



PRESS RELEASE
For immediate release

With Cash on Hand Ready to be Deployed for Acquisitions, BTB Posts Strong 2021 Second Quarter Results

Montréal (Québec) August 9th, 2021: BTB Real Estate Investment Trust (TSX: BTB.UN) (“BTB” or the “REIT”) releases today its financial results for the second quarter ended June 30th, 2021, compared to the second quarter of 2020 and present the following highlights and information:

HIGHLIGHTS OF THE SECOND QUARTER ENDED JUNE 30TH, 2021

- **Improved Results and Continued Stability:** during the quarter, BTB showed improved financial results and stability through its retail, office, and industrial operating segments.

As a reminder, the results of the second quarter of last year were impacted by the financial effect of the Canada Emergency Commercial Rent Assistance (“CECRA”) program. This program, in addition to rent concessions granted to tenants, impacted 2020’s NOI by \$0.5 million. NOI was also impacted by \$1.1 million as a result of a higher provision for credit losses and by a reduction of the fair value of properties of \$10.5 million.

During the first and second quarter of 2021, BTB did not have to record any major impact caused by COVID-19. Revenues have improved and BTB’s results for Q2 2021, demonstrate the improvement in its financial performance.

- **Cash Position:** BTB concluded Q2 2021 with a cash position of **\$25.3 million**. The \$19.0 million increase in cash since the last quarter is mainly due to the net proceeds received from the equity issue of \$31.6 million (excluding transaction costs). The operating and acquisition lines of credit were fully repaid and thus our cash on hand and on our lines of credit of \$23 million are fully available and ready to be deployed.

Beyond BTB’s cash position of **\$25.3 million**, the Trusts’ financial capacity is beyond **\$40 million**, which would allow BTB to acquire approximately **\$100 million** in assets without going to market.

- **NOI Margin:** stands at **59.8 %** compared to **53.8 %** for the same period last year. The Trust recorded additional recoveries of \$1.4 million and not considering these recoveries, the NOI margin would be **57.5%**, still representing a **3.7%** increase compared to the same period last year.



- **SPNOI Margin:** stands at **59.7%** for the quarter compared to 54.2% for the same period last year. Excluding non-recurring items, SPNOI **increased by 3.3%** compared to Q2 2020.
- **Lease Renewals and New Leases Concluded:** leasing activities were strong as BTB renewed and leased vacant spaces totaling 175,193 sq. ft. Lease renewal activities showed an **86.2%** renewal rate, a **10.2% increase** as compared to the prior quarter. Leases representing a total of 97,193 sq. ft. were renewed, and leases representing 78,000 sq. ft. were signed with new tenants. This leasing activity resulted in a **1.2% increase** in the occupancy rate to 92.2%, compared to the last quarter.
- **Funds From Operations (FFO) & Adjusted Funds From Operations (AFFO):** For Q2 2021, BTB is reporting a recurring FFO of **12.5 ¢** per unit compared to 7.5 ¢ per unit for the same period in 2020 and a recurring AFFO of **11.8¢** per unit for Q2 2021 compared to 6.7¢ per unit compared to the same period in 2020:
 - i. The recurring FFO payout ratio is **59.9%** for the quarter compared to **113.9%** in Q2 2020.
 - ii. The recurring AFFO payout ratio is **63.7 %** for the quarter compared to **126.6 %** in Q2 2020.
- **Debt Ratio:** As of June 30th, 2021, BTB's total debt ratio stood at **56.0%**, a **reduction of 2.6%** compared to the same quarter of 2020. The debt metrics continue to demonstrate BTB's intent to maintain its total debt ratio below 60%. This reduction is primarily due to the recent equity issue, the conversion of Series H debentures by certain holders throughout the past quarters, combined with the full repayment of the outstanding amount on the acquisition line of credit.
- **Industrial Building Acquisition:** On June 29th, 2021, BTB acquired an industrial property located at 6000 Kieran Street, in the Saint-Laurent borough of Montréal, for a total consideration of **\$15.25 million**, (excluding transaction costs). With a total leasable area of 99,000 sq. ft., this property is entirely leased to Kore Outdoor Inc, a global leader in the manufacturing of high-quality paintball products.
- **Bought-Deal:** on April 28th, 2021, BTB closed a bought-deal public offering. BTB sold an aggregate of **7,809,650 units** at a price of **\$4.05 per unit** for aggregate gross proceeds of **\$31.6 million** (excluding transaction costs).
- **Short Form Base Shelf Prospectus:** On June 15th, 2021, BTB filed and obtained a receipt for a final short form base shelf prospectus, providing BTB with efficient access to Canadian capital markets for an aggregate offering amount up to **\$200 million**.

A MESSAGE FROM MICHEL LÉONARD, PRESIDENT AND CHIEF EXECUTIVE OFFICER

“We are proud to report strong results for the second consecutive quarter. Over the past months, we have been focused on solidifying our business foundations and we are emerging from the pandemic with more solid foundations.

The past quarter’s activities have demonstrated our determination towards BTB’s strategic growth, allowing us to purchase accretive assets. We are focused on securing investment opportunities, which will contribute to reach or surpass the important threshold of \$1B of assets. With our cash on hand and the available lines of credit, BTB can acquire properties without raising funds in the public markets.

For the quarter, our recurring FFO payout ratio stood at 59.9%, while our AFFO payout ratio is 63.7% recording yet another significant improvement in these ratios, for a fourth consecutive quarter. Our total debt ratio again declined, standing at 56.0% at the end of Q2 2021.

As we return to more normal business conditions, we are standing on solid ground to launch a new phase of growth for the Trust.”

