



PRESS RELEASE
For immediate release

THE RESILIENCE OF BTB'S PORTFOLIO IS DEMONSTRATED

Montréal (Québec) August 14th, 2020: BTB Real Estate Investment Trust (**TSX: BTB.UN**) ("**BTB**" or the "**REIT**") releases today its financial results for the second quarter ended June 30th, 2020 compared to the second quarter of 2019 and announces the following highlights and information:

HIGHLIGHTS OF THE SECOND QUARTER ENDED, JUNE 30th, 2020

- Revenue growth by **2.8 %** from \$22.4 million to \$23.1 million due to the strategic repositioning of the portfolio despite a loss of \$ 0.4 million of revenues associated with the Canada Emergency Commercial Rent Assistance program (CECRA) ;
- NOI growth by **1.8%** from \$12.2 million to \$12.4 million despite a decrease of 7.1 % of the same-property NOI due to the impacts of COVID-19;
- Total recovery of contractual rents estimated at more than **97.0%**, comprised of **89.6%** of collected rents, **3.8%** subject to rent deferral agreements, **4.3%** to be collected from government incentive programs. **90.2%** of July contractual rent have already been collected;
- Slight decrease in our occupancy rate from 93.1% to 92.9% stemming from the retail and industrial sectors. We observed a limited impact with regards to announced bankruptcies and corporate restructurings in the retail segment on BTB's total portfolio;
- Concluded **67.1 %** of lease renewals coming to maturity in Q1 and Q2 of 2020;
- Decrease in the recurring FFO per unit from ¢ 9.5 to ¢ 7.5. This decrease is mainly caused by a provision of bad debt of \$ 1.1 million caused by COVID-19 and a loss of revenues of \$0.4 million associated with the Trust's participation in the CECRA program;
- Decrease in our total debt ratio from 61.4 % to **58.6 %**;
- Announced reduction in the distribution from ¢ 3.5 to ¢ 2.5 on a per unit basis in May 2020.



SALE OF PROPERTIES

- In June 2020, the Trust disposed of an office property located at 1001 Sherbrooke Street East in Montréal, Québec, for total proceeds of \$21.6 million. This disposition provides additional liquidity to meet the financial needs of the Trust.

A MESSAGE FROM MICHEL LÉONARD, PRESIDENT AND CHIEF EXECUTIVE OFFICER

“Despite the COVID-19 pandemic, we were able to deliver strong rent collection results. In fact, we have collected and will continue to collect roughly 97% of our revenues of the second quarter and for the following quarters to come. The main difficulty with our rent collection lies in the retail segment which represents 28.8 % of the total value of our diversified portfolio. I would like to remind our unitholders that we do not own any enclosed malls. Our retail portfolio mainly consists of properties that are anchored by strong national, necessity-based tenants who offer essential products such as grocery stores, pharmacies and big-box operators whom have performed tremendously well throughout the last months despite the circumstances. A large majority of our retail tenants were designated as “essential services” and therefore remained opened throughout the confinement period. Moreover, our retail tenants in Quebec City reopened on May 4th, approximately one month prior the confinement was lifted on the Island of Montréal, which helped to this sector. Regarding our office and industrial properties, our tenants have demonstrated a lesser financial impact. We must note that our Ottawa portfolio had a stellar performance as we were able to collect almost 100% of our contractual rents for the period. In addition, the strategic repositioning of our portfolio during the past 18 months has proven to be fruitful. Our last 4 acquisitions have generated \$1.7 million in revenues in excess of the revenues that we would have been collected from the 5 disposed properties, had they remained in our portfolio. Not only is our portfolio robust, our employees are also. Without their contribution and exceptional dedication, BTB wouldn’t have been able to deliver a solid performance for the quarter amidst these turbulent times”.

