



Q4



Quarter & Year ended December 31st, 2023

February 27th, 2024

TSX: BTB.UN

Recording of the Conference Call



Our Q4 & Annual 2023 Results Conference Call was held on
February 27, 2023 at 9.00 am
[Click here to listen](#)

Quarter & Year ended December 31st, 2023

Quarterly & Yearly Overview



Presented by
Michel Léonard
President & Chief Executive Officer

Quarter & Year ended December 31st, 2023

Portfolio at a glance

6.1M sq. ft. | **77** Properties | **\$1.2B**

Investment Activity

Focus our investment activity on **industrial** assets with strong fundamentals; a good pipeline of value creation and maximization of the retail portfolio.

Densification

Conditional agreement to develop a residential component, subject to zoning change. Municipal authorities keen on our proposed plan to redevelop by densifying and adding additional uses. At least (6) densification opportunities under review in Montréal, Québec City and Ottawa regions.

Acquisitions

Three (3) industrial properties

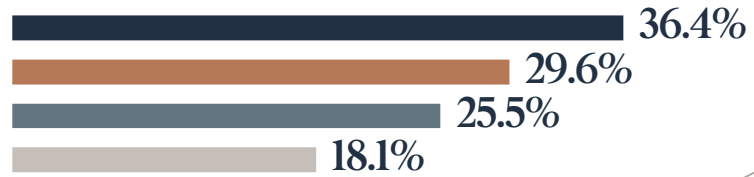


9900 Irénée-Vachon Street, Mirabel, QC
02.2023: we finalized the acquisition of this Class A industrial property, which is fully leased to Lion Electric, an innovative manufacturer of electric school buses, minibuses and commercial trucks.

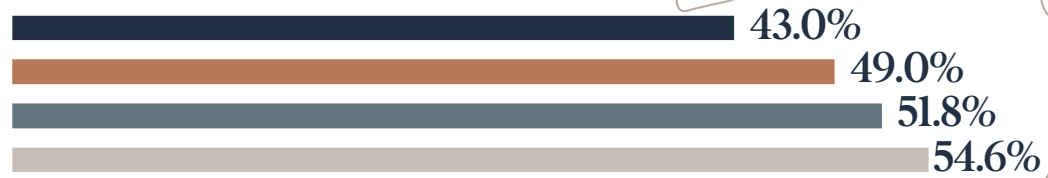


8818-8846 & 8856, 48th Avenue NW, Edmonton, AB
05.2023: we finalized the acquisition of two (2) industrial properties located in the McIntyre Industrial Park. They are leased to four tenants, including Redco Equipment Sales Group.

