



NorthviewTM

Management's Discussion and Analysis

For the three months ended March 31, 2023 and 2022

ADVISORIES

The following Management's Discussion and Analysis ("MD&A") of the results of operations and financial condition, dated May 12, 2023, of Northview Fund ("Northview" or the "Fund") should be read in conjunction with the cautionary statement regarding forward-looking information below, as well as the unaudited condensed consolidated interim financial statements of Northview for the three months ended March 31, 2023 and 2022 (the "interim financial statements") and the audited consolidated financial statements for the years ended December 31, 2022 and 2021 (the "annual financial statements"). The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A should also be read in conjunction with Northview's annual MD&A for the years ended December 31, 2022 and 2021 (the "annual MD&A"). Additional information related to Northview, including periodic quarterly reports filed with the Canadian securities regulatory authorities and Northview's Annual Information Form dated March 29, 2023, are available on SEDAR at www.sedar.com.

This MD&A is intended to provide readers with management's assessment of the performance of Northview, as well as its financial position and future prospects. The operating results for the three months ended March 31, 2023 are not necessarily indicative of results that may be expected for the year ended December 31, 2023 due to seasonal variations in utility costs and other factors. All amounts in this MD&A are in Canadian dollars unless otherwise stated.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain information contained in this MD&A constitutes forward-looking information within the meaning of applicable securities laws. Statements that reflect Northview's objectives, plans, goals, and strategies are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from future results expressed, projected, or implied by such forward-looking information. In some instances, forward-looking information can be identified by the use of terms such as "may", "should", "expect", "will", "anticipate", "believe", "intend", "estimate", "predict", "potentially", "starting", "beginning", "begun", "moving", "continue", or other similar expressions concerning matters that are not historical facts. Forward-looking information in this MD&A includes, but is not limited to, statements related to the Recapitalization Event (as defined herein) and timing thereof or expected impacts therefrom, statements made under the heading "Outlook" in this MD&A, future maintenance expenditures, financing and the availability of financing and the terms thereof (including Northview's ability to amend its credit facility), future economic conditions, the expected distributions of Northview, liquidity and capital resources, market trends, future operating efficiencies, tenant incentives, and occupancy levels. Such statements involve significant risks and uncertainties and are not meant to provide guarantees of future performance or results. These cautionary statements qualify all of the statements and information contained in this MD&A incorporating forward-looking information.

Forward-looking information is made as of May 12, 2023 and is based on information available to management as of that date. Management believes that the expectations reflected in forward-looking information are based upon reasonable assumptions; however, management can give no assurance that the actual results will be consistent with this forward-looking information. Factors that could cause actual results, performance, or achievements to differ materially from those expressed or implied by forward-looking information include, but are not limited to, the risks identified herein (including at "Risk Factors") and the risks outlined in the annual MD&A (including at "Risk Factors"), as well: general economic conditions; the availability of a new competitive supply of real estate which may become available through construction; Northview's ability to maintain distributions at their current level; Northview's ability to maintain occupancy and the timely lease or re-lease of multi-residential suites, executives, and commercial space at current market rates; compliance with financial covenants and negotiations on the credit facility; tenant defaults; changes in interest rates, which continue to be volatile and have trended upward since Northview's formation in 2020; changes in inflation rates, including increased expenses as a result thereof; Northview's qualification as a real estate investment trust ("REIT"); risks associated with any Recapitalization Event, including the ability to complete such transaction; changes in operating costs; governmental regulations and taxation; fluctuations in commodity prices; and the availability of financing. Additional risks and uncertainties not presently known to Northview, or those risks and uncertainties that Northview currently believes to not be material, may also adversely affect Northview. Northview cautions readers that this list of factors is not exhaustive and that should certain risks or uncertainties materialize, or should underlying estimates or assumptions prove incorrect, actual events, performance, and results may vary materially from those expected.

Except as specifically required by applicable Canadian law, Northview assumes no obligation to update or revise publicly any forward-looking information to reflect new events or circumstances that may arise after May 12, 2023.

NON-GAAP AND OTHER FINANCIAL MEASURES

NON-GAAP FINANCIAL MEASURES

Certain measures in this MD&A do not have any standardized meaning as prescribed by generally accepted accounting principles (“GAAP”) and are, therefore, considered non-GAAP financial measures and may not be comparable to similar measures presented by other issuers.

Adjusted funds from operations (“AFFO”): Defined as a recurring economic earnings measure and is calculated in accordance with the Real Property Association of Canada (“REALPAC”) definition, as set out in its January 2022 guidance “REALPAC Funds From Operations (FFO) & Adjusted Funds from Operations (AFFO) for IFRS” (the “REALPAC Guidance”), but may differ from other issuers’ methods of calculating AFFO and, accordingly, may not be comparable to AFFO reported by other issuers. AFFO is calculated as funds from operations (“FFO”) less maintenance capital expenditures. Maintenance capital expenditures are capital expenditures (“capex”) that sustain and maintain existing assets. Management considers AFFO a useful measure of operating performance excluding the impact of maintenance capex. The most comparable GAAP measure to AFFO is net and comprehensive loss, for which a reconciliation is provided in “Other Consolidated Results – FFO and AFFO”.

Funds from operations (“FFO”): FFO measures operating performance and is calculated in accordance with the REALPAC definition as set out in the REALPAC Guidance, but may differ from other issuers’ methods of calculating FFO and, accordingly, may not be comparable to FFO reported by other issuers. FFO is calculated by adjusting net and comprehensive loss for distributions to Unitholders, depreciation of property, plant and equipment excluding depreciation of assets that are not uniquely significant to the real estate industry items (for example, depreciation related to computer and auto assets); and fair value loss on investment properties. Management considers FFO a useful measure of operating performance. The most comparable GAAP measure to FFO is net and comprehensive loss, for which a reconciliation is provided in “Other Consolidated Results – FFO and AFFO”.

NON-GAAP RATIOS

AFFO payout ratio: AFFO payout ratio is calculated as aggregate distributions declared to holders of Class A trust units of Northview (“Class A Units”), holders of Class C trust units of Northview (“Class C Units”), and holders of Class F trust units of Northview (“Class F Units” and, collectively, with the Class A Units and Class C Units, the “Units” and such holders, collectively, “Unitholders”) divided by AFFO for the previous twelve months. AFFO payout ratio is not a standardized measure under GAAP and, accordingly, this calculation may differ from other issuers’ methods of calculating AFFO payout ratio and may not be comparable to AFFO payout ratio reported by other issuers. Management considers AFFO payout ratio a useful measure to assess the amount of cash distributed to Unitholders compared to the operating performance of the business.

AFFO per Unit: AFFO per Unit is calculated as AFFO divided by the number of Units outstanding (see “Non-GAAP and Other Financial Measures – Other Key Performance Indicators”) at period-end. AFFO per Unit is not a standardized measure under GAAP and, accordingly, the calculation may differ from other issuers’ methods for calculating AFFO per Unit and may not be comparable to AFFO per Unit reported by other issuers. Management considers AFFO per Unit a useful measure to assess the operating performance of the business relative to the entitlement of Unitholders.

FFO payout ratio: FFO payout ratio is calculated as distributions declared to Unitholders divided by FFO for the previous twelve months. FFO payout ratio is not a standardized measure under GAAP and, accordingly, this calculation may differ from other issuers’ methods of calculating FFO payout ratio and may not be comparable to FFO payout ratio reported by other issuers. Management considers FFO payout ratio a useful measure to assess the amount of cash distributed to Unitholders compared to the operating performance of the business.

FFO per Unit: FFO per Unit is calculated as FFO divided by the number of Units outstanding at period-end. FFO per Unit is not a standardized measure under GAAP and, accordingly, the calculation may differ from other issuers’ methods for calculating FFO per Unit and may not be comparable to FFO per Unit reported by other issuers. Management considers FFO per Unit a useful measure to assess the operating performance of the business relative to the entitlement of Unitholders.

CAPITAL MANAGEMENT MEASURES

Debt to gross book value: Debt to gross book value is defined under the Declaration of Trust (as defined herein) as a percentage measure calculated as debt divided by gross book value. Debt consists of borrowings on the credit facility and mortgages payable less cash and cash equivalents. Gross book value consists of the carrying value of investment properties and gross property, plant and equipment, plus a portfolio premium. Management considers it a useful measure to evaluate leverage. See the calculation of debt to gross book value in “Liquidity and Capital Resources – Capital Management”.

