



PRESS RELEASE  
For immediate release

## **BTB Provides an Update Regarding Rent Collections Amidst The COVID-19 Pandemic**

Montréal (Québec) July 13<sup>th</sup>, 2020: BTB Real Estate Investment Trust (TSX: **BTB.UN**) ("**BTB**" or the "**REIT**") provides unitholders with an update of BTB's operations and rent collections for the months affected by the COVID-19 pandemic.

### **A MESSAGE FROM MICHEL LÉONARD, PRESIDENT AND CEO**

Our rent collections during the past three months (April, May and June 2020) have seen gradual monthly increases from each operational segment. As we noted in our monthly rent collection press releases, our team has been diligent regarding our rent collections and will maintain the same motivation for the months to come.

#### **Actual Rent Collections:**

In accordance with the following operational segments, our total rent collections for the months of April, May and June 2020 stood at 90 %<sup>1</sup> :

- **Office:** 93.7 %;
- **Retail:** 76.2 %;
- **Industrial:** 96.7 %;
- **Mixed Use:** 97.1 %.

#### **Deferred Rent Collections:**

Taking into account the rent deferral agreements that were negotiated during the past three months, the REIT has secured 93%<sup>2</sup> of its rental income due to approximately 3% of rent deferral agreements signed with tenants. As such, the following numbers constitute BTB's rent collections, per operational segment, taking into account concluded deferral agreements:

- **Office:** 96 %;
- **Retail:** 82 %;
- **Industrial:** 100 %;
- **Mixed Use:** 100 %.

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<sup>1</sup> Please note that this calculation is based on a weighted average per operational segment.

<sup>2</sup> See point 1.



## FINANCIAL EFFECT OF THE CECRA FEDERAL PROGRAM

In our press release detailing our collections for the month of May 2020, we stated that approximately 100 of our tenants would be eligible for the program. However, after conducting a more detailed analysis, we concluded that approximately 156 of our tenants could benefit from the federal program.

To date, out of 156, only 33 tenants have confirmed their intent to participate in the program and have completed the legal documentation for their application, whilst 43 tenants have sent a written withdrawal notice from the program, therefore leaving 80 potential tenants that we understand could benefit from the program.

Should all of these 113 tenants apply for the program<sup>3</sup>, it would represent roughly 2.2M\$ of rental revenues for the cumulative period of April to June 2020 (Q2). Taking into account the 25% of gross rent payable by these tenants, the 50% of the gross rent payable by the CMHC under the program and the potential 12.5% of the gross rent payable by the Québec Government, BTB estimates the loss or effect on its total revenues associated to the CECRA program will be approximately 275,000 \$.

The potential gross rent to be received from the tenants (and the two levels of government) that have applied to the CECRA program have not been taken into consideration in the previous collection percentages. As such, we estimate that the CECRA program will generate approximately an additional 3% of rental income, thus bringing us to a total collection percentage of approximately 96% for the period.

There have been many discussions in the media stating that landlords are not providing the necessary help to tenants, thus choosing to opt-out of the program. BTB is opting in the program. With the risks associated with opting out such as; tenant non-renewals; tenant failure to pay rent for the full 3 month period affected by COVID-19; and the challenge to re-lease space due to business failures, BTB elected to participate in the program to create sustainable relationships with our tenants, to maintain our positive and mutually beneficial relationship with them and by adopting a long-term view to our business.

## ABOUT BTB

BTB is a real estate investment trust listed on the Toronto Stock Exchange. BTB is an important owner of properties in eastern Canada. As at July 13<sup>th</sup>, 2020, BTB owns 64 retail, office and industrial properties for a total leasable area of approximately 5.3 million square feet and an approximate total asset value of approximately of \$930M.

## BTB'S OBJECTIVES

- (1) Generate stable monthly cash distributions that are reliable and fiscally beneficial to unitholders;

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<sup>3</sup> 113 tenants being the 33 confirmed cases and 80 pending a withdrawal or confirmation.

- (2) Grow the Trust's assets through internal growth and accretive acquisitions in order to increase distributable income and therefore refund distributions;
- (3) Optimize the value of its assets through the dynamic management of its properties in order to maximize the long-term value of its properties and therefore, its units.

BTB offers a distribution reinvestment plan to unitholders whereby the participants may elect to have their monthly cash distribution reinvested in additional units of BTB at a price based on the weighted average price for BTB's Units on the Toronto Stock Exchange for the five trading days immediately preceding the distribution date, discounted by 3%.

For more detailed information, visit BTB's website at [www.btbreit.com](http://www.btbreit.com).

**FOR FURTHER QUESTIONS:**

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