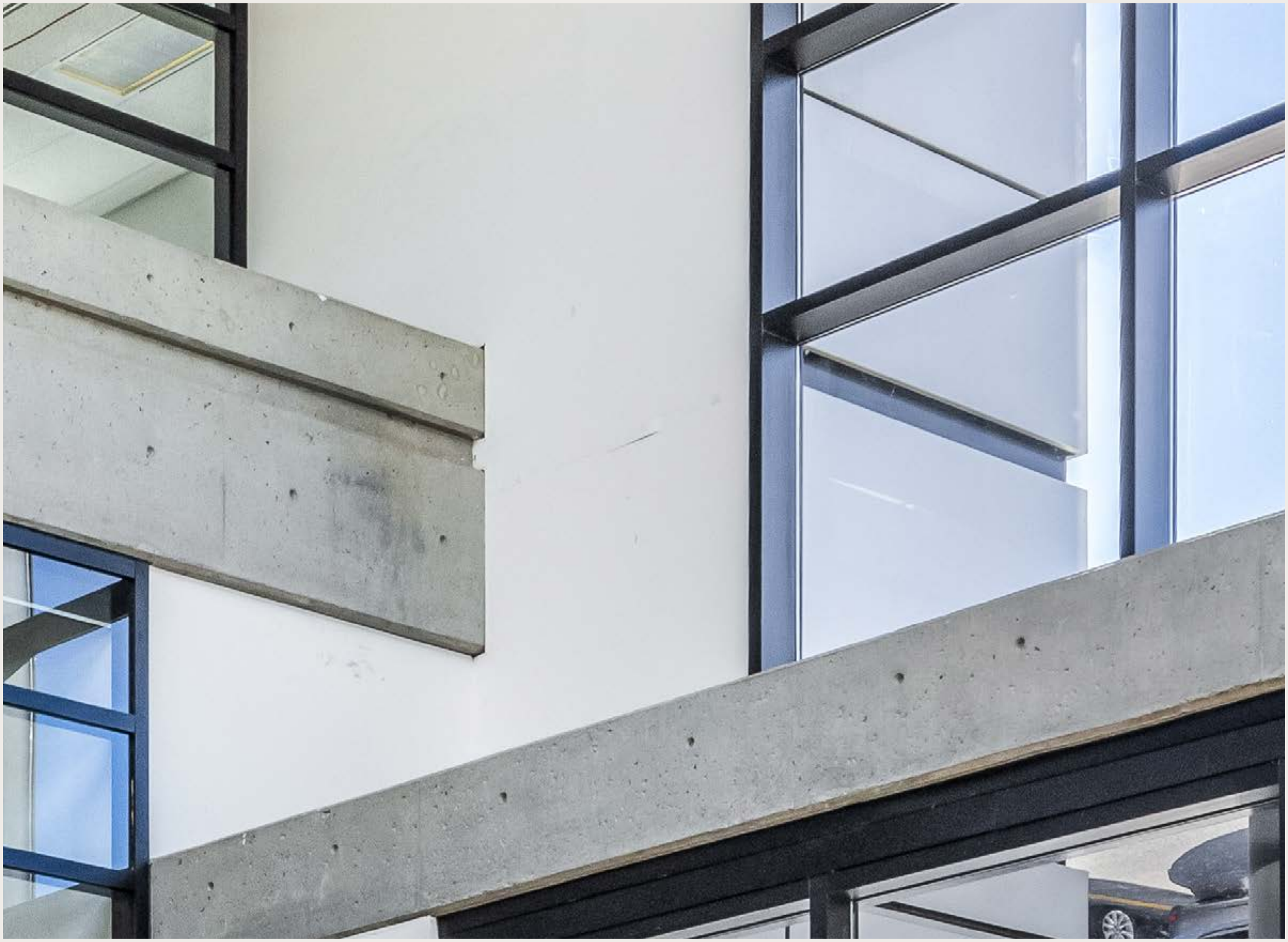


Opportunities in a *Changing Economy:* Second Quarterly Report 2025

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
Cash net operating income	Cash net operating income ("NOI") is a non-IFRS financial measure defined as net operating income less: (i) lease incentive amortization; and (ii) straight-line lease adjustment. Cash NOI is reconciled to NOI, which is the most directly comparable IFRS measure. The Trust considers this to be a useful measure of operating performance and the profitability of its portfolio by excluding non-cash items.	Operating results – Cash net operating income; and Appendix 2
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; (vii) straight-line rental revenue adjustments; and (viii) amortization of lease incentives. 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.	Capital Resources – Interest coverage ratio; and Capital Resources – Debt service coverage ratio Appendix 4
Cash Same-Property NOI ("SPNOI")	Cash 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, less: (i) lease incentive amortization; and (ii) straight-line lease adjustment. 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. The Trust also considers this to be a useful measure of operating performance and the profitability of its portfolio by excluding non-cash items.	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 3

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 3
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 3
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

Our *Mission*

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

Our *Values*

Approachable, dynamic, authentic, open-minded and driven.

Table of *Contents*

A Word from our President and CEO, *Michel Léonard*

BTB's performance in the second quarter of 2025 highlights our leasing efforts, improved cash flow, and strengthened financial metrics. The quality of our assets underpins our results.

Financial Perfomance

Rental revenue stood at $30.5M for the quarter, a decrease of $1.7M or 5.3% compared to the same quarter last year. This decline is the result of two non-cash straight-line rent adjustments totaling $1.8M. Excluding these straight-line rent adjustments and on a cumulative six-month basis, rental revenue would have amounted to $66.7M, reflecting a growth of 2.9% over the same period in 2024.

Cash net operating income (Cash NOI)(1) continues to show growth, totaling $19.5M for the quarter, an increase of 0.5% compared to the same quarter last year. For the cumulative six-month period, the Cash NOI(1) reached $39.7M, an increase of $1.7M or 4.4% compared to the same period in 2024. Our AFFO adjusted(1) was 9.5¢ per unit, up slightly from 9.4¢ a year ago, and 19.8¢ per unit for the cumulative six-month period, representing an increase of 1.5¢ from the comparable period in 2024.

Our results this quarter reflect improved recurring cash flows and financial flexibility, supported by a stable AFFO(1).

Leasing and Portfolio Activity

We completed 122,815 square feet of lease renewals and secured 49,809 square feet of new leases during the quarter. The increase in the average rent renewal rate was 4.7% this quarter and 4.8% over the first six-month period of the year, supported mainly by the necessity-based retail segment, which accounted for 58% of the lease renewal activity and recorded the highest average lease renewal rent of all segments, at 5.1%. The suburban office segment also demonstrated positive momentum, contributing to 38% of lease renewal activity and a positive rental spread of 4.6%.

While the industrial segment accounted for a smaller share of the lease renewal activity of this quarter, at 3.6%, it continues to be a valuable contributor to our portfolio. Results reflect the impact of a long-term lease renewal concluded earlier this year, which contributes to long-term stability in that asset class.

The occupancy rate at the end of the quarter stood at 91.2%, reflecting the impact of the announced industrial tenant bankruptcy in 2024. However, when factoring in the post-quarter sale of our property located at 1170 Lebourgneuf Blvd. in Quebec City, occupancy improved to 92.0%, representing an increase of 80 basis points.

Capital Structure

We remain committed to maintaining a prudent capital structure. At quarter-end, our total debt ratio(1) decreased to 57.1%, down 80 basis points from December 31, 2024. Our mortgage debt ratio(1) also improved, decreasing by 110 basis points to 51.7%. These positive trends reflect the strength of our portfolio.

Looking Ahead

As we move into the second half of the year 2025, our focus remains on leasing momentum, optimizing our portfolio through strategic dispositions, and further strengthening our financial position. With a diversified mix of high-performing assets and stable cash flows, we are confident in our ability to navigate the current environment.

Michel Léonard, President & CEO

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

Highlights

$1.3B
Total asset value

91.2%
Occupancy rate

74
Properties

6.1M sq. ft.
Total leasable area

$30.5M
Rental revenue
Q2 2024: $32.2M

$17.1M
Net operating income (NOI)
Q2 2024: $18.9M

8.3¢
FFO adjusted per unit(1)
Q2 2024: 10.4¢

79.2%
AFFO adjusted payout ratio(1)
Q2 2024: 80.2%

$19.2M
Cash Same-property NOI(1)
Q2 2024: $19.5M
(Decrease of 1.5%)

7.0¢
Net earnings
per unit

7.5¢
Distributions
per unit

Highlights are presented for the three-month period ended June 30, 2025 or as at June 30, 2025, unless otherwise specified.
(1) This is a non-IFRS financial measure, refer to page 2 and 31.

