

NORTHVIEW CANADIAN HIGH YIELD RESIDENTIAL FUND ANNOUNCES Q2 2021 FINANCIAL RESULTS



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Toronto – **August 5, 2021** - Northview Canadian High Yield Residential Fund (“Northview” or the “Fund”) (NHF.UN – TSX), today announced financial results for the three and six months ended June 30, 2021.

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

“We are pleased to deliver another quarter of solid financial results, highlighted by an improvement in occupancy of 80 basis points from the previous quarter and an FFO payout ratio of 75.2%,” commented Mr. Todd Cook, Northview’s Chief Executive Officer. “Northview has continued to invest in its properties and we are well positioned to continue to deliver solid returns to our Unitholders.”

HIGHLIGHTS

- Net and comprehensive loss for the three months ended June 30, 2021 was \$2.7 million and was attributable to revenue of \$47.7 million, more than offset by operating expenses of \$20.1 million and other expenses of \$30.3 million. Net and comprehensive loss for the six months ended June 30, 2021 was \$4.0 million and was attributable to revenue of \$95.5 million, more than offset by operating expenses of \$41.0 million and other expenses of \$58.5 million.
- Funds from operations (“FFO”) was \$15.6 million and \$30.8 million for the three and six months ended June 30, 2021 respectively, resulting in FFO per Unit of \$0.44 and \$0.86 for the same periods. For the period from November 2, 2020 to June 30, 2021, the FFO payout ratio was 75.2%.
- Adjusted funds from operations (“AFFO”) was \$12.8 million and \$25.2 million for the three and six months ended June 30, 2021, respectively, resulting in AFFO per Unit of \$0.36 and \$0.70 for the same periods.
- Net operating income (“NOI”) was \$27.6 million and \$54.6 million for the three and six months ended June 30, 2021, which represented NOI margins of 57.9% and 57.1%, respectively.
- For the six months ended June 30, 2021, total distributions of \$22.6 million were declared, representing a monthly weighted average distribution of \$0.1092 per issued Unit.
- Occupancy for the period ended June 30, 2021 was 89.9% for the multi-family portfolio, an improvement of 80 basis points (“bps”) compared to 89.1% for the three months ended March 31, 2021.
- Debt to gross book value was 67.0% as at June 30, 2021, compared to 66.9% at March 31, 2021 and 66.7% at December 31, 2020, representing a 10 bps increase quarter-over-quarter. Interest coverage and debt service coverage ratios were 2.72 and 1.46, respectively, for the period from November 2, 2020 to June 30, 2021.
- Northview collected 98.7% of multi-residential and commercial rent in the second quarter of 2021. The collection rate to-date in the third quarter of 2021 has been consistent with the second 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 during the previous academic year.

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 occupancy showed improvements in the first half of 2021 following the easing of interterritorial travel restrictions.

The administration of COVID-19 vaccinations continues across Canada, and over half of Canadians who were eligible to receive a COVID-19 vaccine were fully vaccinated by July 2021. Near the end of the second quarter of 2021, some public health measures were eased, as well as certain interprovincial, interterritorial, and international travel restrictions.

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 and six months ended June 30, 2021, which is available on www.sedar.com.

FINANCIAL CONDITIONS AND OPERATING RESULTS

(thousands of dollars, except as indicated)	As at June 30, 2021	As at December 31, 2020
Total assets	1,872,704	1,878,598
Total liabilities, excluding net assets attributable to Unitholders	1,361,150	1,362,821
Total liabilities, net assets attributable to Unitholders	1,871,864	1,877,618
Total non-current liabilities, excluding net assets attributable to Unitholders	1,130,542	1,164,992
Mortgages payable	828,279	847,845
Debt to gross book value ⁽¹⁾	67.0%	66.7%
Interest coverage ratio (times) ⁽¹⁾⁽²⁾	2.72	2.60
Debt service coverage ratio (times) ⁽¹⁾⁽²⁾	1.46	1.39
Weighted average mortgage interest rate	2.87%	2.87%
Weighted average term to maturity (years)	3.2	3.6
Weighted average capitalization rate	7.56%	7.56%
Multi-residential occupancy	89.9%	88.7%
Multi-residential AMR (\$)	1,270	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 June 30, 2021	Six months ended June 30, 2021
Total revenue	47,681	95,529
Total NOI ⁽¹⁾	27,621	54,562
NOI margin ⁽¹⁾	57.9%	57.1%
Cash flow provided by operating activities	13,858	25,641
Distributions declared to Unitholders	11,288	22,576
Distributions declared per Unit – weighted average (\$/Unit)	0.1092	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 ⁽¹⁾⁽²⁾	75.2%	75.2%
AFFO payout ratio ⁽¹⁾⁽²⁾	92.2%	92.2%
Net and comprehensive loss	(2,692)	(3,975)
Net and comprehensive loss per Unit (\$/Unit) ⁽¹⁾	(0.07)	(0.11)
FFO ⁽¹⁾	15,635	30,805
FFO per Unit (\$/Unit) ⁽¹⁾	0.44	0.86
AFFO ⁽¹⁾	12,836	25,207
AFFO per Unit (\$/Unit) ⁽¹⁾	0.36	0.70

⁽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 and six months ended June 30, 2021, which is available on www.sedar.com.

⁽²⁾ Calculated for the period from November 2, 2020, the date on which Northview began operations, to the end of the period presented.

FINANCIAL INFORMATION

Northview's condensed consolidated interim financial statements, the notes thereto, and Management's Discussion and Analysis for the three and six months ended June 30, 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 August 5, 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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