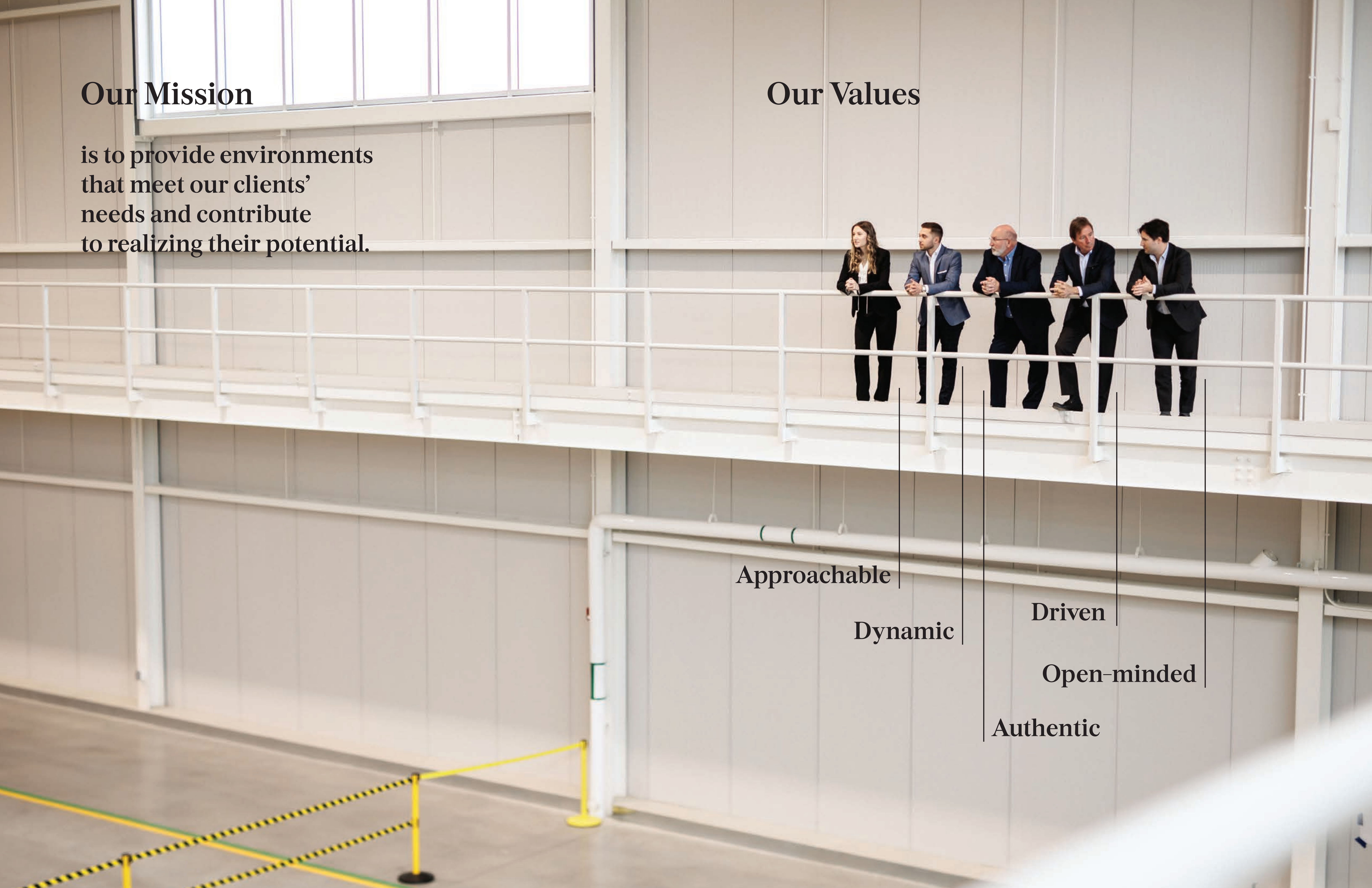
BTB

Balancing Growth and Responsibility
Third Quarterly Report 2024

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. 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 derivative 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. 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. 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") **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. 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. 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
Adjusted Funds from Operations ("AFFO") **and** **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. 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. 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); Cash Flows; and Appendix 2
FFO and AFFO payout ratios **and** **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 and FFO Adjusted and AFFO Adjusted per unit in each period. 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. 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). 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). The Trust considers this metric useful as it indicates its ability to meet its interest cost obligations for a given period.	Capital Resources – Debt service coverage ratio



Our Mission

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

Our Values

Approachable

Dynamic

Driven

Open-minded

Authentic

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Our Year in Review

A Word from our President and CEO, Michel Léonard

As we present our results for the third quarter of 2024, BTB has achieved several significant advancements across its portfolio, underscoring the strength and dedication of our team toward achieving results. Despite a slight decline in occupancy, primarily due to the bankruptcy of one of our industrial tenants, we are actively marketing the space to increase revenues. Our continued leasing activity and consistent revenue growth has characterized this quarter.

Healthy Financial Performance and Portfolio Growth

BTB's portfolio exhibited healthy revenue growth and stability over the cumulative nine-month period, with rental revenue increasing by 1.5% and same-property NOI up by 4.8% compared to the same period last year. These gains emphasize our effective asset management strategies, which continue to deliver organic growth. Our ability to capture higher rent spreads and renew leases at favorable rates has been instrumental in driving these figures, particularly in our industrial and necessity-based retail segments, where rent renewal rates have climbed by 5.8% and 6.1%, respectively. It also allows us to maintain stable cash flow, benefiting from favorable leasing conditions and a disciplined approach to costs of operating our properties.

Leasing Activity

Our leasing achievements this quarter reflect the trust and confidence our tenants place in BTB's properties. With over 254,000 square feet of leases renewed—207,803 of which were renewals for leases maturing after the end of this year—it demonstrates the enduring appeal of our properties and the loyalty of our tenants. Additionally, we leased 18,713 square feet to new tenants during the quarter, for a total of 162,725 square feet for the year to date, which speaks to our ability to attract tenants and maintain occupancy levels in competitive markets. Our portfolio's adaptability to evolving tenant needs has been a crucial factor in preserving operational momentum.

A significant milestone for BTB is the on-going construction of a 45,870 square-foot store in one of our necessity-based retail properties in Lévis, Quebec. This development project, fully leased to Winners/HomeSense on a long-term basis, represents a new phase for BTB as our first ground-up initiative. The success of this project not only expands our investment portfolio from within but also shows our creativity in responding to evolving market needs. This development allows us to further explore strategic growth opportunities to unlock hidden values in our portfolio.

As we expand and modernize our assets, we are also strengthening our tenant relationships, which directly contributes to higher retention and satisfaction across our properties. Our strategic focus on retaining strong tenants while also diversifying our tenant mix helps mitigate risks and ensures sustained cash flow.

Strategic Debt Management and Financial Stability

BTB's commitment to financial management is evident in our debt strategy, where we retain a steady total debt ratio of 58.3% and a mortgage debt ratio of 52.5%, a minimal shift from December 31, 2023.

In a strategic move that aligns with our focus on reducing exposure to high-interest expense, after the end of the quarter, we fully redeemed the Series G debenture on October 31, 2024, funded through proceeds from recent mortgage financings. Currently, BTB has one remaining debenture, the Series H, which matures in October 2025.

Our debt management strategy emphasizes a balanced approach to refinancing, minimizing exposure to fluctuations of interest rates over recent quarters. The recent announcements from the Bank of Canada present an optimistic outlook for the financing environment, and we are poised to take advantage of favorable conditions as they arise.

Focused on Key Metrics and Strong Liquidity

We ended the quarter with $3.3 million in cash and $29.3 million available under our credit facilities, with an additional $10 million available, contingent upon lender approval. Our liquidity profile, supported by disciplined capital management, ensures BTB's readiness to address operational needs, undertake tenant improvements, and seize strategic investments when opportunities arise.

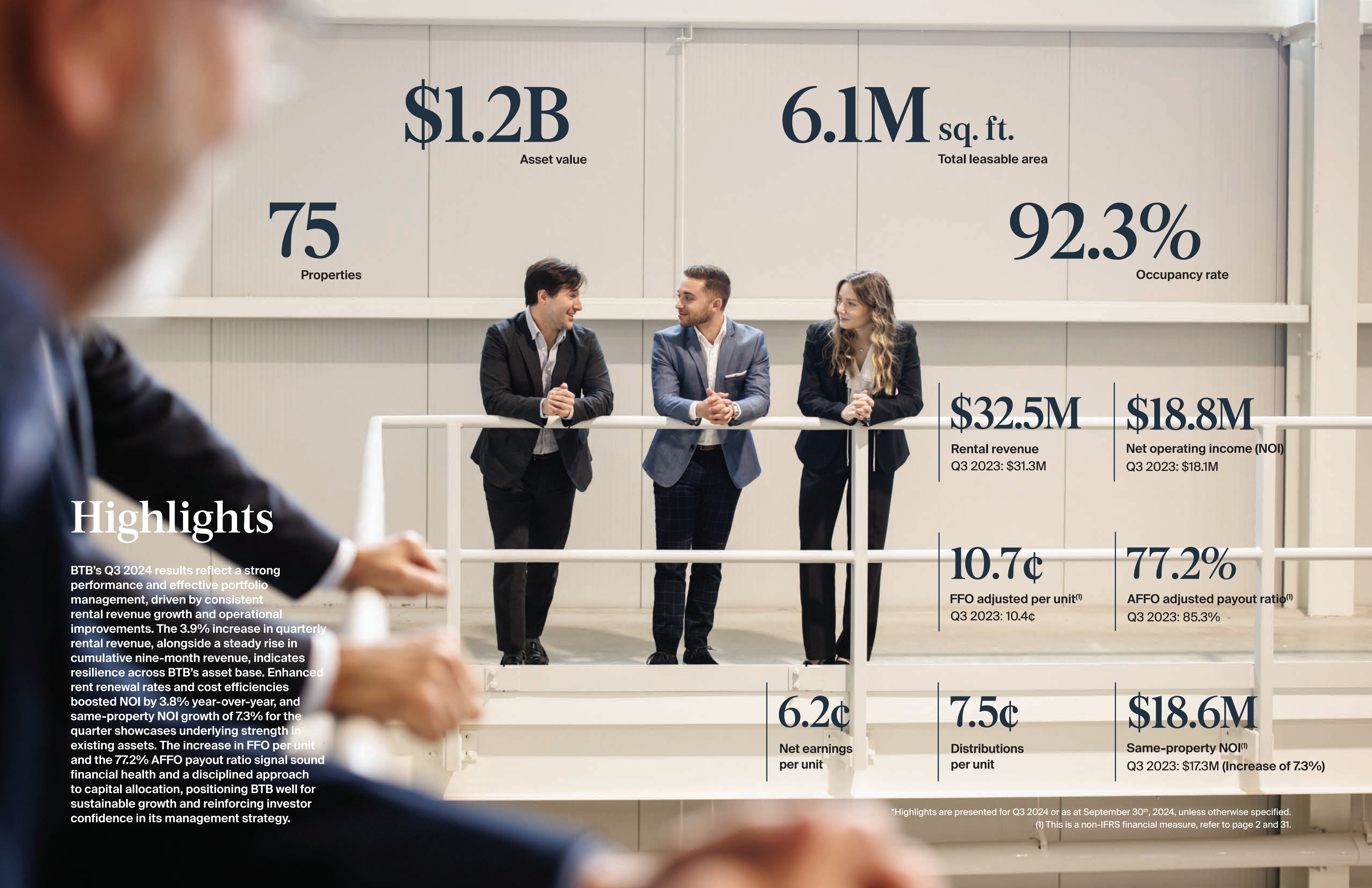
Operationally, our FFO adjusted per unit increased to 10.7¢ this quarter, an improvement from the 10.4¢ reported in Q3 2023, and our AFFO adjusted payout ratio saw a positive shift to 77.2%, reflecting our disciplined approach to capital allocation. Similarly, AFFO adjusted per unit rose to 9.7¢, marking a year-over-year increase of 0.9¢. These gains validate our operational resilience and our commitment to maximizing shareholder returns while ensuring sustainable portfolio health.

A Sustainable Path Forward

Looking to the future, BTB is dedicated to its strategic priorities. Our focus remains on enhancing tenant experiences, embedding sustainability practices across our portfolio, and driving our ESG values. The Winners/HomeSense store construction, a pioneering development for BTB, signals our continued focus on sustainable growth while underscoring our responsiveness to market demands

In conclusion, I would like to extend sincere appreciation to our dedicated team, partners, and unitholders, whose support and trust fuel BTB's ongoing progress. As we forge ahead, we are confident that our approach will continue to deliver results and contribute to long-term value creation for all stakeholders. With a continued focus on growth, BTB is well-prepared to achieve its objectives in the months and years to come.

Michel Léonard, President & CEO



$1.2B
Asset value

6.1M sq. ft.
Total leasable area

75
Properties

92.3%
Occupancy rate

Highlights

BTB's Q3 2024 results reflect a strong performance and effective portfolio management, driven by consistent rental revenue growth and operational improvements. The 3.9% increase in quarterly rental revenue, alongside a steady rise in cumulative nine-month revenue, indicates resilience across BTB's asset base. Enhanced rent renewal rates and cost efficiencies boosted NOI by 3.8% year-over-year, and same-property NOI growth of 7.3% for the quarter showcases underlying strength in existing assets. The increase in FFO per unit and the 77.2% AFFO payout ratio signal sound financial health and a disciplined approach to capital allocation, positioning BTB well for sustainable growth and reinforcing investor confidence in its management strategy.

$32.5M
Rental revenue
Q3 2023: $31.3M

$18.8M
Net operating income (NOI)
Q3 2023: $18.1M

10.7¢
FFO adjusted per unit[(1)]
Q3 2023: 10.4¢

77.2%
AFFO adjusted payout ratio[(1)]
Q3 2023: 85.3%

6.2¢
Net earnings per unit

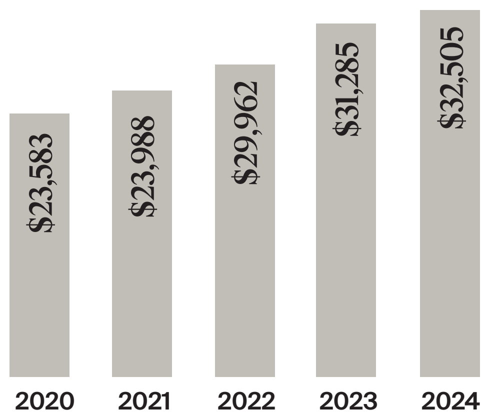
7.5¢
Distributions per unit

$18.6M
Same-property NOI[(1)]
Q3 2023: $17.3M (Increase of 7.3%)

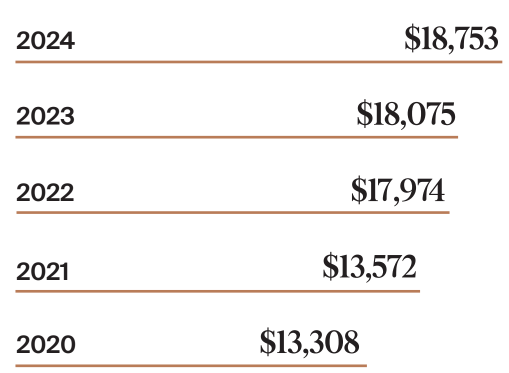
*Highlights are presented for Q3 2024 or as at September 30th, 2024, unless otherwise specified.
(1) This is a non-IFRS financial measure, refer to page 2 and 31.

