



FOR IMMEDIATE RELEASE

January 23, 2019

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**HOLLOWAY LODGING CORPORATION ANNOUNCES RESULTS OF SUBSTANTIAL ISSUER BID, AND RENEWAL OF NORMAL COURSE ISSUER BID FOR ITS SERIES B CONVERTIBLE DEBENTURES AND RELATED AUTOMATIC PURCHASE PLAN**

Halifax, NS - Holloway Lodging Corporation (TSX: HLC, HLC.DB) ("Holloway" or the "Company") is pleased to announce the results of its substantial issuer bid dated December 18, 2018 (the "Offer") to purchase for cancellation up to 1,200,000 of its outstanding common shares (the "Shares") (or such greater number of Common Shares that the Company may determine it will take up and pay for) at a purchase price of \$6.50 per Share.

The Offer expired at 5:00 p.m. (Toronto Time) on January 22, 2019. Based on the final report provided by the depository for the Offer, a total of 1,553,755 Shares were deposited at the expiration of the Offer, representing approximately 9.1% of the Shares outstanding. The total purchase price for the Shares deposited under the Offer will be approximately \$10.1 million and will be funded with cash drawn from the Company's revolving credit facility. Payment for the Shares deposited and accepted for purchase will be made as soon as practicable in accordance with the Offer.

In connection with the Offer, the board of directors of Holloway (the "Board") has obtained an updated liquidity opinion (the "Updated Liquidity Opinion") from Trimaven Capital Advisors covering the purchase of up to 1,650,000 Shares. The Updated Liquidity Opinion stated that, based on and subject to the qualifications, assumptions and limitations stated in the opinion: (i) a liquid market (as such term is defined in Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions*) exists for the Shares as of the date of the bid; and (ii) it is reasonable to conclude that, following the completion of the Offer, there will be a market for shareholders who do not tender to the Offer that is not materially less liquid than the market for Shares that existed at the time of the making the Offer. A copy of the Updated Liquidity Opinion will be made available on Holloway's SEDAR issuer profile.

Following the purchase and cancellation of the Shares deposited under the Offer, Holloway will have 15,591,798 Shares outstanding.

**Normal Course Issuer Bid**

The Toronto Stock Exchange (the "TSX") has approved the Company's notice of intention to make a normal course issuer bid to purchase for cancellation, from time to time, its 6.25% convertible unsecured subordinated debentures with a maturity date of February 28, 2020 ("Series B Debentures", trading symbol: HLC.DB).

As of January 22, 2019, the issued and outstanding principal amount of Series B Debentures is \$50,866,000 and the public float of the Series B Debentures is \$49,200,000. Holloway intends to purchase for cancellation up to a maximum of \$4,920,000 principal amount of the Series B Debentures, being approximately 10% of the public float outstanding on January 22, 2019. Purchases are restricted to a maximum of \$8,187 principal amount per day other than block purchase exemptions. As of the date hereof, the average daily trading volume during the previous six months was \$32,749.

The price Holloway will pay for any of its Series B Debentures will be the prevailing market price of such securities

at the time of purchase. The actual number of Series B Debentures that may be purchased for cancellation and the timing of any such purchases will be determined by Holloway. Management of Holloway believes that, from time to time, it is in the best interest of the company to purchase its securities.

The Bid will commence on January 25, 2019 and will terminate on January 24, 2020 or such earlier time as the Bid is completed or terminated at the option of Holloway. The Purchases may be effected through the facilities of Toronto Stock Exchange and all alternative trading systems.

Holloway did not purchase any of its Series B Debentures pursuant to a previous notice of intention to conduct a normal course issuer bid, under which Holloway sought and received approval from the TSX to purchase up to \$4,962,000 principal amount of its Series B Debentures for the period of January 15, 2018 to January 14, 2019.

### **Automatic Purchase Plan**

Holloway has entered into an automatic securities purchase plan (the "Plan") with a broker in order to facilitate purchases of the Series B Debentures under the Bid. Purchases under the Plan will be made by Holloway's broker based on the parameters prescribed by the TSX, applicable Canadian securities laws and the terms of the parties' written agreement. The Plan is intended for the purchase of Series B Debentures only under the Bid. Under the Plan, Holloway's broker may purchase Series B Debentures under the Bid when Holloway would ordinarily not be permitted to, due to its self-imposed regular quarterly blackout periods. The Plan commences on January 25, 2019 and expires with the expiry of the Bid on January 24, 2020.

The Company believes that, on occasion, the Series B Debentures become available at prices that do not give full effect to their underlying value, based solely on management's opinion of the Company's future prospects. Accordingly, management believes that the purchase of Debentures pursuant to the normal course issuer bid represents an investment opportunity for Holloway and an appropriate use of its funds.

### **ABOUT HOLLOWAY LODGING CORPORATION**

Holloway is a real estate corporation focused on acquiring, adding value to and operating select service hotels and managing hotels for third parties. Holloway owns 30 hotels with 3,347 rooms. Holloway's shares and debentures trade on the TSX under the symbols HLC and HLC.DB.

For further information please contact Michael Rapps, Chairman, at (416) 855-1925 or Jane Rafuse, Chief Financial Officer, at (902) 443-5101.

*This press release contains forward-looking information within the meaning of applicable securities laws. Forward-looking information may relate to Holloway's future outlook and anticipated events or results and may include statements regarding Holloway's future financial position, business strategy, financial results, plans and objectives. In some cases, forward-looking information can be identified by terms such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "predict", "potential", "continue" or other similar expressions concerning matters that are not historical facts. Forward-looking information is subject to certain factors, including risks and uncertainties, that could cause actual results to differ materially from what Holloway currently expects and there can be no assurance that such statements will prove to be accurate. Some of these risks and uncertainties are described under "Risk Factors" in Holloway's annual information form for the year ended December 31, 2017 which is available on Holloway's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com). Holloway does not intend to update or revise any such forward-looking information should its assumptions and estimates change.*