Opportunities in a *Changing Economy:* 2024 Annual Report

Management Discussion & Analysis

BTB

Non-IFRS Financial Measures – Definitions

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

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

Management Discussion & *Analysis*

Year ended December 31, 2024

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


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Introduction

The purpose of this Management Discussion and Analysis ("MD&A") is to communicate the operating results of BTB Real Estate Investment Trust ("BTB" or the "Trust") for the year ended December 31, 2024, as well as its financial position on that date. The report presents a summary of some of the Trust's business strategies, and the business risks it faces. This MD&A, dated February 24, 2025, should be read together with the consolidated financial statements and accompanying notes for the year ended December 31, 2024. It discusses significant information available up to the said date of this MD&A. The Trust's consolidated annual financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). Unless otherwise indicated, all amounts are in thousands of Canadian dollars, except for per unit and per square foot amounts. Additional information about the Trust is available on the Canadian Security Administrators ("CSA") website at www.sedarplus.ca and on our website at www.btbreit.com.

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

Forward-Looking Statements – Caveat

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

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

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

Non-IFRS Financial Measures

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

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

The Trust

The Trust is an unincorporated open-ended real estate trust formed under and governed by the laws of the province of Québec pursuant to a trust agreement (as amended). The Trust began its real estate operations on October 3, 2006, and as of December 31, 2024, it owned 75 properties, being industrial, suburban office and necessity-based retail properties located in primary markets of the provinces of Québec, Ontario, Alberta, and Saskatchewan. Since its inception, the Trust has become an important property owner in the province of Québec, in Eastern Ontario and since December 2021, in Western Canada. The units and Series H convertible debentures are traded on the Toronto Stock Exchange under the symbols “BTB.UN” 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 December 31, 2024	**75**	**6,125,735**	**1,233,282**

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

Objectives and Business Strategies

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

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

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

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

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

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

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

Highlights of the Fourth Quarter and Year Ended December 31, 2024

Rental revenue: Stood at $32.7 million for the current quarter, which represents an increase of 2.3% compared to the same quarter of 2023. For the year 2024, rental revenue totalled $130.0 million which represents an increase of 1.7% compared to the same period in 2023. During Q1 2023, the Trust recorded a one-time $1.4 million increase of rental revenue pursuant to unrecorded revenue for previous quarters associated to a specific lease (the “One-Time Adjustment”). Excluding the One-Time Adjustment, rental revenue for the year 2024 compared to the same period in 2023 would have increased by 2.9%.

Net operating income (NOI): Totalled $19.1 million for the current quarter, which represents a decrease of 0.9% compared to the same quarter of 2023. The decrease for the quarter is due to the bankruptcy of two tenants: (1) Énergie Cardio in Quebec City ($0.2 million), which space was rapidly leased to the group that purchased the assets of the business of the bankrupt tenant and (2) Nuera Air, a tenant occupying 132,665 square feet in an industrial property in Laval ($0.5 million) partially offset by operating improvements, higher rent renewal rates, and increases in rental spreads for in-place leases ($0.5 million). For the year 2024, the NOI totalled $75.1 million which represents a decrease of 0.4% compared to 2023. Excluding the One-Time Adjustment, NOI for the year compared to the same period in 2023 would have increased by 1.4%.

Net income and comprehensive income: Totalled $18.8 million for the quarter compared to $1.7 million for the same period in 2023, representing an increase of $17.1 million. The result for the quarter is affected by a $14.5 million non-cash net increase of the fair value of investment properties and $3.2 million non-cash gain in the fair value of derivative financial instruments. For the year 2024, net income and comprehensive income totalled $38.7 million, representing an increase of $2.1 million. Excluding the One-Time Adjustment, the increase for the year compared to the same period in 2023 would have been $3.5 million.

Same-property NOI[(1)]: For the quarter, the same-property NOI decreased by 2.8% compared to the same period in 2023. The decrease is due to the two previously outlined bankruptcies. For the year 2024, the same-property NOI increased by 2.6% compared to 2023. The increase for the year 2024 is due to higher rent renewal rates of 8.3% across all three segments of the portfolio. For the year, the Trust achieved increases of rent renewal rates of 10.3% for the industrial segment, 5.5% for the suburban office segment and 12.9% for the necessity-based retail segment.

FFO adjusted per unit[(1)]: Was 10.9¢ per unit for the quarter compared to 11.1¢ per unit for the same period in 2023, representing a decrease of 0.2¢ per unit. The decrease is explained by an increase in weighted average number of units outstanding of 1.7 million units, due to the unitholder’s participation in the distribution reinvestment plan. For the year 2024, the FFO adjusted was 42.2¢ per unit compared to 45.1¢ per unit for the same period in 2023, representing a decrease of 2.9¢ per unit. The decrease of FFO adjusted per unit for the year is explained by a decrease in NOI of $0.3 million and an increase in interest expenses net of financial income of $1.5 million. Excluding the One-Time Adjustment, the FFO adjusted per unit for the year 2024 compared to the same period in 2023 would have decreased by 1.3¢ per unit.

FFO adjusted payout ratio[(1)]: Was 68.8% for the quarter compared to 67.2% for the same period in 2023, an increase of 1.6%. For the year 2024, the FFO adjusted payout ratio was 71.1% compared to 66.5% for the same period in 2023, an increase of 4.6%. Excluding the One-Time Adjustment, the FFO adjusted payout ratio for year 2024 compared to the same period in 2023 would have increased by 2.1%.

AFFO adjusted per unit[(1)]: Was 10.1¢ per unit for the quarter compared to 10.3¢ per unit for the same period in 2023, representing a decrease of 0.2¢ per unit, in line with the decrease of FFO adjusted explained above. For the year 2024, the AFFO adjusted per unit was 38.1¢ per unit compared to 40.5¢ per unit for the same period in 2023, representing a decrease of 2.4¢ per unit compared to the same period in 2023. Excluding the One-Time Adjustment, the AFFO adjusted per unit would have decreased by 0.8¢ per unit. AFFO adjusted per unit was also negatively impacted by the increase in weighted average number of units outstanding of 1.7 million units, due to the unitholder’s participation in the distribution reinvestment plan.

(1) This is a non-IFRS financial measure, refer to page 2 and 35.

AFFO adjusted payout ratio[1]: Was 74.5% for the quarter compared to 72.6% for the same period in 2023, an increase of 1.9%. For the year 2024, the AFFO adjusted payout ratio was 78.7% compared to 74.1% for the same period in 2023, an increase of 4.6%. Excluding the One-Time Adjustment, the AFFO Adjusted payout ratio for the year 2024 compared to the same period in 2023 would have increased by 1.5%.

Leasing activity: During the quarter, the Trust completed lease renewals totaling 160,717 square feet and new leases totaling 68,726 square feet. For the year, the Trust completed lease renewals totaling 727,772 square feet and new leases totaling 231,451 square feet, which includes the lease with Winners/Home Sense in Lévis, Québec. The increase in the average rent renewal rate for the current quarter and for the year was respectively 18.7% and 8.3%.The occupancy rate stood at 92.7%, a 40 basis points increase compared to the prior quarter and a 150 basis points decrease compared to the same period in 2023. The decrease in the occupancy rate is primarily due to the bankruptcy of Nuera Air. The Trust has retained the services of a national commercial brokerage firm specialized in the industrial segment to lease that property.

Liquidity position: The Trust held $2.5 million of cash at the end of the quarter and $15.2 million is available under its credit facilities.[2]

Debt metrics: BTB ended the quarter with a total debt ratio[1] of 57.9%, recording a decrease of 70 basis points compared to December 31, 2023. The Trust ended the quarter with a mortgage debt ratio[1] of 52.8%, an increase of 60 basis points compared to December 31, 2023.

Debentures: During the quarter, the Trust fully redeemed and paid at maturity the Series G unsecured subordinated convertible debentures at their nominal value of $24.0 million plus accrued interest of $0.7 million using proceeds sourced from mortgage loans refinancings.

Subsequent events

- On January 23, 2025, the Trust issued Series I convertible, unsecured, subordinated debentures bearing 7.25% interest payable semi-annually and maturing on February 28, 2030, in the amount of $40.25 million. The Serie I debentures are convertible at the holder's option at any time before February 28, 2030, at a conversion price of $4.10 per unit.
- On February 24, 2025, the Trust fully redeemed and paid at maturity the Series H convertible debentures at their nominal value of $19,917.
- On February 24, 2025, the Trust undertook the initiative to strengthen its capital structure and unitholder value strategy by suspending the distribution reinvestment plan ("DRIP"). The suspension of the DRIP is intended to nullify unfavorable unitholder dilution, and this decision is aligned with the Trust's objective to maximize total return to unitholders. Until further notice, unitholders who were enrolled in the DRIP will automatically receive distribution payments in the form of cash. Computershare Trust Company of Canada, as administrator of the DRIP, will forward a notice and related documentation to all current DRIP participants in the coming days.

