BTB

Q3

Quarter ended September 30th, 2024

November 5th, 2024

TSX: BTB.UN

Recording of the Conference Call

Our Q3 2024 Results Conference Call was held on November 5, 2024 at 9.00 am

Click here to listen

Quarter ended September 30th, 2024

Quarterly Overview

Presented by
Michel Léonard
President & Chief Executive Officer

Quarter ended September 30th, 2024

Portfolio at a glance

6.1M sq. ft. | 75 Properties | $1.2B

Investment Activity

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

Densification

Actively involved in zoning change to create density on one site by adding residential units in Montreal. Currently working on an expansion in Québec City and a densification opportunity under review in Ottawa.

Dispositions

Two (2) suburban office properties in February

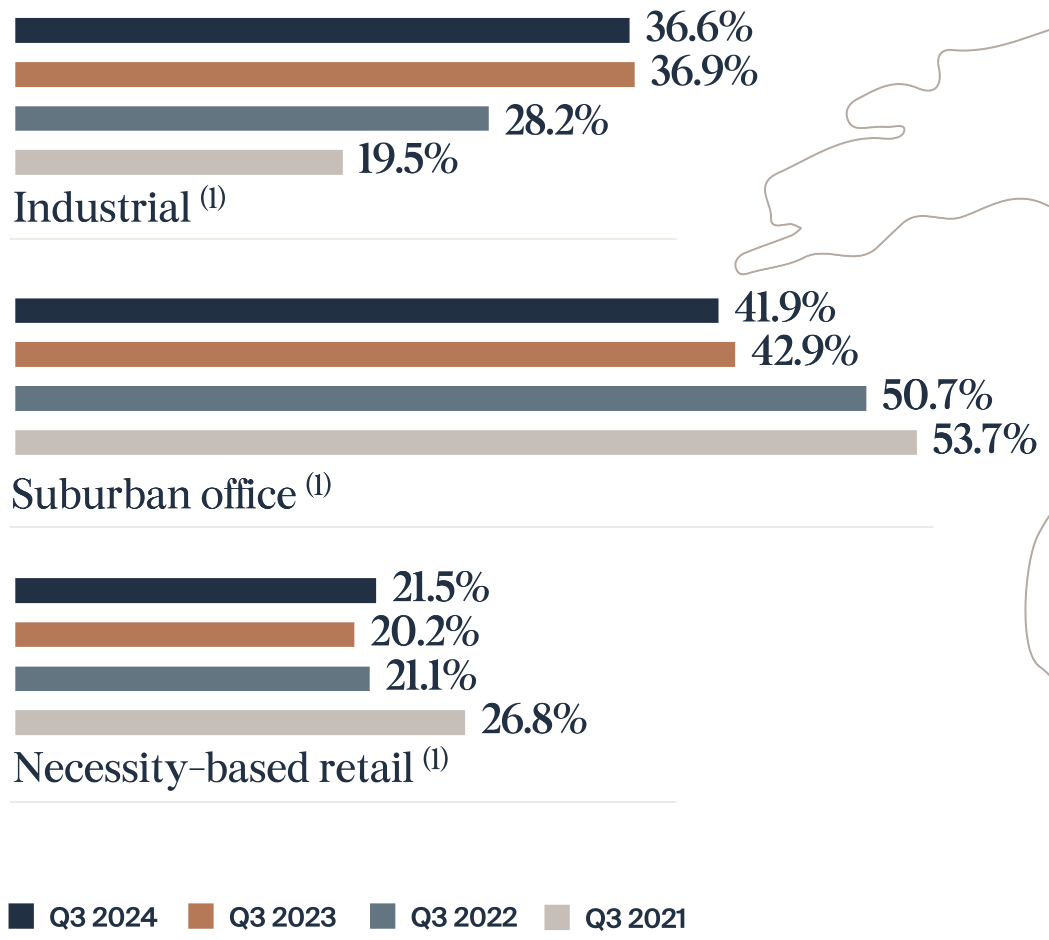
32 & 50 Saint-Charles, Longueuil, QC

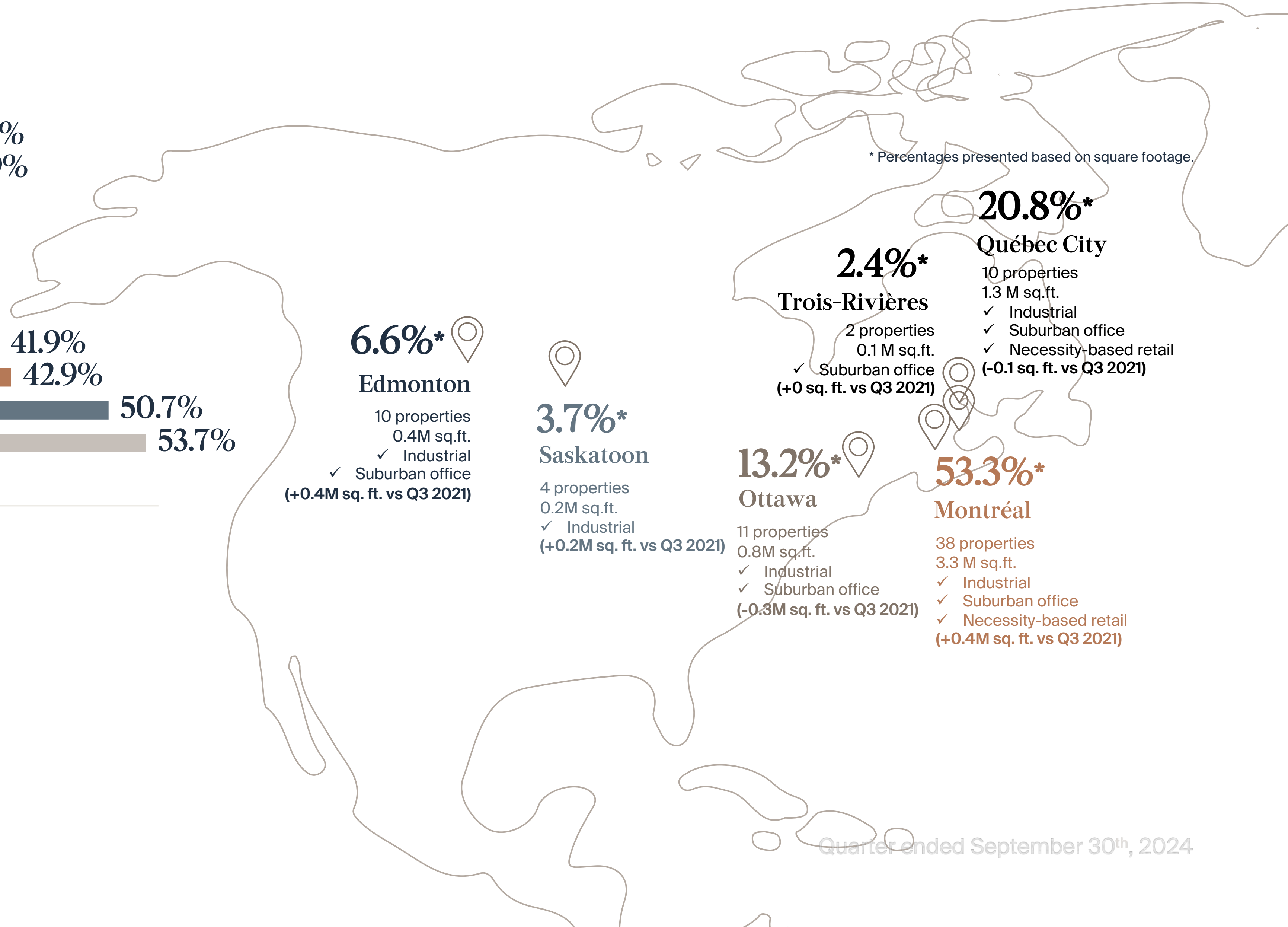
On February 29th, 2024 BTB disposed of these two properties for total proceeds of $6.2 million, excluding transaction costs and adjustments

Suburban office property in Quebec City

Subsequent to the quarter, conditions have been waived for the disposition of this property.

