



Opportunities in a *Changing Economy*: Second Quarterly Report 2025

Condensed Consolidated Interim Financial Statements



BTB

Condensed Consolidated Interim *Financial Statements*

Three-month and six-month periods ended June 30, 2025

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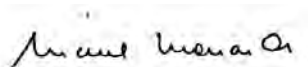
Condensed Consolidated Interim Statements of Financial Position

(Unaudited - in thousands of CAD dollars)

		As at June 30,	As at December 31,
	Notes	2025	2024
		\$	\$
Assets			
Investment properties	3	1,230,782	1,233,282
Property and equipment		173	208
Derivative financial instruments	9	-	1,678
Prepaid expenses and deposits		9,518	3,093
Finance lease receivable		10,393	10,415
Receivables	4	6,041	4,856
Cash and cash equivalents		5,677	2,471
Total assets		1,262,584	1,256,003
Liabilities and unitholders' equity			
Mortgage loans payable	5	656,654	662,913
Convertible debentures	6	34,877	19,346
Bank loans	7	30,951	44,298
Lease liabilities		8,661	8,681
Class B LP Units	8	2,538	2,343
Unit-based compensation	10	2,414	2,081
Derivative financial instruments	9	3,427	737
Trade and other payables		25,210	19,121
Distribution payable to unitholders		2,207	2,201
Total liabilities		766,939	761,721
Unitholders' equity		495,645	494,282
		1,262,584	1,256,003

See accompanying notes to condensed consolidated interim financial statements.

Approved by the Board on August 1, 2025.



Michel Léonard, Trustee



Jocelyn Proteau, Trustee

Condensed Consolidated Interim Statements of Comprehensive Income

(Unaudited - in thousands of CAD dollars)

		For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	Notes	2025	2024	2025	2024
		\$	\$	\$	\$
Operating revenues					
Rental revenue	12	30,513	32,218	64,924	64,854
Operating expenses					
Public utilities and other operating expenses		6,155	6,123	13,623	12,952
Property taxes and insurance		7,229	7,239	14,351	14,686
		13,384	13,362	27,974	27,638
Net operating income		17,129	18,856	36,950	37,216
Financial income		348	568	775	1,141
Expenses					
Financial expenses		9,090	9,140	18,764	18,363
Distributions - Class B LP Units	8	52	53	104	105
Fair value adjustment - Class B LP Units	8	167	(21)	195	139
Net adjustment to fair value of derivative financial instruments		(176)	379	692	54
Net financial expenses	13	9,133	9,551	19,755	18,661
Administration expenses		2,584	2,335	4,602	4,809
Net change in fair value of investment properties and disposition expenses	3	(434)	266	(434)	462
Net income and comprehensive income for the period		6,194	7,272	13,802	14,425

See accompanying notes to condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Changes In Unitholders' Equity

(Unaudited - in thousands of CAD dollars)

	Notes	Unitholders' contributions	Cumulative distribution	Cumulative comprehensive income	Total
Balance as at January 1, 2025		404,914	(254,319)	343,687	494,282
Issuance of units, net of issuance expenses	11	795	-	-	795
Distribution to unitholders	11	-	(13,234)	-	(13,234)
		405,709	(267,553)	343,687	481,843
Comprehensive income		-	-	13,802	13,802
Balance as at June 30, 2025		405,709	(267,553)	357,489	495,645
Balance as at January 1, 2024		400,774	(228,065)	304,945	477,654
Issuance of units, net of issuance expenses	11	2,347	-	-	2,347
Distribution to unitholders	11	-	(13,083)	-	(13,083)
		403,121	(241,148)	304,945	466,918
Comprehensive income		-	-	14,425	14,425
Balance as at June 30, 2024		403,121	(241,148)	319,370	481,343

See accompanying notes to condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited - in thousands of CAD dollars)

