



PRESS RELEASE
For immediate release

BTB reports a continuous and notable improvement in its efficiency ratios for three consecutive quarters and ends the third quarter of 2021 with strong foundations and recently surpassed 1B\$ in asset valuation

Montréal (Québec) November 8th, 2021: BTB Real Estate Investment Trust (TSX: BTB.UN) (“BTB” or the “REIT”) releases today its financial results for the third quarter ended September 30th, 2021, compared to the third quarter of 2020, and announces the following highlights and information:

HIGHLIGHTS OF THE THIRD QUARTER ENDED SEPTEMBER 30TH, 2021

- **BTB repeats a solid performance during the third quarter:** Since the fourth quarter of 2020, BTB’s portfolio continued to show significant improvement across all asset classes and geographic regions. During the third quarter, its financial performance was not impacted by the COVID-19 pandemic. With a solid foundation, BTB is ready to put its growth plan into action.
- **Funds From Operations (FFO) & Adjusted Funds From Operations (AFFO):** FFO was slightly impacted by the recent equity issuance and undeployed cash due to acquisitions that have been concluded on November 8th, 2021. For the third quarter 2021, BTB declared recurring FFO of 9.5 ¢ per unit, compared to 10.9 ¢ per unit for the same period in 2020 and declared recurring AFFO of 8,7 ¢ per unit, compared to 9.7 ¢ per unit for the same period in 2020:
 - i. The recurring FFO payout ratio stands at **79.0 %** for the quarter compared to 68.9 % in Q3 2020.
 - ii. The recurring AFFO payout ratio stands at **87.4 %** for the quarter compared to 77.4 % in Q3 2020.
- **Total Debt Ratio:** At the end of the third quarter 2021, BTB maintained its objective of keeping its total debt ratio below 60% with a total debt ratio of **55.8%**. This represents an improvement of **3.9%** compared to Q3 2020. The improvement stems from the equity issued in April 2020 and by the conversion of Series H debentures, combined with the full repayment of the outstanding amount of the acquisition line of credit in Q2 2021.



- **Net Income & Comprehensive Income:** totalled **\$8.7 million** compared to **\$5.8 million** for the same period in 2020.
- **Rental Revenue and Net Operating Income (NOI):** stood at **\$24.0 million** and at **\$13.6 million** which represents an increase of **1.7%** and **2.0%**, respectively, compared to Q3 2020.
- **Rent Collection Rate:** BTB collected **99.1%** of rents during the third quarter and **99.2%** of cumulative rents for 2021.
- **Leasing Activity:** resulted in a reasonably consistent occupancy rate of **92.0%** by renting 17,181 sq. ft. to new tenants. Leases totalling 50,582 sq.ft. were renewed of which 46,600 sq.ft. were renewed before the end of their term and 3,982 sq. ft. renewed in anticipation of the end of their term ending in 2022 and after. For the cumulative period of nine-months, the REIT reached an average increase of 3.0% of its renewal rate. In particular, the industrial sector saw a cumulative increase of 14.6%.
- **Same property NOI:** increased by **0.1%** compared to Q3 2020 due to additional recoveries and reduced pandemic expenses. Throughout Q4 2021, BTB is negotiating the leasing of approximately of 50% of the 81,000 sq.ft. that became vacant related to COVID-19 tenant departures.
- **Acquisition of 6000 Kieran Street in Saint-Laurent, Montréal:** on June 29th, 2021, the REIT acquired an industrial property of 99,000 sq.ft. in Saint-Laurent borough, in Montréal. This acquisition positively impacted the third quarter financial results.
- **New acquisition facility:** To enable the REIT to pursue its acquisition strategy, whilst improving its financial position through favorable terms and conditions, BTB successfully closed on September 29th, 2021, a new acquisition line of credit with the National Bank of Canada (as Administrative Agent and Sole Lender) consisting of \$35 million of revolving credit facility with an option to increase the total amount to \$60 million.
- **Cash position:** BTB concluded the third quarter with a cash position of **\$19.2 million**. The **\$10.0 million** increase in liquidity from year end 2020 is due to the undeployed proceeds of the April 2021 equity issuance to fund acquisitions announced post-closing of the third quarter.

A MESSAGE FROM MICHEL LÉONARD, PRESIDENT AND CHIEF EXECUTIVE OFFICER

For the third consecutive quarter, BTB is proud to announce strong results that support our growth and expansion strategies. Over the past few months, we could taste the return to normal life. Operations in our properties have resumed and our tenants are gradually returning to the office.

Our success is largely based on the efforts of our company and depends on the development and growth of our employees and clients. We continue to support our clients in their projects and decision-making by offering our ongoing support.

BTB's portfolio continues to be stable across all asset classes and geographic regions. In addition, we collected more than 99% of our rents, or 99.2% of the cumulative rents for the year 2021.

The acquisition of industrial property of more than 99,000 sq.ft. located at 6000 Kieran Street in Montréal, concluded in the second quarter of 2021, contributed to the improvement of our third quarter 2021 revenues. Rental revenue for the third quarter was \$24.0 million and net operating income was \$13.6 million, an increase of 1.7% and 2.0%, respectively, over the same quarter of 2020.