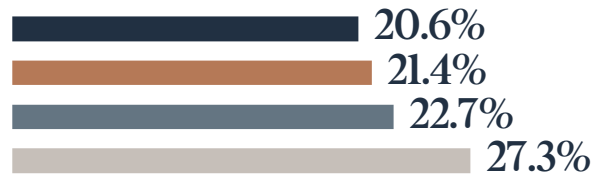
Real Estate Portfolio



Industrial



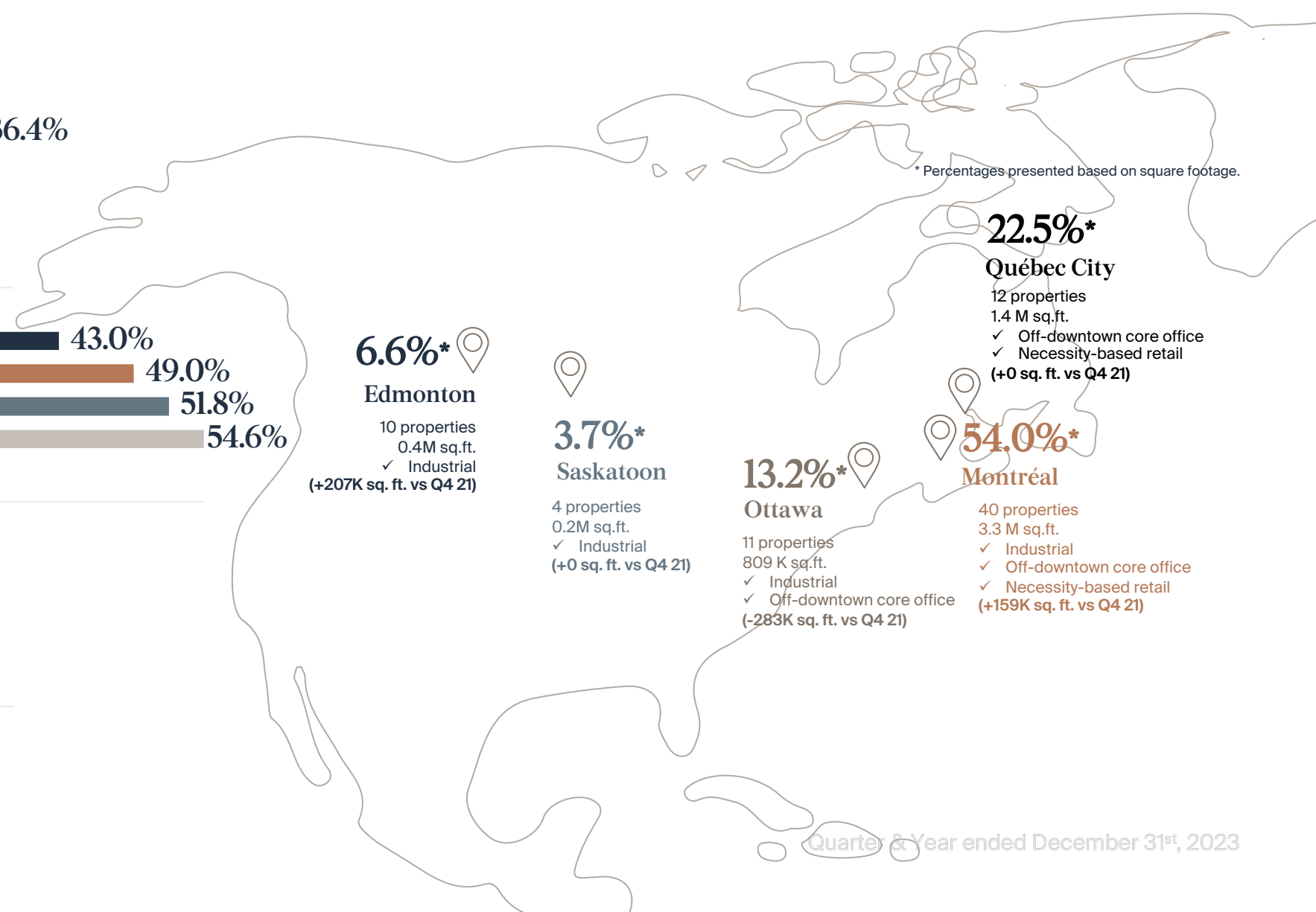
Off-downtown core office



Necessity-based retail

■ 2023 ■ 2022 ■ 2021 ■ 2020

* Percentages presented based on property value.



Development Opportunity



**625-730 de la Concorde Street,
“Méga Centre Rive-Sud”,
Lévis, QC**

+/- 9% Development Yield

Construction of a 43,500 sq. ft. Pad to be
leased by Nationally Recognized Retailer
on long-term basis

Construction period: 12-18 months

Development Opportunity



2611 Queensview Drive,
Ottawa, ON

Adjacent Land Parcel

Expected transition to a Community
Development with LRT on site

Highlights & Key Metrics (vs 2022)

6.1 M sq. ft.

5.9 M sq. ft.

Leasable area
+4.5% vs 2022 YTD

\$1,207 M

\$1,179 M

Fair value of investment properties
+2.4% vs 2022 YTD

781,991 sq. ft.

672,791 sq. ft.

Leasing Activity
+16.2% vs 2022 YTD

94.2%

93.5%

Committed occupancy rate
+0.7% vs 2022 YTD

Other events

April 2023

Secured an additional \$10.0 million under the revolving credit facility

August 2023

Exercise of a purchase price option
An industrial tenant exercised the option to purchase the property with a closing date of December 1, 2025, for a purchase price of \$10.3 million

June 2023

Base Shelf Prospectus
BTB replaced its initial short form base shelf prospectus which was maturing by filing a final base shelf prospectus valid for a 25-month period for \$200.0 million

February 2024

Normal Course Issuer Bid (“NCIB”)
The TSX approved the renewal of the NCIB program authorized by the Board of Trustees to repurchase for cancellation up to 6,085,804 units, from Feb. 26, 2024 to Feb. 25, 2025 (approximately 7% of the Trust’s outstanding units and of its public float). As of December 31, 2023, no units have been repurchased for cancellation under the NCIB.

Leasing Activity



Presented by
Stéphanie Léonard
Director of Leasing

Quarter & Year ended December 31st, 2023

Leasing & Renewal Activity

78,340 sq. ft.

New leases in Q4 2023

94.2%

Occupancy rate

+99 bps vs Q4 2022

A total of 237,130 sq. ft. was renewed or leased during the quarter, bringing our YTD leasing activities volume to 781,991 sq. ft.

Secured long-term lease renewals with a Government of Québec integrated health center (68,003 sq. ft.) in Montreal, BGRS Limited (27,638 sq. ft.) in Ottawa, and Ville de Laval (26,459 sq. ft.) in Laval (classified as Montreal).

Achieved a 14.3% average increase in lease renewal rate for the quarter (+9.2% YTD) across all business segments: off-downtown core office +3.6% with 89,032 sq. ft. (+5.3% YTD with 324,832 sq. ft.), necessity-based retail +43.3% with 69,758 sq. ft. (+21.4% YTD with 150,087 sq. ft.) and industrial (no transaction).

New leases with a major Québec based accounting firm ("in place" 28,000 sq. ft.) in the office segment in Trois-Rivières, Bouthillette Parizeau Inc. (an increase of 5,053 sq. ft. to a total of 20,000 sq. ft.); Jabil Canada Corporation (an increase of 16,763 sq. ft. to a total of 42,744 sq. ft.) and the grocery store Val-Mont (7,433 sq. ft.).

Off-downtown core office leasing interest is picking up velocity which is reflected in the increased occupancy rate (87.7% compared to 86.7% last year).

