



# Q1

Quarter ended March 31<sup>st</sup>, 2024

May 7<sup>th</sup>, 2024

TSX: BTB.UN





# Recording of the Conference Call

Our Q1 2024 Results Conference Call was held on May 7, 2024 at 9.00 am  
Presented by Michel Léonard, President & CEO  
[Click here to listen](#)

Quarter ended March 31<sup>st</sup>, 2024





# Quarterly Overview

Presented by  
Michel Léonard  
President & Chief Executive Officer

Quarter ended March 31<sup>st</sup>, 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 and maximization of the retail portfolio.

## 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.

## Dispositions

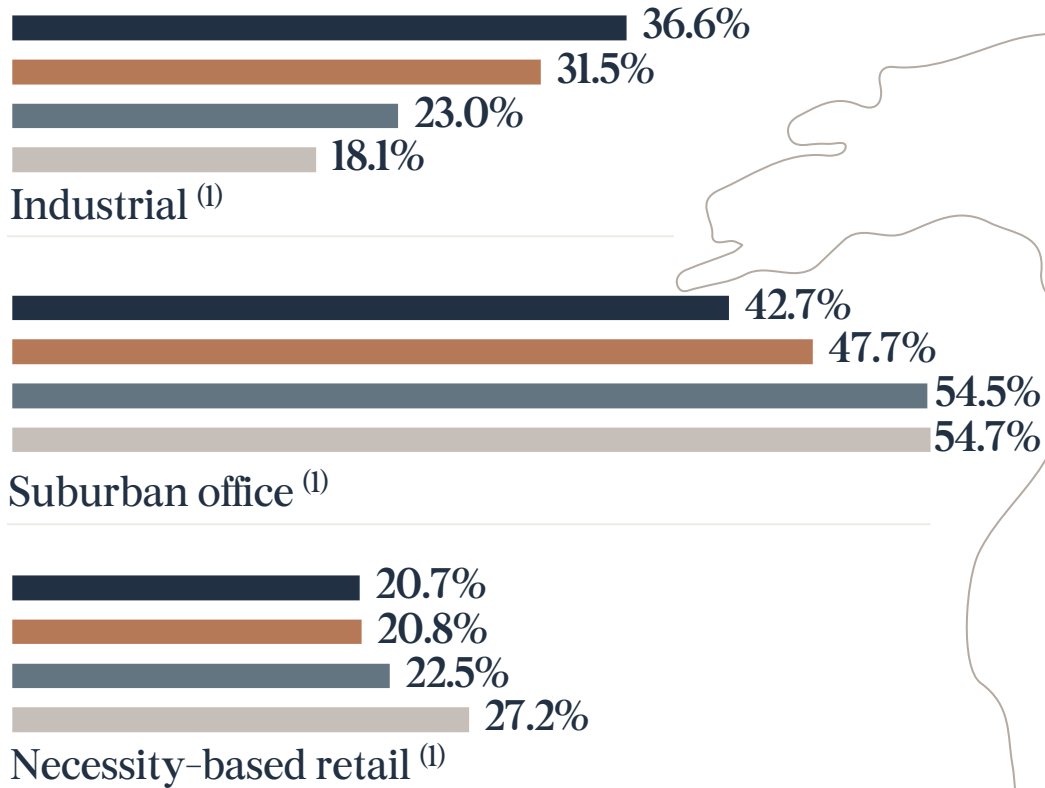
Two (2) suburban office properties



### **32 & 50 Saint-Charles, Longueuil, QC**

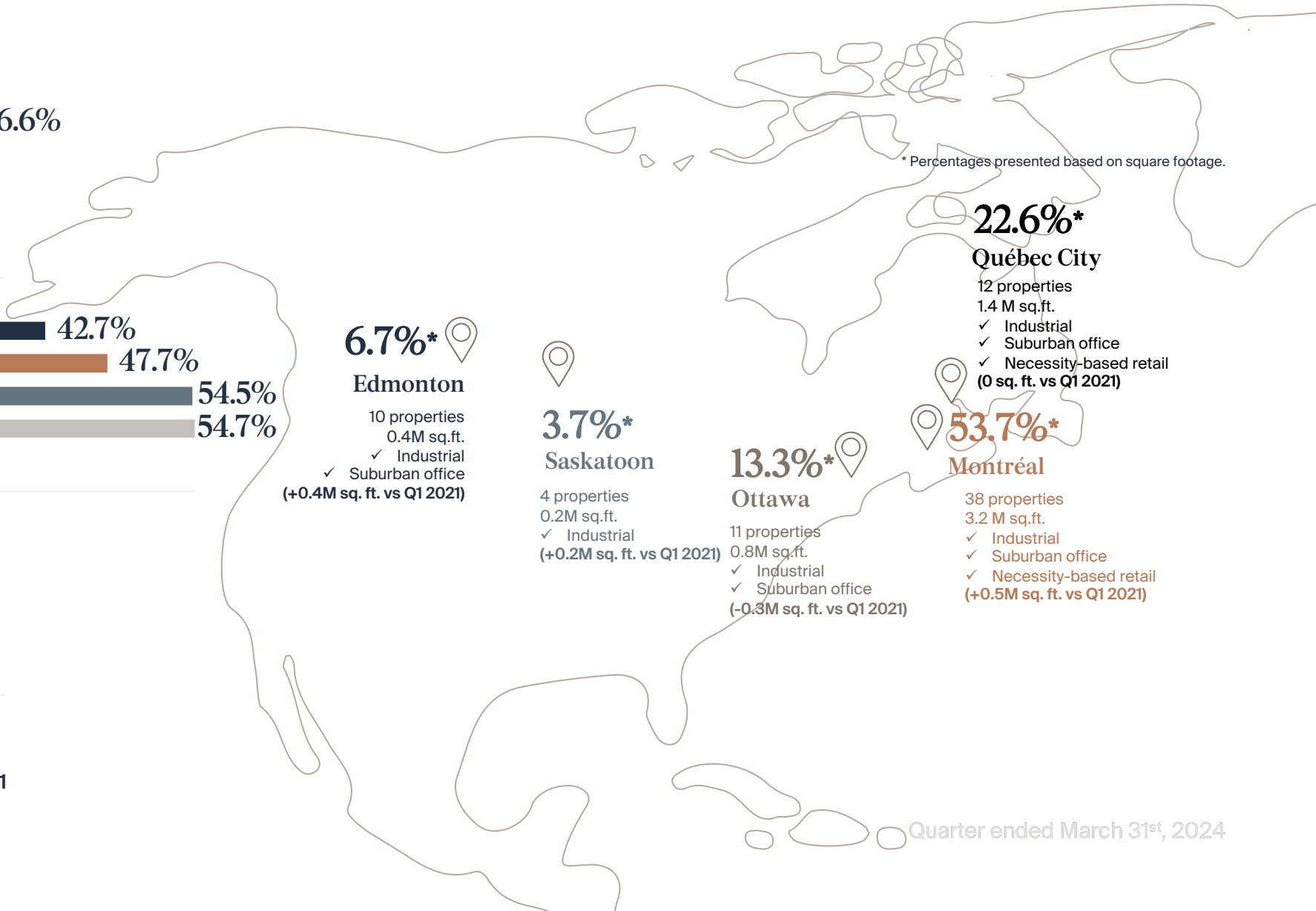
On February 29<sup>th</sup>, 2024  
BTB disposed of these  
two properties for total  
proceeds of \$6.2  
million, excluding  
transaction costs and  
adjustments

# Real Estate Portfolio



■ Q1 2024 ■ Q1 2023 ■ Q1 2022 ■ Q1 2021

<sup>(1)</sup> Percentages presented based on property value.





# Development Opportunity



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

+/- 9% Development Yield

Construction of a 43,500 sq. ft. Pad to be  
leased by Nationally Recognized Retailer  
