



PRESS RELEASE  
For immediate release

## **BTB Provides an Update Regarding Rent Collections 6 Months Into the COVID-19 Pandemic**

Montréal (Québec) September 29<sup>th</sup>, 2020: BTB Real Estate Investment Trust (**TSX: BTB.UN**) (“**BTB**” or the “**REIT**”) provides unitholders with an update of BTB’s rent collections for the months affected by the COVID-19 pandemic.

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

We are pleased to report on the status of our collections for the period affected by the pandemic. Our results are a testimony to the strength of our team and the collection efforts displayed. We collected 100% of our contractual rent during the critical months of May to August which confirms the resilience of our portfolio and its repositioning, the quality of our tenants and the diligence that our team has shown. BTB owns retail properties, but none of our properties are enclosed malls. It is important to note that we have received 100% of our rent from our retail sector as well. Albeit the effects of the pandemic are still upon us, our team will continue to maintain the same determination to push through these difficult times.

#### Contractual Rent Collections:

In respect to the following months, our total rent collections for the six-month COVID-19 period from March to August 2020 stands at an average collection rate of 98 %:

- March: 96 %
- April: 92 %
- May: 100 %
- June: 100 %
- July: 100 %
- August: 100 %

The collection shortfall of the months of March and April are primarily caused by the rent deferrals that were awarded to tenants prior to the coming into effect of the CECRA program and other federal support programs available to tenants. This 13% shortfall is expected to be mostly collected from now to December 31<sup>st</sup>, 2020 in accordance with the terms and conditions of signed deferral agreements.



Furthermore, certain rent payments received at a later period were attributed to reduce the REIT's total account receivables balance, which contributed to a total collection rate of 100% for the respective months. Our collections rates were adjusted to reflect the rent deferrals agreements as well as the rent subsidy under the CECRA program.

## **FINANCIAL EFFECT OF THE CECRA FEDERAL PROGRAM**

When first announced by the federal government, the CECRA program was enacted to provide rental support to commercial tenants, covering the months of April to June. Following the progression of the COVID-19 pandemic, the federal government extended the program three times to cover a full 6-month period, beginning in April and ending as of September 30<sup>th</sup>.

BTB actively manages approximately 620 leases and during the past 6 months, we have successfully filed approximately 80 applications to the CECRA on behalf of our tenants, which represents roughly 13% of our tenant base. BTB claimed a total of 1.6M\$ under the CECRA program and to date, we have received approximately 84% of those sums, representing 1.3M\$. A further 0.3M\$ should be received within the next few weeks. This sum is mainly attributable to the September program extension.

The estimated net financial impact of the CECRA program on BTB's 2020 income is approximately 0.4M\$. This takes into consideration the 12.5% added contribution promised by the Province of Québec to commercial landlords who elected to adhere to the program. However, we must note that, since the provincial government's announcement on July 9<sup>th</sup>, 2020, it still has not given any additional details on the administration of this contribution.

The federal government set a final deadline of October 30<sup>th</sup>, 2020 to file claims under the CECRA program. By this new deadline, we estimate that we will have recorded all federal income pertaining to the program.

We would like to mention the great collaboration we received from the parties that administer the program on behalf of the federal government without whom it may have been very difficult to navigate through the program.

The program has had a positive impact on our rent collection and allowed us to reduce our accounts receivable. With the risks associated with opting out of the program such as; tenant non-renewals; tenant failure to pay rent for the full 3 or event 6 month period affected by COVID-19; and the challenge to re-lease space due to business failures, BTB is delighted to have opted to participate in the program which has further allowed us 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.

## **TENANT BANKRUPTCY EXPOSURE**

As reported in our Q2 Management Discussion and Analysis, only four of our tenants, representing roughly 2% of our tenant base on a per square foot basis, were undergoing

corporate restructuring or bankruptcy. As of the end of Q3 2020, we have not received any additional notices from any of our tenant base.

## **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 September 29<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;
- (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:**

**Mr. Michel Léonard**, President and Chief Executive Officer

(T) 514-286-0188 x228

(E) [mleonard@btbreit.com](mailto:mleonard@btbreit.com)

**Mr. Mathieu Bolté**, Vice-President & Chief Financial Officer

(T) 514-286-0188 x230

(E) [mbolte@btbreit.com](mailto:mbolte@btbreit.com)