Key Metric Evolution*

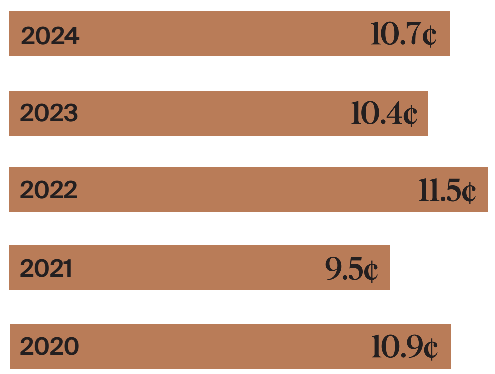
Rental revenue



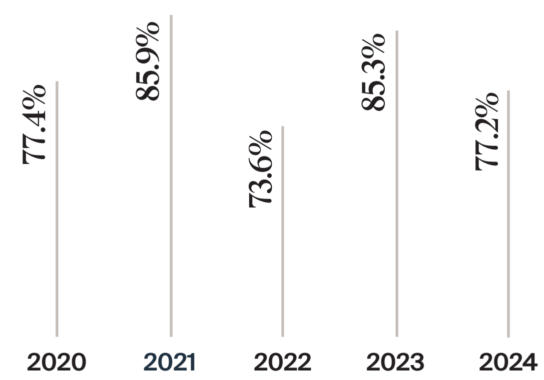
Net Operating Income (NOI)



FFO adjusted per unit [1]

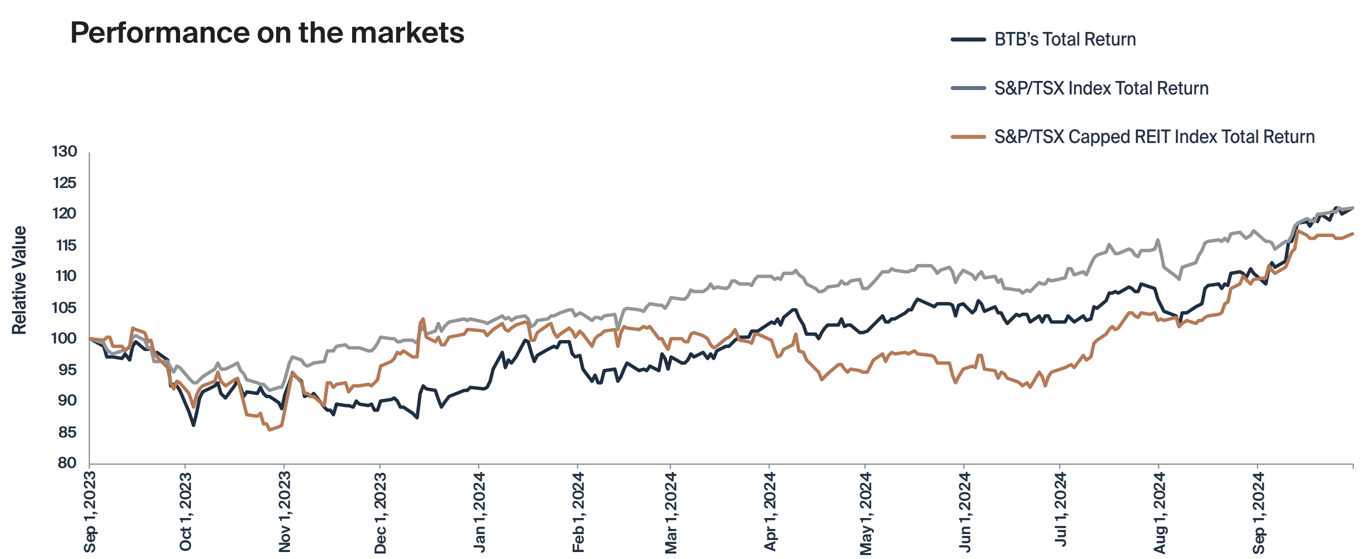


AFFO adjusted payout ratio [1]



*For the quarters ending on September 30, in thousands of dollars. (1) This is a non-IFRS financial measure, refer to page 2 and 31.

Performance on the markets



6000 Kieran Street, Saint-Laurent, Québec

Q3 2021: 53.7%

41.9%

36.6%

Q3 2021: 26.8%

Q3 2021: 19.5%

21.5%

Asset Types

BTB continues to strategically move towards the industrial sector while maintaining a diversified portfolio with three types of key assets: 21.5% in necessity-based retail (vs. 26.8% in Q3 2021), 41.9% in suburban office (vs. 53.7% in Q3 2021) and 36.6% in industrial (vs. 19.5% in Q3 2021). This deliberate allocation underscores our commitment to maximizing returns through a well-calibrated asset mix.

Industrial

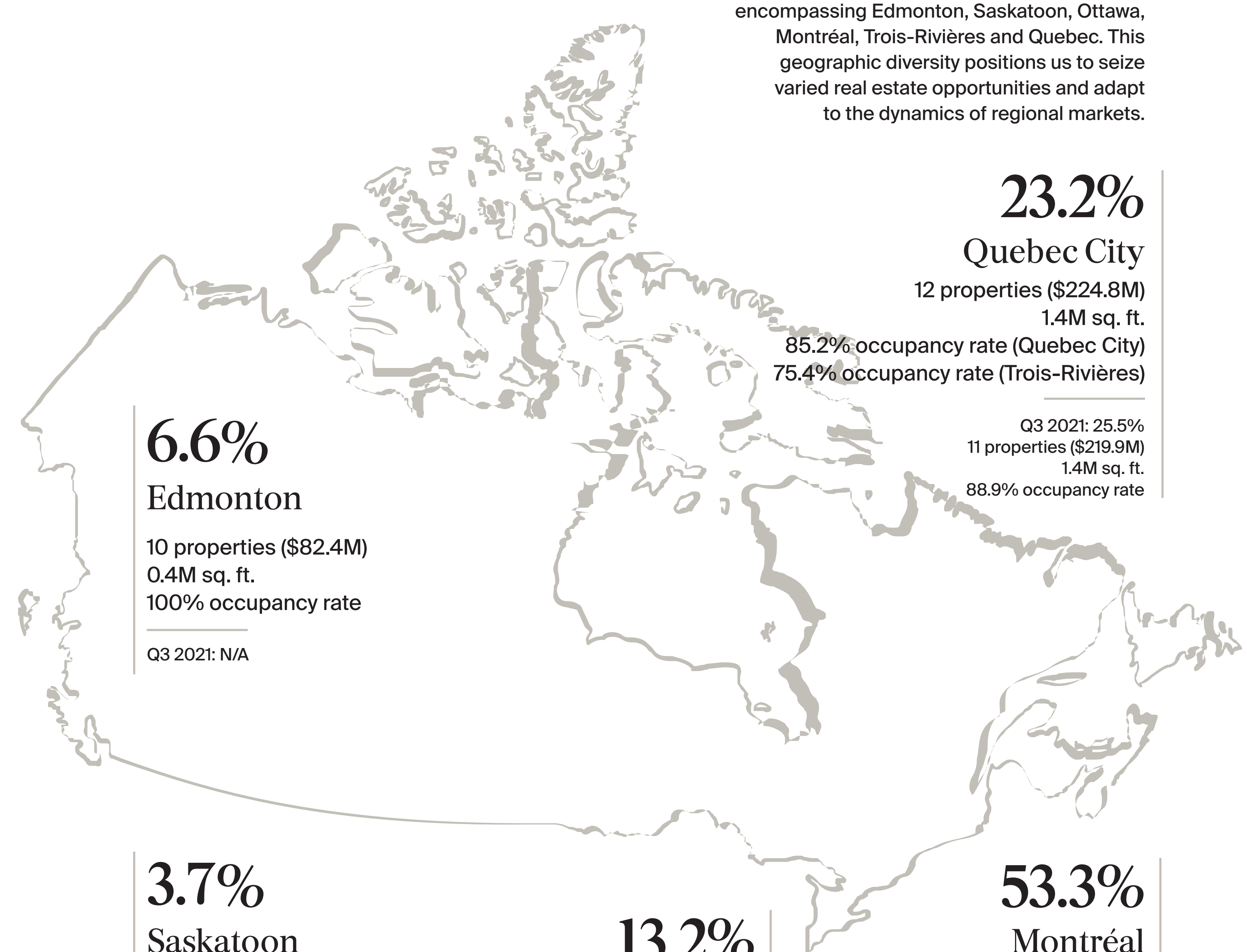
Suburban office

Necessity-based retail

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

Geographic Locations

BTB maintained the strategic distribution of its portfolio across major geographic locations, encompassing Edmonton, Saskatoon, Ottawa, Montréal, Trois-Rivières and Quebec. This geographic diversity positions us to seize varied real estate opportunities and adapt to the dynamics of regional markets.



23.2%
Quebec City
12 properties ($224.8M)
1.4M sq. ft.
85.2% occupancy rate (Quebec City)
75.4% occupancy rate (Trois-Rivières)

Q3 2021: 25.5%
11 properties ($219.9M)
1.4M sq. ft.
88.9% occupancy rate

6.6%
Edmonton
10 properties ($82.4M)
0.4M sq. ft.
100% occupancy rate

Q3 2021: N/A

3.7%
Saskatoon
4 properties ($44.1M)
0.2M sq. ft.
100% occupancy rate

Q3 2021: N/A

13.2%
Ottawa
11 properties ($169.2M)
0.8M sq. ft.
99.4% occupancy rate

Q3 2021: 20.3%
13 properties ($143.1M)
1.1M sq. ft.
93.8% occupancy rate

53.3%
Montréal
38 properties ($695.2M)
3.3M sq. ft.
92.6% occupancy rate

Q3 2021: 54.1%
41 properties ($559.1M)
2.9M sq. ft.
92.8% occupancy rate

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

Our Portfolio

Our Properties

We closed the quarter with a total of 75 properties and 6.1 million square feet of leasable area across Canada in the regions of Montréal, Quebec City, Trois-Rivières, Ottawa, Edmonton and Saskatoon.

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

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

Suburban office

5810 Sherbrooke Street East, Montréal[1]

2101 Sainte-Catherine Street West, Montréal

2250 Alfred-Nobel Blvd, St-Laurent

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[1]

85 Saint-Charles Street West, Longueuil

1327-1333 Ste-Catherine Street West and 1405-1411 Crescent Street, Montréal

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

245 Menten Place, Ottawa

2200 Walkley Street, Ottawa[1]

2204 Walkley Street, Ottawa[1]

2611 Queensview Drive, Ottawa[2]

979[2] & 1031 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

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

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

909-915 Pierre-Bertrand Blvd, Quebec City

625-675 De la Concorde Street, Lévis

1200-1252 De la Concorde Street, Lévis

(1) BOMA BEST certified property
(2) LEED certified property

Our Clients

Client Portrait: *Giatec® Scientific*

Giatec's mission is to bring disruptive, knowledge-based, and sustainable technologies to the concrete industry.

We identify current challenges in concrete testing and design innovative solutions to address them. Our products allow concrete producers, contractors, and business owners to increase profitability of their projects by saving time, labor, and costs. We attract and retain more than 145 talented and passionate employees, empowering them to develop diverse personal skills and thrive in their careers.

What are your principal markets?

Giatec sells our products in over 80 countries world-wide - all shipped from our headquarters in Ottawa, ON. We are considered the world leader in concrete sensing technologies. We have a strong presence in the US with approximately 50% of our revenues coming from the US market.

What are you most proud of accomplishing as a business?

We are proud to be a locally established and scaling business that is revolutionizing the concrete industry while providing meaningful work for our local talent. As a global leader in concrete sensing technologies we have attracted the attention of global giants such as *Heidelberg Materials* who came on as an investor in 2022. Further, for our focus on sustainability in concrete we have attracted investment by the Canadian government through *Strategic Innovation Fund*.

2010

AN IDEA IS FORMED

In 2010, Pouria Ghods and Aali R. Alizadeh, two friends and Ph.D. graduates in civil engineering specializing in concrete, realized the vast differences of advances in academia tools and research versus the reality of bridges built just a few decades ago collapsing, taking lives as they came down. In September of 2010, they put into practice the knowledge they had accumulated and poured their passion into a vision for stronger, safer, and sustainable construction.

2011

GIATEC'S FOUNDATION

Over countless cups of coffee, Giatec was founded. The pair began working with advisers at Invest Ottawa, and arranged sources, funding and ideas to bring Giatec's products to the market. The company's first product was a sensor to detect corrosion speed in the rebar on steel inside concrete.

2015

LAUNCH OF THE SMARTROCK® SENSOR

Inspired by client feedback, Giatec then launches the first truly wireless temperature and strength monitoring sensor that set a new standard for concrete testing equipment and laid the foundation for the award-winning SmartRock Sensors known today.

2018

LAUNCH OF GIATEC 360™

Listening to customer needs, Giatec launches Giatec 360, an advanced web-based dashboard for monitoring and managing concrete pours. With its data analytics, reporting, and user management capabilities for the SmartRock sensors, it set the next level for concrete analysis.

2019

LAUNCH OF ROXI™ & SMARTHUB™

2019 marked the launch of Roxi, the 1st AI program for concrete testing used to minimize human-error, reduce cement usage, and analyze mix performance. With SmartRock sensors embedded in thousands of jobsites in hundreds of countries, the machine learning algorithm is trained on the largest dataset ever collected on concrete performance. It doesn't end there! To complete the ecosystem, Giatec also launches SmartHub, a remote monitoring system that enables access to concrete data at any time, from any location, winning SmartRock the Most Innovative Product at World of Concrete 2019.

2020

10-YEAR ANNIVERSARY

Giatec celebrates its first decade bringing smart testing technologies and IoT solutions to jobsites, revolutionizing the concrete industry one sensor at a time.

2021

LAUNCH OF GIATEC SMARTMIX™

At Giatec, innovation never stops. SmartMix was launched in 2021 as a web-based dashboard that enables producers to optimize concrete mixes and predict their materials' performance with the use of Roxi's AI algorithm.

PRESENT

AND WE'RE JUST GETTING STARTED

The Giatec ecosystem of hardware and software products brings advanced smart testing technologies and real-time data collection to the forefront of every jobsite, driving innovation throughout concrete's lifecycle and providing construction workers with a whole new level of safer efficiency while reducing concrete's carbon footprint.

Giatec Scientific's History

Giatec Scientific's Office & Team
245 Menten Place, Ottawa, ON

Together with these partners we are on a mission to revolutionize the concrete industry by making concrete more sustainable. We have also been recognized multiple times as a top growing company in Canada through the *Globe and Mail* rankings. We have also recently been recognized as a one of Ottawa's Best Places to Work (2024) in the *Ottawa Business Journal*.

What are the main challenges you face as a business?

The main challenge that Giatec faces in terms of growth is the market adoption of technology. The construction / concrete industries are slow to adopt technology with many users still opting for more manual processes that are considered tried and true. In terms of operations our biggest challenge is attracting top talent both within Ottawa and to Ottawa. The labour market has become very competitive since the onset of the pandemic.

Does your business have environmental and/or social implications?

Yes, we are on a mission to reduce the carbon impact of concrete by 20%. By optimizing concrete mix designs we believe we can eliminate up to 20% of the cement consumed in concrete production. Cement is a very carbon intensive product.

What are the next steps or projects for your business?

We are currently working to bring two new products to full commercial availability. SmartRock® Pro, our self-calibrating concrete sensor, will be available for limited release in Fall 2024. Our SmartMix product is currently in paid trials with expected increase in commercial availability over the coming year.

Learn more about Giatec Scientific:
giatecscientific.com

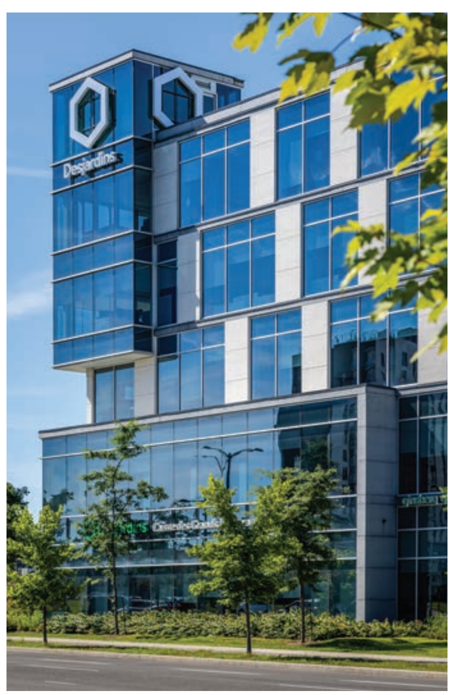
Top 10 Clients

Our top 10 clients make up 24.1% of our total revenue and 22.9% of our total leased area, equaling 1,405,705 square feet.

