



Q2

Quarter ended June 30th, 2024

August 6th, 2024

TSX: BTB.UN



Recording of the Conference Call

Our Q2 2024 Results Conference Call was held on August 6, 2024 at 9.00 am
[Click here to listen](#)

Quarter ended June 30th, 2024

Quarterly Overview

Presented by
Michel Léonard
President & Chief Executive Officer

Quarter ended June 30th, 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 opportunities and maximization of the portfolio.

Densification

Actively involved in zoning change to create density on one site by adding residential units in Montreal. Currently working on two other densification opportunities under review in Québec City and Ottawa regions.

Dispositions

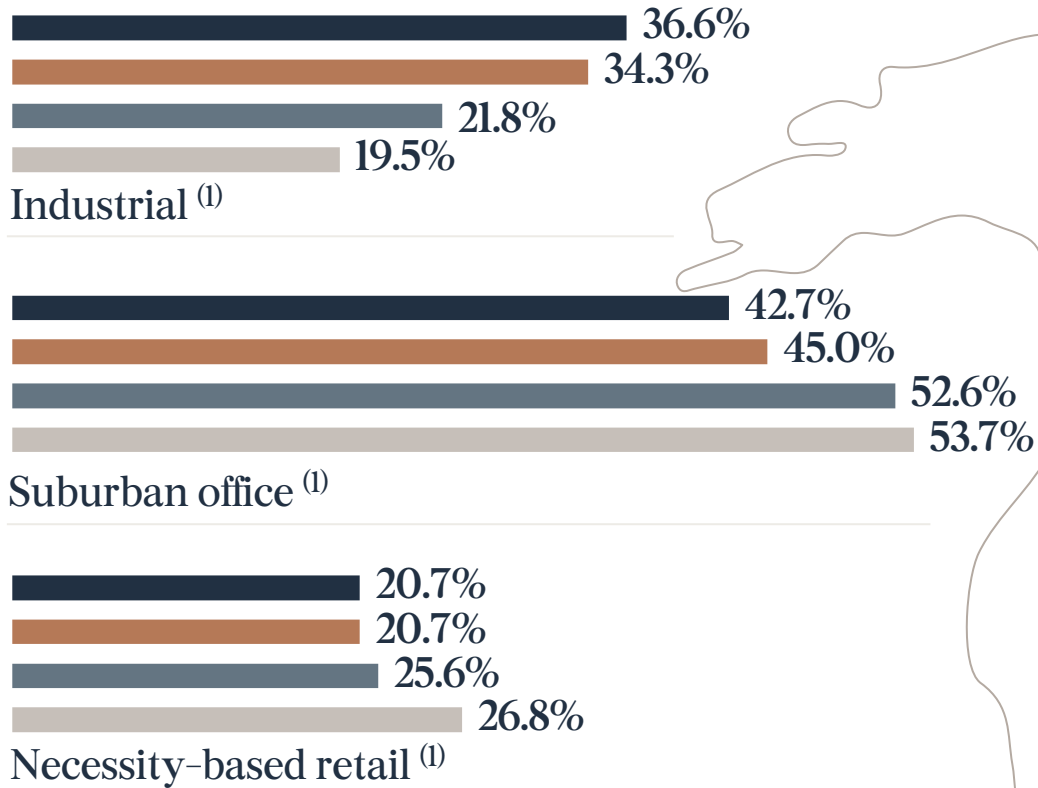
Two (2) suburban office properties



32 & 50 Saint-Charles, Longueuil, QC

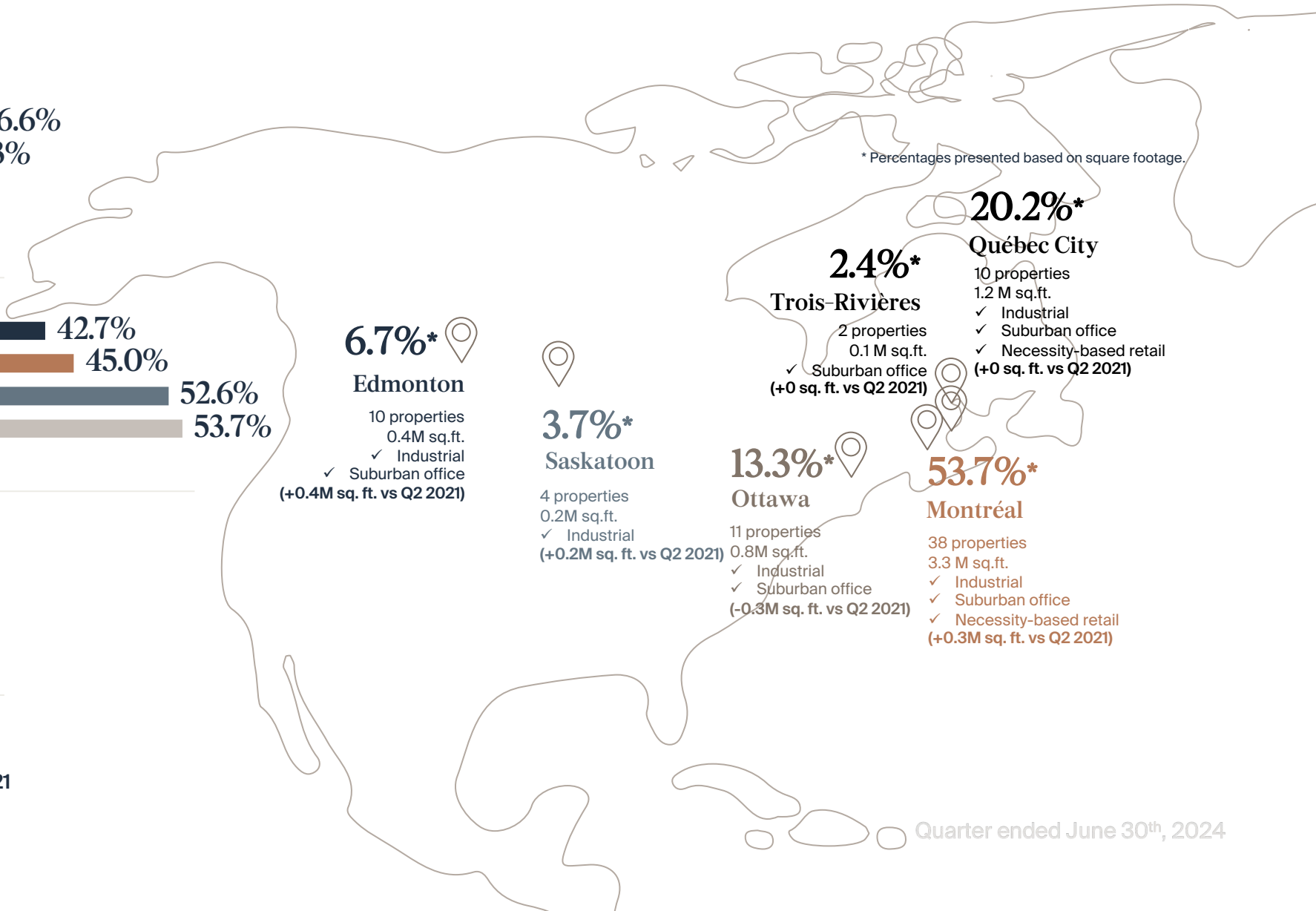
On February 29th, 2024
BTB disposed of these
two properties for total
proceeds of \$6.2
million, excluding
transaction costs and
adjustments

Real Estate Portfolio



■ Q2 2024 ■ Q2 2023 ■ Q2 2022 ■ Q2 2021

(1) Percentages presented based on fair value of property



Development Opportunity



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

Expected increase in fair value of the property.

Construction of a 43,500 sq. ft. Pad to be leased by Home Sense/WINNERS, a nationally recognized retailer on long-term basis.

Construction period: 12-18 months

Development Opportunity



2611 Queensview Drive, Ottawa, ON

