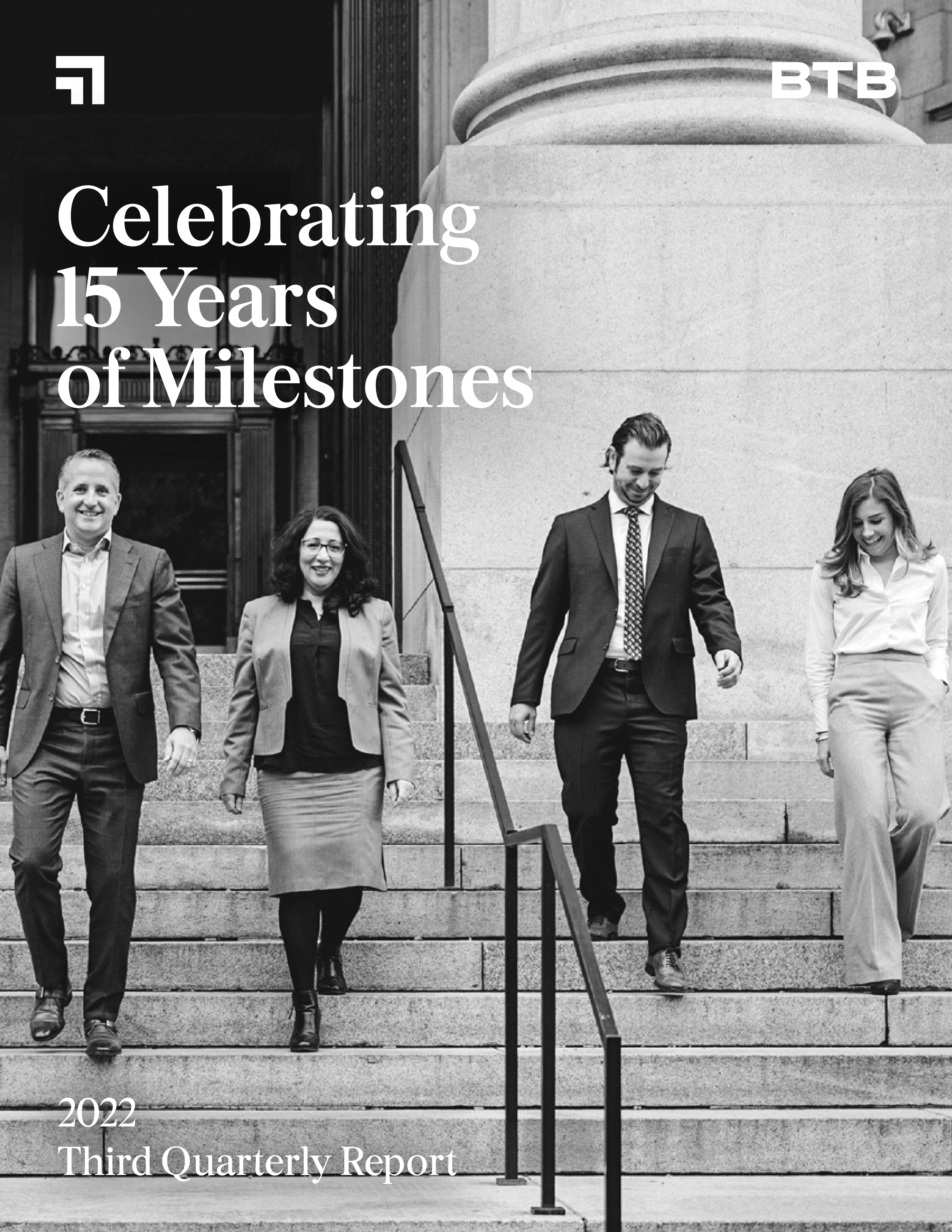

Celebrating 15 Years of Milestones

2022
Third Quarterly Report

Our Mission

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

Our purpose is simple: we contribute to our client's success by offering an environment where they can flourish. We understand that our success in real estate results from the service we offer them. People, and their continued belief in us, is what truly makes our company run. We're the means by which our clients build their businesses, hire people, contribute to the economy, and shape society.

People and their stories are at the heart of our success.

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

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Highlights

Our Quarter in Numbers

BTB concludes this third quarter of 2022 with two key elements in mind: a human-centered vision and a focus on delivering growth to our investors. These past months have demanded awareness, responsiveness, and adaptation on our end to better answer our clients' and investors' needs, all of which have always been part of our DNA. We are proud to conclude the quarter with the following highlights.

Our important financial metrics each enhanced throughout the quarter, resulting in a 1.5% improvement of the occupancy rate as well as an increase of 32.4% of the Net operating income (NOI) compared to the same quarter of 2021. The disposition of an office/retail property and the addition of a new industrial property to our portfolio leads us to a total of 75 properties and $1.2 billion in total assets.

Results for the third quarter of 2022 are well grounded and allow us to pursue our efforts towards one of our main objectives of a broader and more diversified portfolio in the coming years.

Highlights

$1.2B
of total assets

75
properties

$30.0M
of rental income

5.9M
square feet of space

$9.8M(1)
of recurring funds from operations (FFO)

11.5¢(1)
of recurring funds from operations (FFO) per unit

93.5%
occupancy rate

73.6%(1)
recurring adjusted funds from operations (AFFO) payout ratio

(1) This is a non-IFRS financial measure, refer to page 35.

Geographic and Asset Breakdown

A Glimpse at our Portfolio

BTB is continuing its strategy of development in primary markets and geographical diversification in the third quarter of 2022.

Since the beginning of the year, we disposed of five industrial properties and one commercial/office property in Ontario and Québec. On the other hand, we acquired two office properties and four industrial properties across Canada. These movements within our portfolio bring the ratio of industrial buildings to 27.88%, one step closer to our objective of 45% within five years.

We close the quarter with a total of 75 properties and 5.9 million square feet in total leasable area across Canada, more specifically in the regions of Montréal, Quebec City, Ottawa, Edmonton and Saskatoon.

Breakdown by asset type:

Industrial: 27.88%*
Off-downtown core office: 48.53%*
Necessity-based retail: 23.59%*

5.46%*

Edmonton

8 properties ($85.8M)
321,947 sq. ft.
99.1% occupancy rate

3.79%*

Saskatoon

4 properties ($47.5M)
223,472 sq.ft.
100% occupancy rate

W

Geographic and Asset Breakdown

23.39%*
Quebec City

11 properties ($232.3M)
1,380,146 sq.ft.
87.0% occupancy rate

13.64%*
Ottawa

11 properties ($175.3M)
805,157 sq.ft.
94.8% occupancy rate

53.73%*
Montréal

41 properties ($639.0M)
3,170,400 sq. ft.
95.1% occupancy rate

*Percentages based off total leasable area.

Key Metric Evolution*

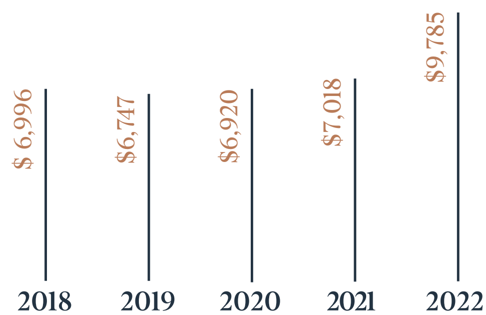
Rental revenue

2018	$23,098
2019	$23,973
2020	$23,583
2021	$23,988
2022	$29,962

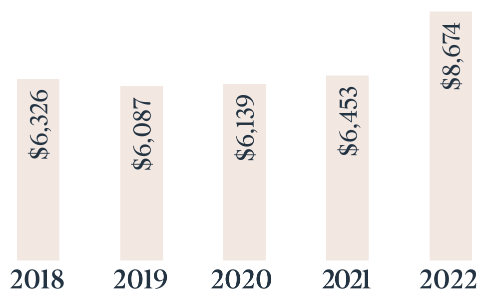
NOI

2018	$13,330
2019	$13,476
2020	$13,308
2021	$13,572
2022	$17,974

Recurring FFO (1)

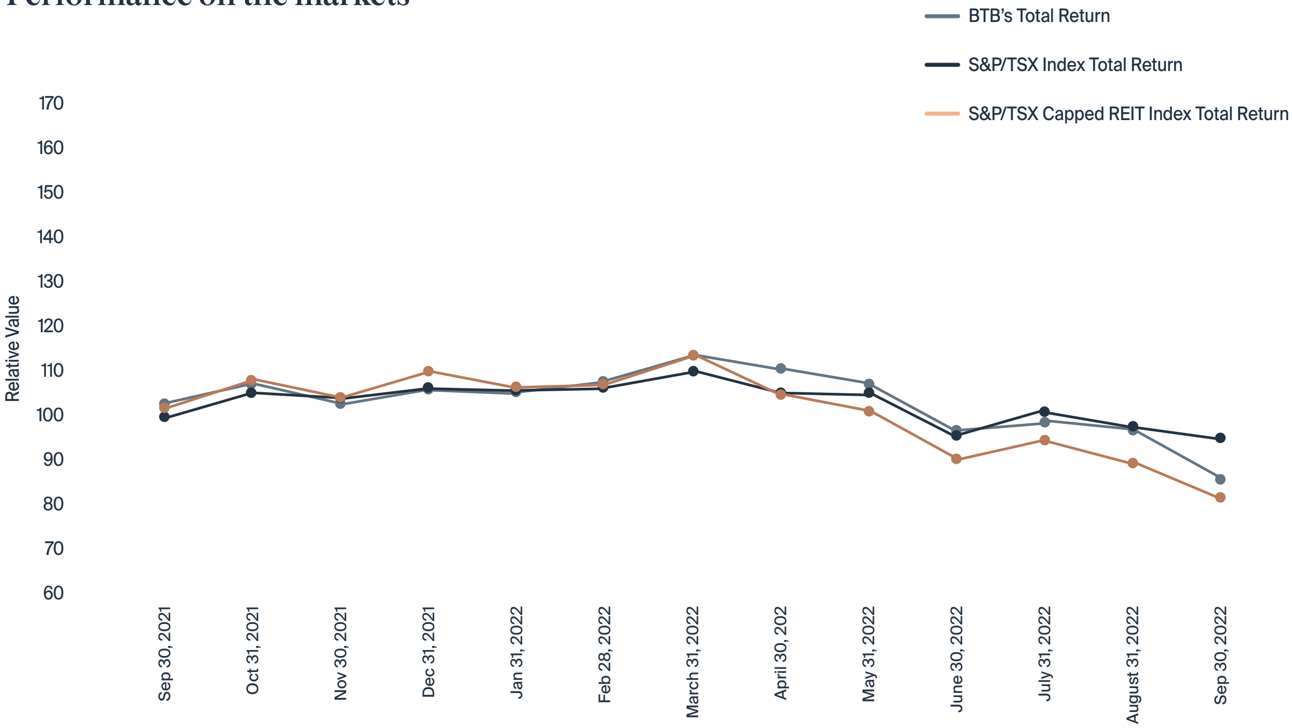


Recurring AFFO (1)



*For the quarters ending on September 30, in thousands of dollars. (1) This is a non-IFRS financial measure, refer to page 35.

Performance on the markets



Approachable

"I appreciate working for a company that values customer service and maintains a good relationship with its clients."

- Mireille Sirois, Administrative Assistant

Our History

15 Years of Milestones

2005

September 8, Michel Léonard, accompanied by Jocelyn Proteau, founds a capital pool corporation called Capital ABTB.

2006

January 26, Capital ABTB transforms into a REIT and is officially listed on the Toronto Venture Exchange under BTB.P.

August 9, Capital ABTB's name is modified to BTB to avoid the confusion with the region of Abitibi, but the acronym BTB remains for "Bought That Building".

October 3, BTB acquires its first property at 2900 Jacques-Bureau Street in Laval, Québec.

2007

Marks the first wave of acquisitions in Ontario and a first acquisition in Quebec City.

2006–2008

40 properties are acquired by the small team of 5 people within the first two years of inception. The properties are located in Montréal and secondary markets of the province of Québec.

2008

Recession hits, requiring a 2-year expansion hiatus, but BTB resists and stands strong.

2010

The acquisition of the public company CAGIM Immobilier based in Quebec City marks BTB's significant expansion to the city. A total of 6 properties representing 1.5 million square feet are acquired.

Our History

2017–2019

BTB repositions its portfolio by selling its assets located in secondary and tertiary markets.

2018

BTB acquires its first building in downtown Montréal for $35M. The building becomes BTB's Head Office, with spaces planned for company growth.

2021

BTB acquires 10 assets located in Western Canada for $94M marking the expansion into two new provinces. This acquisition also enables BTB to surpass the $1B asset mark.

2012

BTB is listed on the Toronto Stock Exchange and acquires assets in Ottawa.

2019

BTB makes its first $50M+ acquisition on the South Shore of Montréal.

Social and Environmental Sustainability

ESG: Our Priority

Throughout the years, BTB has embarked on numerous projects with the goal of becoming more environmentally and socially responsible. We know we still have work to do, and it is imperative that individuals and organizations alike do their best to keep improving their consumer habits and reduce their environmental footprint. Below, you will find a glimpse of some of our current efforts, which are increased every year.

Our Environmental Projects

Urban Beekeeping

Our partnership with Alvéole is at the heart of our environmental sustainability plan. Urban beekeeping is vital to the protection of bees as their worldwide food source has been in decline.

Recharging Stations

We are actively installing recharging stations in our indoor and outdoor parking lots for our clients who own hybrid and electric vehicles.

Partnership with MicroHabitat

MicroHabitat specializes in urban farming in major cities such as Montréal, Toronto, Vancouver and New York. The roof of BTB's head office is home to a MicroHabitat garden, which produces food that is then donated to local food banks. MicroHabitat also educates BTB employees on the process and benefits of urban farming through interactive workshops.

BOMA & LEED Certifications

We are proud to have 22 properties in our portfolio which are certified BOMA BEST as well as 6 properties that are LEED certified. We are constantly working on improving the certification levels of our properties.

Print Relief & FSC Recycling

We recognise that recycling paper is one of the basic actions that a company can take to safeguard our environment. We have implemented policies in our three offices in Montréal, Quebec City and Ottawa to reduce our use of paper and to strictly use paper that is *Forest Stewardship Council* (FSC) certified when necessary. In addition, when printing is necessary, BTB has subscribed to the *Print Relief* program, where trees are planted in accordance with the amount of paper used for printing.

Social and Environmental Sustainability

Our Social Initiatives

Great Place to Work Certification

BTB is proud to have achieved GPTW certification for another consecutive year. We are grateful for the contribution of our employees to the success of BTB.

Giving Back to the Community

At BTB, we encourage our employees to take part in volunteering activities. A majority donate time, money or clothing to various organizations in order to contribute to a participatory economy (Cancer Research, St. Mary's hospital Foundation, Noël des Pauvres en Mauricie, Run for sick children, Fondation des jeunes de la DPJ, Renaissance, Le Support and many more).

Procurement Policy

Our policy aims to ensure that BTB acquires adequate goods and services at the best possible cost while applying clear, uniform and transparent rules to ensure the integrity of the process.

Diversity, Equity and Inclusion

Pay equity for our employees is a right on which BTB does not compromise. We have a policy that we review every 5 years in collaboration with the Quebec regulatory body, CNESST. BTB also knows how important the criteria of diversity and inclusion are, which is why we are actively developing a policy which should be implemented by 2023.

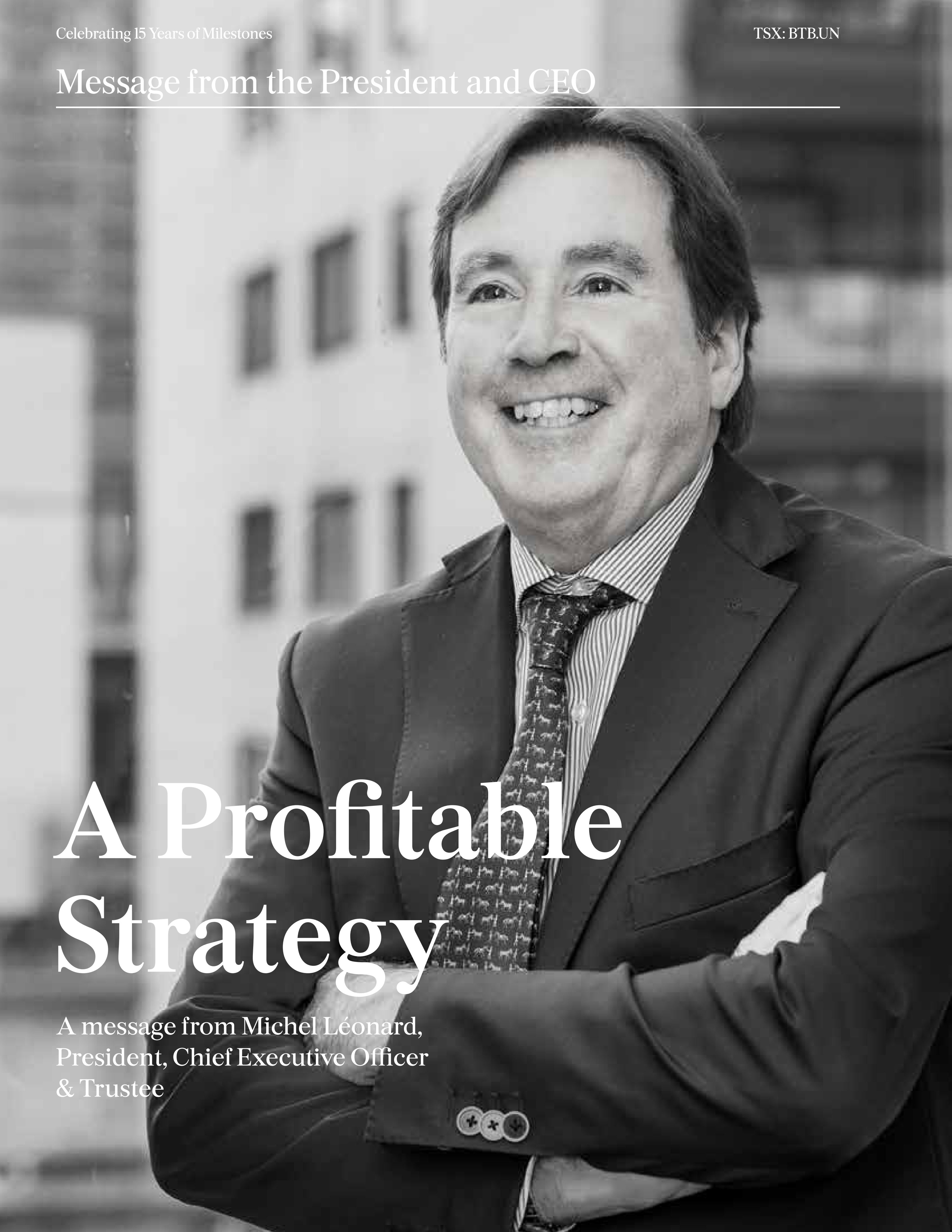
Health and Safety Policy

The health and safety of our employees and clients is at the heart of our concerns. We have created a guide of best practices at work to ensure everyone's well-being, especially when COVID-19 emerged. Information sheets and hydroalcoholic gel are available at the entrance of all our properties.