Summary of significant items as at December 31, 2024

- Total number of properties: 75
- Total leasable area: 6.1 million square feet
- Total asset value: $1.3 billion
- Market capitalization: $296 million (unit trading price of $3.36 as at December 31, 2024)

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

Selected Financial Information

The following table presents highlights and selected financial information for the periods ended December 31, 2024, and December 31, 2023, as well as the years ended 2024 and 2023:

Periods ended December 31 (in thousands of dollars, except for ratios and per unit data)		Quarter		Year	
		2024	2023	**2024**	2023
	Reference (page)	**$**	$	**$**	$
Financial information					
Rental revenue	48	**32,671**	31,922	**130,030**	127,826
Net operating income (NOI)	48	**19,082**	19,255	**75,051**	75,379
Net income and comprehensive income	48	**18,847**	1,734	**38,742**	36,598
Adjusted net income[1]	52	**7,938**	8,605	**30,708**	34,937
Adjusted EBITDA[1]	53	**17,556**	18,065	**70,162**	69,719
NOI from the same-property portfolio[1]	54	**18,351**	18,882	**69,709**	67,926
Distributions	55	**6,648**	6,547	**26,463**	26,003
FFO Adjusted[1]	56	**9,656**	9,688	**37,157**	38,946
AFFO Adjusted[1]	57	**8,923**	8,966	**33,554**	34,956
Cash flow from operating activities	58	**18,482**	21,560	**66,004**	70,852
Total assets	40			**1,256,003**	1,227,648
Investment properties	59			**1,233,282**	1,207,522
Mortgage loans	63			**662,913**	638,080
Convertible debentures	64			**19,346**	42,460
Credit facilities	64			**44,298**	36,359
Mortgage debt ratio[1]	64			**52.8%**	52.2%
Total debt ratio[1]	64			**57.9%**	58.6%
Weighted average interest rate on mortgage debt	49			**4.35%**	4.37%
Market capitalization				**295,761**	254,048
Financial information per unit					
Units outstanding (000)	66			**88,024**	86,706
Class B LP units outstanding (000)	66			**697**	697
Weighted average number of units outstanding (000)	66	**87,896**	86,591	**87,308**	85,858
Weighted average number of units and Class B LP units outstanding (000)	66	**88,593**	87,288	**88,005**	86,289
Net income and comprehensive income	48	**21.3¢**	2.0¢	**44.0¢**	42.4¢
Adjusted net income[1]	52	**9.0¢**	9.9¢	**34.9¢**	40.5¢
Distributions	55	**7.5¢**	7.5¢	**30.0¢**	30.0¢
FFO Adjusted[1]	56	**10.9¢**	11.1¢	**42.2¢**	45.1¢
Payout ratio on FFO Adjusted[1]	56	**68.8%**	67.2%	**71.1%**	66.5%
AFFO Adjusted[1]	57	**10.1¢**	10.3¢	**38.1¢**	40.5¢
Payout ratio on AFFO Adjusted[1]	57	**74.5%**	72.6%	**78.7%**	74.1%
Market price of units				**3.36**	2.93
Operational information					
Number of properties	35			**75**	77
Leasable area (thousands of sq. ft.)	35			**6,126**	6,121
Committed occupancy rate	43			**92.7%**	94.2%
Increase in average lease renewal rate	45	**18.7%**	14.3%	**8.3%**	9.2%

(1) This is a non-IFRS financial measure, refer to page 2 and 35.

Selected Annual Information

The following table summarizes the Trust's selected financial information for the last three years:

Periods ended December 31 (in thousands of dollars, except for ratios and per unit data)	2024	2023	2022
	$	$	$
Financial information			
Rental revenue	**130,030**	127,826	119,495
Net operating income (NOI)	**75,051**	75,379	70,430
Fair value adjustment on investment properties	**10,264**	2,001	(8,201)
Net income (loss) and comprehensive income (loss)	**38,742**	36,598	38,154
Cash flow from operating activities	**66,004**	70,852	66,240
FFO Adjusted(1)	**37,157**	38,946	37,879
AFFO Adjusted(1)	**33,554**	34,956	34,137
Distributions	**26,463**	26,003	25,032
Total assets	**1,256,003**	1,227,648	1,179,340
Long-term debt	**682,259**	680,540	678,053
Financial information per unit			
Net income and comprehensive income	**44.0¢**	42.4¢	45.7¢
FFO Adjusted(1)	**42.2¢**	45.1¢	45.4¢
AFFO Adjusted(1)	**38.1¢**	40.5¢	40.9¢
Distributions	**30.0¢**	30.0¢	30.0¢

(1) This is a non-IFRS financial measure, refer to page 2 and 35.

Selected Quarterly Information

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

(in thousands of dollars except for per unit data)	**2024 Q-4**	2024 Q-3	2024 Q-2	2024 Q-1	2023 Q-4	2023 Q-3	2023 Q-2	2023 Q-1
	$	$	$	$	$	$	$	$
Rental revenue	**32,671**	32,505	32,218	32,636	31,922	31,285	31,708	32,911
Net operating income (NOI)	**19,082**	18,753	18,856	18,360	19,255	18,075	19,041	19,008
Net income and comprehensive income	**18,847**	5,470	7,272	7,153	1,734	15,216	10,846	8,802
Net income and comprehensive income per unit	**21.3¢**	6.2¢	8.3¢	8.2¢	2.0¢	17.5¢	12.5¢	10.2¢
Cash flow from operating activities	**18,482**	16,418	18,759	12,345	21,560	16,317	17,320	15,657
FFO Adjusted[1]	**9,656**	9,426	9,149	8,925	9,688	9,030	10,195	10,033
FFO Adjusted per unit[1]	**10.9¢**	10.7¢	10.4¢	10.2¢	11.1¢	10.4¢	11.8¢	11.7¢
AFFO Adjusted[1]	**8,923**	8,581	8,230	7,819	8,966	7,675	9,433	8,882
AFFO Adjusted per unit[1]	**10.1¢**	9.7¢	9.4¢	8.9¢	10.3¢	8.8¢	10.9¢	10.3¢
Distributions[2]	**6,648**	6,627	6,605	6,581	6,547	6,524	6,489	6,443
Distributions per unit[2]	**7.5¢**	7.5¢	7.5¢	7.5¢	7.5¢	7.5¢	7.5¢	7.5¢

(1) This is a non-IFRS financial measure, refer to page 2 and 35.
(2) Includes distributions on Class B LP units.

Segmented Information

The Trust's operations are generated from three segments of properties located in the provinces of Québec, Ontario, Alberta and Saskatchewan. The following tables summarize each operating segment's contribution to investment properties, to revenues and to net operating income (NOI) for the three-month periods and years ended December 31, 2024, and December 31, 2023:

Periods ended December 31 (in thousands of dollars)	Industrial		Suburban office		Necessity-based retail		Total
	$	%	$	%	$	%	$
Quarter ended December 31, 2024							
Investment properties	**452,559**	**36.7**	**512,829**	**41.6**	**267,894**	**21.7**	**1,233,282**
Rental revenue	**8,318**	**25.5**	**16,636**	**50.9**	**7,717**	**23.6**	**32,671**
Net operating income (NOI)	**5,822**	**30.5**	**8,809**	**46.2**	**4,451**	**23.3**	**19,082**
Quarter ended December 31, 2023							
Investment properties	440,120	36.4	518,345	43.0	249,057	20.6	1,207,522
Rental revenue	8,470	26.5	16,226	50.9	7,226	22.6	31,922
Net operating income (NOI)	6,130	31.8	8,739	45.4	4,386	22.8	19,255

Years ended December 31 (in thousands of dollars)	Industrial		Suburban office		Necessity-based retail		Total
	$	%	$	%	$	%	$
Year ended December 31, 2024							
Rental revenue	**33,368**	**25.7**	**66,026**	**50.8**	**30,636**	**23.6**	**130,030**
Net operating income (NOI)	**23,981**	**32.0**	**33,203**	**44.2**	**17,867**	**23.8**	**75,051**
Year ended December 31, 2023							
Rental revenue	32,682	25.6	65,943	51.7	29,201	22.8	127,826
Net operating income (NOI)	23,837	31.6	34,209	45.4	17,333	23.0	75,379

Industrial performance

The proportional fair value of industrial properties slightly increased from 36.4% to 36.7% compared to the same period last year, due to a net increase of $8.6 million from fair value adjustments and $3.8 million additions to capital expenditures, leasing fees and capitalized lease incentives. The proportional percentage of rental revenue and of net operating income decreased by 1.0% and 1.3% respectively compared to the same period last year due to the Nuera Air bankruptcy. The bankruptcy also impacted the occupancy rate for the segment which decreased by 640 basis points to 93.5%, compared to the same period in 2023.

Suburban office performance

The proportional fair value of the suburban office properties decreased from 43.0% to 41.6% compared to the same period last year. The variance is due to the dispositions of 2 properties, the gross proceeds totalling $6.2 million, and a net decrease due to negative fair value adjustment of $5.4 million, offset by a $6.1 million increase due to capital expenditures, leasing fees and capitalized lease incentives. The proportional share of rental revenue for the quarter generated by the suburban office segment stood at 50.9%. The properties in this segment are supported by quality tenants (the Trust's top two tenants are Federal and Québec government agencies) and strong leasing activities (the Trust concluded for the year lease renewals for a total of 353,539 square feet in the suburban office segment with an average rent increase of 5.5%), increasing the occupancy rate for this segment by 80 basis points to 88.5%, compared to the same period in 2023.

