

NORTHVIEW RESIDENTIAL REIT ANNOUNCES Q3 2023 FINANCIAL RESULTS, INCLUDING SUCCESSFUL COMPLETION OF THE RECAPITALIZATION EVENT, CONTINUED STRONG SAME DOOR PERFORMANCE, AND IMPROVED FFO PAYOUT RATIO



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Calgary, Alberta – **November 13, 2023** – Northview Residential REIT (“Northview” or the “REIT”, formerly Northview Fund) (NRR.UN – TSX), today announced financial results for the three and nine months ended September 30, 2023.

All amounts in this news release are in thousands of Canadian dollars unless otherwise indicated. In August 2023, Northview’s units were consolidated on a 1.75 to 1.00 basis. All references to the number of units and per unit amounts in this news release have been restated and are reflected on a post-consolidation basis.

“We were pleased that occupancy and AMR continued to improve through the third quarter of 2023, emphasizing the strong fundamentals of the multi-residential real estate market. Northview’s third quarter FFO payout ratio of 63.9% provides for sustainable monthly Unitholder distributions,” noted Mr. Todd Cook, Chief Executive Officer of Northview.

“The third quarter included a significant milestone as it was also our first quarter as Northview Residential REIT following the completion of our Recapitalization Event, including the acquisitions of three high-quality portfolios. Through enhanced flexibility, further portfolio diversification, and a stronger balance sheet, the Recapitalization Event, along with the reduction of the credit facilities, puts Northview in a strong position to drive Unitholder value in years to come,” concluded Mr. Cook.

Q3 2023 HIGHLIGHTS

- On August 21, 2023, Northview completed the previously announced recapitalization transaction, which included the acquisitions of three high-quality portfolios consisting of 3,301 multi-residential suites and a transformation into Northview Residential REIT, an open-ended real estate investment trust. The Recapitalization Event provided Northview with further geographic diversification, grew total assets to \$2.7 billion, and provided the foundation for future growth opportunities through a strengthened balance sheet and a reduction in overall leverage. The completion of the Recapitalization Event has enhanced Northview’s ability to broaden and deepen its access to capital.
- Same door net operating income (“NOI”)⁽¹⁾ grew by 0.3% from the third quarter of 2022 mainly due to multi-residential NOI offset by rental abatements provided to tenants evacuated due to the Yellowknife, NT wildfires. NOI from the acquired properties of \$4.0 million in the third quarter of 2023, which reflected 41 days of operations, was consistent with management’s expectations.
- Occupancy⁽¹⁾ for the multi-residential segment increased for the sixth consecutive quarter. Multi-residential segment occupancy of 94.7% represented an increase of 260 basis points (“bps”) from the third quarter of 2022, which was driven by a 660-bps increase in Western Canada.

⁽¹⁾ See “Non-GAAP and Other Financial Measures” section of this news release.

- Debt to gross book value⁽¹⁾ was 65.8% as at September 30, 2023, a decrease of 370 bps from 69.5% as at December 31, 2022, as the Recapitalization Event deleveraged and strengthened the balance sheet, driven by lower leverage ratios for the acquired portfolios.
- Distributions declared to Unitholders⁽¹⁾ of \$8.0 million for the three months ended September 30, 2023 represented 63.9% of \$12.5 million of funds from operations (“FFO”)⁽²⁾ in the third quarter of 2023, which is in line with management’s expectations following the distribution reduction in June 2023.
- Credit facility repayments of \$126.0 million were completed in the third quarter of 2023, bringing repayments for the nine months ended September 30, 2023 to \$224.1 million. Northview increased its proportion of fixed-rate debt to 75% as at September 30, 2023, from 56% as at December 31, 2022.
- FFO was \$12.5 million compared to \$14.6 million for the three months ended September 30, 2022 as higher financing costs more than offset increased NOI. FFO per basic and diluted Unit⁽²⁾ of \$0.46 and \$0.43 were lower than \$0.71 and \$0.71, respectively, for the comparative period due to lower FFO and additional Units issued for the Recapitalization Event.
- Net and comprehensive income of \$155.5 million was higher than \$52.7 million for the three months ended September 30, 2022, driven by a higher fair value gain on investment properties and lower distributions, partially offset by Recapitalization Event Costs. The fair value gain on investment properties primarily related to a higher fair value of the acquired portfolios compared to the lower accounting of the acquisition cost.

