# Opportunities in a *Changing Economy*: First Quarterly Report 2025

BTB

# Non-IFRS Financial Measures – Definitions

| Non-IFRS Measure | Definition | Reconciliation |
|---|---|---|
| **Adjusted net income** | Adjusted net income is a non-IFRS financial measure that starts with net income and comprehensive income and removes the effects of: (i) fair value adjustment of investment properties; (ii) fair value adjustment of derivative financial instruments; (iii) fair value adjustment of Class B LP units; and (iv) transaction costs incurred for acquisitions and dispositions of investment properties and early repayment fees.<br><br>The Trust considers this to be a useful measure of operating performance, as fair value adjustments can fluctuate widely with the real estate market. | Operating results – Adjusted net income |
| **Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA")** | Adjusted EBITDA income is a non-IFRS financial measure that starts with net income and comprehensive income and removes the effects of certain adjustments, on a proportionate basis, including: (i) interest expense; (ii) taxes; (iii) depreciation of property and equipment; (iv) amortization of intangible assets; (v) fair value adjustments (including adjustments of investment properties, of financial instruments, of Class B LP units and of unit price adjustments related to unit-based compensation); (vi) transaction costs for acquisitions and dispositions of investment properties and early repayment fees; and (vii) straight-line rental revenue adjustments.<br><br>The most directly comparable IFRS measure to Adjusted EBITDA is net income and comprehensive income. The Trust believes Adjusted EBITDA is a useful metric to determine its ability to service debt, to finance capital expenditures and to provide distributions to its Unitholders. | Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA"); Capital Resources – Interest coverage ratio; and Capital Resources – Debt service coverage ratio |
| **Same-Property NOI** | Same-Property NOI is a non-IFRS financial measure defined as net operating income ("NOI") for the properties that the Trust owned and operated for the entire duration of both the current year and the previous year. The most directly comparable IFRS measure to same-property NOI is Operating Income.<br><br>The Trust believes this is a useful measure as NOI growth can be assessed on its portfolio by excluding the impact of property acquisitions and dispositions of both the current year and previous year. The Trust uses the Same-Property NOI to indicate the profitability of its existing portfolio operations and the Trust's ability to increase its revenues, reduce its operating costs and generate organic growth. | Operating results – Same-Property Portfolio |
| **Funds from Operations ("FFO")**<br><br>**and FFO Adjusted** | FFO is a non-IFRS financial measure used by most Canadian real estate investment trusts based on a standardized definition established by REALPAC in its January 2022 White Paper ("White Paper"). FFO is defined as net income and comprehensive income less certain adjustments, on a proportionate basis, including: (i) fair value adjustments on investment properties, class B LP units and derivative financial instruments; (ii) amortization of lease incentives; (iii) incremental leasing costs; and (iv) distribution on class B LP units. FFO is reconciled to net income and comprehensive income, which is the most directly comparable IFRS measure. FFO is also reconciled with the cash flows from operating activities, which is an IFRS measure.<br><br>FFO Adjusted is also a non-IFRS financial measure that starts with FFO and removes the impact of transaction costs on acquisitions and dispositions of investment properties and early repayment fees.<br><br>The Trust believes FFO and FFO Adjusted are key measures of operating performance and allow the investors to compare its historical performance. | Funds from Operations (FFO); Cash Flows; and Appendix 2 |

| Non-IFRS Measure | Definition | Reconciliation |
|---|---|---|
| **Adjusted Funds from Operations ("AFFO")**<br>**and**<br>**AFFO Adjusted** | AFFO is a non-IFRS financial measure used by most Canadian real estate investment trusts based on a standardized definition established by REALPAC in its White Paper. AFFO is defined as FFO less: (i) straight-line rental revenue adjustment; (ii) accretion of effective interest; (iii) amortization of other property and equipment; (iv) unit-based compensation expenses; (v) provision for non-recoverable capital expenditures; and (vi) provision for unrecovered rental fees (related to regular leasing expenditures). AFFO is reconciled to net income and comprehensive income, which is the most directly comparable IFRS measure. AFFO is also reconciled with the cash flows from operating activities, which is an IFRS measure.<br>AFFO Adjusted is also a non-IFRS financial measure that starts with AFFO and removes the impact of transaction costs on acquisitions and dispositions of investment properties and early repayment fees.<br>The Trust considers AFFO and AFFO Adjusted to be useful measures of economic earnings and relevant in understanding its ability to service its debt, fund capital expenditures and provide distributions to unitholders. | Adjusted Funds from Operations (AFFO);<br>Cash Flows; and Appendix 2 |
| **FFO and AFFO per unit**<br>**and**<br>**FFO adjusted and AFFO adjusted per unit** | FFO and AFFO per unit and FFO Adjusted and AFFO Adjusted per unit are non-IFRS financial measures used by most Canadian real estate investment trusts based on a standardized definition established by REALPAC in its White Paper. These ratios are calculated by dividing the FFO, AFFO, FFO Adjusted and AFFO Adjusted by the Weighted average number of units and Class B LP units outstanding.<br>The Trust believes these metrics to be key measures of operating performances allowing the investors to compare its historical performance in relation to an individual per unit investment in the Trust. | Funds from Operations (FFO); Adjusted Funds from Operations (AFFO) |
| **FFO and AFFO payout ratios**<br>**and**<br>**FFO Adjusted and AFFO Adjusted payout ratios** | FFO and AFFO payout ratios and FFO Adjusted and AFFO Adjusted payout ratios are non-IFRS financial measures used by most Canadian real estate investment trusts based on a standardized definition established by REALPAC in its White Paper. These payout ratios are calculated by dividing the actual distributions per unit by FFO, AFFO, FFO Adjusted and AFFO Adjusted per unit in each period.<br>The Trust considers these metrics a useful way to evaluate its distribution paying capacity. | Funds from Operations (FFO); Adjusted Funds from Operations (AFFO); and Appendix 2 |
| **Total Debt Ratio** | Total debt ratio is a non-IFRS financial measure of the Trust financial leverage, which is calculated by taking the total long-term debt less cash divided by total gross value of the assets of the Trust less cash.<br>The Trust considers this metric useful as it indicates its ability to meet its debt obligations and its capacity for future additional acquisitions. | Capital Resources – Debt ratio |
| **Total Mortgage Debt Ratio** | Mortgage debt ratio is a non-IFRS financial measure of the Trust financial leverage, which is calculated by taking the total mortgage debt less cash divided by total gross value of the assets of the Trust less cash. The Trust considers this metric useful as it indicates its ability to meet its mortgage debt obligations and its capacity for future additional acquisitions. | Capital Resources – Mortgage ratio |
| **Interest Coverage Ratio** | Interest coverage ratio is a non-IFRS financial measure which is calculated by taking the Adjusted EBITDA divided by interest expenses net of financial income (interest expenses exclude early repayment fees, accretion of effective interest, distribution on Class B LP units, accretion of non-derivative liability component of convertible debentures and the fair value adjustment on derivative financial instruments and Class B LP units).<br>The Trust considers this metric useful as it indicates its ability to meet its interest cost obligations for a given period. | Capital Resources – Interest coverage ratio |
| **Debt Service Coverage Ratio** | Debt service coverage ratio is a non-IFRS financial measure which is calculated by taking the Adjusted EBITDA divided by the Debt Service Requirements, which consists of principal repayments and interest expenses net of financial income (interest expenses exclude early repayment fees, accretion of effective interest, distribution on Class B LP units, accretion of non-derivative liability component of convertible debentures and the fair value adjustment on derivative financial instruments and Class B LP units).<br>The Trust considers this metric useful as it indicates its ability to meet its debt service obligations for a given period. | Capital Resources – Debt service coverage ratio |

# Our *Mission*

To provide environments that meet our clients' needs and contribute to realizing their potential.

# Table of *Contents*

# Our *Values*

Approachable, dynamic, authentic, open-minded and driven.

# A Word from our President and CEO, *Michel Léonard*

**The first quarter of 2025 was marked by prudent financial management sailing through an uncertain economic period. Our strategic decisions show strong and constant results, keeping us aligned with our commitment to operational excellence, strategic growth, and financial prudence.**

## Operating Results Strengthened by Leasing Efforts

This quarter, our NOI grew by 8.0%, totaling $19.8M, compared to the same period last year. Included in this result was the reception by the Trust of an indemnity payment of $1.0M from a tenant in the suburban office segment who cancelled part of its lease prior to its expiration. It is important to note that our leasing team already secured a new tenant for the space vacated by the cancellation. This increase also reflects the impact of operational improvements, higher rent achieved in lease renewals, and contractual increases of rent for in-place leases. Based on these results, our FFO adjusted[1] was 11.1¢ per unit for the quarter compared to 10.2¢ per unit for the same period in 2024, representing an increase of 8.8%.

## Leasing Momentum

Rental revenue increased by 5.4% to stand at $34.4M for the quarter, as compared to the same period in 2024. Also, the average rent renewal rate increased by 5.1% during the quarter. We saw the occupancy rate dip slightly to 92.5%, primarily due to the previously announced bankruptcy of a tenant in 2024. We experienced again during the quarter consistent leasing activity and a strong increase in rent renewals.

In February 2025, Winners/HomeSense begun its operations in our first ground-up development, at Méga Centre Rive-Sud in Lévis, Québec. This new store has already contributed $0.1M to net operating income for the first quarter of 2025.

## Financial Structure

Our total debt ratio [1] decreased to 57.7% while our mortgage debt ratio also improved, decreasing to 52.1%, an improvement of 0.7% compared to December 31, 2024.

In January, the Trust issued Series I convertible, unsecured, subordinated debentures, raising the amount of $40.25M and part of the proceeds were used to fully redeem and pay, prior to maturity, the Series H convertible debentures at their nominal value of $19.9M.

## Looking Ahead

I want to express my sincere appreciation to those who make our success possible. To our Trustees, clients and investors, thank you for your continued trust and support. To our employees, thank you for your dedication and commitment to our vision.

Michel Léonard,
President & CEO

(1) This is a non-IFRS financial measure, refer to page 2 and 33.

# Highlights

**$1.3B**
Total asset value

**92.5%**
Occupancy rate

**75**
Properties

**6.1M sq. ft.**
Total leasable area

**$34.4M**
**Rental revenue**
Q1 2024: $32.6M

**$19.8M**
**Net operating income (NOI)**
Q1 2024: $18.4M

**11.1¢**
**FFO adjusted per unit[1]**
Q1 2024: 10.2¢

**72.7%**
**AFFO adjusted payout ratio[1]**
Q1 2024: 83.9%

**$19.5M**
**Same-property NOI[1]**
Q1 2024: $18.1M
**(Increase of 7.3%)**

**9.0¢**
**Net earnings per unit**

**7.5¢**
**Distributions per unit**

Highlights are presented for the three-month period ended March 31, 2025 or as at March 31, 2025, unless otherwise specified.
(1) This is a non-IFRS financial measure, refer to page 2 and 33.

# Key Metric *Evolution*

## Rental revenue

| | |
|---|---|
| 2021 | $23,532 |
| 2022 | $29,068 |
| 2023 | $32,911 |
| 2024 | $32,636 |
| 2025 | $34,411 |

## Net operating income (NOI)

| | |
|---|---|
| 2021 | $12,414 |
| 2022 | $16,234 |
| 2023 | $19,008 |
| 2024 | $18,360 |
| 2025 | $19,821 |

## FFO adjusted per unit(1)

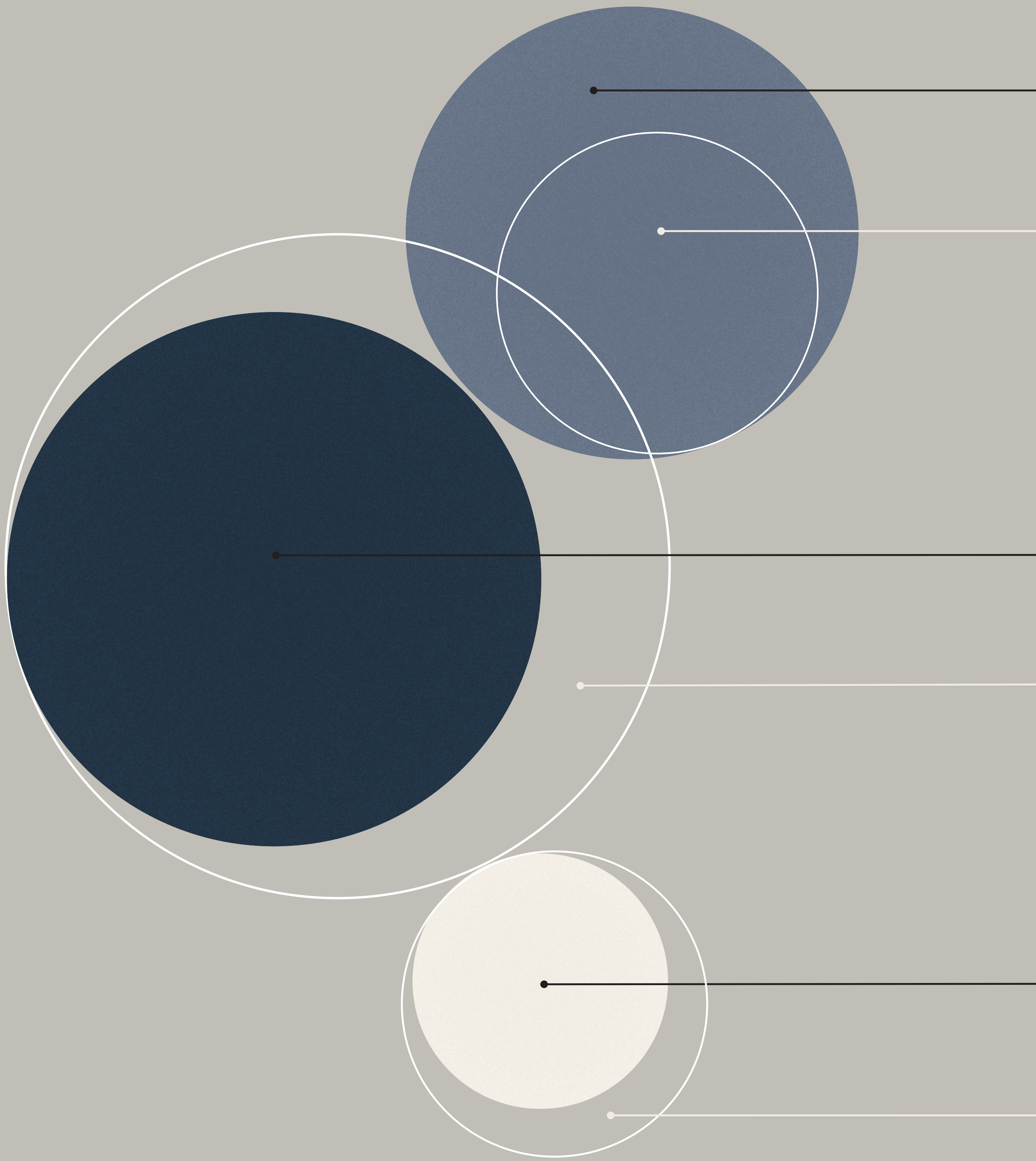
| | |
|---|---|
| 2021 | 8.9¢ |
| 2022 | 10.7¢ |
| 2023 | 11.7¢ |
| 2024 | 10.2¢ |
| 2025 | 11.1¢ |

## AFFO adjusted payout ratio(1)

| | |
|---|---|
| 2021 | 87.4% |
| 2022 | 76.8% |
| 2023 | 72.4% |
| 2024 | 83.9% |
| 2025 | 72.7% |

Key metric evolution is presented for the three-month periods ending on March 31, in thousands of dollars.
(1) This is a non-IFRS financial measure, refer to page 2 and 33.

# Asset *Types*



Percentages on this page are presented based on fair value of properties.

37% (+19%)
industrial

18%
Q1 2021

41% (–14%)
suburban office

55%
Q1 2021

22% (–5%)
necessity-based retail

27%
Q1 2021

# Geographic *Sectors*

7%

10 properties ($81.8M)
0.4M sq. ft.
100% occupancy rate

## Edmonton

## Saskatoon

4%

4 properties ($44.1M)
0.2M sq. ft.
100% occupancy rate

Percentages on this page are presented based on total leasable area.