on long-term basis

Construction period: 12-18 months



# Development Opportunity



2611 Queensview Drive,  
Ottawa, ON

Adjacent Land Parcel

Expected transition to a Community  
Development with LRT on site

Quarter ended March 31<sup>st</sup>, 2024

# Highlights & Key Metrics

6.1 M sq. ft.

6.0M sq. ft. | 5.3 M sq. ft.

**Total leasable area**  
+0.9% vs Q1 2023 | +15.1% vs Q1 2021

\$1,203 M

\$1,198M | \$905 M

**Fair value of investment properties**  
+0.4% vs Q1 2023 | +32.9% vs Q1 2021

153,600 sq. ft.

125,575 sq. ft. | 104,922 sq. ft.

**Leasing Activity**  
+22.3% vs Q1 2023 | +46.4% vs Q1 2021

94.5%

93.2% | 91.0%

**Committed occupancy rate**  
+130 bps vs Q1 2023 | +350 bps vs Q1 2021





# Leasing Activity

Presented by  
Stéphanie Léonard  
Senior Director of Leasing

Quarter ended March 31<sup>st</sup>, 2024

# Leasing & Renewal Activity

**58,062** sq. ft.

New leases in Q1 2024

**94.5%**

Occupancy rate

+130 bps vs Q1 2023

A total of 153,600 sq. ft. were renewed or leased during the quarter.

**Significant lease renewals** were concluded in the suburban office segment during the quarter with the city of Saint-Jean sur-Richelieu and Canada Post Corporation in Quebec City, showing average rent increases of 7.9% and 14.3% respectively.

