

NORTHVIEW CANADIAN HIGH YIELD RESIDENTIAL FUND ANNOUNCES Q1 2021 FINANCIAL RESULTS



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Toronto – **May 10, 2021** - Northview Canadian High Yield Residential Fund (“Northview” or the “Fund”) (NHF.UN – TSX), today announced financial results for the three months ended March 31, 2021.

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

“We are pleased that the portfolio continued to generate stable income during the first quarter of 2021, underpinned by overall stable occupancy and AMR,” commented Mr. Todd Cook, Northview’s Chief Executive Officer. “We achieved an FFO payout ratio of 77.1% and collected 98.3% of rents, underscoring our defensive positioning against economic cycle downturns.”

HIGHLIGHTS

- Net and comprehensive loss for the three months ended March 31, 2021 was \$1.3 million and was primarily attributable to revenue of \$47.8 million, offset by operating expenses of \$20.9 million and other expenses of \$28.2 million.
- Funds from operations (“FFO”) was \$15.2 million for the three months ended March 31, 2021, resulting in FFO per Unit of \$0.42.
- Adjusted funds from operations (“AFFO”) was \$12.4 million for the three months ended March 31, 2021, resulting in AFFO per Unit of \$0.34.
- Northview’s FFO payout ratio of 77.1% reflected the seasonality of results for the three months ended March 31, 2021, which is characterized by higher utility costs.
- Net operating income (“NOI”) of \$26.9 million for the three months ended March 31, 2021 was earned on revenue of \$47.8 million and represented an NOI margin of 56.3%.
- Distributions of \$11.3 million were declared for the three months ended March 31, 2021, representing a monthly weighted average distribution of \$0.1092 per issued Unit.
- Occupancy for the three months ended March 31, 2021 was 89.1% for the multi-family portfolio, an improvement of 40 basis points (“bps”) compared to 88.7% for the period ended December 31, 2020.
- Debt to gross book value was 66.9% as at March 31, 2021, increasing by 20 bps compared to 66.7% as at December 31, 2020. Interest coverage and debt service coverage ratios were 2.67 and 1.44, respectively, for the period from November 2, 2020 to March 31, 2021.
- Northview collected 98.3% of multi-residential and commercial rent in the first quarter of 2021. The collection rate to-date in the second quarter of 2021 has been consistent with the first quarter of 2021.

COVID-19 IMPACT

Notwithstanding the impacts of the COVID-19 pandemic, the long-term fundamentals for Canadian multi-residential markets remain compelling and Northview's portfolio is in several diversified geographies. The demand for rental accommodation remains strong due to home ownership affordability continuing to be a challenge in many markets. Markets with exposure to student housing continue to experience higher vacancy than expected under normal operating conditions as a result of remote learning arrangements at post-secondary institutions.

Due to the long-term tenure of commercial leases, supported primarily by government tenants and credit-rated corporations, there was minimal impact of COVID-19 on rent collections in Northview's commercial portfolio. Execusuites experienced lower occupancy in 2020 than expected under normal operating cycles as a result of restrictions on interterritorial travel due to the COVID-19 pandemic. Execusuites showed improvements in the first quarter of 2021 following the easing of some travel restrictions for medical and business travel.

The administration of COVID-19 vaccinations continues across Canada, and the federal government of Canada expects that adult Canadians will have access to the COVID-19 vaccination by the end of Q3 2021. In particular, Nunavut and the Northwest Territories have been identified as priority regions for the COVID-19 vaccination and, as a result, the vaccination is more accessible as comparable to other regions of Canada. As of May 2021, all adult residents in the Northwest Territories are eligible for a COVID-19 vaccination, and Nunavut has opened vaccination eligibility to adult residents in priority areas, including all adults in Iqaluit, NU.

Northview has a rent deferral program for residential tenants who have faced financial hardships due to the COVID-19 pandemic. Approximately 1.3% of residential tenants currently have a rent deferral arrangement and these tenants are fulfilling their obligations under the payment arrangements.