SUMMARY OF OTHER SIGNIFICANT HIGHLIGHTS AS AT JUNE 30th, 2020

- Number of properties: 64
- Total leasable area: approximately 5.3 million square feet
- Total asset value: \$935 million
- Market capitalization: \$193 million

FINANCIAL INFORMATION

Quarterly Information

Periods ended June 30 (in thousands of Canadian dollars, except for ratios and per unit data)	Quarter			Cumulative (6 months)		
	2020	2019	Δ%	2020	2019	Δ%
	\$	\$		\$	\$	
Financial information						
Rental income	23,063	22,347	3.2	46,931	44,071	6.5
Net operating income ⁽¹⁾	12,419	12,196	1.8	25,185	23,247	8.3
Net income and comprehensive income	(1,101)	3,316	(133.2)	(6,688)	4,697	(242.4)
Net property income from the same-property portfolio ⁽¹⁾	3,757	6,979	(11.72)	13,002	13,457	(3.4)
Net cash flows from operating activities (IFRS)	10,534	11,897	(11.5)	21,208	20,113	(5.4)
Distributions	5,375	6,113	(12.1)	11,983	11,994	(0.1)
Funds from operations (FFO) ⁽¹⁾	4,710	5,446	(13.5)	10,987	10,125	8.5
Adjusted funds from operations (AFFO) ⁽¹⁾	4,237	4,884	(13.2)	9,754	9,507	2.6
Total assets					908,782	2.9
Total mortgage ratio				52.8 %	54.9 %	(2.1)
Weighted average interest rate on mortgage debt				3.75 %	3.93 %	(0.2)
Market capitalization				192,864	291,937	(33.9)
Financial information per unit						
Net income and comprehensive income	(1.7)¢	5.8¢	(129.3)	(10.6)¢	8.3¢	(227.7)
Distributions	8.5¢	10.5¢	(19.0)	19.0¢	21.0¢	(9.5)
Recurring FFO ⁽¹⁾	7.5¢	9.5¢	(21.1)	17.5¢	17.9¢	(2.2)
Recurring AFFO ⁽¹⁾	6.7¢	8.5¢	(21.2)	15.5¢	16.8¢	(7.7)

⁽¹⁾ Non IFRS financial measures

NON-IFRS FINANCIAL MEASURES

Net operating income, net operating income of the same-property portfolio, funds from operations and adjusted funds from operations 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 reported by such other entities.

Periods ended June 30 (in thousands of Canadian dollars)	Quarter		Cumulative (6 months)	
	2020	2019	2020	2019
	\$	\$	\$	\$
Cash flows from operating activities (IFRS)	10,534	11,897	21,208	20,113
+ Transaction costs on disposal and acquisition of properties	—	521	—	917
± Net change in non-cash operating items	219	(1,118)	1,571	1,199
- Net interest expense	(5,817)	(5,750)	(11,631)	(11,411)
+ Leasing payroll expenses	137	128	294	252
+ Gain on write-off of debt	—	—	—	—
- Provision for maintenance expenditures	(461)	(449)	(938)	(873)
- Provision for rental fees	(375)	(345)	(750)	(690)
Recurring adjusted funds from operations	4,237	4,884	9,754	9,507

QUARTERLY CALL INFORMATION

Management will hold a conference call on Friday, August 14th, 2020 at 10 am, Eastern Standard Time, to present BTB's financial results and performance for the second quarter of 2020.

DATE: Friday, August 14th, 2020

TIME : 10 am, EST

DIAL : **Toronto and over-seas:** 1-416-764-8688
North America (toll free): 1-888-390-0546

PRESENTATION: PDF presentation is available on BTB's website

<https://www.btbreit.com/investor-relations-2/annual-meeting-presentations/>

WEB BROADCASTING :

https://produceredition.webcasts.com/starthere.jsp?ei=1345733&tp_key=d33ddf8140

PLAYBACK : From Friday, August 14th, 2020 at 1 pm, to 11:59 pm on August 21st, 2020 by dialing:

1-416-467-8677 (local) or **1-888-390-0541** (toll free) and by dialing the following reference number: **720763 #**

The media and all interested parties may attend the call-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.



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. 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.

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 August 14th, 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 \$935M.

BTB’S OBJECTIVES

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

FOR FURTHER QUESTIONS:

Mr. Michel Léonard, President and Chief Executive Officer

(T) 514-286-0188 x228

(E) mleonard@btbreit.com



Mr. Mathieu Bolté, Chief Financial Officer
(T) 514-286-0188 x244
(E) bcyr@btbreit.com