Social Committee

To strengthen ties and improve our employees' sense of belonging, a social committee has been set up where activities are offered throughout the year.

Message from the President and CEO



A Profitable Strategy

A message from Michel Léonard, President, Chief Executive Officer & Trustee

Message from the President and CEO

Our portfolio growth and geographic diversification strategies implemented in recent months allow us to post bullish financial results for the third quarter of 2022.

Acquisitions completed since December 2021 are bearing fruit

Since the beginning of the year, BTB has acquired six properties for a total leasable area of 354,637 square feet, comprising namely two office buildings (116,226 square feet) and four industrial buildings (237,597 square feet) and on September 8, we completed the purchase of a fully leased 72,088 square foot industrial property located in Edmonton, Alberta. BTB is therefore continuing to execute its cross-Canada investment strategy, predominantly in the industrial sector which represents approximately 67% of the acquisitions made during the year.

The revenues generated by these acquisitions as well as the disposal of a small building located in Montréal, Québec, largely contributed to the positive results of this quarter since:

- The same-property net operating income is up by 5.3% compared to the corresponding period of 2021.
- Net operating income was $18.0 million for the current quarter, representing a 32.4% improvement over the corresponding quarter of 2021.
- Rental income was $30.0 million, an increase of 24.9% compared to the first quarter of 2021.

The total value of our assets now exceeds $1.2 billion, and this is a real accomplishment. We are proud to present such results today because they are a direct reflection of the decisions we have made, the opportunities we have been able to seize over the past few years and the dedication our teams show every day.

The off-downtown core office sector in our line of sight

Given the current economic climate and the repercussions that could take place in the coming months, we are keeping a keen eye on this asset class. Although part of our strategic repositioning includes a gradual decrease in our percentage of ownership of off-downtown core office buildings, the fact remains that our portfolio today consists mainly of off-downtown core office properties (37 properties on 75) and we will keep monitoring their performance.

Our leasing activities were also successful during the quarter, as 57,353 square feet were leased to new tenants. We are therefore very pleased to welcome *CAA North & East, Trinity Development Group Inc.* and many more to our office properties.

At the end of the third quarter of 2022, the off-downtown core office sector posted a 17.4% rental rate increase for renewed leases. Also, 16,594 square feet were leased to new tenants for the benefit of our office buildings. Finally, our two main tenants, the Government of Québec and the Government of Canada, represent respectively 5.8% and 5.4% of rental income in the off-downtown core office building sector, giving us guaranteed stability for the coming years.

It is therefore essential we continue our leasing efforts in this sector and remain vigilant as to the evolution of the financial markets, in order to adapt quickly to the slightest change.

An overview of the third quarter results

BTB's financial results continue to show strong performance across the portfolio.

Leasing efforts enabled us to end the quarter with a total occupancy rate of 93.5% across all our assets, a slight decrease of 0.3% compared to last quarter but an increase of 1. 5% compared to the corresponding period of the 2021 financial year.

Message from the President and CEO

Our lease renewal business remained robust, posting a cumulative average lease renewal rate increase of 13.9% across all lines of business. We have indeed renewed 54.8% or 94,282 square feet of the 172,110 square feet for which the lease expired this quarter. This percentage was affected by the departure of an industrial space tenant, which immediately found a taker.

BTB succeeded in increasing the weighted average lease duration to 6.0 years compared to 5.5 years for the corresponding period of 2021. The weighted average lease duration benefited from the contribution of the acquisition of the four industrial properties purchased this year and rented long term.

Our recurring FPE payout ratio was 65.2% for the quarter, compared to 79.0% for the third quarter of 2021, while our recurring FFO payout ratio was 73.6%, compared to 85.9% for the same quarter of 2021. It is important to note that the decrease in FPE and AFFO per unit for the quarter and the cumulative nine-month period is attributable to an additional one-time recovery and an indemnity recognized in the corresponding period of 2021, totaling $2.3 million. As a result of this adjustment, recurring FPE and AFFO per unit would have increased by 41.6% and 39.8% respectively for the cumulative nine-month period compared to the corresponding period of 2021.

Confidence and vigilance remain the watchwords for the months to come

The cost of financing real estate properties is, and the market is facing head winds. The rise of interest rates impacts all REITs but not all equally. BTB is in an enviable position where only $56M of mortgages are maturing in 2023, or 9% of its total mortgage debt. BTB, over the last three years refinanced, on a long-term basis, 58% of its balance mortgages resulting in lower rates for our in-place debt. The average term maturity of our mortgage debt is 4.4 years. The short-term impact of rising interest rates will be less felt by BTB and may not be material. With available cash and the capacity of our line of credit, BTB remains well established for future acquisitions.

In addition, as of the third quarter, BTB proactively reassessed the market values of part of its portfolio to take into account the macroeconomic climate we are currently experiencing. As of September 30, 2022, the Fund had had 64% of its portfolio appraised by recognized external appraisers, representing a total value of $754.8 million. Overall, the experts recommended a 25 basis point upward adjustment to cap rates for our office and retail assets. The impact of these valuations on FMVs was offset by the good performance of the industrial portfolio, mainly that in Western Canada acquired in December 2021. The rest of the portfolio was also part of an internal review taking into account observations of our external evaluators. As such, we recognized a net reduction in the market value of our assets of $1.2 million representing a relatively immaterial adjustment across the portfolio. The resilience of BTB's portfolio is further demonstrated.

As you can see, our teams are taking the necessary measures to continue to sustain our performance for the benefit of our customers and investors. We take this opportunity to warmly thank them for their unceasing trust in BTB.

Michel Léonard
President and Chief Executive Officer

Authentic

"When I started at BTB, I quickly felt the team's enthusiasm and collaborative work atmosphere."

- Francis Ladouceur, CPA, Financial Analyst

Client Testimonials

Let's Hear from the BTB Community

At BTB, our tenants are more than tenants: they're our clients. We are dedicated to providing them with the right space to fit their needs, as well as excellent service at all times. We asked them what it's like to lease from BTB. Here are a few of their testimonials.

Client Testimonials

"We have been tenants in the building for over 25 years and have known three managers including BTB, and in all honesty, they are the team we've had the best communication with. Their management's attention to detail is much appreciated and sets BTB apart from other great players. They are friendly, efficient, receptive, available and dedicated people who love their work and are at the service of their tenants. Bravo!"

DOC Formation, DOC Services Conseils
370 Sir-Wilfrid-Laurier Blvd, Mont-Saint-Hilaire

"We are proud to team up with BTB for our space needs. They support us in our growth and listen to our requests for our spaces. What we appreciate the most is the excellent customer service they offer us."

EMOVI
7035 Saint-Laurent Blvd, Montréal

"The building is very well located for us, and our premises correspond to our needs. The customer service at BTB is satisfactory, particularly the technicians. They are excellent in their work and always very friendly. BTB employees are so approachable."

Services Financiers Beauchamp
83 Turgeon Street, Sainte-Thérèse

Who We Are

Driven

“We have a sense that every effort contributes to our collective accomplishment, which is one of the many reasons BTB pushes our determination to succeed.”

- Paola Torres,
Coordinator of Lease Data Entry and Quality Control

Our Recent Acquisitions

Expanding our Reach

8743 50th Avenue NW
Edmonton, Alberta

On September 8th, 2022, we finalized the acquisition of this industrial property, which is fully leased to the Redco Equipment Sales Group, one of the major players in the wellhead completion tools sector in the Canadian fossil energy market. Over the past twenty years, Redco has experienced unparalleled growth, continually picking up market share and diversifying with new product offerings and strategic acquisitions of proprietary technologies. The company now has more than 250 employees, and its operations extend across Western Canada, from British Columbia to Saskatchewan.

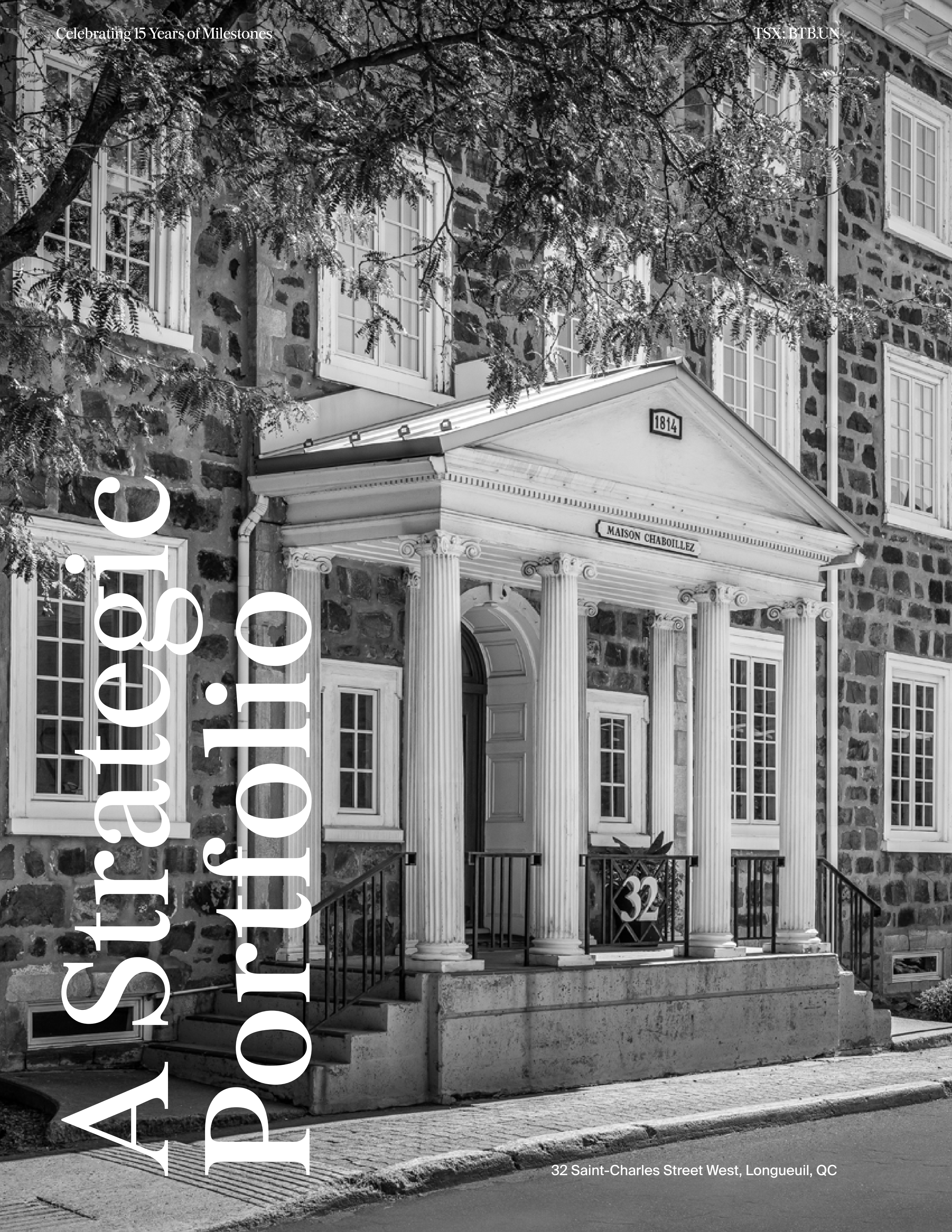
Purchase price: $15.75M*

Property type: Industrial

Total leasable area: 72,088 sq.ft.

*Purchase price excluding transaction costs and adjustments.

A Strategic Portfolio



32 Saint-Charles Street West, Longueuil, QC

Our Properties

During the third quarter, we acquired one new property and disposed of one, bringing our portfolio to a total of 75 across 5 Canadian regions.

Montréal

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

5810 Sherbrooke Street East, Montréal(1)

7001-7035 St-Laurent Blvd and 25 Mozart Avenue, Montréal(1)

2101 Sainte-Catherine Street West, Montréal

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

11590-11800 de Salaberry Blvd, Dollard-des-Ormeaux(1)

1325 Hymus Blvd, Dorval

4105 Sartelon Street, St-Laurent

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

7777 Transcanada Highway, St-Laurent

2250 Alfred-Nobel Blvd, St-Laurent

2600 Alfred-Nobel Blvd, St-Laurent(2)

2344 Alfred-Nobel Blvd, St-Laurent(2)

7150 Alexander-Fleming Street, St-Laurent

6000 Kieran Street, St-Laurent

2425 Pitfield Blvd, St-Laurent

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

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

North Shore of Montréal

2900 Jacques-Bureau Street, Laval

4535 Louis B. Mayer Street, Laval

3695 Des Laurentides (Highway-15), Laval

3111 Saint-Martin Blvd West, Laval(2)

3131 Saint-Martin Blvd West, Laval

81-83 Turgeon Street, Ste-Thérèse

5791 Laurier Blvd, Terrebonne

2175 Des Entreprises Blvd, Terrebonne

2205-2225 Des Entreprises Blvd, Terrebonne

2005 Le Chatelier Street, Laval(2)

South Shore of Montréal

4890-4898 Taschereau Blvd, Brossard(1)

204 De Montarville Blvd, Boucherville(1)

32 Saint-Charles Street West, Longueuil(1)

50 Saint-Charles Street West, Longueuil

85 Saint-Charles Street West, Longueuil(1)

2111 Fernand-Lafontaine Blvd, Longueuil

2350 Chemin du Lac, Longueuil

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

145 Saint-Joseph Blvd, St-Jean-sur-Richelieu(1)

315-325 MacDonald Street, St-Jean-sur-Richelieu(1)

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

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

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

Quebec City Area

6655 Pierre-Bertrand Blvd, Quebec City(1)

6700 Pierre-Bertrand Blvd, Quebec City(1)

909-915 Pierre-Bertrand Blvd, Quebec City

825 Lebourgneuf Blvd, Quebec City(1)

815 Lebourgneuf Blvd, Quebec City(1)

1170 Lebourgneuf Blvd, Quebec City(1)

625-675 De la Concorde Street, Lévis

1200-1252 De la Concorde Street, Lévis

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

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

505 Des Forges Street and 1500 Royale Street, Trois-Rivières(1)

Ottawa Area

80 Aberdeen Street, Ottawa(1)

245 Menten Place, Ottawa(1)

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

400 Hunt Club Rd, Ottawa

2200 Walkley Street, Ottawa(1)

2204 Walkley Street, Ottawa(1)

2611 Queensview Drive, Ottawa(2)

979 & 1031 Bank Street, Ottawa(2)

7 and 9 Montclair Blvd, Gatineau(1)

1100 Algoma Road, Ottawa

Edmonton

6909 - 42 Street, Leduc

1921 - 91 Street, Edmonton

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

Saskatoon

3542 Millar Avenue, Saskatoon

318 - 68th Street, Saskatoon

3911 Millar Avenue, Saskatoon

3927 and 3931 Wanuskewin Road, Saskatoon

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

Who We Are

Open-minded

"Progress is impossible without change and diversity as different perspectives bring new ideas and growth."

- Eleni Mentzelos, CRHA, Director of Human Ressources

Board of Trustees & Executive Team

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

Interview

Cultivating Talent

An interview with Christine Marchildon, Trustee




Interview

“I see a bright future for BTB and I can certainly see it doubling its value within the next five years, and I will be very proud to be associated with it.”

What is your greatest achievement?

I’ve had a few that I’m proud of, but I’d say my last mandate at TD Bank, which was to increase its presence in Québec. When I first joined, there were about 60 branches and we ended up with 140 branches across Québec. A very rapid expansion which brought many challenges, such as improving the notoriety of the brand in the province and hiring employees to fill these new positions. I have always been passionate about talent development and recruitment. We had a young and multi-ethnic team of employees, and it was very rewarding to see them develop.

What inspires you?

Travel! I travel a lot. It was very difficult for me during the pandemic not being able to go anywhere. However, since September 2021 we’ve been able to travel again. I find meeting new people enriching. As well as discovering new cultures, among others in Bahrain, on an island off the coast of Saudi Arabia, where my daughter lived. I went there regularly for eleven years, and this small kingdom fascinated me. This allowed me to refine my perceptions and meet warm and open-minded women. Lots of great conversations.

What are your passions?

Taking up new challenges! If I look back on my professional career, most of the positions I’ve held have been challenging. By challenges, I mean mandates where the stakes were high and which required me to develop new skills, get out of my comfort zone and forge strategic partnerships. All in all, to feel that I was contributing to something important to the organization and the individuals who worked within it.

My second big passion is developing talent. I take great pride in seeing employees that I encouraged, sponsored, and trained succeed, and go on to fulfilling careers.

If you were a quote, which one would you be?

“The dream shows us the path, the eyes open it and the heart gives it its colour” by Marie Guillon, a French writer. It really reflects who I am.

What is your role on the Board of Trustees?

