



PRESS RELEASE
For immediate release

A RENEWED BTB TAKES PLACE

Montréal (Québec) March 12, 2020: BTB Real Estate Investment Trust (**TSX: BTB.UN**) (“**BTB**” or the “**Trust**”) releases its financial results today for the fourth quarter and year ended December 31, 2019, and announces the following highlights:

HIGHLIGHTS OF THE QUARTER ENDED DECEMBER 31, 2019 VS. THE FOURTH QUARTER ENDED DECEMBER 31, 2018

- Increase of net income and comprehensive income from \$24,396 to \$41,552;
- Increase of 5.8% of the same-property portfolio NOI; ⁽¹⁾
- Increase in the average lease renewal rate of 4.3%;
- Increase of \$34 million of the fair value of the portfolio (2018: \$21 million);
- Improvement in all other important key performance indicators.

(1) Non IFRS financial measures.

HIGHLIGHTS OF THE YEAR ENDED DECEMBER 31, 2019 VS. THE YEAR ENDED DECEMBER 31, 2018

- Increase of net income and comprehensive income from \$41,337 to \$51,881;
- Increase of 3.9% of the same property portfolio NOI; ⁽¹⁾
- Occupancy rate increased to 93.2% from 91.0%;
- Increase of the retention rate from 54.2% to 75.6% and increase of the average renewal rate by 5.5%;
- Reduction of the total debt ratio to 59.1% and reduction of the mortgage debt ratio to 52.8%.

(1) Non IFRS financial measures.

SALE OF PROPERTIES

- In January 2019, the Trust disposed of a retail property located at 15–41 South Georges-Gagné Blvd. in Delson, Québec, for total proceeds of \$22.5 million.
- In March 2019, the Trust disposed of a retail condominium located at 37 South Georges-Gagné Blvd. in Delson, Québec, for total proceeds of \$1.95 million.
- In May 2019, the Trust disposed of a mixed-use property located at 1400–1440 Antonio-Barbeau Street in Montréal, Québec for total proceeds of \$7.1 million.
- In August 2019, the Trust disposed of an office property located at 3885 Harvey Boulevard in Saguenay, Québec, for total proceeds of \$4.4 million.

PROPERTY ACQUISITIONS

- In May 2019, the Trust acquired a 65,000-square-foot industrial property located at 2425 Pitfield Blvd. in Saint-Laurent, Québec, for total proceeds of \$11.8 million.
- In June 2019, the Trust purchased two retail properties, Méga Centre Saint-Bruno and Développement Mont-Saint-Hilaire, respectively located in Saint-Bruno, Québec and Saint-Hilaire, Québec, for a total consideration of \$62.2 million.

FINANCING ACTIVITIES

- On June 14, 2019, the Trust issued 6,157,100 units, including the overallotment option, at a price of \$4.67 per unit, for approximately \$27 million of proceeds, net of issue costs.
- On October 7, 2019, the Trust issued the Series G convertible debentures for total proceeds of \$24 million at an interest rate of 6.00%. The net proceeds were mainly used to redeem the Series E convertible debentures in the amount of \$23 million, bearing an interest rate of 6.90%, the redemption taking effect on November 1, 2019.

SUBSEQUENT EVENTS

- In January 2020, the Trust disposed of an industrial property located at 311 South Ingersoll Street in London, Ontario, for total proceeds of \$13.3 million.
- 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.
- In February 2020, the Trust disposed of an industrial property located at 5600, Côte-de-Liesse in Mount Royal, Québec, for total proceeds of \$9.2 million.

SUMMARY OF SIGNIFICANT ITEMS AS AT DECEMBER 31, 2019

- Properties: 66
- Leasable area: approximately 5.7 million square feet
- Total asset value: \$939 million
- Market capitalization: \$321.8 million

MESSAGE FOM MICHEL LÉONARD, PRESIDENT AND CHIEF EXECUTIVE OFFICER

“2019 was a year where important milestones and achievements were recognized. Our total asset value jumped to more than \$900 million, getting ever so close to our previous target of a billion dollars of total asset value. Our market cap crossed the \$300 million mark. Our NOI from the same property portfolio saw an impressive increase by 3.9% for the year, quite a turnaround from the previous negative quarters. We managed to reduce our mortgage debt ratio by 3% to 52.8% and our total debt ratio is now below 60%, also a first for BTB. I'd like to remind readers that, a few years ago, our total debt ratio stood at 71%. It is noteworthy to state that our occupancy rate reached an all-time high at 93.2%, up by 2.2% from a year ago. Our lease renewals were also important contributors to a successful year, where we renewed more than 75% of our leases generating additional positive revenue from the renewals of 5.5% for the years to come. Finally, 2019 was a year where we saw our transformation into the new BTB with a stronger portfolio and a great performance of its financial ratios.»