2023 YEAR-TO-DATE HIGHLIGHTS

- Same door NOI of \$88.5 million in 2023 was higher than \$84.2 million for 2022 as higher revenue more than offset higher operating expenses. The 5.2% increase was driven by the multi-residential segment due to a 260-bps increase in occupancy compared to the nine months ended September 30, 2022 and higher AMR across all regions.
- 2023 FFO of \$31.0 million was lower than \$41.7 million for the nine months ended September 30, 2022 as higher financing costs exceeded higher NOI. FFO per basic Unit and diluted Unit of \$1.36 and \$1.34 were lower than \$2.03 and \$2.03, respectively, for the comparative period due to lower FFO and additional Units issued for the Recapitalization Event.
- Net and comprehensive income for the nine months ended September 30, 2023 of \$143.0 million was higher than \$45.7 million for 2022. The increase in net and comprehensive loss was driven by a higher fair value gain on investment properties, lower distributions, and NOI growth, partially offset by Recapitalization Event costs and higher financing costs.
- During the nine months ended September 30, 2023, Northview completed \$446.6 million of mortgage financing with a weighted average interest rate of 4.27% and an average term to maturity of 7.48 years.

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

(2) Non-GAAP financial measure or non-GAAP ratio. 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	
	September 30, 2023	December 31, 2022
Total assets	2,723,054	1,954,529
Non-current liabilities	1,538,756	562,433
Credit facilities	364,059	503,502
Mortgages payable	1,364,209	850,830
Debt to gross book value ⁽¹⁾	65.8%	69.5%
Weighted average mortgage interest rate	3.77%	3.63%
Weighted average term to maturity (years)	4.7	2.5
Weighted average capitalization rate	6.47%	7.18%
Multi-residential occupancy ⁽¹⁾	94.7%	93.4%
AMR (\$) ⁽¹⁾	1,301	1,278
Number of multi-residential suites	14,422	11,121
Number of executives	200	200
Commercial sq. ft.	1,251,373	1,131,730
Number of Units outstanding ⁽¹⁾	36,056	20,524

	Nine Months Ended		Nine Months Ended	
	September 30		September 30	
	2023	2022	2023	2022
Revenue	57,402	49,703	160,607	147,241
NOI	35,022	30,904	92,567	84,163
NOI margin ⁽¹⁾	61.0%	62.2%	57.6%	57.2%
Cash flows provided by operating activities	10,128	9,443	23,628	31,365
Distributions declared to Unitholders ⁽¹⁾	8,004	11,287	28,687	33,863
Distributions declared per Unit (\$/Unit)				
Class A Unit	0.2734	0.5500	1.2812	1.6500
Class C Unit	0.2785	0.5804	1.3421	1.7413
Class F Unit	0.2763	0.5674	1.3160	1.7021
FFO payout ratio – trailing twelve months ^{(2),(3)}	98.6%	78.2%	98.6%	78.2%
AFFO payout ratio – trailing twelve months ^{(2),(3)}	139.5%	99.5%	139.5%	99.5%
Net and comprehensive income	155,476	52,707	142,955	45,683
Per basic Unit (\$/Unit)	5.66	2.57	6.25	2.23
Per diluted Unit (\$/Unit)	5.28	2.57	6.16	2.23
FFO ⁽²⁾	12,530	14,553	31,047	41,655
Per basic Unit (\$/Unit) ⁽²⁾	0.46	0.71	1.36	2.03
Per diluted Unit (\$/Unit) ⁽²⁾	0.43	0.71	1.34	2.03
AFFO ⁽²⁾	9,246	11,353	22,357	32,056
Per basic Unit (\$/Unit) ⁽²⁾	0.34	0.55	0.98	1.56
Per diluted Unit (\$/Unit) ⁽²⁾	0.31	0.55	0.96	1.56
Weighted average number of Units – basic (000's) ⁽¹⁾	27,446	20,524	22,857	20,524
Weighted average number of Units – diluted (000's) ⁽¹⁾	29,460	20,524	23,208	20,524

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

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

(3) Calculated for the period from October 1, 2022 to September 30, 2023.

