,000	50%	99%	Q4 2022
L'Axe, Chicoutimi, QC	92,000	37.5%	52%	Q3 2023
Single Use:				
435 St. Peters Ave., Bathurst, NB(3)	3,143	100%	100%	Q3 2022
Expansion:				
North Sydney Plaza, North Sydney, NS(3)	1,000	100%	100%	Q3 2022
Total	1,141,222			

(1) Approximate square footage upon completion or to be added on expansion.

(2) This is owned in a limited partnership that is part of the Trust's non-consolidated trusts and partnerships.

(3) This is an existing property being developed or redeveloped. Of the total development gross leasable area (also referred to as "GLA") above, 565,637 square feet are included in the Trust's GLA at December 31, 2021.

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

(5) Certain projects have been delayed due to COVID-19, which may continue to impact the anticipated completion dates as shown.

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

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

At December 31, 2021, there are six land assemblies under purchase agreement and subject to due diligence or other conditions. These land purchases, if executed, will represent an additional 263 thousand square feet of retail space at completion, at Plaza's ownership percentage.

The total estimated costs for the developments and redevelopments (noted in the chart on the previous page) are between $110 million and $120 million, of which approximately $60 million has already been spent (all figures represent Plaza's ownership percentage). The unspent amount has not been fully or specifically budgeted or committed at this time. For the projects in construction, remaining costs to complete are between $19 million and $20 million. The majority of unspent amounts for Plaza's development projects are funded by Plaza's existing development facilities or construction loans.

Acquisitions/Dispositions

During the year ended December 31, 2021, the Trust acquired the following properties:

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

During the year ended December 31, 2021, the Trust disposed of the following properties:

Properties Disposed	**% Disposed**	**Gross Proceeds Year Ended December 31, 2021**
Quick Service Restaurants and excess land[(1)]	**100%**	**$ 16,577**
Total disposals		**$ 16,577**

(1) Quick service restaurants and excess land sold were in the following cities: Port Hawkesbury, NS, Belleville, ON, Hamilton, ON, Lindsay, ON, Orleans, ON, Picton, ON, Toronto, ON, Chicoutimi, QC, Gatineau, QC, Levis, QC, Longueuil, QC, Montreal, QC, Quebec City, QC and Sherbrooke, QC.

SUMMARY OF SELECTED ANNUAL INFORMATION

(000s, except as otherwise noted)	**12 Months Ended December 31, 2021**	12 Months Ended December 31, 2020	12 Months Ended December 30, 2019
Financial Amounts			
Property rental revenue	**$ 110,632**	$ 106,898	$ 112,461
Total revenue	**$ 118,384**	$ 108,459	$ 118,471
NOI[(1)]	**$ 71,779**	$ 68,750	$ 72,727
Same-asset NOI[(1)]	**$ 67,750**	$ 66,960	N/A[(3)]
FFO[(1)]	**$ 44,703**	$ 36,995	$ 41,006
AFFO[(1)]	**$ 37,478**	$ 32,604	$ 36,466
EBITDA[(1)]	**$ 72,521**	$ 65,883	$ 70,487
Profit (loss) and total comprehensive income (loss)	**$ 100,489**	$ (14,937)	$ 51,337
Total assets	**$ 1,214,834**	$ 1,139,127	$ 1,161,968
Total non-current liabilities	**$ 572,925**	$ 541,846	$ 553,175
Total mortgages, mortgage bonds, notes payable, bank credit facilities, and land lease liabilities	**$ 613,837**	$ 620,321	$ 591,992
Total debentures	**$ 65,401**	$ 60,807	$ 64,190
Weighted average units outstanding[(2)]	**102,986**	103,048	103,685
Normal course issuer bid – units repurchased	**28**	396	722
Amounts on a Per Unit Basis			
FFO[(1)]	**$ 0.434**	$ 0.359	$ 0.395
AFFO[(1)]	**$ 0.364**	$ 0.316	$ 0.352
Distributions	**$ 0.280**	$ 0.280	$ 0.280
Financial Ratios			
Weighted average interest rate – fixed rate mortgages	**3.87%**	4.07%	4.26%
Debt to gross assets (excluding convertible debentures)[(1)(4)]	**51.2%**	55.0%	51.8%
Debt to gross assets (including convertible debentures)[(1)(4)]	**56.1%**	59.7%	56.3%
Interest coverage ratio[(1)]	**2.65x**	2.30x	2.41x
Debt coverage ratio[(1)]	**1.81x**	1.64x	1.73x
Distributions as a % of FFO[(1)]	**64.5%**	78.0%	70.8%
Distributions as a % of AFFO[(1)]	**76.9%**	88.5%	79.6%
Leasing Information			
Square footage leased during the period (total portfolio)	**1,342,400**	1,027,185	1,202,232
Same-asset committed occupancy[(5)]	**96.0%**	95.3%	96.1%
Committed occupancy – including non-consolidated investments[(6)]	**96.5%**	95.7%	96.2%
Mix of Tenancy Based on Base Rents[(5)]			
National	**90.5%**	90.3%	90.7%
Regional	**3.6%**	3.8%	3.9%
Local	**4.1%**	4.0%	3.7%
Non retail	**1.8%**	1.9%	1.7%
Other			
Average term to maturity - mortgages	**5.5 Years**	5.5 Years	5.9 Years
Average term to maturity - leases[(5)]	**5.9 Years**	5.9 Years	6.2 Years
Overall capitalization rate[(5)]	**6.90%**	7.19%	7.07%

Property Type Breakdown	**Number of Properties December 31, 2021**	**Square Footage (000s)**	Number of Properties December 31, 2020	Square Footage (000s)
Open-Air Centres	**116**	6,591	115	6,509
Enclosed	**3**	713	3	713
Single Use – Quick Service Restaurant	**70**	187	82	224
Single Use – Retail	**68**	1,221	68	1,166
Total	**257**	8,712	268	8,612

(1) This is a non-GAAP financial measure. Refer to the Non-GAAP Financial Measures in Part I and VIII of this document for more information on each non-GAAP financial measure.
(2) Includes Class B exchangeable limited partnership ("LP") units.
(3) Not applicable as the same-asset calculation relates to assets owned since January 1, 2019.
(4) As of January 1, 2019, ratios include land lease liabilities and right-of-use land lease assets, prior year comparatives have not been restated.
(5) Excludes properties under development and non-consolidated trusts and partnerships.
(6) Excludes properties under development.

PART II

STRATEGY

Plaza's principal goal is to deliver growth in per-unit NAV and FFO from a diversified portfolio of retail properties.

The Trust strives to:

- acquire or develop properties at a cost that is consistent with the Trust's targeted return on investment;
- maintain high occupancy rates on existing properties while sourcing tenants for properties under development and future acquisitions;
- maintain access to cost effective sources of debt and equity capital to finance acquisitions and new developments;
- diligently manage its properties to ensure tenants are able to focus on their businesses; and
- assure the strategy of the Trust is pursued in a sustainable manner.

The Trust invests in the following property types:

- new properties developed on behalf of retailer clients or in response to demand;
- well located properties where Plaza can add value through efficiencies, density/development or redevelopment; and
- existing properties that will provide stable recurring cash flows with opportunity for growth.

Management intends to achieve Plaza's goals by:

- acquiring or developing high quality properties with the potential for increases in future cash flows;
- focusing on property leasing, operations and delivering superior services to tenants;
- managing properties to maintain high occupancies and staggering lease maturities appropriately;
- increasing rental rates when market conditions permit;
- achieving appropriate pre-leasing prior to commencing construction;
- managing debt to obtain both a low cost of debt and a staggered debt maturity profile;
- matching, as closely as practical, the weighted average term to maturity of mortgages to the weighted average lease term;
- retaining sufficient capital to fund capital expenditures required to maintain the properties;
- raising capital when required in the most cost-effective manner;
- properly integrating new properties acquired;
- using internal expertise to ensure that value is surfaced from all of the properties; and
- periodically reviewing the portfolio to determine if opportunities exist to re-deploy equity from slow growth or non-core properties into higher growth investments.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG")

Plaza has been and remains committed to ensuring that sustainability is integrated in all aspects of its operations, and will continue to grow responsibly to assure long-term unitholder value. Sound ESG practices are embedded in the way we do business, and in 2021 we:

- created a Responsibility & Sustainability Committee comprised of executives, senior management and other employees, whose mandate is to drive the continued development, enhancement and implementation of Plaza's ESG programs and advance new initiatives and improvements in Plaza's reporting transparency;
- established the Women@Plaza initiative, dedicated to supporting and empowering female employees to reach their full potential in the workplace;
- continued to work with our tenants, including participation in the CECRA program in 2020, and provided assistance and support whenever appropriate;
- supported our team and assured a safe, healthy and inclusive working environment for all; and
- continued to reduce our carbon footprint with LED conversions of parking lot and exterior lighting, and enhanced insulation in buildings.

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

KEY PERFORMANCE DRIVERS AND INDICATORS

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

Management believes that the key internal performance drivers are:

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

Management believes that the key external performance drivers are:

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

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

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

The key performance indicators discussed throughout this MD&A are summarized in the table that follows. Management believes that its key performance indicators allow it to track progress towards the achievement of Plaza's primary goal of providing growth in per-unit NAV and FFO. The following table discusses the key performance indicators for the year ended December 31, 2021 compared to the year ended December 31, 2020.

FFO[1]

	YTD Q4 2021	YTD Q4 2020	% Change
FFO	**$44,703**	$36,995	20.8%
FFO per unit	**$0.434**	$0.359	20.9%
Distributions as a % of FFO	**64.5%**	78.0%	(17.3%)

- The increase in FFO and FFO per unit was mainly due to an increase in NOI from developments, lease buyouts, and lower administrative and finance costs in the current year.
- Excluding the effect of lease buyouts, and COVID-related bad debt expense and write-offs, FFO and FFO per unit would have been 10% higher than the prior year.

AFFO[1]

	YTD Q4 2021	YTD Q4 2020	% Change
AFFO	**$37,478**	$32,604	14.9%
AFFO per unit	**$0.364**	$0.316	15.2%
Distributions as a % of AFFO	**76.9%**	88.5%	(13.1%)

- The principal factors affecting AFFO are consistent with those impacting FFO, as well as higher leasing costs in the current year due to increased leasing activity, which will result in increased revenue in the future, and higher maintenance capital expenditures in the current year as certain elective expenditures were deferred in 2020.
- Excluding the effect of the lease buyouts, insurance proceeds, and COVID-related bad debt expense and write-offs, AFFO and AFFO per unit would have been 1% higher than the prior year.

Debt Service Ratios[1]

	YTD Q4 2021	YTD Q4 2020	% Change
Interest coverage ratio	**2.65x**	2.30x	15.2%
Debt coverage ratio	**1.81x**	1.64x	10.4%

- The interest and debt coverage ratios were higher mainly due to higher EBITDA and lower mortgage interest. Debt coverage and interest coverage ratios exceed the requirements under borrowing arrangements.

Debt to Gross Assets[1]

	Q4 2021	Q4 2020	% Change
Debt to gross assets (excluding convertible debentures)	**51.2%**	55.0%	(6.9%)
Debt to gross assets (including convertible debentures)	**56.1%**	59.7%	(6.0%)

- The decrease in debt to gross assets over the prior year relates mainly to the fair value increase in investment properties recorded in 2021.

Same-Asset NOI[1]

	YTD Q4 2021	YTD Q4 2020	% Change
Same-asset NOI	**$67,750**	$66,960	1.2%

- Same-asset NOI is higher mainly due to higher revenue, as well as write-offs under the Canada Emergency Commercial Rent Assistance ("CECRA") program in 2020.
- Excluding the impact of lease buyouts and COVID-related bad debt expense and write-offs, same-asset NOI would have been consistent with the prior year. This measure still includes certain other impacts of the COVID-19 pandemic on NOI, such as its impact on occupancy and the timing of re-leasing space in the current year.

Weighted Average Interest Rate – Fixed Rate Mortgages

	Q4 2021	Q4 2020	% Change
Weighted average interest rate – fixed rate mortgages	**3.87%**	4.07%	(4.9%)

- Plaza continues to finance at low rates.

Occupancy Levels

	Q4 2021	Q4 2020	% Change
Same-asset committed occupancy[2]	**96.0%**	95.3%	0.7%
Committed occupancy – including non-consolidated investments[3]	**96.5%**	95.7%	0.8%

(1) This is a non-GAAP financial measure. Refer to the Non-GAAP Financial Measures in Part I and VIII of this document for more information on each non-GAAP financial measure.
(2) Excludes properties under development and non-consolidated investments.
(3) Excludes properties under development.

PROPERTY AND CORPORATE FINANCIAL PERFORMANCE 2021 AND 2020

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, 2021, compared to the three and twelve months ended December 31, 2020 is presented below:

(000s – except per unit amounts and percentage data)	**3 Months Ended December 31, 2021 (unaudited)**	3 Months Ended December 31, 2020 (unaudited)	**12 Months Ended December 31, 2021 (unaudited)**	12 Months Ended December 31, 2020 (unaudited)
Profit (loss) and total comprehensive income (loss) for the period attributable to unitholders	**$ 40,735**	$ 9,306	**$ 99,615**	$ (14,908)
Add (deduct):				
Incremental leasing costs included in administrative expenses(7)	**312**	244	**1,384**	1,465
Debenture issuance costs	**-**	-	**370**	-
Amortization of debenture issuance costs(8)	**(125)**	(102)	**(464)**	(410)
Distributions on Class B exchangeable LP units included in finance costs	**84**	84	**334**	334
Deferred income taxes	**728**	1,181	**699**	898
Land lease principal repayments	**(193)**	(199)	**(760)**	(693)
Fair value adjustment to restricted and deferred units	**66**	26	**280**	(156)
Fair value adjustment to investment properties	**(29,985)**	(2,169)	**(58,376)**	46,891
Fair value adjustment to investments(9)	**(65)**	3,124	**(9)**	4,214
Fair value adjustment to Class B exchangeable LP units	**262**	131	**1,322**	(1,144)
Fair value adjustment to convertible debentures	**(930)**	(712)	**1,903**	(3,429)
Fair value adjustment to interest rate swaps	**(168)**	(539)	**(2,604)**	3,386
Fair value adjustment to right-of-use land lease assets	**193**	199	**760**	693
Equity accounting adjustment(9)	**(46)**	112	**(229)**	291
Non-controlling interest adjustment(6)	**(97)**	(132)	**478**	(437)
Basic FFO(1)	**$ 10,771**	$ 10,554	**$ 44,703**	$ 36,995
Add (deduct):				
Non-cash revenue – straight-line rent(5)	**71**	15	**277**	(402)
Leasing costs – existing properties(2) (5)(10)	**(1,955)**	(622)	**(5,554)**	(2,508)
Maintenance capital expenditures – existing properties(2) (5)(11)	**(711)**	(515)	**(2,030)**	(1,509)
Non-controlling interest adjustment(6)	**22**	5	**82**	28
Basic AFFO(1)	**$ 8,198**	$ 9,437	**$ 37,478**	$ 32,604
Basic weighted average units outstanding(3)	**102,982**	102,968	**102,986**	103,048
Basic FFO per unit(1)	**$ 0.105**	$ 0.102	**$ 0.434**	$ 0.359
Basic AFFO per unit(1)	**$ 0.080**	$ 0.092	**$ 0.364**	$ 0.316
Gross distributions to unitholders(4)	**$ 7,208**	$ 7,208	**$ 28,832**	$ 28,846
Distributions as a percentage of basic FFO(1)	**66.9%**	68.3%	**64.5%**	78.0%
Distributions as a percentage of basic AFFO(1)	**87.9%**	76.4%	**76.9%**	88.5%
Basic FFO(1)	**$ 10,771**	$ 10,554	**$ 44,703**	$ 36,995
Interest on dilutive convertible debentures	**788**	684	**3,125**	2,720
Diluted FFO(1)	**$ 11,559**	$ 11,238	**$ 47,828**	$ 39,715
Diluted weighted average units outstanding(3)	**113,875**	112,241	**113,879**	112,321
Basic AFFO(1)	**$ 8,198**	$ 9,437	**$ 37,478**	$ 32,604
Interest on dilutive convertible debentures	**788**	684	**3,125**	2,416
Diluted AFFO(1)	**$ 8,986**	$ 10,121	**$ 40,603**	$ 35,020
Diluted weighted average units outstanding(3)	**113,875**	112,241	**113,879**	111,410
Diluted FFO per unit(1)	**$ 0.102**	$ 0.100	**$ 0.420**	$ 0.354
Diluted AFFO per unit(1)	**$ 0.079**	$ 0.090	**$ 0.357**	$ 0.314

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

(2) Based on actuals.

(3) Includes Class B exchangeable LP units.

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

(5) Includes proportionate share of expenditures at equity-accounted investments.

(6) The non-controlling interest ("NCI") adjustment, includes adjustments required to translate the profit (loss) and total comprehensive income attributable to NCI of $874 thousand for the year ending December 31, 2021 (December 31, 2020 - $29 thousand loss) 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 and 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) Relates to the unrealized change in fair value adjustments which are excluded from FFO in accordance with RealPAC's definition of FFO.

(10) Leasing costs – existing properties include internal and external leasing costs except to the extent that leasing costs relate to development projects, in accordance with RealPAC's definition of AFFO. See the Gross Capital Additions Including Leasing Fees note on page 26 of this MD&A.

(11) Maintenance capital expenditures – existing properties include expenditures related to sustaining and maintaining existing space, in accordance with RealPAC's definition of AFFO. See the Gross Capital Additions Including Leasing Fees note on page 26 of this MD&A.

Basic FFO for the three months ended December 31, 2021 increased by $217 thousand over the prior year or 2.1% on a dollar basis and 2.9% on a per unit basis.

Items impacting FFO were:

(i) an increase in NOI of $220 thousand from acquisitions, developments and properties transferred to income producing properties ("IPP") in 2020 and 2021;
(ii) a decrease in administrative costs of $238 thousand, mainly due to lower salary expenses as a result of early retirement settlements recorded in 2020, and lower travel costs in the current year due to COVID-19 travel restrictions;
(iii) a decrease in finance costs of $643 thousand, mainly due to lower mortgage interest as a result of refinancing at lower rates;
(iv) a decrease in same-asset NOI of $277 thousand mainly due to lower operating expenses in the prior year due to the Canada Emergency Wage Subsidy ("CEWS") received and bad debt recovery in the prior year; and
(v) higher lease buyout revenue in the prior year of $414 thousand.

For the three months ended December 31, 2021, AFFO decreased by $1.2 million over the prior year or 13% on a dollar basis and per unit basis. The AFFO and AFFO per unit were mainly impacted by the changes in FFO and FFO per unit described above, as well as higher leasing costs in the current year due to increased leasing activity, which will result in increased revenue in the future, and higher maintenance capital expenditures in the current year as certain elective expenditures were deferred from 2020 to 2021. In 2020, leasing costs were lower due to the pandemic as leasing activity was curtailed; leasing activity has now improved in 2021.

Excluding the impact of lease buyouts, insurance proceeds, and COVID-related bad debt expense and write-offs, FFO and FFO per unit would have been 18% higher than the prior year. AFFO and AFFO per unit adjusted for these same items would have been 2% higher than the prior year.

Basic FFO for the twelve months ended December 31, 2021 increased by $7.7 million over the prior year, or 21% on a dollar and per unit basis.