Q4 2023

158,790 sq. ft. renewed
78,340 sq. ft. new leases

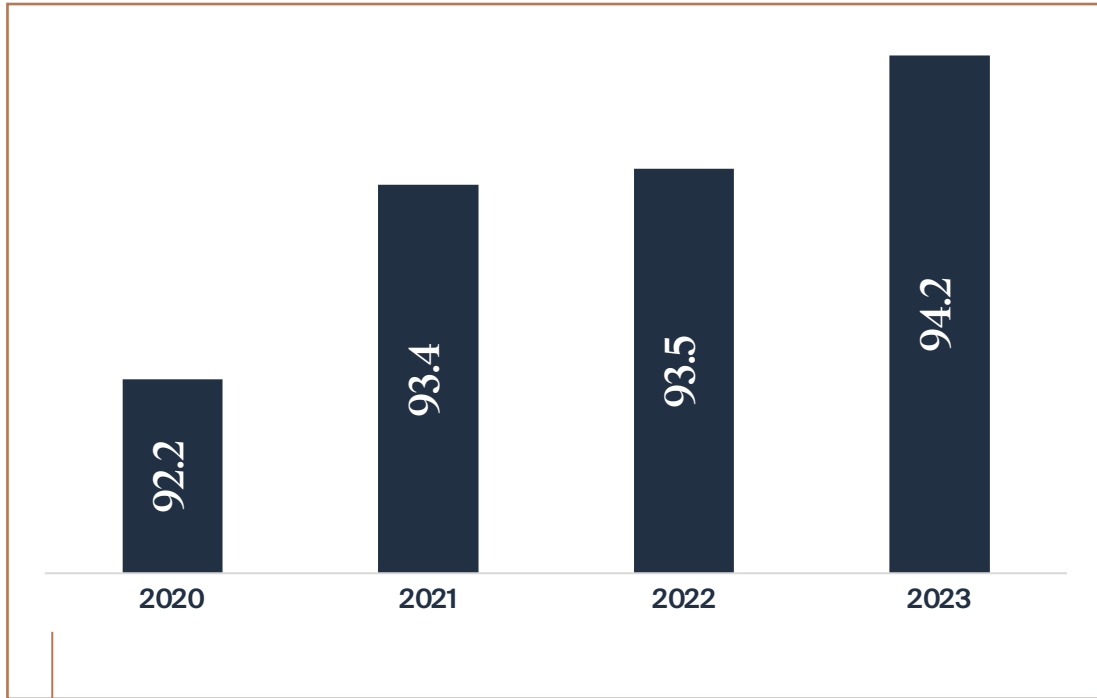
2024+

32,363 sq. ft. renewed in anticipation (Q4 2023)
101,193 sq. ft. renewed in anticipation (2023 YTD)

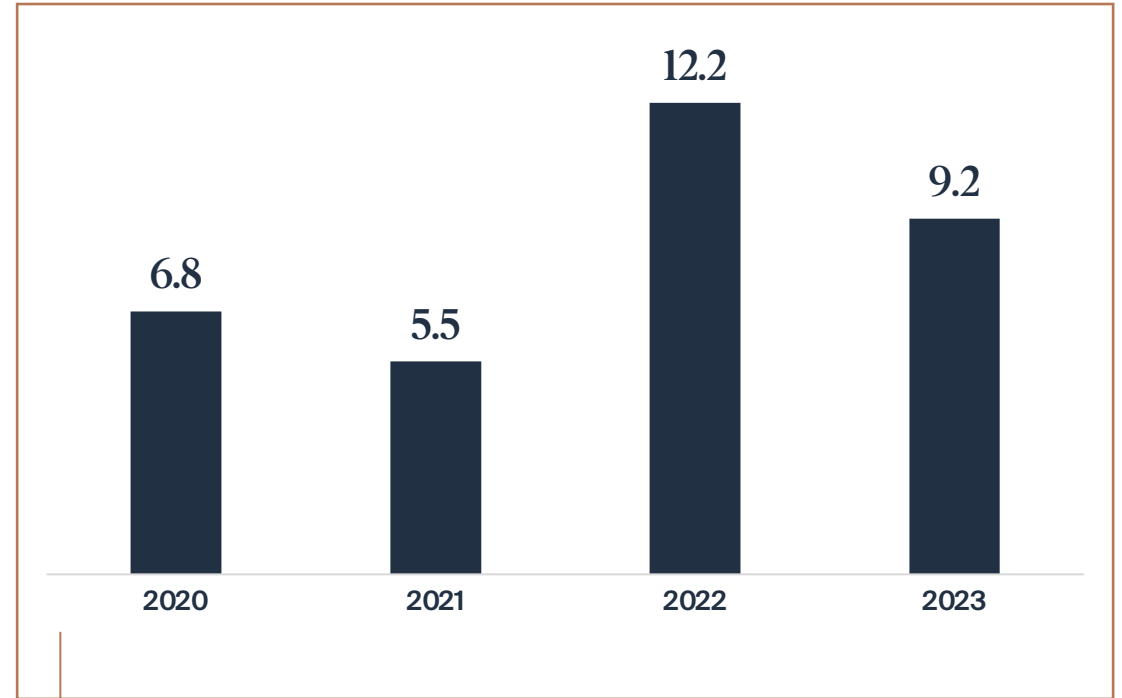
Total

485,751 sq. ft. renewed YTD
296,240 sq. ft. new leases YTD

Solid Track Record of Leasing Performance



Total Portfolio Committed Occupancy (%)



Average Lease Renewal Rates⁽¹⁾ (%)

⁽¹⁾ Based on renewed leases during the period

Positive Leasing Dynamics



GIANT TIGER
7 & 9 Montclair “Centre Montclair”, Gatineau QC
New committed lease for 24,704 sq. ft., with a rental rate of \$9.50 (Effective 150 days after occupation – Q1 2023)



Société québécoise des infrastructures Québec
1170 Lebourgneuf “Centre d'affaires Le Mesnil”, Québec QC
5-year extension of 16,610 sq. ft. Early Renewal (Effective 02.2024 – Q1 2023)



DOLLARAMA
1000 du Séminaire N. “Les Galeries Richelieu”, Saint-Jean-sur-Richelieu QC
10-year renewal of 10,300 sq. ft. with a 13% rental rate increase (Effective 02.2022 – Q1 2023)



Intrado
7150 Alexander-Fleming, Saint-Laurent QC
7-year extension of 53,767 sq. ft. with a 8.9% rental rate increase on renewal (Effective 06.2023 – Q2 2023)

