BTB

Q4

Quarter ended December 31st, 2022

TSX: BTB.UN

February 28th, 2023

Recording of the Conference Call

Quarter ended December 31st, 2022

Our Q4 & Annual 2022 Results Conference Call was held on February 28, 2023 at 9.00 am
Presented by Michel Léonard, President & CEO and Mathieu Bolté, Vice President & CFO
Click here to listen

Quarterly & Yearly Overview

Quarter ended December 31st, 2022

Presented by
Michel Léonard
President & Chief Executive Officer

Real Estate Portfolio

Portfolio in a glimpse

5.9M sq. ft. | **73** Properties | **$1,164M**

Q4 Dispositions

Off-downtown core office Properties
Completed 83, Turgeon Street, Sainte-Thérèse (QC)
&
7001-7035, Saint-Laurent boulevard, Montréal (QC)

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

Investment Activity

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

Acquisition

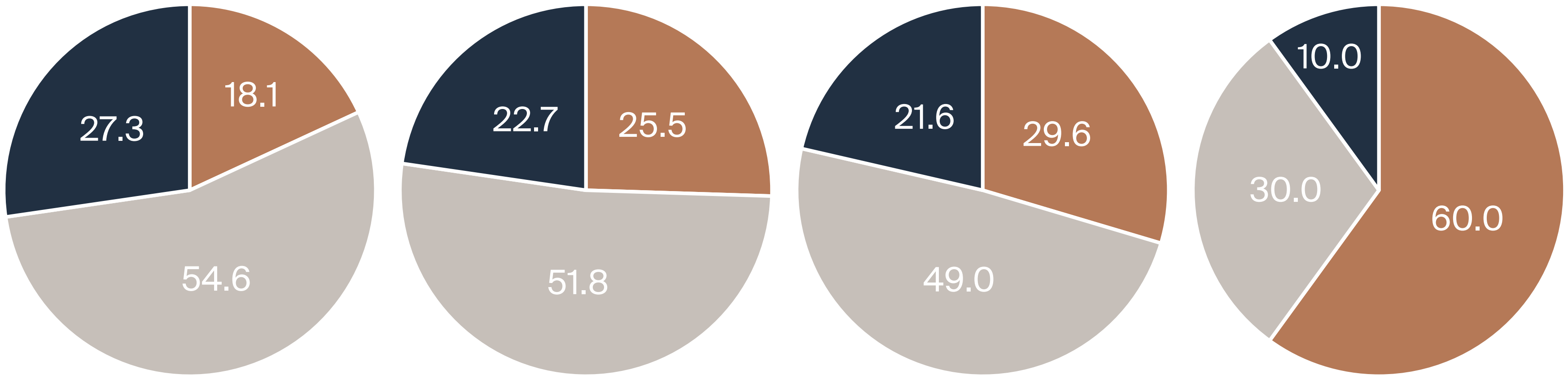
Industrial property in Mirabel (QC) acquired after the closure of Q4 2022 (subsequent event) : 9900, Irénée-Vachon Street

Evolution of Portfolio Positioning

Property value in $M	December 2020		December 2021		December 2022		Objective 2026	
Industrial	18.1%	$164 M	25.5%	$284 M	29.6%	$345 M	60.0%	$1.2 B
Off-downtown core office	54.6%	$494 M	51.8%	$575 M	49.0%	$571 M	30.0%	$600 M
Necessity-based retail	27.3%	$246 M	22.7%	$252 M	21.4%	$249 M	10.0%	$200 M
Portfolio	$0.9 B		$1.1 B		$1.2 B		$2.0 B	

Asset allocation (%)

- Industrial
- Off-downtown core office
- Necessity-based retail



* Percentages presented based on property value.

Real Estate Portfolio

By Geographic Diversification

Geographic diversification's contribution to property value for the years 2022, 2021 & 2020:

Edmonton*
2022: 7.4%
2021: 4.8%
2020: -

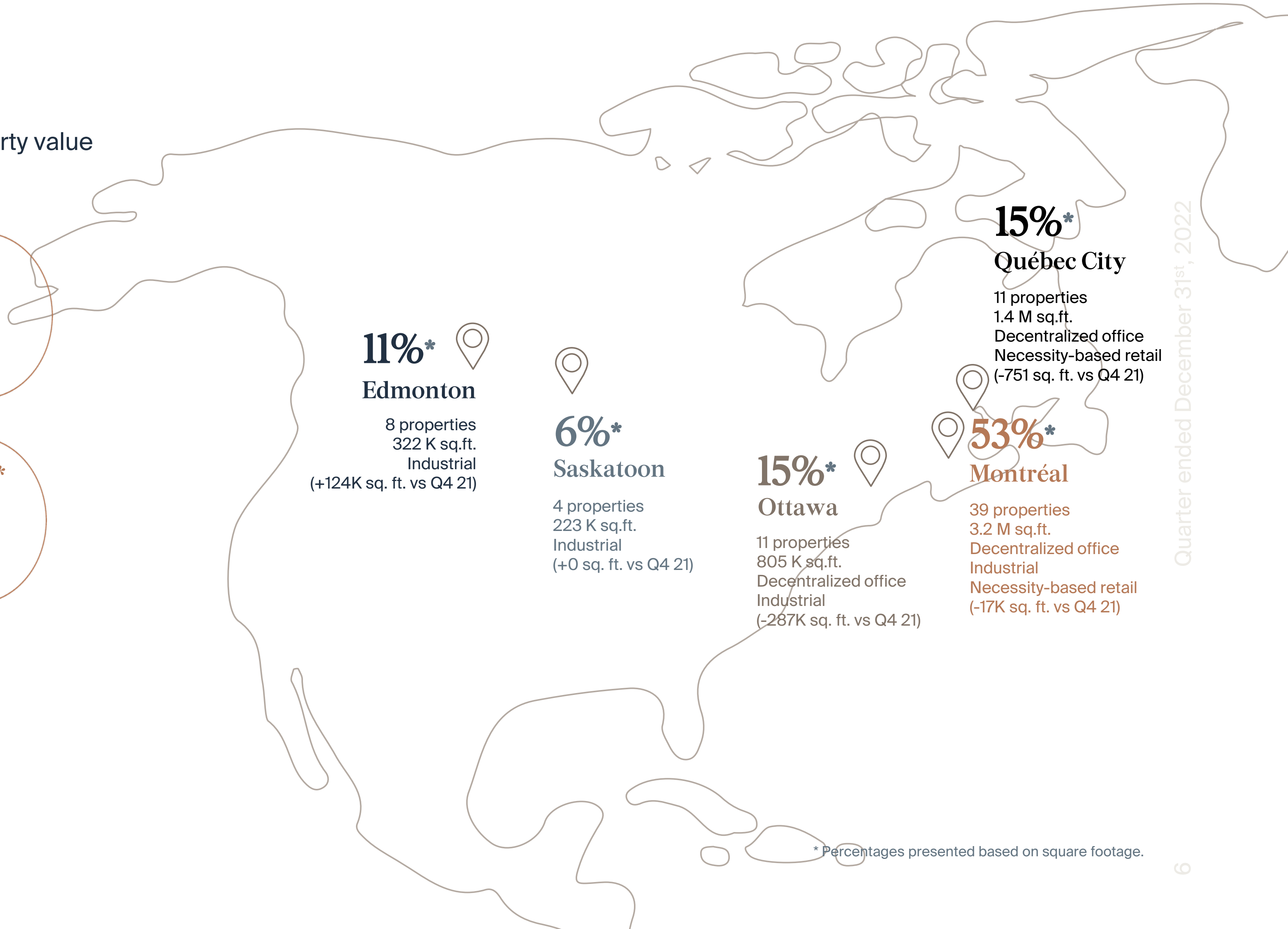
Saskatoon*
2022: 4.1%
2021: 3.7%
2020: -

Ottawa*
2022: 15.0%
2021: 14.1%
2020: 15.7%

Québec City*
2022: 19.3%
2021: 22.0%
2020: 27.2%

Montréal*
2022: 54.2%
2021: 55.4%
2020: 57.1%

* Percentages presented based on property value.



* Percentages presented based on square footage.

Q4 2022 – Highlights & Key Metrics

5.9M sq. ft.

Leasable area
(-181 K sq. ft. vs Q4 2021)

154,032 sq. ft.

Renewals & new leases

93.2%

Committed occupancy
(-0.2% vs Q4 2021 and -0.3% vs Q3 2022)

$1,164M

Investment properties
(+4.9% vs Q4 2021)

2 dispositions

Off-downtown core office properties - December 2022:
83, Turgeon St., Sainte-Thérèse (QC)
& 7001-7035, Saint-Laurent, Montréal (QC),

NCIB

Approved on November 7, 2022 by TSX (2)

(1) This is a non-IFRS financial measure. Refer to the Non-IFRS financial measure section of this presentation.
(2) On November 7, 2022, the Toronto Stock Exchange (the "TSX") has approved the normal course issuer bid ("NCIB") program authorized by the Trust's Board of Trustees to repurchase for cancellation up to 5,838,023 units, representing approximately 7% of the Trust's outstanding units and of its public float. The NCIB will provide the Trust with the ability to repurchase units at its discretion and in accordance with TSX rules from November 10, 2022 to November 9, 2023.

