BTB Reports Second Quarter 2026 Results, Highlighted by the Execution of its Investment Strategy in Industrial Properties

Montréal, Québec, August 11, 2026 - BTB Real Estate Investment Trust (**TSX: BTB.UN**) (“**BTB**”, the “**REIT**” or the “**Trust**”) releases today its financial results for the second quarter of 2026, ended June 30th, 2026 (the “**Second Quarter**”).

“BTB’s second quarter of 2026 results highlight our continued execution of our portfolio repositioning into industrial properties, supported by sustained leasing momentum and solid operational performance.

Rental revenue totalled $31.9 million for the quarter, an increase of $1.4 million or 4.5% compared to the same quarter last year. Cash net operating income (Cash NOI)[1] totalled $19.8 million for the quarter, an increase of 1.6% compared to the same quarter of 2025. Net income and comprehensive income totalled $8.8 million for the quarter, an increase of $2.6 million compared to Q2 2025, and $17.1 million for the six-month period, up 24.1%.

Our FFO adjusted[1] per unit was 9.7¢ for the quarter, compared to 8.3¢ a year ago, and our AFFO adjusted[1] per unit reached 9.8¢, up from 9.5¢, improving our AFFO adjusted payout ratio[1] to 76.5% from 79.2%.

For the first six months of the year, leasing activity remained strong, with a total activity of 584,025 square feet of leasable area, of which the Trust renewed leases comprising 464,913 square feet of leasable area and concluded new leases representing 119,112 square feet of leasable area. The occupancy rate stood at 91.3% at the end of the quarter, a slight increase of 10 basis points from the same period in 2025.

We also continued our strategic portfolio repositioning towards the industrial segment through the acquisition, on March 18, 2026, of three industrial properties in Leduc, Alberta. On April 30, 2026, the Trust acquired the remaining 50% interest in a mixed-used office property located at 7 & 9, Montclair Boulevard, Gatineau, Quebec, for $7 million, excluding transaction fees and adjustments. On August 4, 2026, the Trust completed the sale of two office properties located at 505 Des Forges Street & 1500 Royale Street, in Trois-Rivières, Quebec, for a total consideration of $20 million, excluding transaction fees and adjustments. In total, the Trust concluded $38.5 million of acquisitions during the first half of the year, which are expected to contribute approximately $3.0 million to NOI on an annualized basis.

On May 14, 2026, the Trust established an at-the-market equity program (the "**ATM Program**"), following the filing of a prospectus supplement to its short form base shelf prospectus dated December 19, 2025. The ATM Program was approved by the Toronto Stock Exchange ("**TSX**") on the same date, therefore enhancing the Trust’s financial flexibility.

We remain focused on disciplined capital allocation, active portfolio management and long-term value creation for unitholders,” comments Michel Léonard, President and CEO of BTB.

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

SUMMARY OF SIGNIFICANT ITEMS AS AT JUNE 30, 2026

- **Total number of properties:** 74
- **Total leasable area:** 6.0 million square feet
- **Total asset value:** $1.3 billion
- **Market capitalization:** $342 million (unit trading price of $3.87 as at June 30, 2026)

OPERATIONAL HIGHLIGHTS

Quarters ended June 30	Quarter	
	2026	2025
Occupancy - commited (%)	**91.3%**	91.2%
Signed new leases (in sq.ft.)	**78,829**	49,809
Renewed leases at term (in sq.ft.)	**141,921**	81,622
Renewal rate (%)	**66.5%**	46.1%
Early lease renewals (in sq.ft.)	**157,180**	41,193
Increase in average lease renewal rate (%)	**4.6%**	4.7%

- During the six-month period, leasing activity totalled 584,025 square feet of leasable area, including lease renewals of 464,913 square feet of leasable area and new leases concluded totaling 119,112 square feet of leasable area. The average increase in the lease renewal rental rate for the current quarter was 5.4%. The occupancy rate of the portfolio stood at 91.3%, a 10 basis points increase compared to the same period in 2025.