Key Metric *Evolution*

Rental revenue

2021	$26,034
2022	$28,979
2023	$31,708
2024	$32,218
2025	$30,513

Net operating income (NOI)

2021	$15,574
2022	$17,598
2023	$19,041
2024	$18,856
2025	$17,129

FFO adjusted per unit[1]

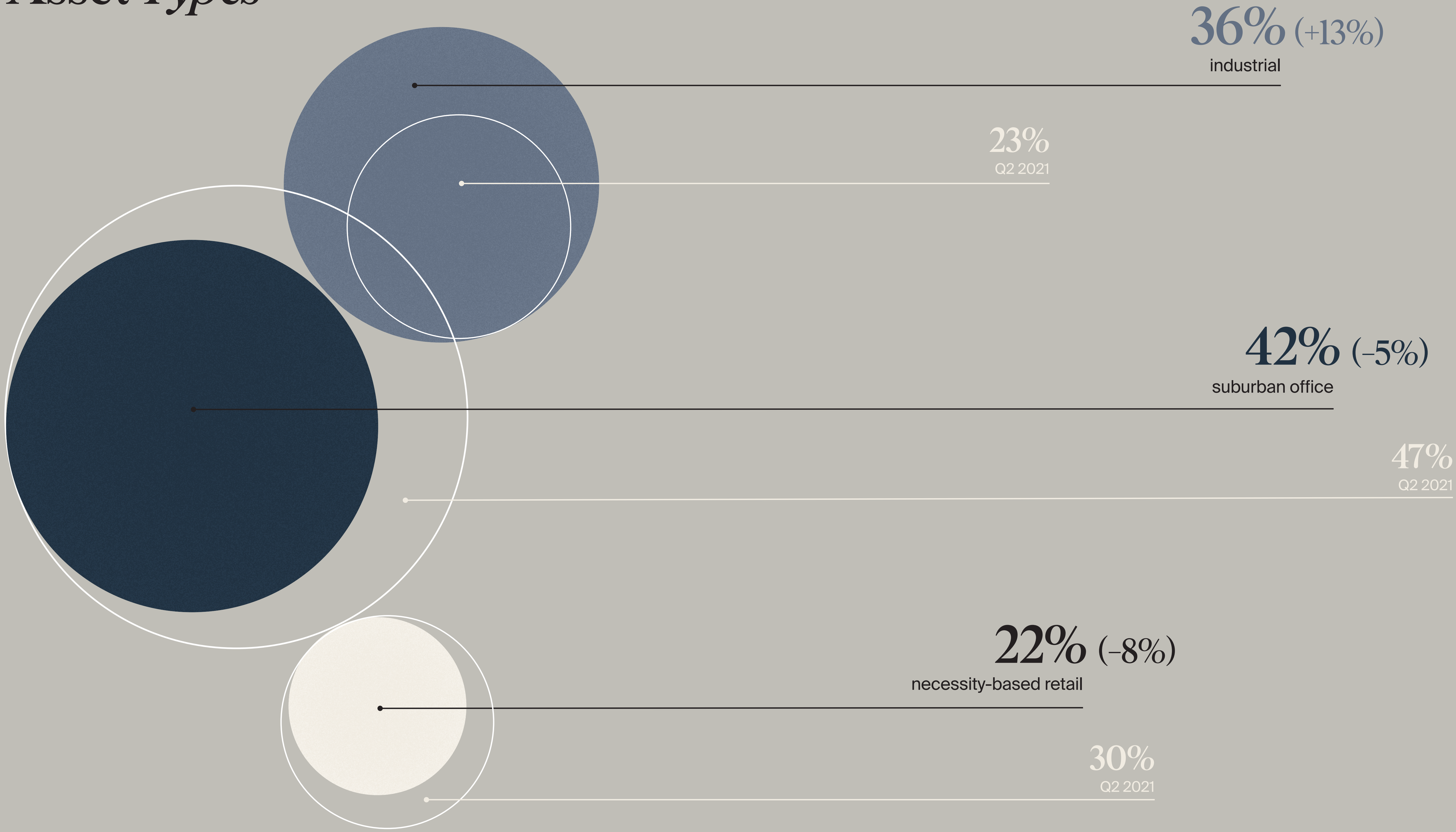
2021	12.5¢
2022	11.4¢
2023	11.8¢
2024	10.4¢
2025	8.3¢

AFFO adjusted payout ratio[1]

2021	63.7%
2022	68.3%
2023	69.0%
2024	80.2%
2025	79.2%

Key metric evolution is presented for the three-month periods ending on June 30, in thousands of dollars.
(1) This is a non-IFRS financial measure, refer to page 2 and 31.

Asset *Types*



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

Geographic *Sectors*

Edmonton

7%

10 properties ($81.9M)
0.4M sq. ft.
91.9% occupancy rate

Saskatoon

3%

3 properties ($38.7M)
0.2M sq. ft.
100% occupancy rate

Ottawa

13%

11 properties ($175.5M)
0.8M sq. ft.
98.8% occupancy rate

Trois-Rivières

2%

2 properties ($23.5M)
0.1M sq. ft.
75.9% occupancy rate

Montréal

54%

38 properties ($701.3M)
3.3M sq. ft.
91.6% occupancy rate

Quebec City

21%

10 properties ($209.9M)
1.3M sq. ft.
85.8% occupancy rate

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

Our Properties:
Industrial

1325 Hymus Blvd, Dorval

4105 Sartelon Street, St-Laurent

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

7777 Transcanada Highway, St-Laurent

6000 Kieran Street, St-Laurent

2425 Pitfield Blvd, St-Laurent

2005 Le Chatelier Street, Laval

4535 Louis B. Mayer Street, Laval

3695 des Laurentides (Highway-15), Laval

2175 des Entreprises Blvd, Terrebonne

2205-2225 des Entreprises Blvd, Terrebonne

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

9900 Irénée-Vachon Street, Mirabel

2350 Chemin du Lac, Longueuil

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

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

1-9 & 10 Brewer Hunt Way & 1260-1280 Teron Rd, Ottawa[1]

400 Hunt Club Rd, Ottawa

1100 Algoma Road, Ottawa

6909 - 42 Street, Leduc

18410 - 118A Avenue NW, Edmonton

18028 - 114 Avenue NW, Edmonton

28765 Acheson Road, Acheson

25616 - 117 Avenue NW, Acheson

3905 Allard Avenue, Edmonton

8743 50 Avenue NW, Edmonton

8810 (8818-8846) 48 Avenue NW, Edmonton

8810 (8856) 48 Avenue NW, Edmonton

3542 Millar Avenue, Saskatoon

318 - 68th Street, Saskatoon

3927 and 3931 Wanuskewin Road, Saskatoon

1100 Algoma Road, Ottawa, ON

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

18028 - 114 Avenue NW, Edmonton, AB

(1) BOMA BEST certified property

Our Properties:
Suburban Office

245 Menten Place, Ottawa, ON

5810 Sherbrooke Street East, Montréal[1]

2101 Sainte-Catherine Street West, Montréal

2250 Alfred-Nobel Blvd, St-Laurent[1]

2600 Alfred-Nobel Blvd, St-Laurent[1][2]

2344 Alfred-Nobel Blvd, St-Laurent[1]

7150 Alexander-Fleming Street, St-Laurent

3111 Saint-Martin Blvd West, Laval[1][2]

3131 Saint-Martin Blvd West, Laval[1]

204 De Montarville Blvd, Boucherville

85 Saint-Charles Street West, Longueuil

1327-1333 Ste-Catherine Street West and 1407-1411 Crescent Street, Montréal[1]

4890-4898 Taschereau Blvd, Brossard

145 Saint-Joseph Blvd, St-Jean-sur-Richelieu

315-325 MacDonald Street, St-Jean-sur-Richelieu[1]

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

2111 Fernand-Lafontaine Blvd, Longueuil

80 Aberdeen Street, Ottawa[1]

245 Menten Place, Ottawa[1]

2200 Walkley Street, Ottawa[1]

2204 Walkley Street, Ottawa[1]

2611 Queensview Drive, Ottawa[2]

979[2] & 1031[1][2] Bank Street, Ottawa

7 and 9 Montclair Blvd, Gatineau[1]

6655 Pierre-Bertrand Blvd, Quebec City[1]

6700 Pierre-Bertrand Blvd, Quebec City[1]

825 Lebourgneuf Blvd, Quebec City[1]

815 Lebourgneuf Blvd, Quebec City[1]

1170 Lebourgneuf Blvd, Quebec City[1]

505 Des Forges Street, Trois-Rivières[1]

1500 Royale Street, Trois-Rivières[1]

1921 - 91 Street, Edmonton[1]

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

1500 Royale Street, Trois-Rivières, QC

2250 Alfred-Nobel Blvd, St-Laurent, QC

Our Properties:
Necessity-Based Retail

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

11590-11800 de Salaberry Blvd, Dollard-des-Ormeaux

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

2900 Jacques-Bureau Street, Laval

5791 Laurier Blvd, Terrebonne

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

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

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

909-915 Pierre-Bertrand Blvd, Quebec City

625-675 De la Concorde Street, Lévis

1200-1252 De la Concorde Street, Lévis

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

625-675 De la Concorde Street, Lévis, QC

11590-11800 de Salaberry Blvd, Dollard-des-Ormeaux, QC

(1) BOMA BEST certified property

Our *Clients*

Here are just a few of our achievements in terms of lease agreements, expansions, and renewals in the second quarter of 2025.

18410 - 118A Avenue NW, Edmonton, AB
New lease of 30,297 sq. ft.

1200-1252 De la Concorde Street, Lévis, QC
New lease of 3,975 sq. ft.

1200-1252 De la Concorde Street, Lévis, QC
Lease renewal of 20,310 sq. ft.

1200-1252 De la Concorde Street, Lévis, QC
Lease renewal of 18,400 sq. ft.

979 Bank Street, Ottawa, ON
Lease expansion of 3,066 sq. ft. for a total of 19,278 sq. ft.

Our top 10 clients make up 24.1% of our total rental revenue and 23.1% of our total leasable area, equaling 1,407,776 square feet.

