



BTB Announces Resilient Q2 Operational Results with Growth in the Rental Renewal Spread, Reaching 4.8%

Montréal, Québec, August 4, 2025: BTB Real Estate Investment Trust (**TSX: BTB.UN**) ("**BTB**", the "**REIT**" or the "**Trust**") announced today its financial results for the second quarter of 2025 ended June 30, 2025 (the "**Second Quarter**").

"BTB's performance in the second quarter of 2025 highlights our leasing efforts, improved cash flow, and strengthened financial metrics. The quality of our assets underpins our steady progress" says Michel Léonard, President and CEO of BTB. "Our rental revenue totaled \$30.5M for the quarter, a decrease of \$1.7M or 5.3% compared to the same quarter last year, primarily due to two non-cash straight-line rent adjustments totaling \$1.8M. Cash net operating income (Cash NOI)¹ continues to show growth, totaling \$19.5M for the quarter, an increase of 0.5% compared to the same quarter last year. For the six-month period, the Cash NOI¹ reached \$39.7M, an increase of \$1.7M or 4.4% compared to the same period in 2024. Our AFFO adjusted¹ was 9.5¢ per unit, up slightly from 9.4¢ a year ago, and 19.8¢ per unit for the six-month period, representing an increase of 1.5¢ from the comparable period in 2024. Leasing momentum continues as we completed 122,815 square feet of lease renewals and secured 49,809 square feet of new leases during the quarter. The occupancy rate at the end of the quarter stood at 91.2%, still reflecting the impact of the announced industrial tenant bankruptcy in 2024. When factoring in the post-quarter sale of our property located at 1170 Lebourgneuf Blvd. in Quebec City, occupancy improved to 92.0%, representing an increase of 80 basis points. The increase in the average rent renewal rate was 4.7% this quarter and 4.8% over the first six-month period of the year, mainly supported by the necessity-based retail and suburban office segments, which accounted for 58% and 38% of lease renewals respectively. We continue to show positive momentum."

SUMMARY OF SIGNIFICANT ITEMS AS AT JUNE 30, 2025

- **Total number of properties:** 74
- **Total leasable area:** 6.1 million square feet
- **Total asset value:** \$1.3 billion
- **Market capitalization:** \$321 million (unit trading price of \$3.64 as at June 30, 2025)

⁽¹⁾ Non-IFRS financial measure. See Appendix 1. The referred non-IFRS financial measures do not have a standardized meaning prescribed by IFRS and these measures cannot be compared to similar measures used by other issuers.

OPERATIONAL HIGHLIGHTS

Periods ended June 30	Quarter	
	2025	2024
Occupancy – committed (%)	91.2%	94.6%
Signed new leases (in sq.ft.)	49,809	40,080
Renewed leases at term (in sq.ft.)	81,622	158,445
Renewal rate (%)	46.1%	88.7%
Early lease renewals (in sq.ft.)	41,193	58,160
Increase in average lease renewal rate	4.7%	5.7%

- BTB completed lease renewals totaling 122,815 square feet and new leases totaling 49,809 square feet. The increase in the average rent renewal rate for the current quarter was 4.7%. For the six-month period, the increase in the average rent renewal rate was 4.8%. The occupancy rate stood at 91.2%, a 130 basis points decrease compared to the prior quarter and a 340 basis points decrease compared to the same period in 2024. The decrease in the occupancy rate is primarily due to the bankruptcy of a previously reported tenant. Taking into account the post-quarter sale of the office property located at 1170 Lebourgneuf Blvd., in Quebec City, the occupancy rate of the portfolio would be 92.0%, or an increase of 80 basis points.

FINANCIAL RESULTS HIGHLIGHTS

Periods ended June 30 <i>(in thousands of dollars, except for ratios and per unit data)</i>	Quarter	
	2025	2024
	\$	\$
Rental revenue	30,513	32,218
Net operating income (NOI)	17,129	18,856
Cash net operating income (Cash NOI) ⁽¹⁾	19,465	19,377
Net income and comprehensive income	6,194	7,272
Adjusted net income ⁽¹⁾	5,751	7,897
Cash NOI from the same-property portfolio ⁽¹⁾	19,177	19,465
FFO Adjusted ⁽¹⁾	7,365	9,149
FFO adjusted payout ratio	90.6%	72.2%
AFFO Adjusted ⁽¹⁾	8,423	8,230
AFFO adjusted payout ratio	79.2%	80.2%
Weighted average number of units and Class B LP units outstanding (000)	88,946	88,032
FINANCIAL RESULTS PER UNIT		
Net income and comprehensive income	7.0¢	8.3¢
Adjusted net income ⁽¹⁾	6.5¢	9.0¢
Distributions	7.5¢	7.5¢
FFO Adjusted ⁽¹⁾	8.3¢	10.4¢
AFFO Adjusted ⁽¹⁾	9.5¢	9.4¢

