



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

Condensed Consolidated Interim Financial Statements



BTB

Condensed Consolidated Interim *Financial Statements*

Three-month and nine-month periods ended September 30, 2025

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400 Hunt Club Road, Ottawa, ON



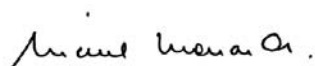
Condensed Consolidated Interim Statements of Financial Position

(Unaudited - in thousands of CAD dollars)

		As at September 30,	As at December 31,
	Notes	2025	2024
		\$	\$
Assets			
Investment properties	3	1,224,630	1,233,282
Property and equipment		283	208
Derivative financial instruments	9	-	1,678
Prepaid expenses and deposits		8,860	3,093
Finance lease receivable		10,382	10,415
Receivables	4	4,835	4,856
Balance of sale	4 (b)	1,000	-
Cash and cash equivalents		5,522	2,471
Total assets		1,255,512	1,256,003
Liabilities and unitholders' equity			
Mortgage loans payable	5	646,126	662,913
Convertible debentures	6	35,108	19,346
Bank loans	7	34,144	44,298
Lease liabilities		8,940	8,681
Class B LP Units	8	2,608	2,343
Unit-based compensation	10	2,765	2,081
Derivative financial instruments	9	3,566	737
Trade and other payables		21,522	19,121
Distribution payable to unitholders		2,207	2,201
Total liabilities		756,986	761,721
Unitholders' equity		498,526	494,282
		1,255,512	1,256,003

See accompanying notes to condensed consolidated interim financial statements.

Approved by the Board on October 31, 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 September 30,		For the nine-month periods ended September 30,	
		2025	2024	2025	2024
		\$	\$	\$	\$
Operating revenues					
Rental revenue	12	32,876	32,505	97,800	97,359
Operating expenses					
Public utilities and other operating expenses		5,887	6,396	19,510	19,348
Property taxes and insurance		7,123	7,356	21,474	22,042
		13,010	13,752	40,984	41,390
Net operating income		19,866	18,753	56,816	55,969
Financial income		338	604	1,113	1,745
Expenses					
Financial expenses		9,079	9,522	27,843	27,885
Distributions - Class B LP Units	8	52	52	156	157
Fair value adjustment - Class B LP Units	8	70	335	265	474
Net adjustment to fair value of derivative financial instruments		140	2,168	832	2,222
Net financial expenses	13	9,341	12,077	29,096	30,738
Administration expenses		2,614	2,093	7,216	6,902
Net change in fair value of investment properties and disposition expenses	3	(1,252)	(283)	(1,686)	179
Net income and comprehensive income for the period		9,501	5,470	23,303	19,895

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	-	(19,854)	-	(19,854)
		405,709	(274,173)	343,687	475,223
Comprehensive income		-	-	23,303	23,303
Balance as at September 30, 2025		405,709	(274,173)	366,990	498,526
Balance as at January 1, 2024		400,774	(228,065)	304,945	477,654
Issuance of units, net of issuance expenses		3,256	-	-	3,256
Distribution to unitholders		-	(19,658)	-	(19,658)
		404,030	(247,723)	304,945	461,252
Comprehensive income		-	-	19,895	19,895
Balance as at September 30, 2024		404,030	(247,723)	324,840	481,147

See accompanying notes to condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited - in thousands of CAD dollars)

