

NexLiving Communities announces results for the quarter ended March 31, 2022 and declares quarterly dividend

HALIFAX, NS, May 30, 2022 /CNW Telbec/ - (TSXV: NXLV) – NexLiving Communities Inc. ("NexLiving" or the "Company") announced today continuing strong operating and financial results for the three months ended March 31, 2022.

Q1 2022 Operating and Financial Highlights: ***Significant growth in revenue and NOI***

Property revenue grew +45.7% to \$2.6 million and net operating income grew +34.2% to \$1.3 million during the quarter. Funds from operations ("FFO") increased +22.7% to \$0.3 million and net income increased +175.4% to \$1.2M while FFO per share declined -29.8% to 0.09 cents per share. The decline in FFO per share is primarily the result of timing differences between the November 2021 equity raise and acquisitions.

NOI margin decreased by 430 basis points from a year ago due to significantly higher property tax assessments in New Brunswick. The province of New Brunswick has proposed a phased reduction of the provincial component of the property tax rate by 50% over three years. Had this new reduced tax rate been in place during the quarter, NOI margin would have been 54.7%.

As at March 31, the Company's portfolio was approximately 99% occupied.

The following tables contain a summary of selected operating and financial performance measures:

For the three months ended	March 31, 2022	March 31, 2021	Change
Rental income	2,553,345	1,752,067	45.7%
Net property operating income	1,278,089	952,273	34.2%
NOI margin	50.1%	54.4%	-430 bps
Net income	1,178,982	428,110	175.4%
FFO	270,515	220,414	22.7%
FFO per share (cents per share) - diluted	0.09	0.13	-29.8%
Dividends declared (cents per share)	0.05	0.05	-
Weighted average units outstanding - diluted	306,345,962	175,262,484	74.8%

As at	March 31, 2022	December 31, 2021	Change
Number of investment properties	25	25	-
Number of suites	705	705	-
Occupancy	99%	99%	-
Net asset value	63,762,362	60,801,885	4.9%
Net asset value per share	0.22	0.22	1.3%
Debt to GBV*	64.7%	65.7%	-97 bps

Estimated In-Place Revenue and NOI run-rate

As previously announced, the Company completed the acquisition of a 64-suite property in New Brunswick and a 58-suite property in Ontario for a combined \$25.1 million, subsequent to the quarter end. As of May 27, 2022, the Company's portfolio comprises 827 suites and 27 buildings with a value in excess of \$150 million. NexLiving's in-place rental revenue and NOI, assuming full-year ownership of the existing portfolio, is estimated to be approximately \$12.0 million and \$6.8 million, respectively.

Dividend

The Company's board of directors has approved and declared a dividend of \$0.0005 per common share for the quarter ending June 30, representing \$0.002 per share on an annualized basis (1.25% implied yield). The dividend is payable on, or after June 30 to shareholders of record at the close of business on June 10.

The Company designates these taxable dividends to be paid to its holders as eligible dividends and will notify the holders such dividends are being paid as eligible dividends for the purposes of the Income Tax Act (Canada) and corresponding provincial legislation.

The declaration and payment of dividends is at the discretion of the board of directors of the Company and future declaration of dividends will depend on the Company's financial results, cash requirements and other factors deemed relevant by the board of directors of the Company.

Corporate Update

The 2022 Annual and Special Meeting of shareholders has been scheduled for June 8, 2021 at 11am AST. Further details are provided in the NexLiving Management Information Circular, dated May 6, 2022.

The Board of Directors, in accordance with the terms of the Company's DSU Plan, have approved the issuance of 2,260,000 deferred share units (DSUs) to directors, management and consultants of the Company. The DSUs vest over three years in accordance with the provisions of the Company's DSU plan.

For more information about NexLiving, please refer to our website at www.nexliving.ca and our public disclosure at www.sedar.com.

About the Company

NexLiving continues to execute its plans to acquire recently built or refurbished, highly leased multi-residential properties in bedroom communities across Canada. The Company aims to satisfy the needs of the newly emerging 55+ resident. The demographic that has changed the world is now changing the way residential rental apartments cater to their requirements. Their desire for community, along with service, quality and convenience has led to the emergence of the 55+ active living segment. Apartments are their next "home", after years of owning they look forward to the carefree lifestyle provided through renting in a community of their peers. NexLiving intends to consolidate this emerging market niche. The Company currently owns 827 units in New Brunswick and Ontario. NexLiving has also developed a robust pipeline of qualified properties for potential acquisition. By screening the properties identified to match the criteria set out by the Company (proximity to healthcare, amenities, services and recreation), management has assembled a significant pipeline of potential acquisitions for consideration by the Company's Board of Directors.

Forward-Looking Statements

This news release forward-looking information within the meaning of applicable Canadian securities laws ("**forward-looking statements**"). All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "projects", "estimates", "forecasts", "intends", "continues", "anticipates", or "does not anticipate" or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements contained in this news release include, but are not limited, to management's expectations of additional rental increases to come into effect by year end and the

further enhancement of the Company's financial results. Such forward-looking statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. These forward-looking statements reflect the current expectations of the Company's management regarding future events and operating performance, but involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Actual events could differ materially from those projected herein and depend on a number of factors. These risks and uncertainties are more fully described in regulatory filings, including the Company's Annual Information Form, which can be obtained on SEDAR at www.sedar.com, under NexLiving's profile, as well as under Risk Factors section of the MD&A released on May 27, 2022. Although forward-looking statements contained in this new release are based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this new release speak only as of the date of this news release. Except as required by applicable securities laws, the Company does not undertake, and specifically disclaims, any obligation to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise, except as required by applicable law.

Non-IFRS Financial Measures

The Company prepares and releases unaudited consolidated interim financial statements and audited consolidated annual financial statements prepared in accordance with IFRS. In this and other earnings releases, as a complement to results provided in accordance with IFRS, NexLiving discloses financial measures not recognized under IFRS which do not have standard meanings prescribed by IFRS. These include Net operating income (NOI), funds from operations (FFO), FFO per common share and D/GBV (collectively, the "**Non-IFRS Measures**"). These Non-IFRS Measures are further defined and discussed in the MD&A released on May 27, 2022, which should be read in conjunction with this news release. Since these measures are not recognized under IFRS, they may not be comparable to similar measures reported by other issuers. The Company presents the Non-IFRS measures because management believes these Non-IFRS measures are relevant measures of the ability of NexLiving to earn revenue and to evaluate its performance and cash flows. A reconciliation of these Non-IFRS measures is included in the MD&A released on May 27, 2022. The Non-IFRS measures should not be construed as alternatives to net income (loss) or cash flows from operating activities determined in accordance with IFRS as indicators of the Company's performance.

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