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 ratios, 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 Northview’s 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 Financial Measures:** Adjusted funds from operations (“AFFO”) and funds from operations (“FFO”)
- **Non-GAAP Ratios:** AFFO payout ratio; AFFO per Unit, FFO payout ratio; and FFO per Unit
- **Capital Management Measures:** Distributions declared to Unitholders and debt to gross book value
- **Other Key Performance Indicators:** AMR; NOI margin; occupancy; number of Units outstanding; same door revenue, expenses, net operating income, occupancy, and AMR; weighted average number of Units outstanding – basic; weighted average number of Units outstanding – diluted

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 and nine months ended September 30, 2023 and 2022, available on Northview’s profile on SEDAR+ at www.sedarplus.com, which is incorporated by reference into this news release.

NON-GAAP RECONCILIATION

The following table reconciles FFO and AFFO from net and comprehensive income, the most directly comparable GAAP measure as presented in the unaudited condensed consolidated interim financial statements:

(thousands of dollars, except as indicated)	Three Months Ended		Nine Months Ended	
	2023	2022	2023	2022
Net and comprehensive income	155,476	52,707	142,955	45,683
Adjustments:				
Distributions	2,290	11,287	22,973	33,863
Depreciation	736	751	2,275	2,289
Fair value gain on investment properties	(168,509)	(50,249)	(159,822)	(40,309)
Fair value gain on Exchangeable Units	(5,089)	—	(5,089)	—
Accretion on Redeemable Units	954	—	954	—
Recapitalization Event costs	26,600	—	26,600	—
Other ⁽¹⁾	72	57	201	129
FFO	12,530	14,553	31,047	41,655
Maintenance capex reserve – multi-residential	(3,103)	(2,963)	(8,177)	(8,889)
Maintenance capex reserve – commercial	(181)	(237)	(513)	(710)
AFFO	9,246	11,353	22,357	32,056
FFO				
FFO per Unit – basic (\$/Unit)	0.46	0.71	1.36	2.03
FFO per Unit – diluted (\$/Unit)	0.43	0.71	1.34	2.03
FFO payout ratio – trailing twelve months ⁽²⁾	98.6%	78.2%	98.6%	78.2%
AFFO				
AFFO per Unit – basic (\$/Unit)	0.34	0.55	0.98	1.56
AFFO per Unit – diluted (\$/Unit)	0.31	0.55	0.96	1.56
AFFO payout ratio – trailing twelve months ⁽²⁾	139.5%	99.5%	139.5%	99.5%
Weighted average number of units				
Basic ('000s)	27,446	20,524	22,857	20,524
Diluted ('000s)	29,460	20,524	23,208	20,524

(1) "Other" is comprised of non-controlling interest, amortization of other long-term assets, amortization of tenant inducements, and fair value adjustments for non-controlling interest and equity investments.

(2) Calculated for the period from October 1, 2022 to September 30, 2023.

FINANCIAL INFORMATION

Northview's unaudited condensed consolidated interim financial statements, the notes thereto, and Management's Discussion and Analysis for the three months and nine months ended September 30, 2023 and 2022, can be found on Northview's website at www.rentnorthview.com and on SEDAR+ at www.sedarplus.com.

ABOUT NORTHVIEW RESIDENTIAL REIT

Northview is a publicly-traded real estate investment trust 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 constitutes forward-looking information within the meaning of applicable securities laws. Statements that reflect Northview's 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, future maintenance expenditures, financing and the availability of financing and the terms thereof, the replacement of floating-rate debt with fixed-rate debt, future economic conditions, the expected distributions of Northview, 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 November 13, 2023 and is based on information available to management as of that date. Management believes that the expectations reflected in forward-looking information are based upon reasonable assumptions; 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 the risks identified in Northview's Management's Discussion and Analysis for the three months and nine months ended September 30, 2023 and 2022 and Northview's Management's Discussion and Analysis for the years ended December 31, 2022 and 2021 and those discussed in Northview's other materials filed with the Canadian securities regulatory authorities from time to time, general economic conditions; the availability of a new competitive supply of real estate which may become available through construction; Northview's ability to maintain distributions at their current level; 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, which continue to be volatile and have trended upward since Northview's formation in 2020; changes in inflation rates, including increased expenses as a result thereof; Northview's qualification as a real estate investment trust; 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 not be 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.rentnorthview.com or contact:

Todd Cook, Chief Executive Officer
Northview Residential REIT
Tel: (403) 531-0720
Email: tcook@nvreit.ca

Sarah Walker, Chief Financial Officer
Northview Residential REIT
Tel: (403) 531-0720
Email: swalker@nvreit.ca