Government of Québec
5810 Sherbrooke Street East, Montréal, QC

The Lion Electric Company
9900 Irénée Vachon Street, Mirabel, QC

Intrado Life & Safety Canada Inc.
7150 Alexander-Fleming Street, Saint-Laurent, QC



Mouvement Desjardins
3111 Saint-Martin Blvd West, Laval, QC

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

Bristol-Meyers Squibb Canada Co
2344 Alfred-Nobel Blvd, St-Laurent, QC

Government of Canada
2204 Walkley Road, Ottawa, ON

Groupe BBA Inc.
375 Sir-Wilfrid-Laurier Blvd, Mont-Saint-Hilaire, QC

Haivision
2600 Alfred-Nobel Blvd, St-Laurent, QC

Walmart Canada Inc.
Méga Centre Rive-Sud, Lévis, Québec

Management Discussion and Analysis

Three-month and nine-month periods ended September 30, 2024

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 September 30, 2024, 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 November 1, 2024, should be read together with the interim condensed consolidated financial statements and accompanying notes for the period ended September 30, 2024. 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 unaudited condensed 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 are listed and defined in the appendix 1, 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 appendix 1. 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 September 30, 2024, 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 G and H convertible debentures are traded on the Toronto Stock Exchange under the symbols "BTB.UN", "BTB.DB. G" and "BTB. DB.H", 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 September 30, 2024	75	6,125,735	1,215,717

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 assets if their size, location and/or profitability no longer meet the Trust's investment criteria.

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

Highlights of the Third Quarter ended September 30, 2024

Rental revenue: Stood at $32.5 million for the current quarter, which represents an increase of 3.9% compared to the same quarter of 2023. For the cumulative nine-month period, rental revenue totalled $97.4 million which represents an increase of 1.5% compared to the same period in 2023. During Q1 2023, the Trust recorded a one-time $1.4 million increase of rental revenue pursuant to unrecorded revenue for previous quarters associated to a specific lease (the "One-Time Adjustment"). Excluding the One-Time Adjustment, rental revenue for current cumulative nine-month period vs the same period in 2023 would have increased by 3.1%.

Net operating income (NOI): Totalled $18.8 million for the current quarter, which represents an increase of 3.8% compared to the same quarter of 2023. The increase for the quarter is due to operating improvements, higher rent renewal rates, and increases in rental spreads for in-place leases ($1.4 million). The recorded increase is partially offset by the bankruptcies of two tenants: (1) Énergie Cardio in Quebec City ($0.3 million), which space was rapidly leased to the group that purchased the assets of the bankrupt business and (2) Nuera Air, a tenant occupying 132,665 square feet in an industrial property in Laval, Québec ($0.5 million). For the cumulative nine-month period, the NOI totalled $56.0 million which represents a decrease of 0.3% compared to the same period in 2023. Excluding the One-Time adjustment, the cumulative nine-month period NOI for Q3 2024 vs the same period in 2023 would have increased by 2.3%.

Net income and comprehensive income: Totalled $5.5 million for the quarter compared to $15.2 million for the same period in 2023, representing a decrease of $9.7 million. TThe result for the quarter is affected by a $6.2 million non-cash net reduction in the gain of the fair value of investment properties and a $2.8 million non-cash loss in the net adjustment of the fair value of derivative financial instruments. For the cumulative nine-month period, net income and comprehensive income totalled $19.9 million, representing a decrease of $15 million. Excluding the One-Time Adjustment, the decrease for the cumulative nine-month period from Q3 2024 vs Q3 2023 would have been $13.5 million.

Same-property NOI[1]: For the quarter, the same-property NOI increased by 7.3% compared to the same period in 2023, and for the cumulative nine-month period, the same-property NOI increased by 4.8% compared to the same period in 2023. These increases are due to higher rent renewal rates of 4.6% across all three segments of the portfolio. For the cumulative nine-month period, the Trust achieved increases of rent renewal rates of 5.8% for the industrial segment, 3.2% for the suburban office segment and 6.1% for the necessity-based retail segment. The industrial segment is also positively impacted by increases in rental rates for in-place leases.

FFO adjusted per unit[1]: Was 10.7¢ per unit for the quarter compared to 10.4¢ per unit for the same period in 2023, representing an increase of 0.3¢ per unit. The increase of FFO adjusted for the quarter is explained by an increase in NOI of $0.7 million offset by an increase of interest expense net of financial income of $0.5 million. For the cumulative nine-month period, the FFO adjusted was 31.3¢ per unit compared to 33.8¢ per unit for the same period in 2023, representing a decrease of 2.5¢ per unit. Excluding the One-Time Adjustment, the cumulative nine-month period FFO adjusted per unit for Q3 2024 vs the same period in 2023 would have recorded a decrease of 0.9¢ per unit. In addition, FFO adjusted per unit was negatively impacted by an increase in weighted average number of units outstanding of 1.4 million units, due to the unitholder's participation in the distribution reinvestment plan.

FFO adjusted payout ratio[1]: Was 70.3% for the quarter compared to 72.5% for the same period in 2023, an improvement of 2.2%. For the cumulative nine-month period, the FFO adjusted payout ratio was 71.9% compared to 66.5% for the same period in 2023, an increase of 5.4%. Excluding the One-Time Adjustment, the cumulative nine-month period FFO adjusted payout ratio for Q3 2024 vs the same period in 2023 would have increased by 2.0%.

(1) This is a non-IFRS financial measure, refer to page 2 and 31.

AFFO adjusted per unit[1]: Was 9.7¢ per unit for the quarter compared to 8.8¢ per unit for the same period in 2023, representing an increase of 0.9¢ per unit, in line with the increase of FFO adjusted explained above. For the cumulative nine-month period, the AFFO adjusted per unit was 28.0¢ per unit compared to 30.1¢ per unit for the same period in 2023, representing a decrease of 2.1¢ per unit compared to the same period in 2023. Excluding the One-Time Adjustment, the cumulative nine-month period AFFO adjusted per unit would have decreased by 0.4¢ per unit. AFFO adjusted per unit was also negatively impacted by the increase in weighted average number of units outstanding of 1.4 million units, due to the unitholder's participation in the distribution reinvestment plan.

AFFO adjusted payout ratio[1]: Was 77.2% for the quarter compared to 85.3% for the same period in 2023. For the cumulative nine-month period, the AFFO adjusted payout ratio was 80.3% compared to 74.8% for the same period in 2023, representing an increase of 5.5%. Excluding the One-Time adjustment, the cumulative nine-month period AFFO adjusted payout ratio for Q3 2024 vs the same period in 2023 would have increased by 1.1%.

Leasing activity: During the quarter, the Trust completed a total of 254,912 square feet of lease renewals and 18,713 square feet of new leases. The occupancy rate stood at 92.3%, representing a 230 basis points decrease compared to the prior quarter and a 140 basis points decrease compared to the same period in 2023. The decrease in occupancy is primarily due to the previously mentioned bankruptcy of Nuera Air. The Trust has already retained the services of a national commercial brokerage firm specialized in the industrial segment to lease the property. Mitigating this decrease in occupancy is the addition of 45,870 square feet to the Trusts' total leasable area this quarter as a result of the construction of an expansion to a necessity-based retail property located in Lévis, Québec, which is leased on a long-term basis to Winners/Home Sense.

The increase in the average renewal rate for the current quarter and current cumulative nine-month period was respectively 2.4% and 4.6%.

Liquidity position: The Trust held $3.3 million of cash at the end of the quarter and $29.3 million is available under its credit facilities. The Trust has the option to increase its capacity under credit facilities by $10.0 million, subject to lender approval. [1] [2]

Debt metrics: BTB ended the quarter with a total debt ratio [1] of 58.3%, recording a decrease of 30 basis points compared to December 31, 2023. The Trust ended the quarter with a mortgage debt ratio [1] of 52.5%, an increase of 30 basis points compared to December 31, 2023.

Subsequent events

On October 22, 2024, the Trust closed an additional revolving line of credit in the amount of $2 million, this increases the availability under its credit facilities to $31.3 million.

On October 31, 2024, the Trust fully redeemed and paid at maturity the Series G unsecured convertible debentures at their nominal value of $24 million plus accrued interest of $0.7 million using proceeds sourced from mortgage loans.

Summary of significant items as at September 30, 2024

- Total number of properties: 75
- Total leasable area: 6.1 million square feet
- Total fair value of its assets: $1.2 billion
- Market capitalization: $317 million (unit trading price of $3.61 as at September 30, 2024)

(1) This is a non-IFRS financial measure, refer to page 2 and 31.
(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 September 30, 2024, and September 30, 2023, as well as the cumulative periods for the first nine months of 2024 and 2023:

Periods ended September 30 (in thousands of dollars, except for ratios and per unit data)		Quarter		Cumulative (9 months)	
		2024	2023	2024	2023
	Reference (page)	$	$	$	$
Financial information					
Rental revenue	36	**32,505**	31,285	**97,359**	95,904
Net operating income (NOI)	36	**18,753**	18,075	**55,969**	56,124
Net income and comprehensive income	36	**5,470**	15,216	**19,895**	34,864
Adjusted net income[1]	47	**7,690**	8,038	**22,770**	26,332
Adjusted EBITDA[1]	48	**18,030**	16,544	**52,606**	51,654
NOI from the same-property portfolio[1]	49	**18,594**	17,323	**52,508**	50,085
Distributions	50	**6,627**	6,524	**19,815**	19,456
FFO Adjusted[1]	51	**9,426**	9,030	**27,501**	29,258
AFFO Adjusted[1]	52	**8,581**	7,675	**24,630**	25,990
Cash flow from operating activities	53	**16,417**	16,317	**47,520**	49,294
Total assets	55			**1,243,918**	1,235,555
Investment properties	38			**1,215,717**	1,207,090
Mortgage loans	57			**653,147**	641,737
Convertible debentures	59			**43,155**	42,250
Mortgage debt ratio[2]	60			**52.5%**	52.2%
Total debt ratio[1]	60			**58.3%**	58.4%
Weighted average interest rate on mortgage debt	58			**4.33%**	4.29%
Market capitalization				**316,841**	258,250
Financial information per unit					
Units outstanding (000)	62			**87,767**	86,371
Class B LP units outstanding (000)	61			**697**	697
Weighted average number of units outstanding (000)	62	**87,624**	86,261	**87,179**	85,938
Weighted average number of units and Class B LP units outstanding (000)	62	**88,321**	86,992	**87,877**	86,452
Net income and comprehensive income	36	**6.2¢**	17.5¢	**22.6¢**	40.3¢
Adjusted net income[1]	47	**8.7¢**	9.2¢	**25.9¢**	30.5¢
Distributions	50	**7.5¢**	7.5¢	**22.5¢**	22.5¢
FFO Adjusted[1]	51	**10.7¢**	10.4¢	**31.3¢**	33.8¢
Payout ratio on FFO Adjusted[1]	51	**70.3%**	72.5%	**71.9%**	66.5%
AFFO Adjusted[1]	52	**9.7¢**	8.8¢	**28.0¢**	30.1¢
Payout ratio on AFFO Adjusted[1]	52	**77.2%**	85.3%	**80.3%**	74.8%
Market price of units				**3.61**	2.99
Tax on distributions					
Tax deferral	64	**100.0%**	100.0%	**100.0%**	100.0%
Operational information					
Number of properties	38			**75**	75
Leasable area (thousands of sq. ft.)	38			**6,126**	6,117
Committed occupancy rate	41			**92.3%**	93.7%
Increase in average lease renewal rate	40	**2.4%**	11.9%	**4.6%**	7.1%

(1) This is a non-IFRS financial measure, refer to page 2 and 31.
(2) This is a non-IFRS financial measure. The mortgage debt ratio is calculated by dividing the mortgage loans outstanding by the total gross value of the assets of the Trust less cash and cash equivalents.

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)	2024 Q-3	2024 Q-2	2024 Q-1	2023 Q-4	2023 Q-3	2023 Q-2	2022 Q-3	2022 Q-4
	$	$	$	$	$	$	$	$
Rental revenue	**32,505**	32,218	32,636	31,922	31,285	31,708	32,911	31,486
Net operating income	**18,753**	18,856	18,360	19,255	18,075	19,041	19,008	18,624
Net income and comprehensive income	**5,470**	7,272	7,153	1,734	15,216	10,846	8,802	1,769
Net income and comprehensive income per unit	**6.2¢**	8.3¢	8.2¢	2.0¢	17.5¢	12.5¢	10.2¢	2.1¢
Cash from operating activities	**16,417**	18,758	12,143	21,560	16,317	17,320	15,657	18,961
FFO Adjusted(1)	**9,426**	9,149	8,925	9,688	9,030	10,195	10,033	10,059
FFO Adjusted per unit(1)(2)	**10.7¢**	10.4¢	10.2¢	11.1¢	10.4¢	11.8¢	11.7¢	11.8¢
AFFO Adjusted(1)	**8,581**	8,230	7,819	8,966	7,675	9,433	8,882	8,550
AFFO Adjusted per unit(1)(3)	**9.7¢**	9.4¢	8.9¢	10.3¢	8.8¢	10.9¢	10.3¢	10.0¢
Distributions(4)	**6,627**	6,605	6,581	6,547	6,524	6,489	6,443	6,413
Distributions per unit(4)	**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 31.
(2) 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 outstanding at the end of the period).
(3) 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 outstanding at the end of the period).
(4) 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 revenues, to net operating income (NOI) and to investment properties for the three-month periods ended September 30, 2024, and September 30:

Quarters ended September 30 (in thousands of dollars)	Industrial		Suburban office		Necessity-based retail		Total
	$	%	$	%	$	%	$
Quarter ended September 30, 2024							
Investment properties	**445,025**	**36.6**	**509,234**	**41.9**	**261,458**	**21.5**	**1,215,717**
Rental revenue from properties	**8,096**	**24.9**	**16,754**	**51.5**	**7,655**	**23.6**	**32,505**
Net operating income (NOI)	**5,814**	**31.0**	**8,358**	**44.6**	**4,581**	**24.4**	**18,753**
Quarter ended September 30, 2023							
Investment properties	445,177	36.9	518,271	42.9	243,642	20.2	1,207,090
Rental revenue from properties	8,088	25.9	15,926	50.9	7,271	23.2	31,285
Net operating income (NOI)	5,905	32.7	7,810	43.2	4,360	24.1	18,075

Industrial performance

The proportional fair value of industrial properties stood at 36.9% compared to the same period last year. For the quarter, the proportional percentage of rental revenue for this segment decreased by 1.0% compared to the same period last year and for the quarter, the proportional percentage net operating income decreased by 1.7% compared to the same period last year. The slight decrease in proportional percentage for rental revenue and net operating income is mainly attributable to the previously mentioned bankruptcy of Nuera Air.

Suburban office performance

The proportional fair value of the suburban office properties decreased from 42.9% to 41.9% compared to the same period last year. The variance is due to the dispositions of two (2) properties, the gross proceeds totalling $6.2 million, and a net decrease due to negative fair value adjustment of $8.5 million, offset by a $5.7 million increase due to capital expenditures, leasing fees and capitalized lease incentives. The proportional rental revenue for the quarter generated by the suburban office segment increased by 0.6% compared to the same period last year. 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 year lease renewals for a total of 241,841 square feet in the suburban office segment with an average rent increase of 3.2%), increasing the committed occupancy rate for this segment by 170 basis points to 88.3%, compared to the same period in 2023.

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 for the segment stood at 97.9% at the end of the third quarter 2024. For the year, the Trust concluded lease renewals for a total of 164,534 square feet in the necessity-based retail segment with an average rent increase of 6.1%. The proportional share of the net operating income (NOI) generated by the segment increased by 0.3% 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 or decrease its rental revenue for a given period.

Real Estate Portfolio

At the end of the third quarter of 2024, BTB owned 75 properties, representing a total fair value of $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 September 30, 2024

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	88.3	88.1	42.6
Necessity-based retail	11	1,430,845	97.9	94.7	23.4
Total portfolio	**75**	**6,125,735**	**92.3**	**91.5**	**100.0**

Geographic sector	Number of properties	Leasable area (sq. ft.)	Committed occupancy rate (%)	In Place occupancy rate (%)	% of portfolio
Montreal	38	3,261,893	92.6	92.6	53.3
Québec City	10	1,276,939	85.2	81.4	20.8
Trois-Rivières	2	149,077	75.4	75.4	2.4
Ottawa	11	809,115	99.4	99.4	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**	**92.3**	**91.5**	**100.0**

Dispositions of investment properties

On February 29, 2024, the Trust disposed of two office properties located at 32 and 50, Saint-Charles Street West, in Longueuil, Québec, for total proceeds of $6.2 million, excluding transaction costs and adjustments.

Acquisitions of investment properties

Since the beginning of the year, the Trust did not acquire any properties.