- Rental revenue:** Stood at \$30.5 million for the quarter, which represents a decrease of \$1.7 million or 5.3% compared to the same quarter of 2024. The decrease is driven by

⁽¹⁾ Non-IFRS financial measure. See Appendix 1. The referred non-IFRS financial measures do not have a standardized meaning prescribed by IFRS and these measures cannot be compared to similar measures used by other issuers.

non-cash straight-line lease adjustments totalling \$1.8 million namely : (1) following the purchase by a group of investors of Lion Electric, the trust negotiated a lease amendment for a term of two (2) years, causing a non-cash straight-line lease adjustment of the property of \$1.6 million and, (2) the Trust recorded the early departure of an industrial tenant, Big Rig Trailers, in Edmonton causing a non cash straight-line lease adjustment of the property of \$0.2 million, which property was rapidly entirely re-leased to XCMG Canada Ltd, with a long-term lease. For the six-month period, rental revenue totalled \$64.9 million, representing an increase of \$0.1 million or 0.1% compared to the same period in 2024. Excluding the above mentioned two non-cash straight-line lease adjustments, rental revenue for the quarter would have totalled \$32.3 million, an increase of \$0.1 million or 0.3% and for the six-month period, it would have totalled \$66.7 million, representing an increase of \$1.9 million or 2.9%.

- **Net operating income (NOI):** Totalled \$17.1 million for the quarter, which represents a decrease of 9.2% compared to the same quarter of 2024. For the six-month period, the NOI totalled \$37.0 million which represents a decrease of 0.7% compared to the same period in 2024. Both decreases are caused by the above-mentioned non-cash straight-line lease adjustments.
- **Cash net operating income (Cash NOI) ⁽¹⁾:** Totalled \$19.5 million for the quarter, which represents an increase of \$0.1 million or 0.5% compared to the same quarter of 2024. For the six-month period, the Cash NOI totalled \$39.7 million, which represents an increase of \$1.7 million or 4.4% compared to the same period in 2024. The increase is driven by (1) a partial lease cancellation payment of \$1.0 million received from a tenant leasing space in the suburban office segment, which space has already been re-leased by the Trust; (2) operating improvements, higher rent renewal rates, and increases in rental spreads for in-place leases representing an increase of \$0.3 million; and (3) the previously announced lease with Winners/HomeSense which began to produce income as of February 25, 2025 (\$0.4 million).
- **Net income and comprehensive income:** Totalled \$6.2 million for the quarter, which represents a decrease of 14.8% or \$1.1 million. For the six-month period, net income and comprehensive income totalled \$13.8 million, representing a decrease of 4.3% or \$0.6 million.
- **Cash Same-Property NOI ⁽¹⁾:** For the quarter, the cash same-property NOI decreased by 1.5% compared to the same period in 2024. For the six-month period, the cash same-property NOI increased by 3.0%.
- **FFO adjusted per unit ⁽¹⁾:** Was 8.3¢ per unit for the quarter compared to 10.4¢ per unit for the same period in 2024, representing a decrease of 2.1¢ per unit. For the six-month period, the FFO adjusted was 19.4¢ per unit compared to 20.6¢ per unit for the same period in 2024, representing a decrease of 1.2¢ per unit. The decrease is driven by the previously outlined 2 non-cash straight-line lease adjustments of \$1.8 million.

⁽¹⁾ Non-IFRS financial measure. See Appendix 1. The referred non-IFRS financial measures do not have a standardized meaning prescribed by IFRS and these measures cannot be compared to similar measures used by other issuers.

