BTB REIT reports healthy financial performance for the third quarter of 2022

Montréal (Québec) November 7th, 2022: BTB Real Estate Investment Trust (**TSX: BTB.UN**) ("**BTB**" or the "**REIT**") releases today its financial results for the third quarter of the year 2022 and announces the following highlights and information.

BTB's recent acquisitions, particularly in the industrial asset class, are contributing to the positive results presented for the third quarter of 2022. Important to note the 32.4% improvement of the NOI compared to the same period in 2021, the increase of 5.3% of the same-property NOI compared to the third quarter of 2021 and the growth of 8.8% of the average lease renewal rate for this quarter.

For yet another quarter, BTB is presenting robust results:

- **Net Operating Income (NOI):** Stood at $18.0 million for the current quarter, which represents an increase of 32.4% compared to the same quarter of 2021. For the cumulative nine-month period, the total NOI was $51.8 million, which represents an increase of 24.7% compared to the same period in 2021.

- **Recurring FFO** [(1)]**:** Was 11.5¢ per unit for the quarter (33.6¢ per unit for the 2022 cumulative nine-month period) compared to 9.5¢ per unit for the same period in 2021 (31.1¢ per unit for the 2021 cumulative nine-month period). Excluding the retrospective $2.3 million of additional recoveries during the same period in 2021, the recurring FFO per unit would have increased by 20.8% for the cumulative nine-month period compared to the same period in 2021.

- **Recurring AFFO** [(1)]**:** Was 10.2¢ per unit for the quarter (30.9¢ per unit for the 2022 cumulative nine-month period) compared to 8.7¢ per unit for the same period in 2021 (29.2¢ per unit for the 2021 cumulative nine-month period). Excluding the retrospective $2.3 million of additional recoveries during the same period in 2021, the recurring AFFO per unit would have increased by 19.2% for the cumulative nine-month period compared to the same period in 2021.

- **Recurring FFO payout ratio** [(1)]**:** Was 65.2% for the quarter (66.9% for the 2022 cumulative nine-month period) compared to 79.0% for the same period in 2021 (72.4% for the 2021 cumulative nine-month period).

- **Recurring AFFO payout ratio** [(1)]**:** Was 73.6% for the quarter (72.8% for the 2022 cumulative nine-month period) compared to 85.9% for the same period in 2021 (77.1% for the 2021 cumulative nine-month period.

[(1)] Non-IFRS financial measure. See Appendix 1.

- **Same-property NOI [1]: I**ncreased by 5.3% for the third quarter of 2022 compared to the same period in 2021 mainly due to a combination of important leasing efforts made during the previous quarters resulting in an increase in the occupancy rate compared to the same quarter last year and the increase in the average lease renewal rates

- **Leasing Activity:** BTB experienced strong leasing activity during the quarter. At the end of Q3 2022, the occupancy rate was 93.5%.

    i. **Tenant Retention:** Leases representing 96,548 square feet were renewed during this quarter for a total of 351,158 square feet for the cumulative nine-month period. Since the beginning of the year, BTB achieved a cumulative average increase of 13.9% in lease renewal rates across all its business segments.

    ii. **New leases concluded:** 57,353 square feet were leased to new tenants. During the quarter, 30,297 square feet or 52.9% were concluded with industrial tenants, 16,594 square feet or 28.9% were concluded with off-downtown core office tenants and 10,462 square feet or 18.2% of the new leases were concluded in the necessity-based retail segment.

- **Acquisition:** On September 8, 2022, BTB acquired a fully leased 72,088 square foot industrial property located at 8743 50 Avenue NW in Edmonton, Alberta, for a total consideration of $15.8 million, excluding transaction costs and adjustments. The acquisition of this high-quality asset continues to add to the REIT's growing industrial portfolio across Canada.

- **Disposition:** On September 19, 2022, BTB disposed of an office property located at 5878-5882 Sherbrooke Street East in Montréal, Québec, for total proceeds of $4.4 million, excluding transaction costs and adjustments. This is in line with the REIT’s plan to further concentrate its’ weighting in the industrial asset class.

- **Rental revenue:** Stood at $30.0 million for the current quarter, which represents an increase of 24.9% compared to the same period in 2021. For the cumulative nine-month period, the rental revenue totalled $88.0 million, which represents an increase of 19.7% compared to the same period in 2021.

