

NORTHVIEW RESIDENTIAL REIT ANNOUNCES SIGNIFICANT SAME DOOR NOI GROWTH OF 27.5% IN WESTERN CANADA MULTI- RESIDENTIAL DRIVEN BY CONTINUED OCCUPANCY GAINS IN Q1 2024 FINANCIAL RESULTS



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Calgary, Alberta – **May 10, 2024** – Northview Residential REIT (“Northview” or the “REIT”) (NRR.UN – TSX), today announced financial results for the three months ended March 31, 2024.

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

“Northview’s portfolio continues to deliver improving operating results in the first quarter with growing occupancy and rents across the multi-residential portfolio. Same door NOI growth of 12.2% was driven by the Western Canada portfolio delivering 27.5% NOI growth and occupancy growth of 420 bps over 2023. Since Northview’s inception in 2020, occupancy has significantly improved to 95.4% in the quarter from 88.7%,” comments Mr. Todd Cook, President and Chief Executive Officer of Northview.

“We continue to work on strengthening Northview’s balance sheet through reduction in floating rate debt with mortgage refinancing and targeted non-core asset sales of \$100 to \$150 million to reduce overall leverage. We believe Northview’s strong operating performance and focus on strengthening the balance sheet provides a solid foundation for improvements in our unit price and drive to increasing returns for its Unitholders.”

Q1 2024 HIGHLIGHTS

- Total net operating income (“NOI”) increased \$10.9 million or 40.5% in the first quarter of 2024 mainly due to NOI contributions from the new portfolios acquired in 2023 and same door NOI⁽¹⁾ growth. The acquisitions contributed \$8.2 million of NOI and the results were consistent with management’s expectations.
- Same door NOI of \$29.5 million during the quarter was higher than \$26.9 million for the comparative quarter of 2023 driven by multi-residential segment same door NOI growth of 12.2%. The increase was led by same door NOI growth of 27.5% in Western Canada with gains in AMR and occupancy.
- During the first quarter, AMR increased across all regions and multi-residential same door occupancy improved by 170 bps to 95.4% from the first quarter of 2023 mainly driven by Western Canada higher same door AMR⁽¹⁾ of 7.3% and same door occupancy⁽¹⁾ of 400 bps, respectively.
- Funds from operations (“FFO”)⁽²⁾ of \$13.1 million was higher than \$7.1 million for the comparative period in 2023. The increase was attributable by same door NOI growth, NOI contributions from acquisitions partially offset by associated incremental financing costs, and savings from the termination of the asset management agreement. FFO per basic Unit of \$0.36 was higher than \$0.35 for the comparative period due to higher FFO partially offset by additional Units issued. FFO per diluted Unit of \$0.33 was lower than \$0.35 from the comparative period due to the dilutive impact of Redeemable Units.
- Net and comprehensive loss of \$0.2 million was lower than \$9.4 million from 2023 mainly driven by strong same door NOI results, and NOI and financing costs from acquisitions completed in 2023 as part of the recapitalization

⁽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.

event (the “Recapitalization Event”). Related to the Recapitalization Event, there was a further decrease in net and comprehensive loss from new items including the fair value loss on Exchangeable Units, accretion expense on Redeemable Units, and distributions declared on Trust Units that are now accounted for under equity. See also “Liquidity and Capital Resources – Units”.

- The FFO payout ratios have improved as a result of the reduction to distributions in June 2023 and the completion of the Recapitalization Event in August 2023. For the three months ended March 31, 2024, distributions declared to Unitholders represented 75.2% of FFO compared to 159.4% in the comparative period. The FFO payout ratio for the twelve months ended March 31, 2024 was 72.1% compared to 98.8% for the same period in 2023.
- During the quarter, Northview completed \$71.9 million of mortgage financing at a weighted average interest rate of 4.84% of which net proceeds were used to repay \$21.5 million of borrowings on the credit facilities.
- As part of its focus on strengthening its balance sheet, Northview has targeted approximately \$100 to \$150 million of non-core asset sales to reduce total debt.