	Notes	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
		2025	2024	2025	2024
		\$	\$	\$	\$
Operating activities					
Net income for the period		6,194	7,272	13,802	14,425
Adjusted for:					
Net change in fair value of investment properties and disposition expenses	3	(434)	266	(434)	462
Depreciation of property and equipment	14	17	17	35	34
Unit-based compensation	10	360	(31)	554	368
Straight-line lease adjustment	12	1,500	(183)	1,119	(577)
Lease incentive amortization	12	836	704	1,633	1,394
Financial income		(348)	(568)	(775)	(1,141)
Net financial expenses	13	9,133	9,551	19,755	18,661
		17,258	17,028	35,689	33,626
Adjustment for changes in other working capital items		1,529	1,730	(1,539)	(2,524)
Net cash from operating activities		18,787	18,758	34,150	31,102
Investing activities					
Additions to investment properties and others	3	(3,058)	(6,039)	(5,551)	(8,037)
Construction on investment property		-	-	(101)	-
Net proceeds from dispositions of investment properties and transaction cost	3	2,994	(266)	2,994	2,772
Net cash (used in) from investing activities		(64)	(6,305)	(2,658)	(5,265)
Financing activities					
Mortgage loans, net of financing expenses		26,933	47,983	27,999	57,606
Repayment of mortgage loans		(27,040)	(42,281)	(31,914)	(58,930)
Bank loans		(3,366)	(5,228)	(13,429)	3,173
Lease liability payments		(15)	(2)	(20)	(4)
Net proceeds from convertible debentures		-	-	38,172	-
Repayment of convertible debenture		-	-	(19,917)	-
Net distribution to unitholders		(6,619)	(5,646)	(12,654)	(11,276)
Net distribution - Class B LP units	8	(52)	(53)	(104)	(105)
Interest paid		(8,337)	(8,150)	(16,419)	(16,356)
Net cash (used in) from financing activities		(18,496)	(13,377)	(28,286)	(25,892)
Net change in cash and cash equivalents		227	(924)	3,206	(55)
Cash and cash equivalents, beginning of period		5,450	1,781	2,471	912
Cash and cash equivalents, end of period		5,677	857	5,677	857

See accompanying notes to condensed consolidated interim financial statements.

Notes to Condensed Consolidated Interim Financial Statements

For the six months ended June 30, 2025 and 2024
(Unaudited - in thousands of CAD dollars, except unit and per unit amounts)

1. Reporting Entity

BTB Real Estate Investment Trust ("BTB") is an unincorporated open-ended real estate investment trust formed and governed under the Civil code of Quebec pursuant to a trust agreement and is domiciled in Canada. The address of BTB's registered office is 1411 Crescent Street, Suite 300, Montreal, Quebec, Canada, H3G 2B2. The condensed consolidated interim financial statements of BTB for the three-month and six-month periods ended June 30, 2025, and 2024 comprise BTB and its wholly-owned subsidiaries (together referred to as the "Trust") and the Trust's interest in joint operations.

2. Basis of Preparation

(a) Statement of compliance

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

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

These unaudited condensed consolidated interim financial statements were approved by the Board of Trustees on August 1, 2025.

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

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

(c) Functional and presentation currency

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

(d) Use of estimates and judgments

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

3. Investment Properties

	Six-month period ended June 30,	Year ended December 31,
	2025	2024
	\$	\$
Balance beginning of period	1,233,282	1,207,522
Initial recognition of right-of-use assets	-	1,343
Dispositions of investment properties (note 3(b))	(6,100)	(6,206)
Construction on investment property	101	10,359
Capital expenditures	2,460	4,510
Capitalized leasing fees	960	1,350
Capitalized lease incentives	2,131	6,110
Lease incentives amortization	(1,633)	(3,167)
Straight-line lease adjustment	(1,119)	1,198
Net changes in fair value of investment properties	700	10,263
Balance end of period	1,230,782	1,233,282

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

At June 30, 2025, no independent external appraisals were obtained for investment properties (December 31, 2024 - appraisals obtained for investment properties having a total fair value of \$687,580).