Our Executive Team
& Board of Trustees

Executive Team (from left to right)

Michel Léonard | President & CEO
Bruno Meunier | Vice President of Operations
Marc-André Lefebvre | Vice President & CFO

Board of Trustees (from left to right)

Sylvain Fortier | Member of the Investments Committee
Jocelyn Proteau | Chair of the Board
Lucie Ducharme | President of the Human Resources and Governance Committee
Luc Martin | President of the Audit Committee
Jean-Pierre Janson | Vice-Chair of the Board
Sylvie Lachance | President of the Investments Committee
Michel Léonard | President, CEO & Trustee
Christine Marchildon | Member of the Human Resources and Governance Committee
Armand Des Rosiers | Member of the Investments Committee

245 Menten Place, Ottawa, ON (cover photo)

Management Discussion & *Analysis*

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

979 Bank Street, Ottawa, ON

Introduction

The purpose of this Management Discussion and Analysis (“MD&A”) is to communicate the operating results of BTB Real Estate Investment Trust (“BTB” or the “Trust”) for the period ended June 30, 2025, 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 August 1, 2025, should be read together with the consolidated financial statements and accompanying notes for the period ended June 30, 2025. 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 and 3 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 and 3. 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 Appendices 2 to 4 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 June 30, 2025, it owned 74 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 I convertible debentures are traded on the Toronto Stock Exchange under the symbols “BTB.UN” and “BTB.DB.I”, 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 June 30, 2025	74	6,099,335	1,230,782

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 Second Quarter Ended June 30, 2025

Rental revenue: Stood at $30.5 million for the quarter, which represents a decrease of $1.7 million or 5.3% compared to the same quarter of 2024. The decrease is driven by non-cash straight-line lease adjustments totalling $1.8 million namely: (1) following the purchase by a group of investors of Lion Electric, the Trust negotiated a new lease for a term of two (2) years, causing a non-cash straight-line lease adjustment of the property of $1.6 million and, (2) the Trust recorded the early departure of an industrial tenant, Big Rig Trailers, in Edmonton causing a non-cash straight-line lease adjustment of the property of $0.2 million, which property was rapidly entirely re-leased to XCMG Canada Ltd, with a long-term lease. For the six-month period, rental revenue totalled $64.9 million, representing an increase of $0.1 million or 0.1% compared to the same period in 2024. Excluding the above mentioned two non-cash straight-line lease adjustments, rental revenue for the quarter would have totalled $32.3 million, an increase of $0.1 million or 0.3% and for the six-month period, it would have totalled $66.7 million, representing an increase of $1.9 million or 2.9%.

Net operating income (NOI): Totalled $17.1 million for the quarter, which represents a decrease of 9.2% compared to the same quarter of 2024. For the six-month period, the NOI totalled $37.0 million which represents a decrease of 0.7% compared to the same period in 2024. Both decreases are caused by the above-mentioned non-cash straight-line lease adjustments.

Cash net operating income (Cash NOI)[1]: Totalled $19.5 million for the quarter, which represents an increase of $0.1 million or 0.5% compared to the same quarter of 2024. For the six-month period, the Cash NOI totalled $39.7 million, which represents an increase of $1.7 million or 4.4% compared to the same period in 2024. The increase is driven by (1) a partial lease cancellation payment of $1.0 million received from a tenant leasing space in the suburban office segment, which space has already been re-leased by the Trust; (2) operating improvements, higher rent renewal rates, and increases in rental spreads for in-place leases representing an increase of $0.3 million; and (3) the previously announced lease with Winners/HomeSense which began to produce income as of February 25, 2025 ($0.4 million).

Net income and comprehensive income: Totalled $6.2 million for the quarter, which represents a decrease of 14.8% or $1.1 million. For the six-month period, net income and comprehensive income totalled $13.8 million, representing a decrease of 4.3% or $0.6 million.

Cash same-property NOI[1]: For the quarter, the cash same-property NOI decreased by 1.5% compared to the same period in 2024. For the six-month period, the cash same-property NOI increased by 3.0%.

FFO adjusted per unit[1]: Was 8.3¢ per unit for the quarter compared to 10.4¢ per unit for the same period in 2024, representing a decrease of 2.1¢ per unit. For the six-month period, the FFO adjusted was 19.4¢ per unit compared to 20.6¢ per unit for the same period in 2024, representing a decrease of 1.2¢ per unit. The decrease is driven by the previously outlined 2 non-cash straight-line lease adjustments of $1.8 million.

AFFO adjusted per unit[1]: Was 9.5¢ per unit for the quarter compared to 9.4¢ per unit for the same period in 2024, representing an increase of 0.1¢ per unit or 1.1%. For the six-month period, the AFFO adjusted per unit was 19.8¢ per unit compared to 18.3¢ per unit for the same period in 2024, representing an increase of 1.5¢ per unit or 8.2%. The six-month period increase is explained by (1) the previously outlined $1.7 million increase in Cash NOI, (2) a $0.2 million decrease in administrative expenses and, (3) stability in the net financial expenses before non-monetary items.

AFFO adjusted payout ratio[1]: Was 79.2% for the current quarter compared to 80.2% for the same period in 2024. For the six-month period, the AFFO adjusted payout ratio was 75.8% compared to 82.0% for the same period in 2024, a decrease of 6.2%.

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

Dispositions: On June 16, 2025, the Trust disposed of a small industrial property located at 3911 Millar Avenue, in Saskatoon, Saskatchewan, for total proceeds of $6.1 million, excluding transaction costs and adjustments.

Subsequent to the quarter, more specifically on July 11, 2025, the Trust disposed of an office property located at 1170 Lebourgneuf Blvd., in Quebec City, for total proceeds of $10.5 million, excluding transaction costs and adjustments. In order to conclude the transaction, the Trust granted to the purchaser a balance of sale of $1.0 million, maturing on March 24,2027, at an interest rate of 5%.

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

Liquidity position: The Trust held $5.7 million of cash at the end of the quarter and $28.5 million is available under its credit facilities.(2)

Debt metrics: BTB ended the quarter with a total debt ratio(1) of 57.1%, recording a decrease of 80 basis points compared to December 31, 2024. The Trust ended the quarter with a mortgage debt ratio(1) of 51.7%, a decrease of 110 basis points compared to December 31, 2024.

Summary of significant items as at June 30, 2025

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

(1) This is a non-IFRS financial measure, refer to page 2 and 31.
(2) Credit facilities is a term used that reconciles with the bank loans as presented and defined in the Trust's consolidated financial statements and accompanying notes.

Selected Financial Information

The following table presents highlights and selected financial information for the three-month and six-month periods ended June 30, 2025, and June 30, 2024.

Periods ended June 30 (in thousands of dollars, except for ratios and per unit data)		Three-month		Six-month	
		2025	2024	2025	2024
	Reference (page)	$	$	$	$
Financial information					
Rental revenue	44	30,513	32,218	64,924	64,854
Net operating income (NOI)	44	17,129	18,856	36,950	37,216
Cash net operating income (Cash NOI)(1)	44	19,465	19,377	39,702	38,033
Net income and comprehensive income	44	6,194	7,272	13,802	14,425
Adjusted net income(1)	48	5,751	7,897	14,255	15,080
Cash NOI from the same-property portfolio(1)	49	19,177	19,465	39,347	38,208
Distributions	50	6,671	6,605	13,332	13,187
FFO Adjusted(1)	51	7,365	9,149	17,245	18,075
AFFO Adjusted(1)	52	8,423	8,230	17,590	16,050
Cash flow from operating activities	54	18,787	18,758	34,150	31,102
Total assets				1,262,584	1,235,935
Investment properties	55			1,230,782	1,208,538
Mortgage loans	58			656,654	634,117
Convertible debentures	58			34,877	42,916
Credit facilities				30,951	39,606
Mortgage debt ratio(1)	59			51.7%	51.4%
Total debt ratio(1)	59			57.1%	58.1%
Weighted average interest rate on mortgage debt	45			4.36%	4.57%
Market capitalization				321,298	273,813
Financial information per unit					
Units outstanding (000)	61			88,269	87,480
Class B LP units outstanding (000)	61			697	697
Weighted average number of units outstanding (000)	61	88,249	87,335	88,146	87,036
Weighted average number of units and Class B LP units outstanding (000)	61	88,946	88,032	88,844	87,733
Net income and comprehensive income	36	7.0¢	8.3¢	15.5¢	16.4¢
Adjusted net income(1)	48	6.5¢	9.0¢	16.0¢	17.2¢
Distributions	50	7.5¢	7.5¢	15.0¢	15.0¢
FFO Adjusted(1)	51	8.3¢	10.4¢	19.4¢	20.6¢
Payout ratio on FFO Adjusted(1)	51	90.6%	72.2%	77.3%	72.8%
AFFO Adjusted(1)	52	9.5¢	9.4¢	19.8¢	18.3¢
Payout ratio on AFFO Adjusted(1)	52	79.2%	80.2%	75.8%	82.0%
Market price of units				3.64	3.13
Operational information					
Number of properties	38			74	75
Leasable area (thousands of sq. ft.)	38			6,099	6,087
Committed occupancy rate	38			91.2%	94.6%
Increase in average lease renewal rate	40	4.7%	5.7%	4.8%	6.6%

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

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)	2025 Q-2	2025 Q-1	2024 Q-4	2024 Q-3	2024 Q-2	2024 Q-1	2023 Q-4	2023 Q-3
	$	$	$	$	$	$	$	$
Rental revenue	30,513	34,411	32,671	32,505	32,218	32,636	31,922	31,285
Net operating income (NOI)	17,129	19,821	19,082	18,753	18,856	18,360	19,255	18,075
Cash net operating income (Cash NOI)(1)	19,465	20,237	19,674	19,313	19,377	18,656	19,699	17,897
Net income and comprehensive income	6,194	7,608	18,847	5,470	7,272	7,153	1,734	15,216
Net income and comprehensive income per unit	7.0¢	8.6¢	21.3¢	6.2¢	8.3¢	8.2¢	2.0¢	17.5¢
Cash flow from operating activities	18,787	15,364	18,482	16,418	18,758	12,345	21,560	16,317
FFO Adjusted(1)	7,365	9,880	9,656	9,426	9,149	8,925	9,688	9,030
FFO Adjusted per unit(1)	8.3¢	11.1¢	10.9¢	10.7¢	10.4¢	10.2¢	11.1¢	10.4¢
AFFO Adjusted(1)	8,423	9,167	8,923	8,581	8,230	7,819	8,966	7,675
AFFO Adjusted per unit(1)	9.5¢	10.3¢	10.1¢	9.7¢	9.4¢	8.9¢	10.3¢	8.8¢
Distributions(2)	6,671	6,666	6,648	6,627	6,605	6,581	6,547	6,524
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 31.
(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 and six-month periods ended June 30, 2025, and June 30, 2024:

Quarters ended June 30 (in thousands of dollars)	Industrial		Suburban office		Necessity-based retail		Total
	$	%	$	%	$	%	$
Quarter ended June 30, 2025							
Investment properties	447,689	36.4	514,087	41.8	269,006	21.8	1,230,782
Rental revenue	6,151	20.2	16,287	53.3	8,075	26.5	30,513
Net operating income (NOI)	3,659	21.4	8,709	50.8	4,761	27.8	17,129
Cash net operating income (Cash NOI)(1)	5,524	28.4	9,355	48.0	4,586	23.6	19,465
Quarter ended June 30, 2024							
Investment properties	442,181	36.6	516,423	42.7	249,934	20.7	1,208,538
Rental revenue	8,350	25.9	16,198	50.3	7,670	23.8	32,218
Net operating income (NOI)	6,122	32.5	8,216	43.6	4,518	23.9	18,856
Cash net operating income (Cash NOI)(1)	6,010	31.0	8,922	46.1	4,445	22.9	19,377

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

Periods ended June 30 (in thousands of dollars)	Industrial		Suburban office		Necessity-based retail		Total
	$	%	$	%	$	%	$
Six-month period ended June 30, 2025							
Rental revenue	14,543	22.4	34,298	52.8	16,083	24.8	64,924
Net operating income (NOI)	9,529	25.8	18,059	48.9	9,362	25.3	36,950
Cash net operating income (Cash NOI)(1)	11,342	28.6	18,844	47.4	9,516	24.0	39,702
Six-month period ended June 30, 2024							
Rental revenue	16,954	26.1	32,636	50.4	15,264	23.5	64,854
Net operating income (NOI)	12,345	33.2	16,036	43.1	8,835	23.7	37,216
Cash net operating income (Cash NOI)(1)	12,069	31.7	16,858	44.4	9,106	23.9	38,033

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

Industrial performance

The proportional fair value of industrial properties remained stable at 36.4% compared to 36.6% at the same period last year. Year to date, the proportional percentage of rental revenue and cash net operating income decreased by 3.7% and 3.1% respectively compared to the same period last year. The decrease of rental revenue is driven by the previously outlined non-cash straight-line lease adjustments, and the decrease of cash net operating income is due to the previously reported tenant bankruptcy (Q3-2024) and the early departure of an industrial tenant. The previous year bankruptcy also impacted the occupancy rate for the segment which decreased by 820 basis points to 91.8%, compared to the same period in 2024.

Suburban office performance

The proportional fair value of the suburban office properties decreased from 42.7% to 41.8% compared to the same period last year. Year to date, the proportional percentage of rental revenue and cash net operating income increased by 2.4% and 3.0% respectively compared to the same period last year. This segment had strong leasing activities, for the second quarter, the Trust concluded lease renewals for a total of 29,400 square feet in the suburban office segment with an average rent increase of 3.9%, and the properties are supported by quality tenants (the Trust's top two tenants are Federal and Québec government agencies). The occupancy rate for this segment decreased by 220 basis points to 86.6%, compared to the same period in 2024. Taking into account the sale of the office property located at 1170 Lebourgneuf Blvd., in Quebec City, the occupancy rate of the segment would be 88.3%, or an increase of 170 basis points.

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. For the quarter, the occupancy rate for this segment increased by 150 basis points to 98.8%. This segment had strong leasing activities for the second quarter, the Trust concluded lease renewals for a total of 93,415 square feet, with an average rent increase of 5.1%. Year to date, the proportional percentage of rental revenue and cash net operating income increased by 1.3% and 0.1% respectively 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 second quarter of 2025, BTB owned 74 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.ca.

Summary of investment properties held as at June 30, 2025

Operating segment	Number of properties	Leasable area (sq. ft.)	Committed occupancy rate (%)	In Place occupancy rate (%)	% of portfolio
Industrial	31	2,058,919	91.8	91.8	33.7
Suburban office	32	2,609,571	86.6	85.9	42.8
Necessity-based retail	11	1,430,845	98.8	98.5	23.5
Total portfolio	**74**	**6,099,335**	**91.2**	**90.8**	**100.0**

Geographic sector	Number of properties	Leasable area (sq. ft.)	Committed occupancy rate (%)	In Place occupancy rate (%)	% of portfolio
Montréal	38	3,261,893	91.6	91.4	53.5
Quebec City	10	1,276,939	85.8	84.4	21.0
Trois-Rivières	2	149,077	75.9	75.9	2.4
Ottawa	11	809,115	98.8	98.8	13.3
Edmonton	10	405,239	91.9	91.9	6.6
Saskatoon	3	197,072	100.0	100.0	3.2
Total portfolio	**74**	**6,099,335**	**91.2**	**90.8**	**100.0**

Subsequent to the end of this quarter, on July 11, 2025, the Trust disposed of an office property, located at 1170 Lebourgneuf Blvd., in Quebec City. Excluding this property, the total portfolio occupancy rate would have been 92.0%, showing an increase in occupancy of 80 basis points. Considering the disposition of this property, the occupancy rate for the suburban office segment and the Quebec City geographic sector would have increased by 170 basis points and 350 basis points, respectively. The impact of the disposition is reflected in the table below for (1) the suburban office operating segment, (2) the Quebec City geographic sector and, (3) the impact on the total portfolio.

	Committed occupancy rate (%)	In Place occupancy rate (%)
Operating segment: Suburban office	88.3	87.5
Geographic sector: Quebec City	89.3	87.8
Total porfolio	92.0	91.6

Dispositions of investment properties

On June 16, 2025, the Trust disposed of an industrial property located at 3911 Millar Avenue, in Saskatoon, Saskatchewan, for total proceeds of $6.1 million, excluding transaction costs and adjustments.

Acquisitions of investment properties

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

Real Estate Operations

Portfolio occupancy

The following table summarizes the changes in occupied area for the three-month and six-month periods ended June 30, 2025, and June 30, 2024.

Periods ended June 30 (in sq. ft.)	Three-month		Six-month	
	2025	2024	2025	2024
Occupied area at the beginning of the period(1)	**5,668,001**	5,751,931	**5,676,015**	5,762,653
Purchased (sold) assets	**(26,400)**	-	**(26,400)**	(24,963)
Signed new leases	**49,809**	40,080	**106,438**	98,142
Tenant departures	**(128,474)**	(34,660)	**(193,117)**	(78,481)
Other(2)	**472**	-	**472**	-
Occupied leasable area at the end of the period(1)	**5,563,408**	5,757,351	**5,563,408**	5,757,351
Vacant leasable area at the end of the period(3)	**535,927**	329,714	**535,927**	329,714
Total leasable area at the end of the period	**6,099,335**	6,087,065	**6,099,335**	6,087,065

(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 committed occupancy rate by 340 basis points from 94.6% to 91.2%, primarily due to the previously announced bankruptcy of an industrial tenant that occupied 132,665 square feet located in Laval, Québec. As previously specified, the occupancy rate, factoring in the disposal of the property located at 1170 Lebourgneuf Blvd., in Quebec City, would have been 92.0%, showing a decrease of 260 basis points compared to the same period last year.

Leasing activities

The following table summarizes the lease renewal activity for the periods ended June 30, 2025, and June 30, 2024, as well as the cumulative periods for the first six months of 2025 and 2024:

Periods ended June 30 (in sq. ft.)	Three-month		Six-month	
	2025	2024	**2025**	2024
Leases expired at term	**176,883**	178,591	**318,793**	314,203
Renewed leases at term	**81,622**	158,445	**159,126**	250,236
Lease renewal rate	**46.1%**	88.7%	**49.9%**	79.6%

The most significant lease renewals concluded during the second quarter are attributed to the grocery store Avril (necessity-based retail segment), located in Quebec City, representing 20,310 square feet, Latulippe, an outdoor clothing and equipment store (necessity-based retail segment), located in Quebec City, representing 18,400 square feet and to Michaels (necessity-based retail segment), located in Quebec City, representing 17,789 square feet.

The Trust also renewed leases with existing tenants, whose leases came to maturity in 2026 or thereafter, representing a total of 41,193 square feet for the quarter and a total of 45,565 square feet for the six-month period. The most significant early lease renewals during the quarter were concluded with Trevi (in the necessity-based retail segment), located in Quebec City, representing 24,981 square feet and with Field Effect (in the suburban office segment), located in Ottawa, Ontario, representing 16,212 square feet.

It is to be noted that the forced departure of an industrial tenant occupying 32,750 square feet in Edmonton during the quarter had a direct impact on net absorption and partially offset the effects of new and renewed leasing activity.

In all, the Trust's total lease renewal activity amounted to 122,815 square feet for the quarter and 204,691 square feet (including 81,622 square feet renewed at term and 41,193 square feet anticipated) for the six-month period.

Average lease renewal rate

	Three-month		Six-month	
Operating segment	Renewals (sq. ft.)	Increase (%)	Renewals (sq. ft.)	Increase (%)
Industrial	-	0.0%	7,422	-11.8%
Suburban office	29,400	3.9%	78,465	4.6%
Necessity-based retail	93,415	5.1%	118,804	5.1%
Total	**122,815**	**4.7%**	**204,691**	**4.8%**

For the six-month period, the Trust reported an increase of the average lease renewal rate of 4.8%. This performance was largely supported by the necessity-based retail segment, which contributed 58% of total lease renewal activity and recorded the highest increase in the average lease renewal rate of all segments at 5.1%. This performance is also supported by the suburban office segment which continues to show velocity, contributing 38% of total lease renewal activity and a positive rental spread of 4.6%. Although the industrial segment continued to reflect the impact of the long-term renewal concluded in the first quarter with Claigan Environmental in Ottawa (7,422 square feet, at -11.8%), its weight in the overall renewal volume remained limited at 3.6%.