Necessity-based retail performance

The necessity-based retail segment continues to show good performance as most of the properties in this segment are anchored by necessity-based tenants. The occupancy rate in the necessity-based retail segment at the end of the year stood at 99.0%. For the year, the Trust concluded lease renewals for a total of 181,665 square feet in the necessity-based retail segment with an average rent increase of 12.9%. For the quarter, the proportional share of rental revenue and of net operating income (NOI) increased respectively by 1.0% and 0.5% compared to the same period last year.

Operating Performance Indicators

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

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

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

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

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

Real Estate Portfolio

At the end of the fourth quarter of 2024, BTB owned 75 properties, representing a total fair value of approximately $1.2 billion and a total leasable area of approximately 6.1 million square feet. A description of all the properties owned by the Trust can be found in the Trust's Annual Information Form available at www.sedarplus.com.

Summary of investment properties held as at December 31, 2024

Operating segment	Number of properties	Leasable area (sq. ft.)	Committed occupancy rate (%)	In Place occupancy rate (%)	% of portfolio
Industrial	32	2,085,319	93.5	93.5	34.0
Suburban office	32	2,609,571	88.5	86.8	42.6
Necessity-based retail	11	1,430,845	99.0	94.7	23.4
Total portfolio	**75**	**6,125,735**	**92.7**	**90.9**	**100.0**

Geographic sector	Number of properties	Leasable area (sq. ft.)	Committed occupancy rate (%)	In Place occupancy rate (%)	% of portfolio
Montreal	38	3,261,893	92.2	90.8	53.2
Québec City	10	1,276,939	87.9	82.9	20.8
Trois-Rivières	2	149,077	75.2	75.2	2.5
Ottawa	11	809,115	99.7	99.7	13.2
Edmonton	10	405,239	100.0	100.0	6.6
Saskatoon	4	223,472	100.0	100.0	3.7
Total portfolio	**75**	**6,125,735**	**92.7**	**90.9**	**100.0**

Dispositions of investment properties

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

Acquisitions of investment properties

The Trust did not acquire any property during the year 2024.

Real Estate Operations

Portfolio occupancy

The following table summarizes the changes in occupied area for the periods ended December 31, 2024, and December 31, 2023, as well as the years ended 2024 and 2023:

Periods ended December 31 (in sq. ft.)	Quarter		Year	
	2024	2023	**2024**	2023
Occupied area at the beginning of the period[1]	**5,655,758**	5,729,119	**5,762,652**	5,455,798
Purchased (sold) assets	**-**	-	**(24,963)**	260,111
Signed new leases	**68,726**	78,340	**185,581**	296,240
Tenant departures	**(48,469)**	(45,839)	**(293,126)**	(250,529)
Other[2]	**-**	1,032	**45,871**	1,032
Occupied leasable area at the end of the period[1]	**5,676,015**	5,762,652	**5,676,015**	5,762,652
Vacant leasable area at the end of the period[3]	**449,720**	358,034	**449,720**	358,034
Total leasable area at the end of the period	**6,125,735**	6,120,686	**6,125,735**	6,120,686

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

Compared to the same period last year, the Trust saw a decrease in its occupancy rate by 150 basis points from 94.2% to 92.7%, primarily due to the previously mentioned bankruptcy of Nuera Air, a tenant that occupied 132,665 square feet in an industrial property located in Laval, Québec.

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

Leasing activities

The following table summarizes the lease renewal activity for the periods ended December 31, 2024, and December 31, 2023, as well as the years ended 2024 and 2023:

Periods ended December 31 (in sq. ft.)	Quarter		Year	
	2024	2023	**2024**	2023
Leases expired at term	**144,540**	172,266	**539,363**	616,746
Renewed leases at term	**96,071**	126,427	**393,416**	384,558
Lease renewal rate	**66.5%**	73.4%	**72.9%**	62.4%

In addition to the above summary, approximately 16,604 square feet of leases that matured during the quarter were in advanced lease renewal discussions or were pending execution.

The most significant lease renewals concluded during the quarter were attributed to E2IP Technologies (an industrial tenant), located in the Saint-Laurent borough of Montreal, Québec, representing 20,178 square feet and to the Government of Québec (in the suburban office segment), located in Saint-Jean-sur-Richelieu, Québec representing 20,774 square feet.

In addition, the Trust also renewed leases with existing tenants, where their leases came to maturity in 2025 or thereafter, representing a total of 64,646 square feet for the quarter and a total of 334,356 square feet for the year. The most significant early lease renewals during the quarter were concluded with the City of Laval (in the suburban office segment), located in Laval, Québec, representing 25,828 square feet and with Giatec Scientific Inc. (suburban office segment), located in Ottawa, Ontario representing 15,598 square feet.

In all, the Trust's total lease renewal activity amounted to 160,717 square feet for the quarter and 727,772 square feet for the year.

Average lease renewal rate

	Quarter		Year	
Operating segment	Renewals (Sq. ft.)	Increase (%)	Renewals (Sq. ft.)	Increase (%)
Industrial	31,888	43.6%	192,568	10.3%
Suburban office	111,697	9.5%	353,539	5.5%
Necessity-based retail	17,132	51.0%	181,665	12.9%
Total	**160,717**	**18.7%**	**727,772**	**8.3%**

New leases

During the quarter, the Trust leased a total of 68,726 square feet to new tenants, including a long-term lease representing 16,786 square feet (recorded as "committed" in the suburban office segment) with Belden, in the Saint-Laurent borough of Montréal, Québec in addition to a long-term lease representing 12,000 square feet (recorded as "committed" in the necessity-based retail segment) with L'Équipeur (a subsidiary of Canadian Tire), located in Lévis, Québec. The remaining 39,940 square feet represent a combination of new "in place" tenants and "committed" tenants, thereby leaving 449,720 square feet of leasable area available for lease at the end of the quarter.

For the year 2024, a total of 150,017 square feet or 80.8% of new leases were concluded in the suburban office segment, 2,000 square feet or 1.1% of new leases were concluded in the industrial segment and a total of 33,564 square feet or 18.1% of new leases were concluded in the necessity-based retail segment. In addition, as previously disclosed in the third quarter of 2024, the Trust finalized a lease with Winners/Home Sense lease for a new store located in Lévis, Québec, representing 45,870 square feet. Therefore, the total new lease activity for the year totalled 231,451 square feet.

Occupancy rates

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

	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
Operating segment	**%**	%	%	%	%
Industrial	**93.5**	93.5	100.0	100.0	99.9
Suburban office	**88.5**	88.3	88.8	88.6	87.7
Necessity-based retail	**99.0**	97.9	97.4	97.3	97.8
Total portfolio	**92.7**	92.3	94.6	94.5	94.2

	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
Geographic sector	**%**	%	%	%	%
Montréal	**92.2**	92.6	96.7	96.6	96.2
Québec City	**87.9**	85.2	85.6	85.7	85.2
Trois-Rivières	**75.2**	75.4	75.5	73.2	74.6
Ottawa	**99.7**	99.4	98.8	99.1	98.8
Edmonton	**100.0**	100.0	100.0	100.0	100.0
Saskatoon	**100.0**	100.0	100.0	100.0	100.0
Total portfolio	**92.7**	92.3	94.6	94.5	94.2

Lease maturities

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

	2025	**2026**	**2027**	**2028**	**2029**
Industrial					
Leasable area (sq. ft.)	170,586	298,878	94,051	221,941	86,014
Average lease rate/square foot ($)(1)	$10.48	$13.00	$12.21	$16.25	$16.24
% of industrial portfolio	8.18%	14.33%	4.51%	10.64%	4.12%
Suburban office					
Leasable area (sq. ft.)	293,077	419,304	348,628	222,100	266,502
Average lease rate/square foot ($)(1)	$20.70	$14.85	$17.05	$15.79	$16.44
% of office portfolio	11.23%	16.07%	13.36%	8.51%	10.21%
Necessity-based retail					
Leasable area (sq. ft.)	178,227	111,729	116,370	49,905	255,182
Average lease rate/square foot ($)(1)	$15.55	$13.61	$16.81	$19.67	$13.23
% of retail portfolio	12.46%	7.81%	8.13%	3.49%	17.83%
Total portfolio					
Leasable area (sq. ft.)	**641,890**	**829,911**	**559,049**	**493,946**	**607,698**
Average lease rate/square foot ($)(1)	**$16.55**	**$14.02**	**$16.18**	**$16.39**	**$15.06**
% of total portfolio	**10.48%**	**13.55%**	**9.13%**	**8.06%**	**9.92%**

(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 December 31, 2024, the weighted average lease term stood at 5.6 years compared to 5.9 years for the same period in 2023. In addition, to secure future revenue for the Trust and to solidify its tenant base, the Trust's lease renewal strategy is also focused on renewing leases prior to their maturities to increase the average outstanding lease terms.

Top 10 tenants

The Trust's three largest tenants are the Government of Québec, and the Government of Canada (both in the suburban office segment), and Nors (previously known as Strongco) (in the industrial segment), representing respectively 5.9%, 5.3%, and 2.0% of rental revenue.

46.3% of the Trust's total revenue is generated by leases signed with federal, provincial and municipal governments and publicly traded entities.