Positive Leasing Dynamics



**2600 Alfred-Nobel,
Saint-Laurent QC**
6-year renewal of 18,205
sq. ft. with a **9.8% rental
rate increase on renewal**
(Effective 10.2023
- Q2 2023)



**6655 Pierre-Bertrand,
Québec QC**
6-year extension of 13,372
sq. ft. with a **24% rental
rate increase on renewal**
(Effective 06.2023
- Q2 2023)



**145 Saint-Joseph "Les
Halles Saint-Jean", Saint-
Jean-sur-Richelieu QC**
2-year extension of 10,400 sq.
ft. with a **3% rental rate
increase on early renewal**
(Effective 03.2024 - Q2 2023)



**505 des Forges "Complexe
de Léry", Trois-Rivières QC**
New committed lease of
15-year and 5-month for
28,000 sq. ft.
(Effective 08.2024
- Q4 2023)

Positive Leasing Dynamics



315-325 MacDonald “Le Bougainvillier”, Saint-Jean-sur-Richelieu QC
5-year renewal of 18,654 sq. ft. with an **unchanged rental rate at \$13.11** (Effective 06.2023 – Q4 2023)



1000 du Séminaire N. “Les Galeries Richelieu”, Saint-Jean-sur-Richelieu QC
10-year renewal of 68,003 sq. ft. with a **47% rental rate increase** (Effective 11.2023 – Q4 2023)

JABIL

1-9,10 Brewer Hunt & 1260, 1280 Teron, Ottawa ON
5-year new committed lease for 16,763 sq. ft. at a **rental rate of \$21.00** (Effective 08.2024 – Q4 2023)



Financial Overview



Presented by
Charles Dorais Bédard
Senior Director Finance

Quarter & Year ended December 31st, 2023

Financial Highlights

Results

\$127.8M (\$31.9M Q4 2023)

Rental revenue
+7.0% vs 2022 YTD
+1.4% vs Q4 2022

\$75.4M (\$19.3M Q4 2023)

NOI
+7.0% vs 2022 YTD
+3.4% vs Q4 2022

42.4¢/u

Net Earnings per unit

30.0¢/u

Distribution per unit

45.1¢/u (11.1¢/u Q4 2023)

FFO Adjusted ⁽¹⁾
-0.1% vs 2022 YTD
-5.7% vs Q4 2022

74.1% (72.6% Q4 2023)

AFFO Adjusted Payout Ratio ⁽¹⁾
+1.1% vs 2022 YTD
-3.1% vs Q4 2022

Financial Position

\$0.9M

Cash Position

(\$21.6M available on our credit facilities)
(option to increase the availability to \$31.6M)

58.6%

Total Debt Ratio ⁽¹⁾
(+0.1% vs 2022 YTD)

\$2.0M

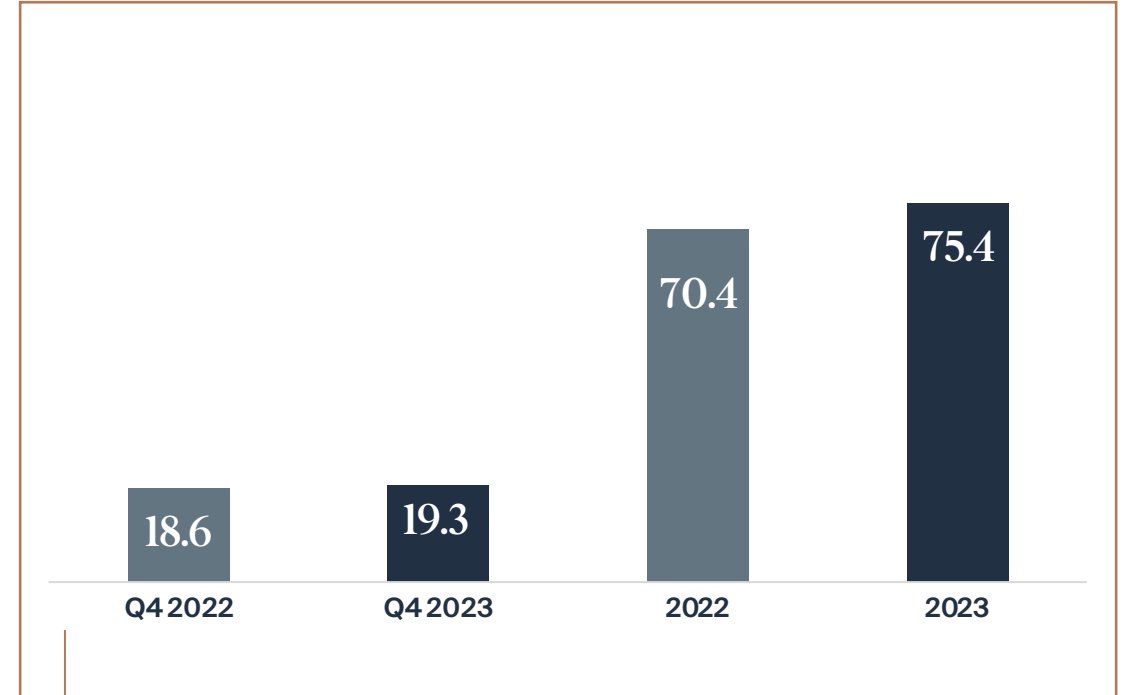
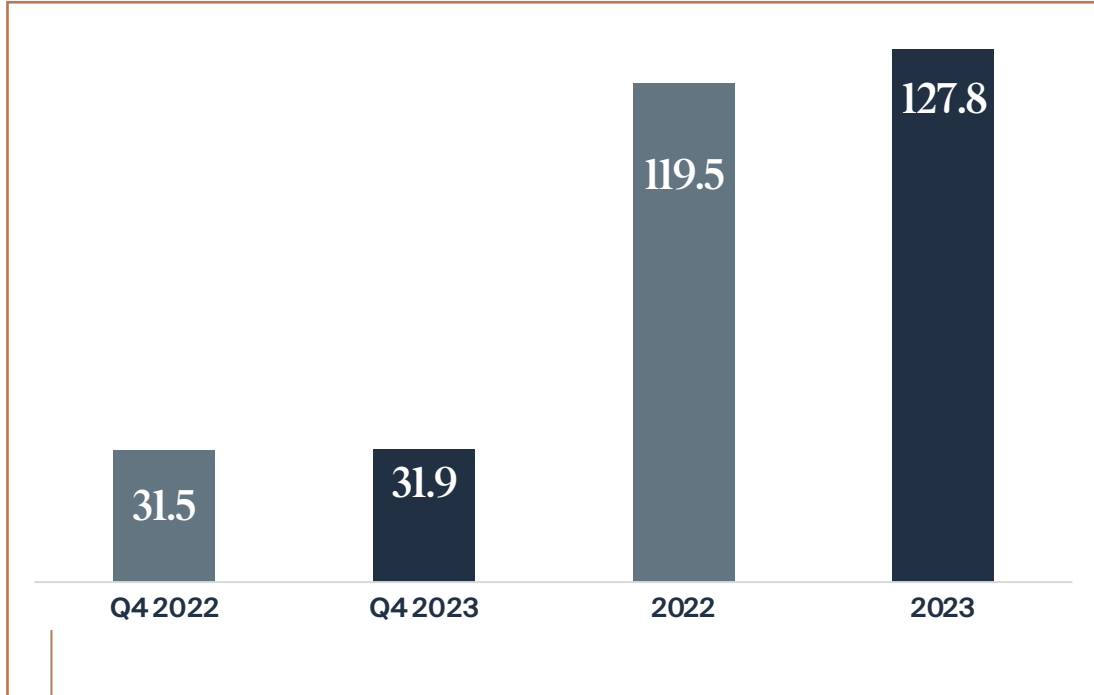
Change in fair value Investment properties
Increase in Cap rates across the 3 asset classes