**Achieved an 8.4% average increase in lease renewal rate** for the quarter in suburban office +8.6% with 58,879 sq. ft. renewed and necessity-based retail +7.0% with 36,659 sq. ft. renewed.

**New leases in the suburban office segment** were concluded with Otsuka Canada Pharmaceutical Inc. ("committed" - 26,671 sq. ft.) in Montréal, Bird Construction Inc. ("committed" 11,034 sq. ft.) in Montréal and a labor union of government employees ("in place" - 10,102 sq. ft.) in Québec City.

**Suburban office leasing continues to show strong velocity** as new leases representing 52,454 sq. ft. or **90.3% of total new leasing activity**, were concluded in this segment, 2,000 sq. ft. or 3.4% of new leases were concluded in the industrial segment and 3,608 sq. ft. or 6.2% in the necessity-based retail segment.

**Q1 2024**

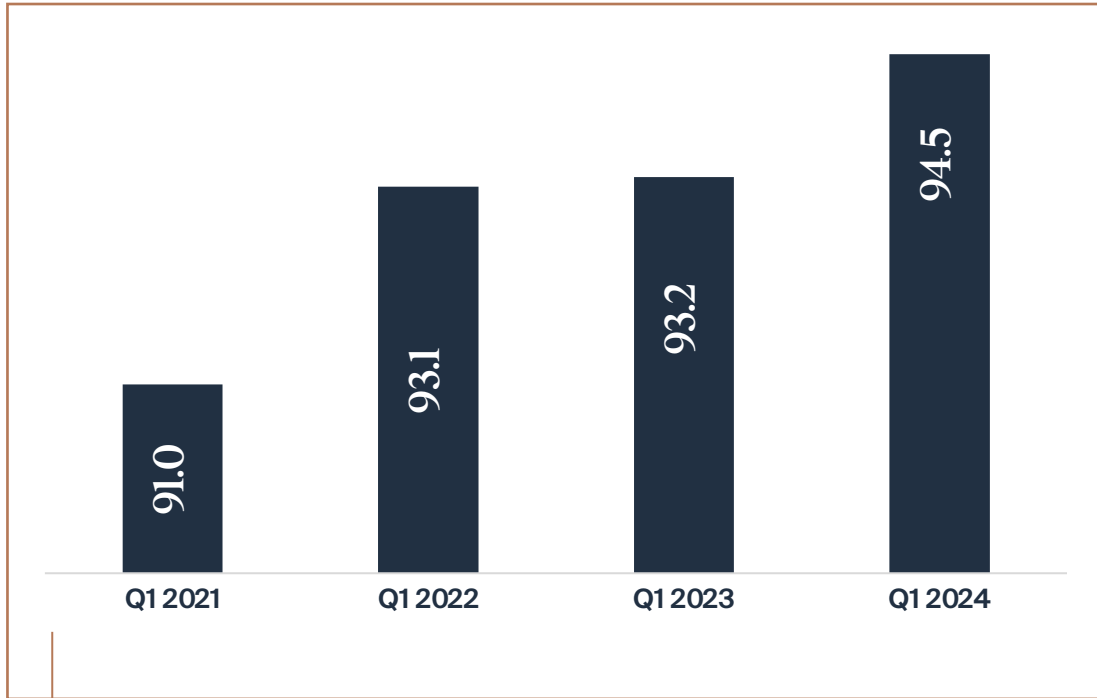
95,538 sq. ft. renewed  
58,062 sq. ft. new leases signed