The following table shows the Top 10 tenants' contribution to total revenue as a percentage of revenue for the year 2024. Their contribution accounts for 24.2% of rental revenue and represents 22.9% of the Trust's total leasable area:

Client	% of rental revenue	% of leasable area	leasable area (sq. ft.)
Government of Québec	5.9	4.9	299,578
Government of Canada	5.3	4.1	251,850
Nors (previously known as Strongco)	2.0	1.9	118,585
Wal-Mart Canada Inc.	2.0	4.3	264,550
Bristol-Myers Squibb Canada Co	1.8	1.0	61,034
The Lion Electric Company	1.7	2.9	176,819
Groupe BBA Inc.	1.6	1.1	69,270
Mouvement Desjardins	1.4	1.0	61,576
Intrado Life & Safety Canada, Inc.	1.3	0.9	53,767
WSP Canada Inc.	1.2	0.8	48,478
	24.2	**22.9**	**1,405,507**

Operating Results

The following table summarizes the financial results for the periods ended December 31, 2024, and December 31, 2023, as well as the years ended 2024 and 2023. This table should be read in conjunction with the consolidated financial statements and the accompanying notes:

Periods ended December 31 (in thousands of dollars)	Quarter		Year	
	2024	2023	**2024**	2023
	$	$	**$**	$
Rental revenue	**32,671**	31,922	**130,030**	127,826
Operating expenses	**13,589**	12,667	**54,979**	52,447
Net operating income (NOI)	**19,082**	19,255	**75,051**	75,379
Net financial expenses and financial income	**7,678**	10,894	**36,671**	33,203
Administration expenses	**2,531**	2,110	**9,433**	7,496
Transaction costs	**-**	37	**468**	83
Fair value adjustment on investment properties	**(9,974)**	4,480	**(10,263)**	(2,001)
Net income and comprehensive income	**18,847**	1,734	**38,742**	36,598

Rental revenue

For the quarter, rental revenue increased by $0.7 million or 2.3% compared to the same period last year. For the year 2024, rental revenue increased by $2.2 million or 1.7%. Excluding the One-Time Adjustment of $1.4 million, the rental revenue for the year 2024 compared to 2023 would have shown an increase of 2.9% or $3.6 million due to higher lease renewal rates, and higher average lease rates.

Operating expenses

The following table summarizes the Trust's operating expenses for the periods ended December 31, 2024, and December 31, 2023, as well as the years ended 2024 and 2023:

Periods ended December 31 (in thousands of dollars)	Quarter		Year	
	2024	2023	**2024**	2023
	$	$	**$**	$
Operating expenses				
Maintenance, repairs and other operating costs	**4,892**	4,252	**19,591**	18,025
Energy	**1,307**	1,146	**5,956**	5,868
Property taxes and insurance	**7,390**	7,269	**29,432**	28,554
Total operating expenses	**13,589**	12,667	**54,979**	52,447
% of rental revenue	**41.6%**	39.7%	**42.3%**	41.0%

Operating expenses increased due to an overall increase in maintenance costs as well as an increase in municipal taxes due to an increase in property values. The operating expenses, as a percentage of revenues, increased by 1.9% and 1.3% respectively for the quarter and for the year compared to the same periods last year. Excluding the One-Time Adjustment, the increase would be reduced to 0.8%.

Financial expenses and income

The following table summarizes financial expenses for the periods ended December 31, 2024, and December 31, 2023, as well as the years ended 2024 and 2023:

Periods ended December 31 (in thousands of dollars)	Quarter		Year	
	2024	2023	2024	2023
	$	$	$	$
Financial income	(584)	(611)	(2,329)	(1,833)
Interest on mortgage loans	7,335	7,149	28,880	27,426
Interest on convertible debentures	468	708	2,594	2,835
Interest on credit facilities	704	730	3,203	2,478
Other interest expense	135	110	499	418
Interest expense net of financial income	8,058	8,086	32,847	31,324
Distributions on Class B LP units	52	52	209	172
Net financial expenses before non-monetary items	8,110	8,138	33,056	31,496
Accretion of effective interest on mortgage loans and convertible debentures	402	310	1,462	1,095
Accretion of non-derivative liability component of convertible debentures	100	92	391	355
Net financial expenses before the following items:	8,612	8,540	34,909	32,946
Fair value adjustment on derivative financial instruments	(760)	2,396	1,462	1,233
Fair value adjustment on Class B LP units	(174)	(42)	300	(976)
Net financial expenses net of financial income	7,678	10,894	36,671	33,203

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

Interest expense, net of financial income stood at $8.1 million for the quarter. For the year 2024, Interest expense, net of financial income increased by $1.5 million compared to the same period last year. The increase is explained by (i) an increase of $0.7 million for the interest expense payable on the revolving credit facilities explained by a greater utilization, (ii) an increase of $1.5 million of the interest expense payable on mortgage loans due to the higher weighted average mortgage interest rates. These increases were offset by (iii) a decrease of $0.2 million for the interest expense payable on the convertible debentures due to the repayment of the Series G debenture on October 31, 2024 and (iv) an increase in financial income of $0.5 million due to the reclassification of the finance lease previously outlined.

As at December 31, 2024, the weighted average mortgage interest rate was 4.35%, 18 basis points higher than the average rate as at December 31, 2023 which stood at 4.17%. The increase is mainly due to the refinancing of fixed-rate mortgages and mortgages subject to floating-for-fixed interest rate swap at a higher interest rate.

The weighted average interest rate for fixed mortgage loans increased by 13 basis points to 4.16% (4.03% as at December 31, 2023). Interest rates on first-ranking mortgage loans ranged from 2.37% to 7.07% as at December 31, 2024, (2.37% to 8.95% as at December 31, 2023). The cumulative balance of the Trust's loans subject to a fixed interest rate is $544.5 million.

The weighted average contractual interest rate for mortgages subject to variable interest rates was 7.07%, a decrease of 136 basis points compared to the same period in 2023 which was 8.43%. The cumulative balance of the Trust's loans subject to a variable rate is $17.8 million. The weighted average contractual interest rate for mortgages subject to floating-for-fixed interest rate swap was 6.06% (4.86% net of finance income), a decrease of 35 basis points compared to the same period in 2023 which was 6.41% (4.05% net of finance income).

The cumulative balance of the Trust's loans subject to a floating-for-fixed interest rate swap is $103.3 million.

The weighted average term of mortgage loans in place as at December 31, 2024, was 2.8 years (3.2 years as at December 31, 2023).

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

Administration expenses

The following table summarizes the Trust's administration expenses for the periods ended December 31, 2024, and December 31, 2023, as well as the years ended 2024 and 2023:

Periods ended December 31 (in thousands of dollars)	Quarter		Year	
	2024	2023	**2024**	2023
	$	$	$	$
Corporate expenses	**2,079**	2,038	**7,606**	6,832
Expected credit losses	**244**	(76)	**890**	219
Unit-based compensation	**208**	148	**937**	445
Trust administration expenses	**2,531**	2,110	**9,433**	7,496

Corporate expenses remained stable for the quarter compared to the same period last year. For the year 2024, corporate expenses increased by $0.8 million or 11.0% due to personnel recruitment costs ($0.3 million) and higher overall corporate expenses ($0.5 million).

Expected credit losses increased by $0.3 million for the quarter compared to the same period last year. For the year 2024, expected credit losses increased by $0.7 million compared to the same period last year due to the 2 previously outlined bankruptcies.

Unit-based compensation stood at $0.2 million for the quarter. For the year 2024, unit-based compensation expense increased due to the significant rise in the market price of units, which increased to $3.36 from $2.93 in the same period last year.

Fair value adjustment of investment properties

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

On an annual basis, the Trust retains the services of independent external appraisers to evaluate the fair value of a significant portion of its portfolio. In addition, as part of acquisitions, financing, or refinancing transactions, or at the request of lenders, other properties are also independently appraised during the year. As at December 31, 2024, the Trust externally appraised 56% of its properties, for an aggregate amount of $687.6 million. For the year, a gain of $10.3 million in net changes in fair value has been recorded, reflecting stability in capitalization rates across all 3 asset classes as well as the updated cash flows assumptions.

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

The following tables summarize the changes in fair value of investment properties by segment for the periods ended December 31, 2024, and December 31, 2023, as well as the years ended 2024 and 2023:

Periods ended December 31 (in thousands of dollars)	Quarter		Year	
	2024	**2023**	**2024**	**2023**
	$	$	$	$
Industrial	5,627	(7,427)	8,553	32,503
Suburban office	1,907	(1,208)	(5,426)	(27,508)
Necessity-based retail	2,440	4,155	7,136	(2,994)
Total change in fair value	**9,974**	**(4,480)**	**10,263**	**2,001**

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

As at December 31, 2024	**Industrial**	**Suburban office**	**Necessity-based retail**
Capitalization rate	**5.25% - 7.75%**	**6.00% - 8.25%**	**5.75% - 7.75%**
Terminal capitalization rate	**5.25% - 8.00%**	**6.25% - 8.50%**	**6.00% - 8.00%**
Discount rate	**6.00% - 8.50%**	**6.25% - 9.00%**	**6.50% - 8.75%**
Weighted average capitalization rate	**6.11%**	**7.00%**	**7.03%**
As at December 31, 2023			
Capitalization rate	5.25% - 7.75%	6.25% - 8.25%	5.75% - 7.75%
Terminal capitalization rate	5.25% - 8.00%	6.25% - 8.50%	6.00% - 8.00%
Discount rate	6.00% - 8.50%	6.75% - 9.00%	6.50% - 8.75%
Weighted average capitalization rate	6.09%	7.01%	7.06%

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

As at December 31, 2024, the Trust has estimated that if an increase / decrease of 0.25% in the capitalization rate were applied to the overall portfolio, this variation would affect the fair value of its investment properties respectively by a reduction of $45.0 million or an increase of $48.5 million. The change in the capitalization rates is an appropriate proxy of the changes for the discount and terminal capitalization rates.

