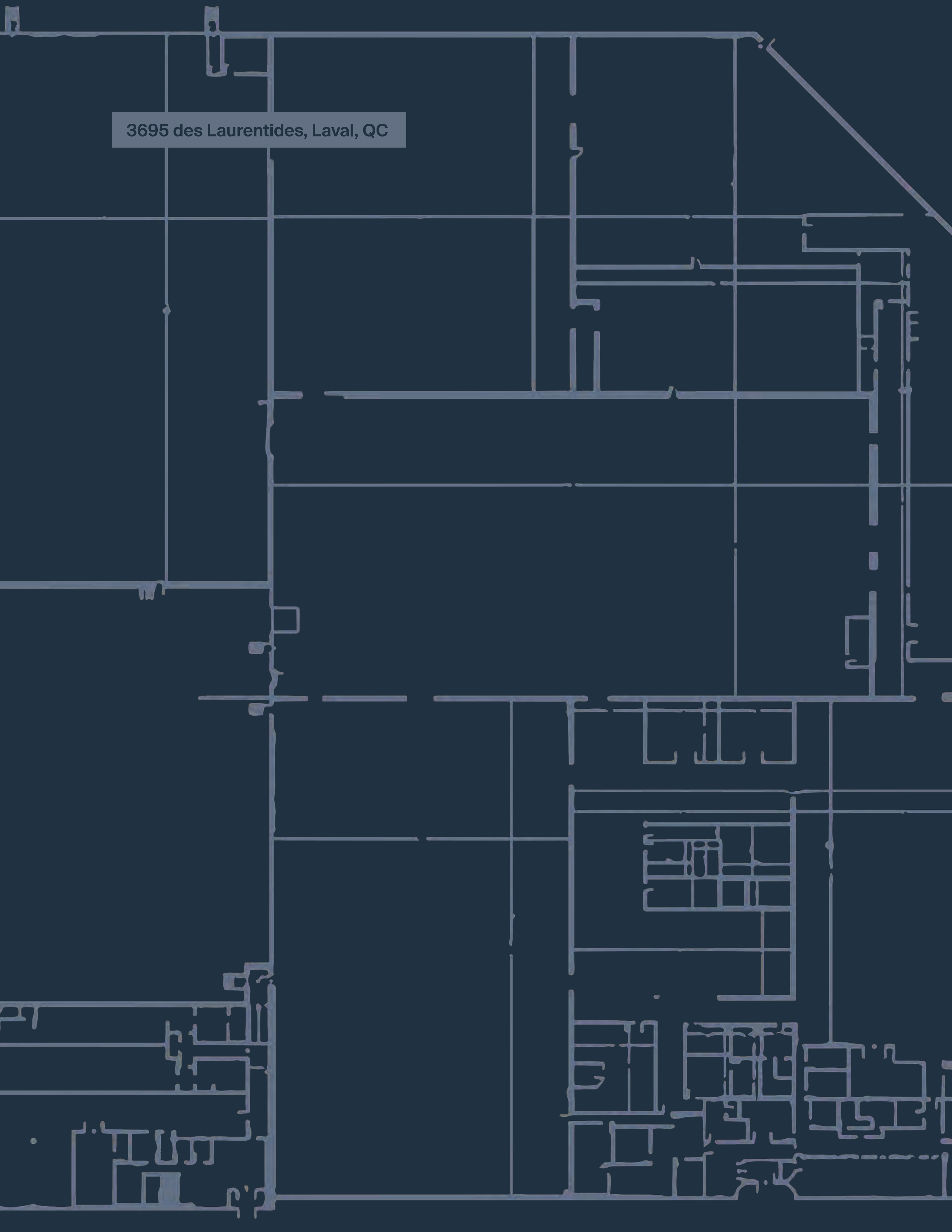
Q2 2026 Condensed Consolidated Interim Financial Statements