Items impacting FFO were:

(i) an increase in same-asset NOI of $790 thousand mainly due to higher revenue in the current year;
(ii) an increase in NOI of $1.7 million from acquisitions and properties transferred to IPP in 2020 and 2021;
(iii) an increase in lease buyout revenues recorded in the current year of $2.5 million;
(iv) a decrease in administrative costs of $2.2 million, mainly due to lower salary expenses as a result of early retirement settlements recorded in 2020, and lower travel costs due to COVID-19 travel restrictions;
(v) lower finance costs of $1.2 million in the current year, mainly due to lower mortgage interest as a result of refinancing at lower rates; and
(vi) a decrease in NOI of $850 thousand from property disposals and partial sales of properties in the prior year.

For the twelve months ended December 31, 2021, AFFO increased by $4.9 million over the prior year, or 15% on a dollar and per unit basis. The increase in AFFO was mainly due to the changes in FFO and FFO per unit described above, as well as higher leasing costs in the current year due to increased leasing activity, which will result in increased revenue in the future, and higher maintenance capital expenditures in the current year as certain elective expenditures were deferred from 2020 to 2021. In 2020, leasing costs and maintenance capital expenditures were lower due to the pandemic, as leasing activity was curtailed and elective capital expenditures were deferred. Leasing costs and maintenance capital expenditures in 2021 are higher due to additional leasing activity and completion of previously deferred elective capital expenditures.

Excluding the impact of the lease buyouts, insurance proceeds, and COVID-related bad debt expense and write-offs from the current and prior year, FFO and FFO per unit would have been 10% higher. AFFO and AFFO per unit adjusted for these same items would have been 1% higher.

Profit (Loss) and Total Comprehensive Income (Loss) for the Period

The Trust recorded a profit for the three months ended December 31, 2021 of $40.7 million compared to $9.3 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 $30.0 million in the current year compared to a fair value increase of $2.2 million in the prior year. The fair value increase year over year was mainly due to a decrease in capitalization rates in the current quarter and appraisals obtained. Profit was also impacted by the same factors mentioned in the discussion of FFO above, as well as:

(i) an increase in the share of profit of associates of $3.4 million over the prior year, mainly relating to the non-cash fair value adjustment of the underlying properties in the prior year; and
(ii) changes in non-cash fair value adjustments relating to interest rate swaps, the Class B exchangeable LP units, and convertible debentures.

The Trust recorded a profit for the twelve months ended December 31, 2021 of $100.5 million compared to a loss of $14.9 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 $58.4 million in the current year compared to a fair value decrease of $46.9 million in the prior year. The fair value increase year over year was mainly due to a decrease in capitalization rates and appraisals obtained. Profit was also impacted by the same factors mentioned in the discussion of FFO above, as well as:

(i) an increase in the share of profit of associates of $5.3 million over the prior year, mainly relating to the non-cash fair value adjustment of the underlying properties; and
(ii) changes in non-cash fair value adjustments relating to interest rate swaps, the Class B exchangeable LP units, and convertible debentures.

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

Same-asset categorization refers to those properties which were owned and operated by Plaza for both the entire years ended December 31, 2021 and December 31, 2020 and excludes non-consolidated investments and partial year results from certain assets due to timing of acquisition, development, redevelopment or disposition.

Significant portions of the Trust's leases have common cost recoveries from tenants linked to the consumer price index ("CPI"). At December 31, 2021, approximately 48.2% of the Trust's leased area is tied to a CPI cost recovery formula. As well, certain anchor tenant leases may restrict recovery of common costs. As a result, certain costs such as snow removal and other operating costs may not be completely offset by cost recoveries in a period, or recovery revenues may exceed costs. Municipal taxes are generally net and fully recoverable from all tenants. Most tenants in open-air centres and single use properties are responsible for their own utilities, and changes to these costs do not materially impact NOI.

(000s)	**3 Months Ended December 31, 2021 (unaudited)**	3 Months Ended December 31, 2020 (unaudited)	**12 Months Ended December 31, 2021 (unaudited)**	12 Months Ended December 31, 2020 (unaudited)
Same-asset rental revenue[1]	**$ 25,446**	$ 24,990	**$ 100,360**	$ 99,713
Same-asset operating expenses[1]	**(3,646)**	(2,874)	**(12,924)**	(12,474)
Same-asset realty tax expense[1]	**(4,892)**	(4,931)	**(19,686)**	(20,279)
Same-asset NOI[1]	**$ 16,908**	$ 17,185	**$ 67,750**	$ 66,960
Percentage increase (decrease) over prior period	**(1.6%)**		**1.2%**	

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

Same-asset NOI for the three and twelve months ended December 31, 2021 decreased by 1.6% and increased by 1.2%, respectively compared to the prior year. The decrease in the three months ended is mainly due to the CEWS received in the prior year and the bad debt recovery in the prior year. The increase in the twelve months ended is mainly due to higher same-asset revenue, lower realty tax expense, somewhat offset by lower operating expenses in the prior year from the CEWS received.

Excluding the impact of lease buyouts and COVID-related bad debt expense and write-offs from the current and prior year, same-asset NOI for the three and twelve months ended December 31, 2021, would have been 4% higher than and consistent with the prior year, respectively. This measure still includes certain other impacts of the COVID-19 pandemic on NOI, such as its impact on occupancy and the timing of re-leasing space in the current year.

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

(000s except percentage data)	**3 Months Ended December 31, 2021 (unaudited)**	3 Months Ended December 31, 2020 (unaudited)	**12 Months Ended December 31, 2021 (unaudited)**	12 Months Ended December 31, 2020 (unaudited)
New Brunswick	**$ 4,569**	4,679	**$ 18,282**	$ 18,005
Nova Scotia	**2,717**	2,826	**11,045**	11,110
Quebec	**3,229**	3,238	**13,098**	12,986
Alberta	**141**	148	**589**	584
Manitoba	**94**	94	**377**	371
Ontario	**2,923**	2,846	**11,559**	11,191
Newfoundland and Labrador	**1,289**	1,499	**5,083**	5,300
Prince Edward Island	**1,946**	1,855	**7,717**	7,413
Same-asset NOI(1)	**$ 16,908**	$ 17,185	**$ 67,750**	$ 66,960
Percentage increase over prior period	**(1.6%)**		**1.2%**	

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

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, 2021 (unaudited)**	3 Months Ended December 31, 2020 (unaudited)	**12 Months Ended December 31, 2021 (unaudited)**	12 Months Ended December 31, 2020 (unaudited)
Same-asset NOI(1)	**$ 16,908**	$ 17,185	**$ 67,750**	$ 66,960
Developments and redevelopments transferred to income producing in 2020 & 2021 ($2.2 million annualized NOI)	**445**	316	**1,761**	1,015
NOI from acquisitions, properties currently under development and redevelopment ($6.6 million annualized NOI)	**535**	444	**2,146**	1,178
Straight-line rent	**(70)**	(14)	**(277)**	402
Administrative expenses charged to NOI	**(755)**	(309)	**(3,054)**	(2,613)
Lease buyout revenue	**120**	534	**3,217**	722
Properties disposed	**5**	(19)	**236**	1,086
Total NOI(1)	**$ 17,188**	$ 18,137	**$ 71,779**	$ 68,750

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

Share of Profit of Associates

Share of profit of associates consists of income from equity accounted investments, fair value changes in the underlying investment properties included within equity-accounted investments and other changes to the equity position of the equity-accounted investments that would impact the residual returns on wind-up (such as debt financing incurred). The following schedule shows Plaza's ownership position, rates of preferred returns on investment and Plaza's residual return beyond the preferred returns.

	Ownership Position	Preferred Return	Residual Return
Equity Accounted Investments[(1)]			
Centennial Plaza Limited Partnership	10%	10%	20%
Trois Rivières Limited Partnership	15%	10%	30%
Plazacorp Ontario1 Limited Partnership	25%	8%	25%
Plazacorp Ontario2 Limited Partnership	50%	n/a	n/a
Plazacorp Ontario3 Limited Partnership	50%	n/a	n/a
Plazacorp Ontario4 Limited Partnership	50%	n/a	n/a
RBEG Limited Partnership	50%	n/a	n/a
CPRDL Limited Partnership	50%	n/a	n/a
Fundy Retail Ltd.	50%	n/a	n/a
VGH Limited Partnership	20%	8%	27%
Ste. Hyacinthe Limited Partnership	25%	n/a	n/a
144 Denison East Limited Partnership	25%	n/a	n/a
The Shoppes at Galway Limited Partnership[(2)]	50%	n/a	n/a

(1) Equity and fair value accounted investments consist of the following properties: 3550 Sources, Centennial Plaza, Place Du Marche, BPK Levis and 100 Saint-Jude Nord (Centennial Plaza Limited Partnership); Plaza des Recollets (Trois Rivières Limited Partnership); Ottawa Street Almonte, Hastings Street Bancroft and Main Street Alexandria (Plazacorp Ontario1 Limited Partnership); Amherstview and Port Perry (Plazacorp Ontario2 Limited Partnership); King & Mill Newcastle (Plazacorp Ontario3 Limited Partnership); Manotick (Plazacorp Ontario4 Limited Partnership); Bureau en Gros (RBEG Limited Partnership); CPRDL (CPRDL Limited Partnership); Gateway Mall (Fundy Retail Ltd.); St. Jerome (VGH Limited Partnership); 5400 Laurier Ouest (Ste. Hyacinthe Limited Partnership); 144 Denison and 5150 Arthur-Sauvé (144 Denison East Limited Partnership); and the Shoppes at Galway (The Shoppes at Galway Limited Partnership).

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

Share of profit of associates for the three months ended December 31, 2021 includes Plaza's share of NOI of approximately $1.4 million compared to $1.1 million for the three months ended December 31, 2020. Share of profit of associates increased by $3.4 million for the three months ended December 31, 2021 compared to the three months ended December 31, 2020. The increase was mainly due to the non-cash fair value adjustment to the underlying investment properties.

Share of profit of associates for the twelve months ended December 31, 2021 includes Plaza's share of NOI of approximately $5.5 million compared to $4.7 million for the twelve months ended December 31, 2020. Share of profit of associates increased by $5.3 million for the twelve months ended December 31, 2021 compared to the twelve months ended December 31, 2020. The increase was mainly due to the non-cash fair value adjustment to the underlying investment properties recorded in the current year.

Overall committed occupancy for non-consolidated investments was 99.2% at December 31, 2021, compared to 97.7% at December 31, 2020.

Regular distributions received from associates for the three months ended December 31, 2021 were $350 thousand compared to $387 thousand for the three months ended December 31, 2020. Regular distributions received from associates for the twelve months ended December 31, 2021 were $1.9 million compared to $1.7 million for the twelve months ended December 31, 2020. In addition to regular distributions, there were distributions as a result of proceeds of financing at underlying investment properties of $700 thousand in the current year and $2.6 million in the prior year.

Finance Costs

Finance costs for the three months ended December 31, 2021 were $6.8 million, compared to $7.4 million for the same period in the prior year. The decrease was mainly due to lower mortgage interest as a result of refinancing at lower rates.

Finance costs for the twelve months ended December 31, 2021 were $27.9 million, compared to $29.1 million for the same period in the prior year. The decrease was mainly due to lower mortgage interest as a result of refinancing at lower rates, partially offset by higher debenture interest due to Series VIII debentures issued April 1, 2021.

During the twelve months ended December 31, 2021 convertible debenture issuance costs of $370 thousand were incurred for the placement of Series VIII convertible debentures.

Administrative Expenses

Administrative expenses for the three months ended December 31, 2021 were $198 thousand lower mainly due to lower salary expenses as a result of early retirement settlements recorded in 2020, and lower travel costs in the current year. Excluding the decrease in the fair value of restricted and deferred units, administrative expenses would have been $238 thousand lower than the prior year.

Administrative expenses for the twelve months ended December 31, 2021 were $1.7 million lower mainly due to lower salary expenses as a result of early retirement settlements recorded in 2020, and lower travel costs in the current year. Excluding the increase in the fair value of restricted and deferred units, administrative expenses would have been $2.2 million lower than the prior year.

Change in Fair Value of Investment Properties

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

The Trust recorded a fair value increase to investment properties of $30.0 million for the three months ended December 31, 2021 compared to a fair value increase of $2.2 million for the three months ended December 31, 2020. The Trust recorded a fair value increase to investment properties of $58.4 million for the twelve months ended December 31, 2021 compared to a fair value decrease of $46.9 million for the twelve months ended December 31, 2020. The fair value increase was mainly due to capitalization rate decreases and appraisals obtained. The investment market for the Trust's properties occupied by essential needs, convenience, and value-based retailers, as well as its stable properties, continues to improve.

Change in Fair Value of Convertible Debentures

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

The fair value adjustment to convertible debentures for the three months ended December 31, 2021 was a net gain of $930 thousand compared to a net gain of $712 thousand in the prior year. The fair value adjustment to convertible debentures for the twelve months ended December 31, 2021 was a net loss of $1.9 million compared to a net gain of $3.4 million in the prior year.

Change in Fair Value of Class B Exchangeable LP Units

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

The fair value adjustment to Class B exchangeable LP units for the three months ended December 31, 2021 was a net loss of $262 thousand compared to a net loss of $131 thousand in the prior year. The fair value adjustment to Class B exchangeable LP units for the twelve months ended December 31, 2021 was a net loss of $1.3 million compared to a net gain of $1.1 million in the prior year.

LEASING AND OCCUPANCY

The following table represents leases expiring for the next 5 years and thereafter for Plaza's property portfolio at December 31, 2021 (excluding developments, redevelopments and non-consolidated investments).

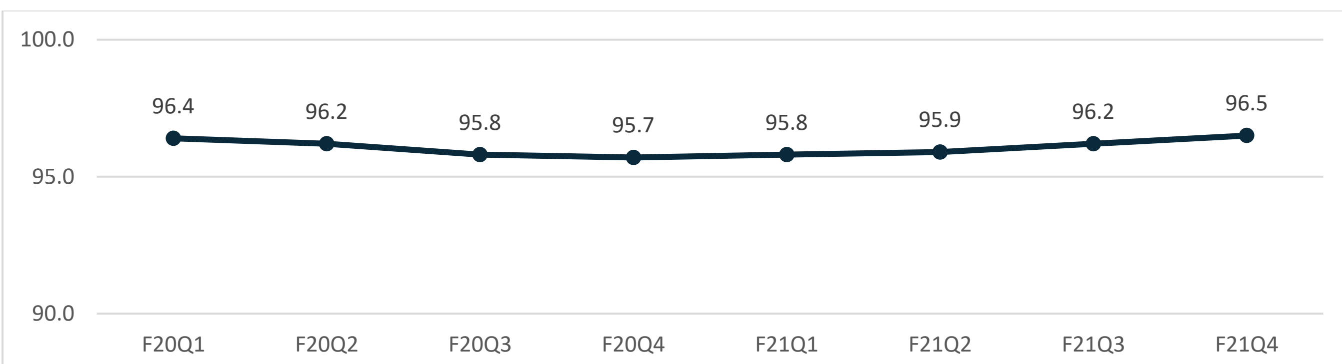
	Open-Air Centres		Enclosed Malls		Single-User Retail		Single-User QSR [(2)]		**Total**	
Year	Sq Ft[(1)]	%	Sq Ft[(1)]	%	Sq Ft[(1)]	%	Sq Ft[(1)]	%	**Sq Ft[(1)]**	**%**
2022	292,699	6.1	68,070	11.5	71,346	7.0	23,794	14.7	**455,909**	**7.0**
2023	592,509	12.4	207,457	35.0	152,739	15.0	26,912	16.7	**979,617**	**15.0**
2024	538,011	11.3	85,302	14.4	50,262	4.9	-	-	**673,575**	**10.3**
2025	484,133	10.2	40,500	6.8	154,415	15.2	4,861	3.0	**683,909**	**10.4**
2026	558,256	11.7	8,201	1.4	58,594	5.8	4,269	2.6	**629,320**	**9.6**
Thereafter	2,306,213	48.3	183,630	30.9	530,418	52.1	101,601	63.0	**3,121,862**	**47.7**
Subtotal	4,771,821	100.0	593,160	100.0	1,017,774	100.0	161,437	100.0	**6,544,192**	**100.0**
Vacant	176,339		119,929		-		2,376		**298,644**	
Total	**4,948,160**		**713,089**		**1,017,774**		**163,813**		**6,842,836**	
Weighted average lease term	**5.9 years**		**3.5 years**		**7.2 years**		**6.6 years**		**5.9 years**	

(1) At 100%, regardless of the Trust's ownership interest in the properties.
(2) QSR refers to quick service restaurants.

At December 31, 2021, same-asset committed occupancy was 96.0% compared to 95.3% at December 31, 2020.

Committed occupancy including non-consolidated investments (excluding properties under development and redevelopment) was 96.5% compared to 95.7% at December 31, 2020. Occupancy for the portfolio over the last eight quarters is as follows:

OCCUPANCY %



The weighted average contractual base rent per square foot on renewals/new leasing in 2021 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**
2021 – Q4 YTD					
Leasing renewals (sq. ft.)	616,902	93,936	144,264	24,774	879,876
Weighted average rent ($/sq. ft.) - Renewed	$15.35	$18.15	$20.75	$25.63	$16.82
Weighted average rent ($/sq. ft.) - Expired	$15.12	$17.98	$20.63	$26.05	$16.64
Renewal spread	1.5%	0.9%	0.6%	(1.6%)	1.1%
New leasing (sq. ft.)	84,963	13,437	7,349	-	105,749
Weighted average rent ($/sq. ft.)	$19.45	$17.73	$22.95	-	$19.47
Expiries not renewed (sq. ft.)	47,130	25,311	-	10,695	83,136
Weighted average rent ($/sq. ft.)	$17.58	$16.35	-	$20.28	$17.55
2022					
Expiries (sq. ft.)	292,699	68,070	71,346	23,794	455,909
Weighted average rent ($/sq. ft.)	$15.63	$17.47	$16.79	$26.29	$16.64

In addition, for the twelve months ended December 31, 2021, the Trust completed 173 thousand square feet of new and renewal leasing deals on developments and redevelopments at market rates and 183 thousand square feet of new and renewal leasing deals at market rates at non-consolidated investments. In total, including developments, redevelopments and non-consolidated investments, the Trust completed 1.3 million square feet of new and renewal leasing deals for the year-ended December 31, 2021.

Plaza's financial exposure to vacancies and lease roll-overs differs among different retail asset types, as gross rental rates differ by asset class. Committed occupancy by asset class was as follows:

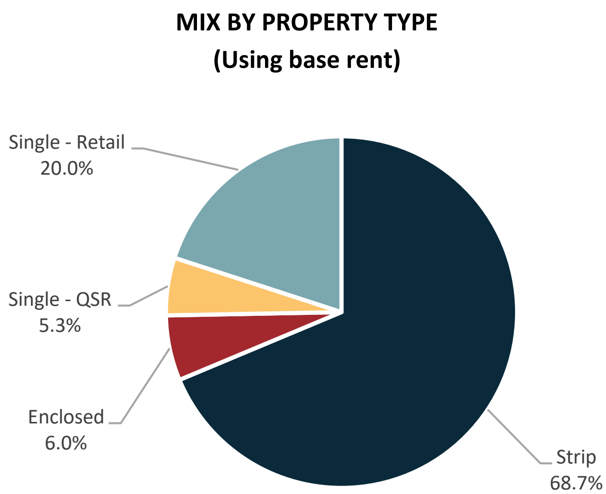
- Committed occupancy in the open-air centres was 97.2% at December 31, 2021, compared to 96.4% at December 31, 2020.
- Committed occupancy for enclosed malls was 86.2% at December 31, 2021, compared to 83.1% at December 31, 2020.
- Committed occupancy for single use assets was 99.8% at December 31, 2021, compared to 99.0% at December 31, 2020.
- Pre-leased space in active properties under development was 82.7% at December 31, 2021.