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

FINANCIAL RESULTS HIGHLIGHTS

Quarters ended June 30	Quarter	
(in thousands of dollars, except for ratios and per unit data)	**2026**	2025
	$	$
FINANCIAL INFORMATION		
Rental revenue	**31,874**	30,513
Net operating income (NOI)	**18,924**	17,129
Cash net operating income (Cash NOI) (1)	**19,768**	19,465
Net income and comprehensive income	**8,769**	6,194
Adjusted net income (1)	**7,493**	5,751
Cash NOI from the same-property portfolio (1)	**18,641**	18,706
FFO Adjusted (1)	**8,606**	7,365
Payout ratio on FFO adjusted (1)	**77.3%**	90.6%
AFFO Adjusted (1)	**8,699**	8,423
Payout ratio on AFFO adjusted (1)	**76.5%**	79.2%
Weighted average number of units and Class B LP units outstanding (000)	**89,076**	88,946
FINANCIAL INFORMATION PER UNIT		
Net income and comprehensive income	**9.8¢**	7.0¢
Adjusted net income (1)	**8.4¢**	6.5¢
Distributions	**7.5¢**	7.5¢
FFO Adjusted per unit (1)	**9.7¢**	8.3¢
AFFO Adjusted per unit (1)	**9.8¢**	9.5¢

- **Rental revenue:**

  Stood at $31.9 million for the quarter, which represents an increase of $1.4 million or 4.5% compared to the same quarter of 2025. The increase is caused by (1) a non-cash straight-line lease adjustments which negatively affected rental revenue by $1.8 million in the second quarter of 2025, (2) a net increase of $0.2 million related to acquisitions concluded in 2026, partially offset by dispositions completed throughout 2025 and 2026, (3) an increase of $0.2 million due to new leases concluded, higher lease renewal rental rates, and increases in rental spreads for in-place leases; and partially offset by (4) a decrease of $0.8 million resulting from planned tenant departures not yet replaced, free rent granted to new tenants, and the rent reduction granted to Lion Electric. For the six-month period, rental revenue totalled $63.8 million, representing a decrease of $1.1 million or 1.7% compared to the same period in 2025 mainly caused by a partial lease cancellation payment from a tenant which positively affected the rental revenue in the first quarter of 2025 by $1.0 million.

- **Net operating income (NOI):**

  Totalled $18.9 million for the quarter, which represents an increase of $1.8 million or 10.5% compared to the same quarter of 2025. The increase is caused by the previously outlined non-cash straight-line lease adjustments. For the six-month period, the NOI totalled $36.7 million which represents a decrease of 0.7% compared to the same period in 2025. Excluding the said lease cancellation payment of $1.0 million recorded in the first quarter of 2025, the NOI would have increased by 2.1% compared to the same quarter of 2025.

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

- **Cash net operating income (Cash NOI) [(1)]:**

  Totalled $19.8 million for the quarter, which represents an increase of $0.3 million or 1.6% compared to the same quarter of 2025. The increase is due to (1) a net increase of $0.4 million related to acquisitions concluded in 2026 partially offset by dispositions completed throughout 2026 and 2025, (2) a positive variance of $0.8 million due to operating improvements, new leases concluded, higher lease renewal rental rates, and increases in rental spreads for in-place leases. Both these increases are partially offset by a decrease of $0.9 million resulting from planned tenant departures not yet replaced and the rent reduction granted to Lion Electric.

  For the six-month period, the Cash NOI totalled $37.9 million, which represents a decrease of $1.8 million or 4.4% compared to the same period in 2025. The decrease is driven by (1) the previously outlined partial lease cancellation payment of $1.0 million received in the first quarter of 2025, (2) a net decrease of $2.4 million resulting from planned tenant departures not yet replaced, free rent granted to new tenants, and the rent reduction granted to Lion Electric; and offset by (3) a positive variance of $1.6 million due to operating improvements, higher rent renewal rates, and increases in rental spreads for in-place leases. Excluding the partial lease cancellation payment of $1.0 million recorded in the first quarter of 2025, Cash NOI for the six-month period would have decreased by 2.0%.