Real Estate Portfolio





(1) Percentages presented based on fair value of property

Development Opportunity

2611 Queensview Drive, Ottawa, ON

Vacant parcel of land adjacent to a suburban office property.

Expected transition to a HUB with LRT station in proximity to the site.

Highlights & Key Metrics

6.1 M sq. ft.

6.1 M sq. ft. | 5.4 M sq. ft.

Total leasable area
Stable vs Q3 2023 | +13.5% vs Q3 2021

$1,216 M

$1,207M | $924 M

Fair value of investment properties
+0.7% vs Q3 2023 | +31.6% vs Q3 2021

319,495 sq. ft.

85,724 sq. ft. | 67,763 sq. ft.

Leasing Activity
Total new leases: 64,583 sq. ft. | Total renewals: 254,912 sq. ft.

92.3%

93.7% | 92.0%

Committed occupancy rate
-1.4% vs Q3 2023 | +0.3% vs Q3 2021

Leasing Activity

Presented by
Stéphanie Léonard
Senior Director of Leasing

Quarter ended September 30th, 2024

Leasing & Renewal Activity

64,583 sq. ft.

New leases in Q3 2024
(Including Winners/Home Sense lease)

92.3% Occupancy rate

-1.4% vs Q3 2023

Leases totalling 319,495 sq. ft. were renewed or leased during the quarter.

Significant early lease renewals were concluded with Lowe Martin Company Inc. (industrial) located in Ottawa, Ontario representing 116,415 sq. ft., the Government of Canada (suburban office) located in Gatineau, Québec representing 44,222 sq. ft. and with Hydro-Québec (suburban office) in Trois-Rivières, Québec representing 36,289 sq. ft.

Achieved a 2.4% average increase in lease renewal rate for the quarter: industrial +5.8% with 124,162 sq. ft. renewed, necessity-based retail +6.7% with 5,019 sq. ft. renewed and suburban office -0.2% with 125,731 sq. ft. For the cumulative nine-month period, we achieved a 4.6% average increase in the lease renewal rate, across all three (3) segments.

New long-term lease concluded with Winners/Home Sense, representing 45,870 sq. ft.

Suburban office leasing continues to show demand as new leases totalling 97,803 sq. ft. or **60.1% of total new leasing activity** were concluded in this segment, 2,000 sq. ft. or 1.3% of new leases were concluded in the industrial segment and 62,922 sq. ft. or 38.6% in the necessity-based retail segment, for the cumulative nine-month period.

Q3 2024

47,109 sq. ft. renewed
64,583 sq. ft. new leases signed (including Winners/Home Sense lease)

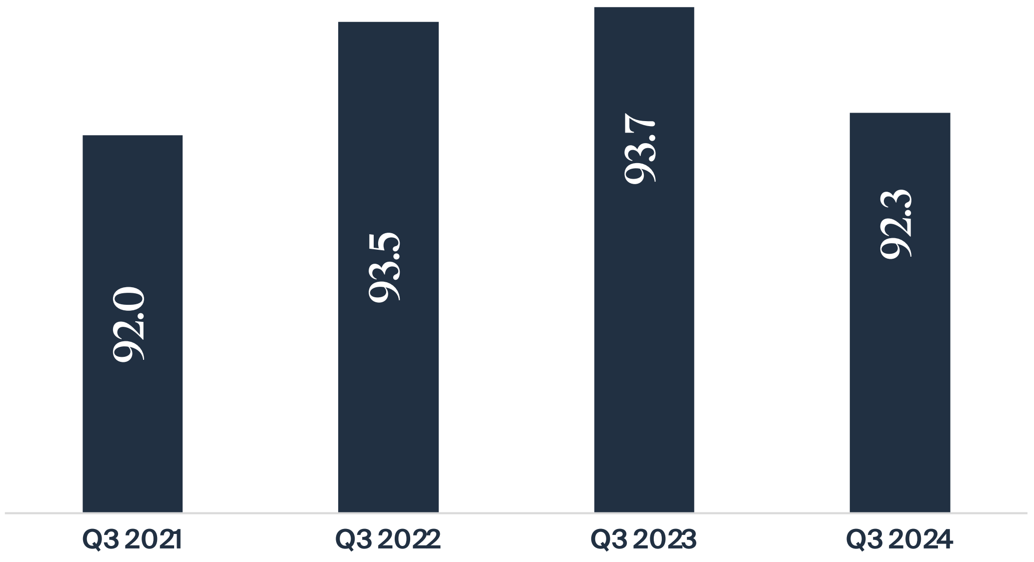
2024+

207,803 sq. ft. renewed in anticipation (Q3 2024)