Adjusted net income

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

The following table summarizes the adjusted net income[1] before these volatile non-monetary items and transaction costs for the periods ended December 31, 2024, and December 31, 2023, as well as the years ended 2024 and 2023:

Periods ended December 31 (in thousands of dollars, except for per unit)	Quarter		Year	
	2024	2023	**2024**	2023
	$	$	**$**	$
Net income and comprehensive income	**18,847**	1,734	**38,742**	36,598
Transaction costs on acquisitions and dispositions of investment properties and early repayment fees	**-**	37	**468**	83
Fair value adjustment on investment properties	**(9,975)**	4,480	**(10,264)**	(2,001)
Fair value adjustment on derivative financial instruments	**(760)**	2,396	**1,462**	1,233
Fair value adjustment on Class B LP units	**(174)**	(42)	**300**	(976)
Adjusted net income[1]	**7,938**	8,605	**30,708**	34,937
Per unit	**9.0¢**	9.9¢	**34.9¢**	40.5¢

(1) This is a non-IFRS financial measure, refer to page 2 and 35.

Adjusted net income decreased by $0.7 million for the quarter compared to the same quarter last year mainly due to (1) an NOI decrease of $0.2 million and (2) an increase in administrative expenses of $0.4 million.

Adjusted net income decreased by $4.2 million for the year 2024 compared to the same period last year mainly due to (1) an NOI decrease of $0.3 million; (2) an increase of net financial expenses before fair value adjustments of $2.0 million and (3) an increase of administration expenses of $1.9 million.

(1) This is a non-IFRS financial measure, refer to page 2 and 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 December 31, 2024, and December 31, 2023, as well as the years ended 2024 and 2023:

Periods ended December 31 (in thousands of dollars, except for per unit)	Quarter		Year	
	2024	2023	**2024**	2023
	$	$	**$**	$
Net income being total comprehensive income for the period	**18,847**	1,734	**38,742**	36,598
Interest expense	**8,642**	8,697	**35,176**	33,157
Accretion of effective interest on mortgage loans and convertible debentures	**402**	310	**1,462**	1,095
Amortization of property and equipment	**21**	20	**72**	99
Lease incentive amortization	**966**	641	**3,167**	2,783
Fair value adjustment on investment properties	**(9,975)**	4,480	**(10,264)**	(2,001)
Fair value adjustment on derivative financial instruments	**(760)**	2,396	**1,462**	1,233
Fair value adjustment on Class B LP units	**(174)**	(42)	**300**	(976)
Unit-based compensation (Unit price remeasurement)	**(39)**	(11)	**775**	(389)
Transaction costs on acquisitions and dispositions of investment properties and early repayment fees	**-**	37	**468**	83
Straight-line lease adjustment	**(374)**	(197)	**(1,198)**	(1,963)
Adjusted EBITDA[1]	**17,556**	18,065	**70,162**	69,719

(1) This is a non-IFRS financial measure, refer to page 2 and 35.

For the quarter, the Adjusted EBITDA[1] decreased by $0.5 million compared to the same period last year mainly due to a decrease in NOI of $0.2 million and an increase in administration expenses of $0.4 million offset by a slight reduction in interest expense net of financial income and other minor items totalling $0.1 million. For the year 2024, the Adjusted EBITDA[1] increased by $1.0 million.

(1) This is a non-IFRS financial measure, refer to page 2 and 35.

Operating Results – Same-Property Portfolio

Same-property portfolio

The same-property portfolio includes all the properties owned by the Trust on January 1, 2023, and that are still owned by the Trust on December 31, 2024. Therefore, it excludes all the acquired[2][3] and disposed[2][3] properties during the years 2023 and 2024 and straight-line rent.

The following table summarizes the results of the same-property NOI[1] for the periods ended December 31, 2024, and December 31, 2023, as well as the years ended 2024 and 2023:

Periods ended December 31 (in thousands of dollars)	Quarter			Year		
	2024	2023	Δ %	**2024**	2023	Δ %
	$	$		**$**	$	
Net operating income (NOI) as reported in the financial statements	**19,082**	19,255	-0.9%	**75,051**	75,379	-0.4%
Straight line rent	**374**	197		**1,198**	1,963	
NOI less straight line rent	**18,708**	19,058	-1.8%	**73,853**	73,416	0.6%
NOI sourced from:						
Acquisitions	**-**	-		**(4,137)**	(3,681)	
Dispositions	**1**	(43)		**(123)**	(421)	
Corporation	**(358)**	(133)		**116**	42	
Non-cash adjustment related to a change in accounting estimate and other specific items	**-**	-		**-**	(1,430)	
Same Property NOI[1]	**18,351**	18,882	-2.8%	**69,709**	67,926	2.6%
Same Property NOI[1] sourced from:						
Industrial	**5,619**	5,886	-4.5%	**19,099**	18,769	1.8%
Suburban office	**8,341**	8,452	-1.3%	**33,005**	32,000	3.1%
Necessity-based retail	**4,391**	4,544	-3.4%	**17,605**	17,157	2.6%
Same Property NOI[1]	**18,351**	18,882	-2.8%	**69,709**	67,926	2.6%

(1) This is a non-IFRS financial measure, refer to page 2 and 35.

Compared to the same quarter last year, the same-property net operating income (NOI)[1] decreased by 2.8% and for the year 2024, same-property net operating income (NOI)[1] increased by 2.6%.

For the quarter, the SPNOI for the industrial segment decreased by $0.3 million or -4.5% compared to the same quarter last year, due to the previously outlined bankruptcy of Nuera Air negatively impacting the NOI by $0.5 million, offset by organic increases in lease rates for in-place leases. For the year 2024, the SPNOI of the industrial segment increased by $0.3 million or 1.8%.

For the quarter, the SPNOI for the suburban office segment decreased by $0.1 million or 1.3% compared to the same quarter last year, due to the previously outlined bankruptcy of Énergie Cardio impacting the NOI by $0.2 million. The space has been leased to a group that purchased the asset from the bankrupt tenant. The decrease was offset by an increase of $0.1 million due to leasing efforts resulting in higher average lease rates and an increase of the in-place occupancy rate of 80 basis points compared to the same period in 2023. For the year 2024, the SPNOI of the suburban office segment increased by $1.0 million or 3.1%.

Finally, for the quarter, the SPNOI for the necessity-based retail segment decreased by $0.2 million or 3.4% compared to the same quarter last year. For the year 2024, the SPNOI of the necessity-based retail segment increased by $0.4 million or 2.6%.

(1) This is a non-IFRS financial measure, refer to page 2 and 35.
(2) Refer to the Trust's consolidated financial statements dated February 24, 2025, note 3, section a) for the acquired properties details.
(3) Refer to the audited consolidated financial statements and accompanying notes for the year ended December 31, 2023, for the acquisitions and dispositions of the year 2023.

Distributions

Distributions and per unit

The following table summarizes the distributions for the periods ended December 31, 2024, and December 31, 2023, as well as the years ended 2024 and 2023:

Periods ended December 31 (in thousands of dollars, except for per unit data)	Quarter		Year	
	2024	2023	**2024**	2023
	$	$	**$**	$
Distributions				
Cash distributions	**5,719**	5,610	**22,695**	22,376
Cash distributions – Class B LP units	**52**	52	**209**	172
Distributions reinvested under the distribution reinvestment plan	**877**	885	**3,559**	3,455
Total distributions to unitholders	**6,648**	6,547	**26,463**	26,003
Percentage of reinvested distributions(1)(2)	**13.2%**	13.5%	**13.4%**	13.3%
Per unit(2)				
Distributions	**7.5¢**	7.5¢	**30.0¢**	30.0¢

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

For the quarter, the monthly distributions paid to unitholders totalled 2.5¢ per unit and for the quarter, totalled 7.5¢ per unit, unchanged from the same quarter of 2023.

For the year 2024, the monthly distributions totalled 30.0¢ per unit, unchanged from the same period last year.

Funds from Operations (FFO)[1]

The following table provides a reconciliation of net income and comprehensive income established in accordance with IFRS and FFO[1] for the periods ended December 31, 2024, and December 31, 2023, as well as the years ended 2024 and 2023:

Periods ended December 31 (in thousands of dollars, except for per unit)	Quarter		Year	
	2024	2023	2024	2023
	$	$	$	$
Net income and comprehensive income (IFRS)	18,847	1,734	38,742	36,598
Fair value adjustment on investment properties	(9,975)	4,480	(10,264)	(2,001)
Fair value adjustment on Class B LP units	(174)	(42)	300	(976)
Amortization of lease incentives	966	641	3,167	2,783
Fair value adjustment on derivative financial instruments	(760)	2,396	1,462	1,233
Leasing payroll expenses	739	401	2,298	1,443
Distributions - Class B LP units	52	52	209	172
Unit-based compensation (Unit price remeasurement)[5]	(39)	(11)	775	(389)
FFO[1]	9,656	9,651	36,689	38,863
Transaction costs on disposition of investment properties and mortgage early repayment fees	-	37	468	83
FFO Adjusted[1]	9,656	9,688	37,157	38,946
FFO per unit[1][2][3]	10.9¢	11.1¢	41.7¢	45.0¢
FFO Adjusted per unit[1][2][4]	10.9¢	11.1¢	42.2¢	45.1¢
FFO payout ratio[1]	68.8%	67.5%	72.0%	66.6%
FFO Adjusted payout ratio[1]	68.8%	67.2%	71.1%	66.5%

(1) This is a non-IFRS financial measure, refer to page 2 and 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 FFO Adjusted per unit ratio is calculated by dividing the FFO Adjusted[1] by the Trust's unit outstanding at the end of the period (including the Class B LP units at outstanding at the end of the period).
(5) The impact of the unit price remeasurement on the deferred unit-based compensation plan has been considered in the calculation of the FFO Adjusted and AFFO Adjusted starting Q2 2021.