Leasing & Renewal Activity

49,568 sq. ft.

New leases in Q4 2022

93.2% Occupancy rate

-0.2% vs Q4 2021
-0.3% vs Q3 2022

A total of 154,032 sq. ft. was renewed or leased during the quarter, bringing our YTD leasing activities volume to 672,791 sq. ft.

Secured long-term lease renewals with Cineplex Entertainment Limited Partnership (34,808 sq. ft.) in Montreal, Giatec Scientific Inc. (15,677 sq. ft.) in Ottawa and EMS Structure Inc. (10,442 sq. ft.) in Québec City.

Achieved a 8.0% average increase in renewal rate for the quarter (+12.2% YTD) across all business segments: off-downtown core office +6.2% (96,877 sq. ft.), necessity-based retail +11.3% (57,154 sq. ft.) and industrial (no transaction).

New leases with PPI Management Inc. (6,647 sq. ft.) in Québec city, Trinity Development Group Inc. (6,647 sq. ft.) in Ottawa and Restaurant Mezzmiz Crescent Inc. (1,501 sq. ft.) in Montréal.

Necessity-based retail leasing interest is picking up velocity which is reflected in the increased occupancy rate (98.2% compared to 95.1% last year).

2022

356,454 sq. ft. renewed
49,568 sq. ft. new leases

2023+

148,736 sq. ft. renewed in anticipation

Total

505,189 sq. ft. renewed YTD
167,602 sq. ft. new leases YTD

Financial Overview

Quarter ended December 31st, 2022

Presented by
Mathieu Bolté
Vice-President & Chief Financial Officer

2022 – Financial Highlights

Results

$119.5 (+19.1%)

YTD Rental revenue
(**YTD** +19.1% vs last year)
(**Q4 2022** $31.4M, +17.5% vs Q4 2021)

3.4%

Same-property NOI [(1)] **YTD** increase
(increase of 7.1% for the quarter)

45.4¢/u

YTD Recurring FFO [(1)]
(+7.8% vs last year)
(**Q4 2022** 11.8¢/u, up by 7.3% vs Q4 2021)

73.3%

YTD Recurring AFFO payout ratio [(1)]
(vs 77.9% for last year)
(**Q4 2022** 74.9%, improvement by 5.1% vs Q4 2021)

Financial Position

$2.4M

Cash Position
($38.1M available on our credit facilities)
(option to increase the availability to $58.1M)

58.5%

Total Debt Ratio [(1)]
(improvement of 2.0% compared to Q4 2021)

$(8.2)M

Change in fair value - Investment properties
Decrease for the year

70.4%

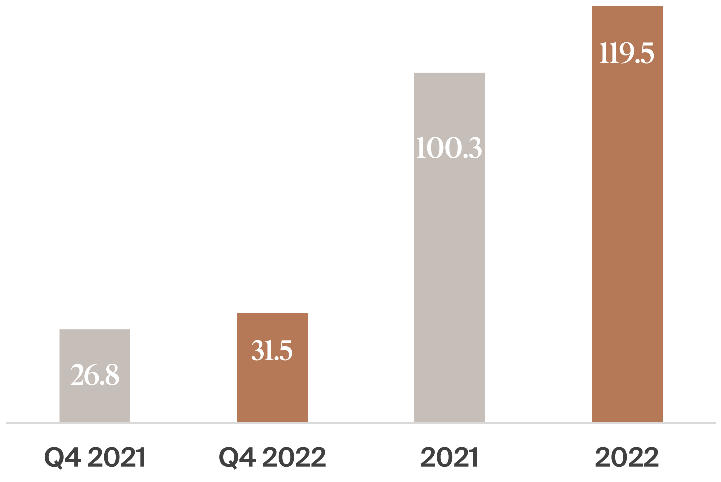
Externally appraised FMV – Investment properties
(representing 821.3M$)