## 21%

10 properties ($209.6M)
1.3M sq. ft.
87.6% occupancy rate

## Quebec City

## 2%

2 properties ($23.4M)
0.1M sq. ft.
75.9% occupancy rate

## Trois-Rivières

## Montréal

## 53%

38 properties ($702.6M)
3.3M sq. ft.
92% occupancy rate

## Ottawa

## 13%

11 properties ($174.0M)
0.8M sq. ft.
99.6% occupancy rate

Our Management Team

# Our Properties: *Industrial*

1325 Hymus Blvd, Dorval

4105 Sartelon Street, St-Laurent

208-244 Migneron Street & 3400-3410 Griffith Street, St-Laurent

7777 Transcanada Highway, St-Laurent

6000 Kieran Street, St-Laurent

2005 Le Chatelier Street, Laval

4535 Louis B. Mayer Street, Laval

3695 des Laurentides (Highway-15), Laval

2175 des Entreprises Blvd, Terrebonne

2205-2225 des Entreprises Blvd, Terrebonne

3190 F.-X. Tessier Street, Vaudreuil-Dorion

9900 Irénée-Vachon Street, Mirabel

2350 Chemin du Lac, Longueuil

191 D'Amsterdam Street, St-Augustin-de-Desmaures

175 De Rotterdam Street, St-Augustin-de-Desmaures

1-9 & 10 Brewer Hunt Way & 1260-1280 Teron Rd, Ottawa(1)

400 Hunt Club Rd, Ottawa

1100 Algoma Road, Ottawa

6909 - 42 Street, Leduc

18410 - 118A Avenue NW, Edmonton

18028 - 114 Avenue NW, Edmonton

28765 Acheson Road, Acheson

25616 - 117 Avenue NW, Acheson

3905 Allard Avenue, Edmonton

8743 50 Avenue NW, Edmonton

8810 (8818-8846) 48 Avenue NW, Edmonton

8810 (8856) 48 Avenue NW, Edmonton

3542 Millar Avenue, Saskatoon

318 - 68th Street, Saskatoon

3911 Millar Avenue, Saskatoon

3927 and 3931 Wanuskewin Road, Saskatoon

400 Hunt Club Road, Ottawa, ON

(1) BOMA BEST certified property


2005 Le Chatelier Street, Laval, QC


4105 Sartelon Street, St-Laurent, QC

# Our Properties: *Suburban Office*


979 Bank Street, Ottawa, ON

5810 Sherbrooke Street East, Montréal[1]

2101 Sainte-Catherine Street West, Montréal

2250 Alfred-Nobel Blvd, St-Laurent[1]

2600 Alfred-Nobel Blvd, St-Laurent[1][2]

2344 Alfred-Nobel Blvd, St-Laurent[1]

7150 Alexander-Fleming Street, St-Laurent

2425 Pitfield Blvd, St-Laurent

3111 Saint-Martin Blvd West, Laval[1][2]

3131 Saint-Martin Blvd West, Laval[1]

204 De Montarville Blvd, Boucherville

85 Saint-Charles Street West, Longueuil

1327-1333 Ste-Catherine Street West and 1407-1411 Crescent Street, Montréal[1]

4890-4898 Taschereau Blvd, Brossard

145 Saint-Joseph Blvd, St-Jean-sur-Richelieu

315-325 MacDonald Street, St-Jean-sur-Richelieu[1]

340-360, 370-380, 375 and 377-383 Sir-Wilfrid-Laurier Blvd, Mont-Saint-Hilaire

80 Aberdeen Street, Ottawa[1]

245 Menten Place, Ottawa[1]

2200 Walkley Street, Ottawa[1]

2204 Walkley Street, Ottawa[1]

2611 Queensview Drive, Ottawa[2]

979[2] & 1031[1][2] Bank Street, Ottawa

7 and 9 Montclair Blvd, Gatineau[1]

6655 Pierre-Bertrand Blvd, Quebec City[1]

6700 Pierre-Bertrand Blvd, Quebec City[1]

825 Lebourgneuf Blvd, Quebec City[1]

815 Lebourgneuf Blvd, Quebec City[1]

1170 Lebourgneuf Blvd, Quebec City[1]

505 Des Forges Street, Trois-Rivières[1]

1500 Royale Street, Trois-Rivières[1]

1921 - 91 Street, Edmonton[1]

(1) BOMA BEST certified property

(2) LEED certified property


3131 Saint-Martin Boulevard West, Laval, QC


6655 Pierre-Bertrand Boulevard, Quebec City, QC

# Our Properties:
## *Necessity-Based Retail*

3761-3781 des Sources Blvd,
Dollard-des-Ormeaux

11590-11800 de Salaberry Blvd,
Dollard-des-Ormeaux

2665-2673 and 2681, Côte Saint-Charles,
Saint-Lazare

2900 Jacques-Bureau Street, Laval

5791 Laurier Blvd, Terrebonne

1465-1495 and 1011-1191 Saint-Bruno Blvd
and 800 de l'Étang Street,
Saint-Bruno-de-Montarville

2111 Fernand-Lafontaine Blvd, Longueuil

1939-1979 F.-X. Sabourin Street, St-Hubert

1000 Du Séminaire Blvd North,
St-Jean-sur-Richelieu(1)

909-915 Pierre-Bertrand Blvd, Quebec City

625-675 De la Concorde Street, Lévis

1200-1252 De la Concorde Street, Lévis


1000 Du Séminaire Boulevard North, St-Jean-sur-Richelieu, QC

(1) BOMA BEST certified property


1200-1252 De la Concorde Street, Lévis, QC


2900 Jacques-Bureau Street, Laval, QC

# Our *Clients*

Here are just a few of our achievements in terms of lease agreements, expansions, and renewals in the first quarter of 2025.

**Méga-Centre Saint-Bruno, Saint-Bruno-de-Montarville, QC**
New lease of 30,352 sq. ft.

**Place d'Affaires Lebourgneuf Phase II, Quebec City, QC**
New lease of 4,959 sq. ft.

**Complexe Lebourgneuf Phase II, Quebec City, QC**
Lease renewal of 7,707 sq. ft.

**10 Brewer Hunt Way, Ottawa, ON**
Lease renewal of 7,422 sq. ft.

**Complexe Lebourgneuf Phase I, Quebec City, QC**
Lease renewal of 8,610 sq. ft. and lease expansion of 13,728 sq. ft.

Our top 10 clients make up 23.3% of our total rental revenue and 23.3% of our total leasable area, equaling 1,401,454 square feet.

# Our Executive Team
# & *Board of Trustees*

Executive Team (from left to right)

**Michel Léonard |** President & CEO
**Bruno Meunier |** Vice President of Operations
**Marc-André Lefebvre |** Vice President & CFO

## Board of Trustees (from left to right)

3111 Saint-Martin Boulevard West, Laval, QC (cover photo)


gingras
Syndics autorisés en insolvabilité
Licensed Insolvency Trustees

# Management Discussion & *Analysis*

Three-month period ended March 31, 2025


7150 Alexander-Fleming Street, St-Laurent, QC

# Introduction

The purpose of this Management Discussion and Analysis ("MD&A") is to communicate the operating results of BTB Real Estate Investment Trust ("BTB" or the "Trust") for the period ended March 31, 2024, as well as its financial position on t The purpose of this Management Discussion and Analysis ("MD&A") is to communicate the operating results of BTB Real Estate Investment Trust ("BTB" or the "Trust") for the period ended March 31, 2025, as well as its financial position on that date. The report presents a summary of some of the Trust's business strategies, and the business risks it faces. This MD&A, dated May 2, 2025, should be read together with the consolidated financial statements and accompanying notes for the period ended March 31, 2025. It discusses significant information available up to the said date of this MD&A. The Trust's consolidated annual financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). Unless otherwise indicated, all amounts are in thousands of Canadian dollars, except for per unit and per square foot amounts. Additional information about the Trust is available on the Canadian Security Administrators ("CSA") website at www.sedarplus.ca and on our website at www.btbreit.com.

The Audit Committee reviewed the contents of this MD&A and the consolidated financial statements and the Trust's Board of Trustees has approved them.

# Forward-Looking Statements – Caveat

From time to time, written or oral forward-looking statements are made within the meaning of applicable Canadian securities legislation. Forward-looking statements are made in this MD&A, in other filings with Canadian regulators, in reports to unitholders and in other communications. These forward-looking statements may include statements regarding the Trust's future objectives, strategies to achieve the Trust's objectives, as well as statements with respect to the Trust's beliefs, outlooks, plans, objectives, expectations, forecasts, estimates and intentions. The words "may," "could," "should," "outlook," "believe," "plan," "forecast," "estimate," "expect," "propose," and the use of the conditional and similar words and expressions are intended to identify forward-looking statements.

By their very nature, forward-looking statements involve numerous factors and assumptions, and are subject to inherent risks and uncertainties, both general and specific, which give rise to the possibility that predictions, forecasts, projections, and other forward-looking statements will not be achieved. Readers must be warned not to place undue reliance on these statements as several important factors could cause the Trust's actual results to differ materially from the expectations expressed in such forward looking statements. These factors include general economic conditions in Canada and elsewhere, the effects of competition in the markets where we operate, the impact of changes in laws and regulations, including tax laws, successful execution of the Trust's strategy, the ability to complete and integrate strategic acquisitions successfully, potential dilution, the ability to attract and retain key employees and executives, the financial position of lessees, the ability to refinance our debts upon maturity, the ability to renew leases coming to maturity, and to lease vacant space, the ability to complete developments on plan and on schedule and to raise capital to finance the Trust's growth, as well as changes in interest rates. The foregoing list of important factors likely to affect future results is not exhaustive. When relying on forward-looking statements to make decisions with respect to the Trust, investors and others should carefully consider these factors and other facts and uncertainties. Additional information about these factors can be found in the "Risks and Uncertainties" section.

The Trust cannot assure investors that actual results will be consistent with any forward-looking statements and the Trust assumes no obligation to update or revise such forward-looking statements to reflect new events or circumstances, except as required under applicable securities regulations.

# Non-IFRS Financial Measures

Certain terms and measures used in this MD&A, listed and defined in the non-IFRS financial measures table on page 2 of this report, including any per unit information if applicable, are non-IFRS performance measures and do not have standardized meanings prescribed by IFRS. Explanations on how these non-IFRS financial measures provide useful information to investors and the additional purposes, if any, for which the Trust uses these non-IFRS financial measures, are also included in the table on page 2. IFRS are International Financial Reporting Standards defined and issued by the IASB, in effect as at the date of this MD&A.

Securities regulations require that non-IFRS financial measures be clearly defined and that they not be assigned greater weight than IFRS measures. The referred non-IFRS financial measures, which are reconciled to the most similar IFRS measure in the appendix 2 if applicable, do not have a standardized meaning prescribed by IFRS and these measures cannot be compared to similar measures used by other issuers.

# The Trust

The Trust is an unincorporated open-ended real estate trust formed under and governed by the laws of the province of Québec pursuant to a trust agreement (as amended). The Trust began its real estate operations on October 3, 2006, and as of March 31, 2025, it owned 75 properties, being industrial, suburban office and necessity-based retail properties located in primary markets of the provinces of Québec, Ontario, Alberta, and Saskatchewan. Since its inception, the Trust has become an important property owner in the province of Québec, in Eastern Ontario and since December 2021, in Western Canada. The units and Series I convertible debentures are traded on the Toronto Stock Exchange under the symbols “BTB.UN” and “BTB.DB.I”, respectively.

The Trust’s management is entirely internalized, and no service agreements or asset management agreements are in force between the Trust and its officers. The Trust therefore ensures that the interests of management and of its employees are aligned with those of the unitholders. Only two properties are managed by third party managers dealing at arm’s length with the Trust. Management’s objective is, when favourable circumstances will prevail, to directly manage the Trust’s remaining properties to possibly achieve savings in management and operating fees through centralized and improved property management operations.

The following table provides a summary of the real estate portfolio:

| | Number of properties | Leasable area (sq. ft.) | Fair value (thousands of $) |
|---|---|---|---|
| **As at March 31, 2025** | **75** | **6,125,735** | **1,235,460** |

These figures include a 50% interest in a 17,114 square-foot property in a Montréal suburb and a 50% interest in one property totalling 74,940 square feet in Gatineau, Québec and total leasable area includes a 55,849 square-foot property in Edmonton reclassified as a finance lease and not included in fair value.

# Objectives and Business Strategies

The Trust's primary objective is to maximize total return to unitholders. Total return includes distributions and long-term appreciation of the trading value of its units. More specifically, the objectives are as follows:

(i) Generate stable monthly cash distributions that are reliable and fiscally beneficial to unitholders.

(ii) Grow the Trust's assets through internal growth and accretive acquisitions.

(iii) Optimize the value of its assets through dynamic management of its properties to maximize their long-term value.

Strategically, the Trust seeks to acquire properties with high occupancy rates, good tenant quality, superior locations or low potential lease turnover and properties that are well maintained and may require less capital expenditures.

The Trust's management regularly performs strategic portfolio reviews to determine whether it is financially advisable to dispose of certain investment properties. The Trust may dispose of certain properties if they no longer meet the Trust's investment criteria.

In such cases, the Trust expects to use the proceeds from the sale of properties to reduce indebtedness and/or redeploy capital in property acquisitions.

# Highlights Of The First Quarter Ended March 31, 2025

Rental revenue: Stood at $34.4 million for the quarter, which represents an increase of 5.4% compared to the same quarter of 2024.

Net operating income (NOI): Totalled $19.8 million for the quarter, which represents an increase of 8.0% compared to the same quarter of 2024. The increase is driven by : (1) a partial lease cancellation payment of $1.0 million from a tenant in the suburban office segment which space has already been leased by the Trust; (2) operating improvements, higher rent renewal rates, and increases in rental spreads for in-place leases ($0.3 million); and (3) the new Winners/HomeSense lease which begun in February 25, 2025 ($0.1 million).

Net income and comprehensive income: Totalled $7.6 million for the quarter, which represents an increase of 6.4% or $0.5 million. The result for the quarter is affected by: (1) an increase in NOI of $1.5 million; and (2) a $0.5 million decrease in administrative expenses which are partly offset by (3) a $0.6 million increase in net financial expenses before fair value adjustments; and (4) a $1.1 million non-cash loss in the net adjustment of the fair value of derivative financial instruments.

Same-property NOI[(1)]: For the quarter, the same-property NOI increased by 7.3% compared to the same period in 2024.

FFO adjusted per unit[(1)]: Was 11.1¢ per unit for the quarter compared to 10.2¢ per unit for the same period in 2024, representing an increase of 0.9¢ per unit or 8.8%. The increase is explained by the previously outlined increase in NOI, decrease in administrative expenses and increase in net financial expenses before fair value adjustments. FFO adjusted per unit is negatively impacted by an increase in weighted average number of units outstanding of 1.3 million units compared to the same period in 2024. To nullify this dilution, the Trust suspended the distribution reinvestment plan (“DRIP”) on February 24, 2025.

FFO adjusted payout ratio[(1)]: Was 67.4% for the quarter compared to 73.5% for the same period in 2024, a decrease of 6.1%.

AFFO adjusted per unit[(1)]: Was 10.3¢ per unit for the quarter compared to 8.9¢ per unit for the same period in 2024, representing an increase of 1.4¢ per unit or 15.7%, in line with the increase of FFO adjusted.

AFFO adjusted payout ratio[(1)]: Was 72.7% for the current quarter compared to 83.9% for the same period in 2024, a decrease of 11.2%.

Leasing activity: During the quarter, the Trust completed lease renewals totaling 81,876 square feet and new leases totaling 56,629 square feet. The increase in the average rent renewal rate for the current quarter was 5.1%. The occupancy rate stood at 92.5%, a 20 basis points decrease compared to the prior quarter and a 200 basis points decrease compared to the same period in 2024. The decrease in the occupancy rate is primarily due to the bankruptcy of a previously reported tenant.

(1) This is a non-IFRS financial measure, refer to page 2 and 33.

Liquidity position: The Trust held $5.5 million of cash at the end of the quarter and $25.2 million is available under its credit facilities.[2]

Debt metrics: BTB ended the quarter with a total debt ratio[1] of 57.7%, recording a decrease of 20 basis points compared to December 31, 2024. The Trust ended the quarter with a mortgage debt ratio[1] of 52.1%, a decrease of 70 basis points compared to December 31, 2024.

Debentures: On January 23, 2025, the Trust issued Series I convertible, unsecured, subordinated debentures bearing 7.25% interest payable semi-annually and maturing on February 28, 2030, in the amount of $40.25 million. The Serie I debentures are convertible at the holder's option at any time before February 28, 2030, at a conversion price of $4.10 per unit.

On February 24, 2025, the Trust fully redeemed and paid at maturity the Series H convertible debentures at their nominal value of $19.9 million.

Distribution reinvestment plan ("DRIP"): On February 24, 2025, the Trust suspended the distribution reinvestment plan ("DRIP"). Until further notice, unitholders who were enrolled in the DRIP will automatically receive distribution payments in the form of cash. Computershare Trust Company of Canada, as administrator of the DRIP, has already or will forward a notice and related documentation to all current DRIP participants.

### Summary of significant items as at March 31, 2025

- Total number of properties: 75
- Total leasable area: 6.1 million square feet
- Total asset value: $1.3 billion
- Market capitalization: $300 million (unit trading price of $3.40 as at March 31, 2025)

(1) This is a non-IFRS financial measure, refer to page 2 and 33.
(2) Credit facilities is a term used that reconciles with the bank loans as presented and defined in the Trust's consolidated financial statements and accompanying notes.

# Selected Financial Information

The following table presents highlights and selected financial information for the periods ended March 31, 2025, and March 31, 2024:

| Quarters ended March 31,<br>(in thousands of dollars, except for ratios and per unit data) | | Quarter | |
|---|---|---|---|
| | | 2025 | 2024 |
| | Reference (page) | $ | $ |
| **Financial information** | | | |
| Rental revenue | 45 | **34,411** | 32,636 |
| Net operating income (NOI) | 44 | **19,821** | 18,360 |
| Net income and comprehensive income | 44 | **7,608** | 7,153 |
| Adjusted net income[1] | 48 | **8,504** | 7,183 |
| Adjusted EBITDA[1] | 49 | **18,235** | 17,036 |
| NOI from the same-property portfolio[1] | 50 | **19,450** | 18,121 |
| Distributions | 51 | **6,666** | 6,581 |
| FFO Adjusted[1] | 52 | **9,880** | 8,925 |
| AFFO Adjusted[1] | 53 | **9,167** | 7,819 |
| Cash flow from operating activities | 55 | **15,364** | 12,344 |
| Total assets | 56 | **1,264,459** | 1,229,194 |
| Investment properties | 56 | **1,235,460** | 1,203,027 |
| Mortgage loans | 58 | **659,359** | 628,227 |
| Convertible debentures | 59 | **34,648** | 42,683 |
| Credit facilities | | **34,276** | 44,797 |
| Mortgage debt ratio[1] | 60 | **52.1%** | 51.3% |
| Total debt ratio[1] | 60 | **57.7%** | 58.3% |
| Weighted average interest rate on mortgage debt | 46 | **4.35%** | 4.40% |
| Market capitalization | | **299,979** | 275,102 |
| **Financial information per unit** | | | |
| Units outstanding (000) | 62 | **88,229** | 87,190 |
| Class B LP units outstanding (000) | 61 | **697** | 697 |
| Weighted average number of units outstanding (000) | 62 | **88,127** | 86,824 |
| Weighted average number of units and Class B LP units outstanding (000) | 62 | **88,824** | 87,522 |
| Net income and comprehensive income | 44 | **8.6¢** | 8.2¢ |
| Adjusted net income[1] | 48 | **9.6¢** | 8.2¢ |
| Distributions | 51 | **7.5¢** | 7.5¢ |
| FFO Adjusted[1] | 52 | **11.1¢** | 10.2¢ |
| Payout ratio on FFO Adjusted[1] | 52 | **67.4%** | 73.5% |
| AFFO Adjusted[1] | 53 | **10.3¢** | 8.9¢ |
| Payout ratio on AFFO Adjusted[1] | 53 | **72.7%** | 83.9% |
| Market price of units | | **3.40** | 3.16 |
| **Tax on distributions** | | | |
| Tax deferral | 64 | **100.0%** | 100.0% |
| **Operational information** | | | |
| Number of properties | 40 | **75** | 75 |
| Leasable area (thousands of sq. ft.) | 40 | **6,126** | 6,087 |
| Committed occupancy rate | 40 | **92.5%** | 94.5% |
| Increase in average lease renewal rate | 42 | **5.1%** | 8.4% |

(1) This is a non-IFRS financial measure, refer to page 2 and 33.