New leases

During the quarter, the Trust leased a total of 49,809 square feet to new tenants. The most significant new lease concluded during the quarter was a long-term lease representing 30,297 square feet (recorded as "in place" in the industrial segment) with XCMG Canada LTD, in Edmonton. The remaining activity of 19,512 square feet represents a combination of new "in place" tenants and "committed" tenants, thereby leaving a total of 535,927 square feet of leasable area available for lease at the end of the quarter.

For the six-month period, The Trust concluded a total of 106,438 square feet of new leases. Of this amount 40,164 square feet, or 37.7% of new leases were concluded in the suburban office segment; 30,297 square feet or 28.5% of the new leases were concluded in the industrial segment; and 35,977 square feet or 33.8% of new leases were concluded in the necessity-based retail segment.

Occupancy rates

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

	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Operating segment	%	%	%	%	%
Industrial	**91.8**	93.5	93.5	93.5	100.0
Suburban office	**86.6**	88.5	88.5	88.3	88.8
Necessity-based retail	**98.8**	98.5	99.0	97.9	97.4
Total portfolio	**91.2**	92.5	92.7	92.3	94.6

	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Geographic sector	%	%	%	%	%
Montréal	**91.6**	92.0	92.2	92.6	96.7
Quebec City	**85.8**	87.6	87.9	85.2	85.6
Trois-Rivières	**75.9**	75.9	75.2	75.4	75.5
Ottawa	**98.8**	99.6	99.7	99.4	98.8
Edmonton	**91.9**	100.0	100.0	100.0	100.0
Saskatoon	**100.0**	100.0	100.0	100.0	100.0
Total portfolio	**91.2**	92.5	92.7	92.3	94.6

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.)	104,014	298,878	270,870	221,941	86,014
Average lease rate/square foot ($)(1)	$11.26	$13.03	$17.64	$16.78	$16.31
% of industrial portfolio	5.05%	14.52%	13.16%	10.78%	4.18%
Suburban office					
Leasable area (sq. ft.)	130,665	423,632	356,949	228,078	281,481
Average lease rate/square foot ($)(1)	$17.02	$14.99	$17.13	$15.90	$15.73
% of office portfolio	5.01%	16.23%	13.68%	8.74%	10.79%
Necessity-based retail					
Leasable area (sq. ft.)	50,886	93,568	154,195	53,905	255,182
Average lease rate/square foot ($)(1)	$17.62	$15.68	$14.47	$18.97	$13.24
% of retail portfolio	3.56%	6.54%	10.78%	3.77%	17.83%
Total portfolio					
Leasable area (sq. ft.)	**285,565**	**816,078**	**782,014**	**503,924**	**622,677**
Average lease rate/square foot ($)(1)	**$15.03**	**$14.35**	**$16.78**	**$16.61**	**$14.79**
% of total portfolio	**4.68%**	**13.38%**	**12.82%**	**8.26%**	**10.21%**

(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 June 30, 2025, the weighted average lease term stood at 5.1 years compared to 5.7 years for the same period in 2024. 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 Wal-Mart Canada Inc. (in the Necessity-based retail), representing respectively 5.5%, 5.4%, and 2.1% of rental revenue.

44.8% 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 as at June 30, 2025. Their contribution accounts for 24.1% of rental revenue and represents 23.1% of the Trust's total leasable area:

Client	% of rental revenue	% of leasable area	Leasable area (sq. ft.)
Government of Québec	5.5	4.8	291,385
Government of Canada	5.4	4.4	265,965
Wal-Mart Canada Inc.	2.1	4.3	264,550
Nors (previously known as Strongco)	2.0	1.9	118,585
Bristol-Myers Squibb Canada Co	1.9	1.0	61,034
The Lion Electric Company	1.7	2.9	176,819
Groupe BBA Inc.	1.7	1.1	69,270
Mouvement Desjardins	1.3	1.0	57,923
Intrado Life & Safety Canada, Inc.	1.3	0.9	53,767
WSP	1.2	0.8	48,478
	24.1	**23.1**	**1,407,776**

Operating Results

The following tables summarizes the financial results for the three-month and six-month periods ended June 30, 2025, and June 30, 2024. These tables should be read in conjunction with the consolidated financial statements and the accompanying notes:

Periods ended June 30 (in thousands of dollars)	Three-month		Six-month	
	2025	2024	2025	2024
	$	$	$	$
Rental revenue	30,513	32,218	64,924	64,854
Operating expenses	13,384	13,362	27,974	27,638
Net operating income (NOI)	17,129	18,856	36,950	37,216
Net financial expenses and financial income	8,785	8,983	18,980	17,520
Administration expenses	2,584	2,335	4,602	4,809
Transaction costs	266	266	266	468
Fair value adjustment on investment properties	(700)	-	(700)	(6)
Net income and comprehensive income	6,194	7,272	13,802	14,425

Periods ended June 30 (in thousands of dollars)	Three-month		Six-month	
	2025	2024	2025	2024
Net operating income (NOI)	17,129	18,856	36,950	37,216
Lease incentive amortization	836	704	1,633	1,394
Straight-line lease adjustment	1,500	(183)	1,119	(577)
Cash net operating income (Cash NOI)(1)	19,465	19,377	39,702	38,033

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

Rental revenue

For the quarter, rental revenue stood at $30.5 million, which represents a decrease of 5.3% compared to the same quarter in 2024. As previously specified, the decrease is driven by non-cash straight-line lease adjustments totalling $1.8 million. For the cumulative six-month period, rental revenue increased by $0.1 million or 0.1%.

Operating expenses

The following table summarizes the Trust's operating expenses for the three-month and six-month periods ended June 30, 2025, and June 30, 2024:

Periods ended June 30 (in thousands of dollars)	Three-month		Six-month	
	2025	2024	2025	2024
	$	$	$	$
Operating expenses				
Maintenance, repairs and other operating costs	5,027	4,851	10,156	9,685
Energy	1,128	1,272	3,467	3,267
Property taxes and insurance	7,229	7,239	14,351	14,686
Total operating expenses	13,384	13,362	27,974	27,638
% of rental revenue	43.9%	41.5%	43.1%	42.6%

As a percentage of revenues, operating expenses increased by 2.4% for the quarter compared to the same quarter last year and increased by 0.5% for the cumulative six-month period. However, excluding the previously outlined 2 non-cash straight-line lease adjustments of $1.8 million our operating expenses as a percentage of revenue would have been 41.4% for the quarter and 42.1% year to date, decreases of 0.1% and 0.5% compared to the same quarter and year to date last year, respectively.

Financial expenses and income

The following table summarizes financial expenses for the three-month and six-month periods ended June 30, 2025, and June 30, 2024:

Periods ended June 30 (in thousands of dollars)	Three-month		Six-month	
	2025	2024	2025	2024
	$	$	$	$
Financial income	(348)	(568)	(775)	(1,141)
Interest on mortgage loans	7,289	7,093	14,590	14,165
Interest on convertible debentures	728	708	1,482	1,417
Interest on credit facilities	439	770	914	1,704
Other interest expense	122	110	248	218
Interest expense net of financial income	8,230	8,113	16,459	16,363
Distributions on Class B LP units	52	53	104	105
Net financial expenses before non-monetary items	8,282	8,166	16,563	16,468
Accretion of effective interest on mortgage loans and convertible debentures	367	361	947	669
Accretion of non-derivative liability component of convertible debentures	145	98	583	190
Net financial expenses before the following items:	8,794	8,625	18,093	17,327
Fair value adjustment on derivative financial instruments	(176)	379	692	54
Fair value adjustment on Class B LP units	167	(21)	195	139
Net financial expenses net of financial income	8,785	8,983	18,980	17,520

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 increased by $0.1 million for the quarter. This is mainly due to (i) a decrease of $0.3 million for the interest expense payable on the revolving credit facilities due to a lower utilization and decrease in prime lending rates; (ii) an increase of $0.2 million for the interest expense on mortgages loans and finally; (iii) a decrease of $0.2 million of the financial income.

As at June 30, 2025, the weighted average mortgage interest rate was 4.36%, 21 basis points lower than the average rate as at June 30, 2024 which stood at 4.57%. The decrease is mainly due to the refinancing of fixed-rate mortgages and mortgages subject to floating-for-fixed interest rate swap at a lower interest rate.

The weighted average interest rate for fixed mortgage loans increased by 2 basis points to 4.18% (4.16% as at June 30, 2024). Interest rates on first-ranking mortgage loans ranged from 3.10% to 6.80% as at June 30, 2025, (2.37% to 8.95% as at June 30, 2024). The cumulative balance of the Trust's loans subject to a fixed interest rate is $533.8 million.

The weighted average contractual interest rate for mortgages subject to variable interest rates was 6.39%, a decrease of 237 points compared to the same period in 2024 which was 8.76%. The cumulative balance of the Trust's loans subject to a variable rate is $23.6 million. The weighted average contractual interest rate for mortgages subject to floating-for-fixed interest rate swap was 5.26% (4.86% net of finance income), a decrease of 135 basis points compared to the same period in 2024 which was 6.61% (6.18% net of finance income).

The cumulative balance of the Trust's loans subject to a floating-for-fixed interest rate swap is $101.7 million.

The weighted average term of mortgage loans in place as at June 30, 2025, was 2.5 years (3.1 years as at June 30, 2024).