75.0%

Externally appraised FMV Investment properties
(representing \$905M)

⁽¹⁾ This is a non-IFRS financial measure. Refer to the Non-IFRS financial measure section of this presentation.

Rental Revenue & NOI



Rental Revenue (\$M)

+7.0% vs 2022 YTD | +1.4% vs Q4 2022

Positive contribution

Q4 2021, 2022 & 2023 acquisitions (Alfred Nobel, Western Portfolio, Lansdowne, Algoma, F.-X. Tessier, Allard, 50th & 48th Avenue, Irénée-Vachon) | Leasing efforts increasing renewal rates – 9.2% YTD

Net Operating Income (\$M)

+7.0% vs 2022 YTD | +3.4% vs Q4 2022

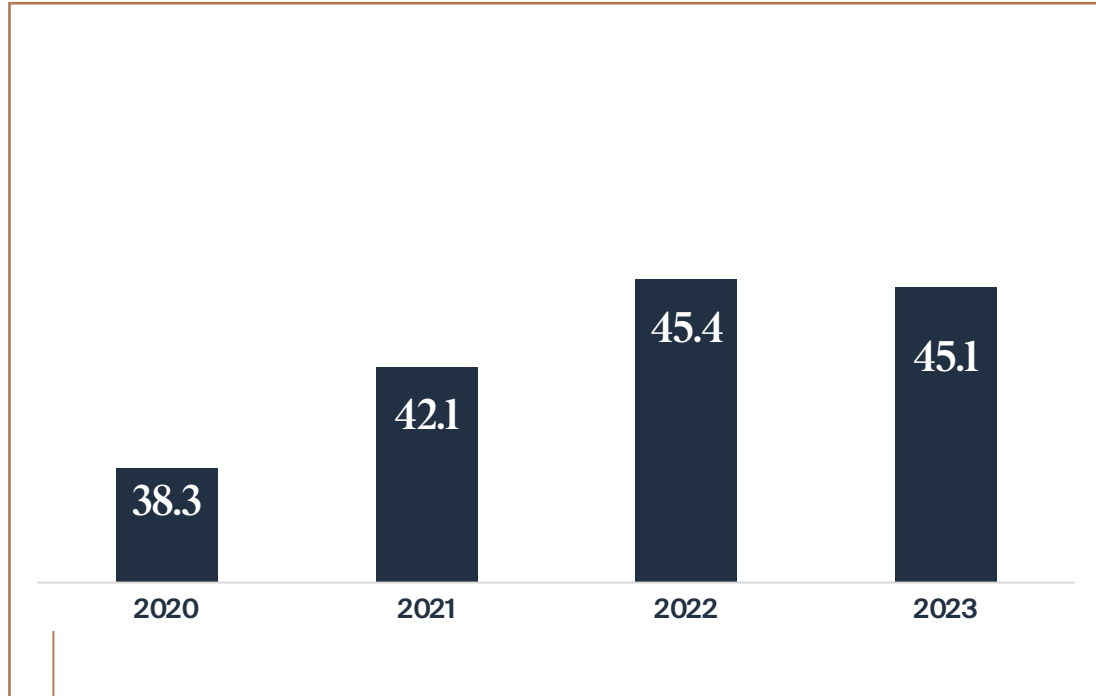
Positive contribution

Q4 2021, 2022 & 2023 acquisitions producing additional revenue | Accretive from the acquisition date | Positive impact of the triple net leases from industrial acquisitions | Increase of occupancy rate

