

# NORTHVIEW FUND ANNOUNCES Q1 2022 FINANCIAL RESULTS



*Not for distribution to U.S. newswire services or for dissemination in the United States.*

Calgary, Alberta – **May 12, 2022** – Northview Fund (“Northview” or the “Fund”) (NHF.UN – TSX), today announced financial results for the three months ended March 31, 2022.

All amounts in this news release are in thousands of Canadian dollars unless otherwise indicated.

“Occupancy and AMR in the multi-residential portfolio remained stable compared to the fourth quarter of 2021, with occupancy improvements of 110 basis points compared to the first quarter of 2021,” commented Mr. Todd Cook, Chief Executive Officer of Northview. “The current high inflation environment and increasing interest rates continue to put pressure on funds from operations. Northview is focused on managing costs and reducing the amount of floating rate debt on its credit facility through mortgage financing.”

## HIGHLIGHTS

- For the three months ended March 31, 2022, net and comprehensive loss of \$3.3 million compared to net and comprehensive loss of \$1.3 million for three months ended March 31, 2021. The change primarily related to an increase in operating expenses, as higher utilities expense was driven by stronger commodity prices and higher consumption resulting from adverse weather conditions, and an increase in financing costs that was primarily attributable to higher borrowings and interest rates on the credit facility.
- Occupancy<sup>(2)</sup> of 90.2% for the multi-residential portfolio in the first quarter of 2022 represented an improvement of 110 basis points (“bps”) compared to the first quarter of 2021, supported by higher occupancy in all regions, and was consistent with the fourth quarter of 2021.
- Average monthly rent (“AMR”)<sup>(2)</sup> of \$1,272 as at March 31, 2022 was consistent with the previous quarter, and decreased by 0.9% compared to AMR of \$1,283 as at March 31, 2021, as lower AMR in Western Canada was almost entirely offset by higher AMR in Northern Canada and Atlantic Canada.
- Funds from operations (“FFO”)<sup>(1)</sup> was \$12.6 million for the three months ended March 31, 2022, resulting in FFO per Unit<sup>(1)</sup> of \$0.35, which were lower than \$15.2 million and \$0.42, respectively, for the three months ended March 31, 2021. The decrease in FFO and FFO per Unit was primarily attributable to higher utility and financing costs in the current period.
- For the twelve months ended March 31, 2022, the FFO payout ratio<sup>(1)</sup> was 71.9%. For the period ended March 31, 2021, the FFO payout ratio was 77.1% which reflected the seasonality of operations, as the period included approximately five months of operations that are characterized by higher utilities expense in the winter months.
- Revenue increased by 1.7% in the first quarter of 2022 from the comparative period in the prior year, which reflected the successful lease-up of a property in St. John’s, NL that was repositioned in the fourth quarter of 2020. Net operating income (“NOI”) was \$24.6 million in the first quarter of 2022, which represented an NOI margin of 50.6%, compared to \$26.9 million and 56.3%, respectively, in the first quarter of 2021. NOI and NOI margin were lower in the current period due to increased operating expenses, driven by higher utilities expense and snow removal costs in the first quarter of 2022, which more than offset the increase in revenue.

(1) Non-GAAP financial measure or non-GAAP ratio. See “Non-GAAP and Other Financial Measures” section of this news release.

(2) See “Non-GAAP and Other Financial Measures” section of this news release.

- Interest coverage ratio<sup>(2)</sup> and debt service coverage ratio<sup>(2)</sup> of 2.74 and 1.49, respectively, for the twelve months ended March 31, 2022, were relatively consistent with 2.84 and 1.54, respectively, for the twelve months ended December 31, 2021. Debt to gross book value<sup>(2)</sup> was 68.3% as at March 31, 2022, an increase of 50 bps from 67.8% as at December 31, 2021, driven primarily by increased borrowings on the credit facility.
- Distributions of \$11.3 million were declared in the three months ended March 31, 2022 and March 31, 2021, representing a monthly distribution of approximately \$3.8 million or a weighted average distribution of approximately \$0.11 per issued Unit.

---

(1) Non-GAAP financial measure or non-GAAP ratio. See “Non-GAAP and Other Financial Measures” section of this news release.

(2) See “Non-GAAP and Other Financial Measures” section of this news release.

