



PRESS RELEASE
For immediate release

BTB RECORDED A SIGNIFICANT IMPROVEMENT IN RESULTS THROUGHOUT THE FIRST QUARTER 2020, DESPITE AN UNPRECEDENTED CRISIS THAT HAS BEEN AFFECTING INDIVIDUALS AND BUSINESSES ALIKE

Montréal (Québec) May 14th, 2020: BTB Real Estate Investment Trust (**TSX: BTB.UN**) ("**BTB**" or the "**REIT**") releases today its financial results for the first quarter ended March 31st, 2020 compared to the first quarter ended March 31st 2019 and announces the following highlights and information:

HIGHLIGHTS OF THE FIRST QUARTER ENDED, MARCH 31ST, 2020

- 10.3% increase in rental income, 15.5% in net operating income, and 36.7% in adjusted net income;
- Increase of 3.6% of the same-property portfolio net operating income;
- Increase in distributable income per unit from 9.4¢ to 9.9¢, of recurring FFO per unit from 8.4¢ to 10.0¢ and of recurring AFFO per unit from 8.3¢ to 8.8¢;
- Reduction of the mortgage debt ratio from 54.3% to 52.8% and of the total debt ratio from 61.4% to 59.3%;
- Occupancy rate is up from 91.7% to 92.4%;
- Increase in the average lease renewal rate of 4.1% and the Trust renewed 36.5 % of leases coming to maturity in 2020.

ACQUISITION OF PROPERTIES

- In February 2020, the Trust acquired a 77,500-square-foot office property located at 2611 Queensview Drive in Ottawa, Ontario, for total proceeds of \$21.8 million. The main tenant is WSP Canada.

SALE OF PROPERTIES

- In January 2020, the Trust disposed of an industrial property located at 311 Ingersoll St. South in Ingersoll, Ontario, for total proceeds of \$13.3 million. The Trust had purchased this property in 2012 for \$10.7 million.
- In February 2020, the Trust disposed of an industrial property located at 5600, Côte-de-Liesse in Montréal, Québec, for total proceeds of \$9.3 million. The Trust had purchased this property in 2011 for \$7.6 million.



SUBSEQUENT EVENTS

- Due to the economic uncertainties caused by the COVID-19 pandemic and the possible effects on the Trust's financial position and future cash requirements, on May 12th, 2020, the Board of Trustees approved a resolution to reduce the annual distribution from 42.0¢ to 30.0¢ (or a reduction of 28.6%) as of the May 2020 distribution, which is payable in June 2020. The distribution previously announced and payable on May 15, 2020 is not affected by this decision;
- Rent collection for April: 79% of contractual rents we received and 5% of the rent payable for the month of April was deferred to be paid on or before December 31, 2020, pursuant to agreements to that effect. Rent collection per asset class is as follows:
 - Office: 92%;
 - Retail: 60%;
 - Industrial: 62%;
 - Mixed use: 84%.
- As at May 11th, 2020, 56.0% of contractual rents for May 2020 were collected and 4.5 % of rent payable for the month of May were deferred to be paid on or before the December 31st 2020 pursuant to agreements to that effect.

A MESSAGE FROM MICHEL LÉONARD, PRESIDENT AND CHIEF EXECUTIVE OFFICER

“Our results of the first quarter of 2020 show that the efforts invested in repositioning our portfolio have paid off. We are seeing the positive financial contribution of the renewed portfolio. These solid results follow the trends seen during the last quarters.

Despite the **COVID-19 pandemic that has swept its way across the globe for the past couple of months, we have been able to demonstrate our resilience as an organization.** “We are still in the eye of the storm”, even though some areas of the world are starting to ease up on restrictions.

BTB remained **strong and focused on its mission.** As we face this new and daunting situation today, we know we will make it through to the other side, better and stronger than ever. Our fighting spirit is embedded in our DNA.