**2024+**

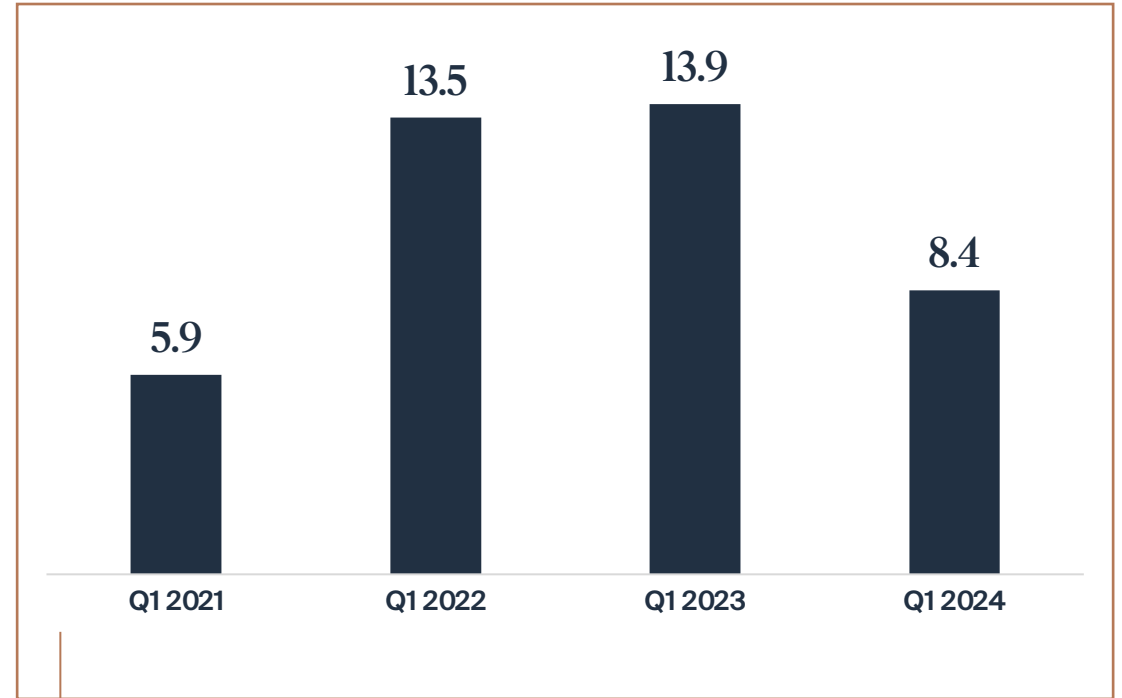
3,747 sq. ft. renewed in anticipation (Q1 2024)



# Solid Track Record of Leasing Performance



**Total Portfolio Committed Occupancy (%)**



**Average Lease Renewal Rates<sup>(1)</sup> (%)**

(1) Based on renewed leases during the period

# Positive Leasing Dynamics – New Leases



**2250 Alfred Nobel,  
Saint-Laurent QC**  
New committed lease  
for 11,034 sq. ft.  
(Effective 09.2024)



**2250 Alfred Nobel,  
Saint-Laurent QC**  
New committed lease  
for 26,671 sq. ft.  
(Effective 01.2025)



**6700 Pierre-Bertrand,  
"Place d'affaires  
Lebourgneuf Phase II",  
Québec QC**  
New in place lease of  
10,102 sq. ft.  
(Effective 03.2024)



# Positive Leasing Dynamics – Renewals



**315-325 MacDonald “Le Bougainvillier”, Saint-Jean-sur-Richelieu QC**  
5-year renewal of 23,000 sq. ft. with a **7.9% rental rate increase**  
(Effective 04.2024)



**825 Lebourgneuf “Complexe Lebourgneuf”, Québec QC**  
1-year renewal of 8,610 sq. ft.  
(Effective 01.2025)



**6700 Pierre-Bertrand, “Place d’affaires Lebourgneuf Phase II”, Québec QC**  
5-year renewal of 22,442 sq. ft. with a **14.3% rental rate increase** (Effective 12.2022)



**1000 du Séminaire N. “Les Galeries Richelieu”, Saint-Jean-sur-Richelieu QC**  
5-year renewal of 12,261 sq. ft. with a **10.8% rental rate increase**  
(Effective 10.2023)