Further disclosure surrounding the impact of COVID-19 is included in Northview's Management's Discussion and Analysis for the three months ended March 31, 2021, which is available on www.sedar.com.

FINANCIAL CONDITIONS AND OPERATING RESULTS

(thousands of dollars, except as indicated)	As at March 31, 2021	As at December 31, 2020
Total assets	1,866,904	1,878,598
Total liabilities, excluding net assets attributable to Unitholders	1,352,647	1,362,821
Total liabilities, net assets attributable to Unitholders	1,866,109	1,877,618
Total non-current liabilities, excluding net assets attributable to Unitholders	1,123,639	1,164,992
Mortgages payable	838,121	847,845
Debt to gross book value ⁽¹⁾	66.9%	66.7%
Interest coverage ratio (times) ⁽¹⁾⁽²⁾	2.67	2.60
Debt service coverage ratio (times) ⁽¹⁾⁽²⁾	1.44	1.39
Weighted average mortgage interest rate	2.87%	2.87%
Weighted average term to maturity (years)	3.4	3.6
Weighted average capitalization rate	7.56%	7.56%
Multi-residential occupancy	89.1%	88.7%
Multi-residential AMR (\$)	1,286	1,279
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) ⁽¹⁾	35,917	35,917
(thousands of dollars, except as indicated)		Three Months Ended March 31, 2021
Total revenue		47,848
Total NOI ⁽¹⁾		26,941
NOI margin ⁽¹⁾		56.3%
Cash flow provided by operating activities		11,783
Distributions declared to Unitholders		11,288
Distributions declared per Unit – weighted average (\$/Unit)		0.1092
Class A Unit (\$/Unit)		0.1048
Class C Unit (\$/Unit)		0.1106
Class F Unit (\$/Unit)		0.1081
FFO payout ratio ⁽¹⁾⁽²⁾		77.1%
AFFO payout ratio ⁽¹⁾⁽²⁾		95.0%
Net and comprehensive loss		(1,283)
Net and comprehensive loss per Unit (\$/Unit) ⁽¹⁾		(0.04)
FFO ⁽¹⁾		15,170
FFO per Unit (\$/Unit) ⁽¹⁾		0.42
AFFO ⁽¹⁾		12,371
AFFO per Unit (\$/Unit) ⁽¹⁾		0.34

⁽¹⁾ Non-GAAP financial measure, see “Non-GAAP and Other Financial Measures” section of this news release and reconciliation to the most directly comparable IFRS financial measures shown in Northview’s Management’s Discussion and Analysis (“MD&A”) for the three months ended March 31, 2021, which is available on www.sedar.com.

⁽²⁾ Calculated for the period from November 2, 2020 to March 31, 2021 as at March 31, 2021, and for the period from November 2, 2020 to December 31, 2020 as at December 31, 2020.

FINANCIAL INFORMATION

Northview's condensed consolidated interim financial statements, the notes thereto, and Management's Discussion and Analysis for the three months ended March 31, 2021, can be found on Northview's website at www.northviewfund.com or www.sedar.com.

ABOUT NORTHVIEW CANADIAN HIGH YIELD RESIDENTIAL FUND

The Fund 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.

NON-GAAP AND OTHER FINANCIAL MEASURES

Certain measures in this news release do not have any standardized meaning as prescribed by generally accepted accounting principles ("GAAP") and, therefore, are considered non-GAAP 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. 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. Please refer to Northview's most recent Management's Discussion and Analysis for definitions of non-GAAP and other financial measures and a reconciliation of non-GAAP measures to the most directly comparable IFRS financial measures, including for FFO, AFFO, FFO payout ratio, AFFO payout ratio, number of Units outstanding, debt to gross book value, debt service coverage ratio, interest coverage ratio, NOI, and NOI margin.

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 10, 2021 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-family 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 or contact:

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