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 three-month and six-month periods ended June 30, 2025, and June 30, 2024:

Periods ended June 30 (in thousands of dollars)	Three-month		Six-month	
	2025	2024	2025	2024
	$	$	$	$
Corporate expenses	1,736	1,879	3,414	3,886
Expected credit losses	488	488	634	555
Unit-based compensation	360	(32)	554	368
Trust administration expenses	2,584	2,335	4,602	4,809

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. During the last quarter, the Trust had not externally appraised any of its properties.

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 three-month and six-month periods ended June 30, 2025, and June 30, 2024:

Periods ended June 30 (in thousands of dollars)	Three-month		Six-month	
	2025	2024	2025	2024
	$	$	$	$
Industrial	700	-	700	-
Suburban office	-	-	-	6
Necessity-based retail	-	-	-	-
Total change in fair value	700	-	700	6

The following tables summarize the significant assumptions used in the modelling process for both internal and external appraisals for the periods ended June 30, 2025 and December 31, 2024:

As at June 30, 2025	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, 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 weighted average capitalization rate for the entire portfolio as at June 30, 2025, was 6.68% (6.68% as at December 31, 2024), unchanged compared to December 31, 2024.

As at June 30, 2025, 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 $44.9 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[1]

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 three-month and six-month periods ended June 30, 2025, and June 30, 2024:

Periods ended June 30 (in thousands of dollars, except for per unit)	Three-month		Six-month	
	2025	2024	2025	2024
	$	$	$	$
Net income and comprehensive income	6,194	7,272	13,802	14,425
Transaction costs on acquisitions and dispositions of investment properties and early repayment fees	266	266	266	468
Fair value adjustment on investment properties	(700)	-	(700)	(6)
Fair value adjustment on derivative financial instruments	(176)	379	692	54
Fair value adjustment on Class B LP units	167	(21)	195	139
Adjusted net income[1]	5,751	7,897	14,255	15,080
Per unit	6.5¢	9.0¢	16.0¢	17.2¢

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

Adjusted net income decreased by $2.1 million for the quarter compared to the same period last year, mainly due to (1) a decrease in NOI of $1.7 million driven by the previously outlined 2 non-cash straight-line lease adjustments of $1.8 million; (2) a $0.2 million increase in administrative expenses and (3) a $0.6 million non-cash loss in the net adjustment of the fair value of derivative financial instruments, which are partly offset by (4) a $0.2 million decrease in net financial expenses before fair value adjustments and (5) a $0.2 million non-cash gain in the net adjustment of the fair value of Class B LP units.

Adjusted net income decreased by $0.8 million for the cumulative six-month period compared to the same period last year.

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

Operating Results – Same-Property Portfolio

Same-property portfolio

The same-property portfolio includes all the properties owned by the Trust on June 30, 2024, and that are still owned by the Trust on June 30, 2025. Therefore, it excludes all the acquired[2][3] and disposed[2][3] properties during the years 2024 and 2025 and straight-line rent.

The following table summarizes the results of the same-property NOI[1] for the three-month and six-month periods ended June 30, 2025, and June 30, 2024:

Periods ended June 30 (in thousands of dollars)	Three-month			Six-month		
	2025	2024	Δ %	2025	2024	Δ %
	$	$		$	$	
Cash Net operating income (NOI)[1]	19,465	19,377	0.5%	39,702	38,033	4.4%
Cash NOI[1] sourced from:						
Acquisitions	-	-		-	-	
Dispositions	(64)	(87)		(142)	(210)	
Corporation	(224)	175		(213)	385	
Cash Same-Property NOI[1]	19,177	19,465	-1.5%	39,347	38,208	3.0%
Cash Same-Property NOI [1] sourced from:						
Industrial	5,462	5,931	-7.9%	11,202	11,911	-6.0%
Suburban office	8,940	8,864	0.9%	18,629	17,192	8.4%
Necessity-based retail	4,775	4,670	2.2%	9,516	9,105	4.5%
Cash Same-Property NOI[1]	19,177	19,465	-1.5%	39,347	38,208	3.0%

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

Compared to the same quarter last year, the cash same-property net operating income (SPNOI)[1] decreased by 1.5% and for the six-month period, cash same-property net operating income (SPNOI)[1] increased by 3.0%.

For the quarter, the Cash SPNOI for the industrial segment decreased by $0.5 million or 7.9% compared to the same quarter last year. This decline is primarily due to a previously reported tenant bankruptcy negatively impacting the Cash SPNOI by $0.4 million, and the early departure during the quarter of the previously outlined industrial tenant for $0.2 million. The property was entirely leased again, and occupancy is expected in the third quarter. For the six-month period, the industrial segment decreased by $0.7 million or 6.0%, caused by the above-mentioned tenants.

For the quarter, the Cash SPNOI for the suburban office segment increased by $0.1 million or 0.9% compared to the same quarter last year. For the six-month period, the Cash SPNOI for the suburban office segment increased by $1.4 million or 8.4%.

Finally, for the quarter, the Cash SPNOI for necessity-based retail segment increased by $0.1 million or 2.2% compared to the same quarter last year. For the six-month period, the necessity-based retail segment increased by $0.4 million or 4.5%.

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

Distributions

Distributions and per unit

The following table summarizes the distributions for the three-month and six-month periods ended June 30, 2025, and June 30, 2024:

Periods ended June 30 (in thousands of dollars, except for per unit data)	Three-month		Six-month	
	2025	2024	2025	2024
	$	$	$	$
Distributions				
Cash distributions	6,619	5,641	12,654	11,283
Cash distributions – Class B LP units	52	52	104	104
Distributions reinvested under the distribution reinvestment plan	-	912	574	1,800
Total distributions to unitholders	6,671	6,605	13,332	13,187
Percentage of reinvested distributions[(1)(2)]	0.0%	13.8%	4.3%	13.7%
Per unit[(2)]				
Distributions	7.5¢	7.5¢	15.0¢	15.0¢

(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 2024. For the six-month period, the monthly distributions totalled 15.0¢ 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 three-month and six-month periods ended June 30, 2025, and June 30, 2024:

Periods ended June 30 (in thousands of dollars, except for per unit)	Three-month		Six-month	
	2025	2024	2025	2024
	$	$	$	$
Net income and comprehensive income (IFRS)	6,194	7,272	13,802	14,425
Fair value adjustment on investment properties	(700)	-	(700)	(6)
Fair value adjustment on Class B LP units	167	(21)	195	139
Amortization of lease incentives	836	704	1,633	1,394
Fair value adjustment on derivative financial instruments	(176)	379	692	54
Leasing payroll expenses	525	433	991	1,024
Distributions - Class B LP units	52	53	104	105
Unit-based compensation (Unit price remeasurement)	201	63	262	472
FFO[(1)]	7,099	8,883	16,979	17,607
Transaction costs on disposition of investment properties and mortgage early repayment fees	266	266	266	468
FFO Adjusted[(1)]	7,365	9,149	17,245	18,075
FFO per unit[(1)(2)(3)]	8.0¢	10.1¢	19.1¢	20.1¢
FFO Adjusted per unit[(1)(2)(4)]	8.3¢	10.4¢	19.4¢	20.6¢
FFO payout ratio[(1)]	94.0%	74.3%	78.5%	74.7%
FFO Adjusted payout ratio[(1)]	90.6%	72.2%	77.3%	72.8%

(1) This is a non-IFRS financial measure, refer to page 2 and 31.
(2) Including Class B LP units.
(3) The FFO per unit ratio is calculated by dividing the FFO[(1)] by the Trust's total weighted average number of units outstanding (including the Class B LP units).
(4) The FFO Adjusted per unit ratio is calculated by dividing the FFO Adjusted[(1)] by the Trust's total weighted average number of units outstanding (including the Class B LP units).

For the quarter, FFO Adjusted[(1)] was 8.3¢ per unit, compared to 10.4¢ per unit for the same period in 2024, representing a decrease of 2.1¢ per unit or 20.2%. For the six-month period, the FFO adjusted was 19.4¢ per unit compared to 20.6¢ per unit for the same period in 2024, representing a decrease of 1.2¢ per unit or 5.8%. The decrease is driven by the previously outlined 2 non-cash straight-line lease adjustments of $1.8 million.

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

Adjusted Funds from Operations (AFFO)[1]

The following table provides a reconciliation of FFO[1] and AFFO[1] for the three-month and six-month periods ended June 30, 2025, and June 30, 2024:

Periods ended June 30 (in thousands of dollars, except for per unit data)	Three-month		Six-month	
	2025	2024	2025	2024
	$	$	$	$
FFO[1]	7,099	8,883	16,979	17,607
Straight-line rental revenue adjustment	1,500	(183)	1,119	(577)
Accretion of effective interest	367	361	947	669
Amortization of other property and equipment	17	17	35	34
Unit-based compensation expenses	159	(95)	292	(104)
Provision for non-recoverable capital expenditures[1]	(610)	(644)	(1,298)	(1,297)
Provision for unrecovered rental fees[1]	(375)	(375)	(750)	(750)
AFFO[1]	8,157	7,964	17,324	15,582
Transaction costs on disposition of investment properties and mortgage early repayment fees	266	266	266	468
AFFO Adjusted[1]	8,423	8,230	17,590	16,050
AFFO per unit[1][2][3]	9.2¢	9.1¢	19.5¢	17.8¢
AFFO Adjusted per unit[1][2][4]	9.5¢	9.4¢	19.8¢	18.3¢
AFFO payout ratio[1]	81.8%	82.9%	76.9%	84.5%
AFFO Adjusted payout ratio[1]	79.2%	80.2%	75.8%	82.0%

(1) This is a non-IFRS financial measure, refer to page 2 and 31.
(2) Including Class B LP units.
(3) The AFFO per unit ratio is calculated by dividing the AFFO[1] by the Trust's total weighted average number of units outstanding (including the Class B LP units).
(4) The AFFO Adjusted per unit ratio is calculated by dividing the AFFO Adjusted[1] by the Trust's total weighted average number of units outstanding (including the Class B LP units).