Vacant adjacent parcel of land.

Expected transition to a HUB
with LRT in proximity to the site.

Highlights & Key Metrics

6.1 M sq. ft.

6.1M sq. ft. | 5.4 M sq. ft.

Total leasable area

-0.5% vs Q2 2023 | +13.0% vs Q2 2021

\$1,209 M

\$1,209M | \$922 M

Fair value of investment properties

-0.1% vs Q2 2023 | +31.0% vs Q2 2021

256,685 sq. ft.

333,561 sq. ft. | 175,193 sq. ft.

Leasing Activity

-23.0% vs Q2 2023 | +46.5% vs Q2 2021

94.6%

94.1% | 92.2%

Committed occupancy rate

+50 bps vs Q2 2023 | +240 bps vs Q2 2021

Leasing Activity

An architectural rendering of a modern commercial building with a parking lot. The building features large glass windows and a mix of tan and brown exterior panels. In the background, a suspension bridge spans across a body of water under a hazy sky. The scene is populated with small figures of people and cars to provide a sense of scale.

Presented by
Stéphanie Léonard
Senior Director of Leasing

Quarter ended June 30th, 2024

Leasing & Renewal Activity

40,080 sq. ft.

New leases in Q2 2024

94.6%

Occupancy rate

+50 bps vs Q2 2023

A total of 256,685 sq. ft. were renewed or leased during the quarter.

Significant lease renewals were concluded in the necessity-based retail segment during the quarter with Sobeys Inc. (IGA Grocery Store) in Dollard-des-Ormeaux for 44,988 sq. ft., Continental Capital Investment Inc. in Saint-Bruno-de-Montarville for 30,352 sq. ft., and in our industrial segment with AMA in Edmonton for 24,808 sq. ft.