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

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

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

	Industrial	Suburban office	Necessity-based retail
As at June 30, 2025			
Capitalization rate	5.25% - 7.75%	6.00% - 8.25%	5.75% - 7.75%
Terminal capitalization rate	5.25% - 8.00%	6.25% - 8.50%	6.00% - 8.00%
Discount rate	6.00% - 8.50%	6.25% - 9.00%	6.50% - 8.75%
Weighted average capitalization rate	6.11%	7.00%	7.03%
As at December 31, 2024			
Capitalization rate	5.25% - 7.75%	6.00% - 8.25%	5.75% - 7.75%
Terminal capitalization rate	5.25% - 8.00%	6.25% - 8.50%	6.00% - 8.00%
Discount rate	6.00% - 8.50%	6.25% - 9.00%	6.50% - 8.75%
Weighted average capitalization rate	6.11%	7.00%	7.03%

The following table provides a sensitivity analysis of the fair value of investment properties for changes in the weighted average capitalization rate as at June 30, 2025, which is representative of the sensitivity to changes in the discount rate and terminal capitalization rate as at June 30, 2025.

Capitalization rate sensitivity	Fair Value	Change in fair value
Increase (decrease)		
	\$	\$
(0.50)%	1,331,752	100,970
(0.25)%	1,279,251	48,469
Base rate	1,230,782	-
0.25%	1,185,894	(44,888)
0.50%	1,144,199	(86,583)

(a) Acquisitions

There were no acquisitions during the six-month period ended June 30, 2025.

(b) Dispositions

The fair value of the assets and liabilities derecognized in the consolidated statement of financial position on the date of the disposition during the six-month period ended June 30, 2025 were as follows:

Disposal date	Property type	Location	Gross proceeds	Mortgage reimbursement	Disposition expenses	Net proceeds
			\$	\$	\$	\$
June 2025	Industrial	Saskatoon, SK	6,100	(2,840)	(266)	2,994
Total			6,100	(2,840)	(266)	2,994

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

	Three-month periods ended June 30,		Six-month periods ended June 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Net changes in fair value of investment properties	700	-	700	6
Disposition expenses	(266)	(266)	(266)	(468)
	434	(266)	434	(462)

The disposition expenses include mainly commissions and debt prepayment penalties on mortgage loans related to the disposed property.

The following table summarizes the changes in fair value of investment properties by segment for three-month and six-month periods ended June 30, 2025, and June 30, 2024:

Periods ended June 30 (in thousands of dollars)	Quarter		Cumulative (6 months)	
	2025	2024	2025	2024
	\$	\$	\$	\$
Industrial	700	-	700	-
Suburban office	-	-	-	6
Necessity-based retail	-	-	-	-
Total change in fair value	700	-	700	6

4. Receivables

	As at June 30,	As at December 31,
	2025	2024
	\$	\$
Rents receivable	5,355	2,554
Allowance for expected credit losses	(1,316)	(901)
Net rents receivable	4,039	1,653
Unbilled recoveries	1,197	2,793
Other receivables	805	410
Total	6,041	4,856

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

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

5. Mortgage Loans Payable

Mortgage loans payable are secured by immovable hypothecs on investment properties having a fair value of approximately \$1,189,767 as at June 30, 2025 (December 31, 2024 – \$1,192,196).

	As at June 30,	As at December 31,
	2025	2024
	\$	\$
Fixed rate mortgage loans payable	533,763	544,474
Floating rate mortgage loans payable	125,331	121,133
Unamortized fair value assumption adjustments	1	8
Unamortized financing expenses	(2,441)	(2,702)
Mortgage loans payable	656,654	662,913
Short-term portion ⁽¹⁾	74,450	132,026
Weighted average interest rate	4.36%	4.35%
Weighted average term to maturity (years)	2.50	2.79
Range of annual rates	3.10% - 6.80%	2.37% - 7.07%

As at June 30, 2025, the mortgage loan scheduled repayments are as follows:

	Scheduled repayments	Principal maturity	Total
	\$	\$	\$
2025 ⁽¹⁾	8,910	65,540	74,450
2026	15,076	189,057	204,133
2027	10,416	117,285	127,701
2028	6,434	85,377	91,811
2029	3,717	85,389	89,106
Thereafter	8,004	63,889	71,893
	52,557	606,537	659,094
Unamortized financing expenses			(2,440)
			656,654

(1) For the six-month period remaining

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

Transaction date	Original principal amount	Effective fixed interest rate	Settlement basis	Maturity date	Outstanding amount	
					As at June 30, 2025	As at December 31, 2024
	\$	%			\$	\$
June 2016	13,000	3.41	Quarterly	June 2026	9,669	9,865
November 2017	23,075	3.97	Monthly	December 2027	18,332	18,694
May 2024	16,860	6.43	Monthly	May 2029	16,559	16,704
June 2024	25,400	6.07	Monthly	June 2029	24,950	25,220
August 2024	23,132	3.82	Monthly	November 2027	21,445	21,860
September 2024	11,000	4.56	Monthly	September 2029	10,745	10,916
Total	112,467				101,700	103,259

6. Convertible Debentures

As at June 30, 2025, the Trust had the following subordinated, unsecured, convertible, debenture outstanding.

	Interest rates			Unit conversion price	Interest payments	Maturity
	Capital	Coupon	Effective			
		%	%	\$		
Series I	40,250	7.25	8.54	4.10	Semi-annual	February 2030
						Series I
						\$
As at June 30, 2025						
Non-derivative liability component upon issuance						36,574
Accretion of non-derivative liability component						242
						36,816
Conversion options exercised by holders						-
						36,816
Unamortized financing expenses						(1,939)
Non-derivative liability component						34,877
Conversion and redemption options liability component at fair value						2,343
						Series H
						\$
As at December 31, 2024						
Non-derivative liability component upon issuance						27,309
Accretion of non-derivative liability component						1,446
						28,755
Conversion options exercised by holders						(9,179)
						19,576
Unamortized financing expenses						(230)
Non-derivative liability component						19,346
Conversion and redemption options asset component at fair value						(1,678)

Series H

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

Series I

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

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

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

As of June 30, 2025, no conversion options have been exercised by holders on debentures.

7. Bank Loans

The Trust has access to three credit facilities. The first is a revolving credit facility in the amount of \$50,000 with an accordion option of up to an additional \$10,000. This revolving credit facility bears interest at a rate of 1% above the prime rate or 2.25% above the Term CORRA Rate or Daily Compounded CORRA Rate. At June 30, 2025, \$30,951 was due under the revolving credit facility (December 31, 2024, \$42,798).

The revolving credit facility is secured by an immoveable first rank hypothec on two properties having a fair value of \$37,223 and by negative pledge of a selection of borrowing base properties having a fair value of \$301,960.

The second facility is a revolving line of credit in the amount of \$7,500. This line of credit bears interest at a rate of 1% above the prime rate. At June 30, 2025, no amount was due under this line of credit (December 31, 2024 – \$1,500). The line of credit is secured by an immoveable second rank hypothec on four properties having a fair value of \$90,501.

The third facility is a revolving line of credit, unsecured in the amount of \$2,000. This line of credit bears interest at a rate of 1% above the prime rate. At June 30, 2025, no amount was due under the operating line of credit (December 31, 2024 – \$0).

8. Class B LP Units

	Six-month period ended June 30, 2025		Year ended December 31, 2024	
	Units	\$	Units	\$
Units outstanding, beginning of period	697,265	2,343	697,265	2,043
Fair value adjustment	-	195	-	300
Units outstanding, end of period	697,265	2,538	697,265	2,343

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

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

	Three-month periods ended June 30		Six-month periods ended June 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Distribution to Class B LP unitholders	52	53	104	105
Distribution per Class B LP unit	0.075	0.075	0.150	0.150

9. Fair Value Measurement

The following tables show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. They do not include the fair value of cash and cash equivalents, receivables, trade and other payables and distribution payable to unitholders, which approximated their carrying amount as at June 30, 2025, because of their short-term maturity or because they bear interest at current market rates.