To face the challenge, we quickly set up a special COVID-19 task force to process and analyze requests for rental assistance received from our tenants. A rent deferral policy was immediately introduced, with the majority of repayments scheduled to be made by the end of this fiscal year. For the month of April 2020, we collected 79% of the rent due and deferred 5% of the rent payable through formal repayment agreements with our tenants. In all, we secured 84% our April revenue stream. As of May 8th, we received 54% of our

rent and secured formal postponement agreements for 5%, thereby securing, so far this month, 59% of rents payable. A great performance from our employees.

We had to make difficult decisions regarding upcoming expenses. We scaled back most of our non-essential construction investments, deferred staff and management bonuses, and increases in salaries. Considering that we are still far from settling into a “new normal” and that the fallout of the pandemic will continue to ripple through the economy for months to come, our income will continue to be unpredictable for some time.

After taking a long, hard look at the REIT’s current and future financial situation, our Board of Trustees reviewed our distribution policy and concluded that it is advisable to reduce distributions payable to unitholders from \$0.42 per unit to \$0.30 per unit or by 28.6 % as of June 15, 2020. Note that unitholder distributions already announced for the month of May will remain unchanged. Our decision was not made lightly, but we are confident that our unitholders will understand that this special measure is necessary to ensure our viability over the longer term. Despite this reduction to \$0.30 per unit, the additional liquidity will allow us to maintain critical cash flow to help support our operations and continue our development program.”

SUMMARY OF OTHER SIGNIFICANT HIGHLIGHTS AS AT MARCH 31ST, 2020

- Number of properties: 65
- Total leasable area: approximately 5.5 million square feet
- Total asset value: \$943 million
- Market capitalization: \$197.5 million

FINANCIAL INFORMATION

Quarters ended March 31 (in thousands of dollars, except for ratios and per unit data)			
	2020	2019	Variation
	\$	\$	%
Financial information			
Rental income	23,868	21,634	10.3
Net operating income ⁽¹⁾	12,766	11,051	15.5
Net income and comprehensive income	(5,587)	1,381	n/a
Net property income from the same-property portfolio ⁽¹⁾	6,837	6,478	5.5
Distributable income ⁽¹⁾	6,212	5,268	17.9
Distributions	6,618	5,881	12.5
Recurring Funds from operations (FFO) ⁽¹⁾	6,277	4,679	34.1
Recurring Adjusted funds from operations (AFFO) ⁽¹⁾	5,517	4,623	19.3
Financial information per unit			
Net income and comprehensive income	(8.9)¢	2.5¢	n/a
Distributable income ⁽¹⁾	9.9¢	9.4¢	5.3
Distributions	10.5¢	10.5¢	-
Recurring FFO ⁽¹⁾	10.0¢	8.4¢	19.0



NON-IFRS FINANCIAL MEASURES

Net operating income, net operating income of the same-property portfolio, distributable income, 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.

Quarters ended March 31 (in thousands of Canadian dollars)	Quarter	
	2020	2019
	\$	\$
Cash flows from operating activities (IFRS)	10,674	8,216
Net change in non-cash operating items	1,352	2,317
Net Interest expense	(5,814)	(5,661)
Other item	-	396
Distributable income	6,212	5,268
Leasing payroll expenses	157	124
Provision for maintenance expenditures	(477)	(424)
Provision for rental fees	(375)	(345)
Other items	(79)	(396)
Recurring Adjusted funds from operations	5,517	4,623

QUARTERLY CALL INFORMATION

Management will hold a conference call on Thursday, March 14th, 2020 at 11 am, Eastern Standard Time, to present BTB's financial results and performance for the first quarter of 2020.

DATE: Thursday, May 14th, 2020

TIME : 11 am, EST

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

WEBDIFFUSION : https://produceredition.webcasts.com/starthere.jsp?ei=1307302&tp_key=360d192609

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

1-416-647-8677 (local) or **1-888-390-0541** (toll free) and by dialing the following reference number : **0129922 #**

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.

LOOKING- FORWARD 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 May 14th, 2020, BTB owns 65 retail, office and industrial properties for a total leasable area of approximately 5.5 million square feet and an approximate total asset value of approximately of \$943M.

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:

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