Real Estate Operations

Portfolio occupancy

The following table summarizes the changes in occupied area for the periods ended September 30, 2024, and September 30, 2023, as well as the cumulative periods for the first nine months of 2024 and 2023:

Periods ended September 30 (in sq. ft.)	Quarter		Cumulative (9 months)	
	2024	2023	**2024**	2023
Occupied area at the beginning of the period[1]	**5,757,351**	5,754,349	**5,762,653**	5,455,798
Purchased (sold) assets	**-**	-	**(24,963)**	260,111
Signed new leases	**18,713**	25,476	**116,855**	217,900
Tenant departures	**(166,176)**	(50,706)	**(244,657)**	(204,690)
Other[2]	**45,870**	-	**45,870**	-
Occupied leasable area at the end of the period[1]	**5,655,758**	5,729,119	**5,655,758**	5,729,119
Vacant leasable area at the end of the period[3]	**469,977**	387,609	**469,977**	387,609
Total leasable area at the end of the period	**6,125,735**	6,116,728	**6,125,735**	6,116,728

(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 construction projects.
(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 occupancy rate by 140 basis points from 93.7% to 92.3%, primarily due to the previously mentioned bankruptcy of Nuera Air, a tenant occupying 132,665 square feet in an industrial property located in Laval, Québec.

As a result of the construction of a necessity-based retail property located in Lévis, Quebec, leased on a long-term basis to Winners/Home Sense, the Trust added, this quarter, 45,870 square feet to the Trust's total leasable area.

Leasing activities

The following table summarizes the percentage of lease renewals for the periods ended September 30, 2024, and September 30, 2023, as well as the cumulative periods for the first nine months of 2024 and 2023:

Periods ended September 30 (in sq. ft.)	Quarter		Cumulative (9 months)	
	2024	2023	**2024**	2023
Leases expired at term	**80,620**	100,023	**394,823**	444,480
Renewed leases at term	**47,109**	52,178	**297,345**	258,131
Renewal rate	**58.4%**	52.2%	**75.3%**	58.1%

The Trust renewed 58.4% or 47,109 square feet of the 80,620 square feet of the leases expiring during the third quarter. In addition to the said 80,620 square feet, approximately 9,900 square feet of leases that mature during the quarter are in advanced lease renewal discussions or are being executed. For the cumulative nine-month period, the Trust renewed 75.3% or 297,345 square feet out of the 394,823 square feet expiring during the said period.

In addition, the Trust renewed leases with existing tenants, maturing during the year 2025 or thereafter, representing a total of 207,803 square feet for the quarter and a total of 269,711 square feet for the cumulative nine-month period. The most significant early lease renewals during the quarter were concluded with Lowe-Martin Company Inc. (industrial) located in Ottawa, Ontario representing 116,415 square feet, the Government of Canada (suburban office) located in Gatineau, Québec representing 44,222 square feet and with Hydro-Québec (suburban office) in Trois-Rivières, Québec representing 36,289 square feet.

In all, the Trust's total lease renewal activity amounts to 254,912 square feet for the third quarter and 567,056 square feet for the cumulative nine-month period.

Average lease renewal rate

The following table summarizes the average increase of rental rates for lease renewals by operating segment for the period ended September 30, 2024, as well as the cumulative period for the first nine months of 2024:

	Quarter		Cumulative (9 months)	
Operating segment	Renewals (Sq. ft.)	Increase (%)	Renewals (Sq. ft.)	Increase (%)
Industrial	124,162	5.8%	160,680	5.8%
Suburban office	125,731	-0.2%	241,842	3.2%
Necessity-based retail	5,019	6.7%	164,534	6.1%
Total	**254,912**	**2.4%**	**567,056**	**4.6%**

Since the beginning of the year, the Trust achieved a cumulative average rent increase of 4.6% across all three operating segments.

The recorded decrease in the average rent renewal rate for the suburban office segment is mainly due to the early renewal of Hydro-Québec's lease in Trois-Rivières for which rental rate was negotiated on an "as is, where is" basis in order to reinforce the stability of that property.

New leases

During the quarter, the Trust leased a total of 18,713 square feet to new tenants thereby leaving 469,977 square feet of leasable area available for lease at the end of the quarter.

In addition, during the third quarter, the Trust finalized lease negotiations with Winners/Home Sense, as previously mentioned, representing 45,870 square feet, increasing the total new leasing activity to 64,583 square feet.

For the cumulative nine-month period, 97,803 square feet or 83.7% of new leases were concluded in the suburban office segment, 2,000 square feet or 1.7% of the new leases were concluded in the industrial segment and 17,052 square feet or 14.6% of the new leases were concluded in the necessity-based retail segment. Including the Winners/Home Sense transaction the cumulative nine-month period new lease activity totalled 162,725 square feet.

Occupancy rates

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

	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
Operating segment	%	%	%	%	%
Industrial	**93.5**	100.0	100.0	99.9	99.7
Suburban office	**88.3**	88.8	88.6	87.7	86.6
Necessity-based retail	**97.9**	97.4	97.3	97.8	97.8
Total portfolio	**92.3**	94.6	94.5	94.2	93.7

	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
Geographic sector	%	%	%	%	%
Montréal	**92.6**	96.7	96.6	96.2	96.3
Québec City	**85.2**	85.6	85.7	85.2	84.6
Trois-Rivières	**75.4**	75.5	73.2	74.6	58.6
Ottawa	**99.4**	98.8	99.1	98.8	98.4
Edmonton	**100.0**	100.0	100.0	100.0	100.0
Saskatoon	**100.0**	100.0	100.0	100.0	100.0
Total portfolio	**92.3**	94.6	94.5	94.2	93.7

The occupancy rate at the end of the third quarter of 2024 stood at 92.3%, representing a 230 basis points decrease compared to the prior quarter, and a 140 basis points decrease compared to the same period in 2023. The in-place occupancy rate at the end of the quarter stood at 91.5%, representing a decrease of 190 basis points compared to the prior quarter, and a decrease of 180 basis points compared to the same period in 2023.

The decrease in occupancy is primarily due to previously mentioned bankruptcy of Nuera Air. The Trust has already retained the services of a national commercial brokerage firm specialized in the industrial segment to lease the property.

Lease maturities

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

	2024	2025	2026	2027	2028
Industrial					
Leasable area (sq. ft.)	31,888	170,586	287,168	94,051	201,763
Average lease rate/square foot ($)(1)	$6.87	$10.44	$13.21	$12.10	$17.35
% of industrial portfolio	1.53%	8.18%	13.77%	4.51%	9.68%
Suburban office					
Leasable area (sq. ft.)	124,059	235,389	454,620	353,217	194,030
Average lease rate/square foot ($)(1)	$12.46	$17.87	$14.95	$16.94	$15.47
% of office portfolio	4.75%	9.02%	17.42%	13.54%	7.44%
Necessity-based retail					
Leasable area (sq. ft.)	21,698	179,176	109,720	115,967	49,905
Average lease rate/square foot ($)(1)	$22.92	$15.70	$13.33	$16.70	$19.63
% of retail portfolio	1.52%	12.52%	7.67%	8.10%	3.49%
Total portfolio					
Leasable area (sq. ft.)	**177,645**	**585,151**	**851,508**	**563,235**	**445,698**
Average lease rate/square foot ($)(1)	**$12.73**	**$15.04**	**$14.15**	**$16.08**	**$16.79**
% of total portfolio	**2.90%**	**9.55%**	**13.90%**	**9.19%**	**7.28%**

(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 September 30, 2024, the weighted average lease term stood at 5.7 years, compared to 5.9 years for the same period in 2023. In addition to secure future revenues of the Trust and solidifying its tenant base, the Trust's lease renewal strategy is also focused on renewing leases prior to maturity to increase the average outstanding lease terms.

Top 10 tenants

The Trust's three largest tenants are the Government of Québec (in the suburban office segment), the Government of Canada (in the suburban office segment), and Nors (in the industrial segment), representing respectively 5.9%, 5.3%, and 2.0% of rental revenue. The Trust's rental revenues are generated by multiple leases with these tenants whose lease maturities are spread over time.

45.3% of the Trust's total revenue is generated by leases signed with government agencies (federal, provincial, and municipal) and publicly traded entities.

The following table shows the contribution of the Trust's top 10 tenants as a percentage of revenue as at September 30, 2024. Their contribution accounts for 24.1% of rental revenue for the cumulative nine-month period and represents 22.9% of the total leasable area:

Client	% of revenue	% of leasable area	Leasable area (sq. ft.)
Government of Québec	5.9	4.9	299,578
Government of Canada	5.3	4.1	251,850
Wal-Mart Canada Inc.	2.0	1.9	118,585
Nors	1.9	4.3	264,550
Bristol-Myers Squibb Canada Co	1.8	1.0	61,034
The Lion Electric Company	1.7	2.9	176,819
Groupe BBA Inc.	1.6	1.1	69,270
Mouvement Desjardins	1.4	1.0	61,576
Intrado Life & Safety Canada, Inc.	1.3	0.9	53,767
ICU Medical Canada Inc.	1.2	0.8	48,676
	24.1	**22.9**	**1,405,705**

Operating Results

The following table summarizes the financial results for the periods ended September 30, 2024, and September 30, 2023, as well as the cumulative periods for the first nine months of 2024 and 2023. This table should be read in conjunction with the interim condensed consolidated financial statements and the accompanying notes:

Periods ended September 30 (in thousands of dollars)	Quarter		Cumulative (9 months)	
	2024	2023	**2024**	2023
	$	$	**$**	$
Rental revenue	**32,505**	31,285	**97,359**	95,904
Operating expenses	**13,752**	13,210	**41,390**	39,780
Net operating income (NOI)	**18,753**	18,075	**55,969**	56,124
Net financial expenses and financial income	**11,473**	7,582	**28,993**	22,309
Administration expenses	**2,093**	1,712	**6,902**	5,386
Transaction costs	**-**	46	**468**	46
Fair value adjustment on investment properties	**(283)**	(6,481)	**(289)**	(6,481)
Net income and comprehensive income	**5,470**	15,216	**19,895**	34,864

Rental revenue

For the quarter, rental revenue increased by $1.2 million or 3.9% compared to the same period last year. For the cumulative nine-month period, rental revenue increased by $1.5 million or 1.5%. Excluding the One-Time Adjustment of $1.4 million, the rental revenue for current cumulative nine-month period vs the same period in 2023 would have shown an increase of 3.0% or $2.9 million due to $0.9 million from acquisitions made in 2023 and $2.0 million related to operating improvements, higher lease renewal rates, and organic increases in lease rates for in-place leases.

Operating expenses

The following table summarizes the Trust's operating expenses for the periods ended September 30, 2024, and September 30, 2023, as well as the cumulative periods for the first nine months of 2024 and 2023:

Periods ended September 30 (in thousands of dollars)	Quarter		Cumulative (9 months)	
	2024	2023	2024	2023
	$	$	$	$
Operating expenses				
Maintenance, repairs and other operating costs	5,014	4,563	14,699	13,773
Energy	1,382	1,557	4,649	4,722
Property taxes and insurance	7,356	7,090	22,042	21,285
Total operating expenses	13,752	13,210	41,390	39,780
% of rental revenue	42.3%	42.2%	42.5%	41.5%

Operating expenses increased due to an increase in maintenance costs as well as an increase in municipal taxes due to an increase in property values. The operating expenses, as a percentage of revenues, increased by 0.1% for the quarter compared to the same period last year and increased by 1.0% for the cumulative nine-month period. Excluding the One-Time Adjustment of $1.4 million, the increase would be reduced to 0.4%.

Financial expenses and income

The following table summarizes financial expenses for the periods ended September 30, 2024, and September 30, 2023, as well as the cumulative periods for the first nine months of 2024 and 2023:

Periods ended September 30 (in thousands of dollars)	Quarter		Cumulative (9 months)	
	2024	2023	2024	2023
	$	$	$	$
Financial income	(604)	(561)	(1,745)	(1,222)
Interest on mortgage loans	7,380	6,867	21,545	20,277
Interest on convertible debentures	709	709	2,126	2,127
Interest on credit facilities	794	785	2,498	1,748
Other interest expense	147	106	365	308
Interest expense net of financial income	8,426	7,906	24,789	23,238
Distributions on Class B LP units	52	56	157	120
Net financial expenses before non-monetary items	8,478	7,962	24,946	23,358
Accretion of effective interest on mortgage loans and convertible debentures	391	271	1,060	785
Accretion of non-derivative liability component of convertible debentures	101	92	291	263
Net financial expenses before the following items:	8,970	8,325	26,297	24,406
Fair value adjustment on derivative financial instruments	2,168	(584)	2,222	(1,163)
Fair value adjustment on Class B LP units	335	(159)	474	(934)
Net financial expenses net of financial income	11,473	7,582	28,993	22,309

Financial income consists of interest income generated from interest rate swap agreements on mortgages and 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, 114th Avenue NW, in Edmonton, Alberta.

Interest expense, net of financial income increased by $0.5 million for the quarter. This is mainly due to the increase in the weighted average mortgage interest rate. For the cumulative nine-month period, interest expense, net of financial income increased by $1.6 million. This increase is explained by (1) an increase of $0.8 million for the interest expense payable on the revolving credit facilities explained by a greater utilization, (2) an increase of $1.3 million of the interest expense payable on mortgage loans due to the higher weighted average mortgage interest rates and (3) both of these increases are partially offset by an increase in financial income of $0.5 million due to the reclassification of the finance lease previously mentioned.

As at September 30, 2024, the weighted average mortgage interest rate was 4.33%, 22 basis points higher than the average rate recorded as at September 30, 2023 which was 4.11%. 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 10 basis points to 4.08% (3.98% as at September 30, 2023). Interest rates on first-ranking mortgage loans ranged from 2.30% to 7.70% as at September 30, 2024 (2.30% to 8.95% as at September 30, 2023), the cumulative balance of the Trust's mortgages subject to fixed interest rates is $529.6 million. The weighted average contractual rate for mortgages subject to variable rates was 7.51%, a decrease of 92 basis points compared to the same period in 2023 which was 8.43%. The total amount of the Trust's loans subject to a variable rate is $22.1 million. The weighted average contractual interest rate for mortgages subject to floating-for-fixed interest rate swap was 6.38% or 4.94% net of finance income, an increase of 23 basis points compared to the same period in 2023 which was 6.15% and 3.92% net of finance income. The cumulative balance of the Trust's loans subject to a floating-for-fixed interest rate swap is $104.0 million.

The weighted average term of mortgage loans in place as at September 30, 2024, was 3.0 years (3.4 years as at September 30, 2023).

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 September 30, 2024, and September 30, 2023, as well as the cumulative periods for the first nine months of 2024 and 2023:

Periods ended September 30 (in thousands of dollars)	Quarter		Cumulative (9 months)	
	2024	2023	2024	2023
	$	$	$	$
Corporate expenses	1,641	1,479	5,526	4,794
Expected credit losses	91	136	646	295
Unit-based compensation	361	97	730	297
Trust administration expenses	2,093	1,712	6,902	5,386

Corporate expenses increased by $0.2 million or 11% for the quarter compared to the same period last year. For the cumulative nine-month period increased by $0.7 million due to personnel recruitment costs ($0.3 million) and higher overall corporate expenses ($0.4 million).

Expected credit losses remained stable for the quarter compared to the same period last year. Due to the write-off related to the previously mentioned bankruptcy of Nuera Air, the credit losses increased by $0.4 million for the cumulative nine-month period compared to the same period last year.

Unit-based compensation increased by $0.4 million for the quarter. The increase for the quarter is due to the improvement of the unit price, from 3.13$ as of June 30, 2024, to 3.61$ as of September 30, 2024.

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, to a disposition of a property the Trust will revaluate the investment property to reflect 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. Pursuant to its policy, the Trust ensures that all properties are externally appraised on a three-year rotation basis. In addition, the Trust externally appraises the 10 most valuable properties and properties that are part of acquisitions, financing, or refinancing transactions, or at a lender's request. As at September 30, 2024, the Trust externally appraised 52% of its properties, for an aggregate amount of $627.2 million. For the cumulative nine-month period, a gain of $0.3 million in net changes in fair value has been recorded, reflecting stability in capitalization rates across all three (3) asset classes as well as the updated cash flows assumptions.