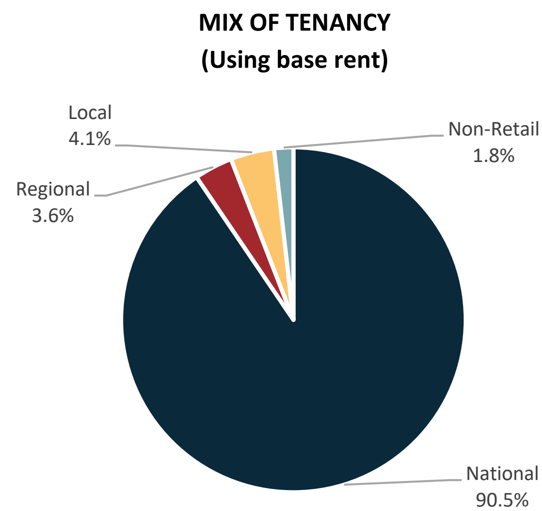
Plaza has built a portfolio with a high quality revenue stream. Plaza's ten largest tenants based upon current monthly base rents at December 31, 2021 represent approximately 54.0% of total base rent revenues in place.

	% of Base Rent Revenue[6]		**% of Base Rent Revenue**[6]
1. Shoppers Drug Mart/Loblaw[1]	24.5	6. Sobeys Group[5]	3.5
2. Dollarama	6.3	7. Staples	3.1
3. KFC[2]	4.3	8. Bulk Barn	1.9
4. Canadian Tire Group[3]	3.6	9. Giant Tiger	1.6
5. TJX Group[4]	3.6	10. PetSmart	1.6
		Total: 54.0%	

(1) Shoppers Drug Mart/Loblaw represents the following stores: Shoppers Drug Mart, No Frills, Atlantic Superstore, Pharmaprix and Maxi.
(2) The majority is represented by two operators.
(3) Canadian Tire Group represents the following stores: Canadian Tire, Mark's/L'Équipeur, Party City, PartSource, Sport Chek, and Sports Experts.
(4) TJX Group represents the following stores: Winners, HomeSense, and Marshalls.
(5) Sobeys Group represents the following stores: Sobeys, IGA, Sobeys Fast Fuel and Lawtons.
(6) Excludes developments, redevelopments and non-consolidated investments.

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





PART III

OPERATING LIQUIDITY AND WORKING CAPITAL

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

Cash flow from operations is dependent upon occupancy levels of properties owned, rental rates achieved, effective collection of rents, and efficiencies in operations as well as other factors, including the impact of the COVID-19 pandemic on cash flow.

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

Although Plaza currently pays distributions on a monthly basis, there can be no assurance regarding the amount and frequency of such distributions. Future distribution payments and the level thereof are subject to the discretion of the Board and will depend upon the numerous factors outlined above.

There can be no assurance regarding the amount of income to be generated by Plaza's properties. The ability of Plaza to make cash distributions, and the actual amount distributed, will be entirely dependent on the operations and assets of Plaza, and will be subject to various factors including financial performance, current and forecasted economic conditions, obligations under applicable credit facilities, the sustainability of income derived from the tenant profile of Plaza's properties and maintenance capital expenditure requirements. Distributions may be increased, reduced or suspended entirely depending on Plaza's operations and the performance of Plaza's assets, at the discretion of the Board.

Plaza's annual distributions are currently set at $0.28 per unit.

(000s)	**3 Months Ended December 31, 2021 (unaudited)**	3 Months Ended December 31, 2020 (unaudited)	**12 Months Ended December 31, 2021**	12 Months Ended December 31, 2020
Cash distributions paid[1]	**$ 7,208**	$ 7,208	**$ 28,832**	$ 28,846

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

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

(000s)	**3 Months Ended December 31, 2021 (unaudited)**	3 Months Ended December 31, 2020 (unaudited)	**12 Months Ended December 31, 2021**	12 Months Ended December 31, 2020
Cash provided by operating activities[1]	**$ 12,083**	$ 5,837	**$ 48,207**	$ 31,722
Total distributions[2]	**(7,208)**	(7,208)	**(28,832)**	(28,846)
Excess of cash provided by operating activities over total distributions	**$ 4,875**	$ (1,371)	**$ 19,375**	$ 2,876

(1) Cash provided by operating activities is presented net of interest paid, but excludes distributions paid on Class B exchangeable LP units classified as finance costs.
(2) Total distributions include cash distributions paid and payable to unitholders and distributions on Class B exchangeable LP units classified as finance costs.

Plaza's rent collections are back to pre-COVID levels. Plaza has collected over 99% of gross rent in each quarter of 2021 to date.

In the prior year, as a result of the timing of significant property tax payments which had been deferred under a provincial deferral program due to COVID-19 and the timing of construction costs, distributions exceeded cash provided by operating activities in the fourth quarter. Since this shortfall was due to timing and temporary impacts, Plaza did not consider the distributions as a return of capital for income tax purposes. Plaza believes its distributions are sustainable based on expected and historical results and cash flows.

CAPITAL RESOURCES, EQUITY AND DEBT ACTIVITIES

Operating and Development Facilities

(000s)	$55.0 Million Operating	$20.0 Million Development	$15.0 Million Development
December 31, 2020[(1)]	$ 33,451	$ 10,900	$ 6,477
Net change	(138)	(9,429)	5,110
December 31, 2021[(1)]	$ 33,313	$ 1,471	$ 11,587
Interest rate	Prime + 0.75% or BA + 2.00%	Prime + 0.75% or BA + 2.25%	Prime + 0.75% or BA + 2.00%
Maturity	July 31, 2023	July 31, 2022	July 31, 2023
Security	First charges on pledged properties	First charges on applicable pledged development property	First charges on applicable pledged development property
Other terms	Debt service, maximum leverage, occupancy & equity maintenance covenants	Debt service & maximum leverage covenants	Debt service, maximum leverage, occupancy & equity maintenance covenants
Line reservations available for letters-of-credit	$2.0 million	$1.5 million	$0.5 million
Issued and outstanding	$0.4 million	-	-

(1) Excludes unamortized finance charges.

Funding is secured by first mortgage charges on properties or development properties as applicable. The Trust must maintain certain financial ratios to comply with the facilities. As of December 31, 2021, all debt covenants in respect of the above facilities have been maintained.

Costs of development activities are generally funded by a combination of debt and equity. Timing of development activities or whether a development project is launched at all (including those listed in Part I of this MD&A under the heading “Development Pipeline and Acquisitions/Dispositions – Development Pipeline”) is dependent on tenant demand and availability of capital, among other factors. Plaza’s operating facility is generally used to fund the equity portion of development projects. Plaza’s existing development facilities or new construction loans entered into (generally in the case where Plaza has partners in a development) are used to fund construction costs until permanent long-term financing is placed on the finished development. Given the rotation of development projects onto, and off of, the development facilities and the availability of specific construction financing when required, Plaza’s facilities and its debt capacity are currently sufficient to fund ongoing planned and committed development expenditures.

Plaza’s liquidity at December 31, 2021 is comprised of $8.1 million of cash, $21.3 million available to be drawn on the operating line, $21.9 million of unused development facilities, $14.0 million of unused construction facilities, including non-consolidated investments, and unencumbered assets with a value of approximately $21.5 million.

Mortgage Bonds

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

(000s)	Series X.2	Series XII
Interest rate	6.15%	5.50%
Maturity date	June 25, 2022	July 15, 2022
Amount	$3,195	$3,000

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

On March 25, 2021, $2.0 million of Series X.1 mortgage bonds matured. $1.0 million of these mortgage bonds were paid out at that time. The remaining $1.0 million were extended to September 25, 2021 and were repaid on that date.

Debentures

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

(000s)	Convertible Series E (TSX: PLZ.DB.E)	Convertible Series VIII	Non-convertible Series II
Interest rate	5.10%	5.95%	5.00%
Conversion price	$5.65	$4.75	n/a
Par call date	April 1, 2022	March 31, 2025	n/a
Maturity date	March 31, 2023	March 31, 2026	February 28, 2022
Face amount	$47,250	$12,019	$6,000

On April 1, 2021, the Trust issued $12.0 million of Series VIII convertible debentures. The debentures have a term of five years, bear interest at a rate of 5.95% and are convertible at $4.75 per unit.

On May 2, 2021, the $3.86 million Series I non-convertible debentures matured and were repaid.

On June 30, 2021, the $5.5 million Series VII convertible debentures matured and were repaid.

Mortgages

During 2021, the Trust:

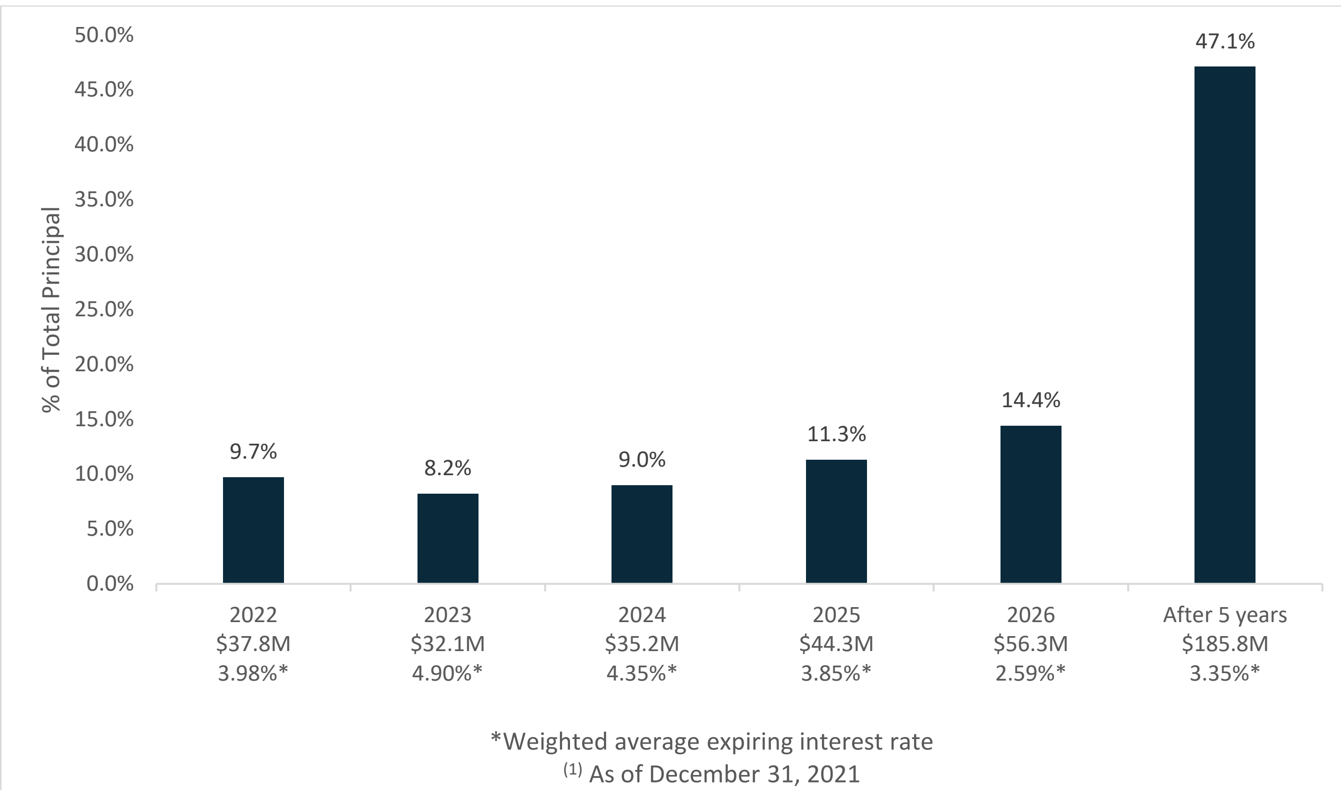
- refinanced a property located in St. John's, NL in the amount of $9.7 million with a term of 1 year and an interest rate of prime plus 1.50% or BAs plus 2.5%, at the Trust's consolidated percentage ownership of 50%:
- obtained new long-term financing for 14 properties totalling $69.8 million with a weighted average term of 6.8 years and a weighted average interest rate of 3.02%;
- renewed financing for a property located in Edmundston, NB for $1.1 million with a term of 3 years and an interest rate of 3.08%;
- renewed financing for two properties located in Saint John, NB for $2.7 million with a term of 5 years and an interest rate of 3.44%;
- renewed a non-revolving construction facility for a property located in Cambridge, ON in the amount of $10 million with a term of 1 year and at an interest rate of prime plus 1.00% or BAs plus 2.25%;
- extended an interim construction facility for a development property located in Sault Ste. Marie, ON for an additional year and increased the amount of financing from $5.6 million to $8.8 million; and
- obtained acquisition financing for a property located in Drummondville, QC in the amount of $3.75 million with a two year term and an interest rate of prime plus 1.00%, at the Trust's consolidated percentage ownership of 50%.

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

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

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

LONG-TERM MORTGAGE MATURITIES



The weighted average term to maturity for the long-term mortgages is 5.5 years. The average remaining repayment (amortization) period on long-term mortgage debt is 23.7 years.

Debt Service Ratios

Plaza's summary of EBITDA and debt service ratios for the three and twelve months ended December 31, 2021 compared to the three and twelve months ended December 31, 2020 is presented below:

(000s – except debt service ratios)	**3 Months Ended December 31, 2021 (unaudited)**	3 Months Ended December 31, 2020 (unaudited)	**12 Months Ended December 31, 2021 (unaudited)**	12 Months Ended December 31, 2020 (unaudited)
Profit (loss) and total comprehensive income (loss) for the period	**$ 40,735**	$ 9,275	**$ 100,489**	$ (14,937)
Add (deduct):				
Income taxes	**593**	1,199	**770**	1,013
Finance costs	**6,720**	7,363	**27,845**	29,061
Finance costs – convertible debenture issuance costs	**-**	-	**370**	-
Fair value adjustment to investment properties	**(29,985)**	(2,169)	**(58,376)**	46,891
Fair value adjustment to investments(1)	**(65)**	3,124	**(9)**	4,214
Fair value adjustment to convertible debentures	**(930)**	(712)	**1,903**	(3,429)
Fair value adjustment to Class B exchangeable LP units	**262**	131	**1,322**	(1,144)
Fair value adjustment to restricted and deferred units	**66**	26	**280**	(156)
Fair value adjustment to interest rate swaps	**(168)**	(538)	**(2,604)**	3,386
Fair value adjustment to right-of-use land lease assets	**193**	199	**760**	693
Equity accounting adjustment for interest rate swaps(2)	**(46)**	112	**(229)**	291
EBITDA(3)	**$ 17,375**	$ 18,010	**$ 72,521**	$ 65,883
Finance costs(4)	**$ 6,657**	$ 7,095	**$ 27,350**	$ 28,667
Periodic mortgage principal repayments(5)	**3,233**	3,205	**12,807**	11,455
Total debt service	**$ 9,890**	$ 10,300	**$ 40,157**	$ 40,122
Debt service ratios				
Interest coverage ratio(3)	**2.61 times**	2.54 times	**2.65 times**	2.30 times
Debt coverage ratio(3)	**1.76 times**	1.75 times	**1.81 times**	1.64 times

(1) Fair value adjustment to investments relate to the unrealized change in fair value of equity accounted entities.
(2) Equity accounting adjustment for interest rate swaps includes the change in non-cash fair value adjustments relating to interest rate swaps held by equity accounted entities.
(3) This is a non-GAAP financial measure. Refer to the Non-GAAP Financial Measures in Part I and VIII of this document for more information on each non-GAAP financial measure.
(4) Excludes mark-to-market adjustments, convertible debenture issuance costs, loan defeasance and early mortgage discharge fees, and distributions on Class B exchangeable LP units recorded in finance costs.
(5) Includes land lease principal repayments.

For the three and twelve months ended December 31, 2021, the interest and debt coverage ratios were higher mainly due to higher EBITDA as a result of increased NOI from developments, lease buyout revenues and lower operating and administrative costs, in addition to lower mortgage interest rates.

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

Debt to Gross Assets

Plaza's debt to gross assets is presented below:

Debt to gross assets[1]	**December 31, 2021**	December 31, 2020
Current and long-term debt[2]	**$ 679,102**	$ 682,895
Net change in fair value of interest-rate swaps	**2,604**	(3,386)
Total debt including convertible debentures	**681,706**	679,509
Less: convertible debentures at face value	**(59,269)**	(52,750)
Total debt excluding convertible debentures	**$ 622,437**	$ 626,759
Total gross assets	**$ 1,214,834**	$ 1,139,127
Debt to gross assets including convertible debentures[1]	**56.1%**	59.7%
Debt to gross assets excluding convertible debentures[1]	**51.2%**	55.0%

(1) This is a non-GAAP financial measure. Refer to the Non-GAAP Financial Measures in Part I and VIII of this document for more information on each non-GAAP financial measure.
(2) Current and long-term debt defined for this purpose as mortgage bonds, mortgages payable, face value of convertible debentures, non-convertible debentures, notes payable, land lease liabilities and bank indebtedness.

The decrease in debt to gross assets over December 31, 2020 relates mainly to the fair value increase to investment properties of $58.4 million for the twelve months ended December 31, 2021. By its Declaration of Trust, Plaza is limited to an overall indebtedness ratio of 60% excluding convertible debentures and 65% including convertible debentures.

Units

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

At February 24, 2022 (000s) (unaudited)	**Units**
Current outstanding units	**101,815**
Class B exchangeable LP units	**1,191**
Series VIII convertible debentures	**2,530**
Series E convertible debentures	**8,363**
Total adjusted units outstanding	**113,899**

On September 24, 2021, the Trust announced that it had received approval from the TSX for the renewal of its normal course issuer bid ("NCIB") for a further year. Plaza's prior NCIB expired on September 27, 2021. The period of the renewed NCIB commenced on September 28, 2021 and will conclude on the earlier of the date on which purchases under the bid have been completed and September 27, 2022. Under the terms of the renewed NCIB, the Trust can purchase up to 6,455,226 of its issued and outstanding units through the facilities of the TSX and any alternative trading system in Canada. Subject to certain prescribed exemptions and any block purchase made in accordance with the rules of the TSX, daily purchases made by the Trust may not exceed 20,461 units, representing 25% of the average daily trading volume of the units on the TSX for the six-month period ended August 31, 2021 (being 81,846 units). All units that are purchased under the renewed NCIB will be cancelled (on a monthly basis, on or before the record date for each monthly distribution). Unitholders may obtain a copy of the NCIB renewal notice, without charge, by contacting the Trust.

Plaza also entered into a new automatic securities purchase plan agreement (the "Purchase Plan") with its designated broker in order to facilitate purchases of units under the renewed NCIB. The Purchase Plan, which was pre-cleared by the TSX, allows for purchases of units by Plaza at times when it would ordinarily not be permitted to make purchases due to regulatory restrictions or self-imposed blackout periods. The Purchase Plan will terminate on September 27, 2022.