Achieved a 5.7% average increase in lease renewal rate for the quarter: suburban office +6.8% with 57,231 sq. ft. renewed, necessity-based retail +5.2% with 122,856 sq. ft. renewed and industrial +5.7% with 36,518 sq. ft. For the cumulative six-month period, we achieved a 6.6% average increase in lease renewal rate.

New leases in the suburban office segment concluded with the group that purchased the assets of the bankrupt Énergie Cardio (recorded in “committed”) for 14,514 sq. ft. in Québec City, in addition to a 3,450 sq. ft. expansion with MNP in Trois-Rivières bringing their total footprint to 23,348 sq. ft.

87% of our new leases for Q2 2024 were concluded in the Quebec City market, including Trois-Rivières.

Suburban office leasing continues to show strong velocity for the cumulative six-month period as new leases totalling 86,239 sq. ft. or **87.9% of total new leasing activity** were concluded in this segment, 2,000 sq. ft. or 2.0% of new leases were concluded in the industrial segment and 9,903 sq. ft. or 10.1% in the necessity-based retail segment.

Q2 2024

216,605 sq. ft. renewed
40,080 sq. ft. new leases signed

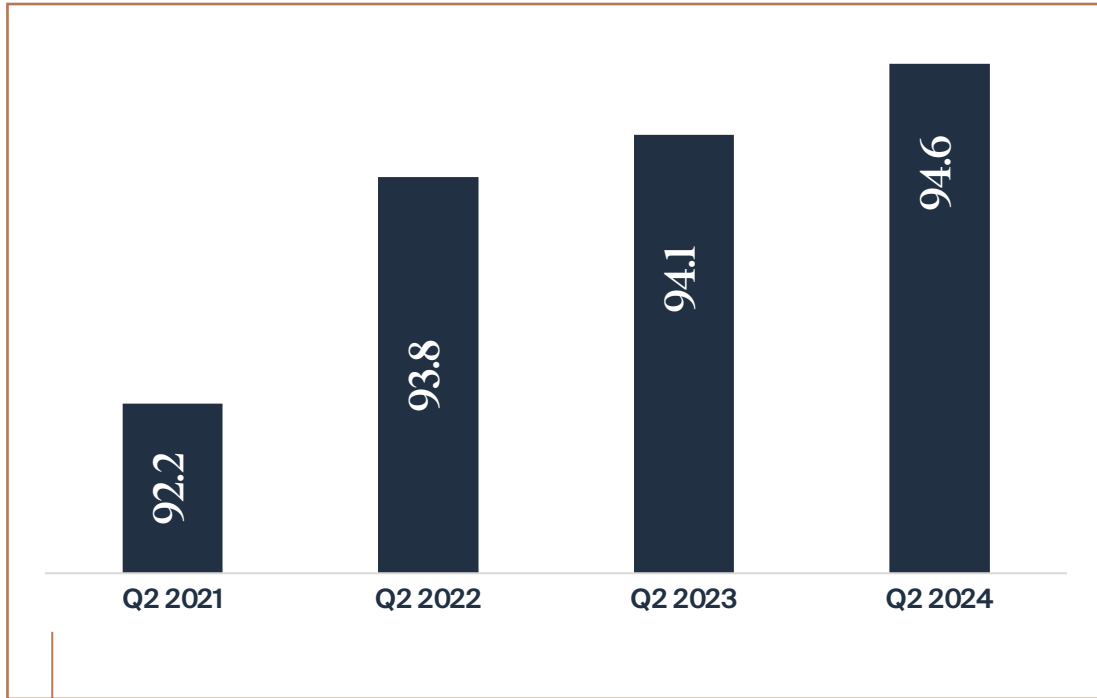
2024+

58,160 sq. ft. renewed in anticipation (Q2 2024)