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

Rental Revenue & NOI

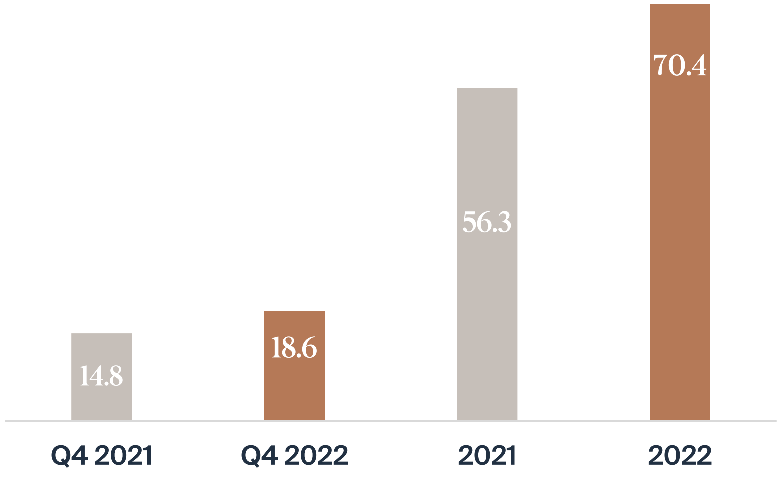
Rental Revenue ($M)

+17.5% vs Q4 2021
+19.1% vs 2021



Net Operating Income ($M)

+26.0% vs Q4 2021
+25.0% vs 2021



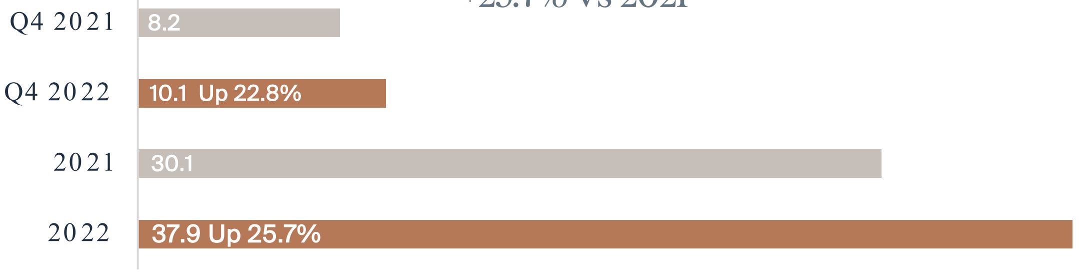
- **Rental revenue**
  $31.5M | Up by 17.5% vs Q4 2021 (YTD $119.5M, up by 19.1% vs last year)
- **Positive contribution**
  Q4 2021 and 2022 acquisitions (Alfred Nobel, Western Portfolio, Lansdowne, Algoma, F.-X. Tessier, Allard and 50th Avenue)

- **NOI**
  $18.6M | Up by 26.0% vs Q4 2021 (YTD $70.4M, up by 25.0% vs last year)
- **Positive contribution**
  Q4 2021 and 2022 acquisitions producing additional revenue and increasing the NOI | Accretive from the acquisition date
  Positive impact of the triple net leases from industrial acquisitions

Recurring FFO & AFFO [(1)]

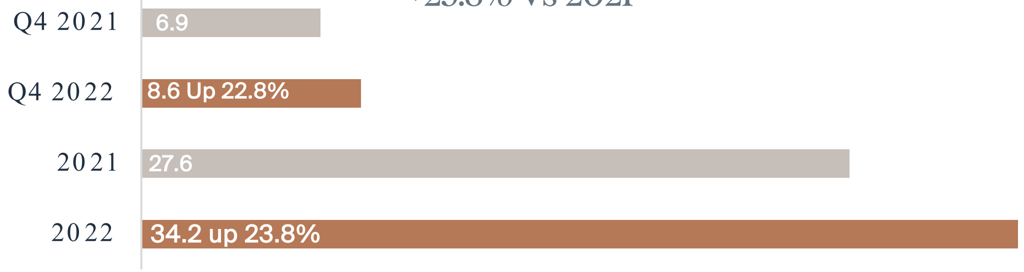
Recurring FFO [(1)] ($M)