In addition to sitting on the Board, I am also a member of the Human Resources and Governance Committee. My experience in human resources and in senior management positions in the banking sector are all contributions that serve me and the interests of BTB.

Where do you see BTB in the future?

It gives me great satisfaction to work with BTB’s leaders and board members. They are extremely competent people, very committed and determined to succeed. I see a bright future for BTB and I can certainly see it doubling its value within the next five years, and I will be very proud to be associated with it.

Interview

A Man for Others

An interview with Daniel Fournier, Trustee

Interview

“I have immense respect for Michel and Mathieu, their discipline and their passion for BTB is undeniable. They surrounded themselves with a talented and hard-working team.”

What is your greatest achievement?

The first one that comes to mind for my wife Caroline and I is our family. We are very proud of our four children and the adults they have become.

From a professional point of view, I am very proud of all the knowledge acquired from the very different experiences I have had, from a beginning centered on entrepreneurship in Montréal, a period involving activities more focused on governance (Canadian Tire, Genivar-WSP) and finally an institutional and international focus with Ivanhoé Cambridge.

What inspires you? What are your passions?

I’ve always been interested in history. Nowadays, we underestimate its importance in our daily life. It has always made sense to me that as a person, society, people or country, that if you don’t know where you’ve been in the past, it will be difficult to understand where you should be heading in the future.

I am passionate about Montréal, Québec and Canada.

I am also very passionate about the privilege and responsibility of giving back to the community.

If you were a quote, which one would you be?

I don’t have a specific quote, but I was strongly influenced by the three core values of the schools I was lucky enough to attend. First in a Jesuit high school, the notion of being “a man for others”. Then in an American preparatory school, the Latin NON SIBI meaning that it is not about oneself. Finally, in college, “in the service of nations and in the service of all nations” signifying the importance of community service in the broadest sense.

If I had to choose a favorite poem, it would be Robert Frost’s “The Road Not Taken” which is a metaphor in which the least suggested road symbolizes the path of non-conformity, which is normally the hardest path to take, but which often comes with the best result and avoids any feeling of regret for a missed opportunity.

What is your role on the Board of Trustees?

We have a very diverse Board of Trustees, where each member brings very different expertise and knowledge, all of which which contributes to the smooth running of the group. I am proud to have joined the Board of Trustees and to be able to help in the best possible way to achieve the long-term objectives over five and ten years. It’s inspiring to see that people like Jocelyn Proteau and Fernand Perrault and all the other trustees, all with different talents and impressive experience, have been so devoted to BTB.

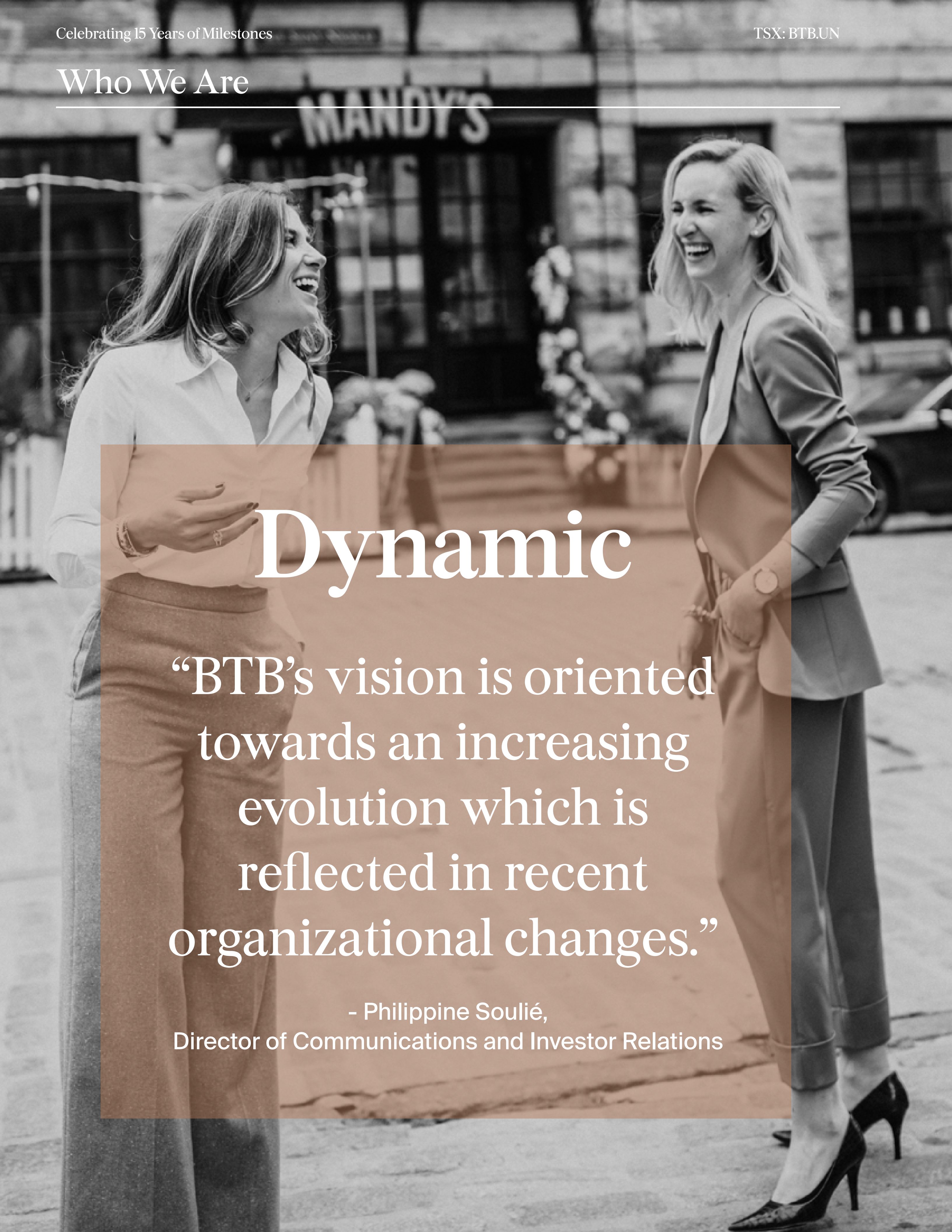
As for my role, I am also a member of the Investment Committee with Fernand Perreault and Sylvie Lachance and it’s a privilege for me to work with them. This committee invests not only in considering transactions but also in ensuring the relevance of the decisions to be taken in the context of BTB’s strategic plan and capital allocation.

Where do you see BTB in the future?

I have immense respect for Michel and Mathieu, their discipline and their passion for BTB is undeniable. They surrounded themselves with a talented and hard-working team.

In the short term, BTB’s growth will be done in a very meticulous way, with a constant improvement in the quality of the portfolio, and I believe it will evolve in a very similar way. There is a constant eagerness to prepare for the opportunities that will present themselves.

Who We Are



Dynamic

"BTB's vision is oriented towards an increasing evolution which is reflected in recent organizational changes."

- Philippine Soulié,
Director of Communications and Investor Relations

Management Discussion & Analysis

Quarter ended September 30, 2022

Introduction

The purpose of this Management Discussion and Analysis ("MD&A") is to allow the reader to evaluate the operating results of BTB Real Estate Investment Trust ("BTB" or the "Trust") for the period ended September 30, 2022 as well as its financial position on that date. The report also presents a summary of the Trust's business strategies, and the business risks it faces. This MD&A dated November 4, 2022 should be read together with the interim condensed consolidated financial statements and accompanying notes for the period ended September 30, 2022. It discusses significant information available up to the 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.sedar.com and on our website at www.btbreit.com.

The Audit Committee reviewed the contents of this Management Discussion and Analysis and the interim 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 in this MD&A are made, 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 forwardlooking 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 table, thereafter, including any per unit information if applicable, are non-IFRS performance measures and do not have standardized meanings prescribed by IFRS. Explanations on how these non-IFRS financial measures provide useful information to investors and the additional purposes, if any, for which the Trust uses these non-IFRS financial measures, are also included in the table thereafter. 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 table thereafter if applicable, do not have a standardized meaning prescribed by IFRS and these measures cannot be compared to similar measures used by other issuers.

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 on investment properties; (ii) fair value adjustment on derivative financial instruments; (iii) fair value adjustment on Class B LP units; and (iv) transaction costs on acquisition 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 market and transaction costs are non-recurring in nature.	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 investment properties, financial instruments, Class B LP units and unit price remeasurement for unit-based compensation); (vi) transaction costs on acquisitions and dispositions of investment properties and early repayment fees; and (vii) straight-line rental revenue adjustment. 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 its debt, finance capital expenditures and 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 excluding the impact of property acquisitions and dispositions. The Trust uses 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** **Recurring FFO**	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. Recurring FFO is also a non-IFRS financial measure that starts with FFO and remove the impact of non-recurring items such as transaction cost on acquisitions and dispositions of investment properties and early repayment fees. The Trust believes FFO and recurring FFO are key measures of operating performance and allow the investors to compare its historical performance.	Funds from Operations (FFO); Cash Flows; and Appendix 2

Non-IFRS Measure	Definition	Reconciliation
Adjusted Funds from Operations (“AFFO”) **and** **Recurring AFFO**	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. Recurring AFFO is also a non-IFRS financial measure that starts with AFFO and removes the impact of non-recurring items such as transaction costs on acquisitions and dispositions of investment properties and early repayment fees. The Trust considers AFFO and recurring AFFO to be useful measures of recurring 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** **Recurring FFO and recurring AFFO payout ratios**	FFO and AFFO payout ratios and recurring FFO and recurring AFFO payout ratios are non-IFRS financial measures. These payout ratios are calculated by dividing the actual distributions per unit by FFO, AFFO and recurring FFO and recurring AFFO 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
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

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 further amended). The Trust began its real estate operations on October 3, 2006, and as of September 30, 2022, owned 75 industrial, off-downtown core 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, 2022	**75**	**5,901,122**	**1,179,869**

These figures include a 50% interest in a 17,114 square-foot building in a Montréal suburb and a 50% interest in one building totalling 74,940 square feet in Gatineau, Québec.

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:

1. Generate stable monthly cash distributions that are reliable and fiscally beneficial to unitholders.

2. Grow the Trust’s assets through internal growth and accretive acquisitions to fund distributions.

3. 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 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, 2022

Rental revenue: Stood at $30.0 million for the current quarter, which represents an increase of 24.9% compared to the same quarter of 2021. For the cumulative nine-month period, the rental revenue totalled $88.0 million, which represents an increase of 19.7% compared to the same period in 2021.

Net operating income (NOI): Stood at $18.0 million for the current quarter, which represents an increase of 32.4% compared to the same quarter of 2021. For the cumulative nine-month period, the total NOI was $51.8 million, which represents an increase of 24.7% compared to the same period in 2021.

Same-property NOI(1): Increased by 5.3% for the third quarter of 2022 compared to the same period in 2021 mainly due to a combination of important leasing efforts made during the previous quarters resulting in an increase in the occupancy rate compared to the same quarter last year and the increase in the average lease renewal rates.

Net income and comprehensive income: Totalled $11.7 million for the quarter compared to $8.7 million for the same period in 2021, representing an increase of $3.0 million that is attributed to the NOI generated by the recent accretive acquisitions and a net adjustment to the fair value of investment properties.

Recurring FFO(1): Was 11.5¢ per unit for the quarter (33.6¢ per unit for the 2022 cumulative nine-month period) compared to 9.5¢ per unit for the same period in 2021 (31.1¢ per unit for the 2021 cumulative nine-month period). Excluding the $2.3 million of additional recoveries related to prior years recorded during the same period in 2021, the recurring FFO per unit would have increased by 20.8% for the cumulative nine-month period compared to the same period in 2021.

Recurring AFFO(1): Was 10.2¢ per unit for the quarter (30.9¢ per unit for the 2022 cumulative nine-month period) compared to 8.7¢ per unit for the same period in 2021 (29.2¢ per unit for the 2021 cumulative nine-month period). Excluding the $2.3 million of additional recoveries related to prior years recorded during the same period in 2021, the recurring AFFO per unit would have increased by 19.2% for the cumulative nine-month period compared to the same period in 2021.

Recurring FFO payout ratio(1): Was 65.2% for the quarter (66.9% for the 2022 cumulative nine-month period) compared to 79.0% for the same period in 2021 (72.4% for the 2021 cumulative nine-month period).

Recurring AFFO payout ratio(1): Was 73.6% for the quarter (72.8% for the 2022 cumulative nine-month period) compared to 85.9% for the same period in 2021 (77.1% for the 2021 cumulative nine-month period).

Leasing activity for the quarter: The Trust completed a total of 96,548 square feet of leases renewals and 57,353 square feet of new leases. Due to the continued strong leasing activity, the occupancy rate was at 93.5% at the end of the quarter. The increase in the average renewal rate for the quarter was 8.8% and for the cumulative nine-month period was 13.9%.

Acquisition: On September 8, 2022, the Trust acquired a fully leased 72,088 square feet industrial property located at 8743 50 Avenue NW in Edmonton, Alberta, for a total consideration of $15.8 million, excluding transaction costs and adjustments. The acquisition of this high-quality asset continues to add to the Trust's growing industrial portfolio across Canada.

Disposition: On September 19, 2022, the Trust disposed of an office property located at 5878-5882 Sherbrooke Street East in Montréal, Québec, for total proceeds of $4.4 million, excluding transaction costs and adjustments. This is in line with the Trust's plan to further concentrate its' weighting in the industrial asset class.

Liquidity position: The Trust held $10.4 million of cash at the end of the quarter and $14.0 million is available under its credit facilities(1)(2). The Trust has the option to increase its capacity under the credit facilities by $46.1 million.

Debt metrics: The Trust concluded the quarter with a total debt ratio(1) of 58.6%, recording an improvement of 1.9% compared to December 31, 2021.

(1) This is a non-IFRS financial measure, refer to page 35.
(2) Credit facilities is a term used that reconciles with the bank loans as presented and defined in the Trust interim condensed consolidated financial statements.

Subsequent events

On November 7, 2022, the Toronto Stock Exchange (the "TSX") has approved the normal course issuer bid ("NCIB") program authorized by the Trust's Board of Trustees to repurchase for cancellation up to 5,838,023 units, representing approximately 7% of the Trust's 84,731,856 outstanding units and of its public float constituted of 83,400,340 units. The NCIB will provide the Trust with the ability to repurchase units at its discretion and in accordance with TSX rules from November 10, 2022 to November 9, 2023.

Summary of significant items as at September 30, 2022

- Total number of properties: 75
- Total leasable area: 5.9 million square feet
- Total asset value: $1,207 million
- Market capitalization: $271 million (unit price of 3.19 as at September 30, 2022)

Selected Financial Information

The following table presents highlights and selected financial information for the periods ended September 30, 2022, and September 30, 2021, as well as the cumulative periods for the first nine months of 2022 and 2021:

Periods ended September 30 (in thousands of dollars, except for ratios and per unit data)		Quarters		Cumulative (9 months)	
		2022	2021	2022	2021
	Reference (page)	$	$	$	$
Financial information					
Rental revenue	49	29,962	23,988	88,009	73,554
Net operating income (NOI)	48	17,974	13,572	51,806	41,560
Net income and comprehensive income	48	11,693	8,678	36,385	18,349
Adjusted net income[1]	52	8,976	6,062	25,235	18,696
Adjusted EBITDA[1]	53	16,507	12,535	48,062	38,564
NOI from the same-property portfolio[1]	54	13,512	12,833	39,248	37,592
Distributions	55	6,394	5,551	18,619	15,882
Recurring funds from operations (FFO)[1]	56	9,785	7,018	27,820	21,950
Recurring adjusted funds from operations (AFFO)[1]	57	8,674	6,453	25,587	20,606
Cash flow from operating activities	59	20,359	10,090	47,279	31,401
Total assets	61			1,206,916	962,207
Investment properties	61			1,179,869	923,639
Mortgage loans	63			629,797	493,979
Convertible debentures	64			41,753	43,067
Mortgage debt ratio[2]	65			52.8%	52.6%
Total debt ratio[1]	65			58.6%	55.8%
Weighted average interest rate on mortgage debt	63			3.64%	3.78%
Market capitalization				271,104	296,667
Financial information per unit					
Units outstanding (000)	67			84,985	73,798
Class B LP units outstanding (000)	67			347	347
Weighted average number of units outstanding (000)	67	84,900	73,665	82,402	70,243
Weighted average number of units and Class B LP units outstanding (000)	67	85,247	74,012	82,750	70,601
Net income and comprehensive income	48	13.7¢	11.7¢	44.0¢	26.0¢
Adjusted net income[1]	52	10.5¢	8.2¢	30.5¢	26.5¢
Distributions	55	7.5¢	7.5¢	22.5¢	22.5¢
Recurring FFO[1]	56	11.5¢	9.5¢	33.6¢	31.1¢
Payout ratio on recurring FFO[1]	56	65.2%	79.0%	66.9%	72.4%
Recurring AFFO[1]	57	10.2¢	8.7¢	30.9¢	29.2¢
Payout ratio on recurring AFFO[1]	57	73.6%	85.9%	72.8%	77.1%
Market price				3.19	4.02
Tax on distributions					
Tax deferral	68	100.0%	100.0%	100.0%	100.0%
Operational information					
Number of properties	43			75	64
Leasable area (thousands of sq. ft.)	43			5,901	5,402
Occupancy rate	43			93.5%	92.0%
Increase in average lease renewal rate	45	8.8%	1.8%	13.9%	3.0%

(1) This is a non-IFRS financial measure, refer to page 35.
(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)	2022 Q-3	2022 Q-2	2022 Q-1	2021 Q-4	2021 Q-3	2021 Q-2	2021 Q-1	2020 Q-4
	$	$	$	$	$	$	$	$
Rental revenue	**29,962**	28,979	29,068	26,789	23,988	26,034	23,532	22,455
Net operating income	**17,974**	17,598	16,234	14,776	13,572	15,574	12,414	12,767
Net income and comprehensive income	**11,693**	18,243	6,449	23,219	8,678	7,161	2,510	3,850
Net income and comprehensive income per unit	**13.7¢**	21.5¢	8.3¢	31.2¢	11.7¢	9.8¢	3.9¢	6.1¢
Cash from operating activities	**20,359**	15,516	11,404	25,137	10,090	8,162	13,149	15,954
Recurring funds from operations (FFO)(1)	**9,785**	9,718	8,317	8,194	7,018	9,202	5,730	6,322
Recurring FFO per unit(1)(2)	**11.5¢**	11.4¢	10.7¢	11.0¢	9.5¢	12.5¢	8.9¢	9.9¢
Recurring adjusted funds from operations (AFFO)(1)	**8,674**	9,311	7,602	6,962	6,453	8,647	5,506	6,253
Recurring AFFO per unit(1)(3)	**10.2¢**	11.0¢	9.7¢	9.4¢	8.7¢	11.8¢	8.6¢	9.8¢
Distributions(4)	**6,394**	6,374	5,851	5,578	5,551	5,508	4,828	4,778
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 35.
(2) The recurring FFO per unit ratio is calculated by dividing the recurring FFO(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 recurring AFFO per unit ratio is calculated by dividing the recurring AFFO(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.