Positioned for Strategic Growth

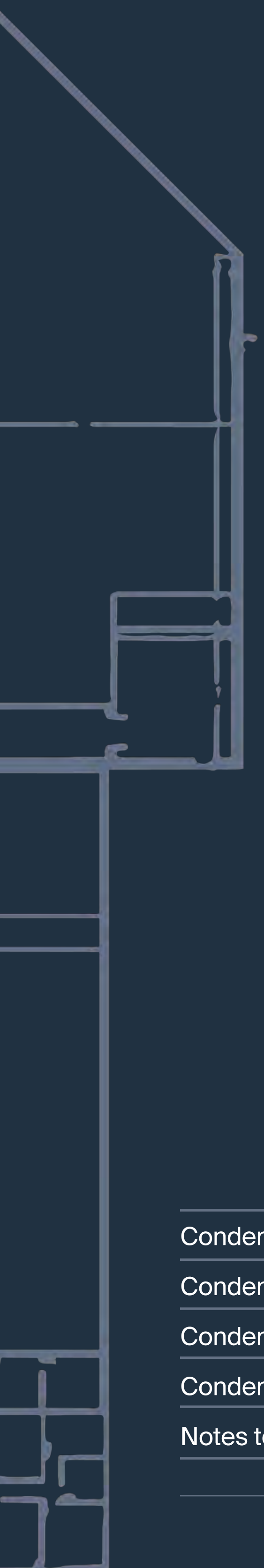
BTB



3695 des Laurentides, Laval, QC

Condensed Consolidated Interim Financial Statements

Three-month and six-month periods ended June 30, 2026



Condensed Consolidated Interim Statements of Financial Position

(Unaudited - in thousands of CAD dollars)

		As at June 30,	As at December 31,
	Notes	2026	2025
		$	$
Assets			
Investment properties	3	1,251,095	1,217,957
Property and equipment		209	236
Prepaid expenses and deposits		11,977	3,451
Finance lease receivable		10,347	10,371
Receivables	4	6,149	5,481
Balance of sale	4	1,000	1,000
Cash and cash equivalents		601	5,432
Total assets		**1,281,378**	**1,243,928**
Liabilities and unitholders' equity			
Mortgage loans payable	5	661,382	641,450
Convertible debentures	6	35,842	35,341
Bank loans	7	44,744	34,456
Lease liabilities		8,906	8,929
Class B LP Units	8	2,699	2,852
Unit-based compensation	10	3,069	3,444
Derivative financial instruments	9	1,622	4,148
Trade and other payables		25,331	20,127
Distribution payable to unitholders		2,211	2,207
Total liabilities		**785,806**	**752,954**
Unitholders' equity		**495,572**	**490,974**
		1,281,378	**1,243,928**

See accompanying notes to condensed consolidated interim financial statements.

Approved by the Board on August 11, 2026.

Michel Léonard, Trustee

Luc Martin, Trustee

Condensed Consolidated Interim Statements of Comprehensive Income

(Unaudited - in thousands of CAD dollars)

		For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	Notes	**2026**	**2025**	**2026**	**2025**
		$	$	$	$
Operating revenues					
Rental revenue	12	31,874	30,513	63,833	64,924
Operating expenses					
Public utilities and other operating expenses		5,713	6,155	12,920	13,623
Property taxes and insurance		7,237	7,229	14,211	14,351
		12,950	13,384	27,131	27,974
Net operating income		**18,924**	**17,129**	**36,702**	**36,950**
Financial income		263	348	528	775
Expenses					
Financial expenses		9,132	9,090	18,241	18,764
Distributions - Class B LP Units	8	53	52	105	104
Fair value adjustment – Class B LP Units	8	49	167	(153)	195
Net adjustment to fair value of derivative financial instruments		(1,349)	(176)	(2,526)	692
Net financial expenses	13	7,885	9,133	15,667	19,755
Administration expenses		2,509	2,584	4,217	4,602
Net change in fair value of investment properties and disposition expenses	3	24	(434)	216	(434)
Net income and comprehensive income for the period		**8,769**	**6,194**	**17,130**	**13,802**

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, 2026		**405,709**	**(280,793)**	**366,058**	**490,974**
Issuance of units, net of issuance expenses	11	724	-	-	724
Distribution to unitholders	11	-	(13,256)	-	(13,256)
		406,433	(294,049)	366,058	478,442
Comprehensive income		-	-	17,130	17,130
Balance as at June 30, 2026		**406,433**	**(294,049)**	**383,188**	**495,572**