For the quarter, the AFFO adjusted[1] per unit was 9.5¢ per unit compared to 9.4¢ per unit for the same period in 2024, representing an increase of 0.1¢ per unit or 1.1%. For the six-month period, the AFFO adjusted[1] per unit was 19.8¢ per unit compared to 18.3¢ per unit for the same period in 2024, representing an increase of 1.5¢ per unit or 8.2%, compared to the same period in 2024. The six-month period increase is explained by (1) the previously outlined $1.7 million increase in Cash NOI, (2) a $0.2 million decrease in administrative expenses and, (3) stability in the net financial expenses before non-monetary items.

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

The Trust also deducts a provision for unrecoverable rental fees[2] 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.

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

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

Periods ended June 30 and December 31 (in thousands of dollars)	June 30, 2025	June 30, 2024	December 31, 2024	December 31, 2023
	$	$	$	$
Provision for non-recoverable capital expenditures[1]	1,298	1,297	2,601	2,557
Non-recoverable capital expenditures	581	392	2,878	3,858

(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 2025, 2024 and 2023:

Periods ended June 30 and 12-month periods ended December 31 (in thousands of dollars)	2025 (6 months)	2024 (6 months)	2024 (12 months)	2023 (12 months)
	$	$	$	$
Net cash flows from operating activities	34,150	31,102	66,004	70,852
Interest paid	(16,419)	(16,357)	(32,594)	(31,324)
Net cash flows from operating activities less interest paid	17,731	14,745	33,410	39,528
Net distributions to unitholders	12,654	11,276	22,638	22,292
Surplus of net cash flows from operating activities less interest paid compared to net distributions to unitholders	5,077	3,469	10,772	17,236

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 three-month and six-month periods ended June 30, 2025, and June 30, 2024:

Periods ended June 30 (in thousands of dollars)	Three-month		Six-month	
	2025	2024	2025	2024
	$	$	$	$
Cash flows from operating activities	18,787	18,758	34,150	31,102
Leasing payroll expenses	525	433	991	1,024
Transaction costs on purchase and disposition of investment properties and early repayment fees	(266)	(266)	(266)	(468)
Adjustments for changes in other working capital items	(1,529)	(1,730)	1,539	2,524
Financial income	348	568	775	1,141
Interest expenses	(8,578)	(8,681)	(17,234)	(17,504)
Provision for non-recoverable capital expenditures[2]	(610)	(644)	(1,298)	(1,297)
Provision for non-recovered rental fees[2]	(375)	(375)	(750)	(750)
Accretion of non-derivative liability component of convertible debentures	(145)	(99)	(583)	(190)
AFFO[1]	8,157	7,964	17,324	15,582
Provision for non-recoverable capital expenditures[2]	610	644	1,298	1,297
Provision for non-recovered rental fees[2]	375	375	750	750
Straight-line rental revenue adjustment	(1,500)	183	(1,119)	577
Unit-based compensation expenses	(159)	95	(292)	104
Accretion of effective interest	(367)	(361)	(947)	(669)
Amortization of property and equipment	(17)	(17)	(35)	(34)
FFO[1]	7,099	8,883	16,979	17,607

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

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

Assets

Investment properties

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

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

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

Periods ended June 30 (in thousands of dollars)	Three-month		Six-month	
	2025	2024	2025	2024
	$	$	$	$
Balance, beginning of period	1,235,460	1,203,027	1,233,282	1,207,522
Dispositions	(6,100)	-	(6,100)	(6,206)
Construction on investment property	-	-	101	-
Capital expenditures	1,182	2,016	2,460	2,803
Leasing fees and capitalized lease incentives	1,876	4,006	3,091	5,230
Fair value adjustment on investment properties	700	-	700	6
Other non-monetary changes[1]	(2,336)	(511)	(2,752)	(817)
Balance, end of period	1,230,782	1,208,538	1,230,782	1,208,538

(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 three-month and six-month periods ended June 30, 2025, and June 30, 2024:

Periods ended June 30 (in thousands of dollars)	Three-month		Six-month	
	2025	2024	2025	2024
	$	$	$	$
Recoverable capital expenditures	838	392	1,879	392
Non-recoverable capital expenditures	344	1,624	581	2,411
Total capital expenditures	1,182	2,016	2,460	2,803
Leasing fees and leasehold improvements	1,876	4,006	3,091	5,230
Construction on investment property	-	-	101	-
Total	3,058	6,022	5,652	8,033

Receivables

(in thousands of dollars)	June 30, 2025	December 31, 2024	June 30, 2024
	$	$	$
Rent receivable	5,355	2,554	3,615
Allowance for expected credit losses	(1,316)	(901)	(1,131)
Net rent receivable	4,039	1,653	2,484
Unbilled recoveries	1,197	2,793	1,563
Other receivables	805	410	517
Receivables	6,041	4,856	4,564

Prepaid expenses, Deposits and Property and equipment

(in thousands of dollars)	June 30, 2025	December 31, 2024	June 30, 2024
	$	$	$
Property and equipment	1,493	1,493	1,479
Accumulated depreciation	(1,320)	(1,285)	(1,247)
Net property and equipment	173	208	232
Prepaid expenses	7,113	1,215	6,998
Deposits	2,405	1,878	1,832
Other assets	9,691	3,301	9,062

Capital Resources

Long-term debt

The following table summarizes the balance of BTB's indebtedness on June 30, 2025, including mortgage loans and convertible debentures, based on the year of maturity and corresponding weighted average contractual interest rates:

As at June 30, 2025 (in thousands of dollars)	Balance of convertible debentures[1]	Balance of mortgages payable[1]	Weighted average contractual interest rate
	$	$	%
Year of maturity			
2025	-	66,153	4.80
2026	-	195,404	4.31
2027	-	125,790	4.35
2028	-	92,593	4.68
2029	-	96,015	4.39
2030 and thereafter	40,250	83,139	4.89
Total	40,250	659,094	4.53

(1) Gross amounts.

The Trust has $66.2 million of mortgages that are maturing in the next six months. The Trust as of the date of this report has received commitment letters or letters of intent from financial institutions for the refinancing of $51.7 million and is in the process of negotiating the remaining 2025 mortgages coming to maturity.

Weighted average contractual interest rate

As at June 30, 2025, the weighted average contractual interest rate of the Trust's long-term debt stood at 4.53% (4.36% for mortgage loans and 7.25% for convertible debentures), representing a decrease of 16 basis points compared to the same period last year which was 4.69% (4.57% for mortgage loans and 6.45% for convertible debentures).

Mortgage loans

The following table summarizes the changes in mortgage loans payable for the three-month and six-month periods ended June 30, 2025:

Periods ended June 30, 2025 (in thousands of dollars)	Three-month	Six-month
	$	$
Balance at beginning[1]	661,874	665,607
Mortgage loans contracted or assumed[2]	27,100	28,241
Balance repaid at maturity or upon disposition[3]	(24,322)	(24,322)
Monthly principal repayments[4]	(5,558)	(10,432)
Balance as at June 30, 2025[1]	659,094	659,094

(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.*

The weighted average term of existing mortgage loans was 2.5 years as at June 30, 2025, compared to 3.1 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 June 30, 2025 (in thousands of dollars)	Principal repayment	Balance at maturity	Total	% of total
	$	$	$	
Maturity				
2025 (6 months)	8,910	65,540	74,450	11.3
2026	15,076	189,057	204,133	31.0
2027	10,416	117,285	127,701	19.4
2028	6,434	85,377	91,811	13.9
2029	3,717	85,389	89,106	13.5
2030 and thereafter	8,004	63,889	71,893	10.9
Total	**52,557**	**606,537**	**659,094**	**100.0**
Unamortized financing expenses and fair value assumption adjustments			(2,440)	
Balance as at June 30, 2025			**656,654**	

As at June 30, 2025, 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 as at June 30, 2025:

(in thousands of dollars)	Series I[(1)(2)]
Par value	40,250[(3)]
Contractual interest rate	7.25%
Effective interest rate	8.54%
Date of issuance	January 2025
Per-unit conversion price	4.10
Date of interest payment	February 28 and August 31
Maturity date	February 2030
Balance as at June 30, 2025	**34,877**

(1) Redeemable by the Trust, under certain conditions, on or after February 28, 2028 and prior to February 28, 2029, at a redemption price equal to the principal amount plus accrued, unpaid interest, provided that the unit market price is at least 125% of the Series I conversion price and, on or after February 28, 2029, and prior to February 28, 2030, 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 I debentures by issuing tradable units freely to Series I debenture holders obtained by dividing the principal amount of the debentures by 95% of the current market price on the date of redemption or maturity.
(3) No conversion since the issuance of the Series I debentures.