# Selected Quarterly Information

The following table summarizes the Trust's selected financial information for the last eight quarters:

| (in thousands of dollars except for per unit data) | 2025 Q-1 | 2024 Q-4 | 2024 Q-3 | 2024 Q-2 | 2024 Q-1 | 2023 Q-4 | 2023 Q-3 | 2023 Q-2 |
|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ |
| Rental revenue | **34,411** | 32,671 | 32,505 | 32,218 | 32,636 | 31,922 | 31,285 | 31,708 |
| Net operating income (NOI) | **19,821** | 19,082 | 18,753 | 18,856 | 18,360 | 19,255 | 18,075 | 19,041 |
| Net income and comprehensive income | **7,608** | 18,847 | 5,470 | 7,272 | 7,153 | 1,734 | 15,216 | 10,846 |
| Net income and comprehensive income per unit | **8.6¢** | 21.3¢ | 6.2¢ | 8.3¢ | 8.2¢ | 2.0¢ | 17.5¢ | 12.5¢ |
| Cash flow from operating activities | **15,364** | 18,482 | 16,418 | 18,759 | 12,345 | 21,560 | 16,317 | 17,320 |
| FFO Adjusted(1) | **9,880** | 9,656 | 9,426 | 9,149 | 8,925 | 9,688 | 9,030 | 10,195 |
| FFO Adjusted per unit(1) | **11.1¢** | 10.9¢ | 10.7¢ | 10.4¢ | 10.2¢ | 11.1¢ | 10.4¢ | 11.8¢ |
| AFFO Adjusted(1) | **9,167** | 8,923 | 8,581 | 8,230 | 7,819 | 8,966 | 7,675 | 9,433 |
| AFFO Adjusted per unit(1) | **10.3¢** | 10.1¢ | 9.7¢ | 9.4¢ | 8.9¢ | 10.3¢ | 8.8¢ | 10.9¢ |
| Distributions(2) | **6,666** | 6,648 | 6,627 | 6,605 | 6,581 | 6,547 | 6,524 | 6,489 |
| Distributions per unit(2) | **7.5¢** | 7.5¢ | 7.5¢ | 7.5¢ | 7.5¢ | 7.5¢ | 7.5¢ | 7.5¢ |

(1) This is a non-IFRS financial measure, refer to page 2 and 33.
(2) Includes distributions on Class B LP units.

# Segmented Information

The Trust's operations are generated from three segments of properties located in the provinces of Québec, Ontario, Alberta and Saskatchewan. The following tables summarize each operating segment's contribution to investment properties, to revenues and to net operating income (NOI) for the three-month periods ended March 31, 2025, and March 31:

| Quarters ended March 31 (in thousands of dollars) | Industrial | | Suburban office | | Necessity-based retail | | Total |
|---|---|---|---|---|---|---|---|
| | $ | % | $ | % | $ | % | $ |
| **Quarter ended March 31, 2025** | | | | | | | |
| Investment properties | **453,174** | **37** | **513,871** | **41** | **268,415** | **22** | **1,235,460** |
| Rental revenue | **8,392** | **25** | **18,011** | **52** | **8,008** | **23** | **34,411** |
| Net operating income (NOI) | **5,870** | **30** | **9,350** | **47** | **4,601** | **23** | **19,821** |
| **Quarter ended March 31, 2024** | | | | | | | |
| Investment properties | 440,428 | 36 | 513,086 | 43 | 249,513 | 21 | 1,203,027 |
| Rental revenue | 8,604 | 27 | 16,438 | 50 | 7,594 | 23 | 32,636 |
| Net operating income (NOI) | 6,223 | 34 | 7,820 | 43 | 4,317 | 23 | 18,360 |

### Industrial performance

The proportional fair value of industrial properties remained stable at 37% compared to the same period last year. The proportional percentage of rental revenue and net operating income decreased by 2% and 4% respectively compared to the same period last year due to the previously reported tenant bankruptcy. The bankruptcy also impacted the occupancy rate for the segment which decreased by 650 basis points to 93.5%, compared to the same period in 2024.

### Suburban office performance

The proportional fair value of the suburban office properties decreased from 43% to 41% compared to the same period last year. The variance is due to the negative fair value adjustment of $5.4 million, offset by a $6.0 million increase due to capital expenditures, leasing fees and capitalized lease incentives. The proportional share of rental revenue for the quarter generated by the suburban office segment increased from 50% to 52% compared to the same quarter in 2024. The properties in this segment are supported by quality tenants (the Trust's top two tenants are Federal and Québec government agencies) and strong leasing activities (the Trust concluded for the first quarter lease renewals for a total of 49,065 square feet in the suburban office segment with an average rent increase of 5.2%). The occupancy rate for this segment slightly decreased by 10 basis points to 88.5%, compared to the same period in 2024.

### Necessity-based retail performance

The necessity-based retail segment continues to show good performance as most of the properties in this segment are anchored by necessity-based tenants. The occupancy rate in the necessity-based retail segment at the end of the first quarter of 2025 stood at 98.5%. For the quarter, the Trust concluded lease renewals for a total of 25,389 square feet in the necessity-based retail segment with an average rent increase of 5.4%. For the quarter, the proportional share of rental revenue and of net operating income (NOI) remained stable at 23% for both, compared to the same period last year.

## Operating Performance Indicators

The following performance indicators are used to measure the Trust's operating performance:

Committed occupancy rate: provides an indication of the optimization of rental space and the potential revenue gain from the Trust's property portfolio. This rate considers occupied leasable area and the leasable area of leases that have been signed as of the end of the quarter but where the term of the lease has not yet begun.

In-place occupancy rate: shows the percentage of occupied leasable area at the end of the period.

Lease renewal rate: is used to record the Trust's tenant retention with lease renewals.

Average rate of rent for renewed leases: measures organic growth and the Trust's ability to increase its rental revenue for a given period.

# Real Estate Portfolio

At the end of the first quarter of 2025, BTB owned 75 properties, representing a total fair value of approximately $1.2 billion and a total leasable area of approximately 6.1 million square feet. A description of all the properties owned by the Trust can be found in the Trust's Annual Information Form available at www.sedarplus.com.

### Summary of investment properties held as at March 31, 2025

| Operating segment | Number of properties | Leasable area (sq. ft.) | Committed occupancy rate (%) | In Place occupancy rate (%) | % of portfolio |
|---|---|---|---|---|---|
| Industrial | 32 | 2,085,319 | 93.5 | 93.5 | 34.0 |
| Suburban office | 32 | 2,609,571 | 88.5 | 86.9 | 42.6 |
| Necessity-based retail | 11 | 1,430,845 | 98.5 | 97.7 | 23.4 |
| **Total portfolio** | **75** | **6,125,735** | **92.5** | **91.7** | **100.0** |

| Geographic sector | Number of properties | Leasable area (sq. ft.) | Committed occupancy rate (%) | In Place occupancy rate (%) | % of portfolio |
|---|---|---|---|---|---|
| Montréal | 38 | 3,261,893 | 92.0 | 91.5 | 53.2 |
| Quebec City | 10 | 1,276,939 | 87.6 | 84.8 | 20.8 |
| Trois-Rivières | 2 | 149,077 | 75.9 | 75.9 | 2.5 |
| Ottawa | 11 | 809,115 | 99.6 | 99.6 | 13.2 |
| Edmonton | 10 | 405,239 | 100.0 | 100.0 | 6.6 |
| Saskatoon | 4 | 223,472 | 100.0 | 100.0 | 3.7 |
| **Total portfolio** | **75** | **6,125,735** | **92.5** | **91.7** | **100.0** |

### Dispositions of investment properties

The Trust did not dispose of any property during the first quarter of 2025.

### Acquisitions of investment properties

The Trust did not acquire any property during the first quarter of 2025.

# Real Estate Operations

## Portfolio occupancy

The following table summarizes the changes in occupied area for the periods ended March 31, 2025, and March 31, 2024:

| Quarters ended March 31<br>(in sq. ft.) | Quarter | |
|---|---|---|
| | **2025** | 2024 |
| **Occupied area at the beginning of the period**[1] | **5,676,015** | 5,762,653 |
| Purchased (sold) assets | **-** | (24,963) |
| Signed new leases | **56,629** | 58,062 |
| Tenant departures | **(64,643)** | (43,821) |
| Other[2] | **-** | - |
| **Occupied leasable area at the end of the period**[1] | **5,668,001** | 5,751,931 |
| **Vacant leasable area at the end of the period**[3] | **457,734** | 335,134 |
| **Total leasable area at the end of the period** | **6,125,735** | 6,087,065 |

(1) The occupied area includes in place and committed agreements.
(2) Other adjustments on the occupied area represent mainly area remeasurements and new leases related to a development project.
(3) The vacant leasable area and total leasable area were adjusted by 7,200 square feet affecting an existing property in the necessity-based retail segment in Dollard-Des-Ormeaux, Québec.

Compared to the same period last year, the Trust saw a decrease in its committed occupancy rate by 200 basis points from 94.5% to 92.5%, primarily due to the previously mentioned bankruptcy of a tenant that occupied 132,665 square feet in an industrial property located in Laval, Québec.

## Leasing activities

The following table summarizes the lease renewal activity for the periods ended March 31, 2025, and March 31, 2024:

| Quarters ended March 31<br>(in sq. ft.) | Quarter | |
|---|---|---|
| | **2025** | 2024 |
| Leases expired at term | **141,910** | 135,612 |
| Renewed leases at term | **77,504** | 91,791 |
| **Lease renewal rate** | **54.6%** | 67.7% |

The most significant lease renewals concluded during the quarter were attributed to Dollarama (in the necessity-based retail segment), located in the Dollard-Des-Ormeaux borough in Montréal, Québec, representing 9,850 square feet, the Government of Canada (in the suburban office segment), located in Quebec City representing 8,610 square feet and to Soplex Insurance Solutions (in the suburban office segment), a local insurance broker located in Quebec City representing 7,704 square feet.

In addition, the Trust also renewed leases with existing tenants, where their leases came to maturity in 2025 or thereafter, representing a total of 4,372 square feet for the quarter.

In all, the Trust's total lease renewal activity amounted to 81,876 square feet for the quarter.

### Average lease renewal rate

| | Quarter | |
|---|---|---|
| **Operating segment** | **Renewals (sq. ft.)** | **Increase (%)** |
| Industrial | 7,422 | -11.8% |
| Suburban office | 49,065 | 5.2% |
| Necessity-based retail | 25,389 | 5.4% |
| **Total** | **81,876** | **5.1%** |

The recorded decrease in the average lease renewal rate for the industrial segment is mainly due to the long-term lease renewal concluded with Claigan Environmental located in Ottawa representing 7,422 square feet.

### New leases

During the quarter, the Trust leased a total of 56,629 square feet to new tenants. The most significant new lease concluded during the quarter was a long-term lease representing 30,352 square feet (recorded as "in place" in the necessity-based retail segment) with Value Village, in the city of Saint-Bruno-de-Montarville of Montréal, Québec and a long-term lease representing 13,728 square feet (recorded as "committed" in the suburban office segment) with the Government of Canada, located in Quebec City. The remaining 12,549 square feet represent a combination of new "in place" tenants and "committed" tenants, thereby leaving 457,734 square feet of leasable area available for lease at the end of the quarter.

During the quarter, a total of 26,277 square feet or 46.4% of new leases were concluded in the suburban office segment and a total of 30,352 square feet or 53.6% of new leases were concluded in the necessity-based retail segment.

### Occupancy rates

The following tables detail the Trust's committed occupancy rates by operational segments and geographic sectors, including committed lease agreements:

| | **March 31, 2025** | December 31, 2024 | September 30, 2024 | June 30, 2024 | March 31, 2024 |
|---|---|---|---|---|---|
| **Operating segment** | % | % | % | % | % |
| Industrial | **93.5** | 93.5 | 93.5 | 100.0 | 100.0 |
| Suburban office | **88.5** | 88.5 | 88.3 | 88.8 | 88.6 |
| Necessity-based retail | **98.5** | 99.0 | 97.9 | 97.4 | 97.3 |
| **Total portfolio** | **92.5** | 92.7 | 92.3 | 94.6 | 94.5 |

| | **March 31, 2025** | December 31, 2024 | September 30, 2024 | June 30, 2024 | March 31, 2024 |
|---|---|---|---|---|---|
| **Geographic sector** | % | % | % | % | % |
| Montréal | **92.0** | 92.2 | 92.6 | 96.7 | 96.6 |
| Quebec City | **87.6** | 87.9 | 85.2 | 85.6 | 85.7 |
| Trois-Rivières | **75.9** | 75.2 | 75.4 | 75.5 | 73.2 |
| Ottawa | **99.6** | 99.7 | 99.4 | 98.8 | 99.1 |
| Edmonton | **100.0** | 100.0 | 100.0 | 100.0 | 100.0 |
| Saskatoon | **100.0** | 100.0 | 100.0 | 100.0 | 100.0 |
| **Total portfolio** | **92.5** | 92.7 | 92.3 | 94.6 | 94.5 |

## Lease maturities

The following table summarizes the Trust's lease maturity profile for the next five years:

| | 2025 | 2026 | 2027 | 2028 | 2029 |
|---|---|---|---|---|---|
| **Industrial** | | | | | |
| Leasable area (sq. ft.) | 163,164 | 298,878 | 94,051 | 221,941 | 86,014 |
| Average lease rate/square foot ($)(1) | $10.09 | $13.03 | $12.21 | $16.78 | $16.31 |
| % of industrial portfolio | 7.82% | 14.33% | 4.51% | 10.64% | 4.12% |
| **Suburban office** | | | | | |
| Leasable area (sq. ft.) | 195,313 | 417,232 | 356,547 | 223,618 | 298,530 |
| Average lease rate/square foot ($)(1) | $17.92 | $14.91 | $17.10 | $15.83 | $15.57 |
| % of office portfolio | 7.48% | 15.99% | 13.66% | 8.57% | 11.44% |
| **Necessity-based retail** | | | | | |
| Leasable area (sq. ft.) | 119,699 | 114,034 | 126,220 | 49,905 | 255,182 |
| Average lease rate/square foot ($)(1) | $18.25 | $13.94 | $15.50 | $19.67 | $13.23 |
| % of retail portfolio | 8.37% | 7.97% | 8.82% | 3.49% | 17.83% |
| **Total portfolio** | | | | | |
| **Leasable area (sq. ft.)** | **478,176** | **830,144** | **576,818** | **495,464** | **639,726** |
| **Average lease rate/square foot ($)(1)** | **$15.33** | **$14.10** | **$15.95** | **$16.64** | **$14.74** |
| **% of total portfolio** | **7.81%** | **13.55%** | **9.42%** | **8.09%** | **10.44%** |

(1) This is a non-IFRS financial measure. The average lease rate / square foot ($) ratio is calculated by dividing the annual rental revenues related to leases maturing within a specific year divided by the total leasable area (square feet) of the leases maturing within a specific year.

## Weighted average lease term

For the quarter ended March 31, 2025, the weighted average lease term stood at 5.6 years compared to 5.9 years for the same period in 2024. In addition, to secure future revenue for the Trust and to solidify its tenant base, the Trust's lease renewal strategy is also focused on renewing leases prior to their maturities to increase the average outstanding lease terms.

### Top 10 tenants

The Trust's three largest tenants are the Government of Québec, and the Government of Canada (both in the suburban office segment), and Wal-Mart Canada Inc. (in the industrial segment), representing respectively 5.3%, 5.2%, and 2.0% of rental revenue.

43.0% of the Trust's total revenue is generated by leases signed with federal, provincial and municipal governments and publicly traded entities.

The following table shows the Top 10 tenants' contribution to total revenue as a percentage of revenue as at March 31, 2025. Their contribution accounts for 23.3% of rental revenue and represents 23.3% of the Trust's total leasable area:

| Client | % of rental revenue | % of leasable area | Leasable area (sq. ft.) |
|---|---|---|---|
| Government of Québec | 5.3 | 4.7 | 281,797 |
| Government of Canada | 5.2 | 4.4 | 265,578 |
| Wal-Mart Canada Inc. | 2.0 | 4.4 | 264,550 |
| Nors (previously known as Strongco) | 1.9 | 2.0 | 118,585 |
| Bristol-Myers Squibb Canada Co | 1.8 | 1.0 | 61,034 |
| The Lion Electric Company | 1.6 | 2.9 | 176,819 |
| Groupe BBA Inc. | 1.6 | 1.2 | 69,270 |
| Mouvement Desjardins | 1.3 | 1.0 | 61,576 |
| Intrado Life & Safety Canada, Inc. | 1.3 | 0.9 | 53,767 |
| WSP | 1.3 | 0.8 | 48,478 |
| | **23.3** | **23.3** | **1,401,454** |

# Operating Results

The following table summarizes the financial results for the periods ended March 31, 2025, and March 31, 2024. This table should be read in conjunction with the consolidated financial statements and the accompanying notes:

| Quarters ended March 31<br>(in thousands of dollars) | Quarter | |
|---|---|---|
| | **2025** | 2024 |
| | **$** | $ |
| Rental revenue | **34,411** | 32,636 |
| Operating expenses | **14,590** | 14,276 |
| Net operating income (NOI) | **19,821** | 18,360 |
| Net financial expenses and financial income | **10,195** | 8,537 |
| Administration expenses | **2,018** | 2,474 |
| Transaction costs | **-** | 202 |
| Fair value adjustment on investment properties | **-** | (6) |
| **Net income and comprehensive income** | **7,608** | 7,153 |

### Rental revenue

For the quarter, rental revenue stood at $34.4 million, which represents an increase of 5.4% compared to the same quarter in 2024.

### Operating expenses

The following table summarizes the Trust's operating expenses for the periods ended March 31, 2025, and March 31, 2024:

| Quarters ended March 31<br>(in thousands of dollars) | Quarter | |
|---|---|---|
| | **2025** | 2024 |
| | **$** | $ |
| Operating expenses | | |
| Maintenance, repairs and other operating costs | **5,129** | 4,834 |
| Energy | **2,339** | 1,995 |
| Property taxes and insurance | **7,122** | 7,447 |
| **Total operating expenses** | **14,590** | 14,276 |
| ***% of rental revenue*** | **42.4%** | 43.7% |

Operating expenses increased due to an overall increase in maintenance costs and energy offset by a slight decrease in municipal taxes due to a stability in overall municipal valuations for the suburban office and necessity-based retail segments. The operating expenses, as a percentage of revenues, decreased by 1.3% for the quarter compared to the same quarter last year.