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**

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	2026	2025	2026	2025
		$	$	$	$
Operating activities					
Net income for the period		8,769	6,194	17,130	13,802
Adjusted for:					
Net change in fair value of investment properties and disposition expenses	3	24	(434)	216	(434)
Depreciation of property and equipment	14	16	17	35	35
Unit-based compensation	10	284	360	393	554
Straight-line lease adjustment	12	(16)	1,500	(470)	1,119
Lease incentive amortization	12	860	836	1,709	1,633
Financial income		(263)	(348)	(528)	(775)
Net financial expenses	13	7,885	9,133	15,667	19,755
		17,559	17,258	34,152	35,689
Adjustment for changes in other working capital items		1,064	1,529	(3,941)	(1,539)
Net cash from operating activities		**18,623**	**18,787**	**30,211**	**34,150**
Investing activities					
Acquisitions of investment properties net of mortgage loans assumed	3	(2,232)	-	(33,894)	-
Additions to investment properties and others	3	(5,054)	(3,058)	(7,379)	(5,551)
Construction on investment property	3	-	-	-	(101)
Net proceeds from dispositions of investment properties and transaction costs	3	-	2,994	1,857	2,994
Net cash from (used in) investing activities		**(7,286)**	**(64)**	**(39,416)**	**(2,658)**
Financing activities					
Mortgage loans, net of financing expenses		150	26,933	43,649	27,999
Repayment of mortgage loans		(4,748)	(27,040)	(19,539)	(31,914)
Bank loans		7,481	(3,366)	10,220	(13,429)
Lease liability payments		(12)	(15)	(23)	(20)
Net proceeds from convertible debentures		-	-	-	38,172
Repayment of convertible debenture	6	-	-	-	(19,917)
Net distribution to unitholders	11	(6,634)	(6,619)	(13,256)	(12,654)
Net distribution – Class B LP units	8	(53)	(52)	(105)	(104)
Interest paid		(8,368)	(8,337)	(16,572)	(16,419)
Net cash (used in) from financing activities		**(12,184)**	**(18,496)**	**4,374**	**(28,286)**
Net change in cash and cash equivalents		**(847)**	**227**	**(4,831)**	**3,206**
Cash and cash equivalents, beginning of period		**1,448**	**5,450**	**5,432**	**2,471**
Cash and cash equivalents, end of period		**601**	**5,677**	**601**	**5,677**

See accompanying notes to condensed consolidated interim financial statements.

Notes to Condensed Consolidated Interim Financial Statements

For the six-months ended June 30, 2026 and 2025
(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, 2026 and 2025 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, 2025.

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, 2025.

These unaudited condensed consolidated interim financial statements were approved by the Board of Trustees on August 11, 2026.

(b) 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.

(c) 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,
	2026	**2025**
	$	$
Balance beginning of period	1,217,957	1,233,282
Adjustments to right-of-use assets	-	295
Acquisitions of investment properties (note 3(a))	38,698	-
Dispositions of investment properties (note 3(b))	(11,700)	(19,715)
Construction on investment property	-	101
Capital expenditures	3,082	4,867
Capitalized leasing fees	1,024	2,345
Capitalized lease incentives	3,273	4,882
Lease incentives amortization	(1,709)	(3,339)
Straight-line lease adjustment	470	(111)
Net changes in fair value of investment properties	-	(4,650)
Balance end of period	**1,251,095**	**1,217,957**

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, 2026, no independent external appraisals were obtained for investment properties (December 31, 2025 - appraisals were obtained for investment properties having a total fair value of $702,785).

The fair value of the remaining investment properties is determined by management using internally generated valuations based on the discounted cash flow method.

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 period 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, 2026			
Capitalization rate	5.50% - 7.50%	6.00% - 8.25%	5.75% - 7.50%
Terminal capitalization rate	5.75% - 8.00%	6.25% - 8.50%	6.00% - 7.75%
Discount rate	6.25% - 8.75%	6.75% - 9.00%	6.50% - 8.25%
Weighted average capitalization rate	6.23%	6.98%	7.00%
As at December 31, 2025			
Capitalization rate	5.50% - 7.50%	6.00% - 8.50%	5.75% - 7.75%
Terminal capitalization rate	5.75% - 8.00%	6.25% - 8.50%	6.00% - 8.00%
Discount rate	6.25% - 8.75%	6.75% - 9.00%	6.50% - 8.75%
Weighted average capitalization rate	6.18%	6.98%	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, 2026, which is representative of the sensitivity to changes in the discount rate and terminal capitalization rate as at June 30, 2026.