For the twelve months ended December 31, 2021, 27,925 units have been repurchased for cancellation under Plaza's former and renewed NCIB at a weighted average price of $4.2255. With this, to December 31, 2021, Plaza has purchased a total of 1,145,411 units for cancellation since the commencement of the original NCIB on September 28, 2018 at a weighted average price of $4.0165.

Subsequent to year end, an additional 2,200 units have been repurchased under the renewed NCIB at an average unit price of $4.5804.

Land Leases

Return on invested cash or equity is a measure Plaza uses to evaluate development and strategic acquisitions. Investing in a project subject to a land lease reduces the cash equity required for an individual project and increases the number of projects which can be undertaken with available capital. This spreads risk and enhances overall unitholder returns. In some instances, use of a land lease will enhance project feasibility where a project might not otherwise be undertaken without use of a land lease.

The Trust has 27 long-term land leases (affecting 26 properties). One of the land leases relates to shared parking facilities. Land leases expire (excluding any non-automatic renewal periods) on dates ranging from 2022 to 2084 with an average life of 33 years, with some of the leases also containing non-automatic renewal options, extending the average life of the leases to 59 years including these non-automatic renewal options. Of the 27 land leases, 11 of the land leases have options to purchase, generally at fair market value. At December 31, 2021, the recorded amount of the right-of-use assets and land lease liabilities is $66.0 million.

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

	Annual Land Rent Paid	
Related Parties:	**December 31, 2021**	December 31, 2020
A company beneficially-owned by Earl Brewer and Michael Zakuta	$ 1,200	$ 1,200

Gross Capital Additions Including Leasing Fees:

(000s)	**3 Months Ended December 31, 2021 (unaudited)**	3 Months Ended December 31, 2020 (unaudited)	**12 Months Ended December 31, 2021 (unaudited)**	12 Months Ended December 31, 2020 (unaudited)
Existing properties				
Leasing commissions	**$ 58**	$ 149	**$ 293**	$ 478
Other leasing costs	**1,678**	275	**4,317**	801
	1,736	424	**4,610**	1,279
Maintenance capital expenditures	**711**	515	**2,030**	1,509
Total capital additions – existing properties	**2,447**	939	**6,640**	2,788
Development/redevelopment properties				
Leasing commissions	**73**	14	**173**	161
Other leasing costs	**2,372**	2,003	**6,461**	7,890
Capital additions	**1,577**	6,333	**9,625**	17,304
Total capital additions - developments/redevelopments	**4,022**	8,350	**16,259**	25,355
Total gross additions per statements of cash flows[(1)]	**$ 6,469**	$ 9,289	**$ 22,899**	$ 28,143
Reconciliation of leasing costs for AFFO purposes				
Leasing costs – existing properties per above	**$ 1,736**	$ 424	**$ 4,610**	$ 1,279
Internal leasing salaries	**219**	198	**944**	1,229
Total leasing costs – existing properties for AFFO	**$ 1,955**	$ 622	**$ 5,554**	$ 2,508

(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 $34.3 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, 2021 in respect of certain projects under development and other long-term obligations are as follows:

	Year 1 2022	Year 2 2023	Year 3 2024	Year 4 2025	Year 5 2026	After 5 Years	Face Value Total
Mortgages – periodic payments	$ 12,336	$ 10,964	$ 10,525	$ 9,560	$ 8,135	$ 25,555	$ 77,075
Mortgages – due at maturity	37,828	26,497	33,385	42,527	56,279	185,783	382,299
Development lines of credit	1,471	11,587	-	-	-	-	13,058
Construction loans	21,613	3,750	-	-	-	-	25,363
Unsecured interest-only loans	-	5,643	2,971	1,800	-	-	10,414
Bank indebtedness	-	33,313	-	-	-	-	33,313
Mortgage bonds payable	6,195	-	-	-	-	-	6,195
Debentures[(1)]	6,000	47,250	-	-	12,019	-	65,269
Land leases	3,240	3,206	3,243	3,283	3,314	118,426	134,712
Development activities	26,957	7,319	-	-	-	-	34,276
Total contractual obligations	**$ 115,640**	**$149,529**	**$ 50,124**	**$ 57,170**	**$ 79,747**	**$ 329,764**	**$ 781,974**

[(2)] Stated at face value.

Management believes that all mortgages maturing in 2022 will be renewed or refinanced as they come due.

Contingent Liabilities

The Trust has contingent liabilities as original borrower on three mortgages partially assumed by the purchasers of the underlying properties, where a 75% interest in each was sold in 2009. These sales did not relieve the Trust's obligations as original borrower in respect of these mortgages, however, the Trust's commitments are subject to indemnity agreements. The debt subject to such guarantees at December 31, 2021 totals $4.5 million with a weighted average remaining term of 1.1 years.

The Trust has contingent liabilities as original borrower on five mortgages partially assumed by the purchasers of the underlying properties, where a 50% interest in each was sold in November 2017. These sales did not relieve the Trust's obligations as original borrower in respect of these mortgages, however, these commitments are also subject to indemnity agreements. The debt subject to such guarantees at December 31, 2021 totals $5.4 million with a weighted average remaining term of 4.5 years.

The Trust also has contingent liabilities as original borrower on three mortgages partially assumed by the purchasers of the underlying properties, where a 50% interest in each was sold in August 2020. Similarly, these sales did not relieve the Trust's obligations as original borrower in respect of these mortgages but the commitments are subject to indemnity agreements. The debt subject to such guarantees at December 31, 2021 totals $7.4 million with a weighted average remaining term of 6.0 years.

The Trust guarantees a $3.8 million commitment relating to the mortgage of an asset sold in 2018, with a weighted average remaining term of 2.6 years at December 31, 2021.

The Trust is contingently liable for certain obligations of its co-venturers, under guarantees in excess of its ownership percentages for six strip plazas and four free-standing properties. The excess guarantees amount to $14.2 million. Cross indemnities are in place for certain of these properties from co-venturers.

PART IV

SUMMARY OF SELECTED QUARTERLY INFORMATION

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

(000s except per unit and percentage data) (unaudited)	**Q4'21**	Q3'21	Q2'21	Q1'21	Q4'20	Q3'20	Q2'20	Q1'20
Total revenue[1]	**$29,316**	$28,907	$31,671	$28,490	$25,344	$29,736	$23,522	$29,857
Property rental revenue	**$27,383**	$26,597	$29,944	$26,708	$26,835	$25,960	$26,781	$27,322
Net property operating income[2]	**$17,188**	$18,079	$20,204	$16,308	$18,137	$17,631	$16,094	$16,888
Profit (loss) and total comprehensive income (loss)	**$40,735**	$27,908	$19,622	$12,224	$9,275	$9,185	$(31,299)	$(2,098)
Distributions per unit	**7.0¢**	7.0¢	7.0¢	7.0¢	7.0¢	7.0¢	7.0¢	7.0¢
Funds from operations per unit – basic[2]	**10.5¢**	11.0¢	12.7¢	9.3¢	10.2¢	9.1¢	7.7¢	8.8¢
Funds from operations per unit – diluted[2]	**10.2¢**	10.6¢	12.1¢	9.1¢	10.0¢	9.0¢	7.7¢	8.7¢
Adjusted funds from operations per unit – basic[2]	**8.0¢**	9.2¢	10.8¢	8.4¢	9.2¢	8.1¢	6.8¢	7.5¢
Adjusted funds from operations per unit – diluted[2]	**7.9¢**	9.0¢	10.5¢	8.3¢	9.0¢	8.1¢	6.8¢	7.5¢
Distributions as a percentage of basic FFO[2]	**66.9%**	63.6%	55.2%	75.4%	68.3%	76.8%	91.0%	79.1%
Distributions as a percentage of basic AFFO[2]	**87.9%**	76.3%	64.6%	83.1%	76.4%	85.9%	102.3%	93.4%
Gross Leasable Area (000s of sq. ft.) (at 100% and excluding non-consolidated investments and properties under development/redevelopment)								
Total income producing properties	**6,842**	6,845	6,860	6,863	6,869	6,764	6,744	6,731
Occupancy % (at 100% and excluding properties under development/redevelopment)								
Total income producing properties	**96.5%**	96.2%	95.9%	95.8%	95.7%	95.7%	96.2%	96.4%

(1) Includes investment income, other income and share of profit of associates.

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

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

Some of Plaza's leases have common cost recoveries from tenants linked to CPI or otherwise have caps on operating cost recoveries. At December 31, 2021, approximately 48.2% of the Trust's leased area is tied to a CPI cost recovery formula. As well, anchor tenant leases may restrict common area maintenance (also referred to as "CAM") cost recoveries. As a result of all of these factors, seasonal fluctuations in NOI, FFO and AFFO occur primarily due to winter costs, as well as yearly repair and maintenance activities which typically occur in spring and early summer, which may create inconsistencies in quarterly recovery revenues compared with quarterly expenses.

PART V

RISKS AND UNCERTAINTIES

All property investments are subject to a degree of risk and uncertainty. Property investments are affected by various factors including general economic conditions and local market circumstances. Local business conditions such as oversupply of space or a reduction in demand for space particularly affect property investments. Management attempts to manage these risks through geographic and retail asset class diversification in the portfolio. At December 31, 2021, the Trust held interests in 257 properties spread geographically across Canada. Some of the more important risks are outlined below. See Financial Instruments and Risk Management Note 28 to the December 31, 2021 Consolidated Financial Statements of the Trust for further details. Also see the Trust's AIF for the year ended December 31, 2020 dated March 25, 2021 for a list of risks and uncertainties applicable to the Trust's business.

COVID-19

The worldwide spread of COVID-19, declared as a global pandemic by the World Health Organization, has caused significant disruption to the Canadian economy. Although the operating environment and tenant demand for space has improved significantly, and continues to improve, the uncertainty surrounding the continuation of COVID-19, whether in a pandemic or endemic mode, may or may not have an impact on Plaza's business as well as the business of various tenants, thereby impacting tenants' abilities to meet their payment obligations, including rent, and potentially causing business closures or bankruptcy filings by some tenants. COVID-19, whether pandemic or endemic in its future state, and government restrictive measures intended to contain or manage its impact, has had and may continue to have an adverse impact on consumer demand, the demand for retail space, rental and occupancy rates, capitalization rates, tenants' ability to pay rent in full or at all, tenant inducements, temporary or long-term labour or supply chain disruptions and the impact on construction costs and development projects, future cash flows and the resulting valuation of Plaza's investment properties. The pandemic has impacted Plaza's cash flow, as certain tenants were unable to pay rent, resulting in an increase in bad debts; Plaza also wrote-off amounts under the CECRA program in 2020 and abated rent to assist certain tenants. The pandemic also impacted the fair value of Plaza's investment properties in 2020, as capitalization rates for certain asset types increased, and Plaza revised its projections of future cash flows for certain investment properties.

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

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

The operating environment, as well as tenant demand for space, has, and continues, to improve.

Interest Rate, Financing and Refinancing Risk

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

The Trust mitigates interest rate risk by maintaining the majority of its debt at fixed rates. Floating rate debt is typically used on its operating line of credit and for development or redevelopment projects as interim financing, until the projects are completed and are then able to attract the appropriate long-term financing. The hypothetical impact of a 1% change in interest rates would be approximately $729 thousand. The Trust mitigates its exposure to fixed-rate interest risk on its debt by staggering maturities in order to avoid excessive amounts of debt maturing in any one year. If market conditions warrant, the Trust may attempt to renegotiate its existing debt to take advantage of lower interest rates. The Trust has an ongoing requirement to access the debt markets and there is a risk that lenders will not refinance such maturing debt on terms and conditions acceptable to the Trust or on any terms at all. The Trust works with numerous lenders to manage exposure to any single lender. Management believes that all debts maturing in 2022 will be able to be financed or refinanced as they come due.

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

Credit Risk

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

Currently one tenant, Shoppers Drug Mart/Loblaw, represents 24.5% of current monthly base rents in place, Dollarama represents 6.3% and franchisees of KFC represent 4.3%. The top 10 tenants collectively represent approximately 54% of current monthly base rents in place. National and regional tenants represent 94.1% of the tenant base, based on base rents in place.

Lease Roll-Over and Occupancy Risk

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

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

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

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

Development and Acquisition Risk

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

Environmental Risk

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

Status of the REIT

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

PART VI

COVID-19 IMPACTS

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

The pandemic also had an impact on Plaza's development program, particularly in 2020, with temporary delays as a result of construction shut-downs in certain jurisdictions, and delays with planning, rezoning and permitting.

COVID-19 impacted Plaza's cash flow, particularly in 2020, as the Trust received requests from tenants for rent deferrals and abatements, and certain tenants withheld rent. To assist certain of Plaza's tenants that demonstrated a need for assistance, Plaza agreed to defer a portion of their rent, with an agreement to repay the amount over a specified period. Plaza also agreed to abate rent, or a portion thereof, for certain tenants, and participated in the CECRA program in 2020.

In October 2020, the federal government announced the Canada Emergency Rent Subsidy ("CERS") to replace the CECRA program, which expired at the end of September 2020. The CERS program was intended to provide support for eligible businesses that experienced a revenue drop due to COVID-19, by subsidizing a percentage of their eligible expenses, including rent and interest on commercial mortgages.

The Government of Canada introduced the Canadian Emergency Wage Subsidy ("CEWS") program in 2020 which provided a subsidy for Canadian employers who have seen a drop in revenue during the COVID-19 pandemic. The Trust qualified and in 2020 recorded $531 thousand of the subsidy to reduce operating expenses, $291 thousand was recorded to reduce administrative expenses, and $86 thousand was recorded to reduce capitalized salaries. In the twelve months ended December 31, 2021, the Trust recorded an additional $39 thousand of the subsidy to reduce operating expenses, $19 thousand was recorded to reduce administrative expenses, and $5 thousand was recorded to reduce capitalized salaries.

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

Rent Collections

	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
Gross rent collected from tenants	**99.5%**	99.6%	99.2%	99.1%	99.5%	95.4%	90.9%
CECRA – Federal and Quebec Government contribution	**-**	-	-	-	-	2.9%	4.0%
Total collections including government contributions under CECRA	**99.5%**	99.6%	99.2%	99.1%	99.5%	98.3%	94.9%
CECRA – 25% Landlord write-off	**-**	-	-	-	-	1.0%	1.5%
Rent abated	**-**	-	0.4%	0.2%	0.2%	0.4%	2.6%
Rent deferred with a definitive repayment schedule	**-**	0.1%	0.3%	0.3%	-	-	0.3%
Remaining tenant accounts receivable[1]	**0.5%**	0.3%	0.1%	0.4%	0.3%	0.3%	0.7%
Totals	**100.0%**	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

(1) Remaining tenant accounts receivable excludes allowance for doubtful accounts.

To date, 98.6% of gross rent for January and February 2022 has been collected.

For deferred rent that was to be repaid during 2021, Plaza collected 98.9% of same.

Plaza's portfolio is currently fully-open.

Although the fair value of its properties reflects its best estimates as at December 31, 2021 (see Note 3 of the accompanying Financial Statements), Plaza is continuing to review its future NOI and cash flow projections. The investment market for the Trust's properties occupied by essential needs and value-based retailers and quick-service restaurants, as well as its stable properties located in strong secondary markets, continues to improve. Regardless, depending on the duration and full impacts of COVID-19, certain aspects of Plaza's operations could be affected, including rental and occupancy rates, demand for retail space, capitalization rates, and the resulting value of Plaza's properties. The full extent and duration of the COVID-19 pandemic, including the resulting impacts on Plaza's business and its tenants, remains uncertain at this time. As such, it is not possible to reliably estimate the length and severity of COVID-19 related impacts on the future financial results of the Trust.

PART VII

RELATED PARTY TRANSACTIONS

Notes Payable to Related Parties

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

(000s)	**December 31, 2021**	December 31, 2020
Non-interest bearing notes:		
Entities owned (directly or indirectly), controlled or significantly influenced by Michael Zakuta (President & Chief Executive Officer and Trustee)	**$ 261**	$ 261

Bonds and Debentures Held

The Trust has placed certain bonds and debentures by way of private placement, in which accredited investors may participate. Employees and trustees of the Trust (individually a "Trustee", collectively "Trustees") may be eligible to participate in these private placements, along with non-related parties.

Trustees, directly or indirectly, held unsecured debentures of the Trust as follows (stated at face value):

(000s)	December 31, 2021	December 31, 2020
Earl Brewer (Trustee)	$ 300	$ 325
Stephen Johnson (Trustee)(1)	-	200
Doug McGregor (Chairman and Trustee)	200	400
Lynda Savoie (Trustee)(2)	15	-
Total	$ 515	$ 925

(1) Stephen Johnson no longer controls these debentures as of December 31, 2021.
(2) Lynda Savoie was elected a Trustee at the annual and special unitholders' meeting on May 27, 2021.

No other Trustee or key management personnel own mortgage bonds or debentures of the Trust at December 31, 2021.

Other Related Party Transactions

TC Land LP, an entity controlled by Earl Brewer and Michael Zakuta, leases nine parcels of land to the Trust at market rates. The land leases expire at various times from October 2043 to November 2047, subject to options to renew. All of these land leases have options to purchase, of which one is at a fixed price and the others are at fair market value. The business purpose of the leases was to enhance levered equity returns on the affected assets. Land leases reduce Plaza's equity requirement in the subject projects, spread risk and enhance project feasibility and overall unitholder returns.

	Annual Land Rent Paid	
Related Parties:	December 31, 2021	December 31, 2020
A company beneficially-owned by Earl Brewer and Michael Zakuta	$ 1,200	$ 1,200

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

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

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

	Ownership %		
Property	**Earl Brewer**	**Barbara Trenholm**	**Michael Zakuta**
Gateway Mall, Sussex, NB	25.00%	-	21.50%
Mountainview Plaza, Midland, ON and Park Street Plaza, Kenora, ON	4.33%	-	4.81%
Amherstview, Amherstview, ON and 1865 Scugog St, Port Perry, ON	4.87%	-	4.67%
KGH Plaza, Miramichi, NB, 681 Mountain Rd., Moncton, NB, 201 Main St., Sussex, NB, and Robie St Truro Plaza, Truro, NS	2.62%	5.08%	5.08%
Main St Alexandria, Alexandria, ON, Ottawa Street Plaza, Almonte, ON, and Hastings Street Plaza, Bancroft, ON	2.68%	-	5.19%
Quispamsis Town Centre, Quispamsis, NB	-	-	5.91%
Scott Street Plaza, St. Catharines, ON, St. Joseph's Boulevard, Orleans, ON, Dufferin and Wilson, Perth, ON, Ontario Street Port Hope, Port Hope, ON, Civic Centre Road, Petawawa, ON, and 615 King Street, Gananoque, ON	2.17%	-	2.17%
Boulevard Hebert Plaza and Victoria Street Plaza in Edmundston, NB, Grand Falls Shopping Centre and Madawaska Road Plaza, Grand Falls, NB, Connell Road Plaza, Woodstock, NB, Welton Street Plaza, Sydney, NS, and Pleasant Street Plaza and Starrs Road Plaza in Yarmouth, NS	0.69%	-	5.17%
5628 4th Street NW, Calgary, AB, 303 Main St., Antigonish, NS, 912 East River Rd., New Glasgow, NS, 1 Mont-Royal Ave E, and 8222 Maurice-Duplessis Blvd., Montreal, QC	-	5.35%	4.28%

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

	Related 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**	
Related Party:	**December 31, 2021**	December 31, 2020	**December 31, 2021**	December 31, 2020
Earl Brewer	**$ 416**	$ 392	**$ 40**	$ 34
Barbara Trenholm	**$ 3**	$ -	**$ 13**	$ 4
Michael Zakuta	**$ 463**	$ 436	**$ 61**	$ 48

PART VIII

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

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

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

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

The Trust's Chief Executive Officer and Chief Financial Officer evaluated, or under their supervision caused to be evaluated, the design of the Trust's DC&P and ICFR at December 31, 2021. Based on that evaluation they determined that the Trust's DC&P and ICFR were appropriately designed based on the criteria established in the *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

During the twelve months ended December 31, 2021, there were no changes in the Trust's ICFR that occurred that have materially affected, or are reasonably likely to materially affect, the Trust's ICFR.