FFO adjusted & AFFO adjusted ⁽¹⁾

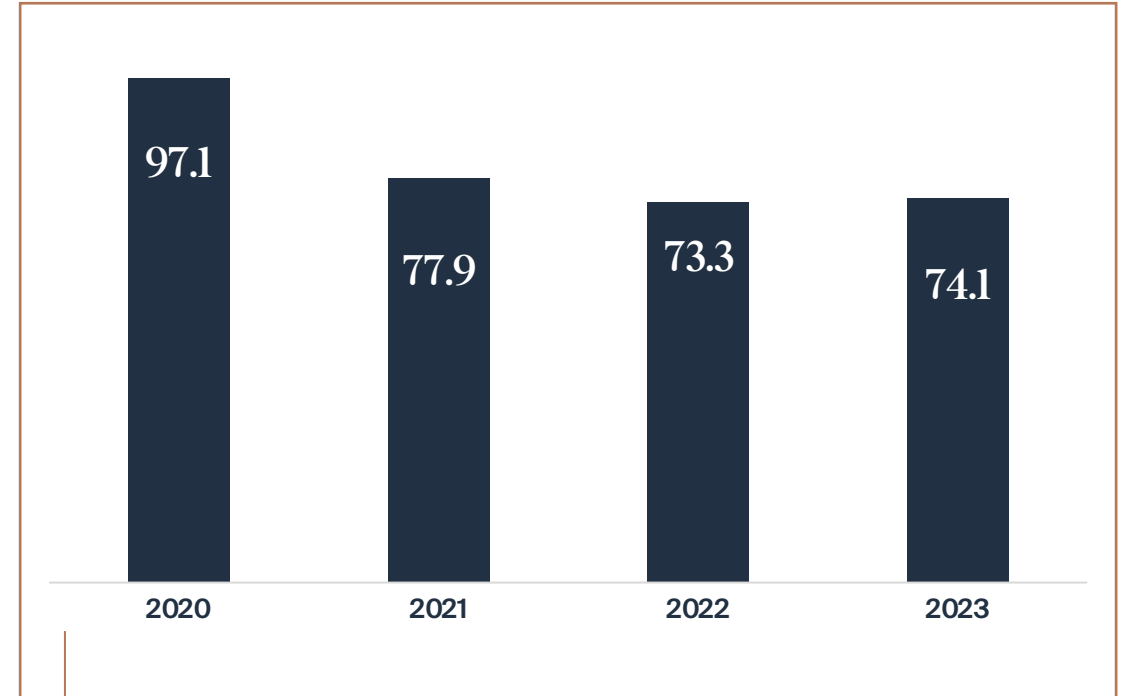
Net earnings per unit
42.4¢

19



FFO adjusted ⁽¹⁾ per unit (¢)

-0.1% vs 2022 YTD | -5.7% vs Q4 2022 (11.1¢ vs 11.8¢)

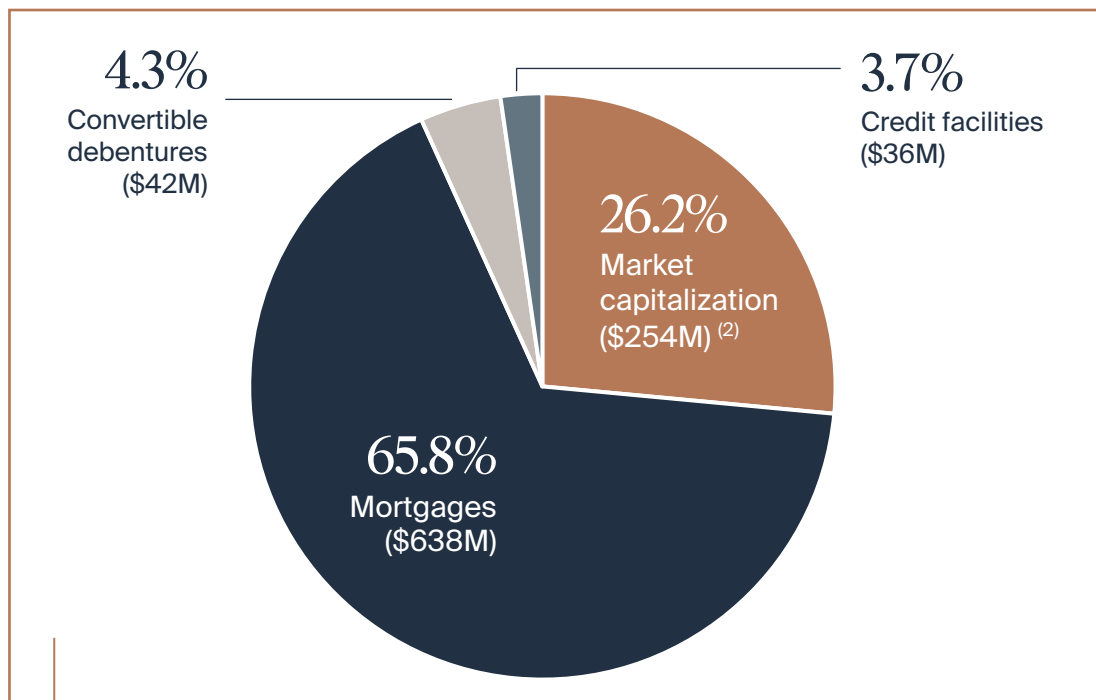


AFFO adjusted ⁽¹⁾ Payout Ratio (%)

+1.1% vs 2022 YTD | -3.1% vs Q4 2022 (72.6% vs 74.9%)

(1) This is a non-IFRS financial measure. Refer to the Non-IFRS financial measure section of this presentation.