Capitalization rate sensitivity Increase (decrease)	Fair Value	Change in fair value
	$	$
(0.50)%	1,353,153	102,058
(0.25)%	1,300,102	49,007
Base rate	1,251,095	-
0.25%	1,205,682	(45,413)
0.50%	1,163,478	(87,617)

(a) Acquisitions

The fair value of the assets and liabilities recognized in the consolidated statement of financial position on the date of the acquisition during the six-month period ended June 30, 2026, were as follows:

Fair value recognized on acquisition						
Acquisition date	**Property type**	**Location**	**Interest acquired**	**Investment properties, including acquisition costs**	**Mortgage loan assumed**	**Net consideration**
			%	$	$	$
March 2026	Industrial	Edmonton, AB	100	31,662	-	31,662
April 2026	Office	Gatineau, QC	50	7,036	4,804	2,232
Total				**38,698**	**4,804**	**33,894**

(b) Dispositions

The fair value of the assets and liabilities derecognized in the consolidated statement of financial position on the date of the disposition were as follows:

Disposal date	Property type	Location	Gross proceeds	Balance of sale	Mortgage reimbursement	Disposition expenses	Net proceeds
				$	$	$	$
March 2026	Retail	Québec, QC	11,700	-	(9,651)	(216)	1,833
Total			**11,700**	**-**	**(9,651)**	**(216)**	**1,833**

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

	Three-month periods ended June 30,		Six-month periods ended June 30,	
	2026	**2025**	**2026**	**2025**
	$	$	$	$
Net changes in fair value of investment properties (loss)/gain	-	700	-	700
Disposition expenses	(24)	(266)	(216)	(266)
	(24)	**434**	**(216)**	**434**

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 the three-month and six-month periods ended June 30, 2026, and June 30, 2025.

Periods ended June 30 (in thousands of dollars)	**Quarter**		**Cumulative (6 months)**	
	2026	**2025**	**2026**	**2025**
	$	**$**	**$**	**$**
Industrial	-	700	-	700
Suburban office	-	-	-	-
Necessity-based retail	-	-	-	-
Total change in fair value	-	**700**	-	700

4. Receivables

	As at June 30,	As at December 31,
	2026	**2025**
	$	$
Rents receivable	6,185	4,699
Allowance for expected credit losses	(1,301)	(1,683)
Net rents receivable	4,884	3,016
Unbilled recoveries	974	1,863
Other receivables	291	602
Total	**6,149**	**5,481**

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.

Balance of sale

The balance of sale consists of a loan receivable due July 11, 2027, bearing interest at 5% annually for the term. The balance of sale as at June 30, 2026 is $1,000 (December 31, 2025 - $1,000).

5. Mortgage Loans Payable

Mortgage loans payable are secured by immovable hypothecs on investment properties having a fair value of approximately $1,207,698 as at June 30, 2026 (December 31, 2025 – $1,178,560).

	As at June 30,	As at December 31,
	2026	**2025**
	$	$
Fixed rate mortgage loans payable	553,449	538,918
Floating rate mortgage loans payable	110,203	105,026
Unamortized financing expenses	(2,270)	(2,494)
Mortgage loans payable	**661,382**	**641,450**
Short-term portion	142,956 [1]	214,892
Weighted average interest rate	4.44%	4.36%
Weighted average term to maturity (years)	2.15	2.33
Range of annual rates	3.20% - 6.46%	3.10% - 6.80%

(1) For the six-month period remaining

As at June 30, 2026, the mortgage loan scheduled repayments are as follows:

	Scheduled repayments	Principal maturity	Total
	$	$	$
2026 (1)	8,756	134,200	142,956
2027	13,631	140,401	154,032
2028	9,579	84,100	93,679
2029	6,033	142,662	148,695
2030	3,744	36,743	40,487
Thereafter	6,111	77,692	83,803
	47,854	**615,798**	**663,652**
Unamortized financing expenses and fair value assumption adjustments			(2,270)
			661,382

(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, 2026	As at December 31, 2025
	$	%			$	$
June 2016	13,000	3.46	Quarterly	June 2026	-	9,473
November 2017	23,075	3.99	Monthly	December 2027	17,585	17,962
May 2024	16,860	6.13	Monthly	April 2031	16,251	16,410
June 2024	25,400	6.23	Monthly	June 2029	24,480	24,725
August 2024	23,132	3.98	Monthly	November 2027	20,597	21,032
September 2024	11,000	4.70	Monthly	September 2029	10,391	10,570
Total	**112,467**				**89,304**	**100,172**

6. Convertible Debentures

As at June 30, 2026 and 2025, the Trust had the following subordinated, unsecured, convertible debenture outstanding.