- **AFFO adjusted per unit ⁽¹⁾:** Was 9.5¢ per unit for the quarter compared to 9.4¢ per unit for the same period in 2024, representing an increase of 0.1¢ per unit or 1.1%. For the six-month period, the AFFO adjusted per unit was 19.8¢ per unit compared to 18.3¢ per unit for the same period in 2024, representing an increase of 1.5¢ per unit or 8.2%. The six-month period increase is explained by (1) the previously outlined \$1.7 million increase in Cash NOI, (2) a \$0.2 million decrease in administrative expenses and, (3) stability in the net financial expenses before non-monetary items.
- **AFFO adjusted payout ratio ⁽¹⁾:** Was 79.2% for the current quarter compared to 80.2% for the same period in 2024. For the six-month period, the AFFO adjusted payout ratio was 75.8% compared to 82.0% for the same period in 2024, a decrease of 6.2%.
- **Dispositions:** On June 16, 2025, the Trust disposed of a small industrial property located at 3911 Millar Avenue, in Saskatoon, Saskatchewan, for total proceeds of \$6.1 million, excluding transaction costs and adjustments. Subsequent to the quarter, more specifically on July 11, 2025, the Trust disposed of an office property located at 1170 Lebourgneuf Blvd., in Quebec City, for total proceeds of \$10.5 million, excluding transaction costs and adjustments. In order to conclude the transaction, the Trust granted to the purchaser a balance of sale of \$1.0 million, maturing on March 24, 2027, at an interest rate of 5%.

⁽¹⁾ Non-IFRS financial measure. See Appendix 1. The referred non-IFRS financial measures do not have a standardized meaning prescribed by IFRS and these measures cannot be compared to similar measures used by other issuers.

BALANCE SHEET AND LIQUIDITY HIGHLIGHTS

Periods ended June 30 (in thousands of dollars, except for ratios and per unit data)	Quarters	
	2025	2024
	\$	\$
Total assets	1,262,584	1,235,935
Total debt ratio ⁽¹⁾	57.1%	58.1%
Mortgage debt ratio ⁽²⁾	51.7%	51.4%
Weighted average interest rate on mortgage debt	4.36%	4.57%
Market capitalization	321,298	273,813
NAV per unit ⁽¹⁾	5.62	5.50

- **Debt metrics:** BTB ended the quarter with a total debt ratio ⁽¹⁾ of 57.1%, recording a decrease of 80 basis points compared to December 31, 2024. The Trust ended the quarter with a mortgage debt ratio ⁽²⁾ of 51.7%, a decrease of 110 basis points compared to December 31, 2024.
- **Liquidity position:** The Trust held \$5.7 million of cash at the end of the quarter and \$28.5 million is available under its credit facilities ⁽³⁾.

⁽¹⁾ Non-IFRS financial measure. See Appendix 1. The referred non-IFRS financial measures do not have a standardized meaning prescribed by IFRS and these measures cannot be compared to similar measures used by other issuers.

⁽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.

⁽³⁾ Credit facilities is a term used that reconciles with the bank loans as presented and defined in the Trust's consolidated financial statements and accompanying notes.

QUARTERLY CALL INFORMATION

Management will hold a conference call on **Tuesday, August 5, 2025**, at 9 a.m., Eastern Time, to present BTB's financial results and performance for the second quarter of 2025.

DATE:	Tuesday August 5, 2025
TIME:	9:00 a.m., Eastern Time
URL ENTRY:	https://emportal.ink/3TkBk6w
CONFERENCE CALL:	Toronto: (+1) 289-819-1299 Montréal: (+1) 514-400-3794 North America: 1-800-990-4777 (toll-free)
WEB:	https://app.webinar.net/1Gw4PYkZ3nJ
PRESENTATION:	A presentation will be uploaded to BTB's website prior to the call https://www.btbreit.com/investors/presentations#quarterly-meeting-presentation

Interested parties are invited to access the call at least 5 minutes prior to the scheduled start of the call. Note that the call will be in listening mode only. Conference call operators will coordinate the question-and-answer period (from analysts only) and will instruct participants regarding the procedures during the call.

The audio recording of the conference call will be available via playback until August 12, 2025, by dialing (+1) 289-819-1450 (local) or 1-888-660-6345 (toll-free) and by entering the following access code: **05333 #**

ABOUT BTB

BTB is a real estate investment trust listed on the Toronto Stock Exchange. BTB invests in industrial, suburban office and necessity-based retail properties across Canada for the benefit of their investors. As of today, BTB owns and manages **73 properties**, representing a total leasable area of approximately **6.1 million** square feet.

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

For more detailed information, visit BTB's website at www.btbreit.com.