- **Net income and comprehensive income:**

  The Trust recorded a net gain of $8.8 million for the quarter, which represents an increase of $2.6 million compared to the same quarter of 2025. For the six-month period, net income and comprehensive income totalled $17.1 million, representing an increase of 24.1% or $3.3 million. Both increases are driven by the previously stated $1.8 million non-cash straight-line lease adjustments which negatively affected the second quarter of 2025.

- **Cash same-property NOI [(1)]:**

  For the quarter, the cash same-property NOI remained stable compared to the same period in 2025. For the six-month period, the cash same-property NOI decreased by $1.9 million or 4.8%. The decrease for the six-month period is mostly caused by (1) a partial office lease cancellation payment received of $1.0 million, which positively affected NOI during the first quarter of 2025 (2) a decrease in NOI recorded in the office segment due to free rent granted to new tenants in the first quarter of 2026, with whom leases were concluded in the fourth quarter of 2025 and (3) the planned departures of tenants which spaces have not yet been released. The industrial segment was negatively impacted by the planned departure of a tenant, which space has not yet been released in Edmonton, Alberta and by a rent reduction of $0.4 million granted to Lion Electric. The retail segment was positively impacted by leasing efforts and a new major tenant in Levis, whose lease began on February 25, 2025.

- **FFO adjusted per unit [(1)]:**

  Was 9.7¢ per unit for the quarter compared to 8.3¢ per unit for the same period in 2025, representing an increase of 1.4¢ per unit. The increase is driven by the previously explained increase in NOI. For the six-month period, the FFO adjusted per unit was 19.5¢ compared to 19.4¢ per unit for the same period in 2025, representing an increase of 0.1¢ per unit.

- **AFFO adjusted per unit [1]:**
  Was 9.8¢ per unit for the quarter compared to 9.5¢ per unit for the same period in 2025, representing an increase of 0.3¢ per unit. The increase is explained by the previously outlined $0.3 million increase in Cash NOI. For the six-month period, the AFFO adjusted per unit was 18.4¢ per unit compared to 19.8¢ per unit for the same period in 2025, representing a decrease of 1.4¢ per unit. The six-month period decrease is explained by (1) the previously outlined $1.8 million decrease in Cash NOI, partially mitigated by (2) a $0.2 million decrease in administrative expenses and, (3) a $0.5 million decrease of the net financial expenses before fair value adjustments.

- **AFFO adjusted payout ratio [1]:**
  For the second quarter of 2026, the AFFO adjusted payout ratio was 76.5% compared to 79.2% for the same quarter in 2025, an improvement of 2.7%. For the six-month period, the AFFO adjusted payout ratio was 81.5% compared to 75.8% for the same period in 2025, a regression of 5.7%.

- **Acquisitions:**
  On March 18, 2026, the Trust acquired three fully leased industrial properties located at 6207, 6302 and 6304 39th Street in Leduc, Alberta, totalling 143,118 square feet of leasable area. The purchase price for said properties was $31.5 million, excluding transaction fees and adjustments. On an annualized basis, it is anticipated that this acquisition will contribute $2.5 million to NOI. These acquisitions are in-line with BTB's strategic repositioning of its portfolio.

  On April 30, 2026, the Trust acquired the remaining 50% interest in a mixed-used office property located at 7 & 9, Montclair Boulevard, Gatineau, Quebec, for $7 million, excluding transaction fees and adjustments. On an annualized basis, it is anticipated that this acquisition will contribute $0.5 million to NOI.