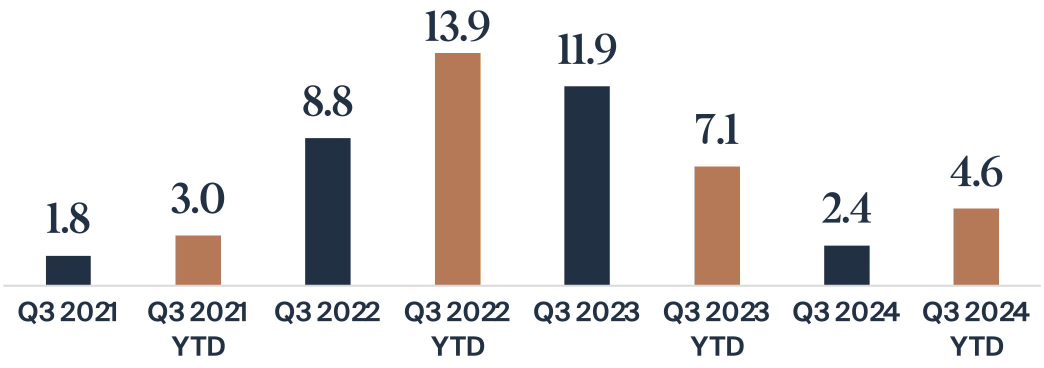
Total

567,056 sq. ft. renewed YTD
162,725 sq. ft. new leases signed YTD

Track Record of Leasing Performance



Total Portfolio Committed Occupancy (%)



Average Lease Renewal Rates [1] (%)

(1) Based on renewed leases during the period

New Lease

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

Construction of a 45,870 sq. ft. pad leased to Winners/HomeSense, a nationally recognized retailer on a long-term basis.

Will increase the fair value of the property.

Projected delivery date: January 2025

New Leasing Opportunity

3695 des Laurentides
Laval, QC

132,665 sq. ft.
Industrial

- 8 Truck-level doors
- Clear height from 11’ to 28’
- High visibility
- Trailer parking available
- Proximity to amenities
- Easy access to highways
- Nearby buses: 63, 65, 70 and 76

Financial Overview

Presented by
Marc-André Lefebvre
Vice President & Chief Financial Officer

Quarter ended September 30th, 2024

Financial Highlights

Results

$32.5M ($97.4M YTD)

Rental revenue
+3.9% vs Q3 2023
+1.5% vs Q3 2023 YTD
+3.1% vs Q3 2023 YTD (1)

$18.8M ($56.0M YTD)

NOI
+3.8% vs Q3 2023
-0.3% vs Q3 2023 YTD
+2.3% vs Q3 2023 YTD (1)

$18.6M ($52.5M YTD)

Same Property NOI (2)
+7.3% vs Q3 2023
+4.8% vs Q3 2023 YTD

7.5¢/u (22.5¢/u YTD)

Distribution per unit

10.7¢/u (31.3¢/u YTD)

FFO Adjusted per unit (2)
+0.3¢ vs Q3 2023
-2.5¢ vs Q3 2023 YTD
-0.9¢ vs Q3 2023 YTD (1)
Net earnings per unit: 6.2¢/u

77.2% (80.3% YTD)

AFFO Adjusted Payout Ratio (2)
-8.1% vs Q3 2023
+5.5% vs Q3 2023 YTD
+1.1% vs Q3 2023 YTD (1)

Financial Position

$3.3M

Cash Position
$29.3M available on our credit facilities (option to increase the availability by $10.0M subject to credit approval)