+25.7% vs 2021



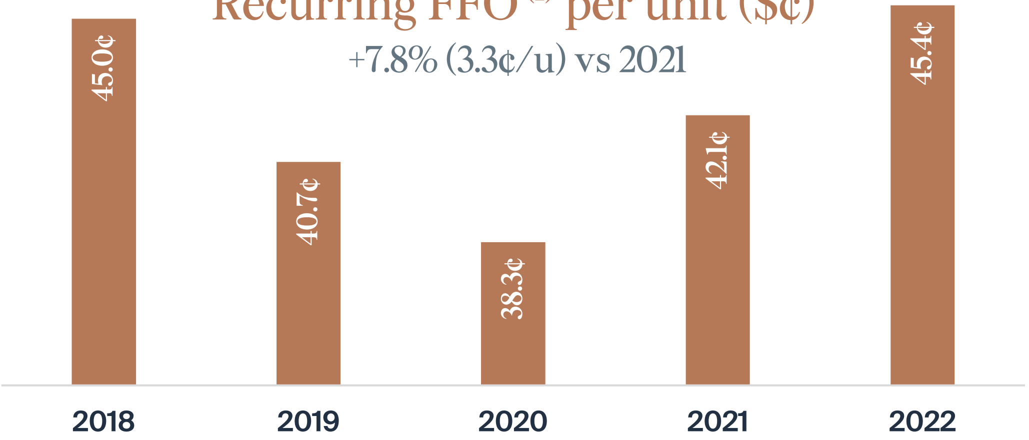
Recurring AFFO [(1)] ($M)

+23.8% vs 2021



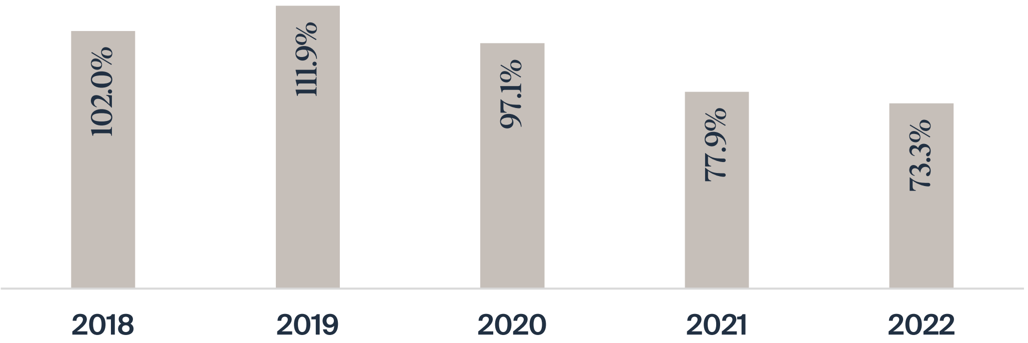
Recurring FFO [(1)] per unit ($¢)

+7.8% (3.3¢/u) vs 2021



- **Recurring FFO [(1)] per unit: 11.8¢/u (YTD 45.4¢/u)**
  Up by 0.8¢/u (+6.8%) vs Q4 2021

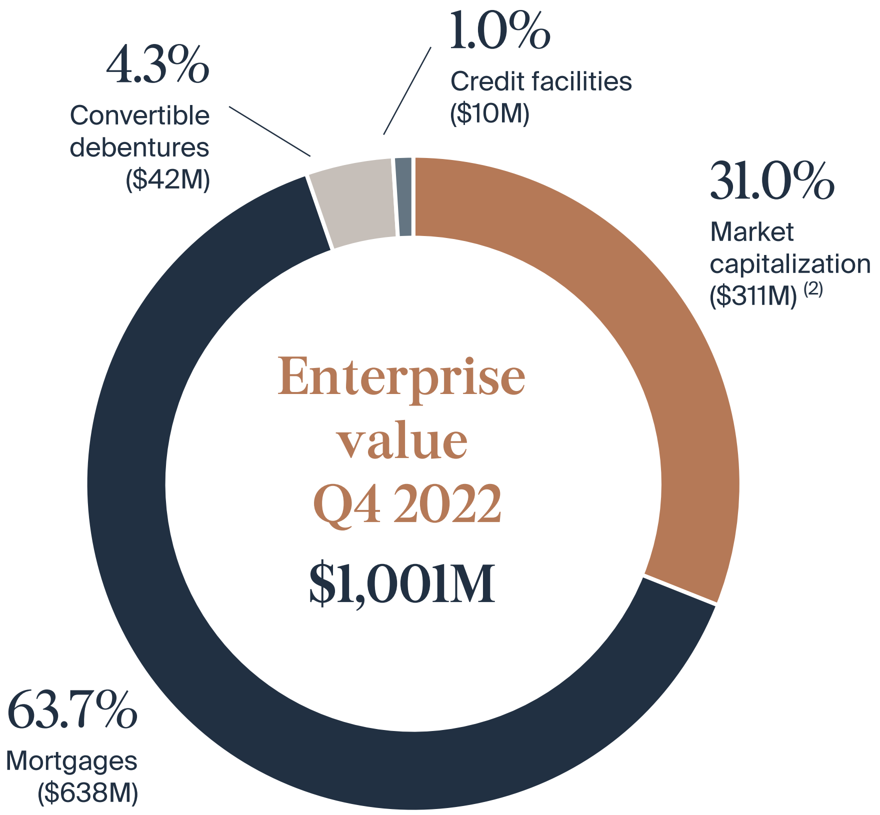
Recurring AFFO [(1)] Payout Ratio (%)