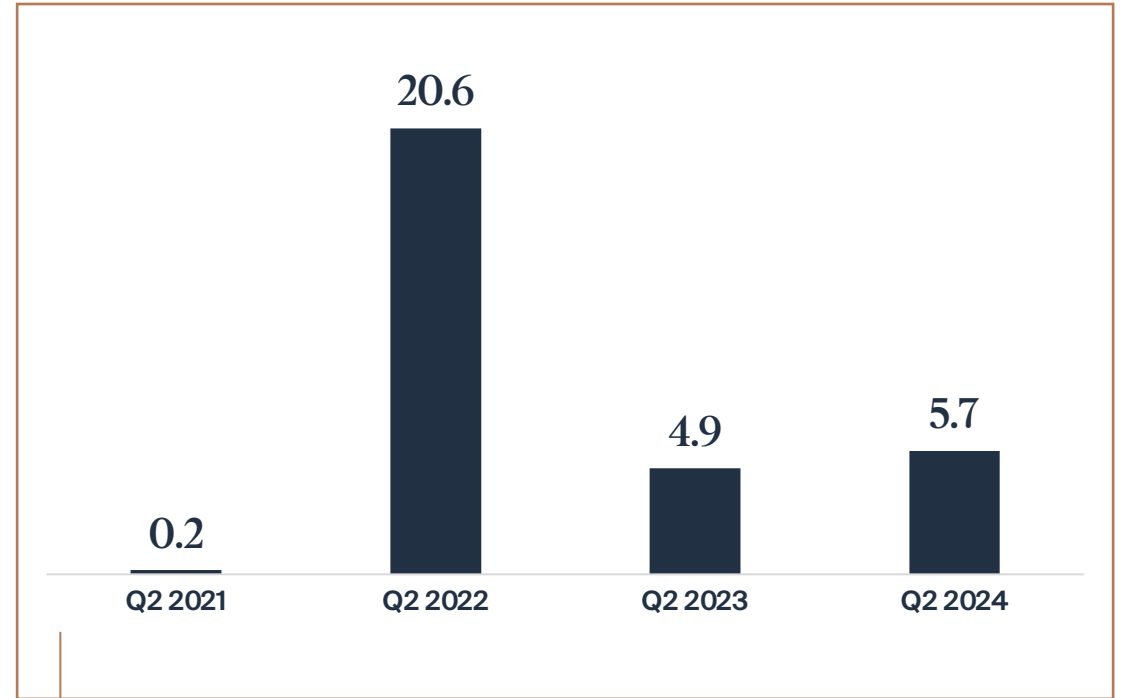
Total

312,143 sq. ft. renewed YTD
98,142 sq. ft. new leases signed YTD

Solid Track Record of Leasing Performance



Total Portfolio Committed Occupancy (%)



Average Lease Renewal Rates⁽¹⁾ (%)

(1) Based on renewed leases during the period

Positive Leasing Dynamics – Renewals

demersbeaulne 
alliés en affaires
**3111 Saint-Martin West,
Laval QC**



Centre intégré
de santé et de
services sociaux de
la Montérégie-Centre
Québec 
**315-325 MacDonald,
“Le Bougainvillier”,
Saint-Jean-sur-Richelieu QC**

torq
**6700 Pierre-Bertrand,
“Place d’affaires
Lebourgneuf Phase II”,
Québec QC**



MNP
**1500 Royale
“Complexe de Léry”,
Trois-Rivières QC**

Positive Leasing Dynamics – Renewals



11590-11800 de Salaberry
"Marché de l'Ouest",
Dollard-des-Ormeaux, QC



AMA Properties
Management Ltd.

8810 48 Avenue NW,
Edmonton AB



Positive Leasing Dynamics – New Leases



BOUCHARD+
AVOCATS
Le juste conseil

815 Lebourgneuf,
"Complexe Lebourgneuf
Phase II" QC

Positive Leasing Dynamics – New Leases



825 Lebourgneuf,
"Complexe Lebourgneuf
Phase I" QC



815 Lebourgneuf,
"Complexe Lebourgneuf
Phase II" QC



6700 Pierre-Bertrand,
"Place d'affaires
Lebourgneuf Phase II",
Québec QC



1500 Royale
"Complexe de Léry",
Trois-Rivières QC



New Leasing Opportunity



**3695 des Laurentides
Laval, QC**

**132,665 sq. ft.
Industrial**

- 8 Truck-level doors
- Clear height from 11' to 28'
- High visibility
- Trailer parking available
- Proximity to amenities
- Easy access to highways

Financial Overview

An architectural rendering of a modern commercial building with a parking lot. The building features large glass windows and a mix of tan and dark brown exterior panels. In the background, a suspension bridge spans across a body of water under a hazy sky. The scene is set during dusk or dawn, with soft lighting.

Presented by
Marc-André Lefebvre
Vice President & Chief Financial Officer

Quarter ended June 30th, 2024

Financial Highlights

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Results

\$32.2M (\$64.9M YTD)

Rental revenue
+1.6% vs Q2 2023
+0.5% vs Q2 2023 YTD
+2.7% vs Q2 2023 YTD ⁽¹⁾

\$18.9M (\$37.2M YTD)

NOI
-0.5% vs Q2 2023
-2.1% vs Q2 2023 YTD
+1.6% vs Q2 2023 YTD ⁽¹⁾

\$18.7M (\$34.9M YTD)

Same Property NOI ⁽²⁾
+1.5% vs Q2 2023
+2.6% vs Q2 2023 YTD

8.3¢/u
Net Earnings per unit

7.5¢/u
Distribution per unit

10.4¢/u (20.6¢/u YTD)

FFO Adjusted per unit ⁽²⁾
-1.4¢ vs Q2 2023
-2.9¢ vs Q2 2023 YTD
-1.2¢ vs Q2 2023 YTD ⁽¹⁾

80.2% (82.0% YTD)

AFFO Adjusted Payout Ratio ⁽²⁾
+11.2% vs Q2 2023
+11.5% vs Q2 2023 YTD
+5.5% vs Q2 2023 YTD ⁽¹⁾

Financial Position

\$0.9M

Cash Position
\$17.9M available on our credit facilities
(option to increase the availability by \$10.0M
subject to credit approval)