- **Net income and comprehensive income:** Totalled $11.7 million for the quarter compared to $8.7 million for the same period in 2021, representing an increase of $3.0 million that is attributed to the NOI generated by the recent accretive acquisitions and a net adjustment to the fair value of investment properties.

- **Debt metrics:** BTB concluded the quarter with a total debt ratio [1] of 58.6%, recording an improvement of 1.9% compared to December 31, 2021.

- **Liquidity position:** BTB held $10.4 million of cash at the end of the quarter and $14.0 million is available under its credit facilities [1] [2]. BTB has the option to increase the capacity under the credit facilities to $46.1 million.

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(1) Non-IFRS financial measure. See Appendix 1.
(2) Credit facilities is a term used that reconciles with the bank loans as presented and defined in the Trust’s interim condensed consolidated financial statements.

A MESSAGE FROM MICHEL LÉONARD, PRESIDENT, AND CHIEF EXECUTIVE OFFICER

The cost of financing real estate properties is going up, and the market is facing head winds. The rise of interest rates impacts all REITs but not all equally. BTB is in an enviable position where only $56M of mortgages are maturing in 2023, or 9% of its total mortgage debt. BTB, over the last three years refinanced, on a long-term basis, 58% of its balance mortgages resulting in lower rates for our in-place debt. The average term maturity of our mortgage debt is 4.4 years. The short-term impact of rising interest rates will be less felt by BTB and may not be material. With available cash and the capacity of our line of credit, BTB remains well positioned for future acquisitions

In addition, as of the third quarter, BTB proactively reassessed the market values of part of its portfolio to take into account the macroeconomic climate we are currently experiencing. As of September 30, 2022, the Fund had 64% of its portfolio appraised by recognized external appraisers, representing a total value of $754.8 million. Overall, the experts recommended a 25 basis point upward adjustment to cap rates for our office and retail assets. The impact of these valuations on FMVs was offset by the good performance of the industrial portfolio, mainly that in Western Canada acquired in December 2021. The rest of the portfolio was also part of an internal review taking into account observations of our external appraisers. As such, we recognized a net reduction in the market value of our assets of $1.2 million representing a relatively immaterial adjustment across the portfolio. The resilience of BTB's portfolio is further demonstrated.

SUBSEQUENT EVENTS

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 84,731,856 outstanding units and of its public float constituted of 83,400,340 units. 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.

SUMMARY OF SIGNIFICANT ITEMS AS AT SEPTEMBER 30th, 2022

- **Total number of properties:** 75
- **Total leasable area:** 5.9 million square feet
- **Total asset value:** $1,207 million
- **Market capitalization:** $271 million (unit price of $3.19 as at September 30, 2022)

FINANCIAL INFORMATION

The following two tables summarize our results for the periods ended September 30, 2022, and September 30, 2021, as well as the cumulative periods for the first nine months of 2022 and 2021.

Quarterly Financial Results

Periods ended September 30	Quarter			Cumulative (9 months)		
(in thousands of dollars, except for ratios and per unit data)	**2022**	2021	Δ	**2022**	2021	Δ
	$	$	**%**	**$**	$	**%**
FINANCIAL INFORMATION						
Rental revenue	**29,962**	23,988	24.9	**88,009**	73,554	19.7
Net operating income (NOI)	**17,974**	13,572	32.4	**51,806**	41,560	24.7
Net income and comprehensive income	**11,693**	8,678	34.7	**36,385**	18,349	98.3
Adjusted earnings before interest, taxes, depreciation, and amortization (EBITDA) [1]	**16,507**	12,535	31.7	**48,062**	38,564	24.6
NOI from the same-property portfolio [1]	**13,512**	12,833	5.3	**39,248**	37,592	4.4
Distributions	**6,394**	5,551	15.2	**18,619**	15,886	17.2
Recurring funds from operations (FFO) [1]	**9,785**	7,018	39.4	**27,820**	21,950	26.7
Recurring adjusted funds from operations (AFFO) [1]	**8,674**	6,453	34.4	**25,587**	20,606	24.2
Cash flow from operating activities	**20,359**	10,090	101.8	**47,279**	31,401	50.6
Total assets				**1,206,916**	962,207	25.4
Total debt ratio [1]				**58.6%**	55.8%	2.8
Weighted average interest rate on mortgage debt				**3.6%**	3.8%	(0.1)
Market capitalization				**271,104**	296,667	(8.6)
FINANCIAL INFORMATION PER UNIT						
Net income and comprehensive income	**13.7¢**	**11.7¢**	2.0¢	**44.0¢**	26.0¢	18.0¢
Distributions	**7.5¢**	**7.5¢**		**22.5¢**	22.5¢	
Recurring FFO [1]	**11.5¢**	**9.5¢**	2.0¢	**33.6¢**	31.1¢	2.5¢
Recurring AFFO [1]	**10.2¢**	**8.7¢**	1.5¢	**30.9¢**	29.2¢	1.7¢

(1) Non-IFRS financial measure. See Appendix 1.