- **Recurring AFFO [(1)] payout ratio: 74.9% (YTD 73.3%)**

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

Capital Structure



Mortgages Payable

$638M | 4.09% weighted average interest rate (compared to 3.49% as of December 31, 2022, an increase of 60 bps) | 4.0 years weighted average term

Convertible Debentures

$42M | 6.46% weighted average interest rate | 2.3 years weighted average term

Credit Facilities ($68M capacity)

$10M | BA + 225bps | Option to increase the capacity by $20M for a total of $58M

Total Debt

$690M | 4.24% weighted average interest rates for mortgages and debentures

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

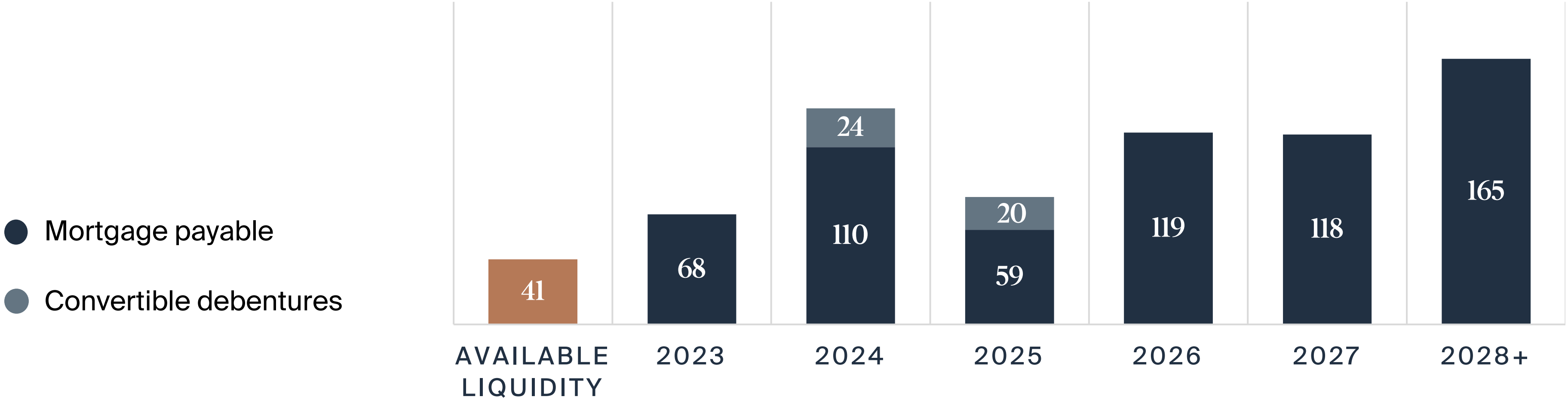
58.5%, representing -2.0% from December 31, 2021

Cash and Restricted Cash	Net Debt	Total Assets Gross Book Value	IFRS NAV
$2.4M	$688M	$1,180M	$5.42/u

(1) This is a non-IFRS financial measure. Refer to the Non-IFRS financial measure section of this presentation.
(2) At December 31, 2022, unit price of 3.65$/unit.

Debt Maturities

In millions of dollars



Available Liquidity

$2.4M in cash plus $38.1M of available credit facility with an option to increase the capacity by $20.0M for a total availability of $60.5M

Mortgages (Maturing in 2023)

$24.5M coming due in first half and $43.7M coming due in second half of the year (total of 7 properties)

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 2022 for a total of $9.7M converted since Sept. 2020 (out of $30.5M issued)

Closing Remarks

Quarter ended December 31st, 2022

Presented by
Michel Léonard
President & Chief Executive Officer

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, Recurring FFO, Recurring FFO / Unit, Recurring FFO payout Ratio, Adjusted Funds from Operations (AFFO); Recurring AFFO, Recurring AFFO / Unit, AFFO payout Ratio, Recurring AFFO 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, 2022, which is dated February 24, 2023. 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.