OTHER KEY PERFORMANCE INDICATORS

Certain other measures in this MD&A do not have standardized meanings and may not be comparable to similar measures presented by other issuers.

Average monthly rent (“AMR”): AMR is calculated as monthly gross rent net of lease incentives divided by the number of occupied multi-residential suites as at the period-end date.

Average rent per square foot: Average rent per square foot (“sq. ft.”) is calculated as annualized total rent for the quarter divided by average total occupied square footage for the quarter for commercial operations.

Net operating income (“NOI”) margin: NOI margin is calculated as NOI for the period divided by revenue for the period.

Occupancy: A percentage measure used by management to evaluate the performance of its properties on a comparable basis. The occupancy presented in this MD&A is financial occupancy based on AMR, excluding properties that have not reached stabilized occupancy. Management considers this an important operating metric to evaluate the extent to which revenue potential is being realized.

Same door revenue, expenses, and net operating income: Measured for stabilized properties owned by Northview for both the current reporting period and on or before the first day of the previous annual reporting period. In this MD&A, the first day of the previous annual reporting period was January 1, 2022, and all properties were owned and in operation by Northview for both the current and comparative periods. Therefore, the same door calculation is equivalent to consolidated revenue, expenses and NOI.

Units outstanding: The number of Class A Units outstanding at period-end, adjusted for conversion ratios applicable to each Unit class assuming that all Class C Units and Class F Units outstanding were converted to Class A Units. See also the calculation of Units outstanding in “Liquidity and Capital Resources – Net Assets Attributable to Unitholders”.

BUSINESS OVERVIEW

Northview is a closed-end fund, as no further Units will be issued in its current structure. It was formed in 2020 pursuant to a declaration of trust dated April 14, 2020 as most recently amended and restated on February 15, 2022 (the “Declaration of Trust”) under the laws of the Province of Ontario for the primary purpose of indirectly acquiring, owning, and operating a geographically diversified real estate portfolio comprised of income-producing multi-residential suites, commercial real estate, and execusuites in secondary markets within Canada. Northview’s portfolio consists of approximately 11,000 residential suites, 1.1 million sq. ft. of commercial space, and 200 execusuites across six provinces and two territories. Northview’s Class A Units currently trade on the Toronto Stock Exchange (“TSX”) under the symbol “NHF.UN”.

The head and registered office of Northview is located at Suite 200, 6131 6 Street SE, Calgary, Alberta, T2H 1L9.

Northview’s investment objectives are to:

- Own and operate a high-quality, geographically diversified real estate portfolio comprised of income-producing multi-residential suites, commercial real estate, and execusuites.
- Generate stable income to support monthly cash distributions.
- Effect a Recapitalization Event by the Target Recapitalization Date (as defined herein).

RECAPITALIZATION EVENT

In order to provide Unitholders with liquidity, Northview intends to complete a recapitalization event by way of a direct or indirect public offering or listing of new, additional, or successor securities of Northview or a traditional real estate investment trust or other entity that owns or will own all or substantially all of Northview's properties, or by way of reorganization, restructuring (corporate, capital, or otherwise), combination or merger involving Northview or the Unitholders, or similar transaction as approved by the Trustees (a "Recapitalization Event"). Northview continues to target a Recapitalization Event by November 2, 2023 (the "Target Recapitalization Date"), which may be extended by up to two years at the sole discretion of the Trustees if such Recapitalization Event has not been identified and announced by August 2, 2023; and the Trustees may seek further extension by special resolution of the Unitholders in accordance with the Declaration of Trust, or take such other actions as the Trustees consider appropriate with respect to the continued operations of Northview. Northview is actively engaged in its process concerning a transaction which could constitute its Recapitalization Event which would be expected to improve Northview's financial position and long-term viability. A Recapitalization Event will require the approval of Unitholders by special resolution.

There can be no assurances that Northview will be able to complete a Recapitalization Event on terms satisfactory to the Board of Trustees by the Target Recapitalization Date, if at all, or that Unitholders will approve such Recapitalization Event. In addition, due to intervening circumstances at any point prior to the Target Recapitalization Date, Northview may be the subject of an alternative liquidity event, which would also require the approval of Unitholders by special resolution.

2023 FIRST QUARTER RESULTS

(thousands of dollars, except as indicated)	As at March 31, 2023	As at December 31, 2022
Total assets	1,947,700	1,954,529
Total liabilities, excluding net assets attributable to Unitholders	1,391,143	1,388,497
Total liabilities, net assets attributable to Unitholders	1,946,558	1,953,366
Total non-current liabilities, excluding net assets attributable to Unitholders	690,245	562,433
Mortgages payable	909,997	850,830
Debt to gross book value ⁽¹⁾	67.3%	66.4%
Weighted average mortgage interest rate	3.64%	3.63%
Weighted average term to maturity (years)	2.9	2.5
Weighted average capitalization rate	7.18%	7.18%
Multi-residential occupancy ⁽²⁾	93.7%	93.4%
AMR (\$) ⁽²⁾	1,283	1,278
Number of multi-residential suites	11,121	11,121
Number of executives	200	200
Commercial sq. ft.	1,131,730	1,131,730
Number of Units outstanding ('000s) ⁽²⁾	35,917	35,917
	Three Months Ended March 31	
(thousands of dollars, except as indicated)	2023	2022
Revenue	51,627	48,639
NOI	26,889	24,631
NOI margin ⁽²⁾	52.1%	50.6%
Cash flows provided by operating activities	2,627	6,607
Distributions declared to Unitholders	11,288	11,288
Monthly distributions declared per Unit – weighted average (\$/Unit)	0.1092	0.1092
Class A Unit (\$/Unit)	0.1048	0.1048
Class C Unit (\$/Unit)	0.1106	0.1106
Class F Unit (\$/Unit)	0.1081	0.1081
FFO payout ratio ⁽³⁾	98.8%	71.9%
AFFO payout ratio ⁽³⁾	135.2%	88.2%
Net and comprehensive loss	(9,421)	(3,265)
Net and comprehensive loss per Unit (\$/Unit)	(0.26)	(0.09)
FFO ⁽³⁾	7,082	12,550
FFO per Unit (\$/Unit) ⁽³⁾	0.20	0.35
AFFO ⁽³⁾	4,379	9,350
AFFO per Unit (\$/Unit) ⁽³⁾	0.12	0.26

⁽¹⁾ See "Non-GAAP and Other Financial Measures – Capital Management Measures".

⁽²⁾ See "Non-GAAP and Other Financial Measures – Other Key Performance Indicators".

⁽³⁾ Non-GAAP financial measure or non-GAAP ratio. See "Non-GAAP and Other Financial Measures – Non-GAAP Financial Measures" and "Non-GAAP and Other Financial Measures – Non-GAAP Ratios".

2023 FIRST QUARTER REVIEW

NET AND COMPREHENSIVE LOSS AND FFO

For the three months ended March 31, 2023, net and comprehensive loss of \$9.4 million was higher than \$3.3 million for the three months ended March 31, 2022. For the three months ended March 31, 2023, FFO of \$7.1 million was lower than FFO of \$12.6 million for the comparative quarter in the prior year, and FFO per Unit of \$0.20 was lower than \$0.35 for the comparative period. The increase in net and comprehensive loss and decrease in FFO was attributable to a \$7.4 million increase in financing costs, which more than offset growth in NOI. Financing costs increased due to higher interest rates on the credit facility that essentially doubled from the first quarter of 2022 to the first quarter of 2023.

NOI

For the first quarter of 2023, NOI increased by 9.2% relative to the first quarter of 2022, due to both the multi-residential and the commercial and executive segments. In the multi-residential segment, NOI increased by 8.6%, led by increases of 27.5% in Western Canada and 8.2% in Atlantic Canada as higher revenue outpaced inflationary pressures on operating expenses in both regions. In Western Canada, occupancy increased by 900 bps and in Atlantic Canada, AMR increased by 5.3% compared to the three months ended March 31, 2022. Northern Canada NOI for the multi-residential segment declined by 2.9% compared to the comparative period of 2022, driven by higher maintenance expenses. In the commercial and executive segment, NOI increased by 11.2% from the first quarter of 2022 due to higher occupancy and room rental rates for executive properties.

Occupancy of 93.7% for the multi-residential portfolio in the first quarter of 2023 represented an improvement of 350 bps compared to the first quarter of 2022 and marked the fourth consecutive quarter of occupancy gains. The increase in occupancy was driven by the aforementioned increase in Western Canada, which was achieved while increasing AMR through the reduction of lease incentives as Northview continues to focus on resident attraction and delivering quality customer service.