Operating Performance Indicators

The performance indicators, used to measure the Trust's operating performance, are described hereafter.

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.

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

Average rate of 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 2022, BTB owned 75 properties, totalling a fair value of $1,180 million. This quarter, the properties generated approximately $30.0 million in rental revenue and represented a total leasable area of approximately 5.9 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.sedar.com.

Summary of investment properties held as at September 30, 2022

Operating segment	Number of properties	Leasable area (sq. ft.)	Committed occupancy rate (%)	In Place occupancy rate (%)
Industrial	27	1,645,319	100.0	100.0
Off-downtown core office	37	2,863,629	88.6	88.1
Necessity-based retail	11	1,392,175	96.2	95.0
Total	**75**	**5,901,123**	**93.5**	**93.1**

Dispositions of investment properties

On January 27, 2022, the Trust disposed of four industrial properties located at 705 Boundary Road, 725 Boundary Road, 805 Boundary Road and 2901 Marleau Avenue in Cornwall, Ontario, for total proceeds of $26.0 million, excluding transaction costs and adjustments.

On June 16, 2022, the Trust disposed of a small industrial property located at 2059 René-Patenaude Street in Magog (Eastern Townships), Québec, for total proceeds of $1.8 million, excluding transaction costs and adjustments. This property occupancy rate was less than 50% at the time of the disposition.

On September 19, 2022, the Trust disposed of a small office property located at 5878-5882 Sherbrooke Street East in Montréal, Québec, for total proceeds of $4.4 million, excluding transaction costs and adjustments.

Acquisitions of investment properties

On January 7, 2022, the Trust acquired two class A office properties located at 979 Bank Street and 1031 Bank Street in the Glebe borough of Ottawa, Ontario, for the total consideration of $38.1 million, excluding transaction costs and adjustments. The two properties increased the Trust's total leasable area by 116,226 square feet.

On April 5, 2022, the Trust acquired an industrial property located at 1100 Algoma Road in Ottawa, Ontario, for a total consideration of $12.5 million, excluding transaction costs and adjustments. The property increased the Trust's total leasable area by 46,433 square feet.

On June 15, 2022, the Trust acquired an industrial property located at 3190 F.-X. Tessier Street in Vaudreuil-Dorion, Québec, for a total consideration of $15.0 million, excluding transaction costs and adjustments. The property increased the Trust's total leasable area by 67,162 square feet.

On June 27, 2022, the Trust acquired an industrial property located at 3905 Allard Avenue in Edmonton, Alberta, for a total consideration of $13.0 million, excluding transaction costs and adjustments. The property increased the Trust's total leasable area by 51,747 square feet.

On September 8, 2022, the Trust acquired an industrial property located at 8743 50 Avenue NW in Edmonton, Alberta, for a total consideration of $15.8 million, excluding transaction costs and adjustments. The property increased the Trust's total leasable area by 72,088 square feet.

Since the beginning of the year, the Trust has acquired six properties adding a total of 354,637 square feet to its leasable area comprised of two office properties (116,226 square feet) and four industrial properties (237,597 square feet). BTB is continuing to execute its strategy of investing in the industrial segment where 67% of its acquisitions in the year were concluded.

Real Estate Operations

Portfolio occupancy

The following table summarizes the changes in occupied area for the periods ended September 30, 2022, and September 30, 2021, as well as the cumulative periods for the first nine months of 2022 and 2021:

Periods ended September 30 (in sq. ft.)	Quarter		Cumulative (9 months)	
	2022	2021	**2022**	2021
Occupied area at the beginning of the period[1]	**5,479,252**	4,983,226	**5,639,778**	4,910,877
Purchased (sold) assets	**61,315**	-	**(87,201)**	99,000
Signed new leases	**57,353**	17,181	**118,034**	105,226
Tenant departures	**(77,828)**	(28,648)	**(148,677)**	(122,925)
Other[2]	**-**	(2,288)	**(1,842)**	(22,707)
Occupied leasable area at the end of the period[1]	**5,520,092**	4,969,471	**5,520,092**	4,969,471
Vacant leasable area at the end of the period	**381,030**	430,262	**381,030**	430,262
Total leasable area at the end of the period	**5,901,122**	5,399,733	**5,901,122**	5,399,733

(1) The occupied area includes in place and committed agreements.
(2) Other adjustments on the occupied area represent mainly area remeasurements.

Renewal activities

The following table summarizes the renewal rate for the periods ended September 30, 2022, and September 30, 2021, as well as the cumulative periods for the first nine months of 2022 and 2021:

Periods ended September 30 (in sq. ft.)	Quarter		Cumulative (9 months)	
	2022	2021	**2022**	2021
Leases expired at term	**172,110**	61,103	**401,183**	223,571
Renewed leases at term	**94,282**	46,600	**269,055**	170,120
Renewal rate	**54.8%**	76.3%	**67.1%**	76.1%

The Trust renewed 54.8% or 94,282 square feet out of the 172,110 square feet expiring during this quarter. Additionally, the Trust leased 67.2% of the remaining 77,828 square feet that were not renewed this quarter. For the cumulative nine-month period, the Trust renewed 67.1% of the leases prior to the end of their term which left leases representing 132,128 square feet that were not renewed, and such recorded vacancy is mainly explained by the departure during the third quarter of 2022 of Drive Products Inc., a tenant that occupied entirely an industrial property located in Edmonton. This industrial property was leased entirely by a new tenant and is now fully occupied.

The Trust renewed leases totalling 96,548 square feet during this quarter for a total of 351,158 square feet for the cumulative nine-month period.

Average lease renewal rate

The following table summarizes the average increase of rental rates for each operating segment for the periods ended September 30, 2022, and September 30, 2021, as well as the cumulative periods for the first nine months of 2022 and 2021:

	Quarter		Cumulative (9 months)	
Operating segment	Renewals (sq. ft.)	Increase (%)	Renewals (sq. ft.)	Increase (%)
Industrial	56,000	13.1%	98,158	9.9%
Off-downtown core office	40,072	4.5%	209,690	17.4%
Necessity-based retail	476	13.3%	43,310	4.4%
Total	**96,548**	**8.8%**	**351,158**	**13.9%**

Since the beginning of the year, the Trust achieved a cumulative average increase of 13.9% in lease renewal rates across all its business segments. The off-downtown core office operating segment showed an increase in lease renewal rates of 17.4%, which is essentially attributable to leases at below market rent that were renewed.

Concluded new leases

During the quarter, the Trust leased 57,353 square feet to new tenants, leaving 381,030 square feet of leasable area available for lease at the end of the quarter. Of the concluded leases for 57,353 square feet, 16,867 square feet are "committed" lease agreements and tenants are in occupancy for 40,485 square feet. During the quarter, leases for 30,297 square feet or 52.9% were concluded with industrial tenants, 16,594 square feet or 28.9% were concluded with off-downtown core office tenants and 10,462 square feet or 18.2% of the new leases were concluded in the necessity-based retail segment. For the cumulative nine-month period, the Trust concluded transactions with new tenants totaling 118,034 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, 2022	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
	%	%	%	%	%
Operating segment					
Industrial	**100.0**	100.0	99.0	97.0	96.5
Off-downtown core office	**88.6**	89.3	89.3	90.3	89.3
Necessity-based retail	**96.2**	96.2	95.0	95.1	92.6
Total portfolio	**93.5**	93.8	93.1	93.4	92.0

	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
	%	%	%	%	%
Geographic sector					
Montréal	**95.1**	95.1	94.1	94.4	92.8
Québec City(1)	**87.0**	88.2	88.4	88.9	88.9
Ottawa	**94.8**	94.8	93.8	93.7	93.8
Edmonton	**99.1**	100.0	100.0	100.0	-
Saskatoon	**100.0**	100.0	100.0	100.0	-
Total portfolio	**93.5**	93.8	93.1	93.4	92.0

(1) Excluding the Trois-Rivières property, the occupancy rate of the Québec City portfolio would have been 90.2%.

The occupancy rate at the end of the third quarter of 2022 stood at 93.5%, representing a 0.3% decrease compared to the prior quarter, and a 1.5% increase compared to the same period in 2021. Furthermore, the in-place occupancy rate at the end of the third quarter of 2022 stood at 93.1%, representing an increase of 0.1% compared to the prior quarter, and representing an increase of 2.2% compared to the same period in 2021.

Lease maturities

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

	2022	2023	2024	2025	2026
Industrial					
Leasable area (sq. ft.)	-	66,680	30,199	130,414	206,464
Average lease rate/square foot ($)[1]	$-	$11.01	$13.84	$11.15	$12.48
% of industrial portfolio	0.00%	4.05%	1.84%	7.93%	12.55%
Off-downtown core office					
Leasable area (sq. ft.)	162,770	285,151	324,573	259,927	386,352
Average lease rate/square foot ($)[1]	$12.68	$16.47	$14.56	$15.16	$14.66
% of office portfolio	5.68%	9.96%	11.33%	9.08%	13.49%
Necessity-based retail					
Leasable area (sq. ft.)	57,816	168,629	82,430	123,398	107,676
Average lease rate/square foot ($)[1]	$8.92	$8.77	$15.99	$20.09	$16.22
% of retail portfolio	4.15%	12.11%	5.92%	8.86%	7.73%
Total portfolio					
Leasable area (sq. ft.)	**220,587**	**520,460**	**437,202**	**513,738**	**700,492**
Average lease rate/square foot ($)[1]	**$11.70**	**$13.27**	**$14.78**	**$15.33**	**$14.26**
% of total portfolio	**3.74%**	**8.82%**	**7.41%**	**8.71%**	**11.87%**

(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, 2022, the Trust recorded a weighted average lease term of 6.0 years, compared to 5.5 years for the same period in 2021. In addition to securing future revenues for the Trust and solidifying its tenant base, the Trust's lease renewal strategy is also focused on ensuring longevity in the lease terms when appropriate. Moreover, the weighted average lease term was positively impacted by the acquisition of the four industrial properties leased on a long-term basis.

Top 10 tenants

The Trust's three largest tenants are the Government of Québec (off-downtown core office segment), the Government of Canada (off-downtown core office segment), and Walmart Canada inc. (necessity-based retail segment), representing respectively 5.8%, 5.4%, and 2.2% of rental revenue. The Trust's rental revenues are generated by multiple leases with these tenants whose maturities are spread over time.

32.0% of the Trust's total revenue is generated by leases signed with government agencies (federal, provincial, and municipal) and public companies, thus generating stable and high-quality cash flow for the Trust's operating activities.

The following table shows the contribution of the Trust's top 10 tenants as a percentage of revenue as at September 30, 2022. Their contribution accounts for 24.3% of rental revenue for the cumulative nine-month period and 22.1% of leased area:

Client	% of revenue	% of leased area	Leased area (sq. ft.)
Government of Québec	5.8	5.1	299,763
Government of Canada	5.4	4.3	251,850
Walmart Canada inc.	2.2	4.5	264,550
WSP Canada Inc.	2.1	2.0	118,585
Mouvement Desjardins	2.0	1.0	61,034
Intrado Life & Safety Canada, Inc.	1.4	1.0	61,576
Groupe BBA Inc.	1.4	0.8	48,478
Strongco	1.4	0.9	53,767
Germain Larivière Laval Inc.	1.3	0.8	48,676
Satcom Direct Avionics	1.3	1.7	101,357
	24.3	**22.1**	**1,309,636**

Operating Results

The following table summarizes the financial results for the periods ended September 30, 2022, and September 30, 2021, as well as the cumulative periods for the first nine months of 2022 and 2021. 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)	
	2022	2021	**2022**	2021
	$	$	**$**	$
Rental revenue	**29,962**	23,988	**88,009**	73,554
Operating expenses	**11,988**	10,416	**36,203**	31,994
Net operating income	**17,974**	13,572	**51,806**	41,560
Net financial expenses and financial income	**3,367**	3,088	**9,195**	17,899
Administration expenses	**1,591**	1,806	**5,106**	5,312
Transaction costs	**93**	-	**700**	-
Fair value adjustment on investment properties	**1,230**	-	**420**	-
Net income and comprehensive income	**11,693**	8,678	**36,385**	18,349

Rental revenue

For the quarter, rental revenue increased by $6.0 million or 24.9% compared to the same period last year. The increase consisted of the following:

(i) $0.8 million decrease related to the dispositions made since Q4 2021;

(ii) $0.7 million increase due to a combination of a higher in place occupancy rate (+2.1% compared to last year) and higher average lease rate;

(iii) $6.1 million increase related to the following acquisitions:

- $2.2 million, 2344 & 2600 Alfred Nobel (Montréal) in November 2021
- $2.0 million, Western Portfolio (Edmonton & Saskatoon) in December 2021
- $1.0 million, Lansdowne buildings (Ottawa) in January 2022
- $0.3 million, Algoma Road (Ottawa) in April 2022
- $0.3 million, Allard Avenue (Edmonton) in June 2022
- $0.3 million, other acquisitions made in June 2022

For the cumulative nine-month period, rental revenue increased by $14.5 million or 19.7% compared to the same period last year, which is predominantly due to the cumulative impact of acquisitions and dispositions of the aforementioned properties partially offset by the retrospective additional recoveries recognized during the second quarter in 2021.

Operating expenses

The following table summarizes the Trust's operating expenses for the periods ended September 30, 2022, and September 30, 2021, as well as the cumulative periods for the first nine months of 2022 and 2021:

Periods ended September 30 (in thousands of dollars)	Quarter		Cumulative (9 months)	
	2022	2021	**2022**	2021
	$	$	**$**	$
Operating expenses				
Maintenance, repairs and other operating costs	**3,978**	3,617	**12,303**	11,350
Energy	**1,308**	1,276	**4,149**	4,030
Property taxes and insurance	**6,702**	5,523	**19,751**	16,614
Total operating expenses	**11,988**	10,416	**36,203**	31,994
% of rental revenue	**40.0%**	43.4%	**41.1%**	43.5%

Operating expenses increased on a quarterly and cumulative basis mainly due to the new acquisitions and the increase of the cost of living. In addition, property taxes were affected by an increase in property values.

Financial expenses and income

The following table summarizes the financial expenses for the periods ended September 30, 2022, and September 30, 2021, as well as the cumulative periods for the first nine months of 2022 and 2021:

Periods ended September 30 (in thousands of dollars)	Quarter		Cumulative (9 months)	
	2022	2021	**2022**	2021
	$	$	**$**	$
Financial income	**(122)**	(185)	**(399)**	(581)
Interest on mortgage loans	**6,020**	4,709	**17,432**	13,861
Interest on convertible debentures	**715**	762	**2,190**	2,388
Interest on credit facilities	**398**	11	**902**	319
Other interest expense	**64**	56	**220**	185
Interest expense net of financial income	**7,075**	5,353	**20,345**	16,172
Distributions on Class B LP units	**26**	22	**78**	78
Early repayment fees	**-**	-	**284**	188
Net financial expenses before non-monetary items	**7,101**	5,375	**20,707**	16,438
Accretion of effective interest on mortgage loans and convertible debentures	**219**	239	**791**	1,026
Accretion of non-derivative liability component of convertible debentures	**87**	90	**251**	276
Net financial expenses before the following items:	**7,407**	5,704	**21,749**	17,740
Net adjustment to fair value of derivative financial instruments	**(3,898)**	(2,598)	**(12,245)**	(51)
Fair value adjustment on Class B LP units	**(142)**	(18)	**(309)**	210
Net financial expenses net of financial income	**3,367**	3,088	**9,195**	17,899

Financial income mainly consists of interest income generated from a balance of sale granted by the Trust for a principal amount of $3.0 million pursuant to the sale in 2019 of a retail property located in Delson, Québec and the cash on hand during the quarter. The balance of sale was fully repaid on August 16, 2022.

Interest expense net of financial income increased by $1.7 million during the current quarter compared to the same period last year, mainly due to the net increase in mortgage loans attributable to acquisitions, net of dispositions, of investment properties and the increase in the prime lending rate impacting floating interest rates of mortgages contracted in recent quarters and interest paid on the revolving credit facility.

On September 30, 2022, the average weighted contractual rate of interest on mortgage loans outstanding was 3.64%, 11 basis points higher than the average rate as at September 30, 2021 (3.53%). Interest rates on first-ranking mortgage loans ranged from 2.30% to 6.80% as at September 30, 2022, consistent with the previous year. The weighted average term of mortgage loans in place as at September 30, 2022, was 4.4 years (4.4 years as at September 30, 2021).