FOR FURTHER QUESTIONS

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FORWARD-LOOKING STATEMENTS

This press release may contain forward-looking statements with respect to BTB. These statements generally can be identified by the use of forward-looking words such as “may”, “will”, “expect”, “estimate”, “anticipate”, “intend”, “believe” or “continue” or the negative thereof or similar variations. The actual results and performance of BTB could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Some important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, competition, changes in government regulation, and the factors described from time to time in the documents filed by BTB with the securities regulators in Canada. The cautionary statements qualify all forward-looking statements attributable to BTB and persons acting on their behalf. Unless otherwise stated or required by applicable law, all forward-looking statements speak only as of the date of this press release.

APPENDIX 1: RECONCILIATION OF NON-IFRS MEASURES

Non-IFRS Financial Measures

Certain terms used in this press release are listed and defined in the table hereafter, including any per unit information if applicable, are not measures recognized by International Financial Reporting Standards (“IFRS”) and do not have standardized meanings prescribed by IFRS. Such measures may differ from similar computations as reported by similar entities and, accordingly, may not be comparable to similar measures. Explanations on how these non-IFRS financial measures provide useful information to investors and additional purposes, if any, for which the Trust uses these non-IFRS financial measures, are also included in the table hereafter.

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
Adjusted net income	<p>Adjusted net income is a non-IFRS financial measure that starts with net income and comprehensive income and removes the effects of: (i) fair value adjustment of investment properties; (ii) fair value adjustment of derivative financial instruments; (iii) fair value adjustment of Class B LP units; and (iv) transaction costs incurred for acquisitions and dispositions of investment properties and early repayment fees.</p> <p>The Trust considers this to be a useful measure of operating performance, as fair value adjustments can fluctuate widely with the real estate market and transaction costs are non-recurring in nature.</p>

**NON-IFRS
MEASURE**

DEFINITION

<p>Cash Net Operating Income</p>	<p>Cash net operating income ("NOI") is a non-IFRS financial measure defined as net operating income less: (i) lease incentive amortization; and (ii) straight-line lease adjustment.</p> <p>Cash NOI is reconciled to NOI, which is the most directly comparable IFRS measure.</p> <p>The Trust considers this to be a useful measure of operating performance and the profitability of it's portfolio by excluding non-cash items.</p>
<p>Cash Same-Property NOI</p>	<p>Cash same-property NOI is a non-IFRS financial measure defined as Cash 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 Cash NOI is Operating Income.</p> <p>The Trust believes this is a useful measure as Cash NOI growth can be assessed on its portfolio by excluding the impact of property acquisitions and dispositions of both the current year and previous year. The Trust uses the Cash same-property NOI to indicate the profitability of its existing</p> <p>portfolio operations and the Trust's ability to increase its revenues, reduce its operating costs and generate organic growth.</p>

**NON-IFRS
MEASURE**

DEFINITION

<p>Funds from Operations (“FFO”)</p> <p>and FFO Adjusted</p>	<p>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.</p> <p>FFO Adjusted 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.</p> <p>The Trust believes FFO and FFO Adjusted are key measures of operating performance and allow the investors to compare its historical performance.</p>
<p>Adjusted Funds from Operations (“AFFO”)</p> <p>and</p> <p>AFFO Adjusted</p>	<p>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.</p> <p>AFFO Adjusted 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.</p> <p>The Trust considers AFFO and AFFO Adjusted 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.</p>

**NON-IFRS
MEASURE**

DEFINITION

FFO and AFFO per unit and FFO adjusted and AFFO adjusted per unit	<p>FFO and AFFO per unit and FFO adjusted and AFFO adjusted per unit are non-IFRS financial measures used by most Canadian real estate investment trusts based on a standardized definition established by REALPAC in its White Paper. These ratios are calculated by dividing the FFO, AFFO, FFO adjusted and AFFO adjusted by the Weighted average number of units and Class B LP units outstanding.</p> <p>The Trust believes these metrics to be key measures of operating performances allowing the investors to compare its historical performance in relation to an individual per unit investment in the Trust.</p>
FFO and AFFO payout ratios and FFO Adjusted and AFFO Adjusted payout ratios	<p>FFO and AFFO payout ratios and FFO Adjusted and AFFO Adjusted payout ratios are non-IFRS financial measures used by most Canadian real estate investment trusts based on a standardized definition established by REALPAC in its White Paper. These payout ratios are calculated by dividing the actual distributions per unit by FFO, AFFO and FFO Adjusted and AFFO Adjusted per unit in each period.</p> <p>The Trust considers these metrics a useful way to evaluate its distribution paying capacity.</p>
Total Debt Ratio	<p>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.</p> <p>The Trust considers this metric useful as it indicates its ability to meet its debt obligations and its capacity for future additional acquisitions.</p>
Total Mortgage Debt Ratio	<p>Mortgage debt ratio is a non-IFRS financial measure of the Trust financial leverage, which is calculated by taking the total mortgage debt less cash divided by total gross value of the assets of the Trust less cash. The Trust considers this metric useful as it indicates its ability to meet its mortgage debt obligations and its capacity for future additional acquisitions.</p>