Capital Structure



Enterprise Value (Q4 2023)

\$970M

Mortgages Outstanding

\$638M | **4.50%** weighted average interest rate (compared to 4.09% as of December 31, 2023, an increase of 41 bps) | **3.24 years** weighted average term

Convertible Debentures

\$42M | **6.45%** weighted average interest rate | **1.29 years** weighted average remaining term

Credit Facilities (\$58M capacity)

\$36M | BA + 225bps | Option to increase the capacity by \$10M for a total of \$68M

Total Debt

\$684M | **4.30%** weighted average interest rates for mortgages and debentures

Net Debt / GBV⁽¹⁾ (including convertible debentures)

58.6%, representing a decrease of 0.1% from December 31st, 2022

Cash
\$0.9M

Net Debt
\$717M

Total Assets Gross
Book Value
\$1,228M

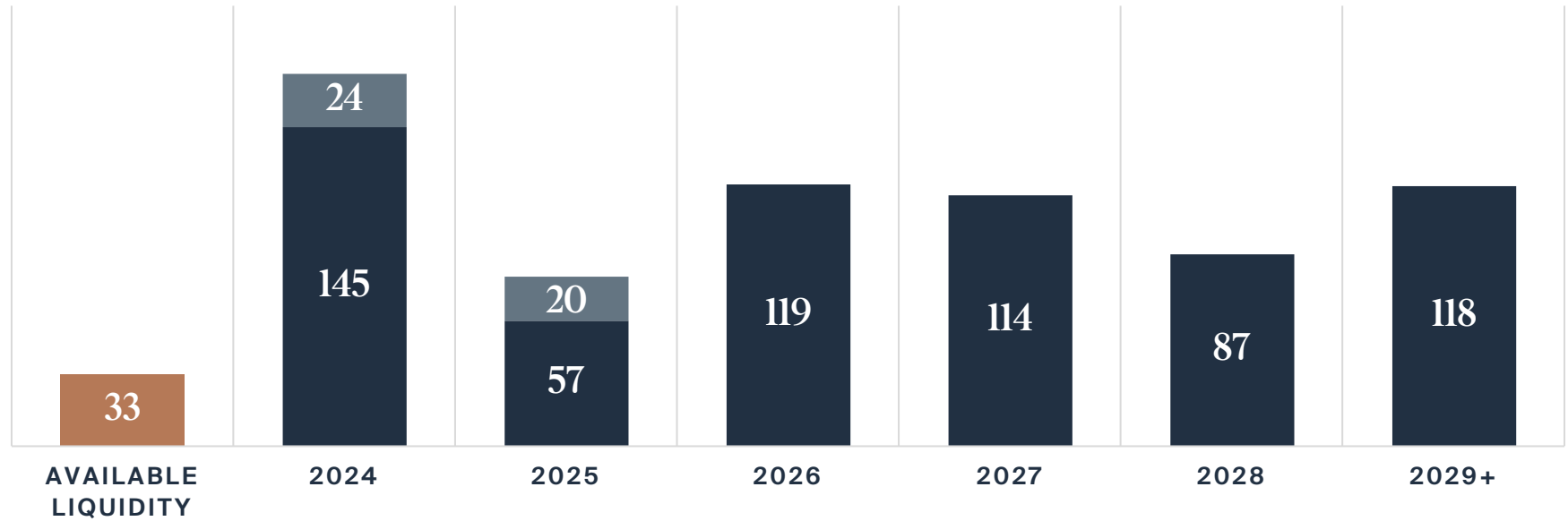
IFRS NAV
\$5.46/u

(1) This is a non-IFRS financial measure. Refer to the Non-IFRS financial measure section of this presentation.
(2) At December 31, 2023, unit price of \$2.93/unit.

Debt Maturities

In millions of dollars

- Mortgage payable
- Convertible debentures



Available Liquidity

\$0.9M in cash plus \$21.6M of available credit facility with an option to increase the capacity by \$10.0M for a total availability of \$32.5M

Mortgages (Maturing in 2024)

\$145M coming due in 2024

Debenture – Series G (Maturing in 2024)

Conversion price @ \$5.42
No conversion since issuance, October 2019

Debenture – Series H (Maturing in 2025)

Conversion price @ \$3.64
No conversion in Q4 2023 for a total of \$10.1M converted since Sept. 2020 (out of \$30.0M issued)

ESG Priority



Presented by
Bruno Meunier
Vice President of Operations

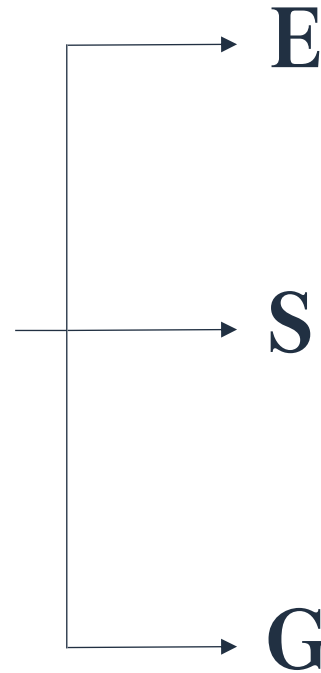
Quarter & Year ended December 31st, 2023

Committed to Responsible Growth

Throughout the years, BTB has embarked on numerous projects with the goal of becoming more environmentally and socially responsible.

In January 2024, BTB has published its inaugural ESG report.

This report discloses information about our environmental, social and governance (ESG) management approach and performance for calendar year 2023. This inaugural report establishes our ambition, describes our approach to managing ESG across the business, highlights our accomplishments, and communicates our future plans.