## FINANCIAL CONDITIONS AND OPERATING RESULTS

(thousands of dollars, except as indicated)	As at March 31, 2022	As at December 31, 2021
Total assets	1,847,326	1,853,096
Total liabilities, excluding net assets attributable to Unitholders	1,355,273	1,357,746
Total liabilities, net assets attributable to Unitholders	1,846,401	1,852,184
Total non-current liabilities, excluding net assets attributable to Unitholders	1,083,209	570,239
Mortgages payable	799,050	808,842
Debt to gross book value <sup>(2)</sup>	68.3%	67.8%
Interest coverage ratio (times) <sup>(2)</sup>	2.74	2.84
Debt service coverage ratio (times) <sup>(2)</sup>	1.49	1.54
Weighted average mortgage interest rate	2.87%	2.87%
Weighted average term to maturity (years)	2.5	2.7
Weighted average capitalization rate	7.44%	7.44%
Multi-residential occupancy <sup>(2)</sup>	90.2%	90.2%
AMR (\$) <sup>(2)</sup>	1,272	1,272
Number of multi-residential suites	11,121	11,121
Number of executives	200	200
Commercial sq. ft.	1,131,730	1,131,730
Number of Units outstanding ('000s) <sup>(2)</sup>	35,917	35,917

  

(thousands of dollars, except as indicated)	Three Months Ended March 31	
	2022	2021
Revenue	48,639	47,848
NOI	24,631	26,941
NOI margin	50.6%	56.3%
Cash flow provided by operating activities	6,607	11,783
Distributions declared to Unitholders	11,288	11,288
Distributions declared per Unit – weighted average (\$/Unit)	0.1091	0.1092
Class A Unit (\$/Unit)	0.1048	0.1048
Class C Unit (\$/Unit)	0.1106	0.1106
Class F Unit (\$/Unit)	0.1081	0.1081
FFO payout ratio <sup>(1),(3)</sup>	71.9%	77.1%
AFFO payout ratio <sup>(1),(3)</sup>	88.2%	95.0%
Net and comprehensive loss	(3,265)	(1,283)
Net and comprehensive loss per Unit (\$/Unit)	(0.09)	(0.04)
FFO <sup>(1)</sup>	12,550	15,170
FFO per Unit (\$/Unit) <sup>(1)</sup>	0.35	0.42
AFFO <sup>(1)</sup>	9,350	12,371
AFFO per Unit (\$/Unit) <sup>(1)</sup>	0.26	0.34

(1) Non-GAAP financial measure or non-GAAP ratio. See “Non-GAAP and Other Financial Measures” section of this news release.

(2) See “Non-GAAP and Other Financial Measures” section of this news release.

(3) Comparative information is calculated for the period from November 2, 2020, the date on which Northview began operations, to March 31, 2021.

## NON-GAAP AND OTHER FINANCIAL MEASURES

Certain measures in this earnings release do not have any standardized meaning as prescribed by generally accepted accounting principles (“GAAP”) and may, therefore, be considered non-GAAP financial measures, non-GAAP measures, or other measures and may not be comparable to similar measures presented by other issuers. These measures are provided to enhance the readers’ overall understanding of our current financial condition and financial performance. They are included to provide investors and management with an alternative method for assessing our operating results in a manner that is focused on the performance of our ongoing operations and to provide a more consistent basis for comparison between periods. These measures include widely accepted measures of performance for Canadian real estate investment trusts; however, the measures are not defined by GAAP. In addition, these measures are subject to the interpretation of definitions by the preparers of financial statements and may not be applied consistently between real estate entities. These measures include:

- **Non-GAAP Measures:** Adjusted funds from operations (“AFFO”) and funds from operations (“FFO”)
- **Non-GAAP Ratios:** AFFO payout ratio, AFFO per Unit, FFO payout ratio, FFO per Unit
- **Capital Management Measures:** Debt service coverage ratio, debt to gross book value, interest coverage ratio
- **Other Key Performance Indicators:** AMR, occupancy, Units outstanding

For information on the most directly comparable GAAP measures, composition of the measures, a description of how Northview uses these measures, and an explanation of how these measures provide useful information to investors, refer to the “Non-GAAP and Other Financial Measures” section of Northview’s management discussion and analysis as at and for the three months ended March 31, 2022 and 2021, available on Northview’s profile on SEDAR at [www.sedar.com](http://www.sedar.com), which is incorporated by reference into this news release.