CRITICAL ACCOUNTING POLICIES

Critical Accounting Estimates

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

(i) Investment properties

One significant judgment and key estimate that affects the reported amounts of assets at the date of the Consolidated Financial Statements and the reported amounts of profit or loss during the period, relates to property valuations. Investment properties, which are carried on the consolidated statements of financial position at fair value, are valued either by the Trust or by external valuators. The valuations are based on a number of assumptions, such as appropriate capitalization rates and estimates of future rental income, operating expenses and capital expenditures. These investment properties are sensitive to fluctuations in capitalization rates.

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

(a) Internal approach – direct capitalization income approach

Income producing properties are valued using the direct capitalization method. Under this method, fair value is estimated by applying capitalization rates to stabilized net operating income (property revenue less property operating expenses), with the resulting value reduced by any costs to complete or required to achieve stabilization. Normalized net operating income adjusts net operating income for things like market property management fees, or in the case of development properties, to reflect full intended occupancy (less a normal vacancy allowance). The key assumption is the capitalization rate for each specific property. The Trust receives quarterly capitalization rate matrices from an external independent appraiser. The capitalization rate matrices provide a range of rates for various geographic regions and for various types and qualities of properties within each region. The Trust generally utilizes capitalization rates within the range of rates provided. To the extent that the externally provided capitalization rate ranges change from one reporting period to the next or should another rate within the provided ranges be more appropriate than the rate previously used, the fair value of the investment properties would increase or decrease accordingly.

(b) External appraisals

Independent appraisals are obtained in the normal course of business as refinancing activities require them. When an independent appraisal is obtained, the internal valuation team assesses all major inputs used by the independent valuators in preparing their reports and holds discussions with them on the reasonableness of their assumptions. Where warranted, adjustments will be made to the internal valuations to reflect the assumptions contained in the external valuations.

At December 31, 2021 a decrease of 0.25% in the capitalization rates used to determine the fair value of investment properties would have resulted in an increase in investment properties of approximately $41.1 million. An increase of 0.25% in the capitalization rates used would have resulted in a decrease in investment properties of approximately $38.2 million.

FUTURE ACCOUNTING POLICY CHANGES

There are no future accounting policy changes expected to have a significant impact on Plaza and as such there are no policy changes detailed in the Consolidated Financial Statements for the year ended December 31, 2021.

EXPLANATION OF NON-GAAP MEASURES

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

Funds From Operations (FFO) and Adjusted Funds From Operations (AFFO) are non-GAAP financial measures. FFO and AFFO are industry terms commonly used in the real estate industry and their calculations are prescribed in publications of the Real Property Association of Canada (“REALpac”). Plaza calculates FFO and AFFO in accordance with REALpac’s publications.

FFO and AFFO as calculated by Plaza may not be comparable to similar titled measures reported by other entities. FFO is an industry standard widely used for measuring operating performance and is exclusive of unrealized changes in the fair value of investment properties, deferred income taxes and gains or losses on property dispositions. AFFO is an industry standard widely used for measuring recurring or sustainable economic operating performance and AFFO further primarily adjusts FFO for operating capital and leasing (both internal and external) requirements that must be made to preserve the existing rental stream. Capital expenditures which generate a new investment or revenue stream, such as the development of a new property or the construction of a new retail pad during property expansion or intensification would not be included in determining AFFO. See the reconciliation of FFO and AFFO to profit for the period attributable to unitholders in Part II of this MD&A under the heading “Property and Corporate Financial Performance”.

Plaza considers FFO and AFFO meaningful additional measures as they adjust for certain non-cash and other items that do not necessarily provide an appropriate picture of the Trust’s recurring performance. They more reliably show the impact on operations of trends in occupancy levels, rental rates, net property operating income, interest costs and sustaining capital expenditures compared to profit determined in accordance with IFRS. As well, FFO and AFFO allow some comparability amongst different real estate entities using the same definition of FFO and AFFO.

FFO per unit and AFFO per unit are non-GAAP financial measures. FFO per unit and AFFO per unit as calculated by Plaza may not be comparable to similar titled measures reported by other entities. Plaza calculates FFO per unit and AFFO per unit as FFO or AFFO divided by the weighted average number of units outstanding.

Distributions as a percentage of basic FFO and distributions as a percentage of basic AFFO are non-GAAP financial measures. Distributions as a percentage of basic FFO and basic AFFO as calculated by Plaza may not be comparable to similar titled measures reported by other entities. Plaza calculates distributions as a percentage of basic FFO and distributions as a percentage of basic AFFO as gross distributions to unitholders divided by basic FFO or basic AFFO.

Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) is a non-GAAP financial measure. EBITDA, as calculated by Plaza, may not be comparable to similarly titled measures reported by other entities. EBITDA is used in calculations that measure the Trust's ability to service debt. Its calculation is profit before finance costs, income tax expense, gains/losses on property dispositions, unrealized changes from fair value adjustments, transaction costs expensed as a result of the purchase of a business or properties, and net revaluation of interest rate swaps. See the reconciliation of EBITDA to profit for the period in Part III of this MD&A under the heading "Capital Resources, Equity and Debt Activities – Debt Service Ratios".

Same-Asset Net Property Operating Income (Same-asset NOI) is a non-GAAP financial measure. Same-asset NOI, as calculated by Plaza, may not be comparable to similarly titled measures reported by other entities. Same-asset NOI is used by Plaza to evaluate the period over period performance of those properties owned by Plaza since January 1, 2020, and excludes partial year results from certain assets due to timing of acquisition, development, redevelopment or disposition. Its calculation is revenues less operating expenses for the same-asset pool of properties. The revenues or operating expenses exclude the impact of non-cash straight-line rent, administrative expenses charged to NOI, property tax settlements and lease buyout revenue. Excluding these items enables the users to better understand the period over period performance for a consistent pool of assets from contractual rental rate changes embedded in lease agreements, and the impact of leasing and occupancy on the same-asset portfolio. See the reconciliation of same-asset NOI to NOI in Part II of this MD&A under the heading "Property and Corporate Financial Performance".

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

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

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

ADDITIONAL INFORMATION

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

PROPERTIES OF THE TRUST

A chart listing the Trust's properties at December 31, 2021 can be accessed on Plaza's website at www.plaza.ca.

APPENDIX A

FOURTH QUARTER 2021 INCOME RESULTS

Consolidated Statements of Comprehensive Income

(000s) (unaudited)	**3 Months Ended December 31, 2021**	3 Months Ended December 31, 2020
Revenues	**$ 27,383**	$ 26,835
Operating expenses	**(10,195)**	(8,698)
Net property operating income	**17,188**	18,137
Share of loss of associates	**1,028**	(2,366)
Administrative expenses	**(1,701)**	(1,899)
Investment income	**121**	119
Other income	**784**	756
Income before finance costs, fair value adjustments and income taxes	**17,420**	14,747
Finance costs	**(6,720)**	(7,363)
Finance costs – net change in fair value of convertible debentures	**930**	712
Finance costs – net change in fair value of Class B exchangeable LP units	**(262)**	(131)
Finance costs – net change in fair value of interest rate swaps	**168**	539
Net change in fair value of right-of-use land lease assets	**(193)**	(199)
Net change in fair value of investment properties	**29,985**	2,169
Profit before income tax	**41,328**	10,474
Income tax recovery (expense)		
- Current	**135**	(18)
- Deferred	**(728)**	(1,181)
	(593)	(1,199)
Profit and total comprehensive income for the period	**$ 40,735**	$ 9,275
Profit and total comprehensive income for the period attributable to:		
- Unitholders	**$ 40,735**	$ 9,306
- Non-controlling interests	**-**	(31)
	$ 40,735	$ 9,275

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, 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 of Trustees.

KPMG LLP, the independent auditors appointed by the unitholders based on the recommendation of the Board of Trustees, 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.

Michael Zakuta
President and CEO
February 24, 2022

Jim Drake
Chief Financial Officer
February 24, 2022

KPMG LLP
Frederick Square
77 Westmorland Street, Suite 700
Fredericton NB E3B 6Z3
Canada
Tel 506-452-8000
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INDEPENDENT AUDITORS' 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, 2021 and December 31, 2020
- the consolidated statements of comprehensive income (loss) 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 significant accounting policies

(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, 2021 and December 31, 2020, and its consolidated results of financial performance, and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2021.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our auditors' 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 $1,017,733 thousand as at December 31, 2021. Significant assumptions include future stabilized net operating income and capitalization rates applied to the 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 judgement 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
- Considering the adjustments, or lack of adjustments, made by the Entity in arriving at the future stabilized net operating income.

KPMG

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 and external appraisers. These rates were evaluated by comparing them to published reports of real estate industry commentators.

We evaluated the competence, capabilities and objectivity of the external independent appraisers by:

- Inspecting evidence that the appraisers are in good standing with the Appraisal Institute
- Considering whether the appraisers have appropriate knowledge in relation to the specific type of investment properties
- Reading the reports of the external independent appraisers which refers to their independence

Other Information

Management is responsible for the other information. Other information comprises the information included in Management's Discussion and Analysis 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 filed with the relevant Canadian Securities Commissions as at the date of this auditors' 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 auditors' 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, 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are/is free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 auditors' 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 auditors' 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.
- 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 auditors' 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 auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG LLP

Chartered Professional Accountants

The engagement partner on the audit resulting in this auditors' report is Douglas Reid.

Fredericton, NB

February 24, 2022

Plaza Retail REIT

Consolidated Statements of Financial Position
(in thousands of Canadian dollars)

	December 31, 2021	December 31, 2020
Assets		
Non-Current Assets		
Investment properties (Note 4)	**$ 1,141,304**	$ 1,061,136
Investments (Note 5)	**48,680**	46,939
Tenant loans	**308**	402
Deferred income tax asset (Note 16)	**303**	335
Total non-current assets	**1,190,595**	1,108,812
Current Assets		
Investment properties held for sale (Note 4)	**-**	3,128
Cash	**8,062**	8,274
Receivables (Note 6)	**4,736**	8,106
Prepaid expenses and deposits (Note 7)	**3,780**	3,492
Tenant loans	**114**	109
Notes and advances receivable (Note 8)	**7,547**	7,206
Total current assets	**24,239**	30,315
Total assets	**$ 1,214,834**	$ 1,139,127
Liabilities and Unitholders' Equity		
Non-Current Liabilities		
Debentures payable (Note 9)	**$ 59,405**	$ 51,631
Mortgage bonds payable (Note 10)	**-**	6,146
Mortgages payable (Note 11)	**433,907**	405,667
Class B exchangeable LP units (Note 21)	**5,622**	4,300
Land lease liabilities (Note 13)	**65,206**	65,986
Deferred income tax liability (Note 16)	**8,785**	8,116
Total non-current liabilities	**572,925**	541,846
Current Liabilities		
Current portion of debentures payable (Note 9)	**5,996**	9,176
Current portion of mortgage bonds payable (Note 10)	**6,171**	1,997
Bank indebtedness (Note 12)	**33,313**	33,451
Current portion of mortgages payable (Note 11)	**73,248**	104,369
Mortgage payable of investment property held for sale (Note 11)	**-**	709
Accounts payable, accrued liabilities, tenant payables and tenant deposits (Note 14)	**23,296**	18,681
Land lease liabilities (Note 13)	**780**	760
Notes payable (Note 15)	**1,212**	1,236
Total current liabilities	**144,016**	170,379
Total liabilities	**716,941**	712,225
Unitholders' equity	**493,521**	422,407
Non-controlling interests	**4,372**	4,495
Total unitholders' equity	**497,893**	426,902
Total liabilities and unitholders' equity	**$ 1,214,834**	$ 1,139,127

Contingencies, commitments, guarantees and indemnities, litigation and provisions – see Note 27
Subsequent events – see Note 30

Doug McGregor, Trustee
Chair of the Board

Barbara Trenholm, Trustee
Chair of the Audit Committee

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

Plaza Retail REIT

Consolidated Statements of Comprehensive Income (Loss)

(in thousands of Canadian dollars)	2021	2020
Revenues (Note 17)	**$ 110,632**	$ 106,898
Operating expenses (Note 18)	**(38,853)**	(38,148)
Net property operating income	**71,779**	68,750
Share of profit (loss) of associates	**3,983**	(1,305)
Administrative expenses (Note 19)	**(7,052)**	(8,777)
Investment income	**511**	503
Other income	**3,258**	2,363
Income before finance costs, fair value adjustments and income taxes	**72,479**	61,534
Finance costs (Note 20)	**(27,845)**	(29,061)
Finance costs – convertible debenture issuance costs	**(370)**	-
Finance costs - net change in fair value of convertible debentures (Note 9)	**(1,903)**	3,429
Finance costs - net change in fair value of Class B exchangeable LP units (Note 21)	**(1,322)**	1,144
Finance costs - net change in fair value of interest rate swaps (Note 11)	**2,604**	(3,386)
Net change in fair value of right-of-use land lease assets (Note 4)	**(760)**	(693)
Net change in fair value of investment properties (Note 4)	**58,376**	(46,891)
Profit (loss) before income tax	**101,259**	(13,924)
Income tax expense		
- Current	**(71)**	(115)
- Deferred	**(699)**	(898)
	(770)	(1,013)
Profit (loss) and total comprehensive income (loss) for the period	**$ 100,489**	$ (14,937)
Profit (loss) and total comprehensive income (loss) for the period attributable to:		
- Unitholders	**$ 99,615**	$ (14,908)
- Non-controlling interests	**874**	(29)
	$ 100,489	$ (14,937)

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 21)	Retained Earnings	Total Attributable to Unitholders	Non-Controlling Interests	Total Equity
Balance as at December 31, 2019	$ 276,406	$ 190,736	$ 467,142	$ 4,306	$ 471,448
Loss and total comprehensive loss for the period	-	(14,908)	(14,908)	(29)	(14,937)
Transactions with unitholders, recorded directly in equity:					
- Issuance of units under the RU plan (Note 21)	143	-	143	-	143
- Repurchase of units under normal course issuer bid (Note 21)	(1,096)	(362)	(1,458)	-	(1,458)
- Distributions to unitholders (Note 23)	-	(28,512)	(28,512)	-	(28,512)
- Distributions from non-controlling interests	-	-	-	218	218
Balance as at December 31, 2020	**$ 275,453**	**$ 146,954**	**$ 422,407**	**$ 4,495**	**$ 426,902**
Profit and total comprehensive income for the period	-	99,615	99,615	874	100,489
Transactions with unitholders, recorded directly in equity:					
- Issuance of units under the RU and DU plan (Note 21)	116	-	116	-	116
- Repurchase of units under normal course issuer bid (Note 21)	(76)	(43)	(119)	-	(119)
- Distributions to unitholders (Note 23)		(28,498)	(28,498)	-	(28,498)
- Contributions to non-controlling interests	-	-	-	(997)	(997)
Balance as at December 31, 2021	**$ 275,493**	**$ 218,028**	**$ 493,521**	**$ 4,372**	**$ 497,893**

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)	**2021**	2020
Cash obtained from (used for):		
Operating activities		
Profit (loss) and total comprehensive income (loss) for the period	**$ 100,489**	$ (14,937)
Items not affecting cash:		
Finance costs (Note 20)	**27,845**	29,061
Share of (profit) loss of associates	**(3,983)**	1,305
Net change in fair value of investment properties	**(58,376)**	46,891
Net change in fair value of convertible debentures	**1,903**	(3,429)
Net change in fair value of Class B exchangeable LP units	**1,322**	(1,144)
Net change in fair value of interest rate swaps (Note 11 and 28)	**(2,604)**	3,386
Net change in fair value of right-of-use land lease assets	**760**	693
Current and deferred income taxes	**770**	1,013
Issuance of units under the DRIP and RU plan	**116**	143
Straight-line rent (Note 17)	**277**	(402)
Interest paid	**(24,502)**	(24,764)
Imputed interest paid on land lease liabilities (Note 20)	**(2,425)**	(2,245)
Income taxes received (paid)	**44**	(537)
Distributions from equity accounted investments (Note 5)	**1,858**	1,739
Leasing commissions paid	**(293)**	(478)
Change in non-cash working capital (Note 24)	**5,006**	(4,573)
	48,207	31,772
Financing activities		
Cash distributions paid to unitholders (Note 23)	**(28,498)**	(28,512)
Cash distributions paid to Class B exchangeable LP unitholders (Note 20)	**(334)**	(334)
Repurchase of units under normal course issuer bid (Note 21)	**(119)**	(1,458)
Gross mortgage proceeds	**95,322**	73,489
Fees incurred for placement of mortgages	**(788)**	(320)
Loan defeasance expenses and early mortgage discharge fees paid (Note 20)	**-**	(225)
Mortgages repaid	**(80,435)**	(53,394)
Periodic mortgage principal repayments	**(12,047)**	(10,762)
Land lease principal repayments	**(760)**	(693)
Gross proceeds from mortgage bonds	**-**	3,395
Fees incurred for placement of mortgage bonds	**-**	(34)
Redemption of mortgage bonds	**(2,005)**	(4,195)
Gross proceeds from convertible debentures	**12,019**	-
Redemption of debentures	**(9,360)**	-
Distribution from equity accounted investments from financing proceeds (Note 5)	**700**	2,624
Decrease in notes payable	**(24)**	(220)
	(26,329)	(20,639)
Investing activities		
Acquisitions of investment properties and land (Note 4(d))	**(10,361)**	(8,727)
Investment properties – additions	**(22,606)**	(27,665)
Net proceeds from disposal of investment properties and land (Note 4(e))	**10,654**	9,901
Early mortgage discharge fees paid for disposal of investment properties and land (Note 4(e) and Note 20)	**(253)**	-
Net proceeds from assets previously held for sale (Note 4(e))	**2,448**	609
Advances to equity accounted investments for developments (Note 5)	**(316)**	(3,483)
Contributions to/(distributions from) subsidiaries from/to non-controlling interests	**(997)**	218
Decrease (increase) in deposits for acquisitions and financings (Note 7)	**(260)**	2,441
Increase in notes and advances receivable	**(341)**	(1,168)
Repayment of tenant loans	**111**	108
Issuance of tenant loans	**(31)**	-
	(21,952)	(27,766)
Net decrease in cash	**(74)**	(16,683)
Cash less bank indebtedness, beginning of the year	**(25,177)**	(8,494)
Cash less bank indebtedness, end of the year	**$ (25,251)**	$ (25,177)

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

1. Reporting Entity

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

2. Basis of Preparation

(a) Statement of Compliance

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

The consolidated financial statements were authorized for issue by the Board of Trustees of the Trust on February 24, 2022.

(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:

- Interest rate swaps;
- 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 significant estimates and judgments include the assessment of fair values, the discount rates used in the valuation of the Trust's assets and liabilities, capitalization rates, the relative credit worthiness of the Trust to its counterparties, the determination of the accounting basis for investments and joint arrangements, the amount of borrowing costs to capitalize to properties under development and the selection of accounting policies.