# Financial Overview

Presented by  
Charles Dorais Bédard  
Senior Director of Finance

Quarter ended March 31<sup>st</sup>, 2024



# Financial Highlights

## Results

**\$32.6M** (\$32.9M Q1 2023)

**Rental revenue**  
-0.8% vs Q1 2023  
+3.7% vs Q1 2023 <sup>(1)</sup>

**\$18.4M** (\$19.0M Q1 2023)

**NOI**  
-3.4% vs Q1 2023  
+4.4% vs Q1 2023 <sup>(1)</sup>

**\$17.1M** (\$16.3M Q1 2023)

**Same Property NOI <sup>(2)</sup>**  
+4.7% vs Q1 2023

**8.2¢/u**  
Net Earnings per unit

**7.5¢/u**  
Distribution per unit

**10.2¢/u** (11.7¢/u Q1 2023)

**FFO Adjusted <sup>(2)</sup>**  
-1.5¢ vs Q1 2023  
+0.2¢ vs Q1 2023 <sup>(1)</sup>

**83.9%** (72.4% Q1 2023)

**AFFO Adjusted Payout Ratio <sup>(2)</sup>**  
+115 bps vs Q1 2023  
-25 bps vs Q1 2023 <sup>(1)</sup>

## Financial Position

**\$1.8M**

**Cash Position**  
(\$13.2M available on our credit facilities)  
(option to increase the availability to \$23.2M)

**58.3%**

**Total Debt Ratio <sup>(2)</sup>**  
(-0.8% vs Q1 2023)

**51.3%**

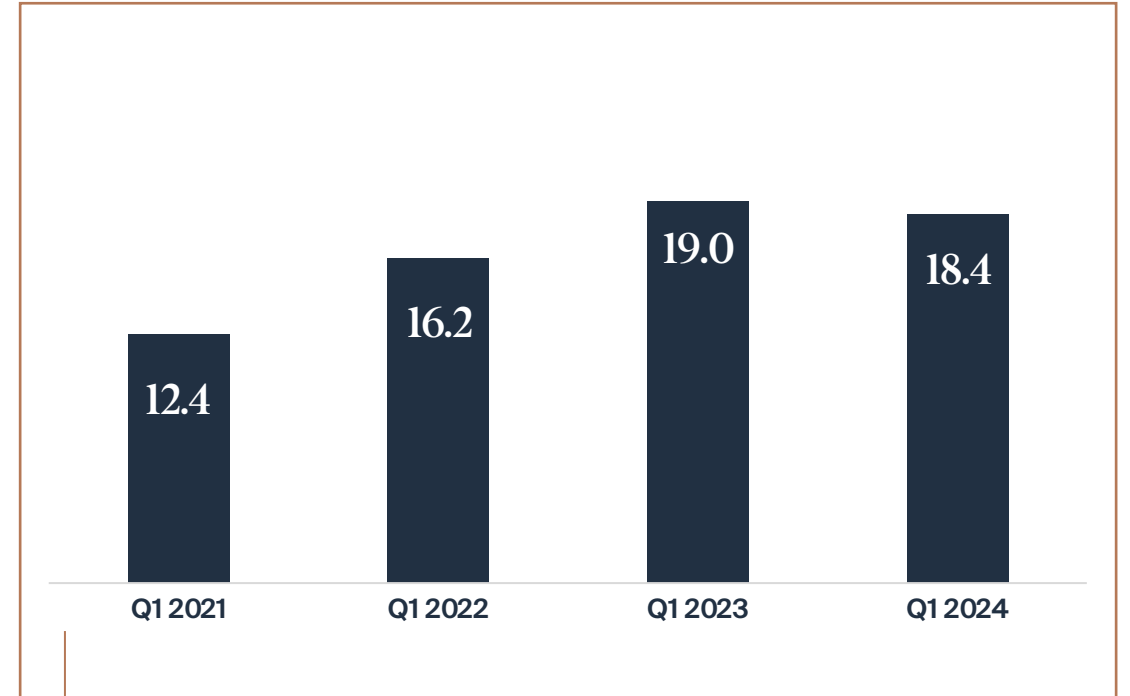
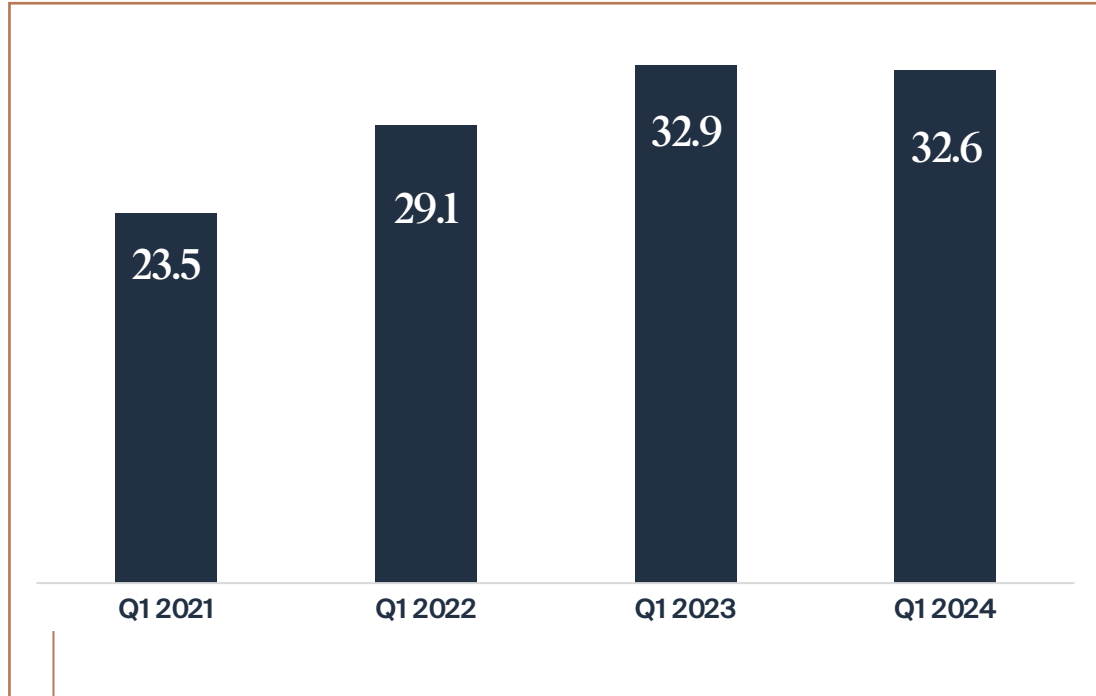
**Total Mortgage Debt Ratio <sup>(2)</sup>**  
(-2.3% vs Q1 2023)