As at June 30, 2025	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
	\$	\$	\$	\$
Measured at fair value				
Conversion and redemption options of convertible debentures (note 6)	2,343	-	-	2,343
Interest rate swap liability	1,084	-	1,084	-
Class B LP Units (note 8)	2,538	2,538	-	-
For which fair values are disclosed				
Mortgage loans payable (note 5)	659,094	-	650,043	-
Convertible debentures, including their conversion and redemption features (note 6)	37,220	41,357	-	-
Bank loans (note 7)	30,951	-	30,951	-

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

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

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

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

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

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

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

	Conversion and redemption options of convertible debentures
	\$
Six-months period ended June 30, 2025	
Balance beginning of period	(1,678)
Issue of Series I convertible, unsecured, subordinated debentures	3,676
Change for the period recognized in profit or loss under net adjustment to fair value of derivative financial instruments	345
Balance end of period	2,343

The following table provides a sensitivity analysis for the volatility applied in fair value measurement of the conversion and redemption options of convertible debentures at June 30, 2025:

	Conversion and redemption options of convertible debentures	Volatility
	\$	%
Volatility sensitivity		
Increase (decrease)		
(0.50)%	2,213	17.51
June 30, 2025	2,343	18.01
0.50%	2,473	18.51

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

10. Unit-based Compensation

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

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

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

For the six-month periods ended June 30,	2025	2024
	Deferred units	Deferred units
Outstanding, beginning of period	213,792	151,412
Trustees' compensation	29,747	15,021
Distributions paid in units	9,990	7,575
Outstanding, end of period	253,529	174,008

As at June 30, 2025, the liability related to the plan was \$923 (December 31, 2024 - \$723). The related figures recorded in the statement of comprehensive income amounted to an expense of \$121 and \$200 for the three-month and six-month periods ended June 30, 2025 (for the three-month and six-month periods ended June 30, 2024 - expense of \$37 and \$109).

(b) Employee unit purchase plan

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

As at June 30, 2025, the liability related to the plan was \$0 (December 31, 2024 - \$78). The related expense recorded in the statement of comprehensive income amounted to \$7 and \$21 for the three-month and six-month periods ended June 30, 2025 (for the three-month and six-month periods ended June 30, 2024 - income of \$3 and \$13). The 29,710 units related to 2024 purchases were issued in March 2025 (26,650 units related to 2023 purchases).

(c) Restricted unit compensation plan

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

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

Six-month periods ended June 30,	2025	2024
	Restricted units	Restricted units
Outstanding, beginning of period	301,249	220,306
Granted	257,284	265,180
Cancelled	(8,181)	(28,212)
Settled	(38,890)	(156,025)
Outstanding, end of period	511,462	301,249

As at June 30, 2025, the liability related to the plan was \$726 (December 31, 2024 - \$563). The related expense recorded in the statement of comprehensive income amounted to \$181 and \$284 for the three-month and six-month periods ended June 30, 2025 (for the three-month and six-month periods ended June 30, 2024 - expense of \$102 and \$205).

(d) Cash settled share-based retirement compensation plan

As at June 30, 2025, the long-term obligation related to the plan was \$765 (December 31, 2024 - \$717). The related expense recorded in the statement of comprehensive income amounted to \$51 and \$49 for the three-month and six-month periods ended June 30, 2025 (for the three-month and six-month periods ended June 30, 2024 - expense of \$36 and \$67).