AMR of \$1,283 as at March 31, 2023 was slightly higher than \$1,278 as at December 31, 2022 and \$1,272 as at March 31, 2022, as AMR improved across all regions from both comparative periods.

LEVERAGE

Northview's debt is comprised of credit facility debt, which is subject to floating interest rates, and mortgage debt, which is generally at fixed interest rates. Northview manages its interest rate exposure on the credit facility by refinancing through property mortgage debt that is subject to lower fixed interest rates.

During the three months ended March 31, 2023, Northview completed \$143.1 million of mortgage financing with a weighted average interest rate of 4.18% and an average term to maturity of 5.5 years. Proceeds from mortgage financing during the three months ended March 31, 2023 were used to repay \$69.4 million in borrowings on the credit facility. During the three months ended March 31, 2022, there was no new mortgage financing.

Northview continues to work with various lenders and Canada Mortgage and Housing Corporation ("CMHC") for new mortgage financing on certain properties. As market conditions permit, Northview intends to continue to utilize availability of financing on its properties to reduce interest rate exposure, as mortgage financing is expected to be used to repay borrowings on the credit facility.

Northview is currently in advanced negotiations with its lenders regarding amendments to the credit facility which seek to extend the current maturity date of October 30, 2023, among other items. See also "Liquidity and Capital Resources".

Debt to gross book value was 67.3% as at March 31, 2023, an increase of 90 bps from 66.4% as at December 31, 2022, as a result of higher debt. See also "Liquidity and Capital Resources – Capital Management" and "Distributions to Unitholders".

DISTRIBUTIONS

Distributions of \$3.8 million per month were declared in each period, resulting in distributions of \$11.3 million for the three months ended March 31, 2023 and 2022.

For the twelve months ended March 31, 2023, the FFO payout ratio was 98.8% compared to 71.9% for the twelve months ended March 31, 2022. The increase in the FFO payout ratio was due to the decrease in FFO. See also "Distributions to Unitholders".

OUTLOOK

Northview's portfolio is located in geographically and economically diversified secondary markets. Management believes the markets in which the portfolio is situated allows for mitigation of cyclicalities within specific markets, while providing the ability to generate stable NOI. The long-term fundamentals for Canadian multi-residential markets remain compelling; Northview's portfolio is located in several diversified geographies and the demand for rental accommodation remains strong due to home ownership affordability continuing to be a challenge in many markets and positive migration trends. Northview continues to focus on customer service and ensuring its properties are well maintained.

In Northern Canada (as defined herein), Northview generates stable NOI and approximately 65% of rental revenue is derived from leases to or leases guaranteed by government or credit-rated corporations. The region continues to be impacted by housing shortages, whereby new supply is constrained due to both the financial and practical constraints of construction. Rental revenue is expected to remain stable for the remainder of 2023 due to sustained low vacancy and high AMR, reflecting the higher cost operating environment.

In Western Canada (as defined herein), the economy has been increasingly impacted by diversification as increases in employment have been driven by professional, scientific, and technical services; accommodation and other service industries. In addition, signs of increasing capital activity in the oil and gas sector have encouraged a more optimistic outlook for Western Canada. Northview expects occupancy gains to continue at a more moderate pace in 2023.

In Atlantic Canada (as defined herein), the market is supported by a diverse economic base that includes manufacturing, aquaculture, forestry, mining, oil and gas, and agriculture. In Newfoundland, decreasing unemployment rates and increased investment in new mineral initiatives continue to contribute to positive economic trends. The economic outlook is stable in New Brunswick as higher immigration levels and strong interprovincial migration support housing demand, as a lower cost of living is attractive compared to other regions in Canada. This is expected to result in stable occupancy and rental rates in Atlantic Canada for the rest of 2023.

Overall the Canadian multi-residential real estate sector is expected to offer relative stability amidst potential economic uncertainty and Northview continues to provide diversified supply to alleviate the pressures of housing shortages. Recent economic volatility has heightened a market expectation that tightening monetary policy may lead to broad economic weakness. The current high inflation and interest rate environment is expected to continue to put pressures on expenses and therefore FFO. Northview continues to focus on occupancy growth and AMR while maintaining operating efficiencies and expenditure management to the extent expenditures are controllable. As market conditions permit, Northview intends to manage its debt by continuing to reduce the amount of floating rate debt on its credit facility through term mortgage financing which is at a lower fixed interest rate. Northview is actively pursuing a Recapitalization Event by November 2023. See also "Recapitalization Event".

2023 FIRST QUARTER OPERATING RESULTS

Operations include the multi-residential segment and the commercial and executive segment. While revenue is not typically impacted by seasonality, operating expenses are typically higher in the winter months in the first and fourth quarters of each year due to higher utilities and other expenses.

Management presents geographical reporting for Northern Canada, Western Canada, and Atlantic Canada. The Northern Canada region includes the operations of properties located in the Northwest Territories and Nunavut. The Western Canada region includes the operations of properties located in Alberta, British Columbia, and Saskatchewan. The Atlantic Canada region includes the operations of properties located in Newfoundland and Labrador, New Brunswick, and Québec.

All properties included in operating results were owned and in operation by Northview for both the current and comparative periods. Therefore, consolidated revenue, expenses, and NOI presented were equivalent to same door results.

REVENUE

The following table details revenue by segment:

(thousands of dollars)	Three Months Ended March 31		
	2023	2022	Change
Multi-residential	40,406	38,312	5.5%
Commercial and executive	11,221	10,327	8.7%
Total	51,627	48,639	6.1%

Revenue is comprised of rental revenue earned from residential and commercial lease agreements and rents from executives, as well as other property income such as ancillary revenue from laundry facilities, storage rental revenue, and other fee income from tenants.

Revenue in the multi-residential segment increased by 5.5% for the three months ended March 31, 2023, compared to the same period in 2022 as a result of higher revenue in both Western Canada and Atlantic Canada.

Revenue in the commercial and executive segment in the first quarter of 2023 increased by 8.7% compared to the first quarter of 2022. The increase was primarily due to the executive segment, which experienced higher occupancy and room rental rates compared to the same period in 2022.

OPERATING EXPENSES

The following table details operating expenses by segment:

(thousands of dollars)	Three Months Ended March 31		
	2023	2022	Change
Multi-residential	19,672	19,217	2.4%
Commercial and executive	5,066	4,791	5.7%
Total	24,738	24,008	3.0%

The following table details consolidated operating expenses by category:

(thousands of dollars)	Three Months Ended March 31		
	2023	2022	Change
Utilities	8,554	9,061	(5.6%)
Maintenance	7,243	6,124	18.3%
Property taxes	3,824	3,777	1.2%
Salaries and benefits	1,937	1,842	5.2%
General	3,180	3,204	(0.7%)
Operating expenses	24,738	24,008	3.0%

Total operating expenses for the three months ended March 31, 2023 increased by 3.0% compared to the same period in 2022, as an increase in maintenance expenses was partially offset by a decrease in utilities expense.

For the three months ended March 31, 2023, utilities expense decreased by 5.6% compared to the first quarter of 2022, which was primarily attributable to lower electricity consumption and lower natural gas prices. Northview has taken additional measures to manage its utility expenses where possible, including entering into fixed price contracts for a portion of utility consumption in Alberta.

For the three months ended March 31, 2023, maintenance expenses increased by 18.3% compared to the same period in the prior year. The increase is primarily related to unexpected repairs to utility infrastructure in Iqaluit, NU; higher snow removal costs; and inflationary pressures on service contracts.

NET OPERATING INCOME

CONSOLIDATED NET OPERATING INCOME

(thousands of dollars)	Three Months Ended March 31		
	2023	2022	Change
Multi-residential	20,734	19,095	8.6%
Commercial and execusuite	6,155	5,536	11.2%
Total	26,889	24,631	9.2%
NOI margin	52.1%	50.6%	1.5%

For the first quarter of 2023, NOI increased by 9.2% and NOI margin increased by 1.5% relative to the first quarter of 2022, due to NOI growth in both the multi-residential and the commercial and execusuite segments.

