

Form 62-103F1

REQUIRED DISCLOSURE UNDER THE EARLY WARNING REQUIREMENTS

Item 1 – Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

This report relates to trust units (“**Trust Units**”) of BSR Real Estate Investment Trust (the “**Issuer**” or the “**REIT**”), an unincorporated open-ended real estate investment trust established under the laws of the Province of Ontario, and class B units (the “**Class B Units**”) of BSR Trust, LLC (“**BSR**”), a Delaware limited liability company and the operating subsidiary of the Issuer, which securities are beneficially owned by John S. Bailey as detailed in the transactions outlined in Item 2.2.

The Class B Units are economically equivalent to Trust Units and are redeemable for cash or Trust Units (on a one-for-one basis subject to certain customary anti-dilution adjustments) as determined by BSR in its sole discretion. The holders of Class B Units are entitled to receive distributions from BSR on the same per unit basis as the holders of Trust Units.

The Issuer’s address is:

BSR Real Estate Investment Trust
333 Bay Street, Suite 3400
Toronto, Ontario
M5H 2S7

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

Not applicable.

See Item 2.2.

Item 2 – Identity of the Acquiror

2.1 State the name and address of the acquiror.

The acquiror is John S. Bailey (the “**Acquiror**”).

The Acquiror’s address is:
1400 W. Markham, Suite 202
Little Rock, AR 72201
Attn: John S. Bailey

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

On December 26, 2025, the Acquiror reported that he no longer had voting control over 2,000,000 Trust Units of the REIT held by a trust established for the benefit of certain executive

officers and employees of the REIT (the “**Employee Trust**”). Since the establishment of the trust, Mr. Bailey held only voting control over the related Trust Units. The 2,000,000 Trust Units remain held by the Employee Trust and have not been transferred or sold. The Acquiror’s, voting control has ceased effective today. Voting control of the Trust Units is now held by W. Daniel Hughes, a trustee of the REIT.

On February 24, 2020, the Acquiror announced that J&P Unit Holding, LLC (“**J&P**”), a company 100% indirectly owned by the Acquiror, had sold 2,000,000 Trust Units to the Employee Trust, with J&P maintaining voting control over such Trust Units pursuant to a voting agreement between J&P and the Employee Trust (the “**Voting Agreement**”). The Voting Agreement was terminated on December 26, 2025 in accordance with its terms. As a result, the Acquiror no longer has control over the 2,000,000 Trust Units held by the Employee Trust. In addition, W. Daniel Hughes Jr., a trustee of the REIT, has replaced Daniel M. Oberste, the REIT’s President & Chief Executive Officer, as the sole trustee of the Employee Trust. Mr. Hughes will exercise control and direction over the 2,000,000 Trust Units held by the Employee Trust for the benefit of the employees.

2.3 State the names of any joint actors.

The persons set out on Schedule A attached hereto (the “**Joint Actors**”) are entities holding Trust Units or Class B Units beneficially owned, or over which control or direction is exercised, by the Acquiror, and are acting jointly or in concert with the Acquiror in connection with the matters set out herein.

Item 3 – Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror’s securityholding percentage in the class of securities.

As a result of the termination of the Voting Agreement, the Acquiror’s (together with his Joint Actors’) beneficial ownership interest in the Issuer has decreased in an amount greater than 2% of the outstanding Trust Units that were the subject of the most recent report filed by the Acquiror pursuant to National Instrument 62-103 – *The Early Warning System and Related Take Over Bids and Insider Reporting Issues*.

Prior to the termination of the Voting Agreement, the Acquiror, together with his Joint Actors, beneficially owned or exercised control or direction over 3,865,276 Trust Units and 1,771,116 Class B Units, which together represented an approximate 14.57% interest in the REIT (determined as if all Class B Units are redeemed for Trust Units), an approximate 15.82% interest in the outstanding Trust Units (determined as if only the Acquiror’s, together with his Joint Actors’, Class B Units are redeemed for Trust Units), and an approximate 36.82% interest in the outstanding Class B Units.