  For the six-month period, the Trust concluded $38.5 million of acquisitions and on an annualized basis, it is anticipated that these acquisitions will contribute $3.0 million to NOI on an annualized basis.

- **At-the-market equity program ("ATM Program"):**
  On May 14, 2026, the Trust filed a prospectus supplement to its short form base shelf prospectus dated December 19, 2025, to establish an ATM Program, which was approved by the Toronto Stock Exchange ("TSX") on the same date. The ATM program permits the Trust to issue and sell, from time to time and at the Trust's discretion, up to $30.0 million of trust units from treasury to the public. The ATM Program will be effective until the earlier of: (i) the issuance and sale of an aggregate of $30 million of trust units, which is the limit of the ATM Program; (ii) the receipt for the Base Shelf Prospectus ceasing to be effective in accordance with applicable securities laws which per the Trust's short form base shelf prospectus which would be on January 19, 2027; and (iii) the termination of the Equity Distribution Agreement dated May 14, 2026 in accordance with its terms. As of June 30, 2026, no units have been issued.

- **Subsequent event:**
  On August 4, 2026, the Trust completed the sale of two office properties located at 505 Des Forges Street & 1500 Royale Street, in Trois-Rivières, Quebec, for a total consideration of $20 million, excluding transaction fees and adjustments.

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

BALANCE SHEET AND LIQUIDITY HIGHLIGHTS

Periods ended June 30	Quarters	
	2026	2025
Total assets	**1,281,378**	1,262,584
Total debt ratio [1]	**58.1%**	57.1%
Mortgage debt ratio [2]	**51.7%**	51.7%
Weighted average interest rate on mortgage debt	**4.44%**	4.36%
Market capitalization	**342,328**	321,298
NAV per unit [1]	**5.56**	5.62

- **Debt metrics:**
  BTB ended the quarter with a total debt ratio [1] of 58.1%, recording an increase of 110 basis points compared to December 31, 2025. The Trust ended the quarter with a mortgage debt ratio [2] of 51.7%, recording an increase of 40 basis points compared to December 31, 2025.

- **Liquidity position:**
  The Trust held $0.6 million of cash and cash equivalent at the end of the quarter and $14.8 million is available under its credit facilities [3].

[1] Non-IFRS financial measure. See Appendix 1. The referred non-IFRS financial measures do not have a standardized meaning prescribed by IFRS and these measures cannot be compared to similar measures used by other issuers.
[2] This is a non-IFRS financial measure. The mortgage debt ratio is calculated by dividing the mortgage loans outstanding by the total gross value of the assets of the Trust less cash and cash equivalents.
[3] Credit facilities is a term used that reconciles with the bank loans as presented and defined in the Trust's consolidated financial statements and accompanying notes.

QUARTERLY CALL INFORMATION

Management will hold a conference call on **Wednesday, August 12th, 2026,** at 9 a.m., Eastern Time, to present BTB's financial results and performance for the second quarter of 2026.

DATE:	Wednesday, August 12th, 2026
TIME:	9:00 a.m., Eastern Time
URL ENTRY:	https://emportal.ink/4g1Tjv5
CONFERENCE CALL:	Toronto: (+1) 289 819-1299 Montréal: (+1) 514 400-3794 North America: 1-800-990-4777 (toll-free)
WEB:	https://app.webinar.net/zeBG1ZO7Yl3
PRESENTATION:	A presentation will be uploaded to BTB's website prior to the call. https://www.btbreit.com/investors/presentations#quarterly-meeting-presentation

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

The audio recording of the conference call will be available via playback until **August 19th, 2026**, by dialing (+1) 289-819-1450 (local) or 1-888-660-6345 (toll-free) and by entering the following access code: **88524 #**.

ABOUT BTB

BTB is a real estate investment trust listed on the Toronto Stock Exchange. BTB's investment strategy is focused on acquiring industrial properties in the Canadian major markets. As of today, BTB owns and self-manages a portfolio of **72 properties**, including industrial, necessity-based retail and suburban office assets, representing a total leasable area of approximately **5.9 million square feet**.