Net financial expenses net of financial income described above included 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 adjustments 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, 2022, and September 30, 2021, as well as the cumulative periods for the first nine months of 2022 and 2021:

Periods ended September 30 (in thousands of dollars)	Quarter		Cumulative (9 months)	
	2022	2021	**2022**	2021
	$	$	**$**	$
Corporate expenses	**1,625**	1,334	**4,805**	4,193
Expected credit losses	**7**	377	**164**	219
Unit-based compensation	**(41)**	95	**137**	900
Trust administration expenses	**1,591**	1,806	**5,106**	5,312

Corporate expenses increased by $0.3 million or 22% for the quarter compared to the same period last year. For the cumulative nine-month period, the Trust incurred an additional $0.5 million in performance compensation compared to the same period last year. The Trust managed to maintain a stable level of corporate expenses at 5.5% of rental revenue, due to continuous cost control efforts although the Trust may make investments to support its growth.

Expected credit losses decreased by $0.4 million for the quarter and by $0.1 million for the cumulative nine-month period compared to the same period last year. The decrease in credit losses is due to higher collections, which is also reflected in the receivables balance at the end of the quarter.

Unit-based compensation decreased by $0.1 million for the quarter and by $0.8 million for the cumulative nine-month period compared to the same periods last year. The decrease for the cumulative nine-month period is mainly explained by a reduction of the Trust's unit price affecting the following: (i) reduction of $0.4 million related to the cash-settled share-based retirement compensation plan compared to the same period last year; (ii) reduction of $0.4 million under the remaining compensation plans compared to the same period last year.

Fair value adjustment of investment properties

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

On an annual basis, the Trust retains the services of independent external appraisers to evaluate the fair value of a significant portion of its portfolio. Pursuant to its policy, the Trust annually appraises a minimum of one third of its portfolio by independent external appraisers, including the 15 most valuable properties. In addition, as part of acquisitions, financing or refinancing transactions, or at the request of lenders, other properties are also independently appraised during the year. As at September 30th 2022, the Trust externally appraised 64% of its properties representing an aggregate amount of $754.8 million.

For the properties not independently appraised during a given year, the Trust receives quarterly market data regarding capitalization rates and discount rates reflecting real estate market conditions from independent external appraisers or independent experts. The capitalization rate reports provide a range of rates for various geographic regions where the Trust operates and for various types and qualities of properties within each said region. The Trust utilizes capitalization and discount rates within ranges provided by these external experts. 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 net changes in fair value of investment properties by segment for the periods ended September 30, 2022, and September 30, 2021, as well as the cumulative periods for the first nine months of 2022 and 2021:

Periods ended September 30 (in thousands of dollars)	Quarter		Cumulative (9 months)	
	2022	2021	2022	2021
	$	$	$	$
Industrial	17,567	-	18,377	-
Off-downtown core office	(13,203)	-	(13,203)	-
Necessity-based retail	(5,595)	-	(5,595)	-
Total change in fair value	**(1,230)**	**-**	**(420)**	**-**

The following tables summarize the significant assumptions used in the modelling process for both internal and external appraisals:

As at September 30, 2022	**Industrial**	**Off-downtown core office**	**Necessity-based retail**
Capitalization rate	**4.50% - 6.75%**	**5.50% - 8.25%**	**5.25% - 7.75%**
Terminal capitalization rate	**4.75% - 8.75%**	**5.75% - 8.00%**	**5.50% - 8.00%**
Discount rate	**5.50% - 9.50%**	**6.25% - 8.50%**	**6.25% - 8.75%**
Weighted average capitalization rate	**5.59%**	**6.56%**	**6.82%**
As at December 31, 2021			
Capitalization rate	4.50% - 8.50%	5.25% - 8.50%	5.25% - 7.75%
Terminal capitalization rate	4.75% - 7.00%	5.50% - 7.50%	6.00% - 7.00%
Discount rate	5.75% - 7.50%	5.50% - 8.25%	6.50% - 7.50%
Weighted average capitalization rate	5.72%	6.41%	6.62%

The weighted average capitalization rate for the entire portfolio as at September 30, 2022, was 6.34% (6.33% as at December 31, 2021), 1 basis points lower than as at December 31, 2021.

Since December 31, 2021, BTB sold 6 properties at a weighted average capitalization rate of 7.33%. In addition, the trust acquired 6 properties (value of $101.2 million as at September 30, 2022) at a weighted average capitalization rate of 5.71%. Finally, the weighted average capitalization rate of the externally appraised properties is 6.39% (fair value of $754.8 million).

As at September 30, 2022, the Trust has estimated that if an increase / decrease of 0.25% in the capitalization rate were applied to the overall portfolio, this variation would affect the fair value of its investment properties respectively by a reduction of $46.1 million or an increase of $50.0 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 non-recurring items and certain 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 non-recurring and volatile non-monetary items for the periods ended September 30, 2022, and September 30, 2021, as well as the cumulative periods for the first nine months of 2022 and 2021:

Periods ended September 30 (in thousands of dollars, except for per unit)	Quarter		Cumulative (9 months)	
	2022	2021	2022	2021
	$	$	$	$
Net income and comprehensive income	11,693	8,678	36,385	18,349
Non-recurring items:				
Transaction costs on acquisitions and dispositions of investment properties and early repayment fees	93	-	984	188
Fair value adjustment on investment properties	1,230	-	420	-
Fair value adjustment on derivative financial instruments	(3,898)	(2,598)	(12,245)	(51)
Fair value adjustment on Class B LP units	(142)	(18)	(309)	210
Adjusted net income[1]	8,976	6,062	25,235	18,696
Per unit	10.5¢	8.2¢	30.5¢	26.5¢

(1) This is a non-IFRS financial measure, refer to page 35.

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, 2022, and September 30, 2021, as well as the cumulative periods for the first nine months of 2022 and 2021:

Periods ended September 30 (in thousands of dollars, except for per unit)	Quarter		Cumulative (9 months)	
	2022	2021	2022	2021
	$	$	$	$
Net income being total comprehensive income for the period	11,693	8,678	36,385	18,349
Interest expense	7,197	5,538	20,744	16,753
Accretion of effective interest on mortgage loans and convertible debentures	219	239	791	1,026
Amortization of property and equipment	35	23	91	65
Lease incentive amortization	773	780	2,326	2,434
Fair value adjustment on investment properties	1,230	-	420	-
Fair value adjustment on derivative financial instruments	(3,898)	(2,598)	(12,245)	(51)
Fair value adjustment on Class B LP units	(142)	(18)	(309)	210
Unit-based compensation (Unit price remeasurement)	(172)	(19)	(380)	166
Transaction costs on acquisitions and dispositions of investment properties and early repayment fees	93	-	984	188
Straight-line lease adjustment	(521)	(88)	(745)	(576)
Adjusted EBITDA[1]	16,507	12,535	48,062	38,564

(1) This is a non-IFRS financial measure, refer to page 35.

For the quarter, the Adjusted EBITDA[1] was \$16.5 million (\$48.1 million for the 2022 cumulative nine-month period), compared to \$12.5 million for the same quarter last year (\$38.6 million for the 2021 cumulative nine-month period), representing an increase of 31.7%.

(1) This is a non-IFRS financial measure, refer to page 35.

Operating Results – Same-Property Portfolio

Same-property portfolio

The same-property portfolio includes all the properties owned by the Trust on January 1, 2021, and that are still owned by the Trust on September 30, 2022. Therefore, it excludes all the acquired[2] and disposed[3] properties during the years 2021 and 2022.

The following table summarizes the results of the same-property NOI[1] for the periods ended September 30, 2022, and September 30, 2021, as well as the cumulative periods for the first nine months of 2022 and 2021:

Periods ended September 30 (in thousands of dollars)	Quarter			Cumulative (9 months)		
	2022	2021	Δ %	**2022**	2021	Δ %
	$	$		**$**	$	
Net operating income (NOI) as reported in the financial statements	**17,974**	13,572	32.4%	**51,806**	41,560	24.7%
NOI sourced from:						
Acquisitions	**(4,473)**	(233)		**(12,486)**	(239)	
Dispositions	**11**	(506)		**(72)**	(1,429)	
Retrospective additional recovery[2]	**-**	-		**-**	(2,300)	
Same Property NOI[1]	**13,512**	12,833	5.3%	**39,248**	37,592	4.4%

(1) This is a non-IFRS financial measure, refer to page 35.
(2) As mentioned in the Trust's Q2 2021 MD&A (dated August 6, 2021), section Operating Results – Rental Revenue, the Trust had retrospective additional recoveries of $2.3 million. The same-property portfolio analysis excluded these elements for the 2021 figures.

For the quarter, same-property net operating income (NOI)[1] increased by $0.7 million or 5.3%. The important leasing efforts made during the previous quarters resulted in an increase in occupancy rate compared to the same quarter last year and therefore generated additional revenues.

Year-to-date, same-property NOI[1] increased by $1.7 million or 4.4% compared to the same period last year, which is explained by a combination of a higher occupancy rate (1.5% increase compared to the same period for 2021) and increase in average lease renewal rates of 13.9% for the period.

(1) This is a non-IFRS financial measure, refer to page 35.
(2) Refer to the Trust's condensed consolidated interim financial statements dated November 4, 2022, note 3, section a) for the acquired properties details.
(3) Refer to the Trust's condensed consolidated interim financial statements dated November 4, 2022, note 3, section b) for the disposed properties details.

Distributions

Distributions and per unit

The following table summarizes the distributions for the periods ended September 30, 2022, and September 30, 2021, as well as the cumulative periods for the first nine months of 2022 and 2021:

Periods ended September 30 (in thousands of dollars, except for per unit data)	Quarter		Cumulative (9 months)	
	2022	2021	**2022**	2021
	$	$	**$**	$
Distributions				
Cash distributions	**5,550**	4,766	**16,165**	13,605
Cash distributions – Class B LP units	**26**	22	**78**	78
Distributions reinvested under the distribution reinvestment plan	**818**	759	**2,376**	2,199
Total distributions to unitholders	**6,394**	5,547	**18,619**	15,882
Percentage of reinvested distributions[1][2]	**12.8%**	13.7%	**12.8%**	13.8%
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 for the quarterly total of 7.5¢ per unit, unchanged from the same quarter of 2021. For the cumulative nine-month period, the monthly distributions paid to unitholders totalled 22.5¢ per unit, unchanged from 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, 2022, and September 30, 2021, as well as the cumulative periods for the first nine months of 2022 and 2021:

Periods ended September 30 (in thousands of dollars, except for per unit)	Quarter		Cumulative (9 months)	
	2022	2021	2022	2021
	$	$	$	$
Net income and comprehensive income (IFRS)	11,693	8,678	36,385	18,349
Fair value adjustment on investment properties	1,230	-	420	-
Fair value adjustment on Class B LP units	(142)	(18)	(309)	210
Amortization of lease incentives	773	780	2,326	2,434
Fair value adjustment on derivative financial instruments	(3,898)	(2,598)	(12,245)	(51)
Leasing payroll expenses	182	173	561	576
Distributions - Class B LP units	26	22	78	78
Unit-based compensation (Unit price remeasurement)[5]	(172)	(19)	(380)	166
FFO[1]	9,692	7,018	26,836	21,762
Non-recurring item				
Transaction cost on acquisitions and dispositions of investment properties and early repayment fees	93	-	984	188
Recurring FFO[1]	9,785	7,018	27,820	21,950
FFO per unit[1][2][3]	11.4¢	9.5¢	32.4¢	30.8¢
Recurring FFO per unit[1][2][4]	11.5¢	9.5¢	33.6¢	31.1¢
FFO payout ratio[1]	65.9%	79.0%	69.4%	73.0%
Recurring FFO payout ratio[1]	65.2%	79.0%	66.9%	72.4%

(1) This is a non-IFRS financial measure, refer to page 35.
(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 recurring FFO per unit ratio is calculated by dividing the recurring 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).
(5) The impact of the unit price remeasurement on the deferred unit-based compensation plan has been considered in the calculation of the recurring FFO and AFFO starting Q2 2021.

For the quarter, recurring FFO[1] was 11.5¢ per unit (33.6¢ per unit for the 2022 cumulative nine-month period), compared to 9.5¢ per unit for the same quarter last year (31.1¢ per unit for the 2021 cumulative nine-month period). The increase for the quarter is explained by: (i) the improvement of occupancy rates across all business segments; (ii) the increase in average lease renewal rates by 8.8%; and (iii) the effect of accretive acquisitions concluded since the third quarter of last year.

Moreover, for the 2022 cumulative nine-month period, excluding the retrospective $2.3 million additional recovery recognized during the second quarter in 2021, the recurring FFO would have increased by 20.8% or 5.8¢ per unit as compared to the same period in 2021.

The recurring FFO payout ratio[1] for the quarter stood at 65.2% (66.9% for the 2022 cumulative nine-month period) compared to 79.0% for the same quarter in 2021 (72.4% for the 2021 cumulative nine-month period).

(1) This is a non-IFRS financial measure, refer to page 35.

Adjusted Funds from Operations (AFFO)[1]

The following table provides a reconciliation of FFO[1] and AFFO[1] for the periods ended September 30, 2022, and September 30, 2021, as well as the cumulative periods for the first nine months of 2022 and 2021:

Periods ended September 30 (in thousands of dollars, except for per unit data)	Quarter		Cumulative (9 months)	
	2022	2021	**2022**	2021
	$	$	**$**	$
FFO[1]	**9,692**	7,018	**26,836**	21,762
Straight-line rental revenue adjustment	**(521)**	(88)	**(745)**	(576)
Accretion of effective interest	**219**	239	**791**	1,026
Amortization of other property and equipment	**35**	23	**91**	65
Unit-based compensation expenses	**130**	114	**515**	734
Provision for non-recoverable capital expenditures[1]	**(599)**	(478)	**(1,760)**	(1,468)
Provision for unrecovered rental fees[1]	**(375)**	(375)	**(1,125)**	(1,125)
AFFO[1]	**8,581**	6,453	**24,603**	20,418
Transaction costs on purchase and disposition of investment properties and early repayment fees	**93**	-	**984**	188
Recurring AFFO[1]	**8,674**	6,453	**25,587**	20,606
AFFO per unit[1][2][3]	**10.1¢**	8.7¢	**29.7¢**	28.9¢
Recurring AFFO per unit[1][2][4]	**10.2¢**	8.7¢	**30.9¢**	29.2¢
AFFO payout ratio[1]	**74.4%**	85.9%	**75.7%**	77.8%
Recurring AFFO payout ratio[1]	**73.6%**	85.9%	**72.8%**	77.1%

(1) This is a non-IFRS financial measure, refer to page 35.
(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 recurring AFFO per unit ratio is calculated by dividing the recurring 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).

For the quarter, recurring AFFO[1] was 10.2¢ per unit (30.9¢ per unit for the 2022 cumulative nine-month period), compared to 8.7¢ per unit for the same quarter last year (29.2¢ per unit for the 2021 cumulative nine-month period). Moreover, for the 2022 cumulative nine-month period, excluding the retrospective $2.3 million additional recovery recognized during the second quarter in 2021, the recurring AFFO would have increased by 19.2% or 5.0¢ per unit as compared to the same period in 2021.

The recurring AFFO payout ratio[1] for the quarter stood at 73.6% (72.8% for the 2022 cumulative nine-month period) compared to 85.9% for the same quarter last year (77.1% for the 2021 cumulative nine-month period).

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

The Trust also deducts a provision for unrecovered rental fees[2] in the amount of approximately 25¢ per square feet on an annualized basis. Even though quarterly rental fee disbursements vary significantly from one quarter to another, management considers that this provision fairly presents, in the long term, the average disbursements not recovered directly in establishing the rent that the Trust will undertake. These disbursements consist of inducements paid or granted 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, and of brokerage commissions and leasing payroll expenses.

(1) This is a non-IFRS financial measure, refer to page 35.
(2) This is a non-IFRS financial measure as defined in this page.

The following table compares the amount of the provision for non-recoverable capital investments to the amount of investment made during the 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, 2022 (9 months)**	September 30, 2021 (9 months)	December 31, 2021 (12 months)	December 31, 2020 (12 months)
	$	$	$	$
Provision for non-recoverable capital expenditures(1)	**1,760**	1,468	2,007	1,859
Non-recoverable capital expenditures(1)	**1,418**	1,218	1,297	2,055

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

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

Cash Flows

The following table shows the Trust net distributions to unitholders compared to net cash flows from operating activities less interest paid:

Periods ended September 30 and 12-month periods ended December 31 (in thousands of dollars)	**2022 (9 months)**	2021 (9 months)	2021 (12 months)	2020 (12 months)
	$	$	$	$
Net cash flows from operating activities	**47,279**	31,401	56,538	46,145
Interest paid	**(20,405)**	(16,139)	(21,755)	(21,787)
Net cash flows from operating activities less interest paid	**26,874**	15,262	34,783	24,358
Net distributions to unitholders	**15,962**	13,397	18,171	21,513
Surplus of net cash flows from operating activities less interest paid compared to net distributions to unitholders	**10,912**	1,865	16,612	2,845

The following table summarizes the reconciliation of net cash from operating activities presented in the financial statements, AFFO[1] and FFO[1] for the periods ended September 30, 2022, and September 30, 2021, as well as the cumulative periods for the first nine months of 2022 and 2021:

Periods ended September 30 (in thousands of dollars)	Quarter		Cumulative (9 months)	
	2022	2021	**2022**	2021
	$	$	**$**	$
Cash flows from operating activities	**20,359**	10,090	**47,279**	31,401
Leasing payroll expenses	**182**	173	**561**	576
Transaction costs on purchase and disposition of investment properties and early repayment fees	**(93)**	-	**(984)**	(188)
Adjustments for changes in other working capital items	**(3,730)**	2,486	**1,230**	7,670
Financial income	**122**	185	**399**	581
Interest expenses	**(7,197)**	(5,538)	**(20,744)**	(16,753)
Provision for non-recoverable capital expenditures[2]	**(599)**	(478)	**(1,760)**	(1,468)
Provision for non-recovered rental fees[2]	**(375)**	(375)	**(1,125)**	(1,125)
Accretion of non-derivative liability component of convertible debentures	**(88)**	(90)	**(253)**	(276)
AFFO[1]	**8,581**	6,453	**24,603**	20,418
Provision for non-recoverable capital expenditures[2]	**599**	478	**1,760**	1,468
Provision for non-recovered rental fees[2]	**375**	375	**1,125**	1,125
Straight-line rental revenue adjustment	**521**	88	**745**	576
Unit-based compensation expenses	**(130)**	(114)	**(515)**	(734)
Accretion of effective interest	**(219)**	(239)	**(791)**	(1,026)
Amortization of property and equipment	**(35)**	(23)	**(91)**	(65)
FFO[1]	**9,692**	7,018	**26,836**	21,762

(1) This is a non-IFRS financial measure, refer to page 35.
(2) This is a non-IFRS financial measure, refer to AFFO section for detailed explanations.