(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 <sup>(1)</sup>  
Rental Revenue +3.7% vs Q1 2023  
NOI +4.4% vs Q1 2023

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## Rental Revenue (\$M)

-0.8% vs Q1 2023 | +38.7% vs Q1 2021

### Positive contribution

2021, 2022 & 2023 acquisitions | Operating improvements mainly consisting of higher lease renewal rates, increase in occupancy and higher average lease rates

## Net Operating Income (\$M)

-3.4% vs Q1 2023 | +48.4% vs Q1 2021

### Positive contribution

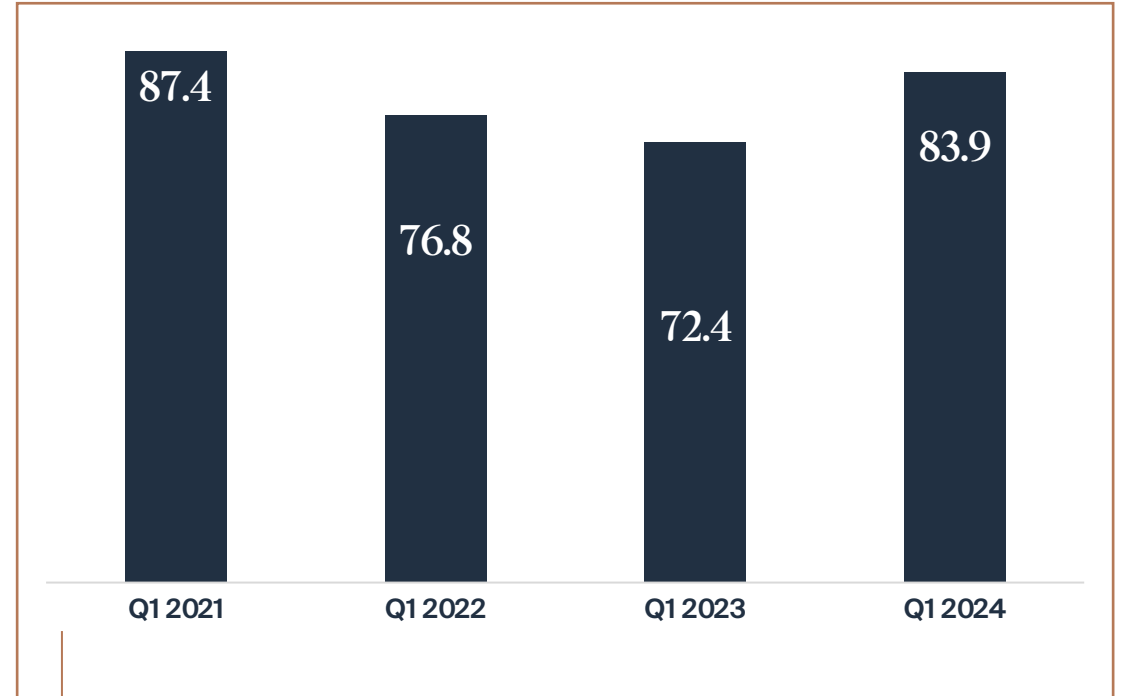
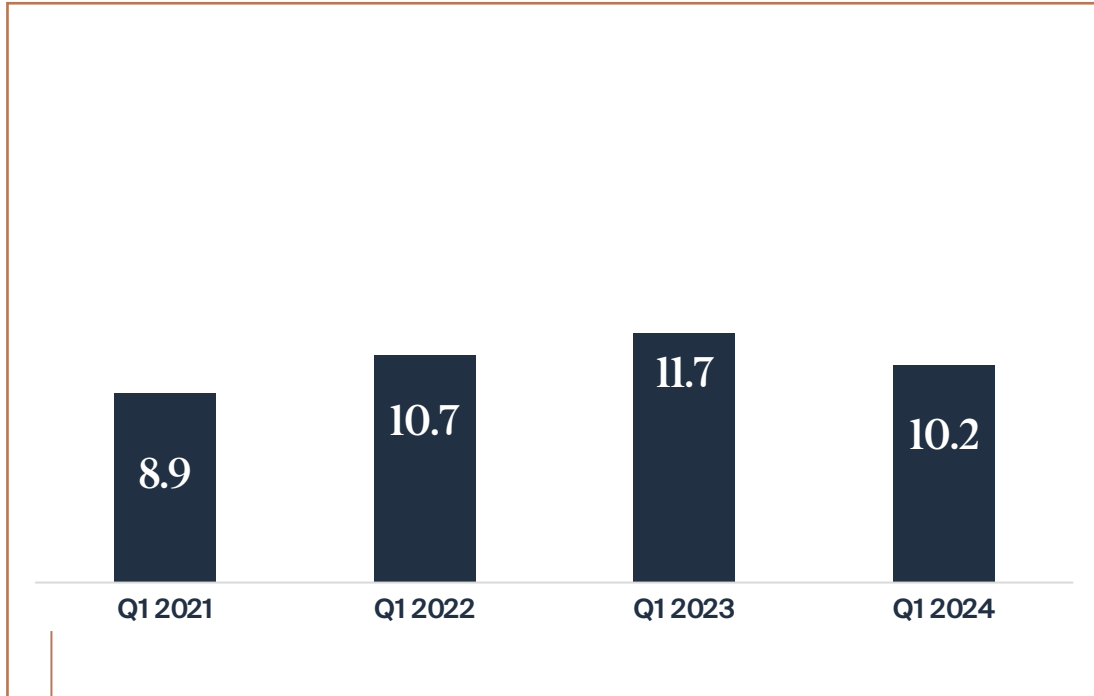
2021, 2022 & 2023 acquisitions producing additional revenue | Accretive from the acquisition date | Positive impact of the triple net leases from industrial acquisitions | Increase of occupancy rate and lease renewal rate