Reconciliation of Cash Flows from Operating Activities and Adjusted Funds from Operations (AFFO) [1]

Periods ended September 30	Quarter		Cumulative (9 months)	
(in thousands of dollars, except per unit data)	**2022**	2021	**2022**	2021
	$	$	**$**	$
CASH FLOWS FROM OPERATING ACTIVITIES	**20,359**	10,090	**47,279**	31,401
Leasing payroll expenses	**182**	173	**561**	576
Transaction costs on purchase and disposition of investment properties and early repayment fees	**(93)**	-	**(984)**	(188)
Adjustments for changes in other working capital items	**(3,730)**	2,486	**1,230**	7,670
Financial income	**122**	185	**399**	581
Interest expenses	**(7,197)**	(5,538)	**(20,744)**	(16,753)
Provision for non-recoverable capital expenditures [1]	**(599)**	(478)	**(1,760)**	(1,468)
Provision for non-recovered rental fees [1]	**(375)**	(375)	**(1,125)**	(1,125)
Accretion of non-derivative liability component of convertible debentures	**(88)**	(90)	**(253)**	(276)
AFFO [1]	**8,581**	6,453	**24,603**	20,418
Transaction costs on purchase and disposition of investment properties and early repayment fees	**93**	-	**984**	188
RECURRING AFFO [1]	**8,674**	6,453	**25,587**	20,606

(1) Non-IFRS financial measure. See Appendix 1.

QUARTERLY CALL INFORMATION

Management will hold a conference call on **Tuesday, November 8th, 2022**, at 9 am, Eastern Time, to present BTB's financial results and performance for the third quarter of 2022.

DATE:	Tuesday, November 8th, 2022
TIME:	9 am, Eastern Time
DIAL:	Toronto and over-seas: 1-416-764-8688
	North America (toll-free): 1-888-390-0546
WEB:	https://app.webinar.net/LyJ172PK84A
VISUAL:	A presentation will be uploaded on BTB's website prior to the call https://bit.ly/3rMNk2Q

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 via playback until November 15th, 2022, by dialing: 1 416 764-8677 (local) or, 1 888 390-0541 (toll-free) and by entering the following access code: **298091 #**

ABOUT BTB

BTB is a real estate investment trust listed on the Toronto Stock Exchange. BTB is a property owner active across Canada and owns **75 properties**, representing a total leasable area of approximately **5.9 million** square feet and a total asset value that surpasses **$1.2 billion**.

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

Philippine Soulié, Director of Communications

(T) 514-286-0188 x236

(C) psoulie@btbreit.com

FORWARD-LOOKING STATEMENTS

This press release may contain forward-looking statements with respect to BTB. These statements generally can be identified by the use of forward-looking words such as “may”, “will”, “expect”, “estimate”, “anticipate”, “intend”, “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.

APPENDIX 1: RECONCILIATION OF NON-IFRS MEASURES

Non-IFRS Financial Measures

Certain terms used in this press release are listed and defined in the table hereafter, including any per unit information if applicable, 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. Explanations on how these non-IFRS financial measures provide useful information to investors and additional purposes, if any, for which the Trust uses these non-IFRS financial measures, are also included in the table hereafter.

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 table thereafter if applicable, do not have a standardized meaning prescribed by IFRS and these measures cannot be compared to similar measures used by other issuers.