SUMMARY OF OTHER SIGNIFICANT HIGHLIGHTS AS OF JUNE 30TH, 2021

- **Total number of properties:** 65
- **Total leasable area:** approximately 5.4 million sq.ft.
- **Total asset value:** \$965 million
- **Market capitalization:** \$299 million

FINANCIAL INFORMATION

The following two tables summarize our results for the quarters ended June 30th, 2021, and 2020.

Quarterly Results Information

Quarters ended June 30 th (in thousands of dollars, except per unit data)	Quarter			Cumulative (6 months)		
	2021	2020	Δ%	2021	2020	Δ%
	\$	\$		\$	\$	
Financial information						
Rental income	26,034	23,063	12.9	49,566	46,931	5.6
Net operating income ⁽¹⁾	15,574	12,419	25.4	27,988	25,185	11.1
Net income and comprehensive income	7,161	(1,101)	750.4	9,671	(6,688)	244.6
Net property income from the same-property portfolio ⁽¹⁾	10,983	7,173	53.1	18,513	14,722	25.8
Net cash flows from operating activities (IFRS)	8,162	10,534	(22.5)	21,311	21,208	0.5
Distributions	5,508	5,375	2.5	10,336	11,983	(13.7)
Funds from operations (FFO) ⁽¹⁾	9,202	4,710	95.4	14,932	10,987	35.9
Adjusted funds from operations (AFFO) ⁽¹⁾	8,647	4,237	104.1	14,153	9,754	45.1
Total assets				965,051	934,776	3.2
Total mortgage ratio				53.7 %	52.8 %	1.7
Weighted average interest rate on mortgage debt				3.77 %	3.75 %	0.5
Market capitalization				298,703	192,864	54.9
Financial information per unit						
Net income and comprehensive income	9.8¢	(1.7)¢	696.5	14.1¢	(10.6)¢	233.0
Distributions	7.5¢	8.5¢	(11.8)	15.0¢	19.0¢	(21.1)
Recurring FFO ⁽¹⁾	12.5¢	7.5¢	66.7	21.7¢	17.5¢	24.2
Recurring AFFO ⁽¹⁾	11.8¢	6.7¢	76.1	20.5¢	15.5¢	32.3

Quarters ended June 30 th (in thousands of dollars, except per unit data)	Quarter		Cumulative (6 months)	
	2021	2020	2021	2020
	\$	\$	\$	\$
Cash flows from operating activities (IFRS)				
Leasing payroll expenses	8,162	10,534	21,311	21,208
Transaction costs on purchase and disposition of investment properties and early repayment fees	184	137	403	294
Adjustments for changes in other working capital items	(188)	(882)	(188)	(1790)
Financial income	6,447	219	5,184	1,571
Interest expenses	262	116	396	229
Provision for non-recoverable capital expenditures	(5,424)	(5,933)	(11,215)	(11,860)
Provision for non-recovered rental fees	(519)	(461)	(990)	(938)
Other items	(375)	(375)	(750)	(750)
	(90)	—	(186)	—
AFFO⁽¹⁾	8,459	3,355	13,965	7,964
Non-recurring item				
Transaction costs on purchase and disposition of investment properties, early repayment fees and prepayment penalties	188	882	188	1,790
Recurring AFFO⁽¹⁾	8,647	4,237	14,513	9,754

⁽¹⁾ Non IFRS financial measures



NON-IFRS FINANCIAL MEASURES

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

QUARTERLY CALL INFORMATION

Management will hold a conference call on Tuesday, August 10th, 2021, at 10 am, Eastern Standard Time, to present BTB's financial results and performance for the second quarter of 2021.

- DATE :** Tuesday, August 10th, 2021
- TIME :** 10 am, EST
- DIAL :** Toronto and over-seas: 1-416-764-8688
North America (toll free): 1-888-390-0546
- WEB :** https://produceredition.webcasts.com/starthere.jsp?ei=1480360&tp_key=826e0b4d26
- VISUAL :** A presentation will be uploaded on BTB's website prior to the call
<https://www.btbreit.com/investor-relations-2/annual-meeting-presentations/>

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

Conference call operators will coordinate the question-and-answer period (**from analysts only**) and will instruct participants regarding the procedures during the call.

The audio recording of the conference call will be available by via playback until August 17th, 2021, by dialing: **1-416-764-8677 (local)** or, **1-888-390-0541 (toll-free)** and by entering the following access code: **059469#**.

FORWARD-LOOKING STATEMENTS

This press release may contain forward-looking statements with respect to BTB. These statements generally can be identified by use of forward-looking words such as "may", "will", "expect", "estimate", "anticipate", "intends", "believe" or "continue" or the negative thereof or similar variations. The actual results and performance of BTB could differ materially from those expressed or implied by such statements.

Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Some important factors that could cause actual results



to differ materially from expectations include, among other things, general economic and market factors, competition, changes in government regulation and the factors described from time to time in the documents filed by BTB with the securities regulators in Canada. The cautionary statements qualify all forward-looking statements attributable to BTB and persons acting on their behalf. Unless otherwise stated or required by applicable law, all forward-looking statements speak only as of the date of this press release.

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 of August 9th, 2021, BTB owns 65 retail, office, and industrial properties for a total leasable area of approximately 5.4 million sq.ft. and an approximate total asset value as of June 30th, 2021, of approximately of \$965 million.

BTB'S OBJECTIVES

- (1) Generate stable monthly cash distributions that are reliable and fiscally beneficial to unitholders.
- (2) Grow the REIT's assets through internal growth and accretive acquisitions to increase distributable income and therefore fund distributions.
- (3) Optimize the value of its assets through the dynamic management of its properties 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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