NET OPERATING INCOME BY SEGMENT AND REGION

(thousands of dollars)	Three Months Ended March 31					
	Multi-Residential			Commercial and Execusuite		
	2023	2022	Change	2023	2022	Change
Northern Canada	8,849	9,109	(2.9%)	5,155	4,532	13.7%
Western Canada	7,127	5,588	27.5%	163	140	16.4%
Atlantic Canada	4,758	4,398	8.2%	837	864	(3.1%)
Total	20,734	19,095	8.6%	6,155	5,536	11.2%

(thousands of dollars)	Three Months Ended March 31		
	2023	2022	Change
Northern Canada	14,004	13,641	2.7%
Western Canada	7,290	5,728	27.3%
Atlantic Canada	5,595	5,262	6.3%
Total	26,889	24,631	9.2%

In the multi-residential segment, NOI increased by 8.6%, led by increases of 27.5% in Western Canada and 8.2% in Atlantic Canada as higher revenue outpaced higher operating expenses in both regions. In Western Canada, occupancy increased and in Atlantic Canada, both AMR and occupancy increased compared to the three months ended March 31, 2022. Northern Canada NOI declined by 2.9% compared to the comparative period of 2022, driven by higher maintenance expenses.

In the commercial and execusuite segment NOI increased by 11.2% from the first quarter of 2022 as a result of higher room rental rates and occupancy for execusuite properties.

SEGMENTED RESULTS

Northview operates as two business segments: the multi-residential segment and the commercial and execusuite segment. The multi-residential segment is composed of apartments, townhomes, and single-family rental suites, for which rental contracts are typically twelve months. The commercial and execusuite segment consists of office, industrial, and retail properties primarily in areas where Northview has residential operations, and execusuite properties that offer apartment-style accommodations. Commercial lease terms are generally five years and execusuite rental periods range from several days to several months.

As at March 31, 2023 and March 31, 2022, Northview's portfolio consisted of the following suites, executives, and commercial square footage:

(number of suites, except as indicated)	Multi-Residential Suites	Execusuites	Commercial (sq. ft.)
Northern Canada	2,486	200	756,660
Western Canada	5,261	—	131,941
Atlantic Canada	3,374	—	243,129
Total	11,121	200	1,131,730

MULTI-RESIDENTIAL OPERATIONS

The multi-residential segment is composed of apartments, townhomes, and single-family rental suites, for which rental contracts are typically twelve months, excluding leases with the government in Northern Canada that typically range from three to five years. Properties are located primarily in secondary markets that feature high barriers to entry and limited new supply.

AMR

	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Northern Canada	2,280	2,273	2,267	2,260	2,245
Western Canada	1,052	1,046	1,039	1,032	1,029
Atlantic Canada	895	888	877	867	850
Overall	1,283	1,278	1,276	1,275	1,272

OCCUPANCY

	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Northern Canada	95.9%	96.3%	96.4%	96.7%	96.9%
Western Canada	88.9%	87.9%	84.9%	81.9%	79.9%
Atlantic Canada	98.5%	98.2%	97.3%	96.9%	97.2%
Overall	93.7%	93.4%	92.1%	90.9%	90.2%

SUITES, AMR, AND OCCUPANCY BY REGION

	Multi-Residential Suites	AMR (\$)			Occupancy (%)		
		Q1 2023	Q1 2022	Change (%)	Q1 2023	Q1 2022	Change (bps)
Northern Canada							
Northern Canada	1,310	1,808	1,787	1.2%	90.6%	93.5%	(290)
Nunavut	1,176	2,755	2,723	1.2%	99.7%	99.5%	20
Northern Canada	2,486	2,280	2,245	1.6%	95.9%	96.9%	(100)
Western Canada							
Alberta	3,559	1,052	1,029	2.2%	89.6%	80.5%	910
British Columbia	1,379	967	943	2.5%	83.6%	75.6%	800
Saskatchewan	323	1,337	1,305	2.5%	99.2%	87.5%	1,170
Western Canada	5,261	1,052	1,029	2.2%	88.9%	79.9%	900
Atlantic Canada							
Newfoundland and Labrador	1,875	908	861	5.5%	98.1%	96.1%	200
New Brunswick	1,338	893	849	5.2%	98.8%	98.5%	30
Québec	161	767	748	2.5%	100.0%	99.4%	60
Atlantic Canada	3,374	895	850	5.3%	98.5%	97.2%	130
Overall	11,121	1,283	1,272	0.9%	93.7%	90.2%	350

NORTHERN CANADA OPERATIONS

AMR of \$2,280 as at March 31, 2023 was 1.6% higher than \$2,245 as at March 31, 2022, underpinned by the stable government-centric economy and long-term lease arrangements with government departments and agencies.

Occupancy decreased by 100 bps to 95.9% in the first quarter of 2023, compared to 96.9% in the first quarter of 2022 mainly due to delays in suite turnover driven by labour and supply constraints in the Northwest Territories. Northview focused on completing these suite turnovers for rental early in the second quarter of 2023.

	Three Months Ended March 31		
(thousands of dollars)	2023	2022	Change
Revenue	16,159	16,188	(0.2%)
Operating expenses	7,310	7,079	3.3%
NOI	8,849	9,109	(2.9%)
NOI margin (%)	54.8%	56.3%	(1.5%)

For the three months ended March 31, 2023, NOI and NOI margin decreased by 2.9% and 1.5%, respectively, compared to the same period in the prior year. Revenue remained stable, as the 1.6% increase in AMR was offset by a 100-bps reduction in occupancy, which was offset by higher operating expenses, largely driven by maintenance expenses, incurred as a result of unexpected utility infrastructure repairs in Iqaluit, NU, partially offset by lower utilities.

WESTERN CANADA OPERATIONS

AMR of \$1,052 as at March 31, 2023 was 2.2% higher than \$1,029 as at March 31, 2022 driven by a strengthening economy, job growth, and positive migration in Alberta. AMR was actively managed with increasing occupancy and reduced lease incentive offerings to maximize revenue.

Occupancy of 88.9% for the three months ended March 31, 2023 represented an increase of 900 bps compared to 79.9% in the first quarter of 2022, which was attributable to a 910-bps increase in occupancy in Alberta, driven largely by Fort McMurray and Grande Prairie.

	Three Months Ended March 31		
(thousands of dollars)	2023	2022	Change
Revenue	15,126	13,476	12.2%
Operating expenses	7,999	7,888	1.4%
NOI	7,127	5,588	27.5%
NOI margin (%)	47.1%	41.5%	5.6%

For the three months ended March 31, 2023, NOI and NOI margin increased by 27.5% and 5.6%, respectively, compared to the same period in the prior year as the aforementioned increase in occupancy led to higher revenue that exceeded the increase in operating expenses. The increase in operating expenses was primarily attributable to higher maintenance expenses, partially offset by lower utility costs.

ATLANTIC CANADA OPERATIONS

AMR was \$895 as at March 31, 2023, an increase of 5.3% compared to \$850 as at March 31, 2022. The increase in AMR was driven by low market vacancy and a strengthening economy in New Brunswick.

Occupancy of 98.5% for the three months ended March 31, 2023 represented an increase of 130 bps compared to 97.2% in the first quarter of 2022 as demand for rental properties increased due to population growth and reduced home affordability.

(thousands of dollars)	Three Months Ended March 31		
	2023	2022	Change
Revenue	9,121	8,648	5.5%
Operating expenses	4,363	4,250	2.7%
NOI	4,758	4,398	8.2%
NOI margin (%)	52.2%	50.9%	1.3%

NOI and NOI margin increased by 8.2% and 1.3%, respectively, for the three months ended March 31, 2023, compared to the same period in the prior year as a result of higher revenue, which was driven by the increase in AMR and occupancy, outpacing inflationary pressures.

COMMERCIAL AND EXECUSUITE OPERATIONS

Northview's commercial properties are located primarily in regions where Northview also has multi-residential operations. The commercial portfolio consists of office, warehouse, and retail properties including mixed-use buildings, which are largely leased to federal or territorial governments and other quality commercial tenants under long-term leases. In addition, Northview operates three execusuite properties in Yellowknife, NT; Iqaluit, NU; and a 50% joint venture in Inuvik, NT. The execusuite properties offer apartment-style accommodation and are rented for both short-term and long-term stays.

(thousands of dollars)	Three Months Ended March 31		
	2023	2022	Change
Revenue	11,221	10,327	8.7%
Operating expenses	5,066	4,791	5.7%
NOI	6,155	5,536	11.2%
NOI margin (%)	54.9%	53.6%	1.3%

For the three months ended March 31, 2023, NOI increased by 11.2% and NOI margin increased by 1.3% from the comparative period in the prior year as higher revenue, driven by increased occupancy and room rental rates for execusuite properties, more than offset inflationary pressures on operating expenses.