### Financial expenses and income

The following table summarizes financial expenses for the periods ended March 31, 2025, and March 31, 2024:

| Quarters ended March 31<br>(in thousands of dollars) | Quarter | |
|---|---|---|
| | **2025** | 2024 |
| | **$** | $ |
| **Financial income** | **(427)** | (573) |
| Interest on mortgage loans | **7,301** | 7,072 |
| Interest on convertible debentures | **754** | 709 |
| Interest on credit facilities | **475** | 934 |
| Other interest expense | **126** | 108 |
| **Interest expense net of financial income** | **8,229** | 8,250 |
| Distributions on Class B LP units | **52** | 52 |
| **Net financial expenses before non-monetary items** | **8,281** | 8,302 |
| Accretion of effective interest on mortgage loans and convertible debentures | **580** | 308 |
| Accretion of non-derivative liability component of convertible debentures | **438** | 92 |
| **Net financial expenses before the following items:** | **9,299** | 8,702 |
| Fair value adjustment on derivative financial instruments | **868** | (325) |
| Fair value adjustment on Class B LP units | **28** | 160 |
| **Net financial expenses net of financial income** | **10,195** | 8,537 |

Financial income consists of interest income generated from interest rate swap agreements on mortgages and earned finance income generated from a lease reclassified as a finance lease triggered by the exercise of an option to purchase the property located at 18028, 114$^{th}$ Avenue NW, in Edmonton, Alberta.

Interest expense, net of financial income stood at $8.2 million for the quarter compared to the same period last year. The stability in interest expense, net of financial income is explained by (i) a decrease of $0.4 million for the interest expense payable on the revolving credit facilities due to a lower utilization and decrease in prime lending rates; (ii) an increase of $0.2 million for the interest expense on mortgages loans; (iii) a slight increase of $0.1 million of the interest expense on convertible debenture and finally; (iv) a decrease of $0.1 million of the financial income.

As at March 31, 2025, the weighted average mortgage interest rate was 4.35%, 13 basis points higher than the average rate as at March 31, 2024 which stood at 4.22%. The increase is mainly due to the refinancing of fixed-rate mortgages and mortgages subject to floating-for-fixed interest rate swap at a higher interest rate.

The weighted average interest rate for fixed mortgage loans increased by 9 basis points to 4.16% (4.07% as at March 31, 2024). Interest rates on first-ranking mortgage loans ranged from 2.37% to 6.80% as at March 31, 2025, (2.37% to 8.95% as at March 31, 2024). The cumulative balance of the Trust's loans subject to a fixed interest rate is $535.7 million.

The weighted average contractual interest rate for mortgages subject to variable interest rates was 6.45%, a decrease of 200 basis points compared to the same period in 2024 which was 8.45%. The cumulative balance of the Trust's loans subject to a variable rate is $23.7 million. The weighted average contractual interest rate for mortgages subject to floating-for-fixed interest rate swap was 5.47% (4.86% net of finance income), a decrease of 68 basis points compared to the same period in 2024 which was 6.15% (3.78% net of finance income).

The cumulative balance of the Trust's loans subject to a floating-for-fixed interest rate swap is $102.5 million.

The weighted average term of mortgage loans in place as at March 31, 2025, was 2.6 years (3.2 years as at March 31, 2024).

Net financial expenses, net of financial income, described above, include non-monetary items. These non-monetary items are the accretion of effective interest on mortgage loans and on convertible debentures, the accretion of non-derivative liability component of convertible debentures and the fair value adjustment on derivative financial instruments and on Class B LP units.

### Administration expenses

The following table summarizes the Trust's administration expenses for the periods ended March 31, 2025, and March 31, 2024:

| Quarters ended March 31<br>(in thousands of dollars) | Quarter | |
|---|---|---|
| | **2025** | 2024 |
| | **$** | $ |
| Corporate expenses | **1,678** | 2,007 |
| Expected credit losses | **146** | 67 |
| Unit-based compensation | **194** | 400 |
| **Trust administration expenses** | **2,018** | 2,474 |

Corporate expenses decreased by $0.3 million for the quarter compared to the same period last year.

Expected credit losses remained stable for the quarter compared to the same period last year.

Unit-based compensation decreased by $0.2 million for the quarter compared to the same period last year.

### Fair value adjustment of investment properties

Under IAS 40, the Trust accounts for its investment properties at fair value and recognizes the gain or loss arising from a change in the fair value in profit or loss for the period in which it arises. Furthermore, upon a disposition the Trust will revaluate the investment property at the disposition consideration.

On an annual basis, the Trust retains the services of independent external appraisers to evaluate the fair value of a significant portion of its portfolio. In addition, as part of acquisitions, financing, or refinancing transactions, or at the request of lenders, other properties are also independently appraised during the year. During the last quarter, the Trust had not externally appraised any of its properties.

For the properties not independently appraised during a given year, the Trust receives quarterly market data regarding capitalization rates and discount rates reflecting real estate market conditions from independent external appraisers or independent experts. The capitalization rate reports provide a range of rates for various geographic regions where the Trust operates and for various types and qualities of properties within each said region. The Trust utilizes capitalization and discount rates within ranges provided by these external experts.

The following tables summarize the changes in fair value of investment properties by segment for the periods ended March 31, 2025, and March 31, 2024:

| Quarters ended March 31<br>(in thousands of dollars) | Quarter | |
|---|---|---|
| | **2025** | 2024 |
| | **$** | $ |
| Industrial | **-** | - |
| Suburban office | **-** | 6 |
| Necessity-based retail | **-** | - |
| **Total change in fair value** | **-** | 6 |

The following tables summarize the significant assumptions used in the modelling process for both internal and external appraisals for the periods ended March 31, 2025 and December 31, 2024:

| **As at March 31, 2025** | **Industrial** | **Suburban office** | **Necessity-based retail** |
|---|---|---|---|
| Capitalization rate | **5.25% - 7.75%** | **6.00% - 8.25%** | **5.75% - 7.75%** |
| Terminal capitalization rate | **5.25% - 8.00%** | **6.25% - 8.50%** | **6.00% - 8.00%** |
| Discount rate | **6.00% - 8.50%** | **6.25% - 9.00%** | **6.50% - 8.75%** |
| Weighted average capitalization rate | **6.11%** | **7.00%** | **7.03%** |
| **As at December 31, 2024** | | | |
| Capitalization rate | 5.25% - 7.75% | 6.00% - 8.25% | 5.75% - 7.75% |
| Terminal capitalization rate | 5.25% - 8.00% | 6.25% - 8.50% | 6.00% - 8.00% |
| Discount rate | 6.00% - 8.50% | 6.25% - 9.00% | 6.50% - 8.75% |
| Weighted average capitalization rate | 6.11% | 7.00% | 7.03% |

The weighted average capitalization rate for the entire portfolio as at March 31, 2025, was 6.68% (6.68% as at December 31, 2024), stable compared to December 31, 2024.

As at March 31, 2025, the Trust has estimated that if an increase / decrease of 0.25% in the capitalization rate were applied to the overall portfolio, this variation would affect the fair value of its investment properties respectively by a reduction of $45.1 million or an increase of $48.7 million. The change in the capitalization rates is an appropriate proxy of the changes for the discount and terminal capitalization rates.

### Adjusted net income

Net income and comprehensive income fluctuate from one quarter to the next based on volatile non-monetary items. The fair value of derivative financial instruments and the fair value of investment properties fluctuate based on the stock market volatility of the Trust's units, the forward interest rate curve and the discount and capitalization rates of its real estate portfolio.

The following table summarizes the adjusted net income[1] before these volatile non-monetary items and transaction costs for the periods ended March 31, 2025, and March 31, 2024:

| Quarters ended March 31<br>(in thousands of dollars, except for per unit) | Quarter | |
|---|---|---|
| | **2025** | 2024 |
| | **$** | $ |
| **Net income and comprehensive income** | **7,608** | 7,153 |
| Transaction costs on acquisitions and dispositions of investment properties and early repayment fees | **-** | 201 |
| Fair value adjustment on investment properties | **-** | (6) |
| Fair value adjustment on derivative financial instruments | **868** | (325) |
| Fair value adjustment on Class B LP units | **28** | 160 |
| **Adjusted net income[1]** | **8,504** | 7,183 |
| Per unit | **9.6¢** | 8.2¢ |

(1) This is a non-IFRS financial measure, refer to page 2 and 33.

Adjusted net income increased by $1.3 million for the quarter compared to the same period last year mainly due to (1) an NOI increase of $1.5 million; and (2) a decrease of administration expenses of $0.5 million which are partly offset by (3) an increase of net financial expenses before fair value adjustments of $0.4 million.

(1) This is a non-IFRS financial measure, refer to page 2 and 33.

# Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)[1]

The following table provides a reconciliation of net income and comprehensive income established in accordance with IFRS and Adjusted EBITDA[1] for the periods ended March 31, 2025, and March 31, 2024:

| Quarters ended March 31<br>(in thousands of dollars, except for per unit) | Quarter | |
|---|---|---|
| | 2025 | 2024 |
| | $ | $ |
| **Net income being total comprehensive income for the period** | **7,608** | 7,153 |
| Interest expense | **8,656** | 8,823 |
| Accretion of effective interest on mortgage loans and convertible debentures | **580** | 308 |
| Amortization of property and equipment | **18** | 17 |
| Lease incentive amortization | **797** | 690 |
| Fair value adjustment on investment properties | **-** | (6) |
| Fair value adjustment on derivative financial instruments | **868** | (325) |
| Fair value adjustment on Class B LP units | **28** | 160 |
| Unit-based compensation (Unit price remeasurement) | **61** | 409 |
| Transaction costs on acquisitions and dispositions of investment properties and early repayment fees | **-** | 201 |
| Straight-line lease adjustment | **(381)** | (394) |
| **Adjusted EBITDA[1]** | **18,235** | 17,036 |

(1) This is a non-IFRS financial measure, refer to page 2 and 33.

For the quarter, the Adjusted EBITDA[1] increased by $1.2 million compared to the same period last year mainly due to an increase in NOI of $1.5 million and a decrease in administration expenses of $0.5 million offset by an increase in interest expense net of financial income and other minor items totalling $0.6 million.

(1) This is a non-IFRS financial measure, refer to page 2 and 33.

# Operating Results – Same-Property Portfolio

## Same-property portfolio

The same-property portfolio includes all the properties owned by the Trust on March 31, 2024, and that are still owned by the Trust on March 31, 2025. Therefore, it excludes all the acquired[2][3] and disposed[2][3] properties during the years 2024 and 2025 and straight-line rent.

The following table summarizes the results of the same-property NOI[1] for the periods ended March 31, 2025, and March 31, 2024:

| Quarters ended March 31 (in thousands of dollars) | Quarter | | |
|---|---|---|---|
| | 2025 | 2024 | Δ % |
| | $ | $ | |
| Net operating income (NOI) as reported in the financial statements | 19,821 | 18,360 | 8.0% |
| Straight line rent | 381 | 394 | |
| NOI less straight line rent | 19,440 | 17,966 | 8.2% |
| | | | |
| NOI sourced from: | | | |
| Acquisitions | - | - | |
| Dispositions | - | (54) | |
| Corporation | 10 | 209 | |
| Same Property NOI[1] | 19,450 | 18,121 | 7.3% |
| | | | |
| Same Property NOI[1] sourced from: | | | |
| Industrial | 5,695 | 5,963 | -4.5% |
| Suburban office | 9,159 | 7,844 | 16.8% |
| Necessity-based retail | 4,596 | 4,314 | 6.5% |
| Same Property NOI[1] | 19,450 | 18,121 | 7.3% |

(1) This is a non-IFRS financial measure, refer to page 2 and 33.

Compared to the same quarter last year, the same-property net operating income (NOI)[1] increased by 7.3%.

For the quarter, the SPNOI for the industrial segment decreased by $0.3 million or -4.5% compared to the same quarter last year, due to the previously reported tenant bankruptcy negatively impacting the NOI by $0.4 million, offset by organic increases in lease rates for in-place leases.

For the quarter, the SPNOI for the suburban office segment increased by $1.3 million or 16.8% compared to the same quarter last year. This increase was primarily driven by (1) the previously mentioned partial lease cancellation payment of $1.0 million from a tenant and (2) leasing efforts resulting in higher average lease rates.

Finally, for the quarter, the SPNOI for necessity-based retail segment increased by $0.3 million or 6.5% compared to the same quarter last year. The increase reflects the commencement of rental income from the new Winners/HomeSense lease which begun on February 25, 2025.

(1) This is a non-IFRS financial measure, refer to page 2 and 33.
(2) Refer to the Trust's consolidated financial statements dated May 2, 2025, note 3, section a) for the acquired properties details.
(3) Refer to the audited consolidated financial statements and accompanying notes for the year ended December 31, 2024, for the acquisitions and dispositions of the year 2024.

# Distributions

### Distributions and per unit

The following table summarizes the distributions for the periods ended March 31, 2025, and March 31, 2024:

| Quarters ended March 31<br>(in thousands of dollars, except for per unit data) | Quarter | |
|---|---|---|
| | **2025** | 2024 |
| | **$** | $ |
| **Distributions** | | |
| Cash distributions | **6,327** | 5,641 |
| Cash distributions – Class B LP units | **52** | 52 |
| Distributions reinvested under the distribution reinvestment plan | **287** | 888 |
| **Total distributions to unitholders** | **6,666** | 6,581 |
| Percentage of reinvested distributions[1][2] | **4.3%** | 13.5% |
| **Per unit**[2] | | |
| Distributions | **7.5¢** | 7.5¢ |

(1) This is a non-IFRS financial measure. The percentage of reinvested distributions ratio is calculated by dividing the distributions reinvested under the distribution reinvestment plan by the total distributions to unitholders.
(2) Including Class B LP units.

For the quarter, the monthly distributions paid to unitholders totalled 2.5¢ per unit and for the quarter, totalled 7.5¢ per unit, unchanged from the same quarter of 2024.

# Funds from Operations (FFO)[1]

The following table provides a reconciliation of net income and comprehensive income established in accordance with IFRS and FFO[1] for the periods ended March 31, 2025, and March 31, 2024:

| Quarters ended March 31<br>(in thousands of dollars, except for per unit) | Quarter | |
|---|---|---|
| | 2025 | 2024 |
| | $ | $ |
| **Net income and comprehensive income (IFRS)** | **7,608** | 7,153 |
| Fair value adjustment on investment properties | **-** | (6) |
| Fair value adjustment on Class B LP units | **28** | 160 |
| Amortization of lease incentives | **797** | 690 |
| Fair value adjustment on derivative financial instruments | **868** | (325) |
| Leasing payroll expenses | **466** | 591 |
| Distributions - Class B LP units | **52** | 52 |
| Unit-based compensation (Unit price remeasurement) | **61** | 409 |
| **FFO[1]** | **9,880** | 8,724 |
| Transaction costs on disposition of investment properties and mortgage early repayment fees | **-** | 201 |
| **FFO Adjusted[1]** | **9,880** | 8,925 |
| **FFO per unit[1][2][3]** | **11.1¢** | 10.0¢ |
| **FFO Adjusted per unit[1][2][4]** | **11.1¢** | 10.2¢ |
| FFO payout ratio[1] | **67.4%** | 75.2% |
| FFO Adjusted payout ratio[1] | **67.4%** | 73.5% |

(1) This is a non-IFRS financial measure, refer to page 2 and 33.
(2) Including Class B LP units.
(3) The FFO per unit ratio is calculated by dividing the FFO[1] by the Trust's unit outstanding at the end of the period (including the Class B LP units at outstanding at the end of the period).
(4) The FFO Adjusted per unit ratio is calculated by dividing the FFO Adjusted[1] by the Trust's unit outstanding at the end of the period (including the Class B LP units at outstanding at the end of the period).

For the quarter, FFO Adjusted[1] was 11.1¢ per unit, compared to 10.2¢ per unit for the same quarter last year representing an increase of 0.9¢ per unit. The increase is explained by an increase in NOI of $1.5 million, a decrease in administrative expenses of $0.5 million offset by an increase in net financial expenses before fair value adjustments of $0.6 million. FFO adjusted per unit is still negatively impacted by an increase in the weighted average number of units outstanding of 1.3 million units compared to the same period in 2024. To nullify this dilution, the Trust suspended the distribution reinvestment plan ("DRIP") on February 24, 2025.

(1) This is a non-IFRS financial measure, refer to page 2 and 33.

# Adjusted Funds from Operations (AFFO)[1]

The following table provides a reconciliation of FFO[1] and AFFO[1] for the periods ended March 31, 2025, and March 31, 2024:

| Quarters ended March 31<br>(in thousands of dollars, except for per unit data) | Quarter | |
|---|---|---|
| | **2025** | 2024 |
| | **$** | $ |
| **FFO[1]** | **9,880** | 8,724 |
| Straight-line rental revenue adjustment | **(381)** | (394) |
| Accretion of effective interest | **580** | 308 |
| Amortization of other property and equipment | **18** | 17 |
| Unit-based compensation expenses | **133** | (9) |
| Provision for non-recoverable capital expenditures[1] | **(688)** | (653) |
| Provision for unrecovered rental fees[1] | **(375)** | (375) |
| **AFFO[1]** | **9,167** | 7,618 |
| Transaction costs on disposition of investment properties and mortgage early repayment fees | **-** | 201 |
| **AFFO Adjusted[1]** | **9,167** | 7,819 |
| **AFFO per unit[1][2][3]** | **10.3¢** | 8.7¢ |
| **AFFO Adjusted per unit[1][2][4]** | **10.3¢** | 8.9¢ |
| AFFO payout ratio[1] | **72.7%** | 86.2% |
| AFFO Adjusted payout ratio[1] | **72.7%** | 83.9% |

(1) This is a non-IFRS financial measure, refer to page 2 and 33.
(2) Including Class B LP units.
(3) The AFFO per unit ratio is calculated by dividing the AFFO[1] by the Trust's unit outstanding at the end of the period (including the Class B LP units at outstanding at the end of the period).
(4) The AFFO Adjusted per unit ratio is calculated by dividing the AFFO Adjusted[1] by the Trust's unit outstanding at the end of the period (including the Class B LP units at outstanding at the end of the period).