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 brokers or other experts. The capitalization rate reports provide a range of rates for various geographic regions where the Trust owns 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. To the extent that the externally provided capitalization rate ranges change from one reporting period to the next or should another rate within the provided ranges be more appropriate than the rate previously used, the fair value of the investment properties would increase or decrease accordingly.

The following tables summarize the changes in fair value of investment properties by segment for the periods ended September 30, 2024, and September 30, 2023, as well as the cumulative periods for the first nine months of 2024 and 2023:

Periods ended September 30 (in thousands of dollars)	Quarter		Cumulative (9 months)	
	2024	2023	2024	2023
	$	$	$	$
Industrial	2,926	39,930	2,926	39,930
Suburban office	(7,339)	(26,300)	(7,333)	(26,300)
Necessity-based retail	4,696	(7,149)	4,696	(7,149)
Total change in fair value	283	6,481	289	6,481

The following tables summarize the significant assumptions used in the modelling process for both internal and external appraisals for the periods ended September 30, 2024 and December 31, 2023:

As at September 30, 2024	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%	6.75% - 9.00%	6.50% - 8.75%
Weighted average capitalization rate	6.12%	7.00%	7.02%
As at December 31, 2023			
Capitalization rate	5.25% - 7.75%	6.25% - 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%	6.75% - 9.00%	6.50% - 8.75%
Weighted average capitalization rate	6.09%	7.00%	7.06%

The weighted average capitalization rate for the entire portfolio as at September 30, 2024, was stable at 6.68% (6.67% as at December 31, 2023).

As at September 30, 2024, the Trust has estimated that if an increase or a decrease of 0.25% in the weighted average capitalization rate were applied to the overall portfolio, this variation would affect the fair value of its investment properties respectively by a reduction of $44.3 million or an increase of $47.9 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 September 30, 2024, and September 30, 2023, as well as the cumulative periods for the first nine months of 2024 and 2023:

Periods ended September 30 (in thousands of dollars, except for per unit)	Quarter		Cumulative (9 months)	
	2024	2023	2024	2023
	$	$	$	$
Net income and comprehensive income	5,470	15,216	19,895	34,864
Transaction costs on acquisitions and dispositions of investment properties and early repayment fees	-	46	468	46
Fair value adjustment on investment properties	(283)	(6,481)	(289)	(6,481)
Fair value adjustment on derivative financial instruments	2,168	(584)	2,222	(1,163)
Fair value adjustment on Class B LP units	335	(159)	474	(934)
Adjusted net income[1]	7,690	8,038	22,770	26,332
Per unit	8.7¢	9.2¢	25.9¢	30.5¢

(1) This is a non-IFRS financial measure, refer to page 2 and 31.

Adjusted net income decreased by $0.3 million for the quarter compared to the same quarter last year due to an NOI increase of $0.7 million; offset by (1) an increase of net financial expenses before fair value adjustments of $0.7 million and (2) an increase in administrative expenses of $0.4 million.

Adjusted net income decreased by $3.6 million for the cumulative nine-month period compared to the same period last year.

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 September 30, 2024, and September 30, 2023, as well as the cumulative periods for the first nine months of 2024 and 2023:

Periods ended September 30 (in thousands of dollars, except for per unit)	Quarter		Cumulative (9 months)	
	2024	2023	2024	2023
	$	$	$	$
Net income being total comprehensive income for the period	5,470	15,216	19,895	34,864
Interest expense	9,030	8,467	26,534	24,460
Accretion of effective interest on mortgage loans and convertible debentures	391	271	1,060	785
Amortization of property and equipment	17	33	51	79
Lease incentive amortization	807	664	2,201	2,142
Fair value adjustment on investment properties	(283)	(6,481)	(289)	(6,481)
Fair value adjustment on derivative financial instruments	2,168	(584)	2,222	(1,163)
Fair value adjustment on Class B LP units	335	(159)	474	(934)
Unit-based compensation (Unit price remeasurement)	342	(87)	814	(378)
Transaction costs on acquisitions and dispositions of investment properties and early repayment fees	-	46	468	46
Straight-line lease adjustment	(247)	(842)	(824)	(1,766)
Adjusted EBITDA(1)	18,030	16,544	52,606	51,654

(1) This is a non-IFRS financial measure, refer to page 2 and 31.

For the quarter, the Adjusted EBITDA (1) increased by $1.5 million compared to the same period last year. For the cumulative nine-month period, the Adjusted EBITDA (1) increased by $1.0 million.

(1) This is a non-IFRS financial measure, refer to page 2 and 31.

Operating Results – Same-Property Portfolio

Same-property portfolio

The same-property portfolio includes all the properties owned by the Trust on January 1, 2023, and that are still owned by the Trust on September 30, 2024. Therefore, it excludes all the acquired (2) (3) and disposed (2) (3) properties during the years 2023 and 2024 and straight-line rent.

The following table summarizes the results of the same-property NOI (1) for the periods ended September 30, 2024, and September 30, 2023, as well as the cumulative periods for the first nine months of 2024 and 2023:

Periods ended September 30 (in thousands of dollars)	Quarter			Cumulative (9 months)		
	2024	2023	D %	2024	2023	D %
	$	$		$	$	
Net operating income (NOI) as reported in the financial statements	18,753	18,075	3.8%	55,969	56,124	-0.3%
Straight-line rent	247	842		824	1,766	
NOI less straight-line rent	18,506	17,233	7.4%	55,145	54,358	1.4%
NOI sourced from:						
Acquisitions	-	-		(3,096)	(2,637)	
Dispositions	(1)	(32)		(15)	(380)	
Corporation	89	22		474	174	
Non-cash adjustment related to a change in accounting estimate and other specific items	-	100		-	(1,430)	
Same Property NOI(1)	18,594	17,323	7.3%	52,508	50,085	4.8%
Same Property NOI(1) sourced from:						
Industrial	5,764	5,694	1.2%	14,522	13,924	4.3%
Suburban office	8,399	7,420	13.2%	24,665	23,550	4.7%
Necessity-based retail	4,431	4,209	5.3%	13,321	12,611	5.6%
Same Property NOI(1)	18,594	17,323	7.3%	52,508	50,085	4.8%

Compared to the same quarter last year, the same-property net operating income (SPNOI) (1) increased by 7.3% and for the cumulative nine-month period, same-property net operating income (SPNOI) (1) increased by 4.8%.

For the quarter, the SPNOI for the industrial segment increased by $0.1 million or 1.2% compared to the same quarter last year, due to leasing efforts resulting in higher average lease rates of 5.8% for the quarter and organic increases in lease rates for in-place leases impacting SPNOI by $0.6 million. This increase is offset by the previously mentioned bankruptcy of Nuera Air negatively impacting the NOI by $0.5 million. For the cumulative nine-month period, the industrial segment increased by $0.6 million or 4.3%.

For the quarter, the SPNOI for the suburban office segment saw an increase of $1.0 million or 13.2% compared to the same quarter last year, due to leasing efforts resulting in higher average lease rates and an increase of the in-place occupancy rate of 2.2%. For the cumulative nine-month period, the suburban office segment increased by $1.1 million or 4.7%.

(1) This is a non-IFRS financial measure, refer to page 2 and 31.
(2) Refer to the Trust's condensed consolidated interim financial statements dated November 1, 2024, 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, 2023, for the acquisitions and dispositions of the year 2023.

Finally, for the quarter, the SPNOI for the necessity-based retail segment increased by $0.2 million or 5.3% compared to the same quarter last year. For the cumulative nine-month period, the SPNOI of the necessity-based retail segment increased by $0.7 million or 5.6%.

Distributions

Distributions and per unit

The following table summarizes the distributions for the periods ended September 30, 2024, and September 30, 2023, as well as the cumulative periods for the first nine months of 2024 and 2023:

Periods ended September 30 (in thousands of dollars, except for per unit data)	Quarter		Cumulative (9 months)	
	2024	2023	2024	2023
	$	$	$	$
Distributions				
Cash distributions	5,693	5,607	16,976	16,766
Cash distributions – Class B LP units	52	56	157	120
Distributions reinvested under the distribution reinvestment plan	882	862	2,682	2,570
Total distributions to unitholders	6,627	6,524	19,815	19,456
Percentage of reinvested distributions[1][2]	13.3%	13.2%	13.5%	13.2%
Per unit[2]				
Distributions	7.5¢	7.5¢	22.5¢	22.5¢

(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 2023.

For the cumulative nine-month period, the monthly distributions totalled 22.5¢ per unit, unchanged from the same period last year.

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 September 30, 2024, and September 30, 2023, as well as the cumulative periods for the first nine months of 2024 and 2023:

Periods ended September 30 (in thousands of dollars, except for per unit)	Quarter		Cumulative (9 months)	
	2024	2023	2024	2023
	$	$	$	$
Net income and comprehensive income (IFRS)	5,470	15,216	19,895	34,864
Fair value adjustment on investment properties	(283)	(6,481)	(289)	(6,481)
Fair value adjustment on Class B LP units	335	(159)	474	(934)
Amortization of lease incentives	807	664	2,201	2,142
Fair value adjustment on derivative financial instruments	2,168	(584)	2,222	(1,163)
Leasing payroll expenses	535	359	1,559	1,042
Distributions - Class B LP units	52	56	157	120
Unit-based compensation (Unit price change)[5]	342	(87)	814	(378)
FFO[1]	9,426	8,984	27,033	29,212
Transaction costs on disposition of investment properties and mortgage early repayment fees	-	46	468	46
FFO Adjusted[1]	9,426	9,030	27,501	29,258
FFO per unit[1][2][3]	10.7¢	10.3¢	30.8¢	33.8¢
FFO Adjusted per unit[1][2][4]	10.7¢	10.4¢	31.3¢	33.8¢
FFO payout ratio[1]	70.3%	72.9%	73.1%	66.6%
FFO Adjusted payout ratio[1]	70.3%	72.5%	71.9%	66.5%

(1) This is a non-IFRS financial measure, refer to page 2 and 31.
(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).
(5) The impact of the unit price change on the deferred unit-based compensation plan has been considered in the calculation of the FFO Adjusted and AFFO Adjusted starting Q2 2021.

For the quarter, FFO Adjusted [1] was 10.7¢ per unit, compared to 10.4¢ per unit for the same quarter last year representing an increase of 0.3¢ per unit. The increase of adjusted FFO for the quarter is explained by an NOI increase of $0.7 million, offset by an increase in interest expense net of financial income of $0.5 million.

For the cumulative nine-month period, the FFO Adjusted [1] was 31.3¢ per unit compared to 33.8¢ per unit for the same period in 2023, representing a decrease of 2.5¢ per unit. Excluding the One-Time adjustment, the cumulative nine-month period adjusted FFO per unit vs the same period in 2023 would have recorded a decrease of 0.9¢ per unit. In addition, adjusted FFO per unit was negatively impacted by the increase in weighted average number of units outstanding of 1.4 million units, due to the unitholder's participation in the distributions reinvested under the distribution reinvestment plan.

The FFO adjusted payout ratio [1] for the quarter stood at 70.3%, compared to 72.5% for the same quarter in 2023. For the cumulative nine-month period, the FFO adjusted payout ratio [1] was 71.9% compared to 66.5% for the same period in 2023.

(1) This is a non-IFRS financial measure, refer to page 2 and 31.

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

The following table provides a reconciliation of FFO [(1)] and AFFO [(1)] for the periods ended September 30, 2024, and September 30, 2023, as well as the cumulative periods for the first nine months of 2024 and 2023:

Periods ended September 30 (in thousands of dollars, except for per unit data)	Quarter		Cumulative (9 months)	
	2024	2023	2024	2023
	$	$	$	$
FFO[(1)]	9,426	8,984	27,033	29,212
Straight-line rental revenue adjustment	(247)	(842)	(824)	(1,766)
Accretion of effective interest	391	271	1,060	785
Amortization of other property and equipment	17	33	51	79
Unit-based compensation expenses	19	184	(86)	677
Provision for non-recoverable capital expenditures[(1)]	(650)	(626)	(1,947)	(1,918)
Provision for unrecovered rental fees[(1)]	(375)	(375)	(1,125)	(1,125)
AFFO[(1)]	8,581	7,629	24,162	25,944
Transaction costs on disposition of investment properties and mortgage early repayment fees	-	46	468	46
AFFO Adjusted[(1)]	8,581	7,675	24,630	25,990
AFFO per unit[(1)(2)(3)]	9.7¢	8.8¢	27.5¢	30.0¢
AFFO Adjusted per unit[(1)(2)(4)]	9.7¢	8.8¢	28.0¢	30.1¢
AFFO payout ratio[(1)]	77.2%	85.8%	81.8%	75.0%
AFFO Adjusted payout ratio[(1)]	77.2%	85.3%	80.3%	74.8%

(1) This is a non-IFRS financial measure, refer to page 2 and 31.
(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, AFFO Adjusted [(1)] was 9.7¢ per unit, compared to 8.8¢ per unit for the same quarter last year, an increase of 0.9¢ per unit, in line with the increase of the FFO adjusted explained above.

For the cumulative nine-month period, the AFFO adjusted per unit was 28.0¢ per unit compared to 30.1¢ per unit for the same period in 2023, representing a decrease of 2.1¢ per unit compared to the same period in 2023. Excluding the One-Time adjustment, the cumulative nine-month period AFFO adjusted per unit would have decreased by 0.4¢ per unit. AFFO adjusted per unit was also negatively impacted by the increase in weighted average number of units outstanding of 1.4 million units, due to the unitholder's participation under the distribution reinvestment plan.

The AFFO Adjusted payout ratio [(1)] for the quarter stood at 77.2% compared to 85.3% for the same quarter last year. For the cumulative nine-month period, the AFFO Adjusted payout ratio [(1)] was 80.3% compared to 74.8% for the same period in 2023.

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.

(1) This is a non-IFRS financial measure, refer to page 2 and 31.
(2) This is a non-IFRS financial measure as defined in this page.

The Trust also deducts a provision for unrecoverable rental fees [(1)] 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.

The following table compares the amount of the provision for non-recoverable capital investments to the amount of investment made during the current comparative quarter and in the last few years:

Periods ended September 30 and 12-month periods ended December 31 (in thousands of dollars)	September 30, 2024 (9 months)	September 30, 2023 (9 months)	December 31, 2023 (12 months)	December 31, 2022 (12 months)
	$	$	$	$
Provision for non-recoverable capital expenditures[(1)]	1,947	1,918	2,557	2,390
Non-recoverable capital expenditures	2,440	2,782	3,858	1,735

(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.

(1) This is a non-IFRS financial measure as defined on the previous page.

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 2024, 2023 and 2022:

Periods ended September 30 and 12-month periods ended December 31 (in thousands of dollars)	2024 (9 months)	2023 (9 months)	2023 (12 months)	2022 (12 months)
	$	$	$	$
Net cash flows from operating activities	47,520	49,294	70,852	66,240
Interest paid	(24,499)	(23,252)	(31,324)	(27,925)
Net cash flows from operating activities less interest paid	23,021	26,042	39,528	38,315
Net distributions to unitholders	16,946	16,697	22,292	21,573
Surplus of net cash flows from operating activities less interest paid compared to net distributions to unitholders	6,075	9,345	17,236	16,742

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 September 30, 2024, and September 30, 2023, as well as the cumulative periods for the first nine months of 2024 and 2023:

Periods ended September 30 (in thousands of dollars)	Quarter		Cumulative (9 months)	
	2024	2023	2024	2023
	$	$	$	$
Net cash flows from operating activities	16,417	16,317	47,520	49,294
Leasing payroll expenses	535	359	1,559	1,042
Transaction costs on purchase and disposition of investment properties and early repayment fees	-	(46)	(468)	(46)
Adjustments for changes in other working capital items	1,181	(2)	3,705	2,198
Financial income	604	561	1,745	1,222
Interest expenses	(9,030)	(8,467)	(26,534)	(24,460)
Provision for non-recoverable capital expenditures[2]	(650)	(626)	(1,947)	(1,918)
Provision for non-recovered rental fees[2]	(375)	(375)	(1,125)	(1,125)
Accretion of non-derivative liability component of convertible debentures	(101)	(92)	(293)	(263)
AFFO[1]	8,581	7,629	24,162	25,944
Provision for non-recoverable capital expenditures[2]	650	626	1,947	1,918
Provision for non-recovered rental fees[2]	375	375	1,125	1,125
Straight-line rental revenue adjustment	247	842	824	1,766
Unit-based compensation expenses	(19)	(184)	86	(677)
Accretion of effective interest	(391)	(271)	(1,060)	(785)
Amortization of property and equipment	(17)	(33)	(51)	(79)
FFO[1]	9,426	8,984	27,033	29,212

(1) This is a non-IFRS financial measure, refer to page 2 and 31.
(2) This is a non-IFRS financial measure, refer to AFFO section for detailed explanations.