58.1%

Total Debt Ratio ⁽²⁾
-50 bps vs December 31, 2023

51.4%

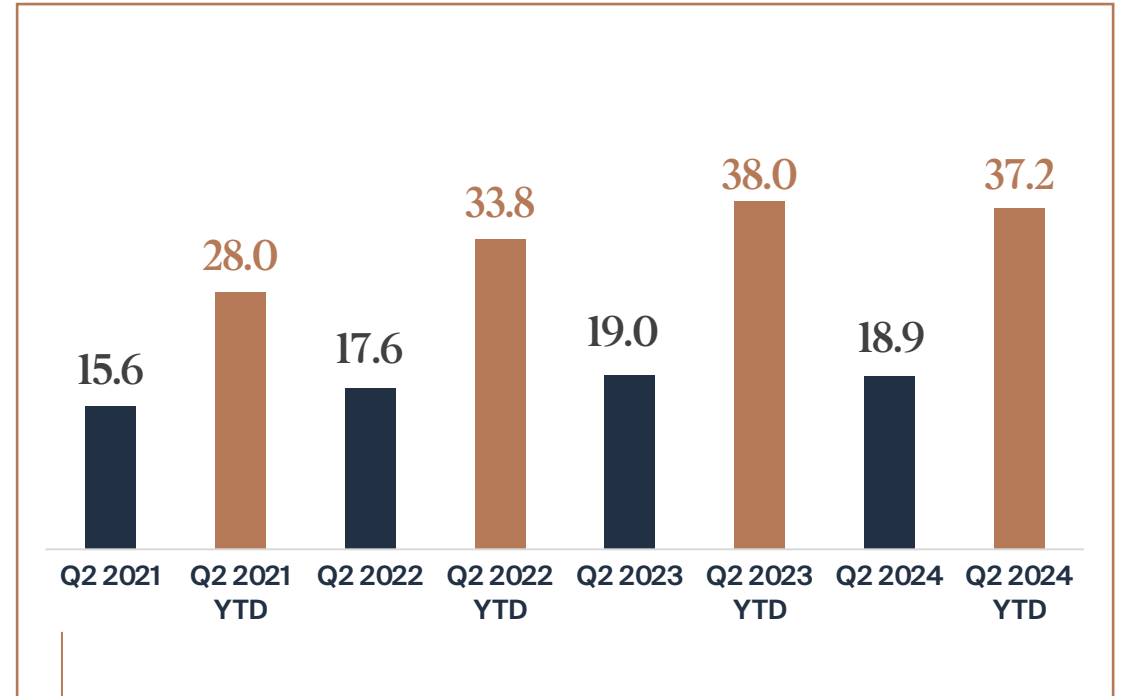
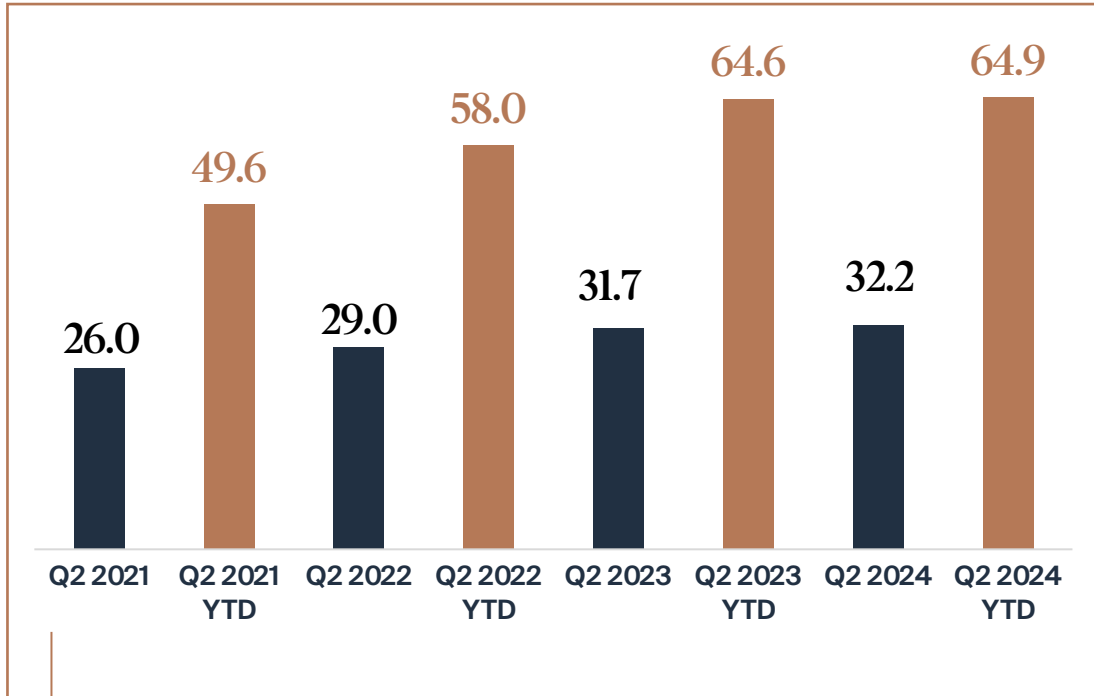
Total Mortgage Debt Ratio ⁽²⁾
-80 bps vs December 31, 2023