(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 March 31, 2024	As at December 31, 2023
Total assets	2,735,875	2,748,450
Total liabilities	1,914,933	1,918,398
Credit facilities	333,744	348,576
Mortgages payable	1,391,507	1,378,394
Debt to gross book value ⁽¹⁾	65.5%	65.1%
Weighted average mortgage interest rate	3.78%	3.80%
Weighted average term to maturity (years)	4.8	4.7
Weighted average capitalization rate	6.41%	6.41%
Multi-residential occupancy ⁽²⁾	95.4%	94.7%
AMR (\$) ⁽²⁾	1,333	1,313
Number of multi-residential suites	14,408	14,422
Number of executives	200	200
Commercial sq. ft.	1,248,000	1,251,373
	Three Months Ended March 31	
	2024	2023
Revenue	68,845	51,627
NOI	37,767	26,889
NOI margin ⁽²⁾	54.9%	52.1%
Cash flows provided by operating activities	9,472	2,627
Distributions declared to Unitholders ⁽¹⁾	9,858	11,288
Distributions declared per Unit (\$/Unit)		
Class A Unit	0.2734	0.5500
Class C Unit	0.2734	0.5804
Class F Unit	0.2734	0.5674
FFO payout ratio ⁽³⁾⁽⁴⁾	72.1%	98.8%
AFFO payout ratio ⁽³⁾⁽⁴⁾	96.1%	135.2%
Net and comprehensive loss	(159)	(9,421)
Per basic Unit (\$/Unit)	0.00	(0.46)
Per diluted Unit (\$/Unit)	0.00	(0.46)
FFO ⁽²⁾	13,106	7,082
Per basic Unit (\$/Unit) ⁽³⁾	0.36	0.35
Per diluted Unit (\$/Unit) ⁽³⁾	0.33	0.35
AFFO ⁽²⁾	9,640	4,379
Per basic Unit (\$/Unit) ⁽³⁾	0.27	0.21
Per diluted Unit (\$/Unit) ⁽³⁾	0.24	0.21
Weighted average number of Units – basic (000's) ⁽²⁾	36,056	20,524
Weighted average number of Units – diluted (000's) ⁽²⁾	39,712	20,524

(1) See "Non-GAAP and Other Financial Measures – Capital Management Measures".

(2) See "Non-GAAP and Other Financial Measures – Other Key Performance Indicators".

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

(4) Calculated for the period from April 1, 2023 to March 31, 2024.

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; same door revenue, expenses, net operating income, occupancy, and AMR; weighted average number of Units – basic; weighted average number of Units – 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 ended March 31, 2024 and 2023, 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 loss, 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 March 31	
	2024	2023
Net and comprehensive loss	(159)	(9,421)
Adjustments:		
Distributions ⁽¹⁾	929	11,288
Depreciation	734	770
Fair value loss on investment properties	7,742	4,378
Fair value loss on Exchangeable Units	1,530	—
Accretion on Redeemable Units	2,258	—
Other ⁽²⁾	72	67
FFO	13,106	7,082
Maintenance capex reserve – multi-residential	(3,284)	(2,537)
Maintenance capex reserve – commercial	(182)	(166)
AFFO	9,640	4,379
FFO		
FFO per Unit – basic (\$/Unit)	0.36	0.35
FFO per Unit – diluted (\$/Unit)	0.33	0.35
FFO payout ratio ⁽³⁾	72.1%	98.8%
AFFO		
AFFO per Unit – basic (\$/Unit)	0.27	0.21
AFFO per Unit – diluted (\$/Unit)	0.24	0.21
AFFO payout ratio ⁽³⁾	96.1%	135.2%
Weighted average number of Units		
Basic ('000s)	36,056	20,524
Diluted ('000s)	39,712	20,524

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, 2024 and 2023, can be found on Northview's website at www.rentnorthview.com and on SEDAR+ at www.sedarplus.com.

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.

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 acquiring, owning, and operating a portfolio of income-producing rental properties in secondary markets within Canada.

(1) Reflects distributions on Exchangeable Units. The comparative period reflects distributions on Trust Units prior to reclassification from a financial liability to equity. Distributions on Redeemable Units are reflected in equity.

(2) "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.

(3) Calculated for the period from April 1, 2023 to March 31, 2024.

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, the intention to sell select assets, the use of proceeds from any such sales, 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 May 10, 2024 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 ended March 31, 2024 and 2023 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, including those outlined in Note 2 of Northview's annual audited financial statements for the year ended December 31, 2023, 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 that may arise after May 10, 2024.

To learn more about Northview, visit www.rentnorthview.com or contact:

Todd Cook
President and 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