	Notes	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
		2025	2024	2025	2024
		\$	\$	\$	\$
Operating activities					
Net income for the period		9,501	5,470	23,303	19,895
Adjusted for:					
Net change in fair value of investment properties and disposition expenses	3	(1,252)	(283)	(1,686)	179
Depreciation of property and equipment	14	37	17	72	51
Unit-based compensation	10	351	361	905	730
Straight-line lease adjustment	12	(592)	(247)	527	(824)
Lease incentive amortization	12	854	807	2,487	2,201
Financial income		(338)	(604)	(1,113)	(1,745)
Net financial expenses	13	9,341	12,077	29,096	30,738
		17,902	17,598	53,591	51,225
Adjustment for changes in other working capital items		(1,519)	(1,181)	(3,058)	(3,705)
Net cash from operating activities		16,383	16,417	50,533	47,520
Investing activities					
Additions to investment properties and others	3	(3,046)	(697)	(8,597)	(8,734)
Construction on investment property		-	(6,769)	(101)	(6,769)
Net proceeds from dispositions of investment properties and transaction cost	3	9,483	-	12,477	2,772
Acquisition of property and equipment		(147)	-	(147)	-
Net cash (used in) from investing activities		6,290	(7,466)	3,632	(12,731)
Financing activities					
Mortgage loans, net of financing expenses		(91)	36,024	27,908	93,630
Repayment of mortgage loans		(10,691)	(17,206)	(42,605)	(76,136)
Bank loans		3,152	(11,478)	(10,277)	(8,305)
Lease liability payments		(16)	(32)	(36)	(36)
Net proceeds from convertible debentures		-	-	38,172	-
Repayment of convertible debenture		-	-	(19,917)	-
Net distribution to unitholders		(6,620)	(5,671)	(19,274)	(16,946)
Net distribution - Class B LP units	8	(52)	(52)	(156)	(157)
Interest paid		(8,510)	(8,141)	(24,929)	(24,499)
Net cash (used in) from financing activities		(22,828)	(6,556)	(51,114)	(32,449)
Net change in cash and cash equivalents		(155)	2,395	3,051	2,340
Cash and cash equivalents, beginning of period		5,677	857	2,471	912
Cash and cash equivalents, end of period		5,522	3,252	5,522	3,252

See accompanying notes to condensed consolidated interim financial statements.

Notes to Condensed Consolidated Interim Financial Statements

For the nine-months ended September 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 nine-month periods ended September 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 October 31, 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

	Nine-month period ended September 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
Adjustments to right-of-use assets	295	-
Dispositions of investment properties (note 3(b))	(16,600)	(6,206)
Construction on investment property	101	10,359
Capital expenditures	3,515	4,510
Capitalized leasing fees	1,612	1,350
Capitalized lease incentives	3,470	6,110
Lease incentives amortization	(2,487)	(3,167)
Straight-line lease adjustment	(527)	1,198
Net changes in fair value of investment properties	1,969	10,263
Balance end of period	1,224,630	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 September 30, 2025, independent external appraisals were obtained for investment properties with an aggregate fair value of \$584,212 equivalent to 48% of the fair value of the investment properties. Year-to-date, a gain of \$1,969 of net changes in fair value has been recorded, reflecting an increase in leasing costs and CAPEX across the 3 asset classes as well as the updated cash flows assumptions. For the remainder of the year, the Trust will continue to assess the changing market and property conditions.

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 September 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	6.14%	7.03%	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 September 30, 2025, which is representative of the sensitivity to changes in the discount rate and terminal capitalization rate as at September 30, 2025.

Capitalization rate sensitivity	Fair Value	Change in fair value
Increase (decrease)		
	\$	\$
(0.50)%	1,324,625	99,995
(0.25)%	1,272,642	48,012
Base rate	1,224,630	-
0.25%	1,180,145	(44,485)
0.50%	1,138,809	(85,821)

(a) Acquisitions

There were no acquisitions during the nine-month period ended September 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 nine-month period ended September 30, 2025 were as follows:

Disposal date	Property type	Location	Gross proceeds	Balance of sale	Mortgage reimbursement	Disposition expenses	Net proceeds
				\$	\$	\$	\$
June 2025	Industrial	Saskatoon, SK	6,100	-	(2,840)	(266)	2,994
July 2025	Office	Quebec, Qc	10,500	(1,000)	-	(17)	9,483
Total			16,600	(1,000)	(2,840)	(283)	12,477

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

	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Net changes in fair value of investment properties	1,269	283	1,969	289
Disposition expenses	(17)	-	(283)	(468)
	1,252	283	1,686	(179)

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

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

Periods ended September 30 (in thousands of dollars)	Three-month		Nine-month	
	2025	2024	2025	2024
	\$	\$	\$	\$
Industrial	(3,842)	2,926	(3,142)	2,926
Suburban office	(2,650)	(7,339)	(2,650)	(7,333)
Necessity-based retail	7,761	4,696	7,761	4,696
Total change in fair value	1,269	283	1,969	289

4. Receivables

	As at September 30,	As at December 31,
	2025	2024
	\$	\$
Rents receivable	4,717	2,554
Allowance for expected credit losses	(1,687)	(901)
Net rents receivable	3,030	1,653
Unbilled recoveries	1,361	2,793
Other receivables	444	410
Total	4,835	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.

b) Balance of sale

The balance of sale consists of a loan receivable due July 11, 2027, bearing interest at 5% for the term. The balance of sale as at September 30, 2025 is \$1,000 (December 31, 2024 - \$0).