⁽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 ⁽¹⁾
 Rental Revenue +2.7% vs Q2 2023 YTD
 NOI +1.6% vs Q2 2023 YTD



Rental Revenue (\$M)

+1.6% vs Q2 2023 | +23.8% vs Q2 2021
 +0.5% vs Q2 2023 YTD | +30.1% vs Q2 2021 YTD

Positive contribution

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

Net Operating Income (\$M)

-0.5% vs Q2 2023 | +21.2% vs Q2 2021
 -2.1% vs Q2 2023 YTD | +32.9% vs Q2 2021 YTD

Positive contribution

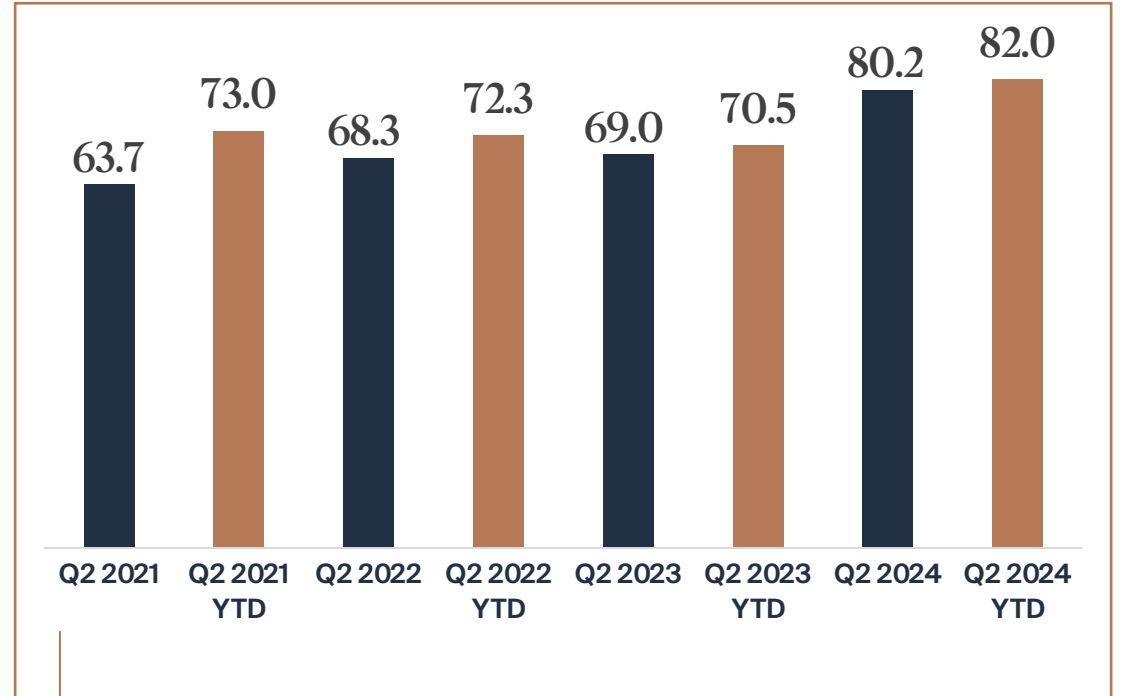
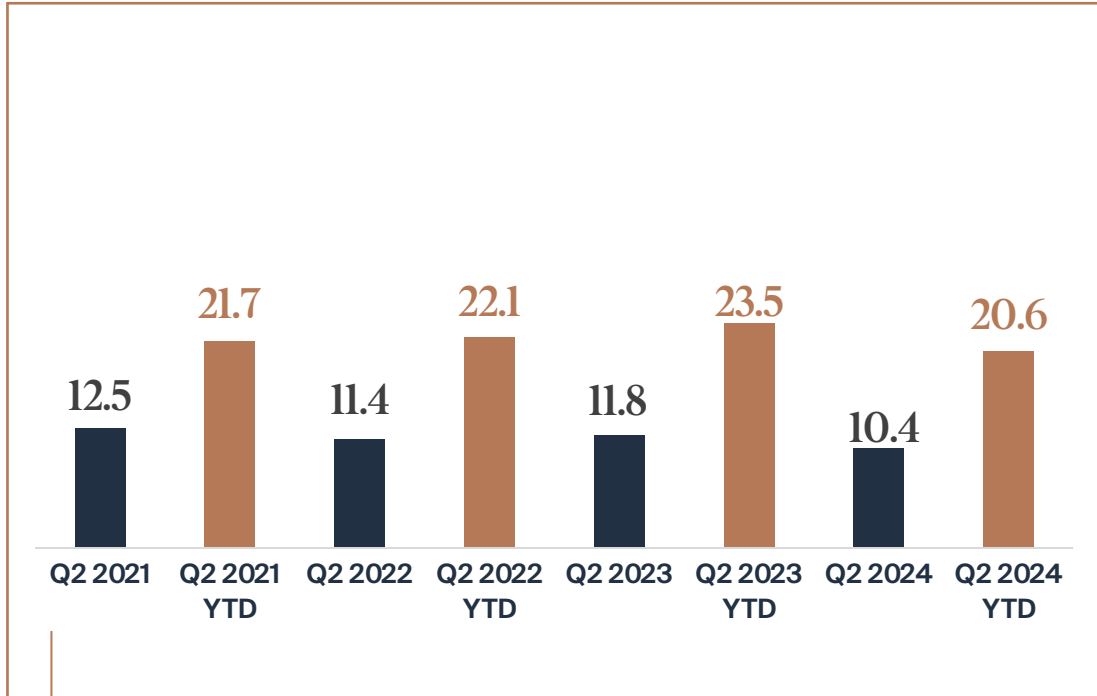
2021, 2022 & 2023 acquisitions accretive from the acquisition date | Positive impact of the triple net leases from industrial segment | Increase of occupancy rate and lease renewal rate | Negative impact in Q2 2024 of \$0.2M due to bankruptcy of Énergie-Cardio for which space was rapidly leased to group who purchased the assets of the business

