

CHC Student Housing Announces Second Quarter 2017 Financial Results

Toronto, Ontario – (Marketwired – August 29, 2017) – CHC Student Housing Corp. (“CHC” or the “Company”) (TSX-V: CHC), Canada’s only publicly traded company providing high-quality purpose-built multi-residential student housing properties, today reported financial results for the three and six months ended June 30, 2017. The financial statements and related Management’s Discussion and Analysis (“MD&A”) are available under CHC’s profile on SEDAR at www.sedar.com.

“With the sale of the Windsor property, which is expected to net approximately \$1,730,000, management and the Board continue to work through the process of maximizing our shareholders value.”, said Mark Hansen, President and CEO, CHC. “We continue to explore all options available to us and remain firm believers in the student housing industry in Canada.”

Highlights during the three months ending June 30, 2017:

- Property revenues of \$1,307,789.
- Net Operating Income (NOI) of \$726,984.
- Net loss of \$280,152.

Summary of Selected Financial and Operational Information

The selected financial information below is based on and derived from the financial statements for the second quarter 2017.

Statement of financial position data	30-Jun-17	30-Jun-16
Cash	238,218	205,069
Investment properties	64,795,000	64,994,578
Total assets	\$65,590,528	\$66,056,606
Total current financial liabilities	\$53,362,633	\$20,387,888
Total non-current financial liabilities	\$5,064,023	\$38,113,145
Total liabilities	\$58,426,656	\$58,501,033

Statement of net income (loss)	Three Months Ended 30-Jun		Six Months Ended 30-Jun	
	2017	2016	2017	2016
Property revenues	\$1,307,789	\$1,261,010	\$2,697,825	\$2,550,721
Property operating expenses	(580,805)	(714,565)	(1,225,212)	(1,379,870)
Net Operating Income (NOI)	\$726,984	\$546,445	\$1,472,613	\$1,170,851
General & administrative expense	(354,398)	(252,881)	(636,833)	(544,704)
Transaction Costs	-	(11,390)	-	753,654
Interest income	-	10	-	40
Fair value adjustment of equity based compensation	72,000	16,000	212,000	34,000
Interest expense	(724,738)	(679,665)	(1,431,803)	(1,354,956)
Gain on sale of Investment	-	-	37,785	
Net income (loss)	(\$280,152)	(\$381,481)	(\$346,238)	\$58,885
Net income (loss) per share – basic and diluted	(\$0.12)	(\$0.16)	(\$0.14)	\$0.03
Funds From Operations (FFO) ⁽¹⁾	(\$280,152)	(\$370,091)	(\$384,023)	(\$694,769)
FFO per share	(\$0.12)	(\$0.16)	(\$0.16)	(\$0.30)
Adjusted Funds From Operations (AFFO) ⁽¹⁾	(\$321,370)	(\$389,956)	(\$549,451)	(\$770,745)
AFFO per share	(\$0.13)	(\$0.17)	(\$0.23)	(\$0.33)
Distributions of cash dividends	Nil	Nil	Nil	Nil
Weight average shares outstanding⁽²⁾	2,434,188	2,335,181	2,434,188	2,335,181

(1) FFO and AFFO are non-IFRS performance measures. Please refer to definition in section *Non-IFRS Performance Measures* on pages 8 as well as the reconciliation from net loss on page 10 below..

(2) After giving retroactive effect to the 85 to 1 common share consolidation that occurred on February 19, 2015 and Private Placement on May 15, 2017.

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 30-Jun		Six Months Ended 30-Jun	
	2017	2016	2017	2016
Net income (loss)	(\$280,152)	(\$381,481)	(\$346,238)	\$58,885
Add:				
Transaction costs	-	11,390	-	(753,654)
Gain on sale of Investment	-		(37,785)	
Funds From Operations (FFO)	(280,152)	(\$370,091)	(\$384,023)	(\$694,769)
Add (subtract):				
Fair value adjustment of equity based compensation ⁽¹⁾	(72,000)	(16,000)	(212,000)	(34,000)
Amortization of financing transaction costs	30,782	29,227	46,572	58,453
Straight line rent	-	(2,178)	-	(851)
Capital expenditures	-	(30,914)	-	(99,578)
Adjusted Funds From Operations	(\$321,370)	(\$389,956)	(\$549,451)	(\$770,745)

(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 (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 in the period in which they occur.

FFO for the three months ended June 30, 2017 and 2016 amounted to (\$280,152) or (\$0.12) per share and (\$370,091) or (\$0.16) per share respectively. FFO for the six months ended June 30, 2017 and 2016 amounted to (\$384,023) or (\$0.16) per share and (\$694,769) or (\$0.30) per share respectively. AFFO for the three months ended June 30, 2017 and 2016 was (\$321,370) or (\$0.13) per share and (\$389,957) or (\$0.17) per share respectively. AFFO for the six months ended June 30, 2017 and 2016 was (\$549,451) or (\$0.23) per share and (\$770,745) or (\$0.33) per share respectively.

The AFFO improvement is primarily driven by a reduction in capital spending and property management fees due to the Company closely monitoring cash flow and improved cash flows from operations before financing

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

Reconciliation from cash used in operating activity to AFFO	Three Months Ended 30-Jun		Six Months Ended 30-Jun	
	2017	2016	2017	2016
Cash used in operating activities	(\$859,853)	(\$520,524)	(\$879,164)	(\$461,214)
<u>Add/(subtract):</u>				
Transaction costs (Net of concessions)	547,021	162,618	348,940	(122,396)
Net changes in non-cash working capital	(8,893)	(2,753)	(17,747)	(6,288)
Depreciation	(693,956)	(650,438)	(1,385,231)	(1,296,503)
Interest expense on mortgages payable	694,311	652,055	1,383,751	1,215,234
Cash interest paid	-	-	-	-
Capital expenditures	-	(30,914)	-	(99,578)
Adjusted Funds From Operations (AFFO)	(\$321,370)	(\$389,956)	(\$549,451)	(\$770,745)

Going Concern

The Company incurred a net loss of \$280,152 for the three months ended June 30, 2017 (three months ended June 30, 2016 - net loss of \$381,481)

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. At present, the Company has obtained indefinite extensions on existing terms from its lenders in respect of the \$2.75 million mortgage due on its Trois-Rivieres property and the \$13.75 million mortgage due on its London property while the Company works through its strategic review process (see below) but the mortgages remain payable on demand. In addition, the Company has completed a private placement offering and is exploring all available options to secure additional funding, including new strategic partnerships given the failed transaction with Dundee Acquisition Ltd., as well as the sale of the Company or all or a portion of its assets.

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 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.

Cautions Regarding Future Plans and 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 as a result 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 be 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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