5. Mortgage Loans Payable

Mortgage loans payable are secured by immovable hypothecs on investment properties having a fair value of approximately \$1,181,241 as at September 30, 2025 (December 31, 2024 - \$1,192,196).

	As at September 30,	As at December 31,
	2025	2024
	\$	\$
Fixed rate mortgage loans payable	530,095	544,474
Floating rate mortgage loans payable	118,308	121,133
Unamortized fair value assumption adjustments	1	8
Unamortized financing expenses	(2,278)	(2,702)
Mortgage loans payable	646,126	662,913
Short-term portion ⁽¹⁾	52,028	132,026
Weighted average interest rate	4.39%	4.35%
Weighted average term to maturity (years)	2.33	2.79
Range of annual rates	3.10% - 6.80%	2.37% - 7.07%

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

	Scheduled repayments	Principal maturity	Total
	\$	\$	\$
2025 ⁽¹⁾	4,504	47,524	52,028
2026	15,506	183,154	198,660
2027	10,684	134,222	144,906
2028	6,434	85,377	91,811
2029	3,717	85,389	89,106
Thereafter	8,004	63,888	71,892
	48,849	599,554	648,403
Unamortized financing expenses and fair value assumption adjustments			(2,277)
			646,126

(1) For the three-month period remaining

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

Transaction date	Original principal amount	Effective fixed interest rate	Settlement basis	Maturity date	Outstanding amount	
					As at September 30, 2025	As at December 31, 2024
	\$	%			\$	\$
June 2016	13,000	3.46	Quarterly	June 2026	9,571	9,865
November 2017	23,075	3.99	Monthly	December 2027	18,148	18,694
May 2024	16,860	6.51	Monthly	May 2029	16,488	16,704
June 2024	25,400	6.23	Monthly	June 2029	24,844	25,220
August 2024	23,132	4.18	Monthly	November 2027	21,244	21,860
September 2024	11,000	4.70	Monthly	September 2029	10,659	10,916
Total	112,467				100,954	103,259

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

		Interest rates		Unit	Interest	Maturity
	Capital	Coupon	Effective	conversion price	payments	
		%	%	\$		
Series I	40,250	7.25	8.54	4.10	Semi-annual	February 2030
						Series I
						\$
As at September 30, 2025						
Non-derivative liability component upon issuance						36,574
Accretion of non-derivative liability component						388
						36,962
Conversion options exercised by holders						-
						36,962
Unamortized financing expenses						(1,854)
Non-derivative liability component						35,108
Conversion and redemption options liability component at fair value						2,222
						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 September 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 September 30, 2025, \$31,394 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 \$39,604 and by negative pledge of a selection of borrowing base properties having a fair value of \$302,849.

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 September 30, 2025, \$2,750 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 \$90,170.

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 September 30, 2025, no amount was due under the operating line of credit (December 31, 2024 – \$0).

8. Class B LP Units

	Nine-month period ended September 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	-	265	-	300
Units outstanding, end of period	697,265	2,608	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 September 30,		Nine-month periods ended September 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Distribution to Class B LP unitholders	52	52	156	157
Distribution per Class B LP unit	0.075	0.075	0.225	0.225

9. Fair Value Measurement

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

As at September 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)	2,222	-	-	2,222
Interest rate swap liability	1,344	-	1,344	-
Class B LP Units (note 8)	2,608	2,608	-	-
For which fair values are disclosed				
Mortgage loans payable (note 5)	648,403	-	643,422	-
Convertible debentures, including their conversion and redemption features (note 6)	37,330	41,812	-	-
Bank loans (note 7)	34,144	-	34,144	-

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 (Assets) / Liabilities	
	\$
Nine-months period ended September 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	224
Balance end of period	2,222

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

	Conversion and redemption options of convertible debentures	Volatility
	\$	%
Volatility sensitivity		
Increase (decrease)		
(0.50)%	2,110	16.04
September 30, 2025	2,222	16.54
0.50%	2,334	17.04

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

10. Unit-based Compensation

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

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

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

For the nine-month periods ended September 30,	2025	2024
	Deferred units	Deferred units
Outstanding, beginning of period	213,792	151,412
Trustees' compensation	43,740	28,649
Distributions paid in units	15,190	11,573
Outstanding, end of period	272,722	191,634

As at September 30, 2025, the liability related to the plan was \$1,023 (December 31, 2024 - \$723). The related figures recorded in the statement of comprehensive income amounted to an expense of \$100 and \$300 for the three-month and nine-month periods ended September 30, 2025 (for the three-month and nine-month periods ended September 30, 2024 - expense of \$142 and \$252).