COMMERCIAL OPERATIONS

The following table details the average rent per sq. ft. and occupancy by region for the commercial portfolio, including joint ventures at 100%:

	Three Months Ended March 31					
	Average Rent (\$/sq. ft.)			Occupancy (%)		
	2023	2022	Change (%)	2023	2022	Change (bps)
Northern Canada	27.23	26.96	1.0%	95.3 %	95.8%	(50)
Western Canada	15.07	15.05	0.1%	71.6 %	71.0%	60
Atlantic Canada	17.88	18.40	(2.8%)	85.1 %	90.8%	(570)
	24.39	24.25	0.6%	90.3 %	91.8%	(150)

For the three months ended March 31, 2023, average rent per sq. ft. (see "Non-GAAP and Other Financial Measures – Other Key Performance Indicators") was relatively consistent with the same period in the prior year. For the three months ended March 31, 2023, occupancy decreased by 150 bps compared to the same period in the prior year, driven by recently vacated space in St. John's, NL, which was subsequently leased early in the second quarter of 2023.

Approximately 22.9% of Northview's leased commercial space is maturing in the remainder of 2023. Northview actively manages occupancy levels through a proactive lease renewal program, marketing vacant spaces to potential tenants and utilizing tenant inducements, when appropriate.

EXECUSUITE OPERATIONS

Execusuite occupancy, including joint ventures at 100%, for the three months ended March 31, 2023 of 59.1% was higher than 47.8% compared to the same period in the prior year, supported by increased tourism activity following the discontinuation of most COVID-19 restrictions in the second quarter of 2022. Room rental rates also increased relative to the same quarter in the prior year driven by the strengthening of the economy.

OTHER CONSOLIDATED RESULTS

OTHER EXPENSE (INCOME)

	Three Months Ended March 31		
(thousands of dollars)	2023	2022	Change
Distributions to Unitholders	11,288	11,288	—%
Financing costs	16,432	9,031	82.0%
Administration	2,018	1,610	25.3%
Asset management fees	1,650	1,642	0.5%
Depreciation and amortization	840	855	(1.8%)
Equity income from joint ventures	(296)	(255)	16.1%
Fair value loss on investment properties	4,378	3,725	17.5%
Total	36,310	27,896	30.2%

DISTRIBUTIONS TO UNITHOLDERS

Distributions to Unitholders are recognized in net and comprehensive loss as Units are classified as financial liabilities and presented as net assets attributable to Unitholders. This presentation does not alter the underlying interest of the Unitholders in the net assets and net and comprehensive loss attributable to Unitholders. See “Distributions to Unitholders” for further discussion of distributions.

Distributions of \$3.8 million were declared each month in all periods presented. As a result, distributions to Unitholders of \$11.3 million for the three months ended March 31, 2023 were consistent with the three months ended March 31, 2022.

FINANCING COSTS

Financing costs consists of mortgage interest, interest expense on the credit facility, amortization of deferred financing costs and the adjustment of fair value of debt assumed on acquisition, and other income. For the three months ended March 31, 2023, financing costs increased by 82.0% compared to the same period in the prior year. The increase in financing costs was driven by higher interest expense on the credit facility due to the rapid increase in interest rates over 2022. The floating rate on the credit facility essentially doubled from an average of 4.38% in the first quarter of 2022 to 8.56% in the first quarter of 2023. To manage higher interest rates, Northview has focused on repaying borrowings on the credit facility and, in the first quarter of 2023, proceeds from mortgage financing were used to repay \$69.4 million in borrowings on the credit facility. See also “Liquidity and Capital Resources – Credit Facility”.

ADMINISTRATION EXPENSE

Administration expense of \$2.0 million in the first quarter of 2023 increased by 25.3% from the first quarter of 2022 due to higher compensation costs and inflationary pressures.

ASSET MANAGEMENT FEES

For the three months ended March 31, 2023, asset management fees owing to Starlight Group (as defined herein) of \$1.7 million were incurred, consistent with the three months ended March 31, 2022. In each period, this represented a charge of approximately \$0.6 million per month. See also “Related Party Transactions”.

FAIR VALUE LOSS ON INVESTMENT PROPERTIES

Northview reports fair value change of investment properties on a net basis after deducting capital expenditures. For the three months ended March 31, 2023 and 2022, the fair value loss on investment properties of \$4.4 million and \$3.7 million, respectively, related to capital expenditures.

FFO AND AFFO

Northview measures its operating performance by using net and comprehensive income (loss), as well as industry-accepted non-GAAP financial measures such as FFO and AFFO. Northview calculates FFO and AFFO in accordance with the REALPAC definition. FFO and AFFO are not defined by IFRS and do not have a standard meaning under IFRS; therefore, these measures may not be comparable to similar measures presented by other entities. See also “Non-GAAP and Other Financial Measures”.

The following table reconciles FFO and AFFO from net and comprehensive loss to the most directly comparable GAAP measure as presented in the financial statements:

	Three Months Ended March 31	
(thousands of dollars, except as indicated)	2023	2022
Net and comprehensive loss	(9,421)	(3,265)
Adjustments:		
Distributions to Unitholders	11,288	11,288
Depreciation	770	768
Fair value loss on investment properties	4,378	3,725
Other ⁽¹⁾	67	34
FFO ⁽²⁾	7,082	12,550
Maintenance capex reserve – multi-residential	(2,537)	(2,963)
Maintenance capex reserve – commercial	(166)	(237)
AFFO ⁽²⁾	4,379	9,350
FFO per Unit (\$/Unit) ⁽²⁾	0.20	0.35
FFO payout ratio – trailing twelve months ⁽²⁾	98.8%	71.9%
AFFO per Unit (\$/Unit) ⁽²⁾	0.12	0.26
AFFO payout ratio – trailing twelve months ⁽²⁾	135.2%	88.2%
Number of Units outstanding ('000s)	35,917	35,917

⁽¹⁾ “Other” is comprised of non-controlling interest, amortization of other long-term assets, amortization of tenant inducements, and fair value adjustments for non-controlling interest and equity investments.

⁽²⁾ Non-GAAP financial measure or non-GAAP ratio. See “Non-GAAP and Other Financial Measures”.

The calculation of AFFO deducts maintenance capital expenditures (“maintenance capex”), and therefore requires the categorization of value-enhancing capital expenditures (“value-enhancing capex”) and maintenance capex. Management believes the categorization of capital expenditures between value-enhancing and maintenance is subject to significant judgement. In determining maintenance capex for the calculation of AFFO, Northview has elected to use an estimated reserve amount per suite for the multi-residential portfolio, and an estimated reserve amount per sq. ft. for the commercial and executive business portfolio. Further information regarding the calculation of the maintenance capex reserve is provided in “Other Consolidated Results – Capital Expenditures – Maintenance Capex Reserve - Multi-Residential and Commercial”. Detailed information on actual capital expenditures by category is provided in “Other Consolidated Results – Capital Expenditures”.

FFO

For the three months ended March 31, 2023, FFO of \$7.1 million (\$0.20 per Unit) was lower than \$12.6 million (\$0.35 per Unit) for the comparative quarter of 2022. The decrease in FFO was due to higher financing costs, partially offset by higher NOI.

For the twelve months ended March 31, 2023, the FFO payout ratio of 98.8% was higher than 71.9% for the twelve months ended March 31, 2022. The increase in the FFO payout ratio was due to the decrease in FFO. See also “Distributions to Unitholders” for further discussion of the sustainability of Northview’s distributions.

AFFO

For the three months ended March 31, 2023, AFFO of \$4.4 million (\$0.12 per Unit) was lower than \$9.4 million (\$0.26 per Unit) for the comparative quarter of 2022. The decrease in AFFO was due to higher financing costs, partially offset by higher NOI.

For the twelve months ended March 31, 2023, the AFFO payout ratio of 135.2% was higher than 88.2% for the twelve months ended March 31, 2022. The increase in the AFFO payout ratio was due to the decrease in AFFO. See also "Distributions to Unitholders" for further discussion of the sustainability of Northview's distributions.

CAPITAL EXPENDITURES

(thousands of dollars, except as indicated)	Three Months Ended March 31		
	2023	2022	Change
Suite renovations	2,101	2,196	(4.3%)
Building and common areas	336	805	(58.3%)
Boilers and mechanical	1,095	437	150.6%
Appliances	191	121	57.9%
Other	423	149	183.9%
Total capex – multi-residential	4,146	3,708	11.8%
Average number of multi-residential suites	11,111	11,111	—%
Capex per multi-residential suite (\$/suite)	373	334	11.7%
Total capex – multi-residential	4,146	3,708	11.8%
Total capex – commercial	255	37	589.2%
Total capex	4,401	3,745	17.5%

Capital expenditures of \$4.4 million were incurred during the three months ended March 31, 2023 compared to \$3.7 million for the comparative quarter of 2022. In all periods, capital expenditures were primarily attributable to the multi-residential segment in which the majority of expenditures related to suite renovations as well as costs related to boilers and mechanical maintenance.

