



PRESS RELEASE
For immediate release

Ready for Growth, BTB's 2021 First Quarter Results Demonstrate Stability and Improved Liquidity Ratios

Montréal (Québec) May 10th, 2021: BTB Real Estate Investment Trust (TSX: **BTB.UN**) ("**BTB**" or the "**REIT**") releases today its financial results for the first quarter ended March 31st, 2021 compared to the first quarter of 2020 and announces the following highlights and information:

HIGHLIGHTS OF THE FIRST QUARTER ENDED MARCH 31ST, 2021

- **The Stability of BTB's Portfolio:** whilst at the beginning of the pandemic it was impossible to predict the impact that it would have on the Trust, we are now seeing that the Trust has solidified its operations throughout the past year. Its real estate portfolio continues to improve, and leasing activity is also sustainable. BTB's occupancy rate is maintained at 91 %, its balance sheet is solid with significant liquidity and its debt and distribution ratios reduced. BTB believes it emerges from this pandemic with solid foundations.
- **Funds From Operations (FFO) & Adjusted Funds From Operations (AFFO):** For Q1 2021, BTB is reporting a recurring FFO of 8.9¢ per unit compared to 10.0 ¢ per unit for the same period in 2020 and a recurring AFFO of 8.6¢ per unit for Q1 2021 compared to 8.8¢ per unit compared to the same period in 2020:
 - i. The recurring FFO payout ratio stands at **84 %** for the quarter compared to 105.2 % in Q1 2020.
 - ii. The recurring AFFO payout ratio stands at **87.4 %** for the quarter compared to 119.3 % in Q1 2020.
- **Debt Ratio:** As of March 31st, 2021, BTB's total debt ratio stood at **58.9%**, recording an **improvement of 0.4%** compared to the same quarter of 2020. The debt metrics continue to demonstrate BTB's intent to maintain a total debt ratio below 60%.
- **Rent Collections Remain Robust:** As of March 31st, 2021, BTB collected **99.6%** of invoiced rents. Rent collection efforts remained strong as BTB is reporting a significant reduction in the balance of receivables from \$5.2 million at the end of Q4 2020 to \$4.8 million at the end of Q1 2021. Compared to the same quarter last year, the balance has also decreased by \$0.4 million, therefore showing a level equivalent to pre-pandemic times.
- **Net Operating Income:**



- i. **Tenant Departures:** due to the previously announced departure of an important tenant in January 2021 as well as of two other retail tenants, BTB recorded a negative impact of \$0.5 million on its revenues. BTB is pleased to announce the conclusion of a lease for 38,000 sq.ft. in the space left vacant by the tenant previously mentioned. BTB is also in advanced lease negotiations with potential tenants for the two other vacated spaces.
 - ii. **Collection Improvement:** collection efforts generated a positive impact resulting in the Trust recording a **\$0.3 million reduction** of expected credit losses in administration expenses due to better rent collection rate compared to the same period in 2020.
- **Leasing Activity:** Lease renewal activities remained active throughout the quarter as BTB renewed leases totaling **95,171** sq.ft. of which, **40,694** sq.ft. were renewed for leases expiring in 2021 and **54,477** sq.ft. were renewed for leases expiring in the years 2022 and after. For the quarter, BTB achieved a **5.9% increase** in average rent renewal rates (compared to a 4.1% increase in Q1 2020), all whilst keeping its weighted average lease term **above 5 years**.
 - **NOI Margin:** NOI margin was **52.75 %** compared to 53.49 % for the same period in 2020. Excluding COVID-19 special charges, the results would have shown an NOI margin of 54.25 %, an increase of 0.76 % of the NOI margin compared to the same quarter of 2020.
 - **Net Income & Comprehensive Income:** totalled **\$2.5 million** compared to a loss of \$5.6 million for the same period in 2020. In 2020, BTB recorded a reduction in the fair value of its properties and its financial instruments of \$8.0 million, thereby impacting net income and comprehensive income.
 - **Cash Position:** BTB concluded Q1 2021 with a cash position of \$6.3 million. At the end of the quarter, the operating line of credit of \$8.0 million was fully available, and the acquisition line of credit of \$15 million was fully used. Following the issuance of equity announced and concluded in April 2021, the acquisition line of credit has been completely paid and is fully available.
 - **CERS Program:** BTB continued to work with its tenants that are participating in the CERS program enacted to cover the period ranging from October 2020 to June 2021. The government has since extended the program, as well as the lockdown support top-up, until September 25, 2021. It is important to note that tenants are responsible to apply for subsidies and that BTB has no financial concessions to make in light of this new program.

A MESSAGE FROM MICHEL LÉONARD, PRESIDENT AND CHIEF EXECUTIVE OFFICER

“We can see the “light at end of the Covid tunnel” and it will be beneficial to us all. As Canadians receive the vaccine, the first and second doses, the markets will progressively reopen as will the economy. We will be able to reexperience restaurants, bars, and cinemas, be able to travel to exotic locations. It is coming soon and confidence in the different segments of real estate will abound. In our recent lease negotiations, we could already see tenants’ confidence increasing, the desire to go back to office spaces, signing long term lease renewals and securing office and retail locations.

Over the past year we solidified our foundations, and we are embarking in our second quarter with a lot of optimism. We look forward to continuing our rent collection efforts in order to protect our collection rate which is established at 99.6%.