(1) This is a non-IFRS financial measure, refer to page 35.

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 segment's contribution to revenues and to net operating income (NOI) for the quarters ended September 30, 2022, and September 30, 2021:

Quarters ended September 30 (in thousands of dollars)	Industrial		Off-downtown core office		Necessity-based retail		Total
	$	%	$	%	$	%	$
Quarter ended September 30, 2022							
Investment properties	**332,793**	**28.2**	**597,846**	**50.7**	**249,230**	**21.1**	**1,179,869**
Rental revenue from properties	**5,855**	**19.5**	**17,181**	**57.3**	**6,926**	**23.1**	**29,962**
Net operating income (NOI)	**4,564**	**25.4**	**9,388**	**52.2**	**4,022**	**22.4**	**17,974**
Quarter ended September 30, 2021							
Investment properties	180,086	19.5	496,127	53.7	247,426	26.8	923,639
Rental revenue from properties	3,544	14.8	13,802	57.5	6,642	27.7	23,988
Net operating income (NOI)	2,564	18.9	7,173	52.9	3,835	28.3	13,572

Industrial performance

The industrial segment continues to show good performance. The proportional fair value of industrial properties increased from 19.5% to 28.2% compared to the same period last year, due to the acquisitions of industrial properties concluded since the same period in 2021. During this period, the Trust acquired 14 industrial properties for an aggregate value of $160.8 million. The acquired properties are all fully occupied and have a positive impact on the occupancy rate, which stood at 100.0% at the end of the quarter, a 3.5% increase compared to the same period last year. The proportion of the net operating income (NOI) generated by the industrial segment increased from 18.9% to 25.4% compared to the same period last year.

Off-downtown core office performance

The performance of the segment has been stable across all geographic sectors, and it has been supported by the quality of its tenants. In this segment, the Trust concluded lease renewals for a total of 40,072 square feet with an increase in the average renewal rate of 4.5%. The percentage of net operating income (NOI) generated by the off-downtown core office segment was positively affected by the recent acquisitions of the two Alfred Nobel properties in Montréal and the two Bank Street properties in Ottawa. These acquisitions were accretive from a NOI standpoint, resulting in an increase compared to the same period last year from $7.2 million to $9.4 million. The Trust owns off-downtown core office properties and doesn't own downtown high-rise towers that were the most impacted by the pandemic. The proportion of the net operating income (NOI) generated by the off-downtown core office segment decreased from 52.9% to 52.2% compared to the same period last year.

Necessity-based retail performance

The Trust doesn't own enclosed malls and most of the properties are anchored or leased by necessity-based tenants. The occupancy rate in the necessity-based retail segment at the end of the third quarter of 2022 stood at 96.2%, an increase of 3.6% compared to the same period last year. The Trust disposed of one property within this operating segment and hasn't acquired any property in this segment. The proportion of the net operating income (NOI) generated by the necessity-based retail segment decreased from 28.3% to 22.4% compared to the same period last year, mainly due to the Trust not concluding any acquisitions within the necessity-based retail segment while acquiring properties in the industrial and off-downtown core office segments which increased the proportion of net operating income (NOI) of their respective segments.

Assets

Investment properties

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

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

The fair value of its investment properties stood at $1,180 million as at September 30, 2022, compared to $1,111 million as at December 31, 2021. The increase is explained by the previously mentioned acquisitions and dispositions. The net impact increased the portfolio of investment properties by $63.9 million or 5.4%. The remaining increase can be explained by the net impact of additions related to capital expenditures of $2.7 million, the net impact of capitalized lease incentives of $0.5 million, the straight-line lease adjustment of $0.7 million, the capitalized leasing fees of $1.4 million and the loss on net changes in fair value of investment properties of $0.4 million.

Improvements in investment properties

The Trust invests capital to improve its properties to preserve the quality of their infrastructure and services provided to tenants. These investments include value-added maintenance corresponding to expenditures required to upkeep properties, as well as property improvement and redevelopment projects intended to increase leasable area, occupancy rates or quality of space available for rent. In some cases, 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, 2022, and September 30, 2021, as well as the cumulative periods for the first nine months of 2022 and 2021:

Periods ended September 30 (in thousands of dollars)	Quarter		Cumulative (9 months)	
	2022	2021	**2022**	2021
	$	$	**$**	$
Recoverable capital expenditures	**697**	372	**1,285**	1,018
Non-recoverable capital expenditures	**578**	519	**1,418**	1,219
Total capital expenditures	**1,275**	891	**2,703**	2,237
Leasing fees and leasehold improvements	**1,316**	1,405	**4,246**	3,656
Total	**2,591**	2,296	**6,949**	5,893

The following table summarizes the changes in the fair value of investment properties for the periods ended September 30, 2022, and September 30, 2021, as well as the cumulative periods for the first nine months of 2022 and 2021:

Periods ended September 30 (in thousands of dollars)	Quarter		Cumulative (9 months)	
	2022	2021	**2022**	2021
	$	$	**$**	$
Balance, beginning of period	**1,167,247**	922,035	**1,110,971**	903,870
Additions:				
Acquisitions	**15,896**	-	**96,122**	15,734
Dispositions	**(4,388)**	-	**(32,177)**	-
Capital expenditures	**1,275**	891	**2,703**	2,237
Leasing fees and capitalized lease incentives	**1,316**	1,405	**4,246**	3,656
Fair value adjustment on investment properties	**(1,229)**	-	**(419)**	-
Other non-monetary changes[1]	**(248)**	(692)	**(1,577)**	(1,858)
Balance, end of period	**1,179,869**	923,639	**1,179,869**	923,639

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

Receivables

(in thousands of dollars)	September 30, 2022	December 31, 2021	September 30, 2021
	$	$	$
Rent receivable	**4,019**	4,497	6,757
Allowance for expected credit losses	**(971)**	(944)	(990)
Net rent receivable	**3,048**	3,553	5,767
Unbilled recoveries	**1,494**	587	29
Other receivables	**988**	1,388	213
Receivables	**5,530**	5,528	6,009

Receivables remained stable from $5.5 million as at December 31, 2021, to $5.5 million as at September 30, 2022. The stability is caused by an increase of unbilled revenue provision and other receivables recognized during the third quarter of fiscal year 2022 and netted with a decrease of rent receivables impacted by an increase in efficiency with regards to collection.

Prepaid expenses, Deposits and Property and equipment

(in thousands of dollars)	September 30, 2022	December 31, 2021	September 30, 2021
	$	$	$
Property and equipment	**1,522**	1,438	1,351
Accumulated depreciation	**(1,082)**	(992)	(970)
Net property and equipment	**440**	446	381
Prepaid expenses	**6,042**	1,811	2,991
Deposits	**822**	936	3,979
Other assets	**7,304**	3,193	7,351

Prepaid expenses, deposits and property and equipment increased from $3.2 million as at December 31, 2021, to $7.3 million as at September 30, 2022, which is explained by the increase in prepaid municipal taxes.

Capital Resources

Long-term debt

The following table summarizes the balance of BTB's indebtedness on September 30, 2022, including mortgage loans and convertible debentures, based on the year of maturity and corresponding weighted average contractual interest rates:

As at September 30, 2022 (in thousands of dollars)	Balance of convertible debentures[1]	Balance of mortgages payable[1]	Weighted average contractual interest rate
	$	$	%
Year of maturity			
2022	-	22,962	3.89
2023	-	55,756	3.79
2024	24,000	107,959	4.44
2025	20,280	59,331	4.29
2026	-	119,789	3.22
2027 and thereafter	-	266,011	3.65
Total	**44,280**	**631,808**	**3.82**

(1) Gross amounts.

For the last three months of 2022, the Trust has $23.0 million mortgages coming to maturity. As at October 31st,2022, of the $23.0 million, $6.5 million has been repaid. The remaining balance is currently in the negotiation process with signed commitment letters. Historically, the Trust has always been able to refinance its existing mortgages and there is no indication that this would change.

Weighted average contractual interest rate

As at September 30, 2022, the weighted average contractual interest rate of the Trust's long-term debt stood at 3.82% (3.64% for mortgage loans and 6.46% for convertible debentures) an increase of 4 basis points compared to the same period last year.

Mortgage loans

As at September 30, 2022, the Trust's total mortgage loans (excluding unamortized fair value adjustments and unamortized financing expenses) amounted to $631.8 million compared to $607.0 million as at December 31, 2021. The increase of 53.0 relates to previously mentioned acquisitions where the Trust contracted or assumed mortgages of $50.0 million and the remaining $3.0 million relates to the refinancing of an existing mortgage.

The following table summarizes the changes in mortgage loans payable during the period ended September 30, 2022:

Period ended September 30, 2022 (in thousands of dollars)	Quarter	Cumulative (9 months)
	$	$
Balance at beginning[1]	**630,786**	607,038
Mortgage loans contracted or assumed[2]	**8,998**	52,966
Balance repaid at maturity or upon disposition[3]	**(2,745)**	(13,059)
Monthly principal repayments[4]	**(5,231)**	(15,137)
Balance as at September 30, 2022[1]	**631,808**	631,808

(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, 2022, the weighted average mortgage interest rate was 3.64% compared to 3.53% for the same period last year, an increase of 11 basis points. The majority of the Trust's mortgages payable bear interest at fixed rates (cumulative principal amount of $534.1 million) or are subject to floating-to-fixed interest rate swap (cumulative principal amount of $52.5 million). However, the Trust has four loans that bear interest at floating rates (cumulative principal balance of $45.4 million).

The weighted average term of existing mortgage loans was 4.4 years as at September 30, 2022, compared to 4.4 years as at September 30, 2021. The Trust attempts to spread the maturities of its mortgages over many years to mitigate the risk associated with renewals.

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

As at September 30, 2022 (in thousands of dollars)	Principal repayment	Balance at maturity	Total	% of total
	$	$	$	
Maturity				
2022 (3 months)	5,100	25,583	30,683	4.9
2023	18,615	52,066	70,681	11.2
2024	16,263	100,720	116,983	18.5
2025	13,892	52,853	66,745	10.6
2026	11,506	105,191	116,697	18.5
2027 and thereafter	31,449	198,570	230,019	36.4
Total	**96,825**	**534,983**	**631,808**	**100.0**
Unamortized fair value assumption adjustments			704	
Unamortized financing expenses			(2,715)	
Balance as at September 30, 2022			**629,797**	

As at September 30, 2022, the Trust was in compliance with all the contractual mortgage covenants to which it is subject.

Convertible debentures

(in thousands of dollars)	Series G(1)(3)	Series H(2)(3)	Total
Par value	24,000	20,280(4)	44,280
Contractual interest rate	6.00%	7.00%	
Effective interest rate	7.30%	8.28%	
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 September 30, 2022	**23,389**	**18,364**	**41,753**

(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 $9,720 of the Series H debenture since issuance. Conversion of $12 during the quarter and $1,863 for the cumulative nine-month period.

Debt ratio

Under the terms of its trust agreement, the Trust can't contract a mortgage loan if, after having contracted the said loan, the total mortgage debt would exceed 75% of the fair value of the total assets of the Trust. In accordance with the Trust indenture, when establishing this calculation, the convertible debentures shouldn't be considered in the calculation of total indebtedness. Moreover, also under its trust indenture, in case of failure to abide by this condition, the Trust benefits from a 12-month delay from the date of knowledge to remedy the situation.

The following table summarizes the Trust's debt ratios as at September 30, 2022, and September 30, 2021 and December 31, 2021:

(in thousands of dollars)	September 30, 2022	December 31, 2021	September 30, 2021
	$	$	$
Cash and cash equivalents	(10,417)	(7,191)	(19,173)
Mortgage loans outstanding(1)	631,808	607,038	496,166
Convertible debentures(1)	43,086	44,564	44,931
Credit facilities	36,991	35,468	5,100
Total long-term debt less cash and cash equivalents(2)(3)	701,468	679,879	527,024
Total gross value of the assets of the Trust less cash and cash equivalents(2)(4)	1,197,582	1,124,690	944,004
Mortgage debt ratio (excluding convertible debentures and credit facilities)(2)(5)	52.8%	54.0%	52.6%
Debt ratio – convertible debentures(2)(6)	3.6%	4.0%	4.8%
Debt ratio – credit facilities(2)(7)	3.1%	3.2%	0.5%
Total debt ratio(2)	58.6%	60.5%	55.8%

(1) Before unamortized financing expenses and fair value assumption adjustments.
(2) This is a non-IFRS financial measure, refer to page 35.
(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 F 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, 2022, the mortgage debt ratio[1] excluding the convertible debentures and credit facilities totalled 52.8%, a decrease of 1.2% since December 31, 2021. As of September 30, 2022, the total debt ratio[2], including the convertible debentures and credit facilities, net of cash and cash equivalents, decreased to 58.6%, a decrease of 1.9% since December 31, 2021. The decrease is driven by a partial repayment of the revolving credit facility in April 2022 with the funds received from the March 2022 bought deal public offering. This decrease was partially offset by the property acquisitions concluded during the second and third quarters which increased the use of the credit facilities.

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. Management continues to believe the Trust is well positioned based on the improved balance sheet over the years, short-term debt maturities that are under way to be refinanced, a pool of assets that can be used to structure new lines of credit, and the liquidity of the portfolio in the event of an opportunistic asset sale.

(1) This is a non-IFRS financial measure as defined in this page.
(2) This is a non-IFRS financial measure, refer to page 35.

Interest coverage ratio

The following table summarizes the interest coverage ratio for the periods ended September 30, 2022, and September 30, 2021, as well as the cumulative periods for the first nine months of 2022 and 2021:

Periods ended September 30 (in thousands of dollars, except for the ratios)	Quarter		Cumulative (9 months)	
	2022	2021	**2022**	2021
	$	$	**$**	$
Adjusted EBITDA(1)	**16,507**	12,535	**48,062**	38,564
Interest expenses net of financial income(2)	**7,075**	5,353	**20,345**	16,172
Interest coverage ratio(3)	**2.33**	2.34	**2.36**	2.38

(1) This is a non-IFRS financial measure, refer to page 35.
(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 the quarter ended September 30, 2022, the interest coverage ratio stood at 2.33, a decrease of 1 basis points from the third quarter of 2021.

Debt service coverage ratio

The following table summarizes the debt service coverage ratio for the periods ended September 30, 2022, and September 30, 2021, as well as the cumulative periods for the first nine months of 2022 and 2021:

Periods ended September 30 (in thousands of dollars, except for the ratios)	Quarter		Cumulative (9 months)	
	2022	2021	**2022**	2021
	$	$	**$**	$
Adjusted EBITDA(1)	**16,507**	12,535	**48,062**	38,564
Interest expenses net of financial income(2)	**7,075**	5,353	**20,345**	16,172
Principal repayments	**5,231**	3,984	**15,137**	12,270
Debt service requirements	**12,306**	9,337	**35,482**	28,442
Debt service coverage ratio(3)	**1.34**	1.34	**1.35**	1.36

(1) This is a non-IFRS financial measure, refer to page 35.
(2) This is a non-IFRS financial measure. Interest expenses exclude early repayment fees, accretion of effective interest, distribution on Class B LP units, accretion of non-derivative liability component of convertible debentures and the fair value adjustment on derivative financial instruments and Class B LP units.
(3) This is a non-IFRS financial measure. Debt service coverage ratio is calculated by dividing the Adjusted EBITDA(1) by Debt service requirements.

Class B LP units

The following table summarizes the Class B LP units for the periods ended September 30, 2022, and September 30, 2021, as well as the cumulative periods for the first nine months of 2022 and 2021:

Period ended September 30, 2022 (in number of units)	Quarter		Cumulative (9 months)	
	Units	$	**Units**	$
Class B LP units outstanding, beginning of quarter	**347,265**	1,483	**347,265**	1,417
Fair value adjustment	**-**	(375)	**-**	(309)
Class B LP units outstanding, end of quarter	**347,265**	1,108	**347,265**	1,108

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're 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.

The Class B LP units were issued on May 30, 2018 in payment for the acquisition of a 25% equity portion in the property located at 815 Boulevard Lebourgneuf in Québec City (the Trust assumed the mortgage loan related to the said 25% equity portion).

Units outstanding

The following table summarizes the total number of units outstanding during the reporting quarters and cumulative periods and the weighted number of units outstanding for the same quarters and cumulative periods.