NON-IFRS MEASURES	DEFINITION
SAME-PROPERTY NOI	Same-property NOI is a non-IFRS financial measure defined as net operating income (“NOI”) for the properties that the Trust owned and operated for the entire duration of both the current year and the previous year. The most directly comparable IFRS measure to same-property NOI is Operating Income.
FUNDS FROM OPERATIONS (FFO) & RECURRING FFO	FFO is a non-IFRS financial measure used by most Canadian real estate investment trusts based on a standardized definition established by REALPAC in its January 2022 White Paper (“White Paper”). FFO is defined as net income and comprehensive income less certain adjustments, on a proportionate basis, including (i) fair value adjustments on investment properties, class B LP units and derivative financial instruments; (ii) amortization of lease incentives; (iii) incremental leasing costs; and (iv) distribution on class B LP units. FFO is reconciled to net income and comprehensive income, which is the most directly comparable IFRS measure. FFO is also reconciled with the cash flows from operating activities, which is an IFRS measure. Recurring FFO is also a non-IFRS financial measure that starts with FFO and removes the impact of non-recurring items such as transaction cost on acquisitions and dispositions of investment properties and early repayment fees. The Trust believes FFO and recurring FFO are key measures of operating performance and allow the investors to compare its historical performance.

NON-IFRS MEASURES	DEFINITION
ADJUSTED FUNDS FROM OPERATIONS (AFFO) & RECURRING AFFO	AFFO is a non-IFRS financial measure used by most Canadian real estate investment trusts based on a standardized definition established by REALPAC in its January 2022 White Paper ("White Paper"). AFFO is defined as FFO less: (i) straight-line rental revenue adjustment; (ii) accretion of effective interest; (iii) amortization of other property and equipment; (iv) unit-based compensation expenses; (v) provision for non-recoverable capital expenditures; and (vi) provision for unrecovered rental fees (related to regular leasing expenditures). AFFO is reconciled to net income and comprehensive income, which is the most directly comparable IFRS measure. AFFO is also reconciled with the cash flows from operating activities, which is an IFRS measure. Recurring AFFO is also a non-IFRS financial measure that starts with AFFO and removes the impact of non-recurring items such as transaction costs on acquisitions and dispositions of investment properties and early repayment fees. The Trust considers AFFO and recurring AFFO to be useful measures of recurring economic earnings and relevant in understanding its ability to service its debt, fund capital expenditures, and provide distributions to unitholders.
FFO & AFFO PAYOUT RATIOS **AND** **RECURRING FFO & RECURRING AFFO PAYOUT RATIOS**	FFO and AFFO payout ratios and recurring FFO and recurring AFFO payout ratios are non-IFRS financial measures. These payout ratios are calculated by dividing the actual distributions per unit by FFO, AFFO, and recurring FFO and recurring AFFO per unit in each period. The Trust considers these metrics a useful way to evaluate its distribution paying capacity.
TOTAL DEBT RATIO	The total debt ratio is a non-IFRS financial measure of the Trust's financial leverage, which is calculated by taking the total long-term debt less cash divided by the total gross value of the assets of the Trust less cash. The Trust considers this metric useful as it indicates its ability to meet its debt obligations and its capacity for future additional acquisitions.

NON-IFRS MEASURES	DEFINITION
PROVISION FOR NON-RECOVERABLE CAPITAL EXPENDITURES	In calculating AFFO, the Trust deducts a provision for non-recoverable capital expenditures to consider capital expenditures invested to maintain the condition of its properties and to preserve rental revenue. The provision for non-recoverable capital expenditures is calculated based on 2% of rental revenues. This provision is based on management's assessment of industry practices and its investment forecasts for the coming years.
PROVISION FOR UNRECOVERED RENTAL FEES	The Trust also deducts a provision for unrecovered rental fees in the amount of approximately 25¢ per sq. ft. on an annualized basis. Even though quarterly rental fee disbursements vary significantly from one quarter to another, management considers that this provision fairly presents, in the long term, the average disbursements not recovered directly in establishing the rent that the Trust will undertake. These disbursements consist of inducements paid or granted when leases are signed that are generally amortized over the term of the lease and are subject to an equivalent increase in rent per square foot, and of brokerage commissions and leasing payroll expenses.
TOTAL LONG-TERM DEBT LESS CASH AND CASH EQUIVALENTS	This is a non-IFRS financial measure. Long-term debt less cash and cash equivalent is a non-IFRS financial measure, calculated as the total of (i) fixed-rate mortgage loans payable; (ii) floating rate mortgage loans payable; (iii) Series G debenture capital amount; (iv) Series F debenture capital adjusted with non-derivative component fewer conversion options exercised by holders; and (v) credit facilities, less cash, and cash equivalents. The most directly comparable IFRS measure to net debt is debt.
TOTAL GROSS VALUE OF THE ASSETS OF THE TRUST LESS CASH AND CASH EQUIVALENT	This is a non-IFRS financial measure. Gross value of the assets of the Trust less cash and cash equivalent ("GVALC") is a non-IFRS financial measure defined as the Trust's total assets adding the cumulated amortization property and equipment and removing the cash and cash equivalent. The most directly comparable IFRS measure to GVALC is total assets.
ADJUSTED EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION ("ADJUSTED BAIA")	Adjusted EBITDA income is a non-IFRS financial measure that starts with net income and comprehensive income and removes the effects of certain adjustments, on a proportionate basis, including: (i) interest expense; (ii) taxes; (iii) depreciation of property and equipment; (iv) amortization of intangible assets; (v)