58.3%

Total Debt Ratio (2)
-30 bps vs December 31, 2023

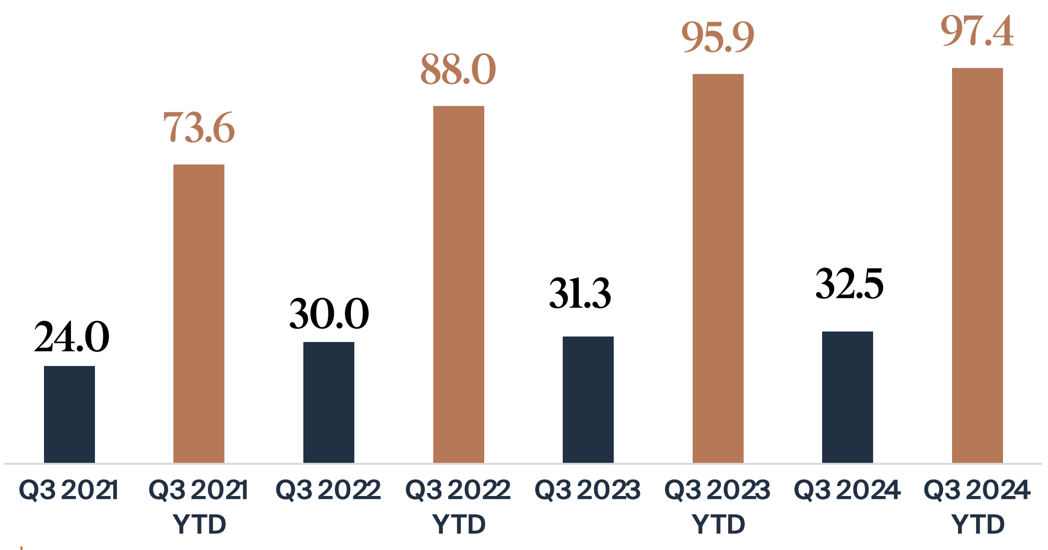
52.5%

Total Mortgage Debt Ratio (2)
+30 bps vs December 31, 2023

(1) During Q1 2023, the Trust recorded a one-time $1.4 million increase of rental revenue pursuant to unrecorded revenue for previous quarters associated to a specific lease (the "One-Time Adjustment").
(2) This is a non-IFRS financial measure. Refer to the Non-IFRS financial measure section of this presentation.

Rental Revenue & NOI

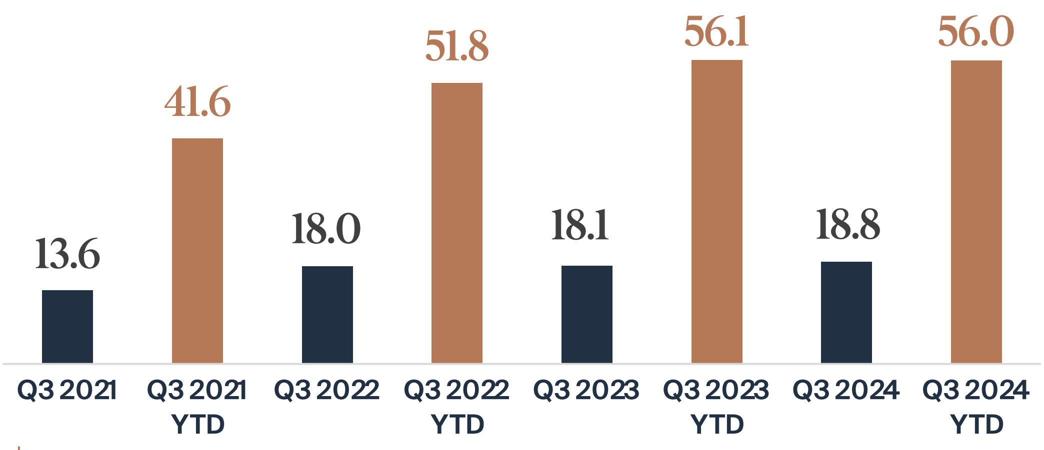
Excluding Q1 2023 One-Time Adjustment (1)
Rental Revenue +3.1% vs Q3 2023 YTD
NOI +2.3% vs Q3 2023 YTD



Rental Revenue ($M)

+3.9% vs Q3 2023 | +35.4% vs Q3 2021
+1.5% vs Q3 2023 YTD | +32.3% vs Q3 2021 YTD

Positive contribution
2021, 2022 & 2023 acquisitions | Operating improvements mainly consisting of higher rent renewal rates and organic increases in lease rates for in-place leases.



