CHC Student Housing Announces Results for the Quarter Ended September 30, 2019.

Toronto, Ontario--(Newsfile Corp. - November 28, 2019) - CHC Student Housing Corp. (TSXV: CHC) ("CHC" or the "Company") announced today results for the quarter ended September 30, 2019. The Financial Statements and related Management's Discussion and Analysis ("MD&A") for the quarter ended September 30, 2019, are available under CHC's profile on SEDAR at www.sedar.com.

Highlights during the quarter ended September 30, 2019:

- Net income was $297,562, compared to a net loss of $939,028 in Q3 2018. This was due to an increase of $500,000 in the fair value of the Trois-Rivières Property compared to a decrease of $215,947 in the fair value in other properties for the same quarter in 2018. General & administration were also lower due to non-recurring transaction costs included in 2018 along with lower interest expense as a result of additional charges on mortgage discharges in 2018.
- The Company negotiated an extension of the mortgage of $2,570,000 on the Trois-Rivières Property on the same terms and conditions. The mortgage now matures on February 1, 2020.
- During the quarter the Company received an offer to sell its Trois-Rivières Property. On October 28, 2019, the Company executed an agreement of purchase and sale at a price of $3,150,000. The sale is scheduled to close on December 3, 2019.
- Subsequent to September 30, 2019, the Company executed an agreement of purchase and sale for its London Property for $55,000,000. This agreement is conditional on the Company's shareholders' approval and acceptance by the TSXV. The meeting of shareholders is scheduled for January 24, 2020. The sale of the property is scheduled to close on February 5, 2020.

Summary of Selected Financial and Operational Information

The selected financial information below is based on and derived from the financial statements for the quarter ended September 30, 2019.

Statement of comprehensive income (loss) data	Three Months Ended September 30		Nine Months Ended September 30	
	2019	2018	2019	2018
Property revenues	$1,151,659	$1,126,857	$3,370,245	$3,439,276
Property operating expenses	(427,080)	(405,432)	(1,280,769)	(1,298,427)
Net Operating Income (NOI)	$724,579	$721,425	$2,089,476	$2,140,849
Depreciation	(13,475)	(6,626)	(38,507)	(41,357)
General & administrative expense	(208,310)	(524,946)	(795,121)	(1,168,018)
Fair value adjustment of equity based compensation	16,000	7,000	15,000	38,000
Fair value adjustment on investment properties	500,000	(215,947)	500,000	265,750
Fair value adjustment on mortgage payable	1,754	-	(203,528)	-
Interest	(722,986)	(919,934)	(2,130,799)	(2,419,132)
Net income (loss)	**$297,562**	**($939,028)**	**($563,479)**	**($1,183,908)**
Net income (loss) per share - basic and diluted	$0.11	($0.35)	($0.21)	($0.44)
Funds From Operations (FFO)(1)	($204,192)	($723,081)	($859,951)	($1,449,658)
FFO per share	($0.08)	($0.27)	($0.32)	($0.53)
Adjusted Funds From Operations (AFFO)(1)	($199,067)	($709,005)	($805,467)	($1,473,112)
AFFO per share	($0.07)	($0.26)	($0.30)	($0.54)
Weight average shares outstanding	**2,716,465**	**2,716,465**	**2,716,465**	**2,716,465**

(1) FFO and AFFO are non-IFRS performance measures. Please refer to definition in section *Non-IFRS Performance Measures* on page 5 of the MD&A as well as the reconciliation from net income/(loss) below.

Revenues increased by 2.2% or $24,802 primarily due to increased revenues at the London and Trois-Rivières properties offset by the sale of the Kingston Property in July 2018. NOI increased by 0.4% or $3,154. General and administrative expenses decreased by 60.3% or $316,636 mainly due transaction costs of $202,376 paid in 2018 along with lower auditing and accounting costs of $45,000 and lower other costs of $ 69,260 which included savings on staff reductions in the third quarter of 2019.