For the quarter, the AFFO adjusted per unit was 10.3¢ per unit compared to 8.9¢ per unit for the same period in 2024, representing an increase of 1.4¢ per unit, in line with the increase of FFO adjusted. AFFO adjusted per unit was also negatively impacted by an increase in weighted average number of units outstanding of 1.3 million units compared to the same period in 2024. To nullify this dilution, the Trust suspended the distribution reinvestment plan ("DRIP") on February 24, 2025.

In calculating AFFO[1], the Trust deducts a provision for non-recoverable capital expenditures[2] to consider capital expenditures invested to maintain the condition of its properties and to preserve rental revenue. The provision for non-recoverable capital expenditures is calculated based on 2% of rental revenues. This provision is based on management's assessment of industry practices and its investment forecasts for the coming years.

The Trust also deducts a provision for unrecoverable rental fees[2] in the amount of approximately 25¢ per square foot of the leasable area of the Trust's properties, on an annualized basis. Even though quarterly rental fee disbursements vary significantly from one quarter to another, management considers that this provision fairly represents, in the long term, the average disbursements not recovered directly in the rent that the Trust will receive. These disbursements consist of inducements paid or granted to its tenants when leases are signed that are generally amortized over the term of the lease and are subject to an equivalent increase in rent per square foot, of brokerage commissions and its leasing team payroll expenses.

(1) This is a non-IFRS financial measure, refer to page 2 and 33.
(2) This is a non-IFRS financial measure as defined in this page.

The following table compares the amount of the provision for non-recoverable capital investments to the amount of investment made during the last three years:

| Periods ended March 31 and<br>12-month periods ended December 31<br>(in thousands of dollars) | **March 31, 2025** | March 31, 2024 | December 31, 2024 | December 31, 2023 |
|---|---|---|---|---|
| | **$** | $ | $ | $ |
| Provision for non-recoverable capital expenditures[1] | **688** | 653 | 2,601 | 2,557 |
| Non-recoverable capital expenditures | **237** | 748 | 2,878 | 3,858 |

(1) This is a non-IFRS financial measure, refer to AFFO section for detailed explanations.

The Trust intends to achieve a balance between actual investment and the estimated provisions over the long term. Management may change the calculation of the provision, as required.

# Cash Flows

The following table shows the Trust's net distributions to unitholders compared to net cash flows from operating activities less interest paid for the years 2025, 2024 and 2023:

| Periods ended March 31 and 12-month periods ended December 31 (in thousands of dollars) | **2025 (3 months)** | 2024 (3 months) | 2024 (12 months) | 2023 (12 months) |
|---|---|---|---|---|
| | **$** | $ | $ | $ |
| Net cash flows from operating activities | **15,364** | 12,143 | 66,004 | 70,852 |
| Interest paid | **(8,083)** | (8,208) | (32,594) | (31,324) |
| Net cash flows from operating activities less interest paid | **7,281** | 3,935 | 33,410 | 39,528 |
| Net distributions to unitholders | **6,035** | 5,629 | 22,638 | 22,292 |
| Surplus of net cash flows from operating activities less interest paid compared to net distributions to unitholders | **1,246** | (1,694) | 10,772 | 17,236 |

The following table summarizes the reconciliation of net cash flows from operating activities presented in the financial statements, AFFO[1] and FFO[1] for the periods ended March 31, 2025, and March 31, 2024:

| Quarters ended March 31 (in thousands of dollars) | Quarter | |
|---|---|---|
| | **2025** | 2024 |
| | **$** | $ |
| Cash flows from operating activities | **15,364** | 12,344 |
| Leasing payroll expenses | **466** | 591 |
| Transaction costs on purchase and disposition of investment properties and early repayment fees | **-** | (201) |
| Adjustments for changes in other working capital items | **3,067** | 4,254 |
| Financial income | **427** | 573 |
| Interest expenses | **(8,656)** | (8,823) |
| Provision for non-recoverable capital expenditures[2] | **(688)** | (653) |
| Provision for non-recovered rental fees[2] | **(375)** | (375) |
| Accretion of non-derivative liability component of convertible debentures | **(438)** | (92) |
| AFFO[1] | **9,167** | 7,618 |
| Provision for non-recoverable capital expenditures[2] | **688** | 653 |
| Provision for non-recovered rental fees[2] | **375** | 375 |
| Straight-line rental revenue adjustment | **381** | 394 |
| Unit-based compensation expenses | **(133)** | 9 |
| Accretion of effective interest | **(580)** | (308) |
| Amortization of property and equipment | **(18)** | (17) |
| FFO[1] | **9,880** | 8,724 |

(1) This is a non-IFRS financial measure, refer to page 2 and 33.
(2) This is a non-IFRS financial measure, refer to AFFO section for detailed explanations.

(1) This is a non-IFRS financial measure, refer to page 2 and 33.

# Assets

### Investment properties

The Trust has grown through the acquisitions of quality properties based on its selection criteria, while maintaining an appropriate allocation among three operating segments: industrial, suburban office, and necessity-based retail.

The real estate portfolio consists of direct interests in wholly owned investment properties and of the Trust's share of two jointly controlled investment properties where the assets, liabilities, revenues, and expenses are shared in accordance with the ownership interest.

The following table summarizes the changes in the fair value of investment properties for the periods ended March 31, 2025, and March 31, 2024:

| Quarters ended March 31 (in thousands of dollars) | Quarter | |
|---|---|---|
| | **2025** | 2024 |
| | **$** | $ |
| **Balance, beginning of period** | **1,233,282** | 1,207,522 |
| Additions: | | |
| Initial recognition of right-of-use assets | **-** | - |
| Dispositions | **-** | (6,206) |
| Construction on investment property | **101** | - |
| Capital expenditures | **1,278** | 787 |
| Leasing fees and capitalized lease incentives | **1,215** | 1,224 |
| Fair value adjustment on investment properties | **-** | 6 |
| Other non-monetary changes(1) | **(416)** | (306) |
| **Balance, end of period** | **1,235,460** | 1,203,027 |

(1) The other non-monetary changes are composed of the lease incentives amortization and straight-line lease adjustments.

### Improvements in investment properties

The Trust invests its capital to improve its properties to preserve the quality of their infrastructure and services provided to tenants. These investments include value-added expenditures required to upkeep properties, as well as property improvements and redevelopment projects intended to increase leasable area, occupancy rates, quality of space available for rent or fair value. Some capital expenditures are amortized and may be recovered from tenants.

The following table summarizes capital expenditures, incentives, and leasing fees, for the periods ended March 31, 2025, and March 31, 2024:

| Quarters ended March 31 (in thousands of dollars) | Quarter | |
|---|---|---|
| | **2025** | 2024 |
| | **$** | $ |
| Recoverable capital expenditures | **1,041** | - |
| Non-recoverable capital expenditures | **237** | 787 |
| **Total capital expenditures** | **1,278** | 787 |
| Leasing fees and leasehold improvements | **1,215** | 1,224 |
| Construction on investment property | **101** | - |
| **Total** | **2,594** | 2,011 |

## Receivables

| (in thousands of dollars) | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| | $ | $ | $ |
| Rent receivable | **5,137** | 2,554 | 4,462 |
| Allowance for expected credit losses | **(960)** | (901) | (727) |
| Net rent receivable | **4,177** | 1,653 | 3,735 |
| Unbilled recoveries | **1,424** | 2,793 | 1,216 |
| Other receivables | **1,209** | 410 | 350 |
| Receivables | **6,810** | 4,856 | 5,301 |

## Prepaid expenses, Deposits and Property and equipment

The following table summarizes the prepaid expenses, deposits and property and equipment for the periods ended March 31, 2024 and December 31, 2023:

| (in thousands of dollars) | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| | $ | $ | $ |
| Property and equipment | **1,494** | 1,493 | 1,471 |
| Accumulated depreciation | **(1,304)** | (1,285) | (1,230) |
| Net property and equipment | **190** | 208 | 241 |
| Prepaid expenses | **3,952** | 1,215 | 3,683 |
| Deposits | **2,192** | 1,878 | 1,600 |
| Other assets | **6,334** | 3,301 | 5,524 |

# Capital Resources

### Long-term debt

The following table summarizes the balance of BTB's indebtedness on March 31, 2025, including mortgage loans and convertible debentures, based on the year of maturity and corresponding weighted average contractual interest rates:

| As at March 31, 2025 (in thousands of dollars) | Balance of convertible debentures[1] | Balance of mortgages payable[1] | Weighted average contractual interest rate |
|---|---|---|---|
| | $ | $ | % |
| **Year of maturity** | | | |
| 2025 | - | 106,854 | 4.65 |
| 2026 | - | 175,442 | 4.28 |
| 2027 | - | 126,739 | 4.36 |
| 2028 | - | 93,184 | 4.68 |
| 2029 | - | 84,087 | 4.36 |
| 2030 and thereafter | 40,250 | 75,568 | 4.90 |
| **Total** | **40,250** | **661,874** | **4.52** |

(1) Gross amounts.

The Trust has $106.9 million of mortgages that are maturing in the next nine months. The Trust as of the date of this report has received commitment letters or letters of intent from financial institutions for the refinancing of $39.8 million and is in the process of negotiating the remaining 2025 mortgages coming to maturity.

### Weighted average contractual interest rate

As at March 31, 2025, the weighted average contractual interest rate of the Trust's long-term debt stood at 4.52% (4.35% for mortgage loans and 7.25% for convertible debentures), representing an increase of 15 basis points compared to the same period last year which was 4.37% (4.22% for mortgage loans and 6.45% for convertible debentures).

### Mortgage loans

The following table summarizes the changes in mortgage loans payable for the period ended March 31, 2025:

| Period ended March 31, 2025 (in thousands of dollars) | Quarter |
|---|---|
| | $ |
| **Balance at beginning[1]** | 665,607 |
| Mortgage loans contracted or assumed[2] | 1,141 |
| Balance repaid at maturity or upon disposition[3] | - |
| Monthly principal repayments[4] | (4,874) |
| **Balance as at March 31, 2025[1]** | 661,874 |

(1) Before unamortized financing expenses and fair value assumption adjustments.
(2) This is a non-IFRS measure. Mortgage loans contracted or assumed are included in the Consolidated Statements of Cash Flows within the Mortgage loans, net of financing expenses.
(3) This is a non-IFRS measure. Balance repaid at maturity or upon disposition are included in the Consolidated Statements of Cash Flows within the following: Repayment of mortgage loans and Net proceeds from disposition of investment properties.
(4) This is a non-IFRS measure. Principal monthly repayments are included in the Consolidated Statements of Cash Flows within Repayment of mortgage loans.

The weighted average term of existing mortgage loans was 2.6 years as at March 31, 2025, compared to 2.7 years for the same period last year.  The Trust attempts to spread the maturities of its mortgages over many years to mitigate the risk associated with mortgage renewals.

The following table summarizes future mortgage loan repayments for the next few years:

| As at March 31, 2025 (in thousands of dollars) | Principal repayment | Balance at maturity | Total | % of total |
|---|---|---|---|---|
| | $ | $ | $ | |
| **Maturity** | | | | |
| 2025 (9 months) | 13,152 | 105,489 | 118,641 | 17.9 |
| 2026 | 14,251 | 168,211 | 182,462 | 27.6 |
| 2027 | 9,820 | 117,285 | 127,105 | 19.2 |
| 2028 | 5,811 | 85,377 | 91,188 | 13.8 |
| 2029 | 3,416 | 74,421 | 77,837 | 11.8 |
| 2030 and thereafter | 7,879 | 56,762 | 64,641 | 9.8 |
| **Total** | **54,329** | **607,545** | **661,874** | **100.0** |
| Unamortized fair value assumption adjustments | | | 6 | |
| Unamortized financing expenses | | | (2,521) | |
| **Balance as at March 31, 2025** | | | **659,359** | |

As at March 31, 2025, the Trust was in compliance with all the contractual mortgage covenants to which it is subject.

### Convertible debentures

The following table summarizes the convertible debentures for the period ended March 31, 2025:

| (in thousands of dollars) | **Series I(1)(2)** |
|---|---|
| Par value | 40,250(3) |
| Contractual interest rate | 7.25% |
| Effective interest rate | 8.54% |
| Date of issuance | January 2025 |
| Per-unit conversion price | 4.10 |
| Date of interest payment | February 28 and August 31 |
| Maturity date | February 2030 |
| **Balance as at March 31, 2025** | **34,648** |

(1) Redeemable by the Trust, under certain conditions, on or after February 28, 2028 and prior to February 28, 2029, at a redemption price equal to the principal amount plus accrued, unpaid interest, provided that the unit market price is at least 125% of the Series I conversion price and, on or after February 28, 2029, and prior to February 28, 2030, at a redemption price equal to their principal amount plus accrued and unpaid interest.
(2) The Trust may, at its option and under certain conditions, elect to satisfy its obligation to pay the principal amount of the Series I debentures by issuing tradable units freely to Series I debenture holders obtained by dividing the principal amount of the debentures by 95% of the current market price on the date of redemption or maturity.
(3) Conversion of $0 since the issuance of the Series I debentures.

On February 24, 2025, the Trust fully redeemed and paid at maturity the Series H convertible debentures at their value of $19,576. The nominal value was $19,917.

### Debt ratio

In accordance with its trust agreement, the Trust cannot contract a mortgage loan if, after having contracted the said loan, the total mortgage debt would exceed 75% of the fair value of the Trust's total assets. When establishing this calculation, the convertible debentures should not be considered in the calculation of total indebtedness. Moreover, under its trust indenture, in case of failure to abide by this condition, the Trust benefits from a 12-month additional period from the date of its knowledge to remedy the situation.

The following table summarizes the Trust's debt ratios as at March 31, 2025, December 31, 2024 and March 31, 2024:

| (in thousands of dollars) | **March 31, 2025** | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| | **$** | $ | $ |
| Cash and cash equivalents | **(5,450)** | (2,471) | (1,781) |
| Mortgage loans outstanding(1) | **661,874** | 665,607 | 630,513 |
| Convertible debentures(1) | **36,671** | 19,576 | 43,277 |
| Credit facilities | **34,276** | 44,298 | 44,797 |
| **Total long-term debt less cash and cash equivalents(2)(3)** | **727,371** | 727,010 | 716,806 |
| **Total gross value of the assets of the Trust less cash and cash equivalents(2)(4)** | **1,260,313** | 1,254,818 | 1,228,643 |
| Mortgage debt ratio (excluding convertible debentures and credit facilities)(2)(5) | **52.1%** | 52.8% | 51.3% |
| Debt ratio – convertible debentures(2)(6) | **2.9%** | 1.6% | 3.5% |
| Debt ratio – credit facilities(2)(7) | **2.7%** | 3.5% | 3.6% |
| **Total debt ratio(2)** | **57.7%** | 57.9% | 58.3% |

(1) Before unamortized financing expenses and fair value assumption adjustments.
(2) This is a non-IFRS financial measure, refer to page 2 and 33.
(3) Long-term debt less free cash flow is a non-IFRS financial measure, calculated as total of: (i) fixed rate mortgage loans payable; (ii) floating rate mortgage loans payable; (iii) Series I debenture capital adjusted with non-derivative component less conversion options exercised by holders; and (iv) credit facilities, less cash and cash equivalents. The most directly comparable IFRS measure to net debt is debt.
(4) Gross value of the assets of the Trust less cash and cash equivalent ("GVALC") is a non-IFRS financial measure defined as the Trust total assets adding the cumulated amortization property and equipment and removing the cash and cash equivalent. The most directly comparable IFRS measure to GVALC is total assets.
(5) Mortgage debt ratio is calculated by dividing the mortgage loans outstanding by the GVALC.
(6) Debt ratio – convertible debentures is calculated by dividing the convertible debentures by GVALC.
(7) Debt ratio – credit facilities is calculated by dividing the credit facilities by the GVALC.

The Trust seeks to finance its acquisitions with a maximum mortgage debt ratio of 65% since the cost of financing is lower than the capital cost of the Trust's equity. Liquidity refers to the Trust having credit availability under committed credit facilities and/or generating enough cash and cash equivalents to fund the ongoing operational commitments including maintenance capital and development capital expenditures, distributions to unitholders and planned growth in the business. The Trust maintains credit facilities to provide financial liquidity which can be drawn or repaid on short notice, reducing the need to hold liquid resources in cash and deposits.

### Interest coverage ratio

The following table summarizes the interest coverage ratio for the periods ended March 31, 2025, and March 31, 2024:

| Quarters ended March 31<br>(in thousands of dollars, except for the ratios) | Quarter | |
|---|---|---|
| | **2025** | 2024 |
| | **$** | $ |
| Adjusted EBITDA[1] | **18,235** | 17,036 |
| Interest expenses net of financial income[2] | **8,229** | 8,250 |
| Interest coverage ratio[3] | **2.22** | 2.06 |

(1) This is a non-IFRS financial measure, refer to page 2 and 33.
(2) This is a non-IFRS financial measure. Interest expenses exclude early repayment fees, accretion of effective interest, distribution on Class B LP units, accretion of non-derivative liability component of convertible debentures and the fair value adjustment on derivative financial instruments and Class B LP units.
(3) This is a non-IFRS financial measure. Interest coverage ratio is calculated by dividing the Adjusted EBITDA[1] by Interest expenses net of financial income (as previously defined).

### Debt service coverage ratio

The following table summarizes the debt service coverage ratio for the periods ended March 31, 2025, and March 31, 2024:

| Quarters ended March 31<br>(in thousands of dollars, except for the ratios) | Quarter | |
|---|---|---|
| | **2025** | 2024 |
| | **$** | $ |
| Adjusted EBITDA[1] | **18,235** | 17,036 |
| Interest expenses net of financial income[2] | **8,229** | 8,250 |
| Principal repayments | **4,874** | 4,823 |
| Debt service requirements | **13,103** | 13,073 |
| Debt service coverage ratio[3] | **1.39** | 1.30 |

(1) This is a non-IFRS financial measure, refer to page 2 and 33.
(2) This is a non-IFRS financial measure. Interest expenses exclude early repayment fees, accretion of effective interest, distribution on Class B LP units, accretion of non-derivative liability component of convertible debentures and the fair value adjustment on derivative financial instruments and Class B LP units.
(3) This is a non-IFRS financial measure. Debt service coverage ratio is calculated by dividing the Adjusted EBITDA[1] by Debt service requirements.

