CHC Student Housing Announces Results for the Quarter and Year Ended December 31, 2018

Toronto, Ontario--(Newsfile Corp. - May 1, 2019) - CHC Student Housing Corp. (TSXV: CHC) ("CHC" or the "Company") announced today results for the quarter and year ended December 31, 2018. The Financial Statements and related Management's Discussion and Analysis ("MD&A") for the quarter and year ended December 31, 2018 are available under CHC's profile on SEDAR at www.sedar.com.

Highlights during the year ended December 31, 2018:

- Net Operating Income was lower by 2.9% at $2,886,215.
- Net loss of $2,429,600 included a fair value reduction of $240,986 on investment properties and a loss on settlement of mortgage payable of $1,119,605.
- In July 2018, the Company sold its property located at Kingston Ontario and generated net proceeds of $633,684 after a vendor take back mortgage of $350,000.
- During 2018 the Company refinanced the mortgages on all of its properties and generated net proceeds of $471,862.

Summary of Selected Financial and Operational Information

The selected financial information below is based on and derived from the financial statements for the quarter and year ended December 31, 2018.

Statement of net income (loss)	Three Months Ended December 31		Year Ended December 31	
	2018	2017	2018	2017
Property revenues	$ 1,178,240	$ 1,217,355	$ 4,617,516	$ 5,136,656
Net Operating Income (NOI)	$ 745,366	$ 788,799	$ 2,886,215	$ 2,972,311
Depreciation	(11,100)	(10,598)	(52,457)	(39,151)
General & administrative expense	(70,263)	(646,598)	(1,238,281)	(1,563,748)
Fair value adjustment of equity based compensation	(43,000)	26,000	(5,000)	236,000
Fair value adjustment on investment properties	(24,764)	-	240,986	(900,000)
Loss on settlement of mortgage payable	(1,119,605)	-	(1,119,605)	-
Interest	(722,326)	(808,711)	(3,141,458)	(2,960,711)
Gain on sale of Investment	-	-	-	223,506
Net Loss	**($1,245,692)**	**($651,108)**	**($2,429,600)**	**($2,031,793)**
Net loss per share - basic and diluted	($0.46)	($0.24)	($0.89)	($0.79)
Funds From Operations (FFO)(1)	($101,323)	($651,108)	($1,550,981)	($1,355,299)
FFO per share	($0.04)	($0.24)	($0.57)	($0.53)
Adjusted Funds From Operations (AFFO)(1)	($41,490)	($669,790)	($1,514,603)	($1,504,676)
AFFO per share	($0.02)	($0.25)	($0.56)	($0.58)
Weight average shares outstanding(2)	**2,716,465**	**2,716,465**	**2,716,465**	**2,576,487**

(1) FFO and AFFO are non-IFRS performance measures. Please refer to definition in section *Non-IFRS Performance Measures* as well as the reconciliation from net loss below.

(2) After giving effect to a private placement on May 15, 2017.

Revenues decreased by 10.1% or $519,140, year over year, primarily because of the sale of the Windsor property in August 2017 and the Kingston property in July 2018. NOI was lower by 2.9% or $86,096, year over year. This reduction in NOI was due to the sale of the Windsor and Kingston properties offset somewhat by an improvement in performance at the Richmond Property. General and administrative expenses were lower by 20.8% or $325,467, for the year ended 2018 compared to same period in 2017, primarily due to higher legal fees incurred in 2017. Interest increased by 6.1% or $180,747 primarily due to exit fees on mortgage refinancing.

FFO & AFFO Reconciliation

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

Reconciliation from net income (loss) to FFO & AFFO	Three Months Ended December 31		Year Ended December 31	
	2018	2017	2018	2017
Net Loss	($1,245,692)	($651,108)	($2,429,600)	($2,031,793)
Add:				
Fair value adjustment on investment properties	24,764	-	(240,986)	900,000
Loss on settlement of mortgage payable	1,119,605	-	1,119,605	-
Gain on sale of Investment	-	-	-	(223,506)
Funds From Operations (FFO)	($101,323)	($651,108)	($1,550,981)	($1,355,299)
Add (subtract):				
Fair value adjustment of equity based compensation(1)	43,000	(26,000)	5,000	(236,000)
Amortization of financing transaction costs	21,543	8,237	48,191	87,542
Straight line rent	(4,710)	(919)	(16,813)	(919)
Adjusted Funds From Operations (AFFO)	**($41,490)**	**($669,790)**	**($1,514,603)**	**($1,504,676)**

(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. The twelve months ended December 31, 2018 adjustment for stock-based compensation/(recovery) relates to the mark-to-market adjustment of options awarded in December 2014 and January 2015. Also included is the mark to market adjustment of the deferred share unit plan (DSU) granted on September 13, 2016 and October 12, 2017.