Net Operating Income ($M)

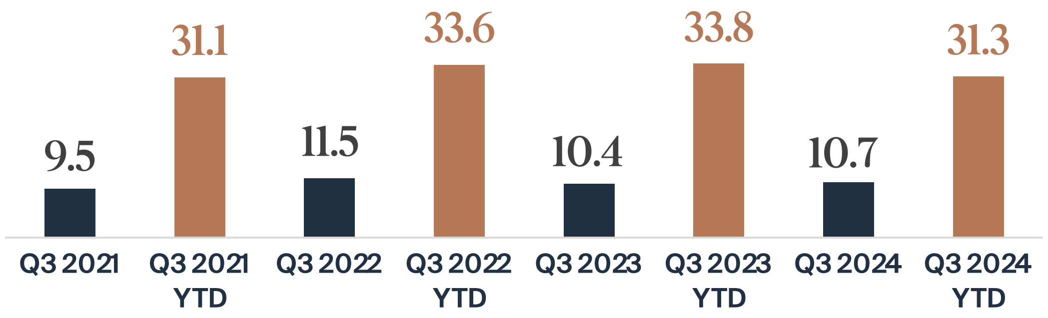
+3.8% vs Q3 2023 | +38.2% vs Q3 2021
-0.3% vs Q3 2023 YTD | +34.6% vs Q3 2021 YTD

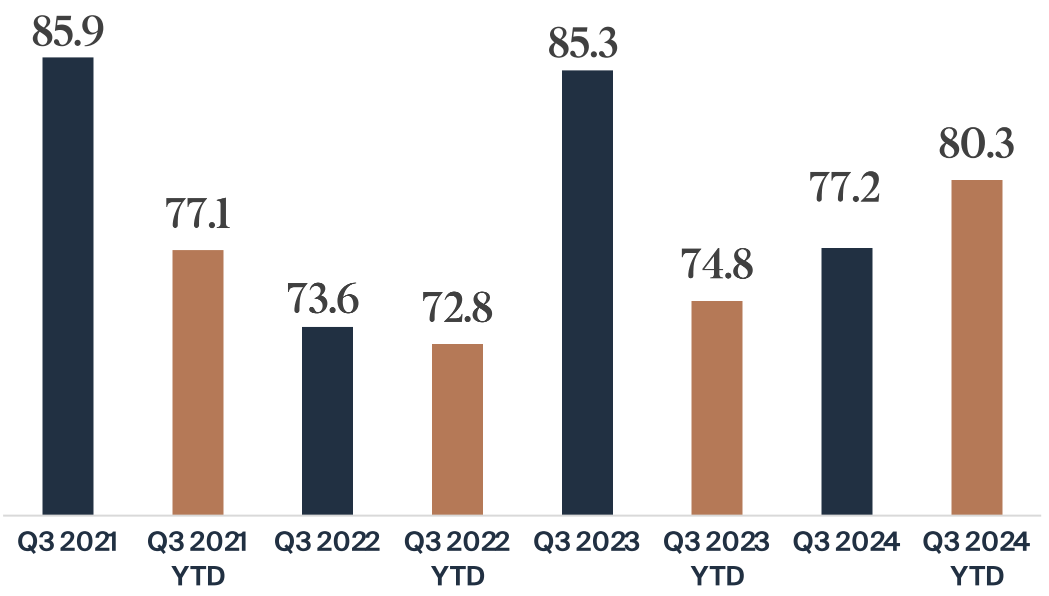
Positive contribution
2021 to 2023 acquisitions accretive since acquisition | Positive impact of the triple net leases from industrial segment | Operating improvements, higher rent renewal rates and organic increases in lease rates for in-place leases | Negative impact in Q3 2024 due to two bankruptcies: Nuera Air ($0.5M) and Énergie-Cardio ($0.2M)

(1) During Q1 2023, the Trust recorded a one-time $1.4 million increase of rental revenue pursuant to unrecorded revenue for previous quarters associated to a specific lease (the "One-Time Adjustment").