(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 ⁽¹⁾

Excluding Q1 2023 One-Time Adjustment ⁽²⁾
 FFO adjusted /u -1.2¢ vs Q2 2023 YTD
 AFFO adjusted payout ratio +5.5% vs
 Q2 2023 YTD

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FFO adjusted ⁽¹⁾ per unit (¢)

-1.4¢ vs Q2 2023 | -2.1¢ vs Q2 2021
 -2.9¢ vs Q2 2023 YTD | -1.1¢ vs Q2 2021 YTD

AFFO adjusted ⁽¹⁾ Payout Ratio (%)

+11.2% vs Q2 2023 | + 16.5% vs Q2 2021
 +11.5% vs Q2 2023 YTD | + 9.0% vs Q2 2021 YTD

Net earnings per unit

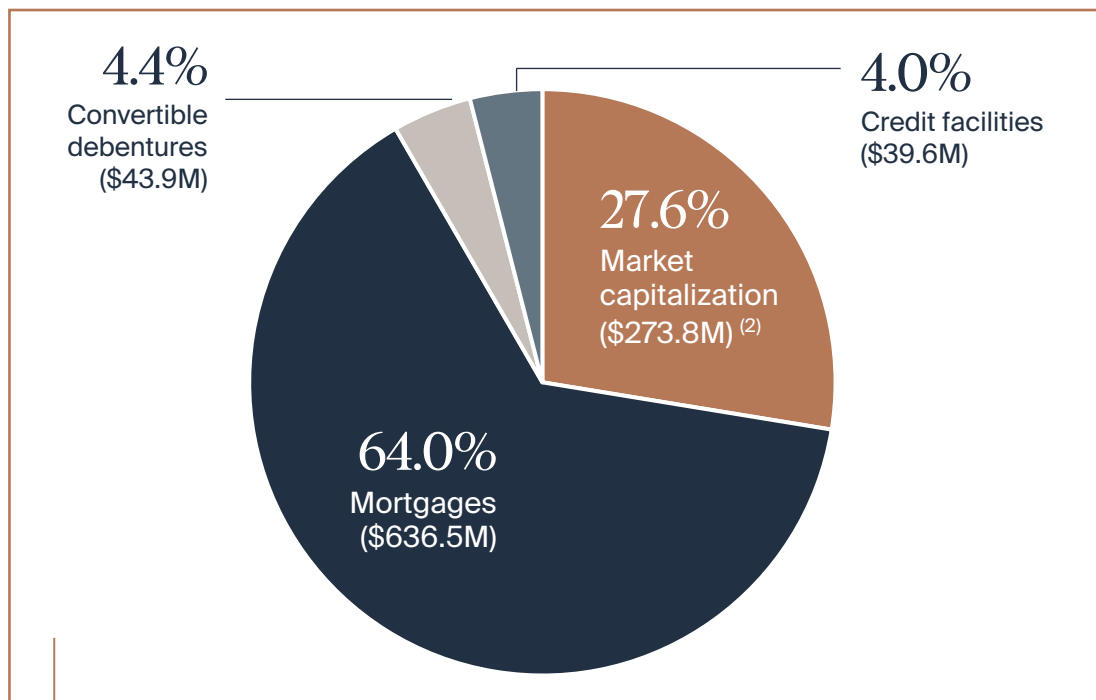
8.3¢

Quarter ended June 30th, 2024

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

⁽²⁾ 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 (Q2 2024)