(i) Investment properties

One significant judgment and key estimate that affects the reported amounts of assets at the date of the consolidated financial statements and the reported amounts of profit or loss during the year, relates to property valuations. Investment properties, which are carried on the consolidated statements of financial position at fair value, are valued either by the Trust's internal valuation team or by external independent appraisers. The valuations are based on a number of significant assumptions, such as capitalization rates, future stabilized net operating income and capital expenditures. The determination of future stabilized net operating income involves assumptions regarding future rental income and operating expenses. These investment properties are sensitive to fluctuations in capitalization rates.

3. Summary of Significant Accounting Policies

The Trust's 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.

(i) Subsidiaries

Subsidiaries are entities over which the Trust has control. The Trust has control over an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

When the Trust does not own all of 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.

(ii) Associates and joint ventures

Associates are entities over which the Trust has significant influence over the financial and operating policies of the entities and that are neither subsidiaries nor interests in joint ventures.

A joint venture is a type of joint arrangement whereby the parties that share joint control have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

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.

(iii) Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control have rights to the assets and obligations for the liabilities relating to the arrangement. The Trust recognizes its proportionate share of assets, liabilities, revenues and expenses of joint operations.

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 held to earn rental income or for capital appreciation, or both, but not for sale in the ordinary course of business. As such, investment properties are measured at fair value, under IAS 40, Investment Property ("IAS 40") using valuations prepared by either the Trust's internal valuation team or external independent appraisers. 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 and capitalization rates. Where increases or decreases are warranted, the Trust adjusts the fair values of its investment properties. Related fair value gains and losses are recorded in profit or loss in the period in which they arise.

(c) Properties Under Development

Properties under development for future use as investment property are accounted for as investment property under IAS 40. Development properties consist of properties under construction, which are recorded at fair value.

(d) Surplus lands

Surplus lands are included in investment properties and are carried at fair value. The fair value of the surplus lands is based on internal valuations based on recent market transactions.

(e) Assets and Liabilities Held for Sale

Investment properties are classified as held for sale if their carrying amount will be recovered primarily through a sale transaction rather than through continuing use. The asset is classified as such only when management has committed to a plan to sell, when the sale is probable and is expected to qualify for recognition as a completed sale within one year. Investment properties classified as held for sale are recorded at fair value less costs of disposal. Any difference between the existing fair value and the calculated fair value less costs of disposal, at the time the asset is reclassified, is recorded through change in fair value.

Liabilities that are to be assumed by the buyer or repaid on disposition of the non-current asset, are also classified as held for sale. Non-current assets and non-current liabilities held for sale are classified separately from other assets and other liabilities in the consolidated statement of financial position. These amounts are not offset or presented as a single amount.

(f) Capitalization of Costs

The Trust capitalizes investment property acquisition costs incurred at the time of purchase.

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 expenditures are being incurred and 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.

(g) Revenue Recognition

The Trust enters as a lessor into lease agreements that fall within the scope of IFRS 16, “Leases” which are classified as operating leases. The Trust's revenues are earned from lease contracts with tenants and include both a lease component and a non-lease component. 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 rent that is contractually due from the tenant. Contingent rental income is recognized when it arises.

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

Fee Income

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

Trust is the leasing manager for co-owned properties and are recognized when earned in accordance with the property management or co-ownership agreements.

Lease buyout revenue

Lease buyout revenue represents amounts earned from tenants in connection with the cancellation or the early termination of their remaining lease obligations and is recognized when a lease termination agreement is signed, and collection is reasonably assured.

Government grants

Government grants are recognized in net income during the period when there is reasonable assurance that the grants will be received and that the Trust will comply with the terms of the respective grant. Government grants are presented separately as either income or as a reduction of the related costs for which the grants are intended to compensate.

(h) Income Taxes

The Trust is a mutual fund trust and qualifies as a real estate investment trust for Canadian income tax purposes. Under current tax legislation, a real estate investment trust is entitled to deduct distributions of taxable income such that it is not liable to pay income tax, provided that its taxable income is fully distributed to unitholders. Accordingly, income taxes, comprised of current and deferred taxes, are only recorded for the Trust's corporate subsidiaries. The Trust intends to continue to qualify as a real estate investment trust and to make distributions not less than the amount necessary to ensure that the Trust will not be liable to pay income taxes. The Trust qualified as a real estate investment trust throughout 2021 and the 2020 comparative year.

(i) Cash

Cash represents cash in bank accounts. The Trust's cash balance does not include any instruments related to asset-backed securities or commercial paper programs.

(j) Unit-based Payments

The Trust also issues unit-based awards, comprised of restricted units, to certain officers and employees of the Trust or its affiliates. Under the restricted unit plan, the fair value of the restricted units granted is recognized as compensation expense over the vesting period. Fair value is determined with reference to the market price of the Trust's units.

The Trust issues unit-based awards, comprised of deferred units, to non-employee trustees. Under the deferred unit plan, the fair value of the deferred units granted is recognized as compensation expense in the period the deferred units are granted and the fair value is updated at the end of each reporting period. Fair value is determined with reference to the market price of the Trust's units.

Since the Trust's units are redeemable at the option of the holder and are, therefore, considered puttable instruments in accordance with IAS 32, "Financial instruments: presentation", any restricted units or deferred units are accounted for as a liability because the participants' rights to receive a puttable instrument is a cash-settled share-based payment under IFRS 2, "Share-based payments". The restricted unit or deferred unit liability is adjusted to reflect the change in their fair value at each reporting period with the changes in fair value recognized as compensation expense.

(k) 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.

(l) 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.

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

Asset / Liability	Classification and Measurement Basis
Tenant loans	Amortized cost
Cash	Amortized cost
Receivables	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	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
Interest rate swaps	FVTPL

Financial assets are not reclassified subsequent to 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 will be 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 subsequent to 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.

(m) Trust Units

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

(n) 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.

(o) Finance Costs

Finance costs are comprised of interest expense on borrowings, fair value changes in financial liabilities, the fair value adjustment on interest rate swap and bond forward derivatives and transaction costs associated with the issuance of financial liabilities measured at fair value though 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.

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

4. Investment Properties

	December 31, 2021				December 31, 2020			
	Income producing properties	**Properties under development**	**Right-of-use land lease assets**	**Total**	Income producing properties	Properties under development	Right-of-use land lease assets	Total
Balance, beginning of the period:	**$ 972,430**	**$ 21,960**	**$ 66,746**	**$ 1,061,136**	$ 991,326	$ 35,447	$ 59,907	$ 1,086,680
Additions (deductions):								
Additions to investment properties	**10,805**	**15,164**	**-**	**25,969**	5,759	20,358	7,532	33,649
Acquisitions of investment properties and land	**5,932**	**4,429**	**-**	**10,361**	8,727	-	-	8,727
Disposals[(1)]	**(13,450)**	**-**	**-**	**(13,450)**	(17,498)	-	-	(17,498)
Transfers	**(9,962)**	**9,962**	**-**	**-**	36,714	(36,714)	-	-
Straight line rent receivable change	**(525)**	**197**	**-**	**(328)**	257	33	-	290
Change in investment properties held for sale (Note 3(g))	**-**	**-**	**-**	**-**	(3,128)	-	-	(3,128)
Change in fair value – income producing and under development	**52,503**	**5,873**	**-**	**58,376**	(49,727)	2,836	-	(46,891)
Change in fair value – right-of-use land lease assets	**-**	**-**	**(760)**	**(760)**	-	-	(693)	(693)
Balance, end of the period:	**$ 1,017,733**	**$ 57,585**	**$ 65,986**	**$ 1,141,304**	$ 972,430	$ 21,960	$ 66,746	$ 1,061,136

(1) Cash received in the current year from disposals as per the Statement of Cash Flows of $10.4 million is net of mortgages repaid of $3.0 million including early discharge fees. Cash received in the prior year from disposals as per the Statement of Cash Flows of $9.9 million is net of mortgages assumed by the purchasers of $7.6 million.

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

Fair value disclosure:

Investment properties (including those owned through equity accounted joint ventures) are measured at fair value using either an internal approach or external appraisals.

Income Producing Properties

(i) Internal approach – direct capitalization income approach

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

(ii) External appraisals

Independent appraisals are obtained in the normal course of business as refinancing activities require them. When an independent appraisal is obtained, the internal valuation team assesses all major inputs used by the independent valuators in preparing their reports and holds discussions with them on the reasonableness of their assumptions. Where warranted, adjustments will be made to the internal valuations to reflect the assumptions contained in the external valuations.

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

Properties Under Development

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

Of the total fair value in the chart on the previous page, $156.5 million of investment properties were based on external appraisals obtained during the year (year ended December 31, 2020 - $96.8 million), with $73.1 million based on appraisals obtained in the current quarter (quarter ended December 31, 2020 - $57.0 million).

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

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

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

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

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

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

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

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

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

At December 31, 2021 a decrease of 0.25% in the capitalization rates used to determine the fair value of investment properties would have resulted in an increase in investment properties of approximately $41.1 million. An increase of 0.25% in the capitalization rates used would have resulted in a decrease in investment properties of approximately $38.2 million.

Although the fair value of investment properties reflects the Trust’s best estimates as at December 31, 2021, the Trust continues to review its future NOI and cash flow projections and valuation of investment properties in light of COVID-19. Depending on the duration of COVID-19, certain aspects of Plaza’s operations could be further affected, including rental and occupancy rates, consumer demand and demand for retail space, capitalization rates, tenants’ ability to pay rent in full or at all, tenant inducements, temporary or long-term labour or supply chain disruptions and the impact on construction costs and development projects, and the resulting value of Plaza’s properties.

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

As at December 31, 2020 the Trust utilized the following range of capitalization rates:

			Capitalization Rate Matrix Ranges	
	Number of Properties[1]	**Weighted average capitalization rates**	**Primary Market**	**Secondary Market**
Freestanding or Mini Box	73	6.59%	5.50% - 9.00%	6.00% - 9.50%
Quick Service Restaurant	83	7.02%	5.75% - 9.75%	6.25% - 11.50%
Anchored Open-Air Centre – Class A	15	6.85%	6.50% - 9.00%	6.50% - 9.75%
Anchored Open-Air Centre – Class B	40	7.21%	6.50% - 9.25%	7.00% - 10.75%
Unanchored Open-Air Centre	33	7.94%	6.25% - 10.00%	6.75% - 11.50%
Enclosed Malls – Community	3	10.00%	8.50% - 10.00%	8.25% - 11.50%
	247	7.19%		

[1] Excludes certain properties under development and non-consolidated trusts and partnerships.

(a) Straight-line Rent

Included in investment properties at December 31, 2021 is $11.9 million (December 31, 2020 - $12.2 million) of straight-line rents receivable arising from the recognition of rental revenue on a straight-line basis over the lease terms in accordance with IFRS 16, *Leases*.

(b) Surplus Land

Included in investment properties at December 31, 2021 is $1.1 million of surplus lands at fair value (December 31, 2020 - $1.2 million).

(c) Borrowing Costs

The total amount of borrowing costs capitalized for the year ended December 31, 2021 is $285 thousand (for the year ended December 31, 2020 - $380 thousand).

(d) Acquisitions of Investment Properties and Land

Properties Acquired	**% Acquired**	**Year Ended December 31, 2021[1]**	Year Ended December 31, 2020[1]
Mapleview Dr., Barrie, ON	**50%**	**$ 2,630**	$ -
L'Axe, Chicoutimi, QC	**37.5%**	**1,799**	-
Les Immeubles SBT Drummondville, QC	**50%**	**5,932**	-
Northern Avenue Plaza, Sault Ste. Marie, ON	**50%**	**-**	8,727
Total properties acquired		**$ 10,361**	$ 8,727

[1] Including closing costs

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

(e) Disposals

Properties Disposed	**% Disposed**	**Gross Proceeds Year Ended December 31, 2021[(1)]**	Gross Proceeds Year Ended December 31, 2020
Quick Service Restaurants and excess land – Port Hawkesbury, NS, Belleville, ON, Hamilton, ON, Lindsay, ON, Orleans, ON, Picton, ON, Toronto, ON, Chicoutimi, QC, Gatineau, QC, Levis, QC, Longueuil, QC, Montreal, QC, and Quebec City, QC.	**100%**	**$ 16,452**	$ -
Surplus land – Sherbrooke, QC	**50%**	**125**	-
Quick Service Restaurants and non-core Assets – Arnprior, ON, Cambridge, ON, Hamilton, ON, Thunder Bay, ON, Toronto, ON, Windsor, ON, Neufchatel, QC, and Shawinigan, QC.	**100%**	**-**	5,894
Five single-use properties located in Calgary, AB, New Glasgow, NS, Antigonish, NS and Montreal, QC[(2)]	**50%**	**-**	4,616
Total disposals		**$ 16,577**	$ 10,510

(1) Net proceeds per the Statements of Cash Flows, are net of mortgages repaid on disposal of $3.7 million including early mortgage discharge fees paid.
(2) The Trust sold a 50% co-ownership interest in five properties for net proceeds of $12.3 million, $4.6 million after assumption of long-term financing on the properties.

(f) Right-of-use land lease assets

The Trust has investment properties located on land which is leased. The Trust has 27 long-term land leases (affecting 26 properties). Land leases expire (excluding any non-automatic renewal periods) on dates ranging from 2022 to 2084 with an average life of 33 years, with some of the leases also containing non-automatic renewal options, extending the average life of the leases to 59 years including these non-automatic renewal options.

(g) Investment properties held for sale

The Trust has not segregated any investment properties as held for sale at December 31, 2021 (December 31, 2020 - $3.1 million).

5. Investments

Investments consist of the following:

	Ownership Position	**Preferred Return**	**Residual Return**	**December 31, 2021**	December 31, 2020
Equity Accounted Investments					
Centennial Plaza Limited Partnership	10%	10%	20%	**$ 14,758**	$ 13,430
Trois Rivières Limited Partnership	15%	10%	30%	**3,078**	2,705
VGH Limited Partnership	20%	8%	27%	**1,429**	1,038
Plazacorp Ontario1 Limited Partnership	25%	8%	25%	**2,440**	2,275
Plazacorp Ontario2 Limited Partnership	50%	-	-	**4,573**	3,911
Plazacorp Ontario3 Limited Partnership	50%	-	-	**1,594**	2,301
Plazacorp Ontario4 Limited Partnership	50%	-	-	**2,597**	2,452
RBEG Limited Partnership	50%	-	-	**2,431**	2,407
CPRDL Limited Partnership	50%	-	-	**2,611**	2,321
Fundy Retail Ltd.	50%	-	-	**618**	532
Ste. Hyacinthe Limited Partnership	25%	-	-	**210**	210
144 Denison East Limited Partnership	25%	-	-	**529**	490
The Shoppes at Galway Limited Partnership	50%	-	-	**11,812**	12,867
Total investments				**$ 48,680**	$ 46,939

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

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 the 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.

For the year ended December 31, 2021 the Trust received $1.9 million of distributions (for the year ended December 31, 2020 - $1.7 million) from equity accounted investments, and an additional $700 thousand in distributions relating to proceeds from financing (for the year ended December 31, 2020 - $2.6 million). For the year ended December 31, 2021 the Trust made $316 thousand in contributions to its equity accounted investments (for the year ended December 31, 2020 - $3.5 million).

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

	December 31, 2021		December 31, 2020	
	Equity Investments at 100%	**Plaza's Interest[1]**	Equity Investments at 100%	Plaza's Interest[1]
Current assets	**$ 7,937**	**$ 2,059**	$ 6,487	$ 1,877
Long term assets	**321,277**	**99,500**	315,820	97,756
Total assets	**329,214**	**101,559**	322,307	99,633
Current liabilities	**3,536**	**1,544**	$ 3,781	$ 1,246
Long term liabilities	**162,647**	**51,335**	165,075	51,448
Total liabilities	**166,183**	**52,879**	168,856	52,694
Net assets	**$ 163,031**	**$ 48,680**	$ 153,451	$ 46,939
Revenues	**$ 27,435**	**$ 8,459**	$ 25,307	$ 7,377
Expenses	**(15,645)**	**(4,485)**	(15,007)	(4,468)
Fair value gain (loss)	**4,451**	**9**	(10,940)	(4,214)
Share of profit (loss) of equity investments	**$ 16,241**	**$ 3,983**	$ (640)	$ (1,305)

(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, 2021	December 31, 2020
Balance, beginning of the year	**$ 46,939**	$ 49,124
Cash contributions	**316**	3,483
Distributions of financing proceeds	**(700)**	(2,624)
Distributions of operating proceeds	**(1,858)**	(1,739)
Share of profit (loss) of equity investments	**3,983**	(1,305)
Balance, ending of the year	**$ 48,680**	$ 46,939

6. Receivables

Receivables consist of the following:

	December 31, 2021	December 31, 2020
Tenant accounts receivable, net of allowance	**$ 1,228**	$ 3,793
Excise tax	**648**	900
CEWS government receivable	**-**	976
Holdback receivable	**-**	649
Other receivables	**2,627**	1,424
Income tax receivable	**233**	364
Total receivables	**$ 4,736**	$ 8,106

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

The Trust determines its allowance for doubtful accounts on a tenant-by-tenant basis using an expected credit loss model taking into consideration lease terms, industry conditions and status of the tenants' accounts, among other factors. Accounts are written off only when all collection efforts have been exhausted. The allowance for doubtful accounts balance at December 31, 2021 is $996 thousand (December 31, 2020 - $1.0 million). This amount is deducted from tenant accounts receivable. The uncertainty caused by COVID-19 may impact the allowance for doubtful accounts in future periods.

The Government of Canada introduced the Canadian Emergency Wage Subsidy ("CEWS") program in 2020 which provides a subsidy for Canadian employers who have seen a drop in revenue during the COVID-19 pandemic. The Trust qualified and recorded a CEWS government receivable at December 31, 2020.

7. Prepaid Expenses and Deposits

Prepaid expenses and deposits consist of the following:

	December 31, 2021	December 31, 2020
Prepaid expenses	**$ 2,309**	$ 2,281
Deposits for acquisitions and financings	**1,471**	1,211
Total prepaid expenses and deposits	**$ 3,780**	$ 3,492

8. Notes and Advances Receivable

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

Due from:	**Interest Rate**	**December 31, 2021**	December 31, 2020
Co-owners of certain investment properties (payable on demand)(1)	6.00%	**$ 7,129**	$ 6,788
	Prime + 1.5%	**322**	322
	Non-interest bearing	**44**	44
Minority interest shareholders (payable on demand)	Prime + 2.0%	**50**	50
	Non-interest bearing	**2**	2
Total notes and advances receivable		**$ 7,547**	$ 7,206

(1) Michael Zakuta and Earl Brewer, related parties, own interests in common with the Trust in the underlying properties (Mountainview Plaza, Midland, ON and Park St. Plaza, Kenora, ON). See Note 25(c)(ii) for additional information.