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 September 30, 2024, and September 30, 2023, as well as the cumulative periods for the first nine months of 2024 and 2023:

Periods ended September 30 (in thousands of dollars)	Quarter		Cumulative (9 months)	
	2024	2023	2024	2023
	$	$	$	$
Balance, beginning of period	1,208,538	1,209,036	1,207,522	1,164,881
Additions:				
Initial recognition of right-of-use assets	-	-	-	3,133
Acquisitions	-	6	-	36,306
Dispositions	-	-	(6,206)	-
Construction on investment property	6,769	-	6,769	-
Capital expenditures	183	1,033	2,986	3,710
Leasing fees and capitalized lease incentives	504	756	5,734	3,354
Fair value adjustment on investment properties	283	6,481	289	6,481
Other non-monetary changes[1]	(560)	(10,222)	(1,377)	(10,775)
Balance, end of period	1,215,717	1,207,090	1,215,717	1,207,090

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

The total fair value of investment properties stood at $1,216 million as at September 30, 2024, compared to $1,208 million as at December 31, 2023. The significant elements impacting the cumulative nine-month period were the previously mentioned construction expansion project of $6.8 million and the two dispositions during the first quarter of the year.

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 September 30, 2024, and September 30, 2023, as well as the cumulative periods for the first nine months of 2024 and 2023:

Periods ended September 30 (in thousands of dollars)	Quarter		Cumulative (9 months)	
	2024	2023	2024	2023
	$	$	$	$
Recoverable capital expenditures	154	266	546	928
Non-recoverable capital expenditures	29	767	2,440	2,782
Total capital expenditures	183	1,033	2,986	3,710
Leasing fees and leasehold improvements	504	756	5,734	3,354
Construction on investment property	6,769	-	6,769	-
Total	7,456	1,789	15,489	7,064

For the cumulative nine-month period, there is an increase of $8.4 million in the capital expenditures, incentives, and leasing fees, mainly explained by an increase of $6.8 million due to the construction of the extension of a retail property.

Receivables

The following table summarizes receivables for the periods ended September 30, 2024, December 31, 2023 and September 30, 2023:

(in thousands of dollars)	September 30, 2024	December 31, 2023	September 30, 2023
	$	$	$
Rent receivable	3,207	2,201	3,252
Allowance for expected credit losses	(698)	(731)	(822)
Net rent receivable	2,509	1,470	2,429
Unbilled recoveries	2,240	1,572	1,344
Other receivables	284	230	252
Receivables	5,033	3,272	4,026

Receivables increased from $3.3 million as at December 31, 2023, to $5.0 million as at September 30, 2024.

Prepaid expenses, Deposits and Property and equipment

The following table summarizes the prepaid expenses, deposits and property and equipment for the periods ended September 30, 2024, December 31, 2023 and September 30, 2023:

(in thousands of dollars)	September 30, 2024	December 31, 2023	September 30, 2023
	$	$	$
Property and equipment	1,489	1,484	1,458
Accumulated depreciation	(1,265)	(1,213)	(1,193)
Net property and equipment	224	271	265
Prepaid expenses	6,260	1,185	5,839
Deposits	1,850	1,337	712
Other assets	8,334	2,793	6,816

Prepaid expenses, deposits and property and equipment increased from $2.8 million as at December 31, 2023, to $8.3 million as at September 30, 2024, which is mainly explained by an increase in prepaid expenses for property taxes.

Capital Resources

Long-term debt

The following table summarizes the balance of BTB's indebtedness on September 30, 2024, including mortgage loans and convertible debentures, based on the year of maturity and corresponding weighted average contractual interest rates:

As at September 30, 2024 (in thousands of dollars)	Balance of convertible debentures[1]	Balance of mortgages payable[1]	Weighted average contractual interest rate
	$	$	%
Year of maturity			
2024	24,000	8,643	6.05
2025	19,476	113,041	4.87
2026	-	169,046	4.24
2027	-	128,615	4.41
2028	-	94,326	4.68
2029 and thereafter	-	142,015	3.89
Total	43,476	655,686	4.46

(1) Gross amounts.

The Trust has two mortgages for a total of $8.6 million that are both maturing during the next three months. The Trust has received, as of the date of this report, a commitment letter from one financial institution for the refinancing of one of the two properties and is in the process of negotiating the remaining mortgage maturing this year.

Weighted average contractual interest rate

As at September 30, 2024, the weighted average contractual interest rate of the Trust's long-term debt stood at 4.46% (4.33% for mortgage loans and 6.45% for convertible debentures), representing an increase of 20 basis points compared to the same period last year. As at September 30, 2023, the weighted average contractual interest rate of the Trust's long-term debt stood at 4.26% (4.11% for mortgage loans and 6.45% for convertible debentures).

Mortgage loans

As at September 30, 2024, the Trust's total balance of mortgage loans (excluding unamortized fair value adjustments and unamortized financing expenses) amounted to $655.7 million compared to $640.4 million as at December 31, 2023. The net increase of $15.3 million includes $64.8 million repaid at maturity or upon disposition and $14.3 million of monthly principal repayments, netted by $94.4 million of refinancing mortgage loans contracted.

The following table summarizes the changes in mortgage loans payable for the period ended September 30, 2024, and the cumulative nine-month period ended September 30, 2024:

Periods ended September 30, 2024 (in thousands of dollars)	Quarter	Cumulative (9 months)
	$	$
Balance at beginning[1]	636,492	640,426
Mortgage loans contracted or assumed[2]	36,400	94,362
Balance repaid at maturity or upon disposition[3]	(12,383)	(64,753)
Monthly principal repayments[4]	(4,823)	(14,349)
Balance as at September 30, 2024[1]	655,686	655,686

(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 Condensed Consolidated Interim 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 Condensed Consolidated Interim 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 Condensed Consolidated Interim Statements of Cash Flows within *Repayment of mortgage loans*.

As at September 30, 2024, the weighted average mortgage interest rate was 4.33% compared to 4.11% for the same period last year, an increase of 22 basis points due to the increase in the weighted average mortgages subject to floating-for-fixed interest rate swap, which rate increased by 23 basis points to 6.38% (6.15% as at September 30, 2023) and the weighted average for fixed interest rate increased by 10 basis point to 4.08% (3.98% as at September 30, 2023). Finally, the average weighted contractual rate of variable interest on mortgages decreased by 92 basis points to 7.51% (8.43% as at September 30, 2023) explained by the three interest rate reductions for a total of 75 basis points of the Bank of Canada since the beginning of the year.

As at September 30, 2024, the majority of the Trust's mortgages payable bear interest at fixed rates (the cumulative principal amount of $529.6 million) or are subject to floating-to-fixed interest rate swaps (cumulative principal amount of $104.0 million). However, the Trust has two loans with variable interest rates (cumulative principal balance of $22.1 million).

The weighted average term of existing mortgage loans was 3.0 years as at September 30, 2024, compared to 3.4 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 September 30, 2024 (in thousands of dollars)	Principal repayment	Balance at maturity	Total	% of total
	$	$	$	
Maturity				
2024 (3 months)	4,981	8,626	13,607	2.1
2025	17,095	109,729	126,824	19.3
2026	13,902	159,734	173,636	26.5
2027	9,534	117,284	126,818	19.3
2028	5,512	85,377	90,889	13.9
2029 and thereafter	10,979	112,933	123,912	18.9
Total	62,003	593,683	655,686	100.0
Unamortized fair value assumption adjustments			16	
Unamortized financing expenses			(2,555)	
Balance as at September 30, 2024			653,147	

As at September 30, 2024, 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 September 30, 2024:

(in thousands of dollars)	Series G[1][3]	Series H[2][3]	Total
Par value	24,000	19,917[4]	43,917
Contractual interest rate	6%	7%	
Effective interest rate	7%	8%	
Date of issuance	October 2019	September 2020	
Per-unit conversion price	5.42	3.64	
Date of interest payment	April 30 and October 31	April 30 and October 31	
Maturity date	October 2024	October 2025	
Balance as at June 30, 2024	23,966	19,189	43,155

(1) Redeemable by the Trust, under certain conditions, as of October 31, 2022, but before October 31, 2023, at a redemption price equal to their initial principal amount plus accrued, unpaid interest, provided that the unit market price is at least 125% of the Series G conversion price and, as of October 31, 2023, but before October 31, 2024, at a redemption price equal to their principal amount plus accrued and unpaid interest.
(2) Redeemable by the Trust, under certain conditions, as of October 31, 2023, but before October 31, 2024, at a redemption price equal to their initial principal amount plus accrued, unpaid interest, provided that the unit market price is at least 125% of the Series H conversion price and, as of October 31, 2024, but before October 31, 2025, at a redemption price equal to their principal amount plus accrued and unpaid interest.
(3) The Trust may, at its option and under certain conditions, elect to satisfy its obligation to pay the principal amount of the Series G and H debentures by issuing tradable units freely to Series G and H debenture holders.
(4) Conversion of $10,083 of the Series H debenture since issuance. Conversion of $0 during the quarter.

As previously mentioned in the subsequent events, on October 31, 2024, the Trust fully redeemed and paid at maturity the Series G unsecured convertible debentures at their nominal value of $24 million plus accrued interest of $0.7 million.

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, in accordance with its trust agreement, 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 grace period from the date of its knowledge to remedy the situation.

The following table summarizes the Trust's debt ratios as at September 30, 2024, and 2023 and December 31 2023:

(in thousands of dollars)	September 30, 2024	December 31, 2023	September 30, 2023
	$	$	$
Cash and cash equivalents	(3,252)	(912)	(2,357)
Mortgage loans outstanding(1)	655,686	640,425	644,147
Convertible debentures(1)	43,476	43,185	43,093
Credit facilities	28,171	36,359	36,363
Total long-term debt less cash and cash equivalents(2)(3)	724,081	719,057	721,246
Total gross value of the assets of the Trust less cash and cash equivalents(2)(4)	1,241,931	1,227,949	1,234,391
Mortgage debt ratio (excluding convertible debentures and credit facilities)(2)(5)	52.5%	52.2%	52.2%
Debt ratio – convertible debentures(2)(6)	3.5%	3.5%	3.5%
Debt ratio – credit facilities(2)(7)	2.3%	3.0%	2.9%
Total debt ratio(2)	58.3%	58.6%	58.4%

(1) Before unamortized financing expenses and fair value assumption adjustments.
(2) This is a non-IFRS financial measure, refer to page 2 and 31.
(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 G debenture capital amount; (iv) Series H debenture capital adjusted with non-derivative component less conversion options exercised by holders; and (v) 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.

As of September 30, 2024, the mortgage debt ratio (1) excluding the convertible debentures and credit facilities totalled 52.5%, an increase of 30 basis points since December 31, 2023. As of September 30, 2024, the total debt ratio (2), including the convertible debentures and credit facilities, net of cash and cash equivalents, decreased to 58.3%, a decrease of 30 basis points since December 31, 2023, driven by a decrease of $8.2 million of credit facilities, an increase of $13.2 million of the gross value of the assets and offset by an increase of $15.3 million of mortgage loans.

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.

(1) This is a non-IFRS financial measure as defined in this page.
(2) This is a non-IFRS financial measure, refer to page 2 and 31.

Interest coverage ratio

The following table summarizes the interest coverage ratio for the periods ended September 30, 2024, and September 30, 2023, as well as the cumulative periods for the first nine months of 2024 and 2023:

Periods ended September 30 (in thousands of dollars, except for the ratios)	Quarter		Cumulative (9 months)	
	2024	2023	2024	2023
	$	$	$	$
Adjusted EBITDA(1)	18,030	16,544	52,606	51,654
Interest expenses net of financial income(2)	8,426	7,906	24,789	23,238
Interest coverage ratio(3)	2.14	2.09	2.12	2.22

(1) This is a non-IFRS financial measure, refer to page 2 and 31.
(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).

For first nine-month of the year, the interest coverage ratio stood at 2.12, a decrease of 0.1 from the same period last year.

Debt service coverage ratio

The following table summarizes the debt service coverage ratio for the periods ended September 30, 2024, and September 30, 2023, as well as the cumulative periods for the first nine months of 2024 and 2023:

Periods ended September 30 (in thousands of dollars, except for the ratios)	Quarter		Cumulative (9 months)	
	2024	2023	2024	2023
	$	$	$	$
Adjusted EBITDA(1)	18,030	16,544	52,606	51,654
Interest expenses net of financial income(2)	8,426	7,906	24,789	23,238
Principal repayments	4,823	4,851	14,349	14,519
Debt service requirements	13,249	12,757	39,138	37,757
Debt service coverage ratio(3)	1.36	1.30	1.34	1.37

(1) This is a non-IFRS financial measure, refer to page 2 and 31.
(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.
(4) This is a non-IFRS financial measure. Debt service coverage ratio is calculated by dividing the Adjusted EBITDA(1) by Debt service requirements.

For the first nine months of the year, the debt service coverage ratio stood at 1.34, a decrease of 0.03% from the same period last year.

Class B LP units

The following table summarizes the Class B LP units for the period ended September 30, 2024, as well as the cumulative periods for the first nine months of 2024:

Period ended September 30, 2024 (in number of units)	Quarter		Cumulative (9 months)	
	Units	$	Units	$
Class B LP units outstanding, beginning of period	697,265	2,182	697,265	2,043
Fair value adjustment	-	335	-	474
Class B LP units outstanding, end of period	697,265	2,517	697,265	2,517

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 Québec 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 September 30, 2024, and September 30, 2023, as well as the cumulative periods for the first nine months of 2024 and 2023:

Periods ended September 30 (in number of units)	Quarter		Cumulative (9 months)	
	2024	2023	2024	2023
Units outstanding, beginning of the period	87,480,086	86,043,128	86,705,901	85,238,279
Distribution reinvestment plan	283,959	278,233	875,469	779,126
Issued - employee unit purchase plan	-	-	27,685	8,955
Issued - restricted unit compensation plan	3,454	-	158,444	45,276
Issued – deferred unit compensation plan	-	-	-	-
Class B LP units exchanged into Trust units	-	50,000	-	200,000
Issued – conversion of convertible debentures	-	-	-	99,725
Units outstanding, end of the period	87,767,499	86,371,361	87,767,499	86,371,361
Weighted average number of units outstanding	87,623,793	85,939,379	87,179,235	85,776,984
Weighted average number of Class B LP units and units outstanding	88,321,058	86,503,311	87,876,500	86,182,582

On February 29, 2024, the Toronto Stock Exchange (TSX) approved the renewal of the normal course issuer bid (“NCIB”), permitting BTB to repurchase for cancellation up to 5,969,926 units from February 29, 2024, to February 28, 2025, representing approximately 7% of the Trust’s issued and outstanding units at the time of the renewal. As of September 30, 2024, no units have been repurchased for cancellation.

Deferred unit compensation plan

The Trust has implemented a deferred unit compensation plan for its trustees. Under this plan, trustees 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 September 30, 2024, and September 30, 2023, as well as the cumulative periods for the first nine months of 2024 and 2023:

Periods ended September 30 (in number of units)	Quarter		Cumulative (9 months)	
	2024	2023	2024	2023
Deferred units outstanding, beginning of the period	174,008	131,583	151,412	121,727
Trustees’ compensation	13,628	3,247	28,649	8,187
Distributions paid in units	3,998	3,504	11,573	8,420
Deferred units outstanding, end of the period	191,634	138,334	191,634	138,334

Restricted unit compensation plan

Under this plan, beneficiaries are awarded restricted units that become fully vested over a 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 September 30, 2024, and September 30, 2023, as well as the cumulative periods for the first nine months of 2024 and 2023:

Periods ended September 30 (in number of units)	Quarter		Cumulative (9 months)	
	2024	2023	2024	2023
Restricted units outstanding, beginning of the period	301,249	310,377	220,306	138,583
Granted	3,454	-	268,634	217,072
Cancelled	-	-	(28,212)	-
Settled	(3,454)	-	(159,479)	(45,278)
Restricted units outstanding, end of the period	301,249	310,377	301,249	310,377

Employee unit purchase plan

The Trust offers to its employees a unit purchase plan. Subject to the plan’s conditions, the employees, if they purchase units of the trust for a given year, for each two units purchased by said employee, the Trust shall issue one unit from treasury to the employee, and depending on their position occupied within the Trust, up to an amount equivalent to a maximum of 7% to 10% of their base salary.