NON-IFRS MEASURES	DEFINITION
	fair value adjustments (including investment properties, financial instruments, Class B LP units and unit price remeasurement for unit-based compensation); (vi) transaction costs on acquisitions and dispositions of investment properties and early repayment fees; and (vii) straight-line rental revenue adjustment. The most directly comparable IFRS measure to Adjusted EBITDA is net income and comprehensive income. The Trust believes Adjusted EBITDA is a useful metric to determine its ability to service its debt, finance capital expenditures and provide distributions to its Unitholders. .

NON-IFRS FINANCIAL MEASURES – QUARTERLY RECONCILIATION

Funds from Operations (FFO) [1]

The following table provides a reconciliation of net income and comprehensive income established in accordance with IFRS and FFO [1] for the last eight quarters:

	2022 Q-3	2022 Q-2	2022 Q-1	2021 Q-4	2021 Q-3	2021 Q-2	2021 Q-1	2020 Q-4
(in thousands of dollars, except for per unit)	**$**	$	$	$	$	$	$	$
Net income and comprehensive income	**11,693**	18,243	6,449	23,219	8,678	7,161	2,510	3,850
Fair value adjustment on investment properties	**1,230**	197	(1,007)	(19,571)	-	-	-	(2,130)
Fair value adjustment on Class B LP units	**(142)**	(233)	66	21	(18)	(52)	280	242
Amortization of lease incentives	**773**	818	735	858	780	777	877	794
Fair value adjustment on derivative financial instruments	**(3,898)**	(9,344)	997	3,297	(2,598)	733	1,814	2,950
Leasing payroll expenses	**182**	158	221	208	173	184	219	146
Distributions – Class B LP units	**26**	26	26	30	22	26	30	30
Unit-based compensation (Unit price remeasurement) [5]	**(172)**	(285)	77	23	(19)	185	-	-
FFO [1]	**9,692**	9,580	7,564	8,085	7,018	9,014	5,730	5,882
Non-recurring item								
Transaction cost on acquisitions and dispositions of investment properties and early repayment fees	**93**	138	753	109	-	188	-	440
Recurring FFO [1]	**9,785**	9,718	8,317	8,194	7,018	9,202	5,730	6,322
FFO per unit [1] [2] [3]	**11.4¢**	11.3¢	9.7¢	10.9¢	9.5¢	12.3¢	8.9¢	9.2¢
Recurring FFO per unit [1] [2] [4]	**11.5¢**	11.4¢	10.7¢	11.0¢	9.5¢	12.5¢	8.9¢	9.9¢
FFO payout ratio [1]	**65.9%**	66.4%	77.2%	68.9%	79.0%	61.1%	84.0%	81.1%
Recurring FFO payout ratio [1]	**65.2%**	65.5%	70.2%	68.0%	79.0%	59.9%	84.0%	75.5%

(1) This is a non-IFRS financial measure.
(2) Including Class B LP units.
(3) The FFO per unit ratio is calculated by dividing the FFO [1] by the Trust's unit outstanding at the end of the period (including the Class B LP units at outstanding at the end of the period).
(4) The recurring FFO per unit ratio is calculated by dividing the recurring FFO [1] by the Trust's unit outstanding at the end of the period (including the Class B LP units at outstanding at the end of the period).
(5) The impact of the unit price remeasurement on the deferred unit-based compensation plan has been considered in the calculation of the recurring FFO and AFFO starting Q2 2021.