(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 <sup>(1)</sup>

Excluding Q1 2023 One-Time Adjustment<sup>(2)</sup>  
 FFO adjusted /u +0.2¢ vs Q1 2023  
 AFFO adjusted payout ratio -25 bps vs Q1 2023



## FFO adjusted <sup>(1)</sup> per unit (¢)

-1.5¢ vs Q1 2023 | +1.3¢ vs Q1 2021

## AFFO adjusted <sup>(1)</sup> Payout Ratio (%)

+115 bps vs Q1 2023 | -400 bps vs Q1 2021

## Net earnings per unit

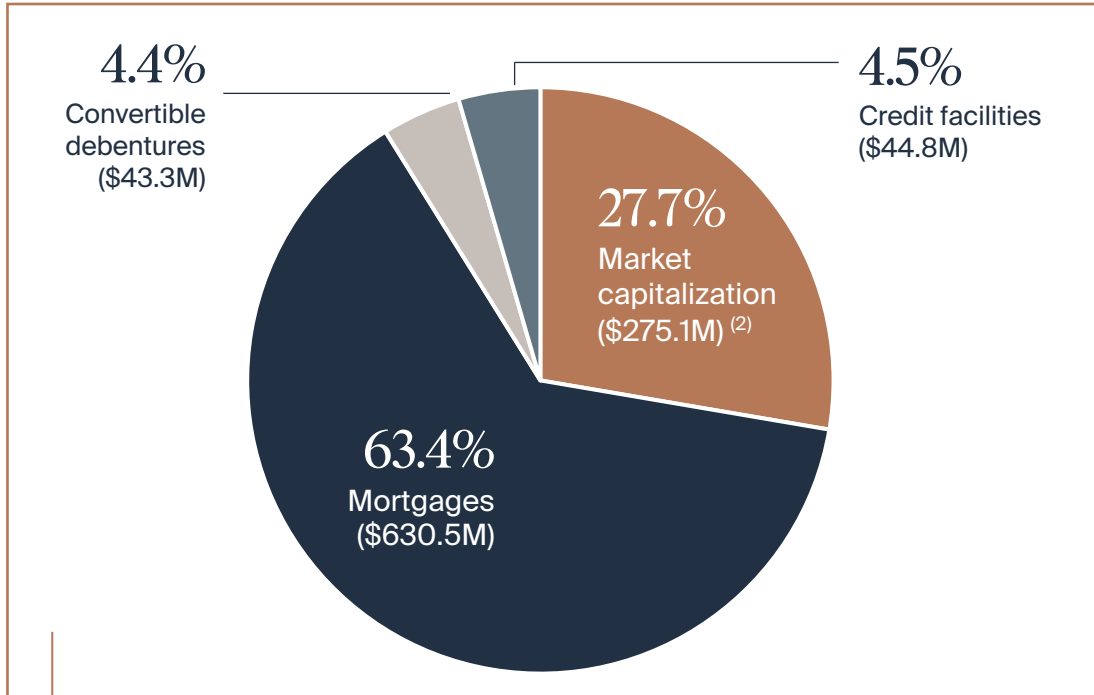
8.2¢

Quarter ended March 31<sup>st</sup>, 2024

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

<sup>(2)</sup> 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 (Q1 2024)