MAINTENANCE CAPEX RESERVE – MULTI-RESIDENTIAL AND COMMERCIAL

Capex include value-enhancing capex and maintenance capex, the categorization of which is subject to significant judgement. Value-enhancing capex are expected to increase the NOI or value of the properties and are discretionary in nature. Value-enhancing capex include building and suite improvements that enhance revenue or improve financial operating efficiency, including energy initiatives. Building improvements include exterior and common area upgrades and suite improvements include renovations that exceed basic replacement and minor repairs on turnover. Maintenance capex focus on maintaining the existing condition of the properties including routine suite renovations and replacement of boilers and mechanical systems. For the commercial business, value-enhancing capex are typically recoverable and maintenance capex are typically non-recoverable.

Northview has elected to determine the annualized maintenance capex reserve amount based on an average that includes actual maintenance capex and management's forecast of maintenance capex on a per suite or per sq.ft. basis. Annualization has been used, as capex vary within a single year based on the timing of projects, so that a period's portion of the annualized reserve represents a more sustainable amount by adjusting for variations in activity level within a year and seasonality. An average was used as capex vary from year to year based on the timing of projects between years, so that an average of multiple years represents a more sustainable amount by adjusting for variations in activity level between years. As the year ended December 31, 2021 represented Northview's first full year of operations so that three years of actual maintenance capex is not available, management's forecasts have been used to achieve an average of up to three years as this better adjusts for variations in the timing of projects over multiples years.

- For 2023, the annualized reserve was based on an average of actual results for the years ended December 31, 2021 and 2022 and management's forecast for the year ended December 31, 2023.
- For 2022, the annualized reserve was based on an average of actual results for the year ended December 31, 2021 and management's forecast for the year ended December 31, 2022.

For each period presented, the maintenance capex reserve reflects that period's portion of the annualized reserve applied to the average number of multi-residential suites or commercial square footage, excluding properties related to joint ventures.

For three months ended March 31, 2023, management has determined the annualized multi-residential maintenance capex reserve to be \$913 per multi-residential suite (three months ended March 31, 2022 – \$1,067 per multi-residential suite).

For the three months ended March 31, 2023, management determined the annualized commercial maintenance capex reserve to be \$0.64 per sq. ft. (three months ended March 31, 2022 – \$0.91 per sq. ft.), based on square footage excluding joint ventures.

The following table compares the maintenance capex reserve to actual maintenance capex:

(thousands of dollars, except as indicated)	Three Months Ended March 31	
	2023	2022
Multi-residential		
Maintenance capex reserve	2,537	2,963
Actual maintenance capex	2,402	1,501
Difference	135	1,462
Commercial		
Maintenance capex reserve	166	237
Actual maintenance capex	255	37
Difference	(89)	200

For the three months ended March 31, 2023, actual maintenance capex was relatively consistent with the maintenance capex reserve. For the three months ended March 31, 2022, maintenance capex reserve exceeded actual maintenance capex as actual maintenance capex for the year ended December 31, 2022 was lower than the forecast used to calculate the maintenance capex reserve for 2022 due to the timing of projects, resulting in lower than forecasted capex in the first quarter of 2022.

TAX STATUS

Northview is a mutual fund trust and a real estate investment trust as defined in the *Income Tax Act* (Canada) (the "Tax Act"). Under current tax legislation, a real estate investment trust is entitled to deduct distributions from taxable income such that it is not liable to pay income taxes provided that its taxable income is fully distributed to Unitholders. Northview is a real estate investment trust as it meets prescribed conditions under the Tax Act relating to the nature of its assets and revenue. Northview qualifies as a "real estate investment trust" (as defined in the Tax Act) (a "Tax REIT") and intends to make distributions not less than the amount necessary to ensure that Northview will not be liable to pay income taxes (the "Tax REIT Exemption"). However, should it no longer qualify, it would not be able to flow-through its taxable income to Unitholders and Northview would, therefore, be subject to tax. As of and during the three months ended March 31, 2023, Northview met all the requirements to be qualified as a Tax REIT.

The Tax REIT Exemption does not apply to incorporated subsidiaries of Northview, which are therefore subject to Canadian income taxes. Northview does not currently hold any income-producing property or operations in taxable incorporated subsidiaries. As such, there is currently no provision for current or deferred income tax expense required in the current reporting period.

SUMMARY OF QUARTERLY RESULTS

(thousands of dollars, except as indicated)	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Revenue	51,627	50,969	49,703	48,899	48,639	48,424	48,172	47,681
Net and comprehensive (loss) income	(9,421)	25,128	52,707	(3,759)	(3,265)	(18,205)	839	(2,692)
Net and comprehensive (loss) income (\$/Unit)	(0.26)	0.70	1.47	(0.10)	(0.09)	(0.51)	0.02	(0.07)
NOI	26,889	28,345	30,904	28,628	24,631	27,918	30,189	27,621
FFO ⁽¹⁾	7,082	9,505	14,553	14,552	12,550	16,102	18,479	15,635
FFO per Unit (\$/Unit) ⁽¹⁾	0.20	0.26	0.41	0.41	0.35	0.45	0.51	0.44
FFO payout ratio – trailing twelve months ⁽¹⁾	98.8%	88.3%	78.2%	73.2%	71.9%	69.1%	70.7%	75.2%

⁽¹⁾ Non-GAAP financial measure or non-GAAP ratio. See “Non-GAAP and Other Financial Measures – Non-GAAP Financial Measures” and “Non-GAAP and Other Financial Measures – Non-GAAP Ratios”.

Northview’s operations are affected by seasonality and operating performance in one quarter may not be reflective of operating performance of another quarter. While revenue is not typically impacted by seasonality, operating expenses are typically higher in the winter months in the first and fourth quarters of each year due to higher utilities and other expenses. See “Utility Cost Risk” in the annual MD&A. Northview also determines the fair value of investment properties each reporting period. Any resulting fair value adjustment may have a significant impact on net and comprehensive (loss) income. Additionally, net and comprehensive (loss) income and FFO have been impacted by higher market interest rates in recent periods as Northview’s credit facility is subject to floating interest rates. See “Interest Rate Risk” in the annual MD&A.

LIQUIDITY AND CAPITAL RESOURCES

Northview’s objective for managing liquidity and capital resources is to ensure adequate liquidity for operating, capital, and investment activities, as well as distributions to Unitholders. Northview is able to fund its obligations with cash flows provided by operating activities, borrowings on the credit facility, and mortgage debt secured by investment properties.

As at March 31, 2023, Northview had a working capital deficiency of \$663.9 million (December 31, 2022 – \$781.3 million), which consists of the current portion of credit facility borrowings and mortgages payable. The current portion of credit facility borrowings consisted of all borrowings on the credit facility of \$449.0 million (December 31, 2022 – \$503.5 million), which matures on October 30, 2023. In addition, there is \$219.8 million (December 31, 2022 – \$288.4 million) related to the current portion of mortgages payable which is expected to be refinanced with new long-term mortgages.

Northview has a history of generating positive cash flows provided by operating activities. However, it has also operated with a historic working capital deficiency, primarily resulting from a significant portion of its mortgages maturing in any given year. Northview has managed this working capital deficiency through mortgage renewals, extensions or refinancing as a normal part of its business activities.

Northview’s ability to generate positive cash flows provided by operating activities, its access to levers to manage cash outflows, and its access to alternative sources of capital, if necessary, as described above, result in an expectation that Northview will be able to meet its obligations as they come due for the foreseeable future.

In addition, a financial covenant on the credit facility requires Northview to maintain a minimum debt service coverage ratio of 1.40. As a result of higher floating interest rates on the credit facility which outpaced improvements in adjusted net operating income, Northview’s debt service coverage ratio has declined and is approaching its limit. As at and during the three months ended March 31, 2023, Northview was in compliance with all financial covenants and is currently in advanced negotiations to amend the threshold for the debt service coverage ratio. If Northview is not successful in amending this covenant, it is at risk of a breach of this covenant in future periods, after which lenders would have the right to trigger immediate repayment of all advances on the credit facility. See also “Credit Facility – Financial Covenants” for further discussion of financial covenants.

