

FOR IMMEDIATE RELEASE



## **BTB ANNOUNCES \$25 MILLION BOUGHT DEAL OF TRUST UNITS**

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Montreal, Québec (May 30, 2018): BTB Real Estate Investment Trust (TSX: BTB.UN) ("**BTB**" or the "**REIT**") announces today that it has reached an agreement with a syndicate of underwriters led by National Bank Financial Inc. and including TD Securities Inc., Echelon Wealth Partners Inc., Laurentian Bank Securities Inc., Raymond James Ltd., Scotiabank, GMP Securities L.P. and Industrial Alliance Securities Inc. (together, the "**Underwriters**") to issue to the public, subject to regulatory approval, on a bought deal basis 5,435,000 trust units (the "**Units**") at a price of \$4.60 per Unit for gross proceeds of approximately \$25 million. The REIT has granted the Underwriters an over-allotment option exercisable in whole or in part at any time up to 30 days after closing to purchase up to an additional 815,250 Units at the same offering price.

The net proceeds from the offering (after deducting the Underwriters' fee and expenses of the offering) will be used to finance the acquisition of two properties (as defined below). Should either or both of these acquisitions not materialize, BTB will use the unallocated net proceeds to repay all or a portion of the amounts outstanding on its acquisition line of credit and for general trust purposes.

The REIT will file with the securities commissions and other similar regulatory authorities in each of the provinces of Canada a short form preliminary prospectus relating to the offering of the Units on or about June 5, 2018. Closing of the offering is expected to take place on or about June 19, 2018.

This press release does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities being offered have not been and will not be registered under the U.S. Securities Act of 1933 as amended and may not be offered or sold in the United States absent registration or pursuant to applicable exemption from registration.

### Acquisition of a Mixed-Use Office and Retail Property in Montreal

The REIT is finalizing due diligence for the acquisition of a retail property located at 1325 Saint-Catherine Street West and an adjacent mixed-use property located at 1411 Crescent Street in Montreal for a total purchase price of \$30.2 million excluding transaction fees, at a normalized capitalization rate of 6.75%. It is expected that approximately \$18.0 million of the net purchase price will be financed by way of a new mortgage on the property with the balance being funded using a portion of the proceeds of the offering. The

properties comprise approximately 31,000 sq. ft., with one property being a single story commercial property and the other being the adjacent 5-story building strategically situated on the prime commercial artery of Montreal with retail tenants on the ground floor and office space on the floors above. BTB would use one and a half story for its head office premises (having recently sold its current head office) while a major international retailer occupies part of a floor. The remaining space would be subject to a head lease with the seller until December 31<sup>st</sup> 2018, the value of which is approximately \$567,000. BTB expects to lease the vacant spaces within the next 24 months. The acquisition is expected to close within the next 4 weeks, subject to completing confirmatory due diligence and customary closing conditions.

#### Acquisition of a Retail Property in Lévis

The REIT is also finalizing due diligence for the acquisition of a strip mall located in Lévis, Québec, known as “Mega Centre Rive-Sud”, comprising approximately 207,000 square feet for a total purchase price of \$43 million. The largest tenant of this property is Wal-Mart, which occupies approximately 112,000 square feet. The occupancy rate of this property is 99.3%. BTB expects to finance this acquisition through the assumption of the current outstanding mortgage on the property in the amount of approximately \$26.1 million and the balance using a portion of the net proceeds of the offering. The acquisition is expected to close within 6 weeks, subject to completing confirmatory due diligence and customary closing conditions.

#### Acquisition of 25% Remaining Stake in Complexe Lebourgneuf Phase 2

Concurrent with these two acquisitions, BTB is also purchasing the remaining 25% equity stake in Complexe Lebourgneuf Phase 2 in Quebec City (the REIT currently owns 75% of the property) for \$7.5 million, including assumed mortgage, which represents an implied capitalization rate of 6.75%. The REIT will satisfy the purchase price of this interest through the issuance of 532,265 limited partnership units to the seller at a price of \$4.68 per unit, each unit exchangeable, at the discretion of the vendor, for a Unit of BTB.

#### 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. BTB owns 71 retail, office and industrial properties for a total leasable area of more than 5.4 million square feet. BTB's asset value is approximately \$763M. The objectives of BTB are: (i) to grow its revenues from its assets to increase distributable income and therefore fund distributions; (ii) to maximize the value of its assets through dynamic management of its properties in order to sustain the long-term value of its units; and (iii) to generate cash distributions that are fiscally beneficial to unitholders.

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%.

### **Forward-Looking Statements**

This press release may contain forward-looking statements with respect to BTB. These statements generally can be identified by use of forward looking words such as “may”, “will”, “expect”, “estimate”, “anticipate”, “intends”, “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. Forward looking statements in this news release include namely that the offering is expected to close on or about June 19, 2018. 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.

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