Off-balance sheet arrangements and contractual commitments

The Trust does not have any 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 September 30, 2024, 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 2024 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 September 30	2024	2023
	%	%
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, 2023, and 2022.

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.

Inflation and Interest Rates

The increase of the Bank of Canada policy interest rate did create a heightened level of uncertainty in the economy over the previous quarters. Since the beginning of the year, there were four reductions in the policy interest rate for a total of 125 basis points, marking the beginning of an easing period. The previous rise in the policy rate has not had a significant impact on the Trust’s operations or its ability to negotiate new or renew mortgages.

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 2024 Annual Information Form for the year ended December 31, 2023, which is hereby incorporated by reference.

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 Executive Vice-President and Chief Operating & Financial Officer concluded that the DC&P were effective as at December 31, 2023. Since December 31, 2023, Mathieu Bolté left his position as the Executive Vice-President and Chief Operating & Financial Officer 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 September 30, 2024, 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 third quarter of 2024, 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.
- Series G and H convertible debentures contracted.
- Credit facilities used as needed.
- Financing costs on mortgages, convertible debentures and other loans are 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, 2023 and still owned as at September 30, 2024, but does not include the financial impacts from dispositions, acquisitions and developments completed in 2023 and 2024, as well as the results of subsequently sold properties.

Net property income from the same-property portfolio

Net property 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, and interest on mortgage financing 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:

	2024 Q-3	2024 Q-2	2024 Q-1	2023 Q-4	2023 Q-3	2023 Q-2	2023 Q-1	2022 Q-4
(in thousands of dollars, except for per unit)	$	$	$	$	$	$	$	$
Net income and comprehensive income (IFRS)	5,470	7,272	7,153	1,734	15,216	10,846	8,802	1,769
Fair value adjustment on investment properties	(283)	-	(6)	4,480	(6,481)	-	-	7,781
Fair value adjustment on Class B LP units	335	(21)	160	(42)	(159)	(775)	-	160
Amortization of lease incentives	807	704	690	641	664	750	728	787
Fair value adjustment on derivative financial instruments	2,168	379	(325)	2,396	(584)	(763)	184	(1,971)
Leasing payroll expenses(6)	535	433	591	401	359	327	356	682
Distributions – Class B LP units	52	53	52	52	56	42	22	26
Unit-based compensation (Unit price remeasurement)(5)	342	63	409	(11)	(87)	(232)	(59)	198
FFO(1)	9,426	8,883	8,724	9,651	8,984	10,195	10,033	9,432
Transaction costs on disposition of investment properties and mortgage early repayment fees	-	266	201	37	46	-	-	627
FFO Adjusted(1)	9,426	9,149	8,925	9,688	9,030	10,195	10,033	10,059
FFO per unit(1)(2)(3)	10.7¢	10.1¢	10.0¢	11.1¢	10.3¢	11.8¢	11.7¢	11.0¢
FFO Adjusted per unit(1)(2)(4)	10.7¢	10.4¢	10.2¢	11.1¢	10.4¢	11.8¢	11.7¢	11.8¢
FFO payout ratio(1)	70.3%	74.3%	75.2%	67.5%	72.9%	63.8%	64.1%	67.9%
FFO Adjusted payout ratio(1)	70.3%	72.2%	73.5%	67.2%	72.5%	63.8%	64.1%	63.6%

(1) This is a non-IFRS financial measure, refer to page 2 and 31.
(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).
(5) The impact of the unit price change on the deferred unit-based compensation plan has been considered in the calculation of the FFO Adjusted and AFFO Adjusted starting Q2 2021.
(6) The impact of the CIO compensation, hired in Q2 2022, was added to the Leasing payroll expenses during Q4 2022 as his duties were mainly leasing activities throughout the year.

(1) This is a non-IFRS financial measure, refer to page 2 and 31.

Adjusted Funds from Operations (AFFO)(1)

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

	2024 Q-3	2024 Q-2	2024 Q-1	2023 Q-4	2023 Q-3	2023 Q-2	2023 Q-1	2022 Q-4
(in thousands of dollars, except for per unit)	$	$	$	$	$	$	$	$
FFO(1)	9,426	8,883	8,724	9,651	8,984	10,195	10,033	9,432
Straight-line rental revenue adjustment	(247)	(183)	(394)	(197)	(842)	(291)	(633)	(1,077)
Accretion of effective interest	391	361	308	310	271	278	236	336
Amortization of other property and equipment	17	17	17	20	33	23	23	31
Unit-based compensation expenses	19	(95)	(9)	159	184	237	256	206
Provision for non-recoverable capital expenditures(1)	(650)	(644)	(653)	(639)	(626)	(634)	(658)	(630)
Provision for unrecovered rental fees(1)	(375)	(375)	(375)	(375)	(375)	(375)	(375)	(375)
AFFO(1)	8,581	7,964	7,618	8,929	7,629	9,433	8,882	7,923
Transaction costs on disposition of investment properties and mortgage early repayment fees	-	266	201	37	46	-	-	627
AFFO Adjusted(1)	8,581	8,230	7,819	8,966	7,675	9,433	8,882	8,550
AFFO per unit(1)(2)(3)	9.7¢	9.1¢	8.7¢	10.2¢	8.8¢	10.9¢	10.3¢	9.3¢
AFFO Adjusted per unit(1)(2)(4)	9.7¢	9.4¢	8.9¢	10.3¢	8.8¢	10.9¢	10.3¢	10.0¢
AFFO payout ratio(1)	77.2%	82.9%	86.2%	72.9%	85.8%	69.0%	72.4%	80.8%
AFFO Adjusted payout ratio(1)	77.2%	80.2%	83.9%	72.6%	85.3%	69.0%	72.4%	74.9%

(1) This is a non-IFRS financial measure, refer to page 2 and 31.
(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 31.

Condensed Consolidated Interim Financial Statements

Three-month and nine-month periods ended September 30, 2024

Condensed Consolidated Interim Statements of Financial Position

(Unaudited - in thousands of CAD dollars)

		As at September 30,	As at December 31,
	Notes	**2024**	**2023**
		$	$
Assets			
Investment properties	3	1,215,717	1,207,522
Property and equipment		224	271
Derivative financial instruments	9	1,156	2,693
Prepaid expenses and deposits		8,110	2,522
Finance lease receivable		10,426	10,456
Receivables	4	5,033	3,272
Cash and cash equivalents		3,252	912
Total assets		**1,243,918**	**1,227,648**
Liabilities and unitholders' equity			
Mortgage loans payable	5	653,147	638,080
Convertible debentures	6	43,155	42,460
Bank loans	7	28,171	36,359
Lease liabilities		7,502	7,332
Class B LP Units	8	2,517	2,043
Unit-based compensation	10	1,874	1,715
Derivative financial instruments	9	975	288
Trade and other payables		23,236	19,549
Distribution payable to unitholders		2,194	2,168
Total liabilities		**762,771**	**749,994**
Unitholders' equity		**481,147**	**477,654**
		1,243,918	**1,227,648**

See accompanying notes to condensed consolidated interim financial statements.

Approved by the Board on November 1, 2024.

Michel Léonard, Trustee

Jocelyn Proteau, Trustee

Condensed Consolidated Interim Statements of Comprehensive Income

(Unaudited - in thousands of CAD dollars)

		For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	Notes	**2024**	**2023**	**2024**	**2023**
		$	$	$	$
Operating revenues					
Rental revenue	12	32,505	31,285	97,359	95,904
Operating expenses					
Public utilities and other operating expenses		6,396	6,120	19,348	18,495
Property taxes and insurance		7,356	7,090	22,042	21,285
		13,752	13,210	41,390	39,780
Net operating income		**18,753**	**18,075**	**55,969**	**56,124**
Financial income		604	561	1,745	1,222
Expenses					
Financial expenses		9,522	8,830	27,885	25,508
Distributions - Class B LP Units	8	52	56	157	120
Fair value adjustment – Class B LP Units	8	335	(159)	474	(934)
Net adjustment to fair value of derivative financial instruments		2,168	(584)	2,222	(1,163)
Net financial expenses	13	12,077	8,143	30,738	23,531
Administration expenses		2,093	1,712	6,902	5,386
Net change in fair value of investment properties and disposition expenses	3	(283)	(6,435)	179	(6,435)
Net income and comprehensive income for the period		**5,470**	**15,216**	**19,895**	**34,864**

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, 2024		**400,774**	**(228,065)**	**304,945**	**477,654**
Issuance of units, net of issuance expenses	11	3,256	-	-	3,256
Distribution to unitholders	11	-	(19,658)	-	(19,658)
		404,030	(247,723)	304,945	461,252
Comprehensive income		-	-	19,895	19,895
Balance as at September 30, 2024		**404,030**	**(247,723)**	**324,840**	**481,147**
Balance as at January 1, 2023		**395,960**	**(202,235)**	**268,347**	**462,072**
Issuance of units, net of issuance expenses	11	3,869	-	-	3,869
Distribution to unitholders	11	-	(19,336)	-	(19,336)
		399,829	(221,571)	268,347	446,605
Comprehensive income		-	-	34,864	34,864
Balance as at September 30, 2023		**399,829**	**(221,571)**	**303,211**	**481,469**

See accompanying notes to condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited - in thousands of CAD dollars)

		For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	Notes	2024	2023	2024	2023
		$	$	$	$
Operating activities					
Net income for the period		5,470	15,216	19,895	34,864
Adjusted for:					
Net change in fair value of investment properties and disposition expenses	3	(283)	(6,435)	179	(6,435)
Depreciation of property and equipment		17	33	51	79
Unit-based compensation	10	361	97	730	299
Straight-line lease adjustment	12	(247)	(842)	(824)	(1,766)
Lease incentive amortization	12	807	664	2,201	2,142
Financial income		(604)	(561)	(1,745)	(1,222)
Net financial expenses	13	12,077	8,143	30,738	23,531
		17,598	16,315	51,225	51,492
Adjustment for changes in other working capital items		(1,181)	2	(3,705)	(2,198)
Net cash from operating activities		**16,417**	**16,317**	**47,520**	**49,294**
Investing activities					
Acquisitions of investment properties net of mortgage loans assumed	3	-	-	-	(33,825)
Additions to investment properties	3	(697)	(1,818)	(8,734)	(7,092)
Construction on investment property		(6,769)	-	(6,769)	-
Net proceeds from dispositions of investment properties and transaction cost	3	-	(46)	2,772	(46)
Net cash (used in) from investing activities		**(7,466)**	**(1,864)**	**(12,731)**	**(40,963)**
Financing activities					
Mortgage loans, net of financing expenses		36,024	571	93,630	35,444
Repayment of mortgage loans		(17,206)	(4,851)	(76,136)	(30,143)
Bank loans		(11,478)	2,035	(8,305)	26,392
Lease liability payments		(32)	(1)	(36)	(3)
Net distribution to unitholders		(5,671)	(5,606)	(16,946)	(16,697)
Net distribution – Class B LP units	8	(52)	(56)	(157)	(120)
Interest paid		(8,141)	(7,932)	(24,499)	(23,252)
Net cash (used in) from financing activities		**(6,556)**	**(15,840)**	**(32,449)**	**(8,398)**
Net change in cash and cash equivalents		**2,395**	**(1,387)**	**2,340**	**(47)**
Cash and cash equivalents, beginning of period		**857**	**3,744**	**912**	**2,404**
Cash and cash equivalents, end of period		**3,252**	**2,357**	**3,252**	**2,357**

See accompanying notes to condensed consolidated interim financial statements.

Notes to Condensed Consolidated Interim Financial Statements

For the nine-months ended September 30, 2024 and 2023
(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 and nine-month periods ended September 30, 2024, and 2023 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, 2023.

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, 2023.

These condensed consolidated interim financial statements were approved by the Board of Trustees on November 1, 2024.

(b) Risks and uncertainties related to the increase of the Bank of Canada policy interest rate

The increase of the Bank of Canada policy interest rate did create a heightened level of uncertainty in the economy over the previous quarters. However, there were three reductions in the policy interest rate, for a total of 75 basis points, since June 5, 2024. The rise in the policy rate, followed by the current rate cuts, has not had a significant impact on the Trust's operations or its ability to negotiate new or renew mortgages. Given the situation, there could still be repercussions on mortgage refinancing activities, the fair value of investment properties, certain investment decisions, and the level of transactions in the market. The Trust will continue to monitor the effects of the decrease in the policy rate on its investment activities and the valuation of its investment properties.

(c) Functional and presentation currency

These 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 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

	Nine-month period ended September 30,	Year ended December 31,
	2024	**2023**
	$	$
Balance beginning of period	1,207,522	1,164,881
Initial recognition of right-of-use assets	-	3,133
Acquisitions of investment properties (note 3(a))	-	36,306
Dispositions of investment properties (note 3(b))	(6,206)	-
Construction on investment property	6,769	-
Capital expenditures	2,986	7,510
Capitalized leasing fees	1,064	2,247
Capitalized lease incentives	4,670	2,663
Lease incentives amortization	(2,201)	(2,783)
Straight-line lease adjustment	824	1,963
Net transfer to finance lease	-	(10,399)
Net changes in fair value of investment properties	289	2,001
Balance end of period	**1,215,717**	**1,207,522**

The fair value of a subset of the Trust's investment properties comprised of a selection of the most significant investment properties and approximately 1/3 of the remaining investment properties is determined annually on the basis of valuations made by independent external appraisers having appropriate professional qualifications, using recognized valuation techniques, comprising the Discounted Cash Flow, the Direct Capitalization and Comparable methods. The selection of investment properties subject to independent external valuation is determined by management based on its assessment of circumstances that in its view, may impact the value of a particular individual investment property. 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.

At September 30, 2024, independent external appraisals were obtained for investment properties with an aggregate fair value of $627,152, equivalent to 52% of the fair value of the investment properties. Year-to-date, a gain of $0,289 of net changes in fair value has been recorded, reflecting stability in capitalization rates across all three (3) asset classes as well as the updated cash flows assumptions. For the remainder of the year, the Trust will continue to assess the changing market and property conditions.

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 September 30, 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%	6.75% - 9.00%	6.50% - 8.75%
Weighted average capitalization rate	6.12%	7.00%	7.02%
As at December 31, 2023			
Capitalization rate	5.25% - 7.75%	6.25% - 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%	6.75% - 9.00%	6.50% - 8.75%
Weighted average capitalization rate	6.09%	7.01%	7.06%

The following table provides a sensitivity analysis of the fair value of investment properties for changes in the weighted average capitalization rate as at September 30, 2024, which is representative of the sensitivity to changes in the discount rate and terminal capitalization rate as at September 30, 2024.

Capitalization rate sensitivity Increase (decrease)	Fair Value	Change in fair value
	$	$
(0.50) %	1,315,468	99,751
(0.25) %	1,263,600	47,883
Base rate	1,215,717	-
0.25 %	1,171,371	(44,346)
0.50 %	1,130,180	(85,537)

(a) Acquisitions

There were no acquisitions during the nine-month period ended September 30, 2024.

(b) Dispositions

The fair value of the assets and liabilities derecognized in the consolidated statement of financial position on the date of the disposition during the nine-month period ended September 30, 2024, were as follows:

Disposal date	Property type	Location	Gross proceeds	Mortgage reimbursement	Disposition expenses	Net proceeds
			$	$	$	$
March 2024	Suburban office	Montréal, QC	3,089	(1,563)	(234)	1,292
March 2024	Suburban office	Montréal, QC	3,117	(1,403)	(234)	1,480
Total			**6,206**	**(2,966)**	**(468)**	**2,772**

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

	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2024	**2023**	**2024**	**2023**
	$	$	$	$
Net changes in fair value of investment properties	283	6,481	289	6,481
Disposition expenses	-	(46)	(468)	(46)
	283	**6,435**	**(179)**	**6,435**

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.