FFO adjusted & AFFO adjusted Payout Ratio (1)

Excluding Q1 2023 One-Time Adjustment (2)
FFO adjusted /u -0.9¢ vs Q3 2023 YTD
AFFO adjusted payout ratio +1.1% vs Q3 2023 YTD





FFO adjusted (1) per unit (¢)

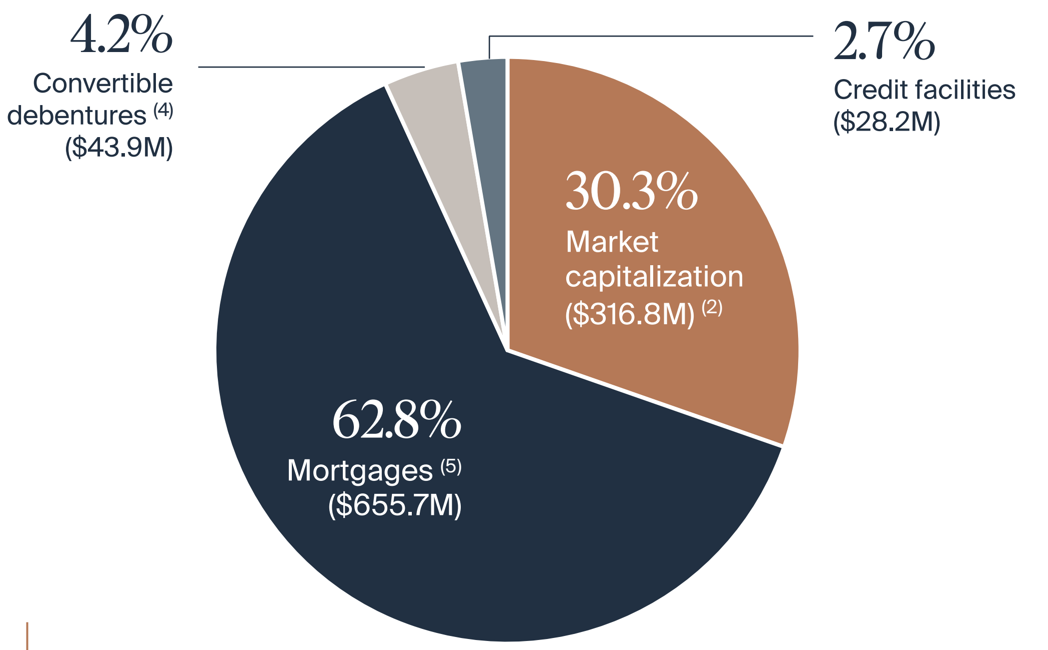
+0.3¢ vs Q3 2023 | +1.2¢ vs Q3 2021
-2.5¢ vs Q3 2023 YTD | +0.2¢ vs Q3 2021 YTD

AFFO adjusted (1) Payout Ratio (%)

-8.1% vs Q3 2023 | -8.7% vs Q3 2021
+5.5% vs Q3 2023 YTD | +3.2% vs Q3 2021 YTD

(1) This is a non-IFRS financial measure. Refer to the Non-IFRS financial measure section of this presentation.
(2) During Q1 2023, the Trust recorded a one-time $1.4 million increase of rental revenue pursuant to unrecorded revenue for previous quarters associated to a specific lease (the “One-Time Adjustment”).

Capital Structure



Enterprise Value (Q3 2024)

$1,041 M

On October 31,2024, the Trust fully redeemed and paid at maturity the Series G unsecured convertible debentures at their nominal value of $24 M plus accrued interest of $0.7 M using proceeds sourced from mortgage loans.