Adjusted Funds from Operations (AFFO) [1]

The following table provides a reconciliation of FFO [1] and AFFO [1] for the last eight quarters:

	2022 Q-3	2022 Q-2	2022 Q-1	2021 Q-4	2021 Q-3	2021 Q-2	2021 Q-1	2020 Q-4
(in thousands of dollars, except for per unit)	**$**	$	$	$	$	$	$	$
FFO [1]	**9,692**	9,580	7,564	8,085	7,018	9,014	5,730	5,882
Straight-line rental revenue adjustment	**(521)**	(74)	(150)	(758)	(88)	(91)	(397)	108
Accretion of effective interest	**219**	284	288	275	239	428	359	343
Amortization of other property and equipment	**35**	26	30	22	23	27	15	23
Unit-based compensation expenses	**130**	312	73	143	114	(24)	644	281
Provision for non-recoverable capital expenditures [1]	**(599)**	(580)	(581)	(539)	(478)	(519)	(471)	(449)
Provision for unrecovered rental fees [1]	**(375)**	(375)	(375)	(375)	(375)	(376)	(374)	(375)
AFFO [1]	**8,581**	9,173	6,849	6,853	6,453	8,459	5,506	5,813
Non-recurring item								
Transaction cost on acquisitions and dispositions of investment properties and early repayment fees	**93**	138	753	109	-	188	-	440
Recurring AFFO [1]	**8,674**	9,311	7,602	6,962	6,453	8,647	5,506	6,253
AFFO per unit [1] [2] [3]	**10.1¢**	10.8¢	8.8¢	9.2¢	8.7¢	11.5¢	8.6¢	9.1¢
Recurring AFFO per unit [1] [2] [4]	**10.2¢**	11.0¢	9.7¢	9.4¢	8.7¢	11.8¢	8.6¢	9.8¢
AFFO payout ratio [1]	**74.4%**	69.4%	85.3%	81.3%	85.9%	65.1%	87.4%	82.1%
Recurring AFFO payout ratio [1]	**73.6%**	68.3%	76.8%	80.0%	85.9%	63.7%	87.4%	76.3%

(1) This is a non-IFRS financial measure.
(2) Including Class B LP units.
(3) The AFFO per unit ratio is calculated by dividing the AFFO [1] by the Trust's unit outstanding at the end of the period (including the Class B LP units at outstanding at the end of the period).
(4) The recurring AFFO per unit ratio is calculated by dividing the recurring AFFO [1] by the Trust's unit outstanding at the end of the period (including the Class B LP units at outstanding at the end of the period).

Debt Ratios

The following table summarizes the Trust's debt ratios as at September 30, 2022, and September 30, 2021 and December 31, 2021:

(in thousands of dollars)	September 30, 2022	December 31, 2021	September 30, 2021
	$	$	$
Cash and cash equivalents	**(10,417)**	(7,191)	(19,173)
Mortgage loans outstanding [1]	**631,808**	607,038	496,166
Convertible debentures [1]	**43,086**	44,564	44,931
Credit facilities	**36,991**	35,468	5,100
Total long-term debt less cash and cash equivalents [2] [3]	**701,468**	679,879	527,024
Total gross value of the assets of the Trust less cash and cash equivalents [2] [4]	**1,197,582**	1,124,690	944,004
Mortgage debt ratio (excluding convertible debentures and credit facilities) [2] [5]	**52.8%**	54.0%	52.6%
Debt ratio – convertible debentures [2] [6]	**3.6%**	4.0%	4.8%
Debt ratio – credit facilities [2] [7]	**3.1%**	3.2%	0.5%
Total debt ratio [2]	**58.6%**	60.5%	55.8%

(1) Before unamortized financing expenses and fair value assumption adjustments.
(2) This is a non-IFRS financial measure.
(3) Long-term debt cash and cash equivalents is a non-IFRS financial measure, calculated as total of: (i) fixed rate mortgage loans payable; (ii) floating rate mortgage loans payable; (iii) Series G debenture capital amount; (iv) Series F debenture capital adjusted with non-derivative component less conversion options exercised by holders; and (v) credit facilities, less cash and cash equivalents. The most directly comparable IFRS measure to net debt is debt.
(4) Gross value of the assets of the Trust less cash and cash equivalent (GVALC) is a non-IFRS financial measure defined as the Trust total assets adding the cumulated amortization property and equipment and removing the cash and cash equivalent. The most directly comparable IFRS measure to GVALC is total assets.
(5) Mortgage debt ratio is calculated by dividing the mortgage loans outstanding by the GVALC.
(6) Debt ratio – convertible debentures is calculated by dividing the convertible debentures by the GVALC.
(7) Debt ratio – credit facilities is calculated by dividing the credit facilities by the GVALC.