**NON-IFRS
MEASURE**

DEFINITION

<p>Interest Coverage Ratio</p>	<p>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).</p> <p>The Trust considers this metric useful as it indicates its ability to meet its interest cost obligations for a given period.</p>
<p>Debt Service Coverage Ratio</p>	<p>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).</p> <p>The Trust considers this metric useful as it indicates its ability to meet its interest cost obligations for a given period.</p>

APPENDIX 2: NON-IFRS FINANCIAL MEASURES – QUARTERLY RECONCILIATION

Funds from Operations (FFO) ⁽¹⁾

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

	2025 Q-2	2025 Q-1	2024 Q-4	2024 Q-3	2024 Q-2	2024 Q-1	2023 Q-4	2023 Q-3
(in thousands of dollars, except for per unit)	\$	\$	\$	\$	\$	\$	\$	\$
Net income and comprehensive income (IFRS)	6,194	7,608	18,847	5,470	7,272	7,153	1,734	15,216
Fair value adjustment on investment properties	(700)	-	(9,975)	(283)	-	(6)	4,480	(6,481)
Fair value adjustment on Class B LP units	167	28	(174)	335	(21)	160	(42)	(159)
Amortization of lease incentives	836	797	966	807	704	690	641	664
Fair value adjustment on derivative financial instruments	(176)	868	(760)	2,168	379	(325)	2,396	(584)
Leasing payroll expenses	525	466	739	535	433	591	401	359
Distributions – Class B LP units	52	52	52	52	53	52	52	56
Unit-based compensation (Unit price remeasurement)	201	61	(39)	342	63	409	(11)	(87)
FFO ⁽¹⁾	7,099	9,880	9,656	9,426	8,883	8,724	9,651	8,984
Transaction costs on disposition of investment properties and mortgage early repayment fees	266	-	-	-	266	201	37	46
FFO Adjusted ⁽¹⁾	7,365	9,880	9,656	9,426	9,149	8,925	9,688	9,030
FFO per unit ^{(1) (2) (3)}	8.0¢	11.1¢	10.9¢	10.7¢	10.1¢	10.0¢	11.1¢	10.3¢
FFO Adjusted per unit ^{(1) (2) (4)}	8.3¢	11.1¢	10.9¢	10.7¢	10.4¢	10.2¢	11.1¢	10.4¢
FFO payout ratio ⁽¹⁾	94.0%	67.4%	68.8%	70.0%	74.3%	75.2%	67.5%	72.9%
FFO Adjusted payout ratio ⁽¹⁾	90.6%	67.4%	68.8%	70.3%	72.2%	73.5%	67.2%	72.5%

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

(2) Including Class B LP units.

(3) The FFO per unit ratio is calculated by dividing the FFO ⁽¹⁾ by the Trust's unit outstanding at the end of the period (including the Class B LP units at outstanding at the end of the period).

(4) The FFO Adjusted per unit ratio is calculated by dividing the FFO Adjusted ⁽¹⁾ by the Trust's unit outstanding at the end of the period (including the Class B LP units at outstanding at the end of the period).