	Capital	Non-derivative liability component at issuance	Financing expenses at issuance	Interest rates Coupon	Interest rates Effective	Unit conversion price	Interest payments	Maturity
				%	%	$		
Series I	40,250	3,676	2,077	7.25	8.54	4.10	Semi-annual	February 2030

	Series I
	$
As at June 30, 2026	
Non-derivative liability component upon issuance	36,574
Accretion of non-derivative liability component	854
	37,428
Conversion options exercised by holders	-
	37,428
Unamortized financing expenses	(1,586)
Non-derivative liability component	35,842
Conversion and redemption options liability component at fair value	**1,601**

Series I

On January 23, 2025, the Trust issued Series I unsecured, subordinated, convertible 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, 2026, no conversion options have been exercised by holders of 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, 2026, $39,651 was due under the revolving credit facility (December 31, 2025, $31,856).

The revolving credit facility is secured by an immoveable first rank hypothec on two properties having a fair value of $39,391, by an immoveable second rank hypothec on two properties having a fair value of $60,666 and by negative pledge of a selection of borrowing base properties having a fair value of $354,780.

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, 2026, $4,150 was due under this line of credit (December 31, 2025 – $2,600). The line of credit is secured by an immoveable second rank hypothec on four properties having a fair value of $90,860.

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, 2026, $943 was due under the operating line of credit (December 31, 2025 – $0).

8. Class B LP Units

	Six-month period ended June 30, **2026**		Year ended December 31, **2025**	
	Units	$	Units	$
Units outstanding, beginning of period	697,265	2,852	697,265	2,343
Fair value adjustment	-	(153)	-	509
Units outstanding, end of period	**697,265**	**2,699**	**697,265**	**2,852**

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,	
	2026	**2025**	**2026**	**2025**
	$	$	$	$
Distribution to Class B LP unitholders	53	52	105	104
Distribution per Class B LP unit	0.075	0.075	0.150	0.150

9. Fair Value Measurement

The following table 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, 2026, because of their short-term maturity or because they bear interest at current market rates.

As at June 30, 2026	Carrying amount			Fair value
		Level 1	Level 2	Level 3
	$	$	$	$
Measured at fair value				
Conversion and redemption options of convertible debentures (note 6)	1,601	-	-	1,601
Interest rate swap liability	21	-	21	-
Class B LP Units (note 8)	2,699	2,699	-	-
For which fair values are disclosed				
Mortgage loans payable (note 5)	663,652	-	659,945	-
Convertible debentures, including their conversion and redemption features (note 6)	37,443	43,824	-	-
Bank loans (note 7)	**44,744**	**-**	**44,744**	**-**

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 table 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
	$
Six-months period ended June 30, 2026	
Balance beginning of period	3,377
Change for the period recognized in profit or loss under net adjustment to fair value of derivative financial instruments	(1,776)
Balance end of period	**1,601**

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, 2026:

	Conversion and redemption options of convertible debentures	Volatility
	$	%
Volatility sensitivity		
Increase (decrease)		
(0.50)%	1,499	16.03
June 30, 2026	1,601	16.53
0.50%	1,703	17.03

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,	2026	2025
	Deferred units	Deferred units
Outstanding, beginning of period	290,806	213,792
Trustees' compensation	28,633	29,747
Distributions paid in units	11,556	9,990
Outstanding, end of period	**330,995**	**253,529**

As at June 30, 2026, the liability related to the plan was $1,281 (December 31, 2025 - $1,190). The related figures recorded in the statement of comprehensive income amounted to an expense of $103 and $91 for the three and six-month periods ended June 30, 2026 (for the three and six-month periods ended June 30, 2025 – expense of $121 and $200).

(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, 2026, the liability related to the plan was $0 (December 31, 2025 - $123). The related expense recorded in the statement of comprehensive income amounted to $0 and $9 for the three and six-month periods ended June 30, 2026 (for the three and six-month periods ended June 30, 2025 - expense of $7 and $21). The 32,130 units related to 2025 purchases were issued in March 2026 (29,710 units related to 2024 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,	**2026**	**2025**
	Restricted units	Restricted units
Outstanding, beginning of period	504,037	301,249
Granted	266,693	257,284
Cancelled	(47,363)	(8,181)
Settled	(156,004)	(38,890)
Outstanding, end of period	**567,363**	**511,462**

As at June 30, 2026, the liability related to the plan was $977 (December 31, 2025 - $1,289). The related expense recorded in the statement of comprehensive income amounted to $182 and $324 for the three and six-month periods ended June 30, 2026 (for the three and six-month periods ended June 30, 2025 – expense of $181 and $284).