FFO & AFFO Reconciliation

The following table reconciles FFO and AFFO to IFRS net income (loss) and comprehensive income (loss):

Reconciliation from net income (loss) to FFO & AFFO	Three Months Ended September 30		Nine Months Ended September 30	
	2019	2018	2019	2018
Net income (loss)	$297,562	($939,028)	($563,479)	($1,183,908)
Add:				
Fair value adjustment on investment properties	(500,000)	215,947	(500,000)	(265,750)
Fair value adjustment on mortgage payable	(1,754)	-	203,528	-
Funds From Operations (FFO)	(204,192)	(723,081)	($859,951)	($1,449,658)
Add (subtract):				

Fair value adjustment of equity based compensation[1]	(16,000)	(7,000)	(15,000)	(38,000)
Amortization of financing transaction costs	21,534	24,557	64,602	26,648
Straight line rent	(409)	(3,481)	4,882	(12,102)
Adjusted Funds From Operations	**($199,067)**	**($709,005)**	**($805,467)**	**($1,473,112)**

(1) Compensation expense for option grants is based on the fair value of the options at the grant date and is recognized over the period from the grant date to the date the award is vested. A liability is recognized for outstanding options based upon the fair value as the Company is a mutual fund corporation and there are retraction rights to the share conditions attached to the common shares. During the period in which options are outstanding, the liability is adjusted for changes in the fair value with such adjustments being recognized as expense/(recovery) in the period in which they occur. These options were granted in November 2013 and expired in December 2018. The nine months ended September 30, 2019, adjustment for stock-based compensation/(recovery) relates to the mark-to-market adjustment of the deferred share unit plan (DSU Plan) granted in September 2016 and October 2017.

FFO for the three months ended September 30, 2019, and 2018 amounted to ($204,192) or ($0.08) per share and ($723,081) or ($0.27) per share respectively. AFFO for the three months ended September 30, 2019, and 2018 was ($199,067) or ($0.07) and ($709,005) or ($0.26) per share respectively.

The following table reconciles IFRS cash used in operating activities to AFFO:

Reconciliation from cash used in operating activity to AFFO	Three Months Ended September 30		Nine Months Ended September 30	
	2019	**2018**	**2019**	**2018**
Cash used in operating activities	($52,195)	($723,405)	($299,615)	($1,589,713)
Add (subtract):				
Net changes in working capital	(23,445)	143,024	(150,194)	288,593
Depreciation	(13,475)	(6,626)	(38,507)	(41,357)
Interest expense on mortgages payable	(701,452)	(895,377)	(2,066,197)	(2,392,484)
Cash interest paid	591,500	773,379	1,749,046	2,261,849
Adjusted Funds From Operations	**($199,067)**	**($709,005)**	**($805,467)**	**($1,473,112)**

Financial Position

The Company had cash on hand of $235,152 as at September 30, 2019, a decrease of $46,727 from December 31, 2018. The decrease was due to lower cash generated from operating activities along with cash incurred on additions to furniture and equipment offset by the sale of the vendor take back mortgage.

Total assets at September 30, 2019, were $ 58,177,213 compared $57,938,603 at December 31, 2018 an increase of $238,610. This increase was mainly due to a fair value adjustment to investments properties, additions to furniture and equipment, increase in prepaid taxes offset by the sale of the vendor take back mortgage.

Going Concern

The Company's ability to continue as a going concern is subject to a number of risks and uncertainties. The Company has incurred net losses and used significant cash resources in its operating activities since incorporation and it has relied upon financing to fund its operations and acquisitions, primarily through debt and private equity placements. The material uncertainties below cast a significant doubt about the Company's ability to continue as a going concern.

The Company incurred a net loss of $563,479 for the nine months ended September 30, 2019, (nine months ended September 30, 2018 - net loss of $1,183,908) and as at September 30, 2019, current liabilities exceeded current assets by $7,023,831 (December 31, 2018 - $6,482,781). The Company has relied upon financing to fund its operations and acquisitions, primarily through debt and private equity placements. The ability of the Company to continue as a going concern is dependent on several factors, including its ability to secure additional funding.

On October 28, 2019, the Company executed an agreement of purchase and sale for its Trois-Rivières Property at a sale price of $3,150,000. The sale of the property is scheduled to close on December 3, 2019. After closing adjustments the sale is estimated to provide the Company with approximately $460,000 in net proceeds. The net proceeds will be used to fund ongoing operations.

On November 21, 2019, the Company executed an agreement of purchase and sale for its London Property for a sale price of $55,000,000. This agreement is conditional on the Company's shareholders' approval and acceptance by the TSXV. The meeting of shareholders is scheduled for January 24, 2020. The sale of the property is scheduled to close on February 5, 2020

As previously disclosed by the Company, the board of directors initiated a strategic review process in April 2017 following Dundee Acquisition Ltd.'s failed transaction with the Company to identify, examine and consider strategic and financial alternatives potentially available to the Company, including a recapitalization, a merger or other business combination, a sale of the Company or all or a portion of its assets, or any combination thereof. During this process, the Company sold its properties in Windsor and Kingston and was able to refinance mortgage debt which was due on its London and Trois-Rivieres properties with near term debt. The Trois-Rivieres property's debt was refinanced in June 2018 with a $2.57 million mortgage which matured on

September 30, 2019, and has been extended pending the sale of the property. The London property's debt was refinanced in July 2018 with an assumption of the existing $33.0 million first mortgage on the property, now maturing on June 30, 2021, and a new second mortgage for $14.0 million maturing on June 30, 2021. Under the terms of the second mortgage, the Company deferred interest payments on $6.0 million of this mortgage until December 31, 2019, which have been further extended pending the sale of the property.