For the quarter, FFO Adjusted[1] was 10.9¢ per unit, compared to 11.1¢ per unit for the same quarter last year representing a decrease of 0.2¢ per unit. The decrease is explained by an increase in weighted average number of units outstanding of 1.7 million units, due to the unitholder's participation in the distribution reinvestment plan.

For the year 2024, the FFO Adjusted[1] was 42.2¢ per unit compared to 45.1¢ per unit for the same period in 2023, representing a decrease of 2.9¢ per unit. The decrease of FFO adjusted per unit for the year is explained by a decrease in NOI of $0.3 million and an increase in interest expenses net of financial income of $1.5 million. Excluding the One-Time Adjustment of $1.4 million, the FFO adjusted per unit for the year 2024 compared to the same period in 2023 would have recorded a decrease of 1.3¢ per unit.

(1) This is a non-IFRS financial measure, refer to page 2 and 35.

Adjusted Funds from Operations (AFFO)[1]

The following table provides a reconciliation of FFO[1] and AFFO[1] for the periods ended December 31, 2024, and December 31, 2023, as well as the years ended 2024 and 2023:

Periods ended December 31 (in thousands of dollars, except for per unit data)	Quarter		Year	
	2024	2023	**2024**	2023
	$	$	$	$
FFO[1]	**9,656**	9,651	**36,689**	38,863
Straight-line rental revenue adjustment	**(374)**	(197)	**(1,198)**	(1,963)
Accretion of effective interest	**402**	310	**1,462**	1,095
Amortization of other property and equipment	**21**	20	**72**	99
Unit-based compensation expenses	**247**	159	**162**	836
Provision for non-recoverable capital expenditures[1]	**(654)**	(639)	**(2,601)**	(2,557)
Provision for unrecovered rental fees[1]	**(375)**	(375)	**(1,500)**	(1,500)
AFFO[1]	**8,923**	8,929	**33,086**	34,873
Transaction costs on disposition of investment properties and mortgage early repayment fees	**-**	37	**468**	83
AFFO Adjusted[1]	**8,923**	8,966	**33,554**	34,956
AFFO per unit[1][2][3]	**10.1¢**	10.2¢	**37.6¢**	40.4¢
AFFO Adjusted per unit[1][2][4]	**10.1¢**	10.3¢	**38.1¢**	40.5¢
AFFO payout ratio[1]	**74.5%**	72.9%	**79.8%**	74.2%
AFFO Adjusted payout ratio[1]	**74.5%**	72.6%	**78.7%**	74.1%

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

For the quarter, AFFO Adjusted[1] was 10.1¢ per unit, compared to 10.3¢ per unit for the same quarter last year, a decrease of 0.2¢ per unit, in line with the decrease of the FFO adjusted explained above.

For the year 2024, the AFFO adjusted per unit was 38.1¢ per unit compared to 40.5¢ per unit for the same period in 2023, representing a decrease of 2.4¢ per unit compared to the same period in 2023. Excluding the One-Time Adjustment, the AFFO adjusted per unit would have decreased by 0.8¢ per unit. AFFO adjusted per unit was also negatively impacted by the increase in weighted average number of units outstanding of 1.7 million units, due to the unitholder's participation in the distribution reinvestment plan.

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

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

The Trust also deducts a provision for unrecoverable rental fees[1] in the amount of approximately 25¢ per square foot of the leasable area of the Trust's properties, on an annualized basis. Even though quarterly rental fee disbursements vary significantly from one quarter to another, management considers that this provision fairly represents, in the long term, the average disbursements not recovered directly in the rent that the Trust will receive. These disbursements consist of inducements paid or granted to its tenants when leases are signed that are generally amortized over the term of the lease and are subject to an equivalent increase in rent per square foot, of brokerage commissions and its leasing team payroll expenses.

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

Years ended December 31 (in thousands of dollars)	**December 31, 2024**	December 31, 2023	December 31, 2022
	$	$	$
Provision for non-recoverable capital expenditures[1]	**2,601**	2,557	2,390
Non-recoverable capital expenditures	**2,878**	3,858	1,735

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

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

Cash Flows

The following table shows the Trust's net distributions to unitholders compared to net cash flows from operating activities less interest paid for the years 2024, 2023 and 2022:

Years ended December 31 (in thousands of dollars)	**2024**	2023	2022
	$	$	$
Net cash flows from operating activities	**66,004**	70,852	66,240
Interest paid	**(32,594)**	(31,324)	(27,925)
Net cash flows from operating activities less interest paid	**33,410**	39,528	38,315
Net distributions to unitholders	**22,638**	22,292	21,573
Surplus of net cash flows from operating activities less interest paid compared to net distributions to unitholders	**10,772**	17,236	16,742

(1) This is a non-IFRS financial measure as defined in this page.

The following table summarizes the reconciliation of net cash flows from operating activities presented in the financial statements, AFFO[1] and FFO[1] for the periods ended December 31, 2024, and December 31, 2023, as well as the years ended 2024 and 2023:

Periods ended December 31 (in thousands of dollars)	Quarter		Year	
	2024	2023	**2024**	2023
	$	$	$	$
Cash flows from operating activities	**18,482**	21,560	**66,004**	70,852
Leasing payroll expenses	**739**	401	**2,297**	1,443
Transaction costs on purchase and disposition of investment properties and early repayment fees	**-**	(37)	**(468)**	(83)
Adjustments for changes in other working capital items	**(1,112)**	(3,803)	**2,592**	(1,605)
Financial income	**584**	611	**2,329**	1,833
Interest expenses	**(8,642)**	(8,697)	**(35,176)**	(33,157)
Provision for non-recoverable capital expenditures[2]	**(654)**	(639)	**(2,601)**	(2,557)
Provision for non-recovered rental fees[2]	**(375)**	(375)	**(1,500)**	(1,500)
Accretion of non-derivative liability component of convertible debentures	**(99)**	(92)	**(391)**	(353)
AFFO[1]	**8,923**	8,929	**33,086**	34,873
Provision for non-recoverable capital expenditures[2]	**654**	639	**2,601**	2,557
Provision for non-recovered rental fees[2]	**375**	375	**1,500**	1,500
Straight-line rental revenue adjustment	**374**	197	**1,198**	1,963
Unit-based compensation expenses	**(247)**	(159)	**(162)**	(836)
Accretion of effective interest	**(402)**	(310)	**(1,462)**	(1,095)
Amortization of property and equipment	**(21)**	(20)	**(72)**	(99)
FFO[1]	**9,656**	9,651	**36,689**	38,863

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

Assets

Investment properties

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

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

(1) This is a non-IFRS financial measure, refer to page 2 and 35.

The following table summarizes the changes in the fair value of investment properties for the periods ended December 31, 2024, and December 31, 2023, as well as the years ended 2024 and 2023:

Periods ended December 31 (in thousands of dollars)	Quarter		Year	
	2024	2023	**2024**	2023
	$	$	**$**	$
Balance, beginning of period	**1,215,717**	1,207,090	**1,207,522**	1,164,881
Additions:				
Initial recognition of right-of-use assets	**1,343**	-	**1,343**	3,133
Acquisitions	**(0)**	-	**-**	36,306
Dispositions	**-**	-	**(6,206)**	-
Construction on investment property	**3,590**	-	**10,359**	-
Capital expenditures	**1,524**	3,800	**4,510**	7,510
Leasing fees and capitalized lease incentives	**1,726**	1,556	**7,460**	4,910
Fair value adjustment on investment properties	**9,974**	(4,480)	**10,263**	2,001
Other non-monetary changes(1)	**(592)**	(444)	**(1,969)**	(11,219)
Balance, end of period	**1,233,282**	1,207,522	**1,233,282**	1,207,522

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

Improvements in investment properties

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

The following table summarizes capital expenditures, incentives, and leasing fees, for the periods ended December 31, 2024, and December 31, 2023, as well as the years ended 2024 and 2023:

Periods ended December 31 (in thousands of dollars)	Quarter		Year	
	2024	2023	**2024**	2023
	$	$	**$**	$
Recoverable capital expenditures	**1,086**	1,672	**1,632**	2,600
Non-recoverable capital expenditures	**438**	1,076	**2,878**	3,858
Total capital expenditures	**1,524**	2,748	**4,510**	6,458
Leasing fees and leasehold improvements	**1,726**	1,556	**7,460**	4,910
Construction on investment property	**3,590**	-	**10,359**	-
Total	**6,840**	4,304	**22,329**	11,368

For the year of December 31, 2024, there is an increase of $11.0 million of improvements in investment properties, as a result of the construction of a necessity-based retail property located in Lévis, Quebec, leased on a long-term basis to Winners/Home Sense.