Northview is currently in advanced negotiations with its lenders regarding amendments to the credit facility, which seek to extend the current maturity date, expand borrowing capacity, and amend the threshold for the debt service

coverage ratio among other items. In addition, if needed, Northview may take additional steps to continue to manage its liquidity, including any combination of reducing capital expenditures, divesting non-core investment properties and assets, obtaining new debt, equity, or other forms of financing, or reducing or suspending distributions.

There can be no assurance that Northview will be successful in amending its credit facility. See also Northview's annual MD&A for full discussion regarding liquidity risk.

As at March 31, 2023, Northview had undrawn capacity of \$11.5 million on its credit facility (December 31, 2022 – \$26.4 million). As market conditions permit, Northview may also leverage availability of financing on its properties to minimize interest costs as mortgage financing may be used to repay borrowings on the credit facility that are subject to higher interest rates. In April 2023, Northview drew an additional \$9.0 million on its credit facility, resulting in undrawn capacity of \$2.5 million as at May 12, 2023, in addition to Northview's cash balance.

Northview is actively pursuing a Recapitalization Event by November 2023, which would be expected to improve its financial position and reduce leverage. See also "Recapitalization Event".

MORTGAGES

During the three months ended March 31, 2023, Northview completed \$143.1 million of mortgage financing with a weighted average interest rate of 4.18% and an average term to maturity of 5.5 years. During the three months ended March 31, 2022, there was no new mortgage financing. In each period, this represents long-term financing obtained for the multi-residential segment, which represents the majority of Northview's business.

As at March 31, 2023, Northview's mortgage maturity schedule and weighted average interest rate for the twelve-month periods ending March 31 were as follows:

	Principal Amount	Principal on Maturity	Total	% of Total	Weighted Average Interest Rate
2024	23,733	192,082	215,815	23.6%	4.74%
2025	18,702	175,297	193,999	21.3%	2.82%
2026	11,065	122,440	133,505	14.7%	3.07%
2027	6,964	37,272	44,236	4.9%	2.42%
2028	4,763	151,276	156,039	17.2%	4.03%
Thereafter	3,958	162,257	166,215	18.3%	3.68%
Total	69,185	840,624	909,809	100.0%	3.64%

CREDIT FACILITY

As at March 31, 2023, Northview had in place a credit facility with a total credit limit of \$460.5 million maturing on October 30, 2023 (December 31, 2022 – \$529.9 million maturing on October 30, 2023). The credit facility includes multiple tranches that each bore interest at the prime rate plus 2.65% or the Bankers' Acceptance ("BA") rate plus 3.65%.

The terms of the credit facility were as follows:

	As at March 31, 2023		As at December 31, 2022	
	Credit Limit	Amount Drawn	Credit Limit	Amount Drawn
Tranche A-1 Facility	260,677	260,677	315,651	315,651
Tranche A-2 Facility	72,866	72,866	87,251	87,251
Tranche B Facility	32,000	30,500	32,000	22,600
Tranche B-2 Revolving Facility	20,000	20,000	20,000	20,000
Tranche B-3 Term Facility	75,000	65,000	75,000	58,000
Total	460,543	449,043	529,902	503,502

The Tranche A-1 Facility and the Tranche A-2 Facility are non-revolving term loan facilities. The Tranche B Facility is a non-revolving capital expenditure loan facility on which draws may occur no more than once per fiscal quarter in an amount of up to 75% of allowable capital expenditure costs incurred. The Tranche B-2 Revolving Facility is a facility available for general corporate, trust, or operating purposes. The Tranche B-3 Term Facility is a non-revolving facility on which draws may occur no more than once per fiscal quarter for mortgage principal repayments.

As the Tranche A-1 Facility and the Tranche A-2 Facility are non-revolving term loan facilities, payments on the facilities reduce the credit limit available. For the three months ended March 31, 2023, Northview completed repayments of \$69.4 million (three months ended March 31, 2022 – \$nil), which reduced the credit limit on the Tranche A-1 Facility and Tranche A-2 Facility, and borrowings of \$14.9 million (three months ended March 31, 2022 – \$12.0 million).

FINANCIAL COVENANTS

As at March 31, 2023, the credit facility was subject to the following financial covenants:

	Limit
Consolidated debt to aggregate assets	Not greater than 75%
Debt service coverage ratio	Not less than 1.40
Consolidated tangible net worth	Not less than \$350 million
Physical occupancy rate	Not less than 87%

The financial covenants include financial measures defined within the credit facility agreement that are not defined under IFRS and cannot be directly derived from the interim financial statements. These financial measures are defined under the credit facility agreement as follows:

- Consolidated debt: Includes all debts of the borrower determined in accordance with IFRS, excluding obligations owing under hedge agreements.
- Aggregate assets: Includes the appraised value of multi-residential rental and commercial real property.
- Debt service coverage ratio: Calculated as the ratio of adjusted NOI to debt service for the last four fiscal quarters. Debt service is calculated as the sum of consolidated interest expense and all regularly scheduled principal payments other than balloon, bullet, or similar payments that repay the debt in full.
- Consolidated tangible net worth: Includes stated capital or equivalent amounts in respect of issued and outstanding Units less amounts attributable to outstanding Units that are redeemable prior to the maturity date of the facility, amounts attributable to certain intangible assets, and amounts attributable to the interests of any unitholder in any subsidiary.
- Physical occupancy rate: Calculated as the percentage of the number of suites occupied by one or more tenants paying current rent divided by the total number of suites.

As at and during the three months ended March 31, 2023, Northview was in compliance with all financial covenants. See also “Capital Management” in the interim financial statements for further discussion of Northview’s objectives, policies, and processes for managing capital and to “Liquidity and Capital Resources” in this MD&A for further discussion of risks related to financial covenants. See also “Risk Factors”.

CAPITAL MANAGEMENT

Management monitors Northview’s capital structure on an ongoing basis to determine the appropriate level of mortgages and borrowings on the credit facility. Consistent with industry practice, Northview monitors capital on the basis of debt to gross book value. Please refer to the interim financial statements for further discussion of this capital management measure.

The Declaration of Trust provides for a maximum debt to gross book value ratio of 70.0%. Debt to gross book value was 67.3% as at March 31, 2023 (December 31, 2022 – 66.4%), which was in compliance with the Declaration of Trust. The portfolio premium included in the determination of debt to gross book value as at March 31, 2023 was \$89.0 million (December 31, 2022 – \$89.0 million), which was determined based on an appraisal of the portfolio obtained for a plan of arrangement in 2020.

The following table calculates Northview's debt to gross book value ratio:

		As at March 31, 2023	As at December 31, 2022
Credit facility		449,043	503,502
Mortgages payable		909,809	843,757
Less: Cash and cash equivalents		(19,418)	(26,486)
Total debt	A	1,339,434	1,320,773
Investment properties		1,862,101	1,862,078
Property, plant and equipment		31,295	32,043
Accumulated depreciation		8,148	7,312
Portfolio premium		89,000	89,000
Gross book value	B	1,990,544	1,990,433
Debt to gross book value	A/B	67.3%	66.4%

NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

Northview's Units are classified as financial liabilities rather than equity instruments and accordingly are presented as net assets attributable to Unitholders.

Northview's issued and outstanding Units were as follows:

(number of Units in thousands)		As at March 31, 2023	As at December 31, 2022
Class A		7,109	7,182
Class C		24,478	24,479
Class F		2,882	2,810
Total Units issued		34,469	34,471
Total Units potentially issuable upon conversion ⁽¹⁾		1,448	1,446
Total Units outstanding		35,917	35,917

⁽¹⁾ Units potentially issuable upon conversion reflects maximum dilution assuming that all Class C Units and Class F Units were converted to Class A Units.

Total Units outstanding reflects the maximum number of Units outstanding if all Class C Units and Class F Units were converted to Class A Units. Class A Units are listed on the TSX under the symbol "NHF.UN". Class C Units and Class F Units are not listed by Northview on any stock exchange, but Units of each class are convertible into Class A Units and the Class C Units are also convertible into Class F Units, subject in each case to compliance with the terms and conditions of Northview's Declaration of Trust. Additionally, Class A Units are convertible into Class F Units in accordance with the Declaration of Trust, subject to at all times continuing to satisfy the minimum listing requirements of the TSX. In the event that a conversion of Class A Units into Class F Units would cause Northview not to satisfy the minimum listing requirements of the TSX, such Class A Units will not be converted and further conversions of Class A Units into Class F Units will not be permitted until such time as the conversion would not cause Northview to fail to satisfy the minimum listing requirements of the TSX.