\$993.8M

Mortgages Outstanding

\$636.5M | **4.57%** weighted average interest rate (compared to 4.28% as of Q2 2023, an increase of 29 bps) | **3.1 years** weighted average term

Convertible Debentures

\$43.9M | **6.45%** weighted average interest rate | **0.78 years** weighted average remaining term - excludes \$0.6 M of unamortized financing expenses

Credit Facilities (\$58M capacity)

\$39.6M | CORRA + 225bps or prime +100bps | Option to increase the capacity by \$10M for a total of \$68M

Total Debt

\$720M | **4.69%** weighted average interest rates for mortgages and debentures | **4.84%** weighted average interest rates for total debt

Net Debt / GBV⁽¹⁾⁽³⁾ (including convertible debentures)

58.1%, representing a decrease of 0.8% from Q2 2023

Cash
\$0.9M

Net Debt
\$719.1M

Total Assets Gross
Book Value
\$1,236M

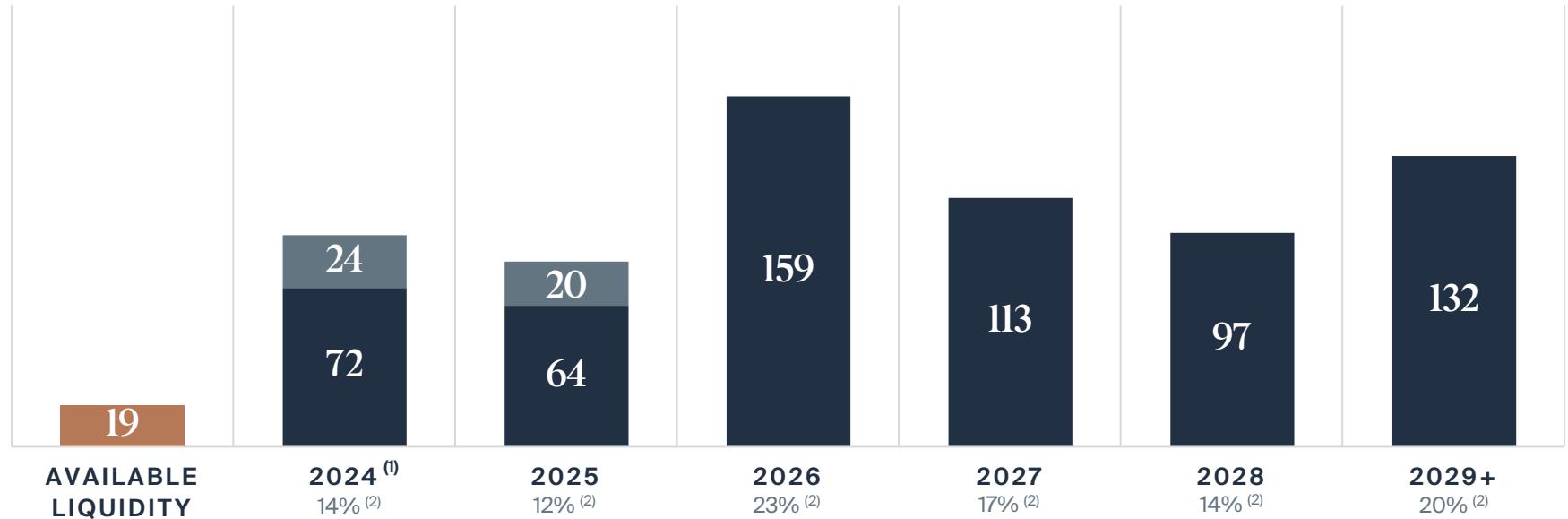
IFRS NAV
\$5.46/u

(1) This is a non-IFRS financial measure. Refer to the Non-IFRS financial measure section of this presentation.
 (2) At June 30, 2024, unit trading price of \$3.13/unit.
 (3) Including \$0.6 M of unamortized financing expenses

Debt Maturities

In millions of dollars

- Mortgage payable
- Convertible debentures



Available Liquidity

\$0.9M in cash plus \$17.9M of available credit facility with an option to increase the capacity by \$10.0M for a total availability of **\$28.8M**, subject to creditor approval

Mortgages (Maturing in 2024)

\$71.7M coming due in the following 6 months of 2024

Debenture – Series G (Maturing in October 2024)

\$24.0 M coming due on October 31, 2024. Conversion price @ \$5.42
No conversion since issuance, Oct.2019

Debenture – Series H (Maturing in October 2025)

\$20.0 M coming due in 2025. Conversion price @ \$3.64
No conversion in Q2 2024. Total of \$10.1M converted since Sept. 2020 (out of \$30.0M issued)

(1) For the remaining 6 months.
(2) Percentage of total debt maturing each year.

Closing Remarks

Presented by
Michel Léonard
President & Chief Executive Officer

Quarter ended June 30th, 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, 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 June 30, 2024, which is dated August 5, 2024. 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.