The following table summarizes the changes in fair value of investment properties by segment for the periods ended September 30, 2024, and September 30, 2023, as well as the cumulative periods for the first nine months of 2024 and 2023:

Periods ended September 30 (in thousands of dollars)	Quarter		Cumulative (9 months)	
	2024	**2023**	**2024**	**2023**
	$	$	$	$
Industrial	2,926	39,930	2,926	39,930
Suburban office	(7,339)	(26,300)	(7,333)	(26,300)
Necessity-based retail	4,696	(7,149)	4,696	(7,149)
Total change in fair value	**283**	**6,481**	**289**	**6,481**

4. Receivables

	As at September 30, 2024	As at December 31, 2023
	$	$
Rents receivable	3,207	2,201
Allowance for expected credit losses	(698)	(731)
Net rents receivable	2,509	1,470
Unbilled recoveries	2,240	1,572
Other receivables	284	230
Total	**5,033**	**3,272**

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 and staggering lease terms; avoiding dependence on a single tenant for a significant portion of the Trust's operating revenues and conducting credit assessments for all major 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 $1,173,541 as at September 30, 2024 (December 31, 2023 – $1,168,069).

	As at September 30, 2024	As at December 31, 2023
	$	$
Fixed rate mortgage loans payable	529,644	565,519
Floating rate mortgage loans payable	126,042	74,906
Unamortized fair value assumption adjustments	16	160
Unamortized financing expenses	(2,555)	(2,505)
Mortgage loans payable	**653,147**	**638,080**
Short-term portion	13,607	160,278
Weighted average interest rate	4.33%	4.37%
Weighted average term to maturity (years)	2.96	3.24
Range of annual rates	2.37% - 8.14%	2.37% - 8.95%

As at September 30, 2024, the mortgage loan scheduled repayments are as follows:

	Scheduled repayments	Principal maturity	Total
	$	$	$
2024 [1]	4,981	8,626	13,607
2025	17,095	109,729	126,824
2026	13,902	159,734	173,636
2027	9,534	117,284	126,818
2028	5,512	85,377	90,889
Thereafter	10,979	112,933	123,912
	62,003	**593,683**	**655,686**
Unamortized fair value assumption adjustments			16
Unamortized financing expenses			(2,555)
			653,147

(1) For the three-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 September 30, 2024	Outstanding amount As at December 31, 2023
	$	%			$	$
June 2016	13,000	3.45	Quarterly	June 2026	9,963	10,257
November 2017	23,075	3.99	Monthly	December 2027	18,873	19,392
May 2024	16,860	6.45	Monthly	May 2029	16,778	-
June 2024	25,400	6.07	Monthly	June 2029	25,293	-
August 2024	23,132	4.16	Monthly	November 2027	22,065	-
September 2024	11,000	4.59	Monthly	September 2029	11,000	-
Total	**112,467**				**103,972**	**29,649**

6. Convertible Debentures

As at September 30, 2024, the Trust had two series of subordinated, convertible, redeemable debentures outstanding.

	Capital	Interest rates Coupon	Interest rates Effective	Unit conversion price	Interest payments	Maturity
		%	%	$		
Series G	24,000	6.00	7.30	5.42	Semi-annual	October 2024
Series H	19,917	7.00	8.28	3.64	Semi-annual	October 2025

	Series G	Series H	Total
	$	$	$
As at September 30, 2024			
Non-derivative liability component upon issuance	24,000	27,309	51,309
Accretion of non-derivative liability component	-	1,346	1,346
	24,000	28,655	52,655
Conversion options exercised by holders	-	(9,179)	(9,179)
	24,000	19,476	43,476
Unamortized financing expenses	(34)	(287)	(321)
Non-derivative liability component	**23,966**	**19,189**	**43,155**
Conversion and redemption options liability (asset) component at fair value	**-**	**(1,156)**	**(1,156)**

	Series G	Series H	Total
	$	$	$
As at December 31, 2023			
Non-derivative liability component upon issuance	24,000	27,309	51,309
Accretion of non-derivative liability component	-	1,055	1,055
	24,000	28,364	52,364
Conversion options exercised by holders	-	(9,179)	(9,179)
	24,000	19,185	43,185
Unamortized financing expenses	(269)	(456)	(725)
Non-derivative liability component	**23,731**	**18,729**	**42,460**
Conversion and redemption options liability component at fair value	**-**	**288**	**288**

Series G

As of September 30, 2024, no conversion options have been exercised by holders on debentures.

Series H

During the quarter, no conversion options have been exercised by holders on debentures. Since issuance, a nominal amount of $10,083 has been exercised by holders on debentures.

7. Bank Loans

The Trust has access to two 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 September 30, 2024, $28,171 was due under the revolving credit facility (December 31, 2023 - $35,409).

The revolving credit facility is secured by an immoveable first rank hypothec on two properties having a fair value of $37,500 and by negative pledge of a selection of borrowing base properties having a fair value of $325,602.

The second facility is also 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 September 30, 2024, no amount was due under this line of credit (December 31, 2023 – $950). The line of credit is secured by an immoveable second rank hypothec on four properties having a fair value of $88,393.

8. Class B LP Units

	Nine-month period ended September 30, 2024		Year ended December 31, 2023	
	Units	$	Units	$
Units outstanding, beginning of period	697,265	2,043	347,265	1,268
Issuance of Class B LP units - Acquisition	-	-	550,000	2,475
Exchange into Trust units	-	-	(200,000)	(724)
Fair value adjustment	-	474	-	(976)
Units outstanding, end of period	**697,265**	**2,517**	**697,265**	**2,043**

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 September 30		Nine-month periods ended September 30,	
	2024	**2023**	**2024**	**2023**
	$	$	$	$
Distribution to Class B LP unitholders	52	56	157	120
Distribution per Class B LP unit	0.075	0.075	0.150	0.150

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 September 30, 2024, because of their short-term maturity or because they bear interest at current market rates.

As at September 30, 2024	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
	$	$	$	$
Measured at fair value				
Conversion and redemption options of convertible debentures (note 6)	(1,156)	-	-	(1,156)
Interest rate swap asset	975	-	975	-
Class B LP Units (note 8)	2,517	2,517	-	-
For which fair values are disclosed				
Mortgage loans payable (note 5)	655,686	-	604,441	-
Convertible debentures, including their conversion and redemption features (note 6)	41,999	44,266	-	-
Bank loans (note 7)	28,171	-	28,171	-

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 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 an interest rate swap, 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
	$
Nine-months period ended September 30, 2024	
Balance beginning of period	288
Change for the period recognized in profit or loss under Net adjustment to fair value of derivative financial instruments	(1,444)
Balance end of period	**(1,156)**

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 September 30, 2024:

	Conversion and redemption options of convertible debentures	Volatility
	$	%
Volatility sensitivity		
Increase (decrease)		
(0.50)%	(1,167)	13.99
September 30, 2024	(1,156)	15.76
0.50%	(1,145)	16.26

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 nine-month periods ended September 30,	2024	2023
	Deferred units	Deferred units
Outstanding, beginning of period	151,412	121,727
Trustees' compensation	28,649	8,187
Distributions paid in units	11,573	8,420
Outstanding, end of period	**191,634**	**138,334**

As at September 30, 2024, the liability related to the plan was $690 (December 31, 2023 - $446). The related figures recorded in profit and loss amounted to an expense of $142 and $252 for the three-month and nine-month periods ended September 30, 2024 (for the three-month and nine-month periods ended September 30, 2023 – expense of $3 and $30).

(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 September 30, 2024, the liability related to the plan was $0 (December 31, 2023 - $87). The related revenue recorded in profit and loss amounted to $0 and $13 for the three-month and nine-month periods ended September 30, 2024 (for the three-month and nine-month periods ended September 30, 2023 - revenue of $0 and $1). The 27,685 units related to 2023 purchases were issued in March 2024 (11,915 units related to 2022 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:

Nine-month periods ended September 30,	2024	2023
	Restricted units	Restricted units
Outstanding, beginning of period	220,306	138,583
Granted	268,634	217,072
Cancelled	(28,212)	-
Settled	(159,479)	(45,278)
Outstanding, end of period	**301,249**	**310,377**

As at September 30, 2024, the liability related to the plan was $471 (December 31, 2023 - $597). The related expense recorded in profit and loss amounted to $164 and $369 for the three-month and nine-month periods ended September 30, 2024 (for the three-month and nine-month periods ended September 30, 2023 – expense of $71 and $309).

(d) Cash settled share-based retirement compensation plan

As at September 30, 2024, the long-term obligation related to the plan was $713 (December 31, 2023 - $593). The related expense recorded in profit and loss amounted to $55 and $122 for the three-month and nine-month periods ended September 30, 2024 (for the three-month and nine-month periods ended September 30, 2023 – expense of $23 and $21).

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:

Nine-month period ended September 30,	2024	
	Units	$
Trust units outstanding, beginning of period	86,705,901	400,774
Issue pursuant to the distribution reinvestment plan (a)	875,469	2,686
Issue pursuant to the employee unit purchase plan (note 10 (b))	27,685	75
Issue pursuant to the restricted unit compensation plan (note 10 (c))	158,444	495
Trust units outstanding, end of period	**87,767,499**	**404,030**

(a) Distribution reinvestment plan

BTB offers a distribution reinvestment plan for its trust unitholders. Participation in the plan is optional and under the terms of the plan, cash distributions on trust units are used to purchase additional trust units. The trust units are issued from BTB's treasury at a price based on the volume-weighted average of the trading prices on the Toronto Stock Exchange for the last five trading days before the distribution date, less a 3% discount.

(b) Distributions

	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2024	**2023**	**2024**	**2023**
	$	$	$	$
Distribution to unitholders	6,576	6,470	19,658	19,336
Distribution per Trust unit	0.075	0.075	0.225	0.225

(c) Normal course issuer bid ("NCIB")

As of September 30, 2024, no units have been repurchased for cancellation.

12. Rental Revenues

	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2024	**2023**	**2024**	**2023**
	$	$	$	$
Base rent and other lease generated revenues	19,759	19,366	59,315	60,277
Lease cancellation fees	-	-	45	-
Property tax and insurance recoveries	6,861	6,322	20,021	19,025
	26,620	25,688	79,381	79,302
Operating expenses recoveries and other revenues	6,445	5,419	19,355	16,978
Lease incentive amortization	(807)	(664)	(2,201)	(2,142)
Straight-line lease adjustment	247	842	824	1,766
	32,505	**31,285**	**97,359**	**95,904**

13. Net Financial Expenses

	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2024	**2023**	**2024**	**2023**
	$	$	$	$
Interest on mortgage loans payable	7,380	6,867	21,545	20,277
Interest on convertible debentures	709	709	2,126	2,127
Interest on bank loans	794	785	2,498	1,748
Interest on lease liabilities	101	92	284	262
Other interest expense	46	14	81	46
Accretion of non-derivative liability component of convertible debentures	101	92	291	263
Accretion of effective interest on mortgage loans payable and convertible debentures	391	271	1,060	785
Distributions - Class B LP Units	52	56	157	120
Fair value adjustment – Class B LP Units	335	(159)	474	(934)
Net adjustment to fair value of derivative financial instruments	2,168	(584)	2,222	(1,163)
	12,077	**8,143**	**30,738**	**23,531**

14. Expenses by Nature

	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2024	**2023**	**2024**	**2023**
	$	$	$	$
Depreciation	17	33	51	79
Employee compensation and benefits expense	2,902	2,199	8,606	7,063

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 September 30,		Nine-month periods ended September 30,	
	2024	**2023**	**2024**	**2023**
	$	$	$	$
Net income	5,470	15,216	19,895	34,864
Weighted average number of trust units outstanding – basic	88,321,058	86,991,608	87,876,500	86,451,932
Earnings per unit – basic	**0.06**	**0.17**	**0.23**	**0.40**

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.

The REIT is required under the two credit facility agreements to maintain certain financial ratios at the end of each reporting period and a minimum unitholders' equity.

Some mortgage loans include subjective and restrictive covenant clauses under which the Trust must comply with financial conditions and ratios. As at September 30, 2024, 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 CEO and CFO on an aggregated investment property basis. The information provided is net rentals (including gross rent and property expenses), the change in fair value of investment properties and fair value of investment properties. The individual investment properties are aggregated into segments with similar economic characteristics. The CEO and CFO 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 September 30, 2024				
Investment properties	445,025	509,234	261,458	**1,215,717**
Rental revenue from properties	8,096	16,754	7,655	**32,505**
Net operating income	5,814	8,358	4,581	**18,753**
Three-month period ended September 30, 2023				
Investment properties	445,177	518,271	243,642	**1,207,090**
Rental revenue from properties	8,088	15,926	7,271	**31,285**
Net operating income	5,905	7,810	4,360	**18,075**

	Industrial	Suburban office	Necessity-based retail	Total
	$	$	$	$
Nine-month period ended September 30, 2024				
Rental revenue from properties	25,050	49,390	22,919	**97,359**
Net operating income	18,159	24,394	13,416	**55,969**
Nine-month period ended September 30, 2023				
Rental revenue from properties	24,212	49,717	21,975	**95,904**
Net operating income	17,707	25,470	12,947	**56,124**

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.

19. Subsequent events

On October 31, 2024, the Trust fully redeemed and paid at maturity the Series G convertible debentures at their nominal value of $24,000 plus accrued interest of $720 using proceeds sourced from mortgage loans.

Executive Team & Board of Trustees

Michel Léonard
President, CEO & Trustee

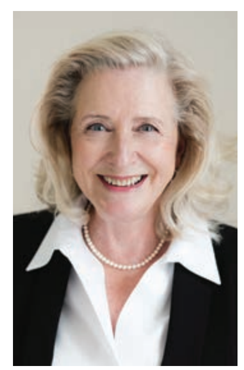
Marc-André Lefebvre
Vice President and CFO

Bruno Meunier
Vice President of Operations

Jocelyn Proteau
Chair of the Board[2]

Jean-Pierre Janson
Vice-Chair of the Board[2]

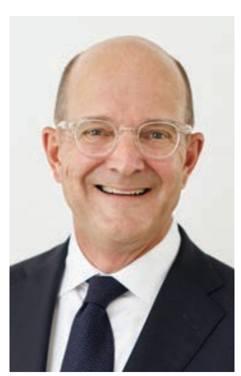
Luc Martin
President, Audit Committee[1]



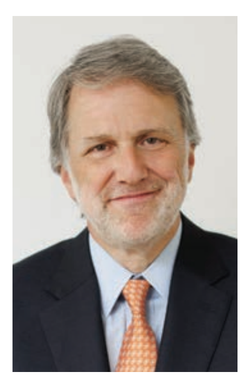
Lucie Ducharme
President, Human Resources and Governance Committees[1][2]

Sylvie Lachance
President of the Investments Committee [1]

Christine Marchildon
Trustee[2]



Armand Des Rosiers
Trustee[3]



Sylvain Fortier
Trustee[3]

(1) Member of the Audit Committee
(2) Member of the Human Resources and Governance Committee
(3) Member of the Investments Committee

Unitholders Information

Head office
BTB Real Estate Investment Trust
1411 Crescent Street, Suite 300
Montréal, Québec, H3G 2B3
T 514 286-0188
www.btbreit.com

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

Transfer agent
Computershare Investor Services
1500 Robert-Bourassa Blvd
7th floor, Montréal, Québec, H3A 3S8 Canada
T 514 982-7555
T Toll free: 1 800-564-6253
F 514 982-7850
service@computershare.com

Taxability of distributions
In 2023, for all Canadian unitholders, the distributions were fiscally treated as follow:
Other revenues: 0%
Fiscal Deferral: 100%

Auditors
KPMG LLP.
600 De Maisonneuve Blvd West
Suite 1500
Montréal, Québec, H3A 0A3

Legal counsel
Legal Advisors - Stikeman Elliott S.E.N.C.R.L., s.r.l.
41-1155 Boulevard René-Lévesque West, Montréal, QC H3B 3V2

Unitholders distribution reinvestment plan
BTB Real Estate Investment Trust offers a distribution reinvestment plan to unitholders whereby the participants may elect to have their monthly cash distribution reinvested in additional units of BTB at a price based on the weighted average price for BTB's Units on the Toronto Stock Exchange for the five trading days immediately preceding the distribution date, discounted by 3%.

For further information about the Distribution Reinvestment Plan, please refer to the Investor relations section of our website at www.btbreit.com or contact the Plan agent: Computershare Investor Services.

Cover illustration by Romain Lasser
3905 Allard Avenue
Leduc, AB


Vous êtes au coeur
de notre succès.
BTB