(d) Cash settled share-based retirement compensation plan

As at June 30, 2026, the long-term obligation related to the plan was $811 (December 31, 2025 - $842). The related revenue recorded in the statement of comprehensive income amounted to $1 and $31 for the three and six-month periods ended June 30, 2026 (for the three and six-month periods ended June 30, 2025 – expense of $51 and $49).

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,		**2026**
	Units	$
Trust units outstanding, beginning of period	88,268,679	405,709
Issue pursuant to the employee unit purchase plan (note 10 (b))	32,130	133
Issue pursuant to the restricted unit compensation plan (note 10 (c))	156,004	591
Trust units outstanding, end of period	**88,456,813**	**406,433**

(a) Distribution reinvestment plan

BTB offers a distribution reinvestment plan for its trust unitholders. Participation in the plan is optional and under the terms of the plan, the unitholders can elect to have the cash distributions reinvested in additional trust units. The trust units are issued from BTB's treasury at a price based on the volume-weighted average of the trading prices on the Toronto Stock Exchange for the last five trading days before the distribution date, less a 3% discount. The distribution reinvestment plan was suspended on February 24, 2025.

(b) Distributions

	Three-month periods ended June 30,		Six-month periods ended June 30,	
	2026	**2025**	**2026**	**2025**
	$	$	$	$
Distribution to unitholders	6,634	6,620	13,256	13,234
Distribution per Trust unit	0.075	0.075	0.150	0.150

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

As of June 30, 2026, no units have been repurchased for cancellation.

(d) 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 at-the-market equity program (the "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.

12. Rental Revenues

	Three-month periods ended June 30,		Six-month periods ended June 30,	
	2026	**2025**	**2026**	**2025**
	$	$	$	$
Base rent and other lease generated revenues	20,142	20,012	39,560	40,195
Lease cancellation fees	2	-	2	981
Property tax and insurance recoveries	6,525	6,835	13,070	13,630
	26,669	26,847	52,632	54,806
Operating expenses recoveries and other revenues	6,049	6,002	12,440	12,870
Lease incentive amortization	(860)	(836)	(1,709)	(1,633)
Straight-line lease adjustment	16	(1,500)	470	(1,119)
	31,874	**30,513**	**63,833**	**64,924**

13. Net Financial Expenses

	Three-month periods ended June 30,		Six-month periods ended June 30,	
	2026	**2025**	**2026**	**2025**
	$	$	$	$
Interest on mortgage loans payable	7,109	7,289	14,303	14,590
Interest on convertible debentures	729	728	1,456	1,482
Interest on bank loans	516	439	1,002	914
Interest on lease liabilities	111	109	223	217
Other interest expense	10	13	16	31
Accretion of non-derivative liability component of convertible debentures	167	145	320	583
Accretion of effective interest on mortgage loans payable and convertible debentures	490	367	921	947
Distributions - Class B LP Units	53	52	105	104
Fair value adjustment – Class B LP Units	49	167	(153)	195
Net adjustment to fair value of derivative financial instruments	(1,349)	(176)	(2,526)	692
	7,885	**9,133**	**15,667**	**19,755**

14. Expenses by Nature

	Three-month periods ended June 30,		Six-month periods ended June 30,	
	2026	**2025**	**2026**	**2025**
	$	$	$	$
Depreciation	16	17	35	35
Employee compensation and benefits expense	2,808	2,654	5,631	5,394

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,	
	2026	**2025**	**2026**	**2025**
	$	$	$	$
Net income	8,769	6,194	17,130	13,802
Weighted average number of trust units outstanding – basic (1)	89,075,783	88,946,175	89,049,952	88,843,659
Earnings per unit – basic	**0.10**	**0.07**	**0.19**	**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, 2026, 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, 2026				
Investment properties	474,746	513,842	262,507	**1,251,095**
Rental revenue from properties	8,605	15,441	7,828	**31,874**
Net operating income	5,921	8,146	4,857	**18,924**
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**

	Industrial	Suburban office	Necessity-based retail	Total
	$	$	$	**$**
Six-month period ended June 30, 2026				
Rental revenue from properties	16,802	31,040	15,991	**63,833**
Net operating income	11,404	15,683	9,615	**36,702**
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**

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 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.