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

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

FOR FURTHER QUESTIONS

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FORWARD-LOOKING STATEMENTS

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

APPENDIX 1: RECONCILIATION OF NON-IFRS MEASURES

Non-IFRS Financial Measures

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

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

NON-IFRS MEASURE	DEFINITION
Adjusted net income	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 on investment properties; (ii) fair value adjustment on derivative financial instruments; (iii) fair value adjustment on Class B LP units; and (iv) transaction costs incurred on 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.

Cash Net Operating Income	Cash net operating income ("Cash 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 it's portfolio by excluding non-cash items.
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.
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) leasing payroll expenses; (iv) unit-based compensation; and (v) 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 mortgage repayment fees. The Trust believes FFO and FFO Adjusted are key measures of operating performance and allow the investors to compare its historical performance.

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 mortgage 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.
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.
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 and FFO Adjusted and AFFO Adjusted per unit in each period. The Trust considers these metrics a useful way to evaluate its distribution paying capacity.

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 and cash equivalents divided by total gross value of the assets of the Trust less cash and cash equivalents. The Trust considers this metric useful as it indicates its ability to meet its debt obligations and its capacity for future additional acquisitions.
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 and cash equivalents divided by total gross value of the assets of the Trust less cash and cash equivalents. The Trust considers this metric useful as it indicates its ability to meet its mortgage debt obligations and its capacity for future additional acquisitions.
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.
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.

APPENDIX 2: NON-IFRS FINANCIAL MEASURES – QUARTERLY RECONCILIATION

Funds from Operations (FFO) (1)

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

	2026 Q-2	2026 Q-1	2025 Q-4	2025 Q-3	2025 Q-2	2025 Q-1	2024 Q-4	2024 Q-3
(in thousands of dollars, except for per unit)	**$**	$	$	$	$	$	$	$
Net income and comprehensive income (IFRS)	**8,769**	8,361	(932)	9,501	6,194	7,608	18,847	5,470
Fair value adjustment on investment properties	**-**	-	6,619	(1,269)	(700)	-	(9,975)	(283)
Fair value adjustment on Class B LP units	**49**	(202)	244	70	167	28	(174)	335
Amortization of lease incentives	**860**	849	852	854	836	797	966	807
Fair value adjustment on derivative financial instruments	**(1,349)**	(1,177)	581	140	(176)	868	(760)	2,168
Leasing payroll expenses	**532**	529	522	482	525	466	739	535
Distributions – Class B LP units	**53**	52	53	52	52	52	52	52
Unit-based compensation (Unit price remeasurement)	**(332)**	184	499	357	201	61	(39)	342
FFO (1)	**8,582**	8,596	8,438	10,187	7,099	9,880	9,656	9,426
Transaction costs on disposition of investment properties and mortgage early repayment fees	**24**	192	156	17	266	-	-	-
FFO Adjusted (1)	**8,606**	8,788	8,594	10,204	7,365	9,880	9,656	9,426
FFO per unit (1) (2) (3)	**9.6¢**	9.7¢	9.5¢	11.5¢	8.0¢	11.1¢	10.9¢	10.7¢
FFO Adjusted per unit (1) (2) (4)	**9.7¢**	9.9¢	9.7¢	11.5¢	8.3¢	11.1¢	10.9¢	10.7¢
FFO payout ratio (1)	**78.1%**	77.3%	78.9%	65.2%	94.0%	67.4%	68.8%	70.0%
FFO Adjusted payout ratio (1)	**77.3%**	75.8%	77.3%	65.2%	90.6%	67.4%	68.8%	70.3%

(1) This is a non-IFRS financial measure, refer to appendix 1.
(2) Including Class B LP units.
(3) The FFO per unit ratio is calculated by dividing the FFO (1) by the Trust's 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).