Finance Lease Receivable

In August 2023, a tenant exercised a purchase option of an industrial property in Edmonton, Alberta. The purchase price is $10,25 million and the closing date is December 1, 2026. The Trust derecognized the property from investment properties to classify it as a finance lease receivable.

When the Trust classified the lease as a finance lease, it recognized the net investment in the lease as a finance lease receivable on the balance sheet. The Trust subsequently recognizes financial income as earned.

The following table summarizes the finance lease for the year ended December 31, 2024, and sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

	Finance lease receivable	Undiscounted finance lease at inception	Unearned finance income at inception	Implicit interest rate	Interest payments	Purchase option
	$	$	$	%		
Beginning balances	10,399	13,379	(2,980)	8.44	Monthly	December 2026

As at December 31, 2024	
Beginning balance undiscounted finance lease	13,379
Received lease payments	1,298
	12,081
Beginning balance unearned finance income at inception	(2,980)
Earned finance income	1,314
	(1,666)
Finance lease receivable	10,415

	Lease payments
	$
2025	916
2026(1)	11,166
Total	12,082
Unearned finance income	1,666
Finance lease receivable	10,415

(1) Includes purchase option price of $10,250

Receivables

(in thousands of dollars)	**December 31, 2024**	December 31, 2023
	$	$
Rent receivable	**2,554**	2,201
Allowance for expected credit losses	**(901)**	(731)
Net rent receivable	**1,653**	1,470
Unbilled recoveries	**2,793**	1,572
Other receivables	**410**	230
Receivables	**4,856**	3,272

Prepaid expenses, Deposits and Property and equipment

(in thousands of dollars)	December 31, 2024	December 31, 2023
	$	$
Property and equipment	**1,493**	1,484
Accumulated depreciation	**(1,285)**	(1,213)
Net property and equipment	**208**	271
Prepaid expenses	**1,215**	1,185
Deposits	**1,878**	1,337
Other assets	**3,301**	2,793

Capital Resources

Long-term debt

The following table summarizes the balance of BTB's indebtedness on December 31, 2024, including mortgage loans and convertible debentures, based on the year of maturity and corresponding weighted average contractual interest rates:

As at December 31, 2024 (in thousands of dollars)	Balance of convertible debentures(1)	Balance of mortgages payable(1)	Weighted average contractual interest rate
	$	$	%
Year of maturity			
2025	19,576	116,697	5.01
2026	-	167,901	4.23
2027	-	127,687	4.37
2028	-	93,759	4.68
2029	-	83,481	4.33
2030 and thereafter	-	76,082	3.65
Total	**19,576**	**665,607**	**4.42**

(1) Gross amounts.

The Trust has $116.7 million of mortgages that are maturing in the year. The Trust as of the date of this report has received commitment letters or letters of intent from financial institutions for the refinancing of $36.3 million and is in the process of negotiating the remaining 2024 mortgages coming to maturity.

Weighted average contractual interest rate

As at December 31, 2024, the weighted average contractual interest rate of the Trust's long-term debt stood at 4.42% (4.35% for mortgage loans and 7.00% for convertible debentures), representing an increase of 10 basis points compared to the same period last year which was 4.32% (4.17% for mortgage loans and 6.45% for convertible debentures).

Mortgage loans

The following table summarizes the changes in mortgage loans payable for the period ended December 31, 2024:

Periods ended December 31, 2024 (in thousands of dollars)	Quarter	Year
	$	$
Balance at beginning[1]	**655,686**	640,426
Mortgage loans contracted or assumed[2]	**23,492**	117,855
Balance repaid at maturity or upon disposition[3]	**(8,600)**	(73,353)
Monthly principal repayments[4]	**(4,971)**	(19,321)
Balance as at December 31, 2024[1]	**665,607**	665,607

(1) Before unamortized financing expenses and fair value assumption adjustments.
(2) This is a non-IFRS measure. Mortgage loans contracted or assumed are included in the Consolidated Statements of Cash Flows within the *Mortgage loans, net of financing expenses.*
(3) This is a non-IFRS measure. Balance repaid at maturity or upon disposition are included in the Consolidated Statements of Cash Flows within the following: *Repayment of mortgage loans and Net proceeds from disposition of investment properties.*
(4) This is a non-IFRS measure. Principal monthly repayments are included in the Consolidated Statements of Cash Flows within *Repayment of mortgage loans.*
(5) *The balance repaid upon disposition of 3.0M$ during the year 2024 is included in the net proceeds from disposition of investment properties in the cash flow.*

The weighted average term of existing mortgage loans was 2.8 years as at December 31, 2024, compared to 3.2 years for the same period last year. The Trust attempts to spread the maturities of its mortgages over many years to mitigate the risk associated with mortgage renewals.

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

As at December 31, 2024 (in thousands of dollars)	**Principal repayment**	**Balance at maturity**	**Total**	**% of total**
	$	$	$	
Maturity				
2025	17,473	114,553	132,026	19.8
2026	14,220	159,734	173,954	26.1
2027	9,821	117,281	127,102	19.1
2028	5,811	85,377	91,188	13.7
2029	3,415	73,280	76,695	11.5
2030 and thereafter	7,879	56,763	64,642	9.8
Total	**58,619**	**606,988**	**665,607**	**100.0**
Unamortized fair value assumption adjustments			8	
Unamortized financing expenses			(2,702)	
Balance as at December 31, 2024			**662,913**	

As at December 31, 2024, the Trust was in compliance with all the contractual mortgage covenants to which it is subject.

Convertible debentures

The following table summarizes the convertible debentures for the period ended December 31, 2024:

(in thousands of dollars)	**Series H[1][2]**
Par value	19,917[3]
Contractual interest rate	7%
Effective interest rate	8%
Date of issuance	September 2020
Per-unit conversion price	3.64
Date of interest payment	April 30 and October 31
Maturity date	October 2025
Balance as at December 31, 2024	**19,346**

(1) 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.
(2) The Trust may, at its option and under certain conditions, elect to satisfy its obligation to pay the principal amount of the Series H debentures by issuing tradable units freely to Series H debenture holders.
(3) Conversion of $10,083 of the Series H debenture since issuance. Conversion of $0 during the year 2024.

On October 31, 2024, the Trust fully redeemed and paid at maturity the Series G convertible debentures at their nominal value of $24.0 million.

Debt ratio

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

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

(in thousands of dollars)	**December 31, 2024**	December 31, 2023
	$	$
Cash and cash equivalents	**(2,471)**	(912)
Mortgage loans outstanding[1]	**665,607**	640,425
Convertible debentures[1]	**19,576**	43,185
Credit facilities	**44,298**	36,359
Total long-term debt less cash and cash equivalents[2][3]	**727,010**	719,057
Total gross value of the assets of the Trust less cash and cash equivalents[2][4]	**1,254,818**	1,227,949
Mortgage debt ratio (excluding convertible debentures and credit facilities)[2][5]	**52.8%**	52.2%
Debt ratio – convertible debentures[2][6]	**1.6%**	3.5%
Debt ratio – credit facilities[2][7]	**3.5%**	3.0%
Total debt ratio[2]	**57.9%**	58.6%

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

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

Interest coverage ratio

The following table summarizes the interest coverage ratio for the periods ended December 31, 2024, and December 31, 2023, as well as the years ended 2024 and 2023:

Periods ended December 31 (in thousands of dollars, except for the ratios)	Quarter		Year	
	2024	2023	**2024**	2023
	$	$	**$**	$
Adjusted EBITDA[1]	**17,556**	18,065	**70,162**	69,719
Interest expenses net of financial income[2]	**8,058**	8,086	**32,847**	31,324
Interest coverage ratio[3]	**2.18**	2.23	**2.14**	2.23

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

Debt service coverage ratio

The following table summarizes the debt service coverage ratio for the periods ended December 31, 2024, and December 31, 2023, as well as the years ended 2024 and 2023:

Periods ended December 31 (in thousands of dollars, except for the ratios)	Quarter		Year	
	2024	2023	**2024**	2023
	$	$	**$**	$
Adjusted EBITDA[1]	**17,556**	18,065	**70,162**	69,719
Interest expenses net of financial income[2]	**8,058**	8,086	**32,847**	31,324
Principal repayments	**4,971**	4,906	**19,321**	19,425
Debt service requirements	**13,029**	12,992	**52,168**	50,749
Debt service coverage ratio[3]	**1.35**	1.39	**1.34**	1.37

(1) This is a non-IFRS financial measure, refer to page 2 and 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 period ended December 31, 2024:

Period ended December 31, 2024 (in number of units)	Quarter		Year	
	Units	$	Units	$
Class B LP units outstanding, beginning of period	697,265	2,517	697,265	2,043
Fair value adjustment	-	(174)	-	300
Class B LP units outstanding, end of period	697,265	2,343	697,265	2,343

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

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

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

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

Units outstanding

The following table summarizes the total number of units outstanding and the weighted number of units outstanding for the periods ended December 31, 2024, and December 31, 2023, as well as the years ended 2024 and 2023:

Periods ended December 31 (in number of units)	Quarter		Year	
	2024	2023	2024	2023
Units outstanding, beginning of the period	87,767,499	86,371,361	86,705,901	85,238,279
Distribution reinvestment plan	256,610	304,009	1,132,079	1,083,135
Issued - employee unit purchase plan	-	2,680	26,660	11,635
Issued - restricted unit compensation plan	-	27,851	159,479	73,127
Issued – deferred unit compensation plan	-	-	-	-
Class B LP units exchanged into Trust units	-	-	-	200,000
Issued – conversion of convertible debentures	-	-	-	99,725
Units outstanding, end of the period	88,024,109	86,705,901	88,024,109	86,705,901
Weighted average number of units outstanding	87,895,804	86,590,971	87,307,540	85,857,847
Weighted average number of Class B LP units and units outstanding	88,593,069	87,288,236	88,004,805	86,289,487

On February 29, 2024, the Toronto Stock Exchange (TSX) approved the renewal of the normal course issuer bid (“NCIB”), permitting BTB to repurchase for cancellation up to 5,969,926 units from February 29, 2024, to February 28, 2025, representing approximately 7% of the Trust’s issued and outstanding units at the time of the renewal. As of December 31, 2024, no units have been repurchased for cancellation.