11. Trust Units Issued and Outstanding

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

Trust units issued and outstanding are as follows:

Six-month period ended June 30,	2025	
	Units	\$
Trust units outstanding, beginning of period	88,024,109	404,914
Issue pursuant to the distribution reinvestment plan (a)	177,541	574
Issue pursuant to the employee unit purchase plan (note 10 (b))	29,710	100
Issue pursuant to the restricted unit compensation plan (note 10 (c))	37,319	121
Trust units outstanding, end of period	88,268,679	405,709

(a) Distributions

	Three-month periods ended June 30,		Six-month periods ended June 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Distribution to unitholders	6,619	6,553	13,234	13,083
Distribution per Trust unit	0.075	0.075	0.150	0.150

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

As of June 30, 2025, no units have been repurchased for cancellation.

12. Rental Revenues

	Three-month periods ended June 30,		Six-month periods ended June 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Base rent and other lease generated revenues	20,012	19,845	40,195	39,556
Lease cancellation fees	-	-	981	45
Property tax and insurance recoveries	6,835	6,651	13,630	13,160
	26,847	26,496	54,806	52,761
Operating expenses recoveries and other revenues	6,002	6,243	12,870	12,910
Lease incentive amortization	(836)	(704)	(1,633)	(1,394)
Straight-line lease adjustment	(1,500)	183	(1,119)	577
	30,513	32,218	64,924	64,854

13. Net Financial Expenses

	Three-month periods ended June 30,		Six-month periods ended June 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Interest on mortgage loans payable	7,289	7,093	14,590	14,165
Interest on convertible debentures	728	708	1,482	1,417
Interest on bank loans	439	770	914	1,704
Interest on lease liabilities	109	91	217	183
Other interest expense	13	19	31	35
Accretion of non-derivative liability component of convertible debentures	145	98	583	190
Accretion of effective interest on mortgage loans payable and convertible debentures	367	361	947	669
Distributions - Class B LP Units	52	53	104	105
Fair value adjustment - Class B LP Units	167	(21)	195	139
Net adjustment to fair value of derivative financial instruments	(176)	379	692	54
	9,133	9,551	19,755	18,661

14. Expenses by Nature

	Three-month periods ended June 30,		Six-month periods ended June 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Depreciation	17	17	35	34
Employee compensation and benefits expense	2,654	2,448	5,394	5,704

15. Earnings per Unit

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

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

	Three-month periods ended June 30,		Six-month periods ended June 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Net income	6,194	7,272	13,802	14,425
Weighted average number of trust units outstanding – basic ⁽¹⁾	88,946,175	88,032,298	88,843,659	87,732,794
Earnings per unit – basic	0.07	0.08	0.16	0.16

(1) Class B LP Units included

16. Liquidity Risk Management

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

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

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

Some mortgage loans include subjective and restrictive covenant clauses under which the Trust must comply with financial conditions and ratios. As at June 30, 2025, the Trust was in compliance with all the covenants to which it was subject.

17. Operating Segments

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

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

- Industrial
- Suburban office
- Necessity-based retail

	Industrial	Suburban office	Necessity-based retail	Total
	\$	\$	\$	\$
Three-month period ended June 30, 2025				
Investment properties	447,689	514,087	269,006	1,230,782
Rental revenue from properties	6,151	16,287	8,075	30,513
Net operating income	3,659	8,709	4,761	17,129
Three-month period ended June 30, 2024				
Investment properties	442,181	516,423	249,934	1,208,538
Rental revenue from properties	8,350	16,198	7,670	32,218
Net operating income	6,122	8,216	4,518	18,856
	Industrial	Suburban office	Necessity-based retail	Total
	\$	\$	\$	\$
Six-month period ended June 30, 2025				
Rental revenue from properties	14,543	34,298	16,083	64,924
Net operating income	9,529	18,059	9,362	36,950
Six-month period ended June 30, 2024				
Rental revenue from properties	16,954	32,636	15,264	64,854
Net operating income	12,345	16,036	8,835	37,216

18. Commitments and Contingencies

Litigation

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

19. Subsequent Events

On July 11, 2025, the Trust completed the sale of an office property in Quebec City (Quebec) for \$10,500, excluding transaction costs. The trust granted to the purchaser a balance of sale of \$1,000, maturing on March 24, 2027, at an interest rate of 5%.