### NON-GAAP RECONCILIATION

The following table reconciles FFO and AFFO from net and comprehensive loss, the most directly comparable GAAP measure as presented in the financial statements:

	Three Months Ended March 31	
(thousands of dollars, except where indicated)	2022	2021
Net and comprehensive (loss) income	(3,265)	(1,283)
Adjustments:		
Distributions to Unitholders	11,288	11,288
Depreciation	768	749
Fair value loss (gain) on investment properties	3,725	3,529
Transaction costs	—	866
Other <sup>(1)</sup>	34	21
FFO	12,550	15,170
Maintenance capex reserve – multi-residential	(2,963)	(2,747)
Maintenance capex reserve – commercial	(237)	(52)
AFFO	9,350	12,371
FFO per Unit (\$/Unit)	0.35	0.42
FFO payout ratio – trailing twelve months <sup>(2)</sup>	71.9%	77.1%
AFFO per Unit (\$/Unit)	0.26	0.34
AFFO payout ratio – trailing twelve months <sup>(2)</sup>	88.2%	95.0%
Number of Units outstanding (‘000s)	35,917	35,917

(1) “Other” is comprised of non-controlling interest, amortization of other long-term assets, amortization of tenant inducements, gain on disposition of property, plant and equipment, and fair value adjustments for non-controlling interest and equity investments.

(2) Comparative information calculated for the period November 2, 2020, the date on which Northview began operations, to March 31, 2021

## FINANCIAL INFORMATION

Northview's unaudited condensed consolidated interim financial statements, the notes thereto, and Management's Discussion and Analysis for the three months ended March 31, 2022 and 2021, can be found on Northview's website at [www.northviewfund.com](http://www.northviewfund.com) or [www.sedar.com](http://www.sedar.com).

## ABOUT NORTHVIEW FUND

Northview is a closed-end fund established pursuant to a declaration of trust under the laws of the Province of Ontario for the primary purpose of indirectly acquiring, owning, and operating a portfolio of income-producing rental properties in secondary markets within Canada.

## CAUTIONARY AND FORWARD-LOOKING INFORMATION

Certain information contained in this news release may constitute forward-looking information within the meaning of applicable securities laws relating to the business and financial outlook of Northview. Statements that reflect Northview's current objectives, plans, goals, and strategies are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from future results expressed, projected, or implied by such forward-looking information. In some instances, forward-looking information can be identified by the use of terms such as "may", "should", "expect", "will", "anticipate", "believe", "intend", "estimate", "predict", "potentially", "starting", "beginning", "begun", "moving", "continue", or other similar expressions concerning matters that are not historical facts. Forward-looking information in this news release includes, but is not limited to, statements related to the recapitalization event, the effects of the coronavirus ("COVID-19") pandemic on Northview's business, future maintenance expenditures, financing and the availability of financing, future economic conditions, liquidity and capital resources, market trends, future operating efficiencies, tenant incentives, and occupancy levels. Such statements involve significant risks and uncertainties and are not meant to provide guarantees of future performance or results. These cautionary statements qualify all of the statements and information contained in this news release incorporating forward-looking information.

Forward-looking information is made as of May 12, 2022 and is based on information available to management as of that date. Management believes that the expectations reflected in forward-looking information is based upon information and reasonable assumptions available at the time they are made; however, management can give no assurance that the actual results will be consistent with this forward-looking information. Factors that could cause actual results, performance, or achievements to differ materially from those expressed or implied by forward-looking information include, but are not limited to, general economic conditions; the COVID-19 pandemic; the availability of a new competitive supply of real estate which may become available through construction; Northview's ability to maintain occupancy and the timely lease or re-lease of multi-residential suites, executives, and commercial space at current market rates; tenant defaults; changes in interest rates; Northview's qualification as a real estate investment trust ("REIT"); changes in operating costs; governmental regulations and taxation; fluctuations in commodity prices; and the availability of financing. Additional risks and uncertainties not presently known to Northview, or those risks and uncertainties that Northview currently believes to be not material, may also adversely affect Northview. Northview cautions readers that this list of factors is not exhaustive and that should certain risks or uncertainties materialize, or should underlying estimates or assumptions prove incorrect, actual events, performance, and results may vary materially from those expected. Except as specifically required by applicable Canadian law, Northview assumes no obligation to update or revise publicly any forward-looking information to reflect new events or circumstances.

*To learn more about Northview, visit [www.northviewfund.com](http://www.northviewfund.com) or contact:*

Todd Cook, Chief Executive Officer  
Northview Fund  
Tel: (403) 531-0720  
Email: [tcook@northviewfund.com](mailto:tcook@northviewfund.com)

Sarah Walker, Chief Financial Officer  
Northview Fund  
Tel: (403) 531-0720  
Email: [swalker@northviewfund.com](mailto:swalker@northviewfund.com)