Periods ended September 30 (in number of units)	Quarter		Cumulative (9 months)	
	2022	2021	**2022**	2021
Units outstanding, beginning of the period	**84,342,264**	73,391,436	**74,126,971**	63,439,435
Units issued pursuant to a public issue	**-**	-	**9,584,100**	7,809,650
Distribution reinvestment plan	**224,121**	188,798	**620,144**	557,180
Issued - employee unit purchase plan	**310**	-	**11,915**	14,351
Issued - restricted unit compensation plan	**25,857**	-	**130,506**	71,722
Issued – deferred unit compensation plan	**-**	-	**-**	-
Class B LP units exchanged into Trust units	**-**	-	**-**	50,000
Issued – conversion of convertible debentures	**3,296**	217,577	**511,804**	1,855,473
Units outstanding, end of the period	**84,595,848**	73,797,811	**84,985,440**	73,797,811
Weighted average number of units outstanding	**84,900,129**	73,664,818	**82,402,375**	70,242,615
Weighted average number of Class B LP units and units outstanding	**85,247,394**	74,012,083	**82,749,640**	70,600,991

Deferred unit compensation plan

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

The following table summarizes deferred units outstanding for the periods ended September 30, 2022, and September 30, 2021, as well as the cumulative periods for the first nine months of 2022 and 2021:

Periods ended September 30 (in number of units)	Quarter		Cumulative (9 months)	
	2022	2021	**2022**	2021
Deferred units outstanding, beginning of the period	**107,341**	95,487	**103,116**	87,920
Trustees' compensation	**5,133**	2,151	**7,181**	6,322
Distributions paid in units	**4,527**	1,610	**6,704**	5,006
Deferred units outstanding, end of the period	**117,001**	99,248	**117,001**	99,248

Restricted unit compensation plan

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

The following table summarizes restricted units outstanding for the periods ended September 30, 2022, and September 30, 2021, as well as the cumulative periods for the first nine months of 2022 and 2021:

Periods ended September 30 (in number of units)	Quarter		Cumulative (9 months)	
	2022	2021	**2022**	2021
Restricted units outstanding, beginning of the period	**163,169**	161,536	**161,536**	139,724
Granted	**1,272**	-	**93,576**	95,058
Cancelled	**-**	-	**-**	(1,524)
Settled	**(25,858)**	-	**(116,529)**	(71,722)
Restricted units outstanding, end of the period	**138,583**	161,536	**138,583**	161,536

Employee unit purchase plan

The Trust offers its employees an optional unit purchase plan. Under this plan, the employees may contribute, each year, from 3% to a maximum of 7% of their base salary depending on their years of tenure with the Trust. Subject to the plan's conditions, for each two units purchased by an employee, the Trust shall issue one unit from treasury to the employee.

Off-balance sheet arrangements and contractual commitments

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

Income Taxes

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

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

However, for a given taxation year, BTB isn't 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 "nonportfolio 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, 2022, BTB met all these conditions and qualified as a REIT. As a result, the SIFT trust tax rules don't 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 2022 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	2022	2021
	%	%
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 Note Investment Properties to the annual consolidated financial statements as at and for the years ended December 31, 2021, and 2020.

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 has created a heightened level of uncertainty on the economy. The rise of the policy rate has had trivial effects to Trust's operations and ability to negotiate new and renewals of mortgages. Given the situation, there could be certain repercussions on the mortgage refinancing activities, the fair value of the investment properties, certain investment decisions and the level of transactions of the market. The trust will continue to monitor the effects of the rise on its investment activities and valuation of the investment properties.

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 2021 Annual Information Form for the year ended December 31, 2021, which is hereby incorporated by reference. Such risks and uncertainties include:

- Access to Capital and to Debt Financing
- Interest Rate Increases
- Ownership of Immovable Property
- Competition and Rising Property Prices
- Availability of Immovable Property for Acquisition
- Development Programs
- Recruitment and Retention of Employees and Executives
- Government Regulation
- Limit on Activities Under the Trust Agreement
- Tax Regulations
- Fluctuations in Cash Distributions
- Reliance on Single or Anchor Tenants
- Potential Unitholder Liability
- Conflicts of Interest
- Market Price of Units
- Legal Rights Relating to Units
- Dilution
- Environmental Matters
- Legal Risks
- General Uninsured Losses
- Retail Industry
- A possible economic recession
- Long-term effect of a global pandemic

Disclosure Controls and Procedures and Internal Control over Financial Reporting

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

Evaluations are performed regularly to assess the effectiveness of DC&P, including this MD&A and the consolidated financial statements. Based on these evaluations, the President and Chief Executive Officer and the Vice-President and Chief Financial Officer concluded that the DC&P were effective as at December 31, 2021, and 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, 2022, 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 2022, management made no changes to internal control over financial reporting that materially affected, or are likely to materially affect, internal control over financial reporting.

APPENDIX 1 – Definitions

Class B LP Units

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

Rental revenue

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

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

Operating expenses

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

Net operating income (NOI)

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

Financial expenses

Financial expenses arise from the following loans and financing:

- Mortgage loans payable contracted or assumed totalling approximately $631.8 million as at September 30, 2022, compared to $495.8 million as at September 30, 2021.
- Series G and H convertible debentures for a total par value of $44.3 million.
- Credit facilities used as needed.
- Financing costs on mortgages, convertible debentures and other loans netted against the related debt and amortized on an effective interest basis over the expected life of the debt.

Administration expenses

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

Fair value adjustment on investment properties

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

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

Management receives quarterly capitalization rate and discount rate data from external chartered valuators and independent experts. The capitalization rate reports provide a range of rates for various geographic regions and for various types and qualities of properties within each region. The Trust utilizes capitalization and discount rates within ranges provided by external valuators. To the extent that the externally provided capitalization rate ranges change from one reporting quarter to the next or should another rate within the provided ranges be more appropriate than the rate previously used, the fair value of the investment properties would increase or decrease accordingly.

Same-property portfolio

The same-property portfolio includes all the properties owned by the Trust as at January 1, 2021 and still owned as at September 30, 2022, but doesn't include the financial impacts from dispositions, acquisitions and developments completed in 2021 and 2022, 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:

	2022 Q-3	2022 Q-2	2022 Q-1	2021 Q-4	2021 Q-3	2021 Q-2	2021 Q-1	2020 Q-4
(in thousands of dollars, except for per unit)	$	$	$	$	$	$	$	$
Net income and comprehensive income	11,693	18,243	6,449	23,219	8,678	7,161	2,510	3,850
Fair value adjustment on investment properties	1,230	197	(1,007)	(19,571)	-	-	-	(2,130)
Fair value adjustment on Class B LP units	(142)	(233)	66	21	(18)	(52)	280	242
Amortization of lease incentives	773	818	735	858	780	777	877	794
Fair value adjustment on derivative financial instruments	(3,898)	(9,344)	997	3,297	(2,598)	733	1,814	2,950
Leasing payroll expenses	182	158	221	208	173	184	219	146
Distributions – Class B LP units	26	26	26	30	22	26	30	30
Unit-based compensation (Unit price remeasurement)[5]	(172)	(285)	77	23	(19)	185	-	-
FFO[1]	9,692	9,580	7,564	8,085	7,018	9,014	5,730	5,882
Non-recurring item								
Transaction cost on acquisitions and dispositions of investment properties and early repayment fees	93	138	753	109	-	188	-	440
Recurring FFO[1]	9,785	9,718	8,317	8,194	7,018	9,202	5,730	6,322
FFO per unit[1][2][3]	11.4¢	11.3¢	9.7¢	10.9¢	9.5¢	12.3¢	8.9¢	9.2¢
Recurring FFO per unit[1][2][4]	11.5¢	11.4¢	10.7¢	11.0¢	9.5¢	12.5¢	8.9¢	9.9¢
FFO payout ratio[1]	65.9%	66.4%	77.2%	68.9%	79.0%	61.1%	84.0%	81.1%
Recurring FFO payout ratio[1]	65.2%	65.5%	70.2%	68.0%	79.0%	59.9%	84.0%	75.5%

(1) This is a non-IFRS financial measure, refer to page 35.
(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 recurring FFO per unit ratio is calculated by dividing the recurring 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).
(5) The impact of the unit price remeasurement on the deferred unit-based compensation plan has been considered in the calculation of the recurring FFO and AFFO starting Q2 2021.

(1) This is a non-IFRS financial measure, refer to page 35.

Adjusted Funds from Operations (AFFO)[1]

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

	2022 Q-3	2022 Q-2	2022 Q-1	2021 Q-4	2021 Q-3	2021 Q-2	2021 Q-1	2020 Q-4
(in thousands of dollars, except for per unit)	$	$	$	$	$	$	$	$
FFO[1]	**9,692**	9,580	7,564	8,085	7,018	9,014	5,730	5,882
Straight-line rental revenue adjustment	**(521)**	(74)	(150)	(758)	(88)	(91)	(397)	108
Accretion of effective interest	**219**	284	288	275	239	428	359	343
Amortization of other property and equipment	**35**	26	30	22	23	27	15	23
Unit-based compensation expenses	**130**	312	73	143	114	(24)	644	281
Provision for non-recoverable capital expenditures[1]	**(599)**	(580)	(581)	(539)	(478)	(519)	(471)	(449)
Provision for unrecovered rental fees[1]	**(375)**	(375)	(375)	(375)	(375)	(376)	(374)	(375)
AFFO[1]	**8,581**	9,173	6,849	6,853	6,453	8,459	5,506	5,813
Non-recurring item								
Transaction cost on acquisitions and dispositions of investment properties and early repayment fees	**93**	138	753	109	-	188	-	440
Recurring AFFO[1]	**8,674**	9,311	7,602	6,962	6,453	8,647	5,506	6,253
AFFO per unit[1][2][3]	**10.1¢**	10.8¢	8.8¢	9.2¢	8.7¢	11.5¢	8.6¢	9.1¢
Recurring AFFO per unit[1][2][4]	**10.2¢**	11.0¢	9.7¢	9.4¢	8.7¢	11.8¢	8.6¢	9.8¢
AFFO payout ratio[1]	**74.4%**	69.4%	85.3%	81.3%	85.9%	65.1%	87.4%	82.1%
Recurring AFFO payout ratio[1]	**73.6%**	68.3%	76.8%	80.0%	85.9%	63.7%	87.4%	76.3%

(1) This is a non-IFRS financial measure, refer to page 35.
(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 recurring AFFO per unit ratio is calculated by dividing the recurring 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).

(1) This is a non-IFRS financial measure, refer to page 35.

245 Menten Place, Ottawa, ON

Condensed Consolidated Interim Financial Statements

Quarter ended September 30, 2022

Condensed Consolidated Interim Statements of Financial Position

(Unaudited - in thousands of CAD dollars)

	Notes	As at September 30, 2022	As at December 31, 2021
		$	$
Assets			
Investment properties	3	1,179,869	1,110,971
Property and equipment		440	446
Derivative financial instruments	9	3,796	-
Prepaid expenses and deposits		6,864	2,747
Balance of sale		-	3,018
Receivables	4	5,530	5,528
Cash and cash equivalents		10,417	7,191
Total assets		**1,206,916**	**1,129,901**
Liabilities and unitholders' equity			
Mortgage loans payable	5	629,797	605,210
Convertible debentures	6	41,753	42,819
Bank loans	7	36,991	35,468
Lease liabilities		4,207	4,219
Class B LP Units	8	1,108	1,417
Unit-based compensation	10	1,138	1,513
Derivative financial instruments	9	2,130	11,246
Trade and other payables		21,830	21,731
Distribution payable to unitholders		2,125	1,853
Total liabilities		**741,079**	**725,476**
Unitholders' equity		**465,837**	**404,425**
		1,206,916	**1,129,901**

See accompanying notes to condensed consolidated interim financial statements.

Approved by the Board on November 4, 2022.

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	**2022**	**2021**	**2022**	**2021**
		$	**$**	**$**	**$**
Operating revenues					
Rental revenue	**12**	**29,962**	**23,988**	**88,009**	**73,554**
Operating expenses					
Public utilities and other operating expenses		**5,286**	**4,893**	**16,452**	**15,380**
Property taxes and insurance		**6,702**	**5,523**	**19,751**	**16,614**
		11,988	**10,416**	**36,203**	**31,994**
Net operating income		**17,974**	**13,572**	**51,806**	**41,560**
Financial income		122	185	399	581
Expenses					
Financial expenses		7,503	5,867	22,070	18,243
Distribution - Class B LP Units	8	26	22	78	78
Fair value adjustment – Class B LP Units	8	(142)	(18)	(309)	210
Net adjustment to fair value of derivative financial instruments		(3,898)	(2,598)	(12,245)	(51)
Net financial expenses	13	3,489	3,273	9,594	18,480
Administration expenses		1,591	1,806	5,106	5,312
Net change in fair value of investment properties and disposition expenses	3	1,323	-	1,120	-
Net income and comprehensive income for the period		**11,693**	**8,678**	**36,385**	**18,349**

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, 2022		**351,540**	**(177,308)**	**230,193**	**404,425**
Issuance of units, net of issuance expenses	11	43,568	-	-	43,568
Distribution to unitholders	11	-	(18,541)	-	(18,541)
		395,108	(195,849)	230,193	429,452
Comprehensive income		-	-	36,385	36,385
Balance as at September 30, 2022		**395,108**	**(195,849)**	**266,578**	**465,837**
Balance as at January 1, 2021		**309,394**	**(155,952)**	**188,625**	**342,067**
Issuance of units, net of issuance expenses	11	40,806	-	-	40,806
Distribution to unitholders	11	-	(15,805)	-	(15,805)
		350,200	(171,757)	188,625	367,068
Comprehensive income		-	-	18,349	18,349
Balance as at September 30, 2021		**350,200**	**(171,757)**	**206,974**	**385,417**

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	2022	2021	2022	2021
		$	$	$	$
Operating activities					
Net income for the period		11,693	8,678	36,385	18,349
Net change in fair value of investment properties and disposition expenses	3	1,323	-	1,120	-
Depreciation of property and equipment		35	23	91	65
Unit-based compensation	10	(41)	95	137	900
Straight-line lease adjustment	12	(521)	(88)	(745)	(576)
Lease incentive amortization	12	773	780	2,326	2,434
Financial income		(122)	(185)	(399)	(581)
Net financial expenses	13	3,489	3,273	9,594	18,480
		16,629	12,576	48,509	39,071
Adjustment for changes in other working capital items		3,730	(2,486)	(1,230)	(7,670)
Net cash from operating activities		**20,359**	**10,090**	**47,279**	**31,401**
Investing activities					
Additions to investment properties net of mortgage loans	3	(18,403)	(1,969)	(68,608)	(20,425)
Net proceeds from disposition of investment properties	3	4,290	-	25,922	-
Acquisition of property and equipment		(22)	(26)	(85)	(112)
Net cash (used in) investing activities		**(14,135)**	**(1,995)**	**(42,771)**	**(20,537)**
Financing activities					
Mortgage loans, net of financing expenses		8,892	(457)	17,946	58,301
Repayment of mortgage loans		(7,976)	(8,728)	(22,647)	(49,313)
Bank loans		12,817	5,100	1,523	(10,200)
Lease liability payments		(4)	(3)	(12)	(10)
Net proceeds from unit issue		29	25	38,353	30,083
Net distribution to unitholders		(5,592)	(4,789)	(15,962)	(13,397)
Net distribution – Class B LP units	8	(26)	(22)	(78)	(78)
Interest paid		(6,967)	(5,355)	(20,405)	(16,139)
Net cash (used in) from financing activities		**1,173**	**(14,229)**	**(1,282)**	**(753)**
Net change in cash and cash equivalents		**7,397**	**(6,134)**	**3,226**	**10,111**
Cash and cash equivalents, beginning of period		**3,020**	**25,307**	**7,191**	**9,062**
Cash and cash equivalents, end of period		**10,417**	**19,173**	**10,417**	**19,173**

See accompanying notes to condensed consolidated interim financial statements.

Notes to Condensed Consolidated Interim Financial Statements

For the nine-month periods ended September 30, 2022 and 2021
(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, 2022 and 2021 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, 2021.

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, 2021.

These condensed consolidated interim financial statements were approved by the Board of Trustees on November 4, 2022.

(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 has created a heightened level of uncertainty on the economy. The rise of the policy rate has had trivial effects on the Trust's operations and ability to negotiate new and renewals of mortgages. Given the situation, there could be certain repercussions on the mortgage refinancing activities, the fair value of the investment properties, certain investment decisions and the level of transactions of the market. The Trust will continue to monitor the effects of the rise on its investment activities and valuation of the 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, **2022**	Year ended December 31, **2021**
	$	$
Balance beginning of period	1,110,971	903,870
Acquisitions of investment properties (note 3(a))	96,122	185,864
Dispositions of investment properties (note 3(b))	(32,172)	(4,450)
Capital expenditures	2,703	3,672
Capitalized leasing fees	1,419	936
Capitalized lease incentives	2,827	3,466
Lease incentives amortization	(2,326)	(3,292)
Straight-line lease adjustment	745	1,334
Net changes in fair value of investment properties	(420)	19,571
Balance end of period	**1,179,869**	**1,110,971**

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 method.

In determining the fair value of investment properties, the Trust has adjusted cash flow assumptions for its estimate of changes 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, 2022, independent external appraisals were obtained in 2022 for investment properties with an aggregate fair value of $754,785 (December 31, 2021 - $672,109).

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

	Industrial	**Off downtown core office**	**Necessity-based retail**
As at September 30, 2022			
Capitalization rate	4.50% - 6.75%	5.50% - 8.25%	5.25% - 7.75%
Terminal capitalization rate	4.75% - 8.75%	5.75% - 8.00%	5.50% - 8.00%
Discount rate	5.50% - 9.50%	6.25% - 8.50%	6.25% - 8.75%
Weighted average capitalization rate	5.59%	6.56%	6.82%
As at December 31, 2021			
Capitalization rate	4.50% - 8.50%	5.25% - 8.50%	5.25% - 7.75%
Terminal capitalization rate	4.75% - 7.00%	5.50% - 7.50%	6.00% - 7.00%
Discount rate	5.75% - 7.50%	5.50% - 8.25%	6.50% - 7.50%
Weighted average capitalization rate	5.72%	6.41%	6.62%

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, 2022, which is representative of the sensitivity to changes in the discount rate and terminal capitalization rate as at September 30, 2022.