We remain committed to meeting our targets for 2021. We will soon cross the \$1 billion mark in asset valuation, a major achievement in BTB's history, we aim to double the value of our total assets over the next five years. However, we remain focused on our core business values and on a strategic and intelligent growth, not accelerated or arbitrary.

SUBSEQUENT EVENTS

- **Acquisition:** On November 8th, 2021, BTB concluded the acquisition of two class A life-science and technology suburban office properties located at 2344 and 2600 boulevard Alfred-Nobel in the Saint-Laurent borough of Montréal, Québec. Acquired for the aggregate purchase price of \$74 million, excluding transaction costs, this acquisition is funded from the proceeds received from the last equity raise and available funds. These two properties thus increase the total number of properties owned by the Trust to 66, representing an increase of respectively 108,724 sq. Ft. and 129,254 sq. ft., increasing the Trust's total square footage to approximately 5.6 million square feet.

OTHER SIGNIFICANT HIGHLIGHTS AS AT SEPTEMBER 30TH, 2021

- **Total number of properties:** 64
- **Total leasable area:** approximately 5.4 million sq. ft.
- **Total asset value:** \$962 million
- **Market capitalization:** \$297 million



FINANCIAL INFORMATION

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

Quarterly Results Information

Periods ended September 30 <i>(in thousands of dollars, except for ratios and per unit data)</i>	Quarter			Cumulative (9 months)		
	2021	2020	Δ%	2021	2020	Δ%
	\$	\$		\$	\$	
Financial information						
Rental income	23,988	23,583	1.7	73,554	70,514	4.3
Net operating income ⁽¹⁾	13,572	13,308	2.0	41,560	38,493	8.0
Net income (net loss) and comprehensive income	8,678	5,757	50.7	18,349	(931)	(2,070.9)
Net property income from the same-property portfolio ⁽¹⁾	8,496	8,471	0.3	24,323	23,946	1.6
Distributions	5,551	4,752	16.7	15,886	16,735	(5.1)
Recurring funds from operations (FFO) ⁽¹⁾	7,018	6,920	1.4	21,950	17,907	22.6
Recurring adjusted funds from operations (AFFO) ⁽¹⁾	6,453	6,139	5.1	20,606	15,893	29.7
Cash flow from operating activities	10,090	8,983	12.3	31,401	30,191	4.0
Total assets				962,207	945,592	1.8
Mortgage debt ratio				55.8%	59.7%	(6.5)
Weighted average interest rate on mortgage debt				3.78%	3.61%	4.7
Market capitalization				296,667	184,097	61.1
Financial information per unit						
Net income and comprehensive income	11.7¢	9.1¢	28.8	26¢	-1.5¢	(1,832.6)
Distributions	7.5¢	7.5¢	(0.2)	22.5¢	26.5¢	(15.1)
Recurring FFO ⁽¹⁾	9.5¢	10.9¢	(13.0)	31.1¢	28.4¢	9.5
Recurring AFFO ⁽¹⁾	8.7¢	9.7¢	(10.1)	29.2¢	25.2¢	15.8

⁽¹⁾ Non IFRS financial measures



Periods ended September 30 (in thousands of dollars, except per unit data)	Quarter		Cumulative (9 months)	
	2021	2020	2021	2020
	\$	\$	\$	\$
Cash flows from operating activities (IFRS)	10,090	8,983	31,401	30,191
Leasing payroll expenses	173	176	576	470
Transaction costs on purchase and disposition of investment properties and early repayment fees	-	-	(188)	(1,790)
Adjustments for changes in other working capital items	2,486	3,412	7,670	4,983
Financial income	185	127	581	356
Interest expenses	(5,538)	(5,712)	(16,753)	(17,572)
Provision for non-recoverable capital expenditures	(478)	(472)	(1,468)	(1,410)
Provision for non-recovered rental fees	(375)	(375)	(1,125)	(1,125)
Other items	(90)	-	(276)	-
AFFO⁽¹⁾	6,453	6,139	20,418	14,103
Non-recurring item				
Transaction costs on purchase and disposition of investment properties and early repayment fees	-	-	188	1,790
Recurring AFFO⁽¹⁾	6,453	6,139	20,606	15,893

⁽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, November 9th, 2021, at 10 am, Eastern Standard Time, to present BTB's financial results and performance for the third quarter of 2021.

DATE : Tuesday, November 9th, 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=1453485&tp_key=22eaff9898



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 November 18th, 2021, by dialing: **1-416-764-8677 (local)** or, **1-888-390-0541 (toll-free)** and by entering the following access code: **861340 #**.

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 November 8th, 2021, BTB owns 64 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 September 30th, 2021, of approximately of \$962 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 in



order to increase distributable income and therefore fund distributions.

- (3) 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:

Stéphanie Léonard, Director of Communications

(T) 514-286-0188 x256

(C) sleonard@btbreit.com