### Class B LP units

The following table summarizes the Class B LP units for the period ended March 31, 2025:

| Period ended March 31, 2025<br>(in number of units) | Quarter | |
|---|---|---|
| | **Units** | $ |
| Class B LP units outstanding, beginning of period | **697,265** | 2,343 |
| Fair value adjustment | **-** | 28 |
| **Class B LP units outstanding, end of period** | **697,265** | 2,371 |

The Class B LP units are exchangeable at any time, at the option of the holder, for an equal number of units of the Trust trading on the TSX. They are entitled to receive the same distributions as declared on the Trust units. In accordance with IFRS, distributions paid on Class B LP units are recorded as financial expenses when declared. Distributions declared are adjusted in calculating FFO and AFFO.

On May 30, 2018, Class B LP units were issued in payment for the acquisition of a 25% equity portion in the property located at 815 Boulevard Lebourgneuf in Quebec City.

On February 14, 2023, the holders of the class B LP units converted 150,000 units into units of the Trust and on August 18, 2023, the holders of the class B LP units converted 50,000 units into units of the Trust.

On May 1, 2023, 550,000 Class B LP units were issued as part of the payment for the acquisition of the property located at 8810, 48th Avenue NW in Edmonton.

### Units outstanding

The following table summarizes the total number of units outstanding and the weighted number of units outstanding for the periods ended March 31, 2025, and March 31, 2024:

| Quarters ended March 31<br>(in number of units) | Quarter | |
|---|---|---|
| | **2025** | 2024 |
| **Units outstanding, beginning of the period** | **88,024,109** | 86,705,901 |
| Distribution reinvestment plan | **177,541** | 301,404 |
| Issued - employee unit purchase plan | **27,490** | 27,685 |
| Issued - restricted unit compensation plan | **-** | 154,990 |
| Issued – deferred unit compensation plan | **-** | - |
| Class B LP units exchanged into Trust units | **-** | - |
| Issued – conversion of convertible debentures | **-** | - |
| **Units outstanding, end of the period** | **88,229,140** | 87,189,980 |
| Weighted average number of units outstanding | **88,126,625** | 86,824,320 |
| Weighted average number of Class B LP units and units outstanding | **88,823,890** | 87,521,585 |

On March 4, 2025, the Toronto Stock Exchange (TSX) approved the renewal of the normal course issuer bid (“NCIB”), permitting BTB to repurchase for cancellation up to 6,063,797 units from March 6, 2025, to March 5, 2026, representing approximately 7% of the Trust’s issued and outstanding units at the time of the renewal. As of March 31, 2025, no units have been repurchased for cancellation.

### Deferred unit compensation plan

The Trust has implemented a deferred unit compensation plan for its trustees and certain executive officers. Under this plan, beneficiaries may elect to receive their compensation in cash, deferred units or a combination of both.

The following table summarizes deferred units outstanding for the periods ended March 31, 2025, and March 31, 2024:

| Quarters ended March 31<br>(in number of units) | Quarter | |
|---|---|---|
| | **2025** | 2024 |
| **Deferred units outstanding, beginning of the period** | **213,792** | 151,412 |
| Trustees’ compensation | **15,324** | 7,079 |
| Distributions paid in units | **4,835** | 3,738 |
| **Deferred units outstanding, end of the period** | **233,951** | 162,229 |

### Restricted unit compensation plan

Under this plan, beneficiaries are awarded restricted units that become fully vested over a maximum period of three years. The purpose of the plan is to encourage senior officers and selected employees to support the Trust's growth objectives and align their interests with the interests of unitholders. The purpose of the plan is also to serve as an executive retention tool.

The following table summarizes restricted units outstanding for the periods ended March 31, 2025, and March 31, 2024:

| Quarters ended March 31<br>(in number of units) | Quarter | |
|---|---|---|
| | **2025** | 2024 |
| **Restricted units outstanding, beginning of the period** | **301,249** | 220,306 |
| Granted | **-** | 265,180 |
| Cancelled | **(8,181)** | (28,212) |
| Settled | **-** | (156,025) |
| **Restricted units outstanding, end of the period** | **293,068** | 301,249 |

### Employee unit purchase plan

The Trust offers its employees an optional unit purchase plan. Under this plan, the employees may contribute, each year, pursuant to a maximum of 7% to 10% of their base salary depending on their position occupied within the Trust. Subject to the plan's conditions, for each two units purchased by an employee, the Trust shall issue one unit from treasury to the employee.

### Off-balance sheet arrangements and contractual commitments

The Trust does not have any other off-balance sheet arrangement or commitment that have or are likely to have an impact on its operating results or financial position, specifically its cash position and sources of financing.

# Income Taxes

The Trust is taxed as a mutual fund trust for Canadian income tax purposes. The Trust intends to distribute or allocate all of the taxable income to its unitholders and to deduct these distributions for income tax purposes.

A special tax regime applies to trusts that are considered specified investment flow-through (SIFT) entities as well as those individuals who invest in SIFT entities. Under this regime, SIFT entities must generally pay taxes on their income at rates that are close to those of companies. In short, a SIFT entity is an entity (including a trust) that resides in Canada, whose investments are listed on a stock exchange or other public market and that holds one or more non-portfolio properties.

However, for a given taxation year, BTB is not considered a SIFT entity and is therefore not subject to SIFT rules if, during that year, it constitutes a real estate investment trust (REIT).

Generally, to qualify as a REIT, a trust must be resident in Canada and meet the following conditions all year long: (i) the total fair market value of all the ”non-portfolio properties“ that are “qualified REIT properties” held by the trust is at least 90% of the total fair market value at that time of all the “non portfolio assets” held by the trust (ii) not less than 90% of its “gross REIT revenue” for the taxation year is from one or more of the following sources: rent from “real or immovable properties,” interest, dispositions of “real or immovable properties” that are capital properties, dividends, royalties and dispositions of “eligible resale properties” (iii) not less than 75% of its “gross REIT revenue” for the taxation year comes from one or more of the following sources: rent from “real or immovable properties,” interest from mortgages on “real or immovable properties,” and dispositions of “real or immovable properties” that are capital properties (iv) at each time in the taxation year, an amount that is equal to 75% or more of the equity value of the trust at that time, is the amount that is the total fair market value of all properties held by the trust, each of which is “real or immovable property” which is a capital property, an “eligible resale property,” the indebtedness of a Canadian corporation represented by a banker’s acceptance, cash or, generally, an amount receivable from the Government of Canada or from certain other public agencies; and (v) the investments that are made therein are, at any time in the taxation year, listed or traded on a stock exchange or other public market.

As at March 31, 2025, BTB met all these conditions and qualified as a REIT. As a result, the SIFT trust tax rules do not apply to BTB. BTB’s management intends to take the necessary steps to meet the conditions for the REIT Exception on an ongoing basis in the future.

Nonetheless, there is no guarantee that BTB will continue to meet all the required conditions to be eligible for the REIT exception for 2025 or any other subsequent year.

# Taxation of Unitholders

For Canadian unitholders, to the best of the Trust management’s knowledge, distributions are qualified as follows for taxation purposes:

| Periods ended March 31 | **2025** | 2024 |
|---|---|---|
| | **%** | % |
| Taxable as other income | **-** | - |
| Tax deferred | **100** | 100 |
| Total | **100** | 100 |

# Accounting Policies and Estimates

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Estimates are based on historical experience and other assumptions that are considered reasonable under given circumstances. The result of the continual review of these estimates is the basis for exercising judgment on the carrying amounts of assets and liabilities and the reported amounts of revenues and expenses. Actual results may differ from these estimates. Critical judgments made by BTB in applying significant accounting policies, the most significant of which is the fair value of investment properties, are described in the annual consolidated financial statements as at and for the years ended December 31, 2024, and 2023.

The Trust used the income approach to determine fair value. Fair value is estimated by capitalizing the cash flow that a property can reasonably be expected to produce over its remaining economic life. The income approach is based on two methods: the overall capitalization rate method, whereby net operating income is capitalized at the requisite overall capitalization rate, or the discounted cash flow method, whereby cash flows are projected over the expected term of the investment plus a terminal value discounted using an appropriate discount rate.

# Risks And Uncertainties

Numerous risks and uncertainties could cause BTB's actual results to differ materially from those expressed, implied or projected in the forward-looking statements, including those described in the "Risk Factors" section of BTB's 2025 Annual Information Form for the year ended December 31, 2024, and those described in the "Risk Factors" section of BTB's Prospectus Supplement filed on January 16, 2025 on www.sedarplus.ca which is hereby incorporated by reference.

BTB is vulnerable to global economic conditions and their impact on Canada, including but not limited to general global economic uncertainty. The impacts or effects of recent announcements made by the United States regarding potential tariffs imposed on Canadian exports, and any retaliatory tariffs imposed on the United States by Canada, remain unknown and could have significant effects on the economy, which in turn could impact BTB's tenants and BTB's cash flows, financial condition and results of operations.

# Disclosure Controls And Procedures And Internal Control Over Financial Reporting

The President and Chief Executive Officer and the Vice-President and Chief Financial Officer of BTB are responsible for establishing and maintaining disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as those terms are defined in Canadian Securities Administrators Multilateral Instrument 52-109.

Evaluations are performed regularly to assess the effectiveness of DC&P, including this MD&A and the consolidated financial statements. Based on these evaluations, the President and Chief Executive Officer and the Vice-President and Financial Officer concluded that the DC&P were effective as at December 31, 2024. Since December 31,2023, Mathieu Bolté left his position as Executive Vice-President and Chief Operating & Financial Officer and was replaced by Marc-André Lefebvre as Vice President, Chief Financial Officer on May 27, 2024, as such he took on the responsibilities to ensure that the current controls and procedures provide reasonable assurance that material information about BTB is made known to them during the quarter in which these filings are being prepared.

Evaluations are also performed to assess the effectiveness of ICFR. Based on those evaluations, the President and Chief Executive Officer and the Vice-President and Chief Financial Officer of BTB concluded that ICFR was effective as at March 31, 2025, and, more specifically, that the financial reporting is reliable and that the consolidated financial statements have been prepared for financial reporting purposes in accordance with IFRS.

During the first quarter of 2025, management made no changes to internal control over financial reporting that materially affected, or are likely to materially affect, internal control over financial reporting.

# Appendix 1 – Definitions

### Class B LP Units

Class B LP units means the Class B LP limited partnership units of BTB LP, which are exchangeable for units, on a one for one basis.

### Rental revenue

Rental revenue includes all amounts earned from tenants related to lease agreements, including basic rent and additional rent from operating expense recoveries. It also includes other service charges for parking and storage, lease termination revenues and straight-line rent adjustments.

Some of the Trust's leases include clauses providing for the recovery of rental revenue based on amounts that increase every few years. These increases are negotiated when the leases are signed. Under IFRS, these increases must be recognized on a straight-line basis over the terms of the leases.

### Operating expenses

Operating expenses are expenses directly related to real estate operations and are generally charged back to tenants as provided for in the contractual terms of the leases. Operating expenses include property taxes and public utilities, costs related to indoor and outdoor maintenance, heating, ventilation and air conditioning, elevators, insurance, janitorial services and management and operating fees. The amount of operating expenses that the Trust can recover from its tenants depends on the occupancy rate of the properties and the nature of the existing leases containing clauses regarding the recovery of expenses. Most of the Trust's leases are net rental leases under which tenants are required to pay their share of the properties' operating expenses. The Trust pays particular attention to compliance with existing leases and the recovery of these operating expenses.

### Net operating income (NOI)

NOI is used in the real estate industry to measure operational performance. The Trust defines it as rental revenue from properties, less the combined operating expenses of investment properties. This definition may differ from that of other issuers and accordingly, the Trust's NOI may not be comparable to the NOI of other issuers.

### Financial expenses

Financial expenses arise from the following loans and financing:

- Mortgage loans payable contracted or assumed totalling approximately $661.9 million as at March 31, 2025, compared to $630.5 million as at March 31, 2024.
- Series I convertible debentures for a total par value of $40.25 million as at March 31, 2025.
- Credit facilities used as needed.
- Financing costs on mortgages, convertible debentures and other loans netted against the related debt and amortized on an effective interest basis over the expected life of the debt.

### Administration expenses

Administration expenses include corporate costs such as payroll expenses and professional fees associated with executive and administrative staff of the Trust, the compensation plan for trustees, legal and auditing services, expenses related to listed fund status, insurance costs, office expenses and expected credit losses and related legal fees. Administration expenses include amortization of the head office building and property and equipment, as well as unit-based compensation, a non-monetary item that affects the volatility of administrative expenses from quarter to quarter.

### Fair value adjustment on investment properties

Under IAS 40, the Trust accounts for its investment properties at fair value and recognizes the gain or loss arising from a change in the fair value in profit or loss for the quarters in which it arises.

The fair value of investment properties is determined using the discounted cash flow method, the capitalized net operating income (NOI) method or the comparable method, which are generally accepted valuation methods.

Management receives quarterly capitalization rate and discount rate data from external chartered valuators and independent experts. The capitalization rate reports provide a range of rates for various geographic regions and for various types and qualities of properties within each region. The Trust utilizes capitalization and discount rates within ranges provided by external valuators. To the extent that the externally provided capitalization rate ranges change from one reporting quarter 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.

### Same-property portfolio

The same-property portfolio includes all the properties owned by the Trust as at January 1, 2024 and still owned as at March 31, 2025, but does not include the financial impacts from dispositions, acquisitions and developments completed in 2024 and 2025, as well as the results of subsequently sold properties.

### Net property income from the same-property portfolio

Net operating income from the same-property portfolio provides an indication of the profitability of existing portfolio operations and the Trust’s ability to increase its revenues and reduce its costs. It is defined as rental revenue from properties from the same-property portfolio, less operating expenses of the same portfolio.

# Appendix 2 – Non-IFRS Financial Measures – Quarterly Reconciliation

### Funds from Operations (FFO)[1]

The following table provides a reconciliation of net income and comprehensive income established in accordance with IFRS and FFO[1] for the last eight quarters:

| | 2025 Q-1 | 2024 Q-4 | 2024 Q-3 | 2024 Q-2 | 2024 Q-1 | 2023 Q-4 | 2023 Q-3 | 2023 Q-2 |
|---|---|---|---|---|---|---|---|---|
| (in thousands of dollars, except for per unit) | $ | $ | $ | $ | $ | $ | $ | $ |
| Net income and comprehensive income (IFRS) | 7,608 | 18,847 | 5,470 | 7,272 | 7,153 | 1,734 | 15,216 | 10,846 |
| Fair value adjustment on investment properties | - | (9,975) | (283) | - | (6) | 4,480 | (6,481) | - |
| Fair value adjustment on Class B LP units | 28 | (174) | 335 | (21) | 160 | (42) | (159) | (775) |
| Amortization of lease incentives | 797 | 966 | 807 | 704 | 690 | 641 | 664 | 750 |
| Fair value adjustment on derivative financial instruments | 868 | (760) | 2,168 | 379 | (325) | 2,396 | (584) | (763) |
| Leasing payroll expenses | 466 | 739 | 535 | 433 | 591 | 401 | 359 | 327 |
| Distributions – Class B LP units | 52 | 52 | 52 | 53 | 52 | 52 | 56 | 42 |
| Unit-based compensation (Unit price remeasurement) | 61 | (39) | 342 | 63 | 409 | (11) | (87) | (232) |
| FFO[1] | 9,880 | 9,656 | 9,426 | 8,883 | 8,724 | 9,651 | 8,984 | 10,195 |
| Transaction costs on disposition of investment properties and mortgage early repayment fees | - | - | - | 266 | 201 | 37 | 46 | - |
| FFO Adjusted[1] | 9,880 | 9,656 | 9,426 | 9,149 | 8,925 | 9,688 | 9,030 | 10,195 |
| FFO per unit[1][2][3] | 11.1¢ | 10.9¢ | 10.7¢ | 10.1¢ | 10.0¢ | 11.1¢ | 10.3¢ | 11.8¢ |
| FFO Adjusted per unit[1][2][4] | 11.1¢ | 10.9¢ | 10.7¢ | 10.4¢ | 10.2¢ | 11.1¢ | 10.4¢ | 11.8¢ |
| FFO payout ratio[1] | 67.4% | 68.8% | 70.0% | 74.3% | 75.2% | 67.5% | 72.9% | 63.8% |
| FFO Adjusted payout ratio[1] | 67.4% | 68.8% | 70.3% | 72.2% | 73.5% | 67.2% | 72.5% | 63.8% |

(1) This is a non-IFRS financial measure, refer to page 2 and 33.
(2) Including Class B LP units.
(3) The FFO per unit ratio is calculated by dividing the FFO[1] by the Trust's unit outstanding at the end of the period (including the Class B LP units at outstanding at the end of the period).
(4) The FFO Adjusted per unit ratio is calculated by dividing the FFO Adjusted[1] by the Trust's unit outstanding at the end of the period (including the Class B LP units at outstanding at the end of the period).

(1) This is a non-IFRS financial measure, refer to page 2 and 33.