Capitalization rate sensitivity Increase (decrease)	Fair Value	Change in fair value
	$	$
(0.50)%	1,284,468	104,599
(0.25)%	1,229,908	50,039
Base rate	1,179,869	-
0.25%	1,133,803	(46,066)
0.50%	1,091,247	(88,622)

(a) Acquisitions

The fair value of the assets and liabilities recognized in the consolidated statement of financial position on the date of the acquisition during the nine-month periods ended September 30, 2022, were as follows:

i) Acquisitions in 2022

Fair value recognized on acquisition

Acquisition date	Property type	Location	Interest acquired	Investment properties, including acquisition costs	Mortgage loan	Receivable / (Trade and other payables), including acquisition costs	Net consideration
			%	$	$	$	$
January 2022	Office	Ottawa, ON	100	34,908	(24,800)	-	10,108
January 2022	Office	Ottawa, ON	100	3,192	-	-	3,192
April 2022	Industrial	Ottawa, ON	100	12,410	-	-	12,410
June 2022	Industrial	Montreal, QC	100	15,000	-	-	15,000
June 2022	Industrial	Leduc, AB	100	13,150	(9,474)	-	3,676
September 2022	Industrial	Edmonton, AB	100	15,750	-	-	15,750
Acquisition costs				-	-	1,748	1,748
Total				**94,410**	**(34,274)**	**1,748**	**61,884**

ii) Acquisitions in 2021

Fair value recognized on acquisition

Acquisition date	Property type	Location	Interest acquired	Investment properties, including acquisition costs	Mortgage loan	Receivable / (Trade and other payables), including acquisition costs	Net consideration
			%	$	$	$	$
June 2021	Industrial	Montreal, QC	100	15,250	(9,913)	-	5,337
November 2021	Office	Montreal, QC	100	35,818	(23,400)	-	12,418
November 2021	Office	Montreal, QC	100	37,807	(24,700)	-	13,107
December 2021	Industrial	Leduc, AB	100	6,500	(4,225)	-	2,275
December 2021	Office	Edmonton, AB	100	4,500	(2,925)	-	1,575
December 2021	Industrial	Edmonton, AB	100	6,500	(4,225)	-	2,275
December 2021	Industrial	Edmonton, AB	100	8,900	(5,785)	-	3,115
December 2021	Industrial	Edmonton, AB	100	14,100	(9,150)	-	4,950
December 2021	Industrial	Edmonton, AB	100	12,400	(8,066)	-	4,334
December 2021	Industrial	Saskatoon, SK	100	4,600	(3,182)	-	1,418
December 2021	Industrial	Saskatoon, SK	100	20,700	(13,441)	-	7,259
December 2021	Industrial	Saskatoon, SK	100	5,000	(3,246)	-	1,754
December 2021	Industrial	Saskatoon, SK	100	10,500	(6,818)	-	3,682
Acquisition costs				-	-	3,289	3,289
Total				**182,575**	**(119,076)**	**3,289**	**66,788**

(b) Dispositions

i) Dispositions in 2022

Disposal date	Property type	Location	Gross proceeds	Purchaser's Mortgage assumption	Receivable / (Trade and other payables), including disposition expenses	Net proceeds
			$	$	$	$
January 2022	Industrial	Cornwall, ON	8,056	(2,590)	-	5,466
January 2022	Industrial	Cornwall, ON	8,275	(2,959)	-	5,316
January 2022	Industrial	Cornwall, ON	7,885	-	-	7,885
January 2022	Industrial	Cornwall, ON	1,775	-	-	1,775
June 2022	Industrial	Magog, QC	1,798	-	-	1,798
September 2022	Office	Montreal, QC	4,383	(2,745)	-	1,639
Disposition expenses			-	-	(700)	(700)
Total			**32,172**	**(8,294)**	**(700)**	**23,178**

ii) Dispositions in 2021

Disposal date	Property type	Location	Gross proceeds	Purchaser's Mortgage assumption	Receivable / (Trade and other payables), including disposition expenses	Net proceeds
			$	$	$	$
December 2021	Retail	Montreal, QC	4,450	(2,632)	-	1,818
Disposition expenses			-	-	(109)	(109)
Total			**4,450**	**(2,632)**	**(109)**	**1,709**

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

	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2022	**2021**	**2022**	**2021**
	$	$	$	$
Net changes in fair value of investment properties (note 3)	(1,230)	-	(420)	-
Disposition expenses (note 3 (b))	(93)	-	(700)	-
	(1,323)	**-**	**(1,120)**	**-**

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.

4. Receivables

	As at September 30, **2022**	As at December 31, **2021**
	$	$
Rents receivable	4,019	4,497
Allowance for expected credit losses	(971)	(944)
Net rents receivable	3,048	3,553
Unbilled recoveries	1,494	1,388
Other receivables	988	587
Total	**5,530**	**5,528**

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 $1,157,003 as at September 30, 2022 (December 31, 2021 – $1,079,554).

	As at September 30, **2022**	As at December 31, **2021**
	$	$
Fixed rate mortgage loans payable	534,050	507,401
Floating rate mortgage loans payable	97,758	99,637
Unamortized fair value assumption adjustments	704	755
Unamortized financing expenses	(2,715)	(2,583)
Mortgage loans payable	**629,797**	**605,210**
Short-term portion	30,683	91,185
Weighted average interest rate	3.64%	3.49%
Weighted average term to maturity (years)	4.36	4.66
Range of annual rates	2.30% - 6.80%	2.30% - 6.80%

As at September 30, 2022, the mortgage loan scheduled repayments are as follows:

	Scheduled repayments	**Principal maturity**	**Total**
	$	$	$
2022[1]	5,100	25,583	30,683
2023	18,615	52,066	70,681
2024	16,263	100,720	116,983
2025	13,892	52,853	66,745
2026	11,506	105,191	116,697
Thereafter	31,449	198,570	230,019
	96,825	**534,983**	**631,808**
Unamortized fair value assumption adjustments			704
Unamortized financing expenses			(2,715)
			629,797

(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, 2022	As at December 31, 2021
	$	%			$	$
March 2013[1]	7,150	4.12	Monthly	April 2023	4,400	4,850
June 2016	13,000	3.45	Quarterly	June 2026	10,747	11,074
November 2017	23,200	3.88	Monthly	November 2027	21,502	22,015
November 2017	23,075	3.90	Monthly	December 2027	20,231	20,718
Total	**66,425**				**56,880**	**58,657**

(1) The mortgage associated to this swap agreement has been repaid with the revolving credit facility (note 7).

6. Convertible Debentures

As at September 30, 2022, the Trust had two series of subordinated, convertible, redeemable debentures outstanding.

	Capital	Interest rates		Unit conversion price	Interest payments	Maturity
		Coupon	Effective			
		%	%	$		
Series G	24,000	6.00	7.30	5.42	Semi-annual	October 2024
Series H	20,280	7.00	8.28	3.64	Semi-annual	October 2025

	Series G	Series H	Total
	$	$	$
As at September 30, 2022			
Non-derivative liability component upon issuance	24,000	27,309	51,309
Accretion of non-derivative liability component	-	625	625
	24,000	27,934	51,934
Conversion options exercised by holders	-	(8,848)	(8,848)
	24,000	19,086	43,086
Unamortized financing expenses	(612)	(721)	(1,333)
Non-derivative liability component	**23,388**	**18,365**	**41,753**
Conversion and redemption options liability component at fair value	**17**	**2,113**	**2,130**

	Series G	Series H	Total
	$	$	$
As at December 31, 2021			
Non-derivative liability component upon issuance	24,000	27,309	51,309
Accretion of non-derivative liability component	-	407	407
	24,000	27,716	51,716
Conversion options exercised by holders	-	(7,152)	(7,152)
	24,000	20,564	44,564
Unamortized financing expenses	(807)	(938)	(1,745)
Non-derivative liability component	**23,193**	**19,626**	**42,819**
Conversion and redemption options liability component at fair value	**44**	**10,649**	**10,693**

Series G

As of September 30, 2022, no conversion options have been exercised by holders on debentures.

Series H

As of September 30, 2022, conversion options have been exercised by holders on debentures representing a nominal amount of $9,720 (September 30, 2021 – $7,369).

7. Bank Loans

The Trust has access to two credit facilities. The first is an acquisition line of credit in the amount of $10,900, with a possible capacity of up to $23,000. This line of credit bears interest at a rate of 1% above the prime rate. As at September 30, 2022, no amount was due under the acquisition line of credit (December 31, 2021 – $0). The line of credit is secured by an immoveable first rank hypothec on one property having a fair value of $4,600 and by an immoveable second rank hypothec on five properties having a fair value of $93,247.

The second is a revolving credit facility in the amount of $40,000 with an accordion option of up to an additional $20,000. This revolving credit facility bears interest at a rate of 1% above the prime rate or 2.25% above the Bankers' Acceptance rate. As at September 30, 2022, $36,991 was due under the revolving credit facility (December 31, 2021 - $35,468).
The revolving credit facility is secured by an immoveable first rank hypothec on one property having a fair value of $18,275 and by negative pledge of a selection of borrowing base properties having a fair value of $137,692.

8. Class B LP Units

	Nine-month period ended September 30, 2022		Year ended December 31, 2021	
	Units	$	Units	$
Units outstanding, beginning of period	347,265	1,417	397,265	1,402
Exchange into Trust units	-	-	(50,000)	(216)
Fair value adjustment	-	(309)	-	231
Units outstanding, end of period	**347,265**	**1,108**	**347,265**	**1,417**

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,	
	2022	**2021**	**2022**	**2021**
	$	$	$	$
Distribution to Class B LP unitholders	26	26	78	78
Distribution per Class B LP unit	0.075	0.075	0.225	0.225

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, restricted cash, receivables, balance of sale, trade and other payables and distribution payable to unitholders, which approximated their carrying amount as at September 30, 2022 and December 31, 2021 because of their short-term maturity or because they bear interest at current market rates.

As at September 30, 2022	Carrying amount			Fair value
		Level 1	Level 2	Level 3
	$	$	$	$
Measured at fair value				
Conversion and redemption options of convertible debentures (note 6)	2,130	-	-	2,130
Interest rate swap asset	(3,796)	-	(3,796)	-
Class B LP Units (note 8)	1,108	1,108	-	-
For which fair values are disclosed				
Mortgage loans payable (note 5)	631,808	-	589,211	-
Convertible debentures, including their conversion and redemption features (note 6)	43,883	42,741	-	-
Bank loans (note 7)	36,991	-	36,991	-

As at December 31, 2021	Carrying amount			Fair value
		Level 1	Level 2	Level 3
	$	$	$	$
Measured at fair value				
Conversion and redemption options of convertible debentures (note 6)	10,693	-	-	10,693
Interest rate swap liability	553	-	553	-
Class B LP Units (note 8)	1,417	1,417	-	-
For which fair values are disclosed				
Mortgage loans payable (note 5)	607,038	-	614,158	-
Convertible debentures, including their conversion and redemption features (note 6)	53,512	48,376	-	-
Bank loans (note 7)	35,468	-	35,468	-

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 Dollar Offered Rate ("CDOR") 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, 2022	
Balance beginning of period	10,693
Conversion options exercised by holders	(667)
Changes for the period recognized in profit or loss under Net adjustment to fair value of derivative financial instruments	(7,896)
Balance end of period	**2,130**

	Conversion and redemption options of convertible debentures
	$
Year ended December 31, 2021	
Balance beginning of year	6,486
Conversion options exercised by holders	(2,018)
Change for the period recognized in profit or loss under Net adjustment to fair value of derivative financial instruments	6,225
Balance end of year	**10,693**

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, 2022:

	Conversion and redemption options of convertible debentures	Volatility
	$	%
Volatility sensitivity		
Increase (decrease)		
(0.50)%	1,710	28.53
September 30, 2022	2,130	29.03
0.50%	2,549	29.53

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,	2022	2021
	Deferred units	Deferred units
Outstanding, beginning of period	103,116	87,920
Trustees' compensation	7,181	6,322
Distributions paid in units	6,704	5,006
Outstanding, end of period	**117,001**	**99,248**

As at September 30, 2022, the liability related to the plan was $374 (December 31, 2021 - $410). The related revenue recorded in profit or loss amounted to $32 and $35, for the three and nine-month periods ended September 30, 2022 (for the three-month and nine-month periods ended September 30, 2021 – expense of $14 and an expense of $99).

(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 3% to 7% of their base salary depending on their years of service with the Trust. For each two units purchased by an employee, the Trust issues one unit from treasury.

As at September 30, 2022, the liability related to the plan was $0 (December 31, 2021 -$61). The related expense and revenue recorded in profit and loss amounted to respectively $1 and $13 for the three and nine-month periods ended September 30, 2022 (for the three-month and nine-month periods ended September 30, 2021 -$0 and $0). The 11,915 units related to 2021 purchases were issued in February 2022 (14,351 units related to 2020 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,	2022	2021
	Restricted units	Restricted units
Outstanding, beginning of period	161,536	139,724
Granted	93,576	95,058
Cancelled	-	(1,524)
Settled	(116,529)	(71,722)
Outstanding, end of period	**138,583**	**161,536**

As at September 30, 2022, the liability related to the plan was $200 (December 31, 2021 - $552). The related revenue and expense recorded in profit and loss amounted to respectively $19 and $112 for the three and nine-month periods ended September 30, 2022 (for the three-month and nine-month periods ended September 30, 2021 – expense of $52 and $336).

(d) Cash settled share-based retirement compensation plan

On February 9, 2021, the Board of Trustees retroactively approved a cash settled phantom share-based retirement allowance plan (RA Plan) for the President and Chief Executive Officer with a start date of July 1, 2020, to form part of a long-term incentive compensation plan until retirement. Under this plan, phantom units are granted at set dates to July 1, 2026, based on a predetermined cash value. The number of phantom units granted at each vest date is based on the average closing trading price of the last 5 days prior to granting. The granted RA Plan units are to be paid out on retirement based on the average closing trading price of the last 20 days. As at September 30, 2022, the long-term obligation related to the plan was $564. The related expense recorded in profit and loss amounted to $9 and $73 for the three and nine-month periods ended September 30, 2022 (for the three-month and nine-month periods ended September 30, 2021 – expense of $29 and $465).

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,		Year ended December 31,
		2022		2021
	Units	$	Units	$
Trust units outstanding, beginning of period	74,126,971	351,540	63,439,435	309,394
Issue pursuant to a public issue	9,584,100	38,545	7,809,650	30,266
Trust unit issuance costs	-	(267)	-	(263)
	83,711,071	389,818	71,249,085	339,397
Issue pursuant to the distribution reinvestment plan (a)	620,144	2,327	752,280	2,943
Issue pursuant to the employee unit purchase plan (note 10 (b))	11,915	49	14,351	52
Issue pursuant to the restricted unit compensation plan (note 10 (c))	130,506	518	71,722	256
Class B LP units exchange into Trust units	-	-	50,000	227
Issue pursuant to conversion of convertible debentures (note 6)	511,804	2,396	1,989,533	8,665
Trust units outstanding, end of period	**84,985,440**	**395,108**	**74,126,971**	**351,540**

(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,	
	2022	**2021**	**2022**	**2021**
	$	$	$	$
Distribution to unitholders	6,368	5,525	18,541	15,805
Distribution per Trust unit	0.075	0.075	0.225	0.225

12. Rental Revenues

	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2022	**2021**	**2022**	**2021**
	$	$	$	$
Base rent and other lease generated revenues	18,676	15,031	54,906	44,104
Lease cancellation fees	-	19	-	74
Property tax and insurance recoveries	6,301	5,695	18,405	15,089
	24,977	20,745	73,311	59,267
Operating expenses recoveries and other revenues	5,237	3,935	16,279	16,145
Lease incentive amortization	(773)	(780)	(2,326)	(2,434)
Straight-line lease adjustment	521	88	745	576
	29,962	**23,988**	**88,009**	**73,554**

13. Net Financial Expenses

	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2022	**2021**	**2022**	**2021**
	$	$	$	$
Interest on mortgage loans payable	6,020	4,709	17,432	13,861
Interest on convertible debentures	715	762	2,190	2,388
Interest on bank loans	398	11	902	319
Interest on lease liabilities	53	53	158	159
Other interest expense	11	3	62	26
Accretion of non-derivative liability component of convertible debentures	87	90	251	276
Accretion of effective interest on mortgage loans payable and convertible debentures	219	239	791	1,026
Distribution - Class B LP Units	26	22	78	78
Fair value adjustment – Class B LP Units	(142)	(18)	(309)	210
Early repayment fees of a mortgage loan	-	-	284	188
Net adjustment to fair value of derivative financial instruments	(3,898)	(2,598)	(12,245)	(51)
	3,489	**3,273**	**9,594**	**18,480**

14. Expenses by Nature

	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2022	**2021**	**2022**	**2021**
	$	$	$	$
Depreciation	35	23	91	65
Employee compensation and benefits expense	2,058	1,923	6,658	6,133

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,	
	2022	**2021**	**2022**	**2021**
	$	$	$	$
Net income	11,693	8,678	36,385	18,349
Weighted average number of trust units outstanding – basic	85,247,394	74,012,083	82,749,640	70,600,991
Earnings per unit – basic	**0.14**	**0.12**	**0.44**	**0.26**

16. Liquidity Risk Management

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

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

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

Some mortgage loans include subjective and restrictive covenant clauses under which the Trust must comply with financial conditions and ratios. As at September 30, 2022, 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 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 considers that this is best achieved by aggregating into retail, office and industrial.

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

- Industrial
- Off downtown core office
- Necessity-based retail

	Industrial	Off downtown core office	Necessity-based retail	Total
	$	$	$	$
Three-month period ended September 30, 2022				
Investment properties	332,793	597,846	249,230	**1,179,869**
Rental revenue from properties	5,855	17,181	6,926	**29,962**
Net operating income	4,564	9,388	4,022	**17,974**
Three-month period ended September 30, 2021				
Investment properties	180,086	496,127	247,426	**923,639**
Rental revenue from properties	3,544	13,802	6,642	**23,988**
Net operating income	2,564	7,173	3,835	**13,572**

	Industrial	Off downtown core office	Necessity-based retail	Total
	$	$	$	$
Nine-month period ended September 30, 2022				
Rental revenue from properties	16,298	51,195	20,516	**88,009**
Net operating income	12,520	27,759	11,527	**51,806**
Nine-month period ended September 30, 2021				
Rental revenue from properties	10,426	42,134	20,994	**73,554**
Net operating income	7,158	22,135	12,267	**41,560**

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.


BTB
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Unitholders Information

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

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Taxability of distributions
In 2021, for all Canadian unitholders, the distributions were fiscally treated as follow:

- Other revenues: 0%
- Fiscal Deferral: 100%

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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.


People and their stories are at the heart of our success.