The Company has been unable to secure longer term financing for the properties or source additional equity financing or strategic partners on acceptable terms and conditions to stabilize and grow its student housing business. Following the sale of the properties, unless near term alternative business opportunities arise, the Company will cease to have active operations. As a result, it will not meet the continued listing requirements for the TSXV and will be required to transfer its shares from trading on the TSXV and transition to the NEX. The NEX is a separate board of the TSXV that provides a trading forum for listed companies that have fallen below the TSXV's continued listing requirements

London Property Sale Transaction Update

Further to the Company's press release dated November 26, 2019, the Company wishes to advise that the annual and special meeting of its shareholders at which shareholder approval for the sale of the London property will be sought has been scheduled for January 24, 2020 (rather than January 20, 2020 as referenced in the press release). In addition, the Company wishes to announce that the directors of the Company owning common shares of the Company have signed lock-up agreements in favour of the purchaser of the property in which they have agreed to vote all of their shares in favour of the transaction at the meeting. The number of shares subject to the lock-up agreements is 620,024, or approximately 23% of the issued and outstanding shares of the Company.

About CHC Student Housing Corp.

CHC Student Housing (TSXV: CHC) is Canada's only publicly traded company offering high-quality purpose-built multi-residential student housing properties strategically located on campus or in close proximity to universities and colleges providing students a safe and secure living environment, affordable prices and high-quality amenities. For more information, visit CHC at www.chcstudenthousing.com.

Non-IFRS Performance Measures

The Company's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). The following measures: net operating income (or "NOI"), funds from operations (or "FFO"), FFO per share, adjusted funds from operations (or "AFFO") and AFFO per share, are not measures recognized under IFRS and do not have standardized meanings prescribed by IFRS, and should not be compared to or construed as alternatives to profit/loss, cash flow from operating activities or other measures of financial performance determined in accordance with IFRS. However, these non-IFRS measures are recognized supplemental measures of performance for real estate issuers widely used by the real estate industry, particularly by those publicly traded entities that own and operate income-producing properties, and the Company believes they provide useful supplemental information to both management and readers in measuring the financial performance of the Company. Further details on non-IFRS measures are set out in the Company's Management's Discussion and Analysis for the year ended December 31, 2018 and available on the Company's profile on SEDAR at www.sedar.com.

Forward Looking Information

This press release contains forward-looking information within the meaning of Canadian securities laws. Forward-looking information is provided for the purposes of assisting the reader in understanding the Company's financial performance, financial position and cash flows as at and for the periods ended on certain dates and to present information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. Such information includes, without limitation, information regarding the business strategies of CHC. Although CHC believes that such information is reasonable, it can give no assurance that such expectations will prove to be correct. Forward looking information is typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or are those, which, by their nature, refer to future events. CHC cautions investors that any forward-looking information provided by CHC is not a guarantee of future results or performance, and that actual results may differ materially from those in forward looking information as a result of various factors, including, but not limited to: CHC's ability to complete proposed or contemplated transactions; the state of the real estate sector generally; recent market volatility; CHC's ability to secure the necessary financing or to be fully able to implement its business strategies; and other risks and factors that CHC is unaware of at this time. A variety of factors, many of which are beyond the CHC's control, affect the operations, performance and results of the Company and its business, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results. These factors include, but are not limited to, the risks discussed in CHC's materials filed with Canadian securities regulatory authorities from time to time, copies of which may be accessed through CHC's profile on SEDAR at www.sedar.com. The reader is cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking information, as there can be no assurance that actual results will be consistent with such forward-looking information

The forward-looking information included in this press release relate only to events or information as of the date hereof. Except as specifically required by applicable Canadian law, CHC undertakes no obligation to update or revise publicly any forward-looking information, whether because of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

This news release shall not constitute an offer to sell or the solicitation of an offer to buy any securities nor shall there by any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Neither the TSX Venture Exchange ("TSXV") nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

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