9. Debentures Payable

Debentures payable consist of the following:

	Maturity Date	**Interest Rate**	**December 31, 2021**	December 31, 2020
Convertible(1)				
Series E (TSX: PLZ.DB.E)	March 31, 2023	5.10%	**$ 47,359**	$ 45,667
Series VII	June 30, 2021	5.50%	**-**	5,316
Series VIII	March 31, 2026	5.95%	**12,046**	-
Total convertible debentures			**59,405**	50,983
Non-convertible(2) (3)	Various (see below)	5.00%	**5,996**	9,824
Net debentures payable			**65,401**	60,807
Less: current portion of debentures payable			**(5,996)**	(9,176)
Total debentures payable – long-term portion			**$ 59,405**	$ 51,631

(1) Recorded at fair value based on closing market trading prices of the debentures; the fair value change of the total convertible debentures during 2021 was a loss of $1.9 million (for the year ended December 31, 2020 – gain of $3.4 million)
(2) Recorded at amortized cost
(3) Net of unamortized finance charges of $4 thousand (December 31, 2020 - $36 thousand)

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

Convertible and non-convertible debentures are subordinate and unsecured.

Current convertible debenture terms are as follows:

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

Non-convertible debenture maturities are as follows:

	Series II
Face value outstanding	$6,000
Maturity date	February 28, 2022

On April 1, 2021, the Trust issued $12.0 million of Series VIII convertible debentures. The Debentures have a term of five years, bear interest at a rate of 5.95% and are convertible at $4.75/unit.

On May 2, 2021, the $3.86 million Series I non-convertible debentures matured and were repaid.

On June 30, 2021, the $5.5 million Series VII convertible debentures matured and were repaid.

10. Mortgage Bonds Payable

Mortgage bonds payable are secured by various properties:

	December 31, 2021			December 31, 2020
	Series X.2	**Series XII**	**Total**	Total
Various properties, 1st mortgage	$ 3,195	$ -	**$ 3,195**	$ 5,200
Various properties, 1st mortgage	-	3,000	**3,000**	3,000
Gross mortgage bonds payable	3,195	3,000	**6,195**	8,200
Less: unamortized finance charges			**(24)**	(57)
Net mortgage bonds payable			**6,171**	8,143
Less: current portion of mortgage bonds payable			**(6,171)**	(1,997)
Net mortgage bonds payable – long-term portion			**$ -**	$ 6,146

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

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

On March 25, 2021, $2.0 million of Series X.1 mortgage bonds matured. $1.0 million of these mortgage bonds were paid out at that time. The remaining $1.0 million were extended to September 25, 2021 and were repaid on that date.

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

11. Mortgages Payable

	Interest Rate Range	Weighted Average Effective Interest Rate	Maturity Dates	December 31, 2021	December 31, 2020
Secured fixed rate loans:	2.17% - 7.00%	4.02%	Up to June 2034	**$ 459,374**	$ 465,441
Unsecured interest-only fixed rate loans:	5.00%	5.00%	Up to May 2024	**9,243**	10,443
Fair value of interest rate swap				**1,135**	3,739
Revaluation of loans upon acquisitions, net of amortization of $6,421 (December 31, 2020 - $6,329)				**352**	444
Less: unamortized finance charges				**(2,371)**	(2,236)
Total net fixed rate loans				**467,733**	477,831
Variable rate loans:					
- $20 million development facility	Prime plus 0.75% or BA plus 2.25%		July 31, 2022	**1,471**	10,900
- $15 million development facility	Prime plus 0.75% or BA plus 2.00%		July 31, 2023	**11,587**	6,477
- $9.7 million interim facility	Prime plus 1.50% or BA plus 2.50%		March 16, 2022	**9,500**	-
- $1.2 million unsecured interest-only loan	Prime plus 1.05% (min. 5.00% rate)		January 15, 2024	**1,171**	1,171
- $10.08 million secured non-revolving construction credit facility	Prime plus 1.00% or BA plus 2.25%		April 24, 2022	**8,855**	8,855
- $8.8 million interim facility	Prime plus 1.00% or BA plus 2.50%		August 13, 2023	**3,258**	5,558
- $3.75 million interim facility	Prime plus 1.00%		December 20, 2023	**3,750**	-
Less: unamortized finance charges				**(170)**	(47)
Total net variable rate loans				**39,422**	32,914
Net mortgages payable				**507,155**	510,745
Less: mortgages payable of investment properties held for sale				**-**	(709)
Less: mortgages payable – current portion				**(73,248)**	(104,369)
Total mortgages payable – long-term portion				**$ 433,907**	$ 405,667

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.

During the year, a $5.6 million interim construction facility was increased to $8.8 million and extended until August 13, 2023.

To fund development activities the Trust has two revolving development facilities with Canadian chartered banks available upon pledging of specific assets. One is a $20.0 million one-year revolving facility that bears interest at prime plus 0.75% or bankers' acceptances ("BAs") plus 2.25%, and the other is a $15.0 million two-year revolving facility that bears interest at prime plus 0.75% or BAs plus 2.00%. At December 31, 2021 there is $21.9 million available on these development facilities (December 31, 2020 - $17.6 million). Funding is secured by first mortgage charges on development properties. The Trust must maintain certain financial ratios to comply with the facilities. These covenants include loan-to-value, debt coverage, interest coverage and occupancy covenants, as well as unitholder equity tests. As of December 31, 2021 the Trust is in compliance with all financial covenants.

During 2019, the Trust entered into four new mortgages that utilize interest rate swaps in order to fix the variable interest rate. The interest rate swaps mature in May, June and August 2029 and are recorded at fair value, with movements in fair value recorded in mortgages payable, and profit (loss).

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

12. Bank Indebtedness

The Trust has a $55.0 million (December 31, 2020 - $46.0 million) revolving operating line of credit facility with a Canadian chartered bank at the rate of prime plus 0.75% or BAs plus 2.00%. The amount available to be drawn fluctuates depending on the specific assets pledged as security. Based on the assets pledged at December 31, 2021, the available limit was $55.0 million of which $33.3 million (December 31, 2020 – $33.5 million) was drawn and therefore the maximum amount remaining available to be drawn on the facility was $21.3 million (December 31, 2020 – $12.0 million), net of letters of credit outstanding of $371 thousand (December 31, 2020 - $503 thousand). As security, at December 31, 2021, the Trust has provided a $50.0 million demand debenture secured by a first mortgage over forty properties.

13. Land Lease Liabilities

The Trust has investment properties located on land which is leased. To recognize these land leases a liability has been recorded effective January 1, 2019. The Trust has 27 long-term land leases (affecting 26 properties). Of the 27 land leases, 9 are with related parties. Land leases expire (excluding any non-automatic renewal periods) on dates ranging from 2022 to 2084 with an average life of 33 years, with some of the leases also containing non-automatic renewal options, extending the average life of the leases to 59 years including these non-automatic renewal options.

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

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

	December 31, 2021	December 31, 2020
Accounts payable and accrued liabilities	**$ 11,580**	$ 7,010
Tenant CAM and tax accrual	**1,392**	1,614
Distributions payable	**2,403**	2,403
Excise tax payable	**1,329**	1,003
Accrued interest payable	**2,111**	2,282
Deferred tenant revenue and deposits	**4,257**	3,873
Other	**224**	496
Total accounts payable, accrued liabilities, tenant payables and tenant deposits	**$ 23,296**	$ 18,681

15. Notes Payable

Notes payable consist of the following:

	Interest Rate	**December 31, 2021**	December 31, 2020
Non-interest bearing notes:			
Entities owned (directly and indirectly), controlled or significantly influenced by Michael Zakuta, President, CEO and Trustee of the Trust [1]	n/a	**$ 261**	$ 261
Unrelated parties and non-controlling interests	n/a	**951**	975
Total notes payable		**$ 1,212**	$ 1,236

[1] The notes are repayable on sale or refinancing of the related asset

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

16. Income Taxes

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

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

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

	December 31, 2021	December 31, 2020
Deferred income tax assets		
Tax loss carry-forwards of subsidiaries	**$ 303**	$ 335
Deferred income tax liabilities		
Income producing properties	**8,785**	8,116
Net deferred income tax liability	**$ 8,482**	$ 7,781

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

	2021	2020
Cash distributions declared	**$ 28,498**	$ 28,512
Required cash distributions to ensure no Part I tax	**21,236**	9,026
Total excess over Part I tax	**$ 7,262**	$ 19,486

17. Revenues

	2021	2020
Contractual revenue	**$ 75,383**	$ 73,604
Straight-line rent	**(277)**	402
Property tax and insurance recoveries	**20,771**	20,804
Cost recovery revenue	**11,346**	11,188
Lease buyout revenue	**3,217**	722
Other revenue	**192**	178
Total property revenues	**$ 110,632**	$ 106,898

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

18. Operating Expenses

	2021	2020
Property taxes and insurance	**$ 22,718**	$ 22,767
Recoverable expenses	**13,651**	12,835
Non-recoverable expenses[1]	**2,484**	2,546
Total operating expenses	**$ 38,853**	$ 38,148

(1) Non-recoverable expenses include bad debt expense of $742 thousand for year ended December 31, 2021 (for year ended December 31, 2020 – $1.0 million).

19. Administrative Expenses

	2021	2020
Salaries and benefits	**$ 4,590**	$ 5,858
Restricted and deferred units	**86**	234
Restricted and deferred unit fair value	**280**	(156)
Professional services	**1,204**	1,039
Office expenses	**892**	1,802
Total administrative expenses	**$ 7,052**	$ 8,777

Total employee salaries and benefits, including restricted and deferred units, recorded by the Trust during the period were $10.5 million, of which $4.5 million is included in operating expenses, $4.9 million is included in administrative expenses and $1.1 million has been capitalized to investment properties (for the year ended December 31, 2020 – $11.4 million, of which $4.1 million is in operating expenses, $5.9 million is in administrative expenses and $1.4 million is in investment properties).

20. Finance Costs

	2021	2020
Mortgage interest	**$ 19,300**	$ 20,997
Debenture interest	**3,457**	3,205
Mortgage bond interest	**420**	448
Distributions paid to Class B exchangeable LP unitholders	**334**	334
Operating line of credit interest	**996**	1,081
Interest and bank charges	**442**	340
Amortization of finance charges	**595**	731
Loan defeasance and early mortgage discharge fees	**253**	225
Imputed interest on land lease liabilities	**2,425**	2.245
Mark to market amortization	**(92)**	(165)
Capitalization of interest	**(285)**	(380)
Total finance costs	**$ 27,845**	$ 29,061

21. Unitholders' Equity

(a) Authorized

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

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

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

(b) Issued and Outstanding

(i) Class B Exchangeable LP Units

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

	December 31, 2021		December 31, 2020	
	Units (000s)	**Amount**	Units (000s)	Amount
Exchangeable LP units outstanding, beginning of the period[(1)]	**1,191**	**$ 4,300**	1,191	$ 5,444
Fair value adjustment for the period	**-**	**1,322**	-	(1,144)
Exchangeable LP units outstanding, end of the period	**1,191**	**$ 5,622**	1,191	$ 4,300

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

(ii) Special Voting Units

At December 31, 2021, there were 1,191,000 (December 31, 2020 - 1,191,000) special voting units outstanding, issued in connection with 1,191,000 (December 31, 2020 - 1,191,000) Class B exchangeable LP units of a subsidiary of the Trust (see above).

(iii) Units

	December 31, 2021		December 31, 2020	
	Trust Units (000s)	**Amount**	Trust Units (000s)	Amount
Units outstanding, beginning of the period	**101,807**	**$ 275,453**	102,171	$ 276,406
Issuance of units:				
RU and DU plan	**25**	**116**	41	143
Repurchase and cancellation of units under normal course issuer bid	**(28)**	**(76)**	(405)	(1,096)
Units outstanding, end of the period	**101,804**	**$ 275,493**	101,807	$ 275,453

Unitholders have the right to redeem their units at the lesser of (i) 90% of the Market Price of the unit (Market Price is defined for this purpose in the Declaration of Trust as the weighted average trading price of the previous 10 trading days) and (ii) the most recent Closing Market Price (Closing Market Price is defined for this purpose in the Declaration of Trust as the weighted average trading price on the specified date) at the time of the redemption. The redemption price will be satisfied by cash, up to a limit of $50 thousand for all redemptions in a calendar month, or a note payable. For the period ended December 31, 2021 no unitholder had redeemed units.

On September 24, 2021, the Trust announced that it had received approval from the TSX for the renewal of its normal course issuer bid ("NCIB") for a further year. Plaza's prior NCIB expired on September 27, 2021. The period of the renewed NCIB commenced on September 28, 2021 and will conclude on the earlier of the date on which purchases under the bid have been completed and September 27, 2022. Under the terms of the renewed NCIB, the Trust can purchase up to 6,455,226 of its issued and outstanding units through the facilities of the TSX and any alternative trading system in Canada. Subject to certain prescribed exemptions and any block purchase made in accordance with the rules of the TSX, daily purchases made by the Trust may not exceed 20,461 units, representing 25% of the average daily trading volume of the units on the TSX for the six-month period ended August 31, 2021 (being 81,846 units). All units that are purchased under the renewed NCIB will be cancelled (on a monthly basis, on or before the record date for each monthly distribution). Unitholders may obtain a copy of the NCIB renewal notice, without charge, by contacting the Trust.

Plaza also entered into a new automatic securities purchase plan agreement (the "Purchase Plan") with its designated broker in order to facilitate purchases of units under the renewed NCIB. The Purchase Plan, which was pre-cleared by the TSX, allows for purchases of units by Plaza at times when it would ordinarily not be permitted to make purchases due to regulatory restrictions or self-imposed blackout periods. The Purchase Plan will terminate on September 27, 2022.

For the year ended December 31, 2021, 27,925 units have been repurchased for cancellation under Plaza's former and renewed NCIB at a weighted average price of $4.2255. With this, to December 31, 2021, Plaza has purchased a total of 1,145,411 units for cancellation since the commencement of the original NCIB on September 28, 2018 at a weighted average price of $4.0165.

22. Omnibus Equity Incentive Plan

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

RUs and DUs outstanding under the Former Plans remain in full force and effect and are now 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 10% 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, 2021, 10,154,942 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.

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

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), 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. Upon vesting, each RU will be redeemed for one Unit issued from treasury.

A total of 496,747 RUs have been granted by Plaza since the Restricted Unit Plan was originally put in place. For the year ended December 31, 2021, a compensation expense of $105 thousand (for the year ended December 31, 2020 - $200 thousand) has been recognized in respect of the RUs.

	December 31, 2021	December 31, 2020
Restricted units outstanding, beginning of the year	**23,139**	84,959
Vested	**(26,117)**	(56,202)
Forfeited	**-**	(5,618)
Granted	**7,934**	-
Restricted units outstanding, end of the year	**4,956**	23,139

Deferred Units

A DU award is an award denominated in notional units that entitles the participant to receive Units or, if so elected by the participant and subject to the approval of the Plan Administrator, cash, or a combination thereof. The Equity Incentive Plan permits Plaza to grant DUs to executive officers and other employees, in addition to non-employee trustees. Except as otherwise determined by the Plan Administrator, DUs vest immediately upon grant but are redeemable by a participant only on or after the date on which the participant is no longer employed by the Trust or a subsidiary or affiliate thereof or ceases to be a trustee (the "Termination Date"), provided that any such settlement date is not later than two (2) years following the Termination Date. In the event that a participant has not redeemed his or her DUs prior to the date that is two (2) years following the Termination Date, such DUs will be automatically redeemed for Units issued from treasury. These are the same general redemption features that existed under the Deferred Unit Plan. Each participant will have the right to elect to receive trustee fees (in the case of trustees) or bonus (in the case of employees) in the form of DUs. The Trust may, but is under no obligation to, match up to 50% of the elected amount for each participant. The amount, if any, of a participant's elected amount that is matched by the Trust may vary among participants. As at December 31, 2021, no DUs have been granted or issued to executive officers or other employees.

At December 31, 2021, a total of 313,790 DUs have been granted or issued by Plaza since the Deferred Unit Plan was originally put in place and a total of 22,997 DUs have been redeemed for cash. For the year ended December 31, 2021 a compensation expense of $663 thousand was recorded (for the year ended December 31, 2020 - $125 thousand).

	December 31, 2021	December 31, 2020
Deferred units outstanding, beginning of the year	**207,132**	136,359
Granted	**8,753**	11,461
Redeemed	**(14,927)**	(8,069)
Trustee fees taken as deferred units	**81,881**	55,012
Distributions paid on deferred units taken as additional deferred units	**16,024**	12,369
Deferred units outstanding, end of the year	**298,863**	207,132

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

23. Distributions

Distributions are declared monthly at the discretion of the Board.

	2021	2020
Cash distributions paid to unitholders[1]	**$ 28,498**	$ 28.512

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

24. Additional Cash Flow Information

(a) Changes in Non-Cash Working Capital

	2021	2020
Receivables	**$ 3,239**	$ (3,456)
Prepaid expenses and deposits	**(28)**	(551)
Change in construction accruals removed from investing activities	**(3,121)**	1,967
Accounts payable, accrued liabilities, tenant payables and tenant deposits	**4,916**	(2,533)
Total cash from change in non-cash working capital	**$ 5,006**	$ (4,573)

(b) Changes in Liabilities Arising from Financing Activities

	December 31, 2021	December 31, 2020
Current and long-term debt [1] – beginning of the period	**$ 651,977**	$ 644,287
Gross proceeds from convertible debentures	**12,019**	-
Redemption/repayment of mortgage bonds and debentures	**(11,365)**	(4,195)
Periodic mortgage principal repayments	**(12,047)**	(10,762)
Mortgage interest deferral program	**-**	997
Land lease addition	**-**	7,532
Land lease principal repayments	**(760)**	(693)
Mortgages repaid	**(80,435)**	(53,394)
Mortgages repaid on sale of investment properties	**(3,476)**	-
Mortgages assumed by purchasers on sale of investment properties	**-**	(7,484)
Gross mortgage proceeds	**95,322**	73,489
Gross mortgage bond proceeds	**-**	3,395
Fees incurred for placement of debt	**(788)**	(354)
Increase (decrease) in notes payable	**(24)**	(220)
Non-cash changes in current and long-term debt:		
Net change in fair value of Class B exchangeable LP units	**1,322**	(1,144)
Net change in fair value of interest rate swaps	**(2,604)**	3,386
Net change in fair value of convertible debentures	**1,903**	(3,429)
Amortization of finance charges	**595**	731
Mark to market amortization	**(92)**	(165)
Current and long-term debt [1] – end of the period	**$ 651,547**	$ 651,977

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

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

(c) Reconciliation for Additions to Investment Properties

Reconciliation with Note 4	**2021**	2020
Additions to Investment Properties (note 4)	**$ 25,969**	$ 33,649
Acquisitions of investment properties and land (note 4)	**10,361**	8,727
Non-cash impacts included in above:		
Addition to right-of-use land lease assets	**-**	(7,532)
Amortization of tenant improvements	**51**	59
Change in construction accrual	**(3,121)**	1,967
Additions to Investment Properties – cash	**$ 33,260**	$ 36,870
Recorded on Consolidated Statement of Cash Flows in:		
Operating activities: Leasing commissions paid	**$ 293**	$ 478
Investing activities: Investment Properties – additions	**22,606**	27,665
Investing activities: Acquisitions of investment properties and land	**10,361**	8,727
Additions to Investment Properties - cash	**$ 33,260**	$ 36,870

25. Related Party Transactions

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

(a) Bonds and Debentures

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

	December 31, 2021	December 31, 2020
Earl Brewer (Trustee)	**$ 300**	$ 325
Stephen Johnson (Trustee)(1)	**-**	200
Doug McGregor (Chairman and Trustee)	**200**	400
Lynda Savoie (Trustee)(2)	**15**	-
Total	**$ 515**	$ 925

(1) Stephen Johnson no longer controls these debentures as of December 31, 2021.
(2) Lynda Savoie was elected a Trustee at the annual and special unitholders' meeting on May 27, 2021.