## Adjusted Funds from Operations (AFFO)[1]

The following table provides a reconciliation of FFO[1] and AFFO[1] for the last eight quarters:

| | 2025 Q-1 | 2024 Q-4 | 2024 Q-3 | 2024 Q-2 | 2024 Q-1 | 2023 Q-4 | 2023 Q-3 | 2023 Q-2 |
|---|---|---|---|---|---|---|---|---|
| (in thousands of dollars, except for per unit) | $ | $ | $ | $ | $ | $ | $ | $ |
| FFO[1] | **9,880** | 9,656 | 9,426 | 8,883 | 8,724 | 9,651 | 8,984 | 10,195 |
| Straight-line rental revenue adjustment | **(381)** | (374) | (247) | (183) | (394) | (197) | (842) | (291) |
| Accretion of effective interest | **580** | 402 | 391 | 361 | 308 | 310 | 271 | 278 |
| Amortization of other property and equipment | **18** | 21 | 17 | 17 | 17 | 20 | 33 | 23 |
| Unit-based compensation expenses | **133** | 247 | 19 | (95) | (9) | 159 | 184 | 237 |
| Provision for non-recoverable capital expenditures[1] | **(688)** | (654) | (650) | (644) | (653) | (639) | (626) | (634) |
| Provision for unrecovered rental fees[1] | **(375)** | (375) | (375) | (375) | (375) | (375) | (375) | (375) |
| AFFO[1] | **9,167** | 8,923 | 8,581 | 7,964 | 7,618 | 8,929 | 7,629 | 9,433 |
| Transaction costs on disposition of investment properties and mortgage early repayment fees | **-** | - | - | 267 | 201 | 37 | 46 | - |
| AFFO Adjusted[1] | **9,167** | 8,923 | 8,581 | 8,231 | 7,819 | 8,966 | 7,675 | 9,433 |
| AFFO per unit[1][2][3] | **10.3¢** | 10.1¢ | 9.7¢ | 9.1¢ | 8.7¢ | 10.2¢ | 8.8¢ | 10.9¢ |
| AFFO Adjusted per unit[1][2][4] | **10.3¢** | 10.1¢ | 9.7¢ | 9.4¢ | 8.9¢ | 10.3¢ | 8.8¢ | 10.9¢ |
| AFFO payout ratio[1] | **72.7%** | 74.5% | 76.8% | 82.9% | 86.2% | 72.9% | 85.8% | 69.0% |
| AFFO Adjusted payout ratio[1] | **72.7%** | 74.5% | 77.2% | 80.2% | 83.9% | 72.6% | 85.3% | 69.0% |

(1) This is a non-IFRS financial measure, refer to page 2 and 33.
(2) Including Class B LP units.
(3) The AFFO per unit ratio is calculated by dividing the AFFO[1] by the Trust's unit outstanding at the end of the period (including the Class B LP units at outstanding at the end of the period).
(4) The AFFO Adjusted per unit ratio is calculated by dividing the AFFO Adjusted[1] by the Trust's unit outstanding at the end of the period (including the Class B LP units at outstanding at the end of the period).

(1) This is a non-IFRS financial measure, refer to page 2 and 33.

# Condensed Consolidated Interim *Financial Statements*

Three-month period ended March 31, 2025



2600 Alfred-Nobel Boulevard, St-Laurent, QC

# Condensed Consolidated Interim Statements of Financial Position

(Unaudited - in thousands of CAD dollars)

| | Notes | As at March 31, 2025 | As at December 31, 2024 |
|---|---|---|---|
| | | $ | $ |
| **Assets** | | | |
| Investment properties | 3 | 1,235,460 | 1,233,282 |
| Property and equipment | | 190 | 208 |
| Derivative financial instruments | 9 | - | 1,678 |
| Prepaid expenses and deposits | | 6,144 | 3,093 |
| Finance lease receivable | | 10,405 | 10,415 |
| Receivables | 4 | 6,810 | 4,856 |
| Cash and cash equivalents | | 5,450 | 2,471 |
| **Total assets** | | **1,264,459** | **1,256,003** |
| **Liabilities and unitholders' equity** | | | |
| Mortgage loans payable | 5 | 659,359 | 662,913 |
| Convertible debentures | 6 | 34,648 | 19,346 |
| Bank loans | 7 | 34,276 | 44,298 |
| Lease liabilities | | 8,676 | 8,681 |
| Class B LP Units | 8 | 2,371 | 2,343 |
| Unit-based compensation | 10 | 2,182 | 2,081 |
| Derivative financial instruments | 9 | 3,602 | 737 |
| Trade and other payables | | 21,196 | 19,121 |
| Distribution payable to unitholders | | 2,206 | 2,201 |
| **Total liabilities** | | **768,516** | **761,721** |
| **Unitholders' equity** | | **495,943** | **494,282** |
| | | **1,264,459** | **1,256,003** |

See accompanying notes to condensed consolidated interim financial statements.

Approved by the Board on May 2, 2025.

Michel Léonard, Trustee

Jocelyn Proteau, Trustee

# Condensed Consolidated Interim Statements of Comprehensive Income

(Unaudited - in thousands of CAD dollars)

| | Notes | For the three-month periods ended March 31, 2025 | 2024 |
|---|---|---|---|
| | | $ | $ |
| **Operating revenues** | | | |
| Rental revenue | 12 | 34,411 | 32,636 |
| **Operating expenses** | | | |
| Public utilities and other operating expenses | | 7,468 | 6,829 |
| Property taxes and insurance | | 7,122 | 7,447 |
| | | 14,590 | 14,276 |
| **Net operating income** | | **19,821** | **18,360** |
| Financial income | | 427 | 573 |
| **Expenses** | | | |
| Financial expenses | | 9,674 | 9,223 |
| Distributions - Class B LP Units | 8 | 52 | 52 |
| Fair value adjustment – Class B LP Units | 8 | 28 | 160 |
| Net adjustment to fair value of derivative financial instruments | | 868 | (325) |
| Net financial expenses | 13 | 10,622 | 9,110 |
| Administration expenses | | 2,018 | 2,474 |
| Net change in fair value of investment properties and disposition expenses | 3 | - | 196 |
| **Net income and comprehensive income for the period** | | **7,608** | **7,153** |

See accompanying notes to condensed consolidated interim financial statements.

# Condensed Consolidated Interim Statements Of Changes In Unitholders' Equity

(Unaudited - in thousands of CAD dollars)

| | Notes | Unitholders' contributions | Cumulative distribution | Cumulative comprehensive income | Total |
|---|---|---|---|---|---|
| Balance as at January 1, 2025 | | **404,914** | **(254,319)** | **343,687** | **494,282** |
| Issuance of units, net of issuance expenses | 11 | 667 | - | - | 667 |
| Distribution to unitholders | 11 | - | (6,614) | - | (6,614) |
| | | 405,581 | (260,933) | 343,687 | 488,335 |
| Comprehensive income | | - | - | 7,608 | 7,608 |
| **Balance as at March 31, 2025** | | **405,581** | **(260,933)** | **351,295** | **495,943** |
| Balance as at January 1, 2024 | | **400,774** | **(228,065)** | **304,945** | **477,654** |
| Issuance of units, net of issuance expenses | | 1,446 | - | - | 1,446 |
| Distribution to unitholders | 11 | - | (6,529) | - | (6,529) |
| | | 402,220 | (234,594) | 304,945 | 472,571 |
| Comprehensive income | | - | - | 7,153 | 7,153 |
| **Balance as at March 31, 2024** | | **402,220** | **(234,594)** | **312,098** | **479,724** |

See accompanying notes to condensed consolidated interim financial statements.

# Condensed Consolidated Interim Statements of Cash Flows

(Unaudited - in thousands of CAD dollars)

| | Notes | For the three-month periods ended March 31, 2025 | 2024 |
|---|---|---|---|
| | | $ | $ |
| **Operating activities** | | | |
| Net income for the period | | 7,608 | 7,153 |
| Adjusted for: | | | |
| Net change in fair value of investment properties and disposition expenses | 3 | - | (6) |
| Depreciation of property and equipment | 14 | 18 | 17 |
| Unit-based compensation | 10 | 194 | 400 |
| Straight-line lease adjustment | 12 | (381) | (394) |
| Lease incentive amortization | 12 | 797 | 690 |
| Financial income | | (427) | (573) |
| Net financial expenses | 13 | 10,622 | 9,110 |
| | | 18,431 | 16,397 |
| Adjustment for changes in other working capital items | | (3,067) | (4,254) |
| **Net cash from operating activities** | | **15,364** | **12,143** |
| **Investing activities** | | | |
| Additions to investment properties and others | 3 | (2,493) | (2,011) |
| Construction on investment property | | (101) | - |
| Net proceeds from dispositions of investment properties and transaction cost | 3 | - | 3,240 |
| Acquisition of property and equipment | | - | 13 |
| **Net cash (used in) from investing activities** | | **(2,594)** | **1,242** |
| **Financing activities** | | | |
| Mortgage loans, net of financing expenses | | 1,066 | 9,623 |
| Repayment of mortgage loans | | (4,874) | (16,649) |
| Bank loans | | (10,063) | 8,401 |
| Lease liability payments | | (5) | (2) |
| Net proceeds from convertible debentures | | 38,172 | - |
| Repayment of convertible debenture | 6 | (19,917) | - |
| Net distribution to unitholders | | (6,035) | (5,629) |
| Net distribution – Class B LP units | 8 | (52) | (52) |
| Interest paid | | (8,083) | (8,208) |
| **Net cash (used in) from financing activities** | | **(9,791)** | **(12,516)** |
| **Net change in cash and cash equivalents** | | **2,979** | **869** |
| **Cash and cash equivalents, beginning of period** | | **2,471** | **912** |
| **Cash and cash equivalents, end of period** | | **5,450** | **1,781** |

See accompanying notes to condensed consolidated interim financial statements.

# Notes to Condensed Consolidated Interim Financial Statements

For the three-months ended March 31, 2025 and 2024
(Unaudited - in thousands of CAD dollars, except unit and per unit amounts)

## 1. Reporting Entity

BTB Real Estate Investment Trust ("BTB") is an unincorporated open-ended real estate investment trust formed and governed under the Civil code of Quebec pursuant to a trust agreement and is domiciled in Canada. The address of BTB's registered office is 1411 Crescent Street, Suite 300, Montreal, Quebec, Canada. The condensed consolidated interim financial statements of BTB for the three-month period ended March 31, 2025, and 2024 comprise BTB and its wholly-owned subsidiaries (together referred to as the "Trust") and the Trust's interest in joint operations.

## 2. Basis of Preparation

### (a) Statement of compliance

The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). They do not include all of the information required for full annual consolidated financial statements and should be read in conjunction with the Trust's consolidated financial statements for the year ended December 31, 2024.

The accounting policies applied by the Trust in these unaudited condensed interim financial statements are the same as those applied by the Trust in its consolidated financial statements for the year ended December 31, 2024.

These unaudited condensed consolidated interim financial statements were approved by the Board of Trustees on May 2, 2025.

### (b) Risks and uncertainties related to the tariffs imposed by the United States

BTB is vulnerable to global economic conditions and their impact on Canada, including but not limited to general global economic uncertainty. The impacts or effects of recent announcements made by the United States regarding potential tariffs imposed on Canadian exports, and any retaliatory tariffs imposed on the United States by Canada, remain unknown and could have significant effects on the economy, which in turn could impact BTB's tenants and BTB's cash flows, financial condition and results of operations.

### (c) Functional and presentation currency

These unaudited condensed consolidated financial statements are presented in Canadian dollars, which is BTB's functional currency. All financial information has been rounded to the nearest thousand, except per unit amounts.

### (d) Use of estimates and judgments

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the unaudited condensed consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Actual results may differ from these estimates, and the differences may be material.

### 3. Investment Properties

| | Three-month period ended March 31, | Year ended December 31, |
|---|---|---|
| | **2025** | **2024** |
| | $ | $ |
| Balance beginning of period | 1,233,282 | 1,207,522 |
| Initial recognition of right-of-use assets | - | 1,343 |
| Dispositions of investment properties (note 3(b)) | - | (6,206) |
| Construction on investment property | 101 | 10,359 |
| Capital expenditures | 1,278 | 4,510 |
| Capitalized leasing fees | 557 | 1,350 |
| Capitalized lease incentives | 658 | 6,110 |
| Lease incentives amortization | (797) | (3,167) |
| Straight-line lease adjustment | 381 | 1,198 |
| Net changes in fair value of investment properties | - | 10,263 |
| **Balance end of period** | **1,235,460** | **1,233,282** |

On an annual basis, the Trust retains the services of independent external appraisers to evaluate the fair value of a significant portion of its portfolio. In addition, as part of acquisitions, financing, or refinancing transactions, or at the request of lenders, other properties are also independently appraised during the year. Management may also select properties based on its assessment of circumstances that in its view would require an independent external appraisal. These appraisers have appropriate professional qualifications and use recognized valuation techniques, comprising the discounted cash flow, the direct capitalization and comparable methods.

At March 31, 2025, no independent external appraisals were obtained for investment properties (December 31, 2024 - appraisals obtained for investment properties having a total fair value of $687,580).

The fair value of the remaining investment properties is determined by management using internally generated valuations based on the direct capitalization and Discounted cash flow methods.

In determining the fair value of investment properties, the Trust has adjusted cash flow assumptions for its estimate of near-term disruptions to cash flows to reflect collections, vacancy and assumptions on new leasing. The Trust undertook a process to assess the appropriateness of the rates considering changes to property level cash flows and any risk premium inherent in such cash flow changes. These considerations are reflected in the fair value adjustments of investment properties.

The fair value of investment properties is based on Level 3 inputs. There have been no transfers during the year between levels. The significant inputs used to determine the fair value of the Trust's investment properties are as follows:

| | Industrial | Suburban office | Necessity-based retail |
|---|---|---|---|
| **As at March 31, 2025** | | | |
| Capitalization rate | 5.25% - 7.75% | 6.00% - 8.25% | 5.75% - 7.75% |
| Terminal capitalization rate | 5.25% - 8.00% | 6.25% - 8.50% | 6.00% - 8.00% |
| Discount rate | 6.00% - 8.50% | 6.25% - 9.00% | 6.50% - 8.75% |
| Weighted average capitalization rate | 6.11% | 7.00% | 7.03% |
| **As at December 31, 2024** | | | |
| Capitalization rate | 5.25% - 7.75% | 6.00% - 8.25% | 5.75% - 7.75% |
| Terminal capitalization rate | 5.25% - 8.00% | 6.25% - 8.50% | 6.00% - 8.00% |
| Discount rate | 6.00% - 8.50% | 6.25% - 9.00% | 6.50% - 8.75% |
| Weighted average capitalization rate | 6.11% | 7.00% | 7.03% |

The following table provides a sensitivity analysis of the fair value of investment properties for changes in the weighted average capitalization rate as at March 31, 2025, which is representative of the sensitivity to changes in the discount rate and terminal capitalization rate as at March 31, 2025.

| **Capitalization rate sensitivity**<br>**Increase (decrease)** | **Fair Value** | **Change in fair value** |
|---|---|---|
| | $ | $ |
| (0.50)% | 1,336,847 | 101,387 |
| (0.25)% | 1,284,128 | 48,668 |
| Base rate | 1,235,460 | - |
| 0.25% | 1,190,388 | (45,072) |
| 0.50% | 1,148,522 | (86,938) |

### (a) Acquisitions

There were no acquisitions during the three-month period ended March 31, 2025.

### (b) Dispositions

There were no dispositions during the three-month period ended March 31, 2025.

### (c) Net changes in fair value of investment properties and disposition expenses

| Three-month periods ended March 31, | **2025** | **2024** |
|---|---|---|
| | $ | $ |
| Net changes in fair value of investment properties | - | 6 |
| Disposition expenses | - | (202) |
| | **-** | **(196)** |

Net changes in fair value of investment properties includes the net changes in fair value of right-of-use assets related to the investment properties to which a lease is attached.

The disposition expenses include mainly commissions and debt prepayment penalties on mortgage loans related to disposed properties during the three-month period ended March 31, 2024.

The following table summarizes the changes in fair value of investment properties by segment for the periods ended March 31, 2025, and March 31, 2024:

| Three-month periods ended March 31<br>(in thousands of dollars) | Quarter | |
|---|---|---|
| | **2025** | **2024** |
| | $ | $ |
| Industrial | - | - |
| Suburban office | - | 6 |
| Necessity-based retail | - | - |
| **Total change in fair value** | **-** | **6** |

## 4. Receivables

| | As at March 31, | As at December 31, |
|---|---|---|
| | **2025** | **2024** |
| | $ | $ |
| Rents receivable | 5,137 | 2,554 |
| Allowance for expected credit losses | (960) | (901) |
| Net rents receivable | 4,177 | 1,653 |
| Unbilled recoveries | 1,424 | 2,793 |
| Other receivables | 1,209 | 410 |
| **Total** | **6,810** | **4,856** |

Credit risk arises from the possibility that tenants may experience financial difficulty and be unable to fulfill their lease commitments. The Trust mitigates this risk by varying its tenant mix, staggering its lease terms and avoiding dependence on a single tenant for a significant portion of the Trust's operating revenues. Management conducts due diligence on new tenants and if deemed necessary credit assessments for certain new tenants. The Trust analyzes its trade receivables on a regular basis and establishes an allowance for expected credit losses that represents its estimate of lifetime expected credit losses to be incurred in respect of its trade receivables. In assessing the adequacy of the allowance for expected credit losses on tenant receivables, management has considered the likelihood of collection of current receivables.

The Trust's assessment of expected credit losses is inherently subjective due to the forward-looking nature of the assessments. As a result, the value of the expected credit loss is subject to a degree of uncertainty and is made on the basis of assumptions.