FFO for the three months ended December 31, 2018 and 2017 amounted to ($101,323) or ($0.04) per share and ($651,108) or ($0.24) per share respectively. FFO for the twelve months ended December 31, 2018 and 2017 amounted to ($1,550,981) or ($0.57) per share and ($1,355,299) or ($0.53) per share respectively. AFFO for the three months ended December 31, 2018 and 2017 was ($41,490) or ($0.02) and ($669,790) or ($0.25) per share respectively. AFFO for the twelve months ended December 31, 2018 and 2017 was ($1,514,603) or ($0.56) per share and ($1,504,676) or ($0.58) 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 December 31**		**Year Ended December 31**	
	2018	**2017**	**2018**	**2017**
Cash used in operating Cash used activities	($130,900)	$20,624	($1,720,613)	($1,801,593)
Add (subtract):				
Net changes in working capital	253,210	(665,955)	541,802	337,349
Depreciation	(11,100)	(10,598)	(52,457)	(39,151)
Interest expense on mortgages payable	(700,783)	(800,474)	(3,093,267)	(2,873,169)
Cash interest paid	548,083	786,613	2,809,932	2,871,888
Adjusted Funds From Operations	($41,490)	($669,790)	($1,514,603)	($1,504,676)

Financial Position

The Company had cash on hand of $281,879 as at December 31, 2018. Total assets at December 31, 2018 were $57,938,603 compared $59,468,771 at December 31, 2017. The decrease was primarily caused by the sale of the Kingston property.

Going Concern

The Company incurred a net loss of $2,429,600 for the twelve months ended December 31, 2018 (twelve months ended December 31, 2017 - net loss of $2,031,793) and as at December 31, 2018 had a working capital deficit of $3,949,877 (December 31, 2017 - $2,706,197) excluding mortgages payable. The Company's ability to continue operations in the normal course of business is dependent on several factors, including its ability to secure additional funding.

- During the period April 1, 2018 to June 4, 2018 the Company entered into senior loan agreements with certain officers and directors of the Company and an independent investor for $750,000 bearing interest at 8% per annum payable quarterly. All these senior loan agreements mature on June 30, 2019.
- On June 30, 2018 the Company refinanced the Trois-Rivières Property with a new mortgage of $2,570,000 at an interest rate that is the greater of the Royal Bank of Canada prime lending rate plus 4.05% or 7.50%, interest is payable monthly. The mortgage matures on September 30, 2019.
- On July 13, 2018, the Company refinanced the London Property located in London Ontario. An arm's length third party lender assumed the existing $33,000,000 first mortgage on the property which was amended to bear interest at a rate of 90-day Bankers Acceptances plus 2.55% maturing on June 30, 2021. Also on July 13, 2018, the Company secured a new second mortgage for $14,000,000 on the same property with a related party lender at an interest rate of 7% maturing on June 30, 2021. Under the terms of the second mortgage agreement the Company has deferred interest payments on $6,000,000 of this mortgage until December 31, 2019.
- The Company sold the Kingston Property on July 31, 2018. The sale provided the Company with $633,684 in net proceeds after a vendor take back mortgage of $350,000 secured on the property. The vendor take back mortgage has a 5% interest rate per annum payable monthly and matures on July 31, 2021.

In the event the Company is unable to arrange appropriate financing or strategic alternatives, the carrying value of the Company's assets and liabilities could be subject to material adjustment. Furthermore, these conditions indicate the existence of a material uncertainty that raises substantial doubt on the Company's ability to continue as a going concern.

About CHC Student Housing Corp.

CHC Student Housing (TSX-V: 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. CHC is focused on acquiring, developing and managing student housing in primary and well understood secondary markets in Canada. 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 period ended December 31, 2015 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.

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