Deferred unit compensation plan

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

The following table summarizes deferred units outstanding for the periods ended December 31, 2024, and December 31, 2023, as well as the years ended 2024 and 2023:

Periods ended December 31 (in number of units)	Quarter		Year	
	2024	2023	**2024**	2023
Deferred units outstanding, beginning of the period	**191,634**	138,334	**151,412**	121,727
Trustees' compensation	**18,099**	9,497	**46,748**	17,684
Distributions paid in units	**4,059**	3,581	**15,632**	12,001
Deferred units outstanding, end of the period	**213,792**	151,412	**213,792**	151,412

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 December 31, 2024, and December 31, 2023, as well as the years ended 2024 and 2023:

Periods ended December 31 (in number of units)	Quarter		Year	
	2024	2023	**2024**	2023
Restricted units outstanding, beginning of the period	**301,249**	243,841	**220,306**	138,583
Granted	**-**	7,230	**268,634**	157,766
Cancelled	**-**	(2,914)	**(28,212)**	(2,914)
Settled	**-**	(27,851)	**(159,479)**	(73,129)
Restricted units outstanding, end of the period	**301,249**	220,306	**301,249**	220,306

Employee unit purchase plan

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

Off-balance sheet arrangements and contractual commitments

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

Income Taxes

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

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

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

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

As at December 31, 2024, BTB met all these conditions and qualified as a REIT. As a result, the SIFT trust tax rules do not apply to BTB. BTB’s management intends to take the necessary steps to meet the conditions for the REIT Exception on an ongoing basis in the future.

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

Accounting Policies and Estimates

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

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

Risks and Uncertainties

Numerous risks and uncertainties could cause BTB's actual results to differ materially from those expressed, implied or projected in the forward-looking statements, including those described in the "Risk Factors" section of BTB's 2024 Annual Information Form for the year ended December 31, 2023, and those described in the "Risk Factors" section of BTB's Prospectus Supplement filed on January 16, 2025 on www.sedarplus.ca which is hereby incorporated by reference.

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

Disclosure Controls and Procedures and Internal Control Over Financial Reporting

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

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

Evaluations are also performed to assess the effectiveness of ICFR. Based on those evaluations, the President and Chief Executive Officer and the Vice-President and Chief Financial Officer of BTB concluded that ICFR was effective as at December 31, 2024, and, more specifically, that the financial reporting is reliable and that the consolidated financial statements have been prepared for financial reporting purposes in accordance with IFRS.

During the fourth quarter of 2024, management made no changes to internal control over financial reporting that materially affected, or are likely to materially affect, internal control over financial reporting.

Appendix 1 – Definitions

Class B LP Units

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

Rental revenue

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

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

Operating expenses

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

Net operating income (NOI)

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

Financial expenses

Financial expenses arise from the following loans and financing:

- Mortgage loans payable contracted or assumed totalling approximately $665.6 million as at December 31, 2024, compared to $644.1 million as at December 31, 2023.
- Series H convertible debentures for a total par value of $19.9 million as at December 31, 2024.
- 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, 2023 and still owned as at December 31, 2024, but does not include the financial impacts from dispositions, acquisitions and developments completed in 2023 and 2024, as well as the results of subsequently sold properties.

Net operating income (NOI) from the same-property portfolio

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

Appendix 2 – Non-IFRS Financial Measures – Quarterly Reconciliation

Funds from Operations (FFO)[1]

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

	2024 Q-4	2024 Q-3	2024 Q-2	2024 Q-1	2023 Q-4	2023 Q-3	2023 Q-2	2023 Q-1
(in thousands of dollars, except for per unit)	$	$	$	$	$	$	$	$
Net income and comprehensive income (IFRS)	**18,847**	5,470	7,272	7,153	1,734	15,216	10,846	8,802
Fair value adjustment on investment properties	**(9,975)**	(283)	-	(6)	4,480	(6,481)	-	-
Fair value adjustment on Class B LP units	**(174)**	335	(21)	160	(42)	(159)	(775)	-
Amortization of lease incentives	**966**	807	704	690	641	664	750	728
Fair value adjustment on derivative financial instruments	**(760)**	2,168	379	(325)	2,396	(584)	(763)	184
Leasing payroll expenses[6]	**739**	535	433	591	401	359	327	356
Distributions – Class B LP units	**52**	52	53	52	52	56	42	22
Unit-based compensation (Unit price remeasurement)[5]	**(39)**	342	63	409	(11)	(87)	(232)	(59)
FFO[1]	**9,656**	9,426	8,883	8,724	9,651	8,984	10,195	10,033
Transaction costs on disposition of investment properties and mortgage early repayment fees	**-**	-	267	202	37	46	-	-
FFO Adjusted[1]	**9,656**	9,426	9,149	8,926	9,688	9,030	10,195	10,033
FFO per unit[1][2][3]	**10.9¢**	10.7¢	10.1¢	10.0¢	11.1¢	10.3¢	11.8¢	11.7¢
FFO Adjusted per unit[1][2][4]	**10.9¢**	10.7¢	10.4¢	10.2¢	11.1¢	10.4¢	11.8¢	11.7¢
FFO payout ratio[1]	**68.8%**	70.0%	74.3%	75.2%	67.5%	72.9%	63.8%	64.1%
FFO Adjusted payout ratio[1]	**68.8%**	70.3%	72.2%	73.5%	67.2%	72.5%	63.8%	64.1%

(1) This is a non-IFRS financial measure, refer to page 2 and 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 FFO Adjusted per unit ratio is calculated by dividing the FFO Adjusted[1] by the Trust's unit outstanding at the end of the period (including the Class B LP units at outstanding at the end of the period).
(5) The impact of the unit price remeasurement on the deferred unit-based compensation plan has been considered in the calculation of the FFO Adjusted and AFFO Adjusted starting Q2 2021.
(6) The impact of the CIO compensation, hired in Q2 2022, was added to the Leasing payroll expenses during Q4 2022 as his duties were mainly leasing activities throughout the year.

(1) This is a non-IFRS financial measure, refer to page 2 and 35.

Adjusted Funds from Operations (AFFO)(1)

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

	2024 Q-4	2024 Q-3	2024 Q-2	2024 Q-1	2023 Q-4	2023 Q-3	2023 Q-2	2023 Q-1
(in thousands of dollars, except for per unit)	**$**	$	$	$	$	$	$	$
FFO(1)	**9,656**	9,426	8,883	8,724	9,651	8,984	10,195	10,033
Straight-line rental revenue adjustment	**(374)**	(247)	(183)	(394)	(197)	(842)	(291)	(633)
Accretion of effective interest	**402**	391	361	308	310	271	278	236
Amortization of other property and equipment	**21**	17	17	17	20	33	23	23
Unit-based compensation expenses	**247**	19	(95)	(9)	159	184	237	256
Provision for non-recoverable capital expenditures(1)	**(654)**	(650)	(644)	(653)	(639)	(626)	(634)	(658)
Provision for unrecovered rental fees(1)	**(375)**	(375)	(375)	(375)	(375)	(375)	(375)	(375)
AFFO(1)	**8,923**	8,581	7,964	7,618	8,929	7,629	9,433	8,882
Transaction costs on disposition of investment properties and mortgage early repayment fees	**-**	-	267	201	37	46	-	-
AFFO Adjusted(1)	**8,923**	8,581	8,231	7,819	8,966	7,675	9,433	8,882
AFFO per unit(1)(2)(3)	**10.1¢**	9.7¢	9.1¢	8.7¢	10.2¢	8.8¢	10.9¢	10.3¢
AFFO Adjusted per unit(1)(2)(4)	**10.1¢**	9.7¢	9.4¢	8.9¢	10.3¢	8.8¢	10.9¢	10.3¢
AFFO payout ratio(1)	**74.5%**	76.8%	82.9%	86.2%	72.9%	85.8%	69.0%	72.4%
AFFO Adjusted payout ratio(1)	**74.5%**	77.2%	80.2%	83.9%	72.6%	85.3%	69.0%	72.4%

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

(1) This is a non-IFRS financial measure, refer to page 2 and 35.

BTB