**\$991.9M**

## Mortgages Outstanding

**\$630.5M** | **4.40%** weighted average interest rate (compared to 4.20% as of March 31, 2023, an increase of 20 bps) | **3.16 years** weighted average term

## Convertible Debentures

**\$42.7M** | **6.45%** weighted average interest rate | **1.03 years** weighted average remaining term

## Credit Facilities (\$58M capacity)

**\$44.8M** | BA + 225bps | Option to increase the capacity by \$10M for a total of \$68M

## Total Debt

**\$718.6M** | **4.54%** weighted average interest rates for mortgages and debentures

## Net Debt / GBV<sup>(1)</sup> (including convertible debentures)

**58.3%**, representing a decrease of 0.7% from March 31<sup>st</sup>, 2023

Cash  
**\$1.8M**

Net Debt  
**\$717M**

Total Assets Gross  
Book Value  
**\$1,230M**

IFRS NAV  
**\$5.50/u**

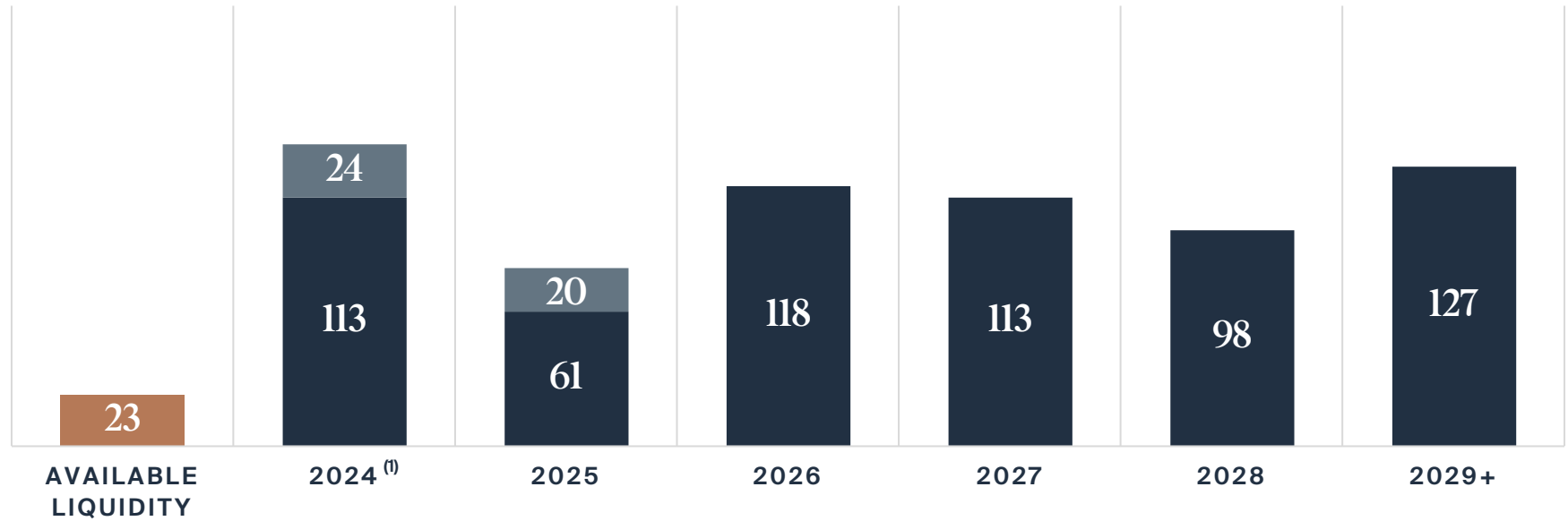
(1) This is a non-IFRS financial measure. Refer to the Non-IFRS financial measure section of this presentation.  
(2) At March 31, 2024, unit price of \$3.16/unit.



# Debt Maturities

In millions of dollars

- Mortgage payable
- Convertible debentures



**Available Liquidity**

\$1.8M in cash plus \$13.2M of available credit facility with an option to increase the capacity by \$10.0M for a total availability of \$23.2M

**Mortgages (Maturing in 2024)**

\$113M coming due in 2024

**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 Q1 2024 for a total of \$10.1M converted since Sept. 2020 (out of \$30.0M issued)

(1) For the remaining 9 months.



# Closing Remarks

Presented by  
Michel Léonard  
President & Chief Executive Officer

Quarter ended March 31<sup>st</sup>, 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, 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 March 31, 2024, which is dated May 6, 2024. The MD&A is available on the Canadian Security Administrators ("CSA") website at [www.sedar.com](http://www.sedar.com) and on our website at [www.btbreit.com](http://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.