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 June 30, 2025, December 31, 2024 and June 30, 2024:

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

(1) Before unamortized financing expenses and fair value assumption adjustments.
(2) This is a non-IFRS financial measure, refer to page 2 and 31.
(3) Long-term debt less free cash flow is a non-IFRS financial measure, calculated as total of: (i) fixed rate mortgage loans payable; (ii) floating rate mortgage loans payable; (iii) Series I debenture capital adjusted with non-derivative component less conversion options exercised by holders; and (iv) credit facilities, less cash and cash equivalents. The most directly comparable IFRS measure to net debt is debt.
(4) Gross value of the assets of the Trust less cash and cash equivalent ("GVALC") is a non-IFRS financial measure defined as the Trust total assets adding the cumulated amortization property and equipment and removing the cash and cash equivalent. The most directly comparable IFRS measure to GVALC is total assets.
(5) Mortgage debt ratio is calculated by dividing the mortgage loans outstanding by the GVALC.
(6) Debt ratio – convertible debentures is calculated by dividing the convertible debentures by the 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 three-month and six-month periods ended June 30, 2025, and June 30, 2024:

Periods ended June 30 (in thousands of dollars, except for the ratios)	Three-month		Six-month	
	2025	2024	2025	2024
	$	$	$	$
Adjusted EBITDA(1)	17,250	17,540	35,485	34,577
Interest expenses net of financial income(2)	8,230	8,113	16,459	16,363
Interest coverage ratio(3)	2.10	2.16	2.16	2.11

(1) This is a non-IFRS financial measure, refer to page 2 and 31.
(2) This is a non-IFRS financial measure. Interest expenses exclude early repayment fees, accretion of effective interest, distribution on Class B LP units, accretion of non-derivative liability component of convertible debentures and the fair value adjustment on derivative financial instruments and Class B LP units.
(3) This is a non-IFRS financial measure. Interest coverage ratio is calculated by dividing the Adjusted EBITDA(1) by Interest expenses net of financial income (as previously defined).

Debt service coverage ratio

The following table summarizes the debt service coverage ratio for the three-month and six-month periods ended June 30, 2025, and June 30, 2024:

Periods ended June 30 (in thousands of dollars, except for the ratios)	Three-month		Six-month	
	2025	2024	2025	2024
	$	$	$	$
Adjusted EBITDA(1)	17,250	17,540	35,485	34,577
Interest expenses net of financial income(2)	8,230	8,113	16,459	16,363
Principal repayments	5,558	4,703	10,432	9,526
Debt service requirements	13,788	12,816	26,891	25,889
Debt service coverage ratio(3)	1.25	1.37	1.32	1.34

(1) This is a non-IFRS financial measure, refer to page 2 and 31.
(2) This is a non-IFRS financial measure. Interest expenses exclude early repayment fees, accretion of effective interest, distribution on Class B LP units, accretion of non-derivative liability component of convertible debentures and the fair value adjustment on derivative financial instruments and Class B LP units.
(3) This is a non-IFRS financial measure. 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 three-month and six-month periods ended June 30, 2025:

Periods ended June 30, 2025 (in number of units)	Three-month		Six-month	
	Units	$	Units	$
Class B LP units outstanding, beginning of period	697,265	2,371	697,265	2,343
Fair value adjustment	-	167	-	195
Class B LP units outstanding, end of period	697,265	2,538	697,265	2,538

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 Lebourgneuf Boulevard in Quebec 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 three-month and six-month periods ended June 30, 2025, and June 30, 2024:

Periods ended June 30 (in number of units)	Three-month		Six-month	
	2025	2024	2025	2024
Units outstanding, beginning of the period	88,229,140	87,189,980	88,024,109	86,705,901
Distribution reinvestment plan	-	290,106	177,541	591,510
Issued - employee unit purchase plan	2,220	-	29,710	27,685
Issued - restricted unit compensation plan	37,319	-	37,319	154,990
Issued – deferred unit compensation plan	-	-	-	-
Class B LP units exchanged into Trust units	-	-	-	-
Issued – conversion of convertible debentures	-	-	-	-
Units outstanding, end of the period	88,268,679	87,480,086	88,268,679	87,480,086
Weighted average number of units outstanding	88,248,910	87,335,033	88,146,394	87,035,529
Weighted average number of Class B LP units and units outstanding	88,946,175	88,032,298	88,843,659	87,732,794

On March 4, 2025, the Toronto Stock Exchange (TSX) approved the renewal of the normal course issuer bid ("NCIB"), permitting BTB to repurchase for cancellation up to 6,063,797 units from March 6, 2025, to March 5, 2026, representing approximately 7% of the Trust's issued and outstanding units at the time of the renewal. As of June 30, 2025, no units have been repurchased for cancellation.

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.

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 2025 Annual Information Form for the year ended December 31, 2024, 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.

During the second quarter of 2025, 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 $659.1 million as at June 30, 2025, compared to $636.5 million as at June 30, 2024.
- Series I convertible debentures for a total par value of $40.3 million as at June 30, 2025.
- 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, 2024 and still owned as at June 30, 2025, but does not include the financial impacts from dispositions, acquisitions and developments completed in 2024 and 2025, as well as the results of subsequently sold properties.

Cash net operating income (NOI) from the same-property portfolio

Cash net operating income (NOI) 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, excluding non-cash items. It is defined as rental revenue from properties from the same-property portfolio, less operating expenses of the same portfolio and less lease incentive amortization and straight-line lease adjustment.

Appendix 2 – Non-IFRS Financial Measures – Cash NOI Operating Segment and Quarterly Reconciliation

Cash net operating income (Cash NOI)[1]

The following table provides a reconciliation of cash NOI[1] with NOI for the three-month and six-month periods ended June 30, 2025, and June 30, 2024:

	Industrial	Suburban office	Necessity-based retail	Total
	$	$	$	$
Three-month period ended June 30, 2025				
Net operating income (NOI)	3,659	8,709	4,761	17,129
Lease incentive amortization	163	910	(237)	836
Straight-line lease adjustment	1,702	(264)	62	1,500
Cash net operating income (Cash NOI)[1]	5,524	9,355	4,586	19,465
Three-month period ended June 30, 2024				
Net operating income (NOI)	6,122	8,216	4,518	18,856
Lease incentive amortization	122	798	(216)	704
Straight-line lease adjustment	(234)	(92)	143	(183)
Cash net operating income (Cash NOI)[1]	6,010	8,922	4,445	19,377

	Industrial	Suburban office	Necessity-based retail	Total
Six-month period ended June 30, 2025				
Net operating income (NOI)	9,529	18,059	9,362	36,950
Lease incentive amortization	287	1,054	292	1,633
Straight-line lease adjustment	1,526	(269)	(138)	1,119
Cash net operating income (Cash NOI)[1]	11,342	18,844	9,516	39,702
Six-month period ended June 30, 2024				
Net operating income (NOI)	12,345	16,036	8,835	37,216
Lease incentive amortization	214	919	261	1,394
Straight-line lease adjustment	(490)	(97)	10	(577)
Cash net operating income (Cash NOI)[1]	12,069	16,858	9,106	38,033

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

The following table provides a reconciliation of cash NOI[1] with NOI for the last eight quarters:

	2025 Q-2	2025 Q-1	2024 Q-4	2024 Q-3	2024 Q-2	2024 Q-1	2023 Q-4	2023 Q-3
(in thousands of dollars, except for per unit)	$	$	$	$	$	$	$	$
Net operating income	17,129	19,821	19,082	18,753	18,856	18,360	19,255	18,075
Lease incentive amortization	836	797	966	807	704	690	641	664
Straight-line lease adjustment	1,500	(381)	(374)	(247)	(183)	(394)	(197)	(842)
Cash net operating income[1]	19,465	20,237	19,674	19,313	19,377	18,656	19,699	17,897

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

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

Appendix 3 – Non-IFRS Financial Measures – Quarterly Reconciliation

Funds from Operations (FFO)[1]

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

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

(1) This is a non-IFRS financial measure, refer to page 2 and 31.
(2) Including Class B LP units.
(3) The FFO per unit ratio is calculated by dividing the FFO[1] by the Trust's total weighted average number of units (including the Class B LP units).
(4) The FFO Adjusted per unit ratio is calculated by dividing the FFO Adjusted[1] by the Trust's total weighted average number of units (including the Class B LP units).

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

Adjusted Funds from Operations (AFFO)(1)

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

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

(1) This is a non-IFRS financial measure, refer to page 2 and 31.
(2) Including Class B LP units.
(3) The AFFO per unit ratio is calculated by dividing the AFFO(1) by the Trust's total weighted average number of units (including the Class B LP units).
(4) The AFFO Adjusted per unit ratio is calculated by dividing the AFFO Adjusted(1) by the Trust's total weighted average number of units (including the Class B LP units).

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

Appendix 4 – Non-IFRS Financial Measures – Adjusted EBITDA(1) Reconciliation

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 three-month and six-month periods ended June 30, 2025, and June 30, 2024:

Periods ended June 30 (in thousands of dollars, except for per unit)	Three-month		Six-month	
	2025	2024	2025	2024
	$	$	$	$
Net income being total comprehensive income for the period	6,194	7,272	13,802	14,425
Interest expense	8,578	8,681	17,234	17,504
Accretion of effective interest on mortgage loans and convertible debentures	367	361	947	669
Amortization of property and equipment	17	17	35	34
Lease incentive amortization	836	704	1,633	1,394
Fair value adjustment on investment properties	(700)	-	(700)	(6)
Fair value adjustment on derivative financial instruments	(176)	379	692	54
Fair value adjustment on Class B LP units	167	(21)	195	139
Unit-based compensation (Unit price remeasurement)	201	63	262	472
Transaction costs on acquisitions and dispositions of investment properties and early repayment fees	266	266	266	468
Straight-line lease adjustment	1,500	(183)	1,119	(577)
Adjusted EBITDA(1)	17,250	17,539	35,485	34,576

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

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

Condensed Consolidated Interim *Financial Statements*

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

1-9 & 10 Brewer Hunt Way & 1260-1280 Teron Road, Ottawa, ON

Condensed Consolidated Interim Statements of Financial Position

(Unaudited - in thousands of CAD dollars)

	Notes	As at June 30, 2025	As at December 31, 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)

	Notes	For the three-month periods ended June 30, 2025	For the three-month periods ended June 30, 2024	For the six-month periods ended June 30, 2025	For the six-month periods ended June 30, 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)

		For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	Notes	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 Increase (decrease)	Fair Value	Change in fair value
	$	$
(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.

	Capital	Interest rates Coupon	Effective	Unit conversion price	Interest payments	Maturity
		%	%	$		
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%.

Corporate *Information*

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

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

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

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

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