The Unit conversion ratios in accordance with, and subject to compliance with, the terms and conditions of Northview's Declaration of Trust, are as follows:

- Class A Units to Class F Units: 1.00 to 0.969309463
- Class C Units to Class A Units: 1.00 to 1.055408971
- Class C Units to Class F Units: 1.00 to 1.023017903
- Class F Units to Class A Units: 1.00 to 1.031662269

As at April 30, 2023, Northview's issued Units were as follows:

(number of Units in thousands)		As at April 30, 2023
Class A		7,080
Class C		24,477
Class F		2,911
Total Units issued		34,468

CONTRACTUAL OBLIGATIONS

Contractual obligations for non-derivative financial liabilities as at March 31, 2023 were as follows:

	Carrying Amount	Contractual Cash Flows	Up to 1 year	1 – 3 years	4 – 5 years	Over 5 years
Mortgages payable (principal and interest)	909,809	990,065	241,648	363,167	222,694	162,556
Credit facility	449,043	449,043	449,043	—	—	—
Trade and other payables ⁽¹⁾	28,340	28,340	28,340	—	—	—
Distributions payable	3,763	3,763	3,763	—	—	—
Total	1,390,955	1,471,211	722,794	363,167	222,694	162,556

⁽¹⁾ Security deposits payable are included in trade and other payables.

DISTRIBUTIONS TO UNITHOLDERS

Pursuant to the Declaration of Trust, Unitholders are entitled to receive distributions declared as approved by the Trustees. For the three months ended March 31, 2023 and 2022, Northview declared monthly cash distributions of \$11.3 million, which represented a weighted average of \$0.1092 per Unit and \$0.1091 per Unit, respectively.

Distributions declared to Unitholders were as follows:

(thousands of dollars)	Three Months Ended March 31	
	2023	2022
Class A	2,246	2,483
Class C	8,120	8,129
Class F	922	676
Total	11,288	11,288

The following table calculates Northview's distributions declared to cash flows provided by operating activities:

(thousands of dollars)		Three Months Ended March 31	
		2023	2022
Distributions paid to Unitholders	A	11,288	11,288
Cash flows provided by operating activities	B	2,627	6,607
Distribution payout ratio (%)	A/B	429.7%	170.8%
Deficiency of cash flows provided by operating activities over distributions paid	B-A	(8,661)	(4,681)

For the three months ended March 31, 2023 and 2022, distributions declared to Unitholders were \$11.3 million which represented 429.7% and 170.8% of cash flows provided by operating activities, respectively. Distributions declared exceeded cash flows provided by operating activities for the three months ended March 31, 2023 and 2022, as both periods were impacted by higher operating expenses in the winter months, resulting in lower cash flows provided by operating activities in the first quarter. The decrease in cash flows provided by operating activities in the current quarter compared to the comparative period in the prior year was primarily due to increased financing costs. The distributions in excess of cash flows provided by operating activities represent a return of capital that were funded by part of Northview's debt capacity on its credit facility, which matures on October 30, 2023. In addition, Northview monitors its liquidity position each month when declaring distributions and a reduction or suspension in distributions may be a possible mechanism to manage liquidity. See also "Recapitalization Event".

In any given financial period, distributions declared may be greater than cash flows provided by operating activities as a result of expenses incurred to operate Northview's business. If distributions exceed cash flows from operating activities regularly, Northview may be required to use part of its debt capacity or reduce or suspend distributions in order to operate. If Northview were unable to raise additional funds or renew existing maturing debt on acceptable terms, capital expenditures could be reduced or assets could be sold. If distributions declared are in excess of cash flows provided by operating activities, they represent a return of capital rather than a return on capital since they represent cash payments in excess of cash generated from Northview's operating activities during the period. Management intends to manage cash flows provided by operating activities and distributions declared so that cash flows provided by operating activities exceed distributions declared over the longer term.

See also "Risk Factors".

RELATED PARTY TRANSACTIONS

Related party transactions are conducted in the normal course of operations. Starlight Group Property Holdings Inc. and its affiliates (“Starlight Group”) and KingSett Capital Inc. and its affiliates (“KingSett”) have significant influence over Northview by virtue of Unit holdings and representation on Northview’s Board of Trustees by Daniel Drimmer and Rob Kumer, respectively. Additionally, an affiliate of Starlight Group, Starlight Investments CDN AM Group LP, provides asset management services to Northview.

Northview has a Management Agreement with Starlight, whereby Starlight provides asset management services to Northview, including the services of the Chief Executive Officer and Chief Financial Officer, in exchange for an asset management fee equal to 0.35% of gross asset value per annum, calculated and payable on a monthly basis included as “Asset management fees” in the table below.

See also Northview’s annual MD&A for full discussion regarding related party transactions.

The following table outlines transactions with entities with significant influence:

	Three Months Ended March 31	
	2023	2022
Asset management fees	1,650	1,642

The following table outlines outstanding balances with entities with significant influence:

	As at March 31, 2023	As at December 31, 2022
Accounts payable	643	646

No provision for doubtful debts has been recognized related to the outstanding balances as credit risk is considered low given the nature of the related parties.

RISK FACTORS

Northview faces a variety of significant and diverse risks, many of which are inherent in the business conducted by Northview and its subsidiaries, including, but not limited to, the factors described within this MD&A, the forward-looking information section of the MD&A, and the annual MD&A. Other risks and uncertainties that Northview does not presently consider to be material, or of which Northview is not presently aware, may become important factors that affect Northview’s future financial condition and results of operations. The occurrence of any of the risks discussed could materially and adversely affect the business, prospects, financial condition, results of operations, cash flow, and the ability of Northview to make cash distributions to Unitholders or the value of the Units.

Distributions may exceed cash flows from operating activities in any given period as a result of expenses incurred in operating Northview’s business. If distributions exceed cash flows from operating activities regularly, Northview may be required to use part of its debt capacity or reduce distributions in order to continue to operate. In addition, Northview’s debt service coverage ratio, a financial covenant on its credit facility, is approaching its limit. Northview is currently in advanced negotiations with its lenders regarding amendments to the credit facility, which seek to reduce the limit for the debt service coverage ratio among other items. Northview is at risk of a breach of this covenant in future periods, which could trigger immediate early repayment of the credit facility if Northview were not successful in amending its covenants. In such situation, Northview could seek to divest investment properties and assets, or obtain new debt, equity, or other forms of financing at higher borrowing costs.

For a further discussion of key risks and uncertainties, please refer to Northview’s annual MD&A.

CRITICAL ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in accordance with IFRS as issued by the International Accounting Standards Board requires management to make estimates and judgements that affect the reported amounts of assets, liabilities, income, and expenses. Estimates and judgements are evaluated each reporting period and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, differ from the actual results. There have been no

updates to matters covered by this section since the annual MD&A. There have been no changes to Northview's accounting policies from those reported at December 31, 2022.

OFF-BALANCE SHEET ARRANGEMENTS

As at March 31, 2023, Northview did not have any off-balance sheet arrangements in place that would materially impact its financial position or results of operations.

CONTROLS AND PROCEDURES

DISCLOSURE CONTROLS AND PROCEDURES

As at March 31, 2023, the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") have designed, or caused to be designed under their supervision, disclosure controls and procedures ("DC&P"), as defined in National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"), to provide reasonable assurance that (i) material information relating to Northview is made known to the CEO and the CFO by others, particularly during the period in which the annual filings are being prepared; and (ii) information required to be disclosed by Northview in its annual filings, interim filings, or other reports filed or submitted by Northview under securities legislation is recorded, processed, summarized, and reported within the time periods specified in securities legislation.

During the first quarter of 2023, there were no significant changes in Northview's DC&P that have materially affected, or are reasonably likely to materially affect, Northview's DC&P.

INTERNAL CONTROL OVER FINANCIAL REPORTING

As at March 31, 2023, the CEO and the CFO have designed, or caused to be designed under their supervision, internal control over financial reporting ("ICFR"), as defined in NI 52-109, to provide reasonable assurance regarding the reliability of Northview's financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The control framework used to design Northview's ICFR is the framework set forth in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013.

It should be noted that a control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system will be met, and it should not be expected that the control system will prevent and detect all errors and fraud.

During the first quarter of 2023, there were no changes in Northview's ICFR that have materially affected, or are reasonably likely to materially affect, Northview's ICFR.