Adjusted Funds from Operations (AFFO) ⁽¹⁾

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

	2025 Q-2	2025 Q-1	2024 Q-4	2024 Q-3	2024 Q-2	2024 Q-1	2023 Q-4	2023 Q-3
(in thousands of dollars, except for per unit)	\$	\$	\$	\$	\$	\$	\$	\$
FFO ⁽¹⁾	7,099	9,880	9,656	9,426	8,883	8,724	9,651	8,984
Straight-line rental revenue adjustment	1,500	(381)	(374)	(247)	(183)	(394)	(197)	(842)
Accretion of effective interest	367	580	402	391	361	308	310	271
Amortization of other property and equipment	17	18	21	17	17	17	20	33
Unit-based compensation expenses	159	133	247	19	(95)	(9)	159	184
Provision for non-recoverable capital expenditures ⁽¹⁾	(610)	(688)	(654)	(650)	(644)	(653)	(639)	(626)
Provision for unrecovered rental fees ⁽¹⁾	(375)	(375)	(375)	(375)	(375)	(375)	(375)	(375)
AFFO ⁽¹⁾	8,157	9,167	8,923	8,581	7,964	7,618	8,929	7,629
Transaction costs on disposition of investment properties and mortgage early repayment fees	266	-	-	-	267	201	37	46
AFFO Adjusted ⁽¹⁾	8,423	9,167	8,923	8,581	8,231	7,819	8,966	7,675
AFFO per unit ^{(1) (2) (3)}	9.2¢	10.3¢	10.1¢	9.7¢	9.1¢	8.7¢	10.2¢	8.8¢
AFFO Adjusted per unit ^{(1) (2) (4)}	9.5¢	10.3¢	10.1¢	9.7¢	9.4¢	8.9¢	10.3¢	8.8¢
AFFO payout ratio ⁽¹⁾	81.8%	72.7%	74.5%	76.8%	82.9%	86.2%	72.9%	85.8%
AFFO Adjusted payout ratio ⁽¹⁾	79.2%	72.7%	74.5%	77.2%	80.2%	83.9%	72.6%	85.3%

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

(2) Including Class B LP units.

(3) The AFFO per unit ratio is calculated by dividing the AFFO ⁽¹⁾ by the Trust's unit outstanding at the end of the period (including the Class B LP units at outstanding at the end of the period).

(4) The AFFO Adjusted per unit ratio is calculated by dividing the AFFO Adjusted ⁽¹⁾ by the Trust's unit outstanding at the end of the period (including the Class B LP units at outstanding at the end of the period).

APPENDIX 3: NON-IFRS FINANCIAL MEASURES – DEBT RATIOS

Debt Ratios

The following table summarizes the Trust's debt ratios as at June 30 2024 and 2025 and December 31, 2024:

(in thousands of dollars)	June 30, 2025	December 31, 2024	June 30, 2024
	\$	\$	\$
Cash and cash equivalents	(5,677)	(2,471)	(857)
Mortgage loans outstanding ⁽¹⁾	659,094	665,607	636,492
Convertible debentures ⁽¹⁾	36,816	19,576	43,375
Credit facilities	30,951	44,298	39,606
Total long-term debt less cash and cash equivalents ^{(2) (3)}	721,184	727,010	718,616
Total gross value of the assets of the Trust less cash and cash equivalents ^{(2) (4)}	1,263,906	1,254,818	1,236,326
Mortgage debt ratio (excluding convertible debentures and credit facilities) ^{(2) (5)}	51.7%	52.8%	51.4%
Debt ratio – convertible debentures ^{(2) (6)}	2.9%	1.6%	3.5%
Debt ratio – credit facilities ^{(2) (7)}	2.4%	3.5%	3.2%
Total debt ratio ⁽²⁾	57.1%	57.9%	58.1%

(1) Before unamortized financing expenses and fair value assumption adjustments.

(2) This is a non-IFRS financial measure, refer to appendix 1

(3) Long-term debt less free cash flow is a non-IFRS financial measure, calculated as total of: (i) fixed rate mortgage loans payable; (ii) floating rate mortgage loans payable; (iii) Series I debenture capital adjusted with non-derivative component less conversion options exercised by holders; and (iv) credit facilities, less cash and cash equivalents. The most directly comparable IFRS measure to net debt is debt.

(4) Gross value of the assets of the Trust less cash and cash equivalent ("GVALC") is a non-IFRS financial measure defined as the Trust total assets adding the cumulated amortization property and equipment and removing the cash and cash equivalent. The most directly comparable IFRS measure to GVALC is total assets.

(5) Mortgage debt ratio is calculated by dividing the mortgage loans outstanding by the GVALC.

(6) Debt ratio – convertible debentures is calculated by dividing the convertible debentures by GVALC.

(7) Debt ratio – credit facilities is calculated by dividing the credit facilities by the GVALC.