No other Trustee or key management personnel own mortgage bonds or debentures of the Trust at December 31, 2021 (December 31, 2020 - nil).

(b) Notes Payable to Related Parties

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

	December 31, 2021	December 31, 2020
Entities owned (directly or indirectly), controlled or significantly influenced by Michael Zakuta.	**$ 261**	$ 261

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

(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.

	Annual Land Rent Paid	
Related Parties:	**December 31, 2021**	December 31, 2020
A company beneficially-owned by Earl Brewer and Michael Zakuta	$ 1,200	$ 1,200

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

	Ownership %		
Property	**Earl Brewer**	**Barbara Trenholm**	**Michael Zakuta**
Gateway Mall, Sussex, NB	25.00%	-	21.50%
Mountainview Plaza, Midland, ON and Park Street Plaza, Kenora, ON	4.33%	-	4.81%
Amherstview, Amherstview, ON and 1865 Scugog St, Port Perry, ON	4.87%	-	4.67%
KGH Plaza, Miramichi, NB, 681 Mountain Rd., Moncton, NB, 201 Main St., Sussex, NB, and Robie St Truro Plaza, Truro, NS	2.62%	5.08%	5.08%
Main St Alexandria, Alexandria, ON, Ottawa Street Plaza, Almonte, ON, and Hastings Street Plaza, Bancroft, ON	2.68%	-	5.19%
Quispamsis Town Centre, Quispamsis, NB	-	-	5.91%
Scott Street Plaza, St. Catharines, ON, St. Joseph's Boulevard, Orleans, ON, Dufferin and Wilson, Perth, ON, Ontario Street Port Hope, Port Hope, ON, Civic Centre Road, Petawawa, ON, and 615 King Street, Gananoque, ON	2.17%	-	2.17%
Boulevard Hebert Plaza and Victoria Street Plaza in Edmundston, NB, Grand Falls Shopping Centre and Madawaska Road Plaza, Grand Falls, NB, Connell Road Plaza, Woodstock, NB, Welton Street Plaza, Sydney, NS, and Pleasant Street Plaza and Starrs Road Plaza in Yarmouth, NS	0.69%	-	5.17%
5628 4th Street NW, Calgary, AB, 303 Main St., Antigonish, NS, 912 East River Rd., New Glasgow, NS, 1 Mont-Royal Ave E, and 8222 Maurice-Duplessis Blvd., Montreal, QC	-	5.35%	4.28%

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

	Related 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	
Related Party:	**December 31, 2021**	December 31, 2020	**December 31, 2021**	December 31, 2020
Earl Brewer	**$ 416**	$ 392	**$ 40**	$ 34
Barbara Trenholm	**$ 3**	$ -	**$ 13**	$ 4
Michael Zakuta	**$ 463**	$ 436	**$ 61**	$ 48

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

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

(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, 2021 and 2020 was as follows:

	2021	2020
Salaries and benefits	**$ 1,567**	$ 1,995
Share-based payments – including DUs and RUs	**541**	324
Share-based payments – fair value impact of DUs and RUs	**213**	(131)
Total key management personnel compensation	**$ 2,321**	$ 2,188

(e) Significant Subsidiaries

	Ownership Interest	
	December 31, 2021	December 31, 2020
Plaza Master Limited Partnership	**100%**	100%
LeMarchant Property Holdings Inc.	**100%**	100%
Plaza Retail Limited Partnership #1	**100%**	100%
Bedford Commons 2 Property Holdings Inc.	**100%**	100%
Plaza Group Management Limited	**100%**	100%
Stavanger Torbay Limited Partnership	**90%**	90%
Spring Park Plaza Inc.	**100%**	100%
Granville Street Properties Limited Partnership	**90%**	90%
Wildan Properties Limited Partnership	**90%**	90%
Exhibition Plaza Inc.	**90%**	90%
Scott's Real Estate Limited Partnership	**100%**	100%
Scott's Acquisition Inc.	**100%**	100%
Riverside Emerald (Timmins) Limited Partnership	**80%**	80%
Plaza Tacoma Limited Partnership	**100%**	100%
Plazacorp Shediac Limited Partnership	**100%**	100%
Northwest Plaza Commercial Trust	**100%**	100%

26. 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, 2021	December 31, 2020
Cash	**$ 6,654**	$ 6,016
Current assets	**$ 1,803**	$ 3,181
Long term assets	**$ 295,013**	$ 266,621
Current liabilities	**$ 21,980**	$ 29,672
Long term liabilities	**$ 148,965**	$ 143,421
Revenues	**$ 35,170**	$ 30,444
Expenses	**$ (19,510)**	$ (18,302)
Fair value gain (loss)	**$ 28,056**	$ (12,444)

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

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

	Ownership Interest	
	December 31, 2021	December 31, 2020
Accounting Method – Proportionate Consolidation		
5628 – 4th St NW, Calgary, AB	**50%**	50%
Les Galeries Montmagny and Plaza Tache, QC	**50%**	50%
Bureau en Gross, QC	**50%**	50%
Plaza SP Magog, QC	**50%**	50%
Carrefour des Seigneurs, QC	**25%**	25%
Galeries des Cantons, QC	**50%**	50%
L'Axe, Chicoutimi, QC	**37.5%**	-
Les Immeubles SBT Drummondville, QC	**50%**	-
Plaza BDP Deux Montagnes, QC	**37.5%**	37.5%
Plaza Jean XXIII, QC	**50%**	50%
Plaza BBRF, QC	**50%**	50%
Plaza TS Magog, QC	**50%**	50%
Plaza De L'Ouest, QC	**50%**	50%
Plaza HDB, QC	**33%**	33%
SBT Chicoutimi, QC	**50%**	50%
4999 Queen Mary Road, QC	**25%**	25%
600 JP Perrault, QC	**50%**	50%
1 Mont-Royal Ave East, Montreal, QC	**50%**	50%
8222 Maurice-Duplessis Blvd, Montreal, QC	**50%**	50%
201 Chain Lake Drive Plaza, NS	**50%**	50%
209 Chain Lake Drive Plaza, NS	**50%**	50%
Tacoma Centre, NS	**50%**	50%
Tacoma Shoppers, NS	**50%**	50%
Robie Street Truro Plaza, NS	**25%**	25%
210 Wyse Road, NS	**50%**	50%
Pleasant Street Plaza, NS	**50%**	50%
Starrs Road Plaza, NS	**50%**	50%
Welton Street Plaza, NS	**50%**	50%
East River Plaza, New Glasgow, NS	**50%**	50%
303 Main St, Antigonish, NS	**50%**	50%
341 Mapleview Drive West, Barrie, ON	**50%**	-
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%
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%

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

27. 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, 2021, there were no letters-of-credit issued and outstanding (December 31, 2020 – 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, 2021, there were no letters-of-credit issued and outstanding (December 31, 2020 – nil).

The $55.0 million operating line of credit has $2.0 million available for use in the form of letters-of-credit. At December 31, 2021, letters-of-credit in the amount of $371 thousand were issued and outstanding (December 31, 2020 - $503 thousand).

The $10.0 million non-revolving construction facility has $250 thousand available for use in the form of letters-of-credit. At December 31, 2021, letters-of-credit in the amount of $100 thousand were issued and outstanding (December 31, 2020 – nil), at the Trust's consolidated percentage ownership of 50%.

(b) Commitments

The Trust's estimated commitments at December 31, 2021 in respect of certain projects under development and other long-term obligations are as follows:

	Year 1 2022	Year 2 2023	Year 3 2024	Year 4 2025	Year 5 2026	After 5 Years	Face Value Total
Mortgages – periodic payments	$ 12,336	$ 10,964	$ 10,525	$ 9,560	$ 8,135	$ 25,555	$ 77,075
Mortgages – due at maturity	37,828	26,497	33,385	42,527	56,279	185,783	382,299
Development lines of credit	1,471	11,587	-	-	-	-	13,058
Construction loans	21,613	3,750	-	-	-	-	25,363
Unsecured interest-only loans	-	5,643	2,971	1,800	-	-	10,414
Bank indebtedness	-	33,313	-	-	-	-	33,313
Mortgage bonds payable	6,195	-	-	-	-	-	6,195
Debentures [(1)]	6,000	47,250	-	-	12,019	-	65,269
Land leases [(2)]	3,240	3,206	3,243	3,283	3,314	118,426	134,712
Development activities	26,957	7,319	-	-	-	-	34,276
Total contractual obligations	**$ 115,640**	**$ 149,529**	**$ 50,124**	**$ 57,170**	**$ 79,747**	**$ 329,764**	**$ 781,974**

(1) Stated at face value.
(2) Land leases expire on dates ranging from 2022 to 2084 (including automatic renewal periods) with non-automatic renewal options ranging from 5 to 60 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, 2021 a $4.5 million commitment (December 31, 2020 - $4.7 million) relating to the mortgages on three assets in which the Trust sold a 75% interest in January 2009 is subject to such guarantees by the Trust. These mortgages have a weighted average remaining term of 1.1 years (December 31, 2020 - 2.1 years). As well, at December 31, 2021 a $5.4 million commitment (December 31, 2020 – $5.6 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 4.5 years (December 31, 2020 – 5.5 years). The Trust also has contingent liabilities as original borrower on three mortgages partially assumed by the purchasers of the underlying properties, where a 50% interest in each was sold in August 2020. These commitments are subject to indemnity agreements. These sales did not relieve the Trust's obligations as original borrower in respect of these mortgages. The debt subject to such guarantees at December 31, 2021 totals $7.4 million (December 31, 2020 - $7.5 million) with a weighted average remaining term of 6.0 years (December 31, 2020 – 7.0 years).

The Trust guarantees a $3.8 million commitment (December 31, 2020 - $3.9 million) relating to the mortgage of an asset sold in 2018, with a weighted average remaining term of 2.6 years (December 31, 2020 – 3.6 years).

The Trust is contingently liable for certain obligations of its co-venturers, under guarantees in excess of its ownership percentages for six strip plazas and four free-standing properties. The excess guarantees amount to $14.2 million. Cross indemnities are in place for certain of these properties from co-venturers.

(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 provisions recorded at December 31, 2021 (December 31, 2020 – nil).

28. 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 Trust's Board of Trustees 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 and for those properties pledged to support the operating line of credit. All other debt is converted to fixed rate debt, when market conditions are favorable, as soon as practical after an asset attains income producing status.

A change in interest rates on Plaza's fixed rate instruments at the reporting date would not affect profit or loss. The Trust minimizes its exposure to fixed rate interest risk on its debt by staggering the maturities in order to avoid excessive amounts of debt maturing in any one year. If market conditions warrant, the Trust may attempt to renegotiate its existing debt to take advantage of lower interest rates. The Trust minimizes its exposure to short term interest rate risk by obtaining longer term financing as much as possible (generally 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 in order to convert the mortgages from variable rates to fixed rates. There is a risk that interest rates will fluctuate during the term of the 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:

- Four interest rate swap contracts entered into during 2019 that mature between May and August 2029. The fair value of these contracts results in a liability of $1.1 million at December 31, 2021 (December 31, 2020 - $3.7 million);
- Interest rate swap contracts with mortgages obtained in 2010 that mature on July 26, 2025. As the swaps relate to debt of an equity-accounted investee, 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 a reduction to the liability, for the Trust's share, of $140 thousand at December 31, 2021 (December 31, 2020 – $166 thousand liability);
- An interest rate swap in connection with a mortgage obtained during 2019 for a property held in an equity-accounted investee. The interest rate swap contract has been recorded at fair value in investments with changes in fair value reflected in share of profit of associates. The fair value of this contract results in a reduction to the liability, for the Trust's share of $88 thousand at December 31, 2021 (December 31, 2020 - $125 thousand liability).

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, 2021 if applied to all outstanding floating rate instruments would increase interest paid by $729 thousand (for the year ended December 31, 2020 – $664 thousand).

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

(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 $1.0 million per annum. The Trust's principal management of occupancy risk involves the skewing of tenancies towards national tenants, 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 94.1% of the in-place tenant base rent (December 31, 2020 – 94.0%). As well, the Trust maintains a portfolio that is diversified geographically so that exposure to local business is lessened and the Trust limits loans granted under lease arrangements to credit-worthy mainly national tenants.

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 27(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, 2021**	December 31, 2020
Tenant loans, receivables, and notes and advances receivable	**$ 12,705**	$ 15,823
Cash	**8,062**	8,274
Total	**$ 20,767**	$ 24,097

The Trust's most significant customer, a national retailer, accounts for $81 thousand of tenant loans at December 31, 2021 (December 31, 2020- $106 thousand).

Shoppers Drug Mart/Loblaw represents 24.5% of monthly base rents in place at December 31, 2021, while Dollarama represents 6.3% of monthly base rents in place. The top 10 tenants collectively represent approximately 54.0% 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.

(d) Liquidity and Debt Market Risk

COVID-19 has impacted liquidity, particularly during 2020, and may impact liquidity going forward, as rent collections from tenants may be impacted.

Prudent liquidity risk management implies maintaining sufficient cash and an adequate amount of committed credit facilities to run 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. In terms of debt, there is always the 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 debt to avoid excessive amounts of debt maturing in any one year. As well, the Trust obtains longer term financing as much as possible (generally 10 years or longer) in order 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.

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

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	Year 1	Year 2	Year 3	Year 4	Year 5	More than 5 years
Current liabilities [1]	$ 23,296	$ 23,296	$ 23,296	$ -	$ -	$ -	$ -	$ -
Debentures payable	$ 65,401	$ 71,370	$ 9,175	$ 48,567	$ 715	$ 715	$ 12,198	$ -
Notes payable	$ 1,212	$ 1,212	$ 1,212	$ -	$ -	$ -	$ -	$ -
Bank indebtedness	$ 33,313	$ 33,313	$ -	$ 33,313	$ -	$ -	$ -	$ -
Mortgage bonds payable	$ 6,171	$ 6,396	$ 6,396	$ -	$ -	$ -	$ -	$ -
Mortgages payable	$507,155	$597,773	$ 90,328	$ 73,539	$ 60,471	$ 65,459	$ 82,787	$225,189

(1) Balance includes accounts payable, accrued liabilities, tenant payables and tenant deposits.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

(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 1.75% to 2.70% (December 31, 2020 – 1.85% to 3.00%). The rate used to determine the fair value of mortgage bonds was 5.00% (December 31, 2020 – 5.5%). The rate used to determine the fair value of non-convertible debentures was 5.00% (December 31, 2020 – 5.75%). The majority of the Trust's convertible debentures are publicly traded. The fair value of the Class B exchangeable LP units is based on the trading price for the Trust's units.

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

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

	Book Value December 31, 2021	**Fair Value December 31, 2021**	Book Value December 31, 2020	Fair Value December 31, 2020
Cash	**$ 8,062**	**$ 8,062**	$ 8,274	$ 8,274
Receivables	**4,736**	**4,736**	8,106	8,106
Notes and advances receivable	**7,547**	**7,547**	7,206	7,206
Tenant loans	**422**	**422**	511	511
Total Financial Assets	**$ 20,767**	**$ 20,767**	$ 24,097	$ 24,097
Bank indebtedness	**$ 33,313**	**$ 33,313**	$ 33,451	$ 33,451
Accounts payable, accrued liabilities, tenant payables and tenant deposits	**23,296**	**23,296**	18,681	18,681
Total net fixed rate mortgage loans	**467,733**	**475,197**	477,831	498,141
Total net variable rate mortgage loans or credit facilities	**39,422**	**39,422**	32,914	32,914
Convertible debentures	**59,405**	**59,405**	50,983	50,983
Non-convertible debentures	**5,996**	**5,996**	9,824	9,763
Mortgage bonds payable	**6,171**	**6,197**	8,143	8,176
Class B exchangeable LP units	**5,622**	**5,622**	4,300	4,300
Notes payable	**1,212**	**1,212**	1,236	1,236
Total Financial Liabilities	**$ 642,170**	**$ 649,660**	$ 637,363	$ 657,645

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

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
Level 3 - Inputs for the asset or liability that are not based on observable market data.

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

	December 31, 2021			December 31, 2020		
	Level 1	**Level 2**	**Level 3**	Level 1	Level 2	Level 3
Investment properties	**$ -**	**$ -**	**$ 1,075,318**	$ -	$ -	$ 994,390
Investment properties held for sale	**-**	**-**	**-**	3,128	-	-
	$ -	**$ -**	**$ 1,075,318**	$ 3,128	$ -	$ 994,390
Class B exchangeable LP units	**$ 5,622**	**$ -**	**$ -**	$ 4,300	$ -	$ -
Series E convertible debentures	**47,359**	**-**	**-**	45,667	-	-
Series VII convertible debentures	**-**	**-**	**-**	-	5,316	-
Series VIII convertible debentures	**-**	**12,046**	**-**	-	-	-
	$ 52,981	**$ 12,046**	**$ -**	$ 49,967	$ 5,316	$ -

The fair value of investment properties is based on a combination of external appraisals and internal valuations based on a capitalization matrix provided by independent appraisers (see Note 3 for a more detailed description of the Trust's valuation approach). The significant unobservable inputs include normalized net operating income, which is supported by the terms of existing leases in place and current market rents to renew or lease up vacant or expiring space, adjusted for estimated or normalized vacancy rates based on market conditions and factoring in expected maintenance costs.

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

29. Capital Management

The primary objective of the Trust's capital management is to ensure that it maintains adequate capital resources in order to support its business and maximize unitholder value. The Trust manages its capital structure with the primary goal of minimizing risk and ensuring the stability of cash flow from properties. Other goals include maintaining debt service and interest coverage ratios in compliance with bank and debenture covenants. The Trust has defined its capital to include bank indebtedness, mortgages payable, debentures payable, mortgage bonds payable, notes payable 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; 65% loan to value; and interest coverage constraints of 1.6 times. 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 less fair value adjustments of not more than 70%. The Trust has a $10.08 million construction credit facility which requires maintenance of at least $200 million of unitholders' equity, maximum leverage of 65% and debt coverage ratios in excess of 1.3 times. The Trust is in compliance with all financial debt covenants at December 31, 2021.

There were no changes to the Trust's approach to capital management for the year ended December 31, 2021.

The calculation of the total capital is summarized as follows:

	December 31, 2021	December 31, 2020
Total net fixed rate mortgage loans	**$ 467,733**	$ 477,831
Total net variable rate mortgage loans or credit facilities	**39,422**	32,914
Mortgage bonds payable	**6,171**	8,143
Debentures payable	**65,401**	60,807
Land lease liabilities	**65,986**	66,746
Bank indebtedness	**33,313**	33,451
Class B exchangeable units	**5,622**	4,300
Notes payable	**1,212**	1,236
	684,860	685,428
Unitholders' equity	**497,893**	426,902
Total	**$ 1,182,753**	$ 1,112,330

30. Subsequent Events

Unitholders' Equity

Between January 1st and February 24th, 2022, an additional 2,200 units have been repurchased under the normal course issuer bid at an average unit price of $4.5804.

Distributions

The Trust paid a cash distribution of $0.02333 per unit for a total of $2.4 million on January 17, 2022.

The Trust paid a cash distribution of $0.02333 per unit for a total of $2.4 million on February 15, 2022.

Investment Properties

On January 31, 2022 the Trust sold a property located in Ottawa, ON for gross proceeds of $2.2 million.

Plaza Retail REIT
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Fredericton, NB
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