Achievements to date (2023)

Environment

- ✓ 42% of our portfolio certified BOMA BEST or LEED*
- ✓ 14 rooftop beehives installed and maintained with Alvéole
- ✓ Conducted climate risk assessment
- ✓ Began collecting energy usage data
- ✓ More than 10 roofs replaced by white roofs
- ✓ More than 15 HVAC replaced with more efficient machines

Social

- ✓ Donated annually to several foundations
- ✓ Implemented employee recognition program
- ✓ Completed employee satisfaction survey
- ✓ Completed tenant satisfaction surveys

Governance

- ✓ Established ESG committee
- ✓ Implemented new policies, including our DEI policy
- ✓ Determined focus areas and KPIs

*Excluding industrial and single-tenant buildings.



Scope of Work for 2024

Environment

- Complete energy data collecting for our office and commercial properties
- Quantify GHG emissions for our office and commercial properties
- Increase our BOMA BEST and LEED certifications to 68% of our portfolio*
- Create action plan for properties identified in climate risk assessment

Social

- Strengthen our client relations through events, workshops, and a client newsletter
- Organize quarterly ESG-related internal events (ex: volunteering, tree-planting)
- Increase our involvement in charitable foundations
- Increase ESG awareness and best practices in employees by providing ESG and DEI training for employees
- Include ESG in employee objectives

Governance

- Monitor ESG reporting trends
- Strengthen ESG reporting
- Implement an internal ESG policy
- Improve our environmental clauses in our procurement policy
- Integrate ESG into due diligence

*Excluding industrial and single-tenant buildings.



Projects for 2025+

Environment

- Plan a decarbonation strategy
- Implement energy-saving projects
- Integrate green lease clauses
- Certify entire portfolio BOMA BEST or LEED*

Social

- Formalize a health and wellness program for employees
- Offer incentives for active and public transportation for employees

Governance

- Obtain GRESB assessment
- Maintain our policies and procedures up to date

*Excluding industrial and single-tenant buildings.



Closing Remarks



Presented by
Michel Léonard
President & Chief Executive Officer

Quarter & Year ended December 31st, 2023

Forward-Looking Statements

From time to time, we make written or oral forward-looking statements within the meaning of applicable Canadian securities legislation. We may make forward-looking statements in this document, in other filings with Canadian regulators, in reports to unitholders, and in other communications. These forward-looking statements may include statements regarding our future objectives, strategies to achieve our objectives, as well as statements with respect to our beliefs, outlooks, plans, objectives, expectations, forecasts, estimates, and intentions. The words “may,” “could,” “should,” “outlook,” “believe,” “plan,” “forecast,” “estimate,” “expect,” “propose,” and the use of the conditional and similar words and expressions are intended to identify forward-looking statements.

By their very nature, forward-looking statements involve numerous factors and assumptions and are subject to inherent risks and uncertainties, both general and specific, which give rise to the possibility that predictions, forecasts, projections, and other forward-looking statements will not be achieved. We caution readers not to place undue reliance on these statements as a number of important factors could cause our actual results to differ materially from the expectations expressed in such forward-looking statements. These factors include general economic conditions in Canada and elsewhere, the effects of competition in the markets where we operate, the impact of changes in laws and regulations, including tax laws, successful execution of our strategy, our ability to complete and integrate strategic acquisitions successfully, potential dilution, our ability to attract and retain key employees and executives, the financial position of lessees, our ability to refinance our debts upon maturity, our ability to renew leases coming to maturity, and to lease vacant space, our ability to complete developments on plan and on schedule and to raise capital to finance our growth, as well as changes in interest rates. We caution that the foregoing list of important factors likely to affect future results is not exhaustive. When relying on forward-looking statements to make decisions with respect to BTB, investors and others should carefully consider these factors and other facts and uncertainties. Additional information about these factors can be found in the “Risks and Uncertainties” section of the MD&A.

BTB cannot assure investors that actual results will be consistent with any forward-looking statements and BTB assume no obligation to update or revise such forward-looking statements to reflect new events or circumstances, except as required under applicable securities regulations.

Non-IFRS Measures

The following terms and measures, **Funds from Operations (FFO), FFO / Unit, FFO Adjusted, FFO Adjusted / Unit, FFO Adjusted payout Ratio, Adjusted Funds from Operations (AFFO); AFFO Adjusted, AFFO Adjusted / Unit, AFFO Adjusted payout Ratio, AFFO Adjusted payout Ratio, Same property NOI, Total Debt Ratio, Mortgage Ratio** and other measures discussed in this presentation, including any per unit information if applicable, are non-IFRS performance measures and do not have standardized meanings prescribed by IFRS. For full definitions and reconciliations of these non-IFRS measures, refer to the "Non-IFRS Financial Measures" section in BTB's management discussion and analysis ("MD&A") for the year ended December 31, 2023, which is dated February 26, 2024. The MD&A is available on the Canadian Security Administrators ("CSA") website at www.sedar.com and on our website at www.btbreit.com.

Explanations on how these non-IFRS financial measures provide useful information to investors and the additional purposes, if any, for which the Trust uses these non-IFRS financial measures, are also included in the MD&A. IFRS are International Financial Reporting Standards defined and issued by the IASB, in effect as at the date of this presentation.

Securities regulations require that non-IFRS financial measures be clearly defined and that they not be assigned greater weight than IFRS measures. The referred non-IFRS financial measures, which are reconciled to the most similar IFRS measure in the MD&A if applicable, do not have a standardized meaning prescribed by IFRS and these measures cannot be compared to similar measures used by other issuers.