Adjusted Funds from Operations (AFFO) [(1)]

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

	2026 Q-2	2026 Q-1	2025 Q-4	2025 Q-3	2025 Q-2	2025 Q-1	2024 Q-4	2024 Q-3
(in thousands of dollars, except for per unit)	**$**	$	$	$	$	$	$	$
FFO [(1)]	**8,582**	8,596	8,438	10,187	7,099	9,880	9,656	9,426
Straight-line rental revenue adjustment	**(16)**	(454)	(416)	(592)	1,500	(381)	(374)	(247)
Accretion of effective interest	**490**	431	458	383	367	580	402	391
Amortization of other property and equipment	**16**	19	69	37	17	18	21	17
Unit-based compensation expenses	**616**	(75)	180	(6)	159	133	247	19
Provision for non-recoverable capital expenditures [(1)]	**(638)**	(639)	(647)	(658)	(610)	(688)	(654)	(650)
Provision for unrecovered rental fees [(1)]	**(375)**	(375)	(375)	(375)	(375)	(375)	(375)	(375)
AFFO [(1)]	**8,675**	7,503	7,707	8,976	8,157	9,167	8,923	8,581
Transaction costs on disposition of investment properties and mortgage early repayment fees	**24**	192	156	17	266	-	-	-
AFFO Adjusted [(1)]	**8,699**	7,695	7,863	8,993	8,423	9,167	8,923	8,581
AFFO per unit [(1) (2) (3)]	**9.7¢**	8.4¢	8.7¢	10.1¢	9.2¢	10.3¢	10.1¢	9.7¢
AFFO Adjusted per unit [(1) (2) (4)]	**9.8¢**	8.6¢	8.8¢	10.1¢	9.5¢	10.3¢	10.1¢	9.7¢
AFFO payout ratio [(1)]	**77.3%**	89.3%	86.2%	74.3%	81.8%	72.7%	74.5%	76.8%
AFFO Adjusted payout ratio [(1)]	**76.5%**	87.2%	85.2%	74.3%	79.2%	72.7%	74.5%	77.2%

(1) This is a non-IFRS financial measure, refer to appendix 1.
(2) Including Class B LP units.
(3) The AFFO per unit ratio is calculated by dividing the AFFO [(1)] by the Trust's 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).

APPENDIX 3: NON-IFRS FINANCIAL MEASURES – DEBT RATIOS

Debt Ratios

The following table summarizes the Trust's debt ratios as at June 30, 2025, and 2026 and December 31, 2025.

(in thousands of dollars)	June 30, 2026	December 31, 2025	June 30, 2025
	$	$	$
Cash and cash equivalents	**(601)**	(5,432)	(5,677)
Mortgage loans outstanding (1)	**663,652**	643,944	659,094
Convertible debentures (1)	**37,428**	37,108	36,816
Credit facilities	**44,744**	34,456	30,951
Total long-term debt less cash and cash equivalents (2) (3)	**745,223**	710,076	721,184
Total gross value of the assets of the Trust less cash and cash equivalents (2) (4)	**1,282,766**	1,245,284	1,263,906
Mortgage debt ratio (excluding convertible debentures and credit facilities) (2) (5)	**51.7%**	51.3%	51.7%
Debt ratio – convertible debentures (2) (6)	**2.9%**	3.0%	2.9%
Debt ratio – credit facilities (2) (7)	**3.5%**	2.8%	2.4%
Total debt ratio (2)	**58.1%**	57.0%	57.1%

(1) Before unamortized financing expenses and fair value assumption adjustments.
(2) This is a non-IFRS financial measure, refer to appendix 1.
(3) Long-term debt less free cash flow is a non-IFRS financial measure, calculated as total of: (i) fixed rate mortgage loans payable; (ii) floating rate mortgage loans payable; (iii) Series I convertibles debentures 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.