Mortgages Outstanding

$655.7M | **4.33%** weighted average interest rate (compared to 4.11% as of Q3 2023, an increase of 22 bps) | **3.0 years** weighted average term

Convertible Debentures

Series G | $24.0M | 6% interest rate | Maturity date of October 2024 | Conversion price (5.42)
Series H | $19.9M | 7% interest rate | Maturity date of October 2025 | Conversion price (3.64)

Credit Facilities ($58M capacity)

$28.2M | CORRA + 225bps or prime +100bps | Option to increase the capacity by $10M for a total of $68M

Total Debt

$727.8M | **4.33%** weighted average interest rates for mortgages | **4.75%** weighted average interest rates for total debt

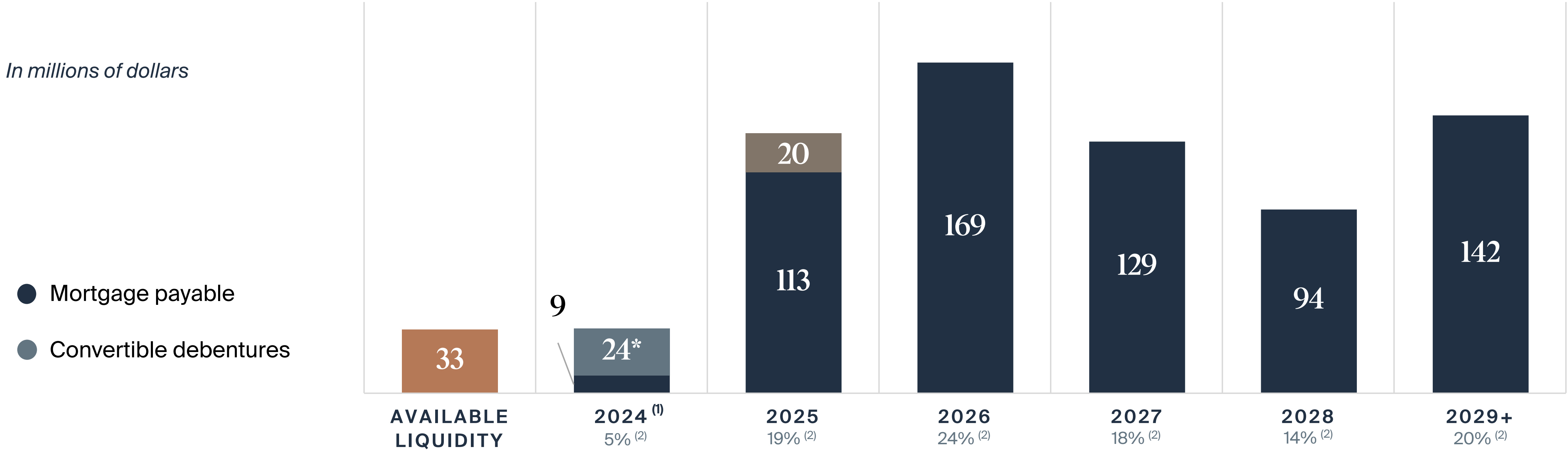
Net Debt / GBV (1)(3) (including convertible debentures)

58.3%, a decrease of 30 bps since December 31, 2023

Cash	Net Debt (6)	Total Assets Gross Book Value	IFRS NAV
$3.3M	**$724.5M**	**$1,245M**	**$5.43/u**

(1) This is a non-IFRS financial measure. Refer to the Non-IFRS financial measure section of this presentation.
(2) At September 30, 2024, unit trading price of $3.61/unit.
(3) Including $0.6 M of unamortized financing expenses
(4) Per value of convertible debentures
(5) Excluding $2.6 M of unamortized financing expenses
(6) Includes convertible debentures, mortgage credit facilities less cash

Debt Maturities



Available Liquidity

$3.3M in cash plus $29.3M of available credit facility for a total of $32.6M.

Mortgages (Maturing in 2024)

$8.6M coming due in the following 3 months of 2024

* Debenture – Series G (Maturing in October 2024)

The Trust fully redeemed and paid at maturity the Series G unsecured convertible debentures at their nominal value of $24 M plus accrued interest

Debenture – Series H (Maturing in October 2025)

$20.0 M coming due in 2025.
Conversion price @ $3.64
No conversion in 2024. Total of $10.1M converted since Sept. 2020

(1) For the remaining 3 months.
(2) Percentage of total debt maturing each year.

Closing Remarks

Presented by
Michel Léonard
President & Chief Executive Officer

Quarter ended September 30th, 2024

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, 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 quarter ended September 30, 2024, which is dated November 4, 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.