Following the termination of the Voting Agreement, the Acquiror, together with his Joint Actors, owns or exercises control or direction over 1,865,276 Trust Units and 1,771,116 Class B Units, which together represented an approximate 9.40% interest in the REIT (determined as if all Class B Units are redeemed for Trust Units), an approximate 10.20% interest in the outstanding Trust Units (determined as if only the Acquiror’s, together with his Joint Actors’, Class B Units are redeemed for Trust Units), and an approximate 36.82% interest in the outstanding Class B Units.

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.

See Item 2.2.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

See Item 3.1.

3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which

(a) the acquiror, either alone or together with any joint actors, has ownership and control,

See Item 3.1.

(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and

Not applicable.

(c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

Not applicable.

3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.

Not applicable.

3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

Not applicable.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

Item 4 – Consideration Paid

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

See Item 2.2.

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

See Item 2.2.

- 4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.**

See Item 2.2.

Item 5 – Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;**

- (f) a material change in the reporting issuer’s business or corporate structure;
- (g) a change in the reporting issuer’s charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;
- (j) a solicitation of proxies from securityholders;
- (k) an action similar to any of those enumerated above.

The Trust Units and Class B Units held by the Acquiror, together with his Joint Actors, are being held for investment purposes and the Acquiror, together with his Joint Actors, may, depending on market and other conditions, increase or decrease their beneficial ownership or control of Trust Units and Class B Units whether through market transactions, private agreements, treasury issuances, exercise of convertible securities or otherwise. The Acquiror, together with his Joint Actors, also expects to evaluate on an ongoing basis the REIT’s financial condition and prospects and their interest in, and intentions with respect to, the REIT, and may propose various strategic transactions or changes, any of which, if effected, could result in the occurrence of any of the matters identified in Items 5(a)–(k) of this report. As part of its ongoing evaluation of this investment, the Acquiror, together with his Joint Actors, may at any time consider such matters and, subject to applicable laws, formulate a plan with respect to such matters. From time to time, Acquiror may hold discussions with management, members of the board of trustees of the REIT, other unitholders or other third parties regarding such matters.

Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder’s fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Investor Rights Agreement

The Issuer, BSR and certain members and affiliates of the Bailey family and the Hughes family (the “**Bailey/Hughes Holders**”) are parties to an Amended and Restated Investor Rights Agreement dated April 30, 2025 (the “**Amended and Restated IRA**”). Pursuant to the Amended and Restated IRA, the Bailey/Hughes Holders have the right to nominate one trustee of the Issuer, subject to the Bailey/Hughes Holders maintaining an aggregate ownership interest in the Issuer above 10% (determined as if all Class B Units are redeemed for Trust Units).

Bailey/Hughes Unitholders Agreement

On closing of the Issuer’s initial public offering, the Bailey/Hughes Holders entered into a unitholders agreement (the “**Bailey/Hughes Unitholders Agreement**”) which sets out how the Bailey/Hughes Holders may collectively assert their rights under the Amended and Restated IRA. For purposes of the Bailey/Hughes Unitholders Agreement, each Bailey/Hughes Holder is entitled to one vote for each Class B Unit or Trust Unit owned by such Bailey/Hughes Holder.

A summary description of the material terms of the Amended and Restated IRA and the Bailey/Hughes Unitholders Agreement is included in the Issuer’s most recent annual information form. A copy of the Amended and Restated IRA and the Bailey/Hughes Unitholders Agreement are also available under the Issuer’s profile on SEDAR+ at www.sedarplus.ca

Item 7– Change in Material Fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer’s securities.

The Voting Agreement has been terminated. See Item 2.2.

Item 8 – Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

Item 9 – Certification

I, as the Acquiror, certify, or I, as the agent filing this report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

December 26, 2025

Date

“John S. Bailey”

John S. Bailey

SCHEDULE A

J&P Unit Holding, LLC
Bailey GST Exempt Children's Trust
The Ted Bailey Family Annual Gift Trust
Unity Holdings, LLC
The John S. Bailey Trust
BSR Unit Holdings, LLC
Bailey Holding Company, LLC