QUARTERLY RESULTS INFORMATION

Periods ended December 31			
<i>(in thousands of dollars, except for ratios and per unit data)</i>			
	2019	2018	Variation
	\$	\$	%
Financial information			
Rental income	25,558	22,082	15.7
Net operating income ⁽¹⁾	14,174	11,624	21.9
Net income and comprehensive income	41,552	24,396	70.3
Net property income from the same-property portfolio ⁽¹⁾	6,266	5,702	9.9
Distributable income ⁽¹⁾	7,466	5,212	43.2
Distributions	6,584	5,859	12.4
Funds from operations (FFO) ⁽¹⁾	7,421	3,858	92.4
Adjusted funds from operations (AFFO) ⁽¹⁾	6,795	3,371	101.6
Financial information per unit			
Net income and comprehensive income	66.2¢	43.7¢	51.5
Distributable income ⁽¹⁾	11.9¢	9.3¢	28.0
Distributions	10.5¢	10.5¢	-
FFO ⁽¹⁾	11.8¢	6.9¢	71.0
AFFO ⁽¹⁾	10.8¢	6.0¢	80.0

(1) Non-IFRS financial measures.

ANNUAL RESULTS INFORMATION

Periods ended December 31			
<i>(in thousands of dollars, except for ratios and per unit data)</i>			
	2019	2018	Variation
	\$	\$	%
Financial information			
Rental income	93,602	87,423	7.1
Net operating income ⁽¹⁾	50,897	47,637	6.8
Net income and comprehensive income	51,881	41,337	25.5
Net property income from the same-property portfolio ⁽¹⁾	25,247	23,665	6.7
Distributable income ⁽¹⁾	25,063	23,897	4.9
Distributions	25,141	22,154	13.5
Funds from operations (FFO) ⁽¹⁾	23,313	21,528	8.3
Adjusted funds from operations (AFFO) ⁽¹⁾	21,409	19,514	9.7
Total assets	939,130	855,223	9.8
Total debt ratio	59.1%	62.5%	(3.4)
Weighted average interest rate on mortgage debt	3.92%	3.99%	(0.7)
Market capitalization	321,843	240,633	33.8
Financial information per unit			
Net income and comprehensive income	87.8¢	78.8¢	10.4
Distributable income ⁽¹⁾	42.1¢	45.6¢	(7.6)
Distributions	42.0¢	42.0¢	-
Payout ratio on distributable income ⁽¹⁾	99.8%	92.2 %	(7.6)
FFO ⁽¹⁾	39.1¢	41.1¢	(4.9)
AFFO ⁽¹⁾	35.9¢	37.2¢	(3.5)

(1) Non-IFRS financial measures.

NON-IFRS FINANCIAL MEASURES

Net operating income, net operating income of the same-property portfolio, distributable income, recurring funds from operations and recurring 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.

The following table shows the reconciliation of distributable income and adjusted funds from operations (non-IFRS measure) with cash flows from operating activities presented in the financial statements.

Periods ended December 31 (in thousands of Canadian dollars)	Quarter		Year	
	2019	2018	2019	2018
	\$	\$	\$	\$
Cash flows from operating activities (IFRS)	17,235	15,620	47,223	44,724
Net change in non-cash operating items	(3,706)	(4,533)	1,065	1,150
Net Interest expense	(6,063)	(5,803)	(23,401)	(21,977)
Other items	-	(72)	176	-
Distributable income	7,446	5,212	25,063	23,897
Leasing payroll expenses	164	128	545	573
Gain on write-off of debt	-	-	-	133
Transaction cost or purchase and sale of properties	-	(1,205)	(980)	(2,070)
Provision for maintenance expenditures	(490)	(439)	(1,851)	(1,719)
Provision for rental fees	(345)	(325)	(1,380)	(1,300)
Other items	-	-	12	-
Adjusted funds from operations	6,795	3,371	21,409	19,514

On **Thursday, March 12th, 2020, at 11 a.m. EST** to present BTB's financial results and performance for the fourth quarter 2019 and for the fiscal year ended on December 31st, 2019:

DATE: Thursday, March 12th, 2020

TIME: 11 a.m. EST

DIAL: **Toronto and overseas:** 1-416-764-8609 access code 14009058#

North America, toll free: 1-888-390-0605 access code 14009058#.

To ensure your participation, please dial in fifteen minutes prior to the start of the conference call.

WEBCAST: <https://event.on24.com/wcc/r/2197831/22A4364E44F46E6C9D6D0242F3B5951E>

REPLAY: From Thursday March 12th, 2020, 1:00 p.m. until 11:59 p.m. on March 19th, 2020, dial:

1-416-764-8677 conference ID number 009058#, or dial toll free:

1-888-390-0541 conference ID number 009058#.

The media and all interested parties may only attend the call-in listening mode.

Conference call operators will coordinate the question and answer period and will instruct participants regarding the procedures for the call.

BTB AS AT MARCH 12, 2020

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 March 12, 2020, BTB owns 65 retail, office and industrial properties for a total leasable area of approximately 5.4 million square feet and an approximate total asset value of approximately of \$900M.

BTB'S OBJECTIVES

- (i) Generate stable monthly cash distributions that are reliable and fiscally beneficial to unitholders;
- (ii) Grow the Trust's assets through internal growth and accretive acquisitions in order to increase distributable income and therefore refund distributions;
- (iii) 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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