For the quarter, our recurring FFO payout ratio stood at 84% while our AFFO payout ratio is 87.4 %, recording our best performance for the past couple of years.

Our ability to adapt and embrace change has been a determining factor in our resiliency throughout the past year and we are prepared to embrace the changes and opportunities that have been made available to us. To capitalize on these opportunities, we have decided to adopt a positive and opportunistic outlook for the coming year, leaving the past fifteen months’ events behind us.

With this, we are ready to embark on BTB’s growth plan for the upcoming years.”

SUBSEQUENT EVENTS

- **Important New Lease Transactions:** At the beginning of the month of April, we concluded an unconditional long-term lease agreement with a tenant set to occupy approximately 38,000 sq.ft. on the South-Shore of Montréal, with a scheduled occupancy set for mid-July 2021. Including this lease, our committed occupancy rate would be 91.7%.
- **Bought Deal of Trust Units:** On April 8th, 2021, BTB signed an agreement with a syndicate of underwriters led by National Bank Financial Inc. to issue to the public, on a bought deal basis, 6,791,000 trust units at a price of \$4.05 per unit for the total gross proceeds of \$27.5 million. The over-allotment option was fully exercised, and the total number of units sold pursuant to the offering was 7,809,650 for total gross proceeds of \$31.6 million, and net proceeds of \$30.4 million. The Trust filed a short form preliminary prospectus on April 14, 2021 and the closing of the offering took place on April 28, 2021. Of the gross proceeds received, \$15 million were used to pay the total amount outstanding under the acquisition credit facility. The remaining balance will be used to fund

the Trust's future acquisitions and for general trust purposes.

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

- **Total number of properties:** 64
- **Total leasable area:** approximately 5.3 million sq.ft.
- **Total asset value:** \$924 million
- **Market capitalization:** \$273 million

FINANCIAL INFORMATION

The following two tables summarize our results for the quarters ended March 31st 2021 and 2020.

Quarterly Results Information

Quarters ended March 31 st , (in thousands of dollars, except for ratios and per unit data)	Quarter		
	2021	2020	Δ%
	\$	\$	
Financial information			
Rental revenue	23,532	23,868	(1.4)
Net operating income ⁽¹⁾	12,414	12,766	(2.8)
Net income (loss) and comprehensive income (loss)	2,510	(5,587)	144.9
Net property income from the same-property portfolio ⁽¹⁾	7,530	7,549	(0.3)
Cash flows from operating activities (IFRS)	13,149	10,674	23.2
Distributions	4,828	6,618	(27.0)
Recurring funds from operations (FFO) ⁽¹⁾	5,730	6,277	(8.7)
Recurring adjusted funds from operations (AFFO) ⁽¹⁾	5,506	5,517	(0.2)
Total assets	923,854	943,283	(2.1)
Mortgage debt ratio	52.5%	52.8%	(0.6)
Weighted average interest rate on mortgage debt	3.56%	3.71%	(4.0)
Market capitalization	272,807	197,491	38.1
Financial information per unit			
Net income and comprehensive income	3.9¢	(8.9)¢	143.8
Distributions	7.5¢	10.5¢	(28.6)
Recurring FFO ⁽¹⁾	8.9¢	10.0¢	(11)
Recurring AFFO ⁽¹⁾	8.6¢	8.8¢	(2.3)

⁽¹⁾ Non IFRS financial measures

Quarters ended March 31, (in thousands of dollars, except per unit data)	Quarter	
	2021	2020
	\$	\$
Cash flows from operating activities (IFRS)	13,149	10,674
Leasing payroll expenses	219	157
Transaction costs on purchase and disposition of investment properties and early repayment fees	—	(859)
Adjustments for changes in other working capital items	(1,263)	1,352
Interest expenses	134	113
Financial income	(5,791)	(5,927)
Provision for non-recoverable capital expenditures	(471)	(477)
Provision for non-recovered rental fees	(375)	(345)
Other items	(96)	(79)
AFFO⁽¹⁾	5,506	4,609
Non-recurring item		
Transaction costs on purchase and disposition of investment properties, early repayment fees and prepayment penalties	—	908
Recurring AFFO⁽¹⁾	5,506	5,517

⁽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

QUARTERLY CALL INFORMATION

Management will hold a conference call on Tuesday, May 11th, 2021 at 10 am, Eastern Standard Time, to present BTB's financial results and performance for the first quarter of 2021.

DATE : Tuesday, May 11th, 2021

TIME : 10 am, EST

DIAL : Toronto and over-seas: 1-416-764-8688

North America (toll free): 1-888-390-0546

WEB : https://produceredition.webcasts.com/starthere.jsp?ei=1453485&tp_key=22eaff9898

VISUAL : A presentation will be uploaded on BTB's website prior to the call



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

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.

The audio recording of the conference call will be available by via playback until May 18th, 2021 by dialing: **1-416-764-8677 (local)** or, **1-888-390-0541 (toll-free)** and by entering the following access code: **861340 #**.

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 May 10th, 2021, BTB owns 64 retail, office and industrial properties for a total leasable area of approximately 5.3 million sq.ft. and an approximate total asset value as of March 31st, 2021 of approximately of \$924 million.

BTB’S OBJECTIVES

- (1) Generate stable monthly cash distributions that are reliable and fiscally beneficial to unitholders.
- (2) Grow the REIT’s assets through internal growth and accretive acquisitions in order to increase distributable income and therefore fund 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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