(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 September 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 \$0 and \$21 for the three-month and nine-month periods ended September 30, 2025 (for the three-month and nine-month periods ended September 30, 2024 - income of \$0 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:

Nine-month periods ended September 30,	2025	2024
	Restricted units	Restricted units
Outstanding, beginning of period	301,249	220,306
Granted	257,284	268,634
Cancelled	(17,177)	(28,212)
Settled	(38,890)	(159,479)
Outstanding, end of period	502,466	301,249

As at September 30, 2025, the liability related to the plan was \$951 (December 31, 2024 - \$563). The related expense recorded in the statement of comprehensive income amounted to \$224 and \$509 for the three-month and nine-month periods ended September 30, 2025 (for the three-month and nine-month periods ended September 30, 2024 - expense of \$164 and \$369).

(d) Cash settled share-based retirement compensation plan

As at September 30, 2025, the long-term obligation related to the plan was \$792 (December 31, 2024 - \$717). The related expense recorded in the statement of comprehensive income amounted to \$26 and \$75 for the three-month and nine-month periods ended September 30, 2025 (for the three-month and nine-month periods ended September 30, 2024 - expense of \$55 and \$122).

11. Trust Units Issued and Outstanding

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

Trust units issued and outstanding are as follows:

Nine-month period ended September 30,	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 September 30,		Nine-month periods ended September 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Distribution to unitholders	6,620	6,576	19,854	19,658
Distribution per Trust unit	0.075	0.075	0.225	0.225

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

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

12. Rental Revenues

	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Base rent and other lease generated revenues	19,166	19,759	59,361	59,315
Lease cancellation fees	80	-	1,061	45
Property tax and insurance recoveries	6,729	6,861	20,359	20,021
	25,975	26,620	80,781	79,381
Operating expenses recoveries and other revenues	7,163	6,445	20,033	19,355
Lease incentive amortization	(854)	(807)	(2,487)	(2,201)
Straight-line lease adjustment	592	247	(527)	824
	32,876	32,505	97,800	97,359

13. Net Financial Expenses

	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Interest on mortgage loans payable	7,166	7,380	21,756	21,545
Interest on convertible debentures	727	709	2,209	2,126
Interest on bank loans	517	794	1,431	2,498
Interest on lease liabilities	126	101	343	284
Other interest expense	14	46	45	81
Accretion of non-derivative liability component of convertible debentures	146	101	729	291
Accretion of effective interest on mortgage loans payable and convertible debentures	383	391	1,330	1,060
Distributions - Class B LP Units	52	52	156	157
Fair value adjustment - Class B LP Units	70	335	265	474
Net adjustment to fair value of derivative financial instruments	140	2,168	832	2,222
	9,341	12,077	29,096	30,738

14. Expenses by Nature

	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Depreciation	37	17	72	51
Employee compensation and benefits expense	2,721	2,902	8,115	8,606

15. Earnings per Unit

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

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

	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Net income	9,501	5,470	23,303	19,895
Weighted average number of trust units outstanding – basic ⁽¹⁾	88,965,944	88,321,058	88,843,659	87,876,500
Earnings per unit – basic	0.11	0.06	0.26	0.23

(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 September 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 September 30, 2025				
Investment properties	444,767	502,208	277,655	1,224,630
Rental revenue from properties	8,975	15,737	8,164	32,876
Net operating income	6,505	8,357	5,004	19,866
Three-month period ended September 30, 2024				
Investment properties	445,025	509,234	261,458	1,215,717
Rental revenue from properties	8,096	16,754	7,655	32,505
Net operating income	5,814	8,358	4,581	18,753
	Industrial	Suburban office	Necessity-based retail	Total
	\$	\$	\$	\$
Nine-month period ended September 30, 2025				
Rental revenue from properties	23,518	50,035	24,247	97,800
Net operating income	16,034	26,416	14,366	56,816
Nine-month period ended September 30, 2024				
Rental revenue from properties	25,050	49,390	22,919	97,359
Net operating income	18,159	24,394	13,416	55,969

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 October 30, 2025, the Trust completed the sale of a retail property in Terrebonne City (Quebec) for \$3,100, excluding transaction costs. The trust held a 50% ownership interest in the property.

Corporate *Information*

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Listing

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

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