## 5. Mortgage Loans Payable

Mortgage loans payable are secured by immovable hypothecs on investment properties having a fair value of approximately $1,194,417 as at March 31, 2025 (December 31, 2024 – $1,192,196).

| | As at March 31, | As at December 31, |
|---|---|---|
| | **2025** | **2024** |
| | $ | $ |
| Fixed rate mortgage loans payable | 535,656 | 544,474 |
| Floating rate mortgage loans payable | 126,218 | 121,133 |
| Unamortized fair value assumption adjustments | 6 | 8 |
| Unamortized financing expenses | (2,521) | (2,702) |
| **Mortgage loans payable** | **659,359** | **662,913** |
| | | |
| Short-term portion | 118,641 | 132,026 |
| Weighted average interest rate | 4.35% | 4.35% |
| Weighted average term to maturity (years) | 2.58 | 2.79 |
| Range of annual rates | 2.37% - 6.80% | 2.37% - 7.07% |

As at March 31, 2025, the mortgage loan scheduled repayments are as follows:

| | **Scheduled repayments** | **Principal maturity** | **Total** |
|---|---|---|---|
| | $ | $ | $ |
| 2025 (1) | 13,152 | 105,489 | 118,641 |
| 2026 | 14,251 | 168,211 | 182,462 |
| 2027 | 9,820 | 117,285 | 127,105 |
| 2028 | 5,811 | 85,377 | 91,188 |
| 2029 | 3,416 | 74,421 | 77,837 |
| Thereafter | 7,879 | 56,762 | 64,641 |
| | **54,329** | **607,545** | **661,874** |
| Unamortized fair value assumption adjustments | | | 6 |
| Unamortized financing expenses | | | (2,521) |
| | | | **659,359** |

(1) For the nine-month period remaining

The Trust may enter into floating-for-fixed interest rate swap agreements on floating interest rate mortgages to hedge the variability in cash flows attributed to fluctuating interest rates. The Trust does not apply hedge accounting to such cash flow hedging relationships (see Note 9). The following table presents relevant information on interest rate swap agreements:

| Transaction date | Original principal amount | Effective fixed interest rate | Settlement basis | Maturity date | Outstanding amount | |
|---|---|---|---|---|---|---|
| | | | | | As at March 31, 2025 | As at December 31, 2024 |
| | $ | % | | | $ | $ |
| June 2016 | 13,000 | 3.45 | Quarterly | June 2026 | 9,767 | 9,865 |
| November 2017 | 23,075 | 3.90 | Monthly | December 2027 | 18,513 | 18,694 |
| May 2024 | 16,860 | 6.45 | Monthly | May 2029 | 16,633 | 16,704 |
| June 2024 | 25,400 | 5.96 | Monthly | June 2029 | 25,062 | 25,220 |
| August 2024 | 23,132 | 3.95 | Monthly | November 2027 | 21,651 | 21,860 |
| September 2024 | 11,000 | 4.64 | Monthly | September 2029 | 10,831 | 10,916 |
| **Total** | **112,467** | | | | **102,457** | **103,259** |

## 6. Convertible Debentures

As at March 31, 2025, the Trust had the following subordinated, unsecured, debenture outstanding.

| | Capital | Interest rates | | Unit conversion price | Interest payments | Maturity |
|---|---|---|---|---|---|---|
| | | Coupon | Effective | | | |
| | | % | % | $ | | |
| Series I | 40,250 | 7.25 | 8.54 | 4.10 | Semi-annual | February 2030 |

| | Series H | Series I | Total |
|---|---|---|---|
| | $ | $ | $ |
| **As at March 31, 2025** | | | |
| Non-derivative liability component upon issuance | - | 36,574 | 36,574 |
| Accretion of non-derivative liability component | - | 97 | 97 |
| | - | 36,671 | 36,671 |
| Conversion options exercised by holders | - | - | - |
| | - | 36,671 | 36,671 |
| Unamortized financing expenses | - | (2,023) | (2,023) |
| **Non-derivative liability component** | **-** | **34,648** | **34,648** |
| **Conversion and redemption options liability component at fair value** | **-** | **1,908** | **1,908** |

| | Series H | Total |
|---|---|---|
| | $ | $ |
| **As at December 31, 2024** | | |
| Non-derivative liability component upon issuance | 27,309 | 27,309 |
| Accretion of non-derivative liability component | 1,446 | 1,446 |
| | 28,755 | 28,755 |
| Conversion options exercised by holders | (9,179) | (9,179) |
| | 19,576 | 19,576 |
| Unamortized financing expenses | (230) | (230) |
| **Non-derivative liability component** | **19,346** | **19,346** |
| **Conversion and redemption options asset component at fair value** | **(1,678)** | **(1,678)** |

### Series H

On February 24, 2025, the Trust fully redeemed and paid at maturity the Series H convertible debentures at their value of $19,576. The nominal value was $19,917.

### Series I

On January 23, 2025, the Trust issued Series I convertible, unsecured, subordinated debentures bearing 7.25% interest payable semi-annually and maturing on February 28, 2030, in the amount of $40,250. The debentures are convertible at the holder's option at any time before February 28, 2030, at a conversion price of $4.10 per unit.

The Series I debentures will not be redeemable before February 28, 2028, except in the case of a change in control. On or after February 28, 2028 and prior to February 28, 2029, under certain conditions, the debentures may be redeemed by the Trust at a redemption price equal to the principal amount plus accrued and unpaid interest, provided that the volume-weighted average trading price of the Units on the Toronto Stock Exchange for the 20 consecutive trading days ending on the fifth trading day preceding the date on which notice of redemption is given is at least 125% of the Conversion Price.

On or after February 28, 2029, and prior to February 28, 2030, under certain conditions, the debentures will be redeemable by the Trust, in whole or in part at any time and for a redemption price equal to the principal amount thereof plus accrued and unpaid interest. The Trust may, under certain conditions, elect to satisfy its obligation to pay the principal amount of the debentures that are to be redeemed or that have matured by issuing a number of units obtained by dividing the principal amount of the debentures by 95% of the current market price on the date of redemption or maturity.

As of March 31, 2025, no conversion options have been exercised by holders on debentures.

## 7. Bank Loans

The Trust has access to three credit facilities. The first is a revolving credit facility in the amount of $50,000 with an accordion option of up to an additional $10,000. This revolving credit facility bears interest at a rate of 1% above the prime rate or 2.25% above the Term CORRA Rate or Daily Compounded CORRA Rate. At March 31, 2025, $31,026 was due under the revolving credit facility (December 31, 2024, $42,798).

The revolving credit facility is secured by an immoveable first rank hypothec on two properties having a fair value of $37,243 and by negative pledge of a selection of borrowing base properties having a fair value of $302,801.

The second facility is a revolving line of credit in the amount of $7,500. This line of credit bears interest at a rate of 1% above the prime rate. At March 31, 2025, $ 3,250 was due under this line of credit (December 31, 2024 – $1,500). The line of credit is secured by an immoveable second rank hypothec on four properties having a fair value of $90,552.

The third facility is a revolving line of credit, unsecured in the amount of $2,000. This line of credit bears interest at a rate of 1% above the prime rate. At March 31, 2025, no amount was due under the operating line of credit (December 31, 2024 – $0).

## 8. Class B LP Units

| | Three-month period ended March 31, **2025** | | Year ended December 31, **2024** | |
|---|---|---|---|---|
| | Units | $ | Units | $ |
| Units outstanding, beginning of period | 697,265 | 2,343 | 697,265 | 2,043 |
| Fair value adjustment | - | 28 | - | 300 |
| **Units outstanding, end of period** | **697,265** | **2,371** | **697,265** | **2,343** |

The Class B LP Units are exchangeable into Trust units on a one-for-one basis at any time at the option of the holder.

The Class B LP Units are entitled to distribution equal to distribution declared on Trust units, on a one-to-one basis. Distributions on Class B LP Units are recognized in the statement of comprehensive income when declared.

| Three-month periods ended March 31, | 2025 | 2024 |
|---|---|---|
| | $ | $ |
| Distribution to Class B LP unitholders | 52 | 52 |
| Distribution per Class B LP unit | 0.075 | 0.075 |

### 9. Fair Value Measurement

The following tables show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. They do not include the fair value of cash and cash equivalents, receivables, trade and other payables and distribution payable to unitholders, which approximated their carrying amount as at March 31, 2025, because of their short-term maturity or because they bear interest at current market rates.

| As at March 31, 2025 | Carrying amount | | | Fair value |
|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 |
| | $ | $ | $ | $ |
| **Measured at fair value** | | | | |
| Conversion and redemption options of convertible debentures (note 6) | 1,908 | - | - | 1,908 |
| Interest rate swap liability | 1,694 | - | 1,694 | - |
| Class B LP Units (note 8) | 2,371 | 2,371 | - | - |
| **For which fair values are disclosed** | | | | |
| Mortgage loans payable (note 5) | 661,874 | - | 651,771 | - |
| Convertible debentures, including their conversion and redemption features (note 6) | 36,556 | 41,309 | - | - |
| Bank loans (note 7) | 34,276 | - | 34,276 | - |

The fair value of mortgage loans payable was calculated by discounting cash flows from future payments of principal and interest using the period end market rates for various loans with similar risk and credit profiles. The period end market rates have been estimated by reference to published mortgage rates by major financial institutions for similar maturities.

The carrying amount of the bank loans approximates their fair value due to their short-term maturity.

The fair value of convertible debentures, including their conversion and redemption features, was determined with reference to the last quoted trading price preceding the period end.

The fair value of the Class B LP Units is determined with reference to the market price of the Trust units as at period end.

The fair values of derivative financial instruments, which comprise the conversion and redemption options of convertible debentures and interest rate swaps, are based respectively on the partial differential equation method and the discounted future cash flows method. The assumptions used in the partial differential equation method are estimated by reference to the market price of the Trust units and its volatility and take into account the credit risk of the financial instrument. The assumptions used in the discounted future cash flows method are estimated by reference to the Canadian Overnight Repo Rate Average (“CORRA”) forward rates.

Such fair value estimates are not necessarily indicative of the amounts the Trust might pay or receive in actual market transactions. Potential transaction costs have also not been considered in estimating fair value.

The following tables provide a reconciliation of Level 3 fair value measurements on the consolidated statements of financial position:

| | Conversion and redemption options of convertible debentures |
|---|---|
| | $ |
| **Three-months period ended March 31, 2025** | |
| Balance beginning of asset | (1,678) |
| Issue of Series I convertible, unsecured, subordinated debentures | 3,676 |
| Change for the period recognized in profit or loss under net adjustment to fair value of derivative financial instruments | (90) |
| **Balance end of liability** | **1,908** |

The following table provides a sensitivity analysis for the volatility applied in fair value measurement of the conversion and redemption options of convertible debentures at March 31, 2025:

| | Conversion and redemption options of convertible debentures | Volatility |
|---|---|---|
| | $ | % |
| **Volatility sensitivity** | | |
| **Increase (decrease)** | | |
| (0.50)% | 1,799 | 19.86 |
| March 31, 2025 | 1,908 | 20.36 |
| 0.50% | 2,017 | 20.86 |

As shown in the sensitivity analysis above, the fair value of the conversion and redemption options of convertible debentures is impacted by a change in the volatility used in the valuation model. Generally, an increase in the volatility, other things being equal, will result in an increase in fair value of the conversion and redemption options of convertible debentures and vice-versa.

## 10. Unit-based Compensation

### (a) Deferred unit compensation plan for trustees and certain executive officers

The Trust offers a deferred unit compensation plan for its trustees and certain executive officers. Under this plan, the trustees and certain executive officers may elect to receive as compensation either cash, deferred units, or a combination of both.

The following table presents relevant information on changes in the number of deferred units:

| For the three-month period ended March 31, | 2025 | 2024 |
|---|---|---|
| | Deferred units | Deferred units |
| Outstanding, beginning of period | 213,792 | 151,412 |
| Trustees' compensation | 15,324 | 7,079 |
| Distributions paid in units | 4,835 | 3,738 |
| **Outstanding, end of period** | **233,951** | **162,229** |

As at March 31, 2025, the liability related to the plan was $802 (December 31, 2024 - $723). The related figures recorded in the statement of comprehensive income amounted to an expense of $79 for the three-month period ended March 31, 2025 (for the three-month period ended March 31, 2024 – income of $72).

### (b) Employee unit purchase plan

The Trust offers an optional employee unit purchase plan to all its employees. Under this plan, the employees may contribute, each year, pursuant to a maximum of 7% to 10% of their base salary depending on their position occupied within the Trust. For each two units purchased by an employee, the Trust issues one unit from treasury.

As at March 31, 2025, the liability related to the plan was $0 (December 31, 2024 - $78). The related expense recorded in the statement of comprehensive income amounted to $14 for the three-month period ended March 31, 2025 (for the three-month period ended March 31, 2024 - income of $10). The 27,685 units related to 2024 purchases were issued in March 2025 (26,650 units related to 2023 purchases).

### (c) Restricted unit compensation plan

The Trust offers a restricted unit compensation plan for all executive officers and key employees. Under this plan, the executive officers and key employees are eligible to receive restricted units.

The following table presents relevant information on changes in the restricted units:

| Three-month period ended March 31, | **2025** | **2024** |
|---|---|---|
| | Restricted units | Restricted units |
| Outstanding, beginning of period | 301,249 | 220,306 |
| Granted | - | 265,180 |
| Cancelled | (8,181) | (28,212) |
| Settled | - | (156,025) |
| **Outstanding, end of period** | **293,068** | **301,249** |

As at March 31, 2025, the liability related to the plan was $665 (December 31, 2024 - $563). The related expense recorded in the statement of comprehensive income amounted to $102 for the three-month period ended March 31, 2025 (for the three-month period ended March 31, 2024 – expense of $307).

### (d) Cash settled share-based retirement compensation plan

As at March 31, 2025, the long-term obligation related to the plan was $715 (December 31, 2024 - $717). The related revenue recorded in the statement of comprehensive income amounted to $2 for the three-month period ended March 31, 2025 (for the three-month period ended March 31, 2024 – income of $31).

## 11. Trust Units Issued and Outstanding

BTB is authorized to issue an unlimited number of trust units. Each trust unit represents a single vote at any meeting of unitholders and entitles the unitholder to receive a pro rata share of all distributions. The unitholders have the right to require BTB to redeem their trust units on demand. Upon receipt of the redemption notice, all rights to and under the trust units tendered for redemption are surrendered and the holder thereof is entitled to receive a price per trust unit (“Redemption Price”), as determined by a market formula. The Redemption Price is to be paid in accordance with the conditions provided for in the Declaration of Trust. BTB trust units are considered liability instruments under IFRS because the trust units are redeemable at the option of the holder, however they are presented as equity in accordance with IAS 32.

Trust units issued and outstanding are as follows:

| Three-month period ended March 31, | | 2025 |
|---|---|---|
| | Units | $ |
| Trust units outstanding, beginning of period | 88,024,109 | 404,914 |
| Issue pursuant to the distribution reinvestment plan (a) | 177,541 | 574 |
| Issue pursuant to the employee unit purchase plan (note 10 (b)) | 27,490 | 93 |
| **Trust units outstanding, end of period** | **88,229,140** | **405,581** |

### (a) Distributions

| Three-month periods ended March 31, | 2025 | 2024 |
|---|---|---|
| | $ | $ |
| Distribution to unitholders | 6,614 | 6,529 |
| Distribution per Trust unit | 0.075 | 0.075 |

### (b) Normal course issuer bid (“NCIB”)

As of March 31, 2025, no units have been repurchased for cancellation.

## 12. Rental Revenues

| Three-month periods ended March 31, | 2025 | 2024 |
|---|---|---|
| | $ | $ |
| Base rent and other lease generated revenues | 20,183 | 19,711 |
| Lease cancellation fees | 981 | 45 |
| Property tax and insurance recoveries | 6,795 | 6,509 |
| | 27,959 | 26,265 |
| Operating expenses recoveries and other revenues | 6,868 | 6,667 |
| Lease incentive amortization | (797) | (690) |
| Straight-line lease adjustment | 381 | 394 |
| | **34,411** | **32,636** |

## 13. Net Financial Expenses

| Three-month periods ended March 31, | 2025 | 2024 |
|---|---|---|
| | $ | $ |
| Interest on mortgage loans payable | 7,301 | 7,072 |
| Interest on convertible debentures | 754 | 709 |
| Interest on bank loans | 475 | 934 |
| Interest on lease liabilities | 108 | 92 |
| Other interest expense | 18 | 16 |
| Accretion of non-derivative liability component of convertible debentures | 438 | 92 |
| Accretion of effective interest on mortgage loans payable and convertible debentures | 580 | 308 |
| Distributions - Class B LP Units | 52 | 52 |
| Fair value adjustment – Class B LP Units | 28 | 160 |
| Net adjustment to fair value of derivative financial instruments | 868 | (325) |
| | **10,622** | **9,110** |

## 14. Expenses by Nature

| Three-month periods ended March 31, | 2025 | 2024 |
|---|---|---|
| | $ | $ |
| Depreciation | 18 | 17 |
| Employee compensation and benefits expense | 2,740 | 3,256 |

## 15. Earnings per Unit

BTB's trust units being puttable financial instruments presented as equity in accordance with IAS 32, the Trust is not required to report a profit or loss per trust unit figure on its consolidated statements of comprehensive income. However, for disclosure purposes only, the Trust has determined basic earnings per unit using the same basis that would apply in accordance with IAS 33, *Earnings per Share.*

Net earnings per unit are calculated based on the weighted average number of trust units outstanding as follows:

| Three-month periods ended March 31, | 2025 | 2024 |
|---|---|---|
| | $ | $ |
| Net income | 7,608 | 7,153 |
| Weighted average number of trust units outstanding – basic(1) | 88,823,890 | 87,521,586 |
| **Earnings per unit – basic** | **0.09** | **0.08** |

(1) Class B LP Units included

## 16. Liquidity Risk Management

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they come due. Liquidity risk is managed by:

- maximizing cash flows from operations;
- adopting an investment property acquisition and improvement program that takes into account available liquidity;
- using credit facilities;
- staggering mortgage loan maturities;
- maximizing the value of investment properties, thus increasing mortgage financing on renewal of loans; and
- issuing debt securities or BTB's units on the financial markets.

Management believes that the Trust will be able to obtain the financing required to make the payments coming due in the next year. However, there is a risk that changes affecting market conditions and access to financing may invalidate this assumption.

Some mortgage loans include subjective and restrictive covenant clauses under which the Trust must comply with financial conditions and ratios. As at March 31, 2025, the Trust was in compliance with all the covenants to which it was subject.

### 17. Operating Segments

For investment properties, discrete financial information is provided to the Chief Executive Officer and Chief Financial Officer on an aggregated investment property basis. The information provided is net rentals (including gross rent and property expenses) and fair value of investment properties. The individual investment properties are aggregated into segments with similar economic characteristics. The Chief Executive Officer and Chief Financial Officer consider that this is best achieved by aggregating into necessity-based retail, suburban office and industrial.

Consequently, the Trust is considered to have three operating segments, as follows:

- Industrial
- Suburban office
- Necessity-based retail

| | Industrial | Suburban office | Necessity-based retail | Total |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| **Three-month period ended March 31, 2025** | | | | |
| Investment properties | 453,174 | 513,871 | 268,415 | **1,235,460** |
| Rental revenue from properties | 8,392 | 18,011 | 8,008 | **34,411** |
| Net operating income | 5,870 | 9,350 | 4,601 | **19,821** |
| **Three-month period ended March 31, 2024** | | | | |
| Investment properties | 440,428 | 513,086 | 249,513 | **1,203,027** |
| Rental revenue from properties | 8,604 | 16,438 | 7,594 | **32,636** |
| Net operating income | 6,223 | 7,820 | 4,317 | **18,360** |

### 18. Commitments and Contingencies

#### Litigation

The Trust is involved in litigation and claims which arise from time to time in the normal course of business. These litigation and claims are generally covered by insurance. In the opinion of management, any liability that may arise from such contingencies will not have a significant adverse effect on the Trust's consolidated financial statements.

# Corporate *Information*

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**Listing**
The units and debentures of
BTB Real Estate Investment Trust
are listed on the Toronto Stock Exchange
under the trading symbols: BTB.UN
BTB.DB.G
BTB.DB.H

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**Annual General Meeting**
June 10th, 2025 | 10 a.m.
Centre Mont-Royal | Salon Cartier
2200 rue Mansfield, Montréal, QC

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BTB