Northview™

Management's Discussion and Analysis

For the three and six months ended June 30, 2023 and 2022

ADVISORIES

The following Management's Discussion and Analysis ("MD&A") of the results of operations and financial condition, dated August 9, 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 and six months ended June 30, 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.sedarplus.ca.

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 and six months ended June 30, 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 August 9, 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, execusuites, 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 August 9, 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 November 2, 2023.

RECAPITALIZATION EVENT

On June 12, 2023, Northview announced a recapitalization transaction, including acquisitions of three portfolios for $742 million and its intention to transform into Northview Residential REIT (the “Recapitalization Event”), which will constitute the Recapitalization Event for purposes of the Declaration of Trust. The purchase price is expected to be satisfied through the issuance of units at a value of $15.06 per Unit, exchangeable or redeemable units of certain subsidiaries of Northview at a value of $15.06 per unit, the assumption of in-place mortgage debt, and credit facility borrowings. The acquisitions will offer investors exposure to new rental markets, supporting Northview’s growth objectives, including increased rental revenue and operating income, and is also expected to provide a strong foundation for future acquisition and development opportunities.

The first portfolio consists of twelve properties in Alberta, Nova Scotia, and Québec that will be purchased from an affiliate of Starlight Investments and certain funds managed by KingSett Capital (the “Galaxy Portfolio”). The second portfolio consists of four properties in Ontario and Alberta that will be purchased from an affiliate of Starlight Investments (the “Starlight Portfolio”). The third portfolio consists of four properties in Winnipeg, Manitoba that will be purchased from two global, institutional investors (the “Winnipeg Portfolio”). As the acquisitions of the Galaxy Portfolio and the Starlight Portfolio constitute related party transactions, Northview obtained formal valuations of the Galaxy Portfolio and the Starlight Portfolio by an independent and qualified valuator.

In connection with the Recapitalization Event, Northview intends to amend its Declaration of Trust to align Northview with typical open-ended real estate investment trusts and to facilitate the aforementioned acquisitions. In addition, in accordance with its terms, the management agreement with Starlight Group (as defined herein) will terminate upon completion of the Recapitalization Event.

Upon closing of the Recapitalization Event, Northview expects to execute amendments to the existing credit facility which include, among other matters, an extension of the maturity date of October 30, 2023 to December 31, 2024 and a revised threshold for the debt service coverage ratio of 1.20 from 1.40. In addition to the amendments to its existing credit facility, Northview expects an additional $60.0 million credit facility, secured by the Starlight Portfolio and the Winnipeg Portfolio, which will provide further financial flexibility.

The Recapitalization Event is expected to deleverage and strengthen Northview’s balance sheet, including increasing the proportion of fixed-rate debt. Upon closing of the Recapitalization Event, Northview is expected to have total assets in excess of $2.7 billion. This will create a strong platform from which Northview will broaden and deepen its access to capital, increase Unitholder liquidity and, over time, lead to a reduction in Northview’s cost of capital. These benefits are anticipated to provide greater financial stability and liquidity, and enhance Northview’s ability to grow. The new structure is also consistent with traditional, open-ended, publicly traded real estate investment trusts, which is expected to attract greater institutional investment and result in enhanced liquidity and marketability.

Northview received a no-action letter from the Competition Bureau and on August 4, 2023, Unitholders approved the Recapitalization Event. The closing of the Recapitalization Event remains subject to customary closing conditions, including the receipt of certain third-party consents.

For additional information, see also the Notice of Annual and Special Meeting of Unitholders and Management Information Circular dated June 30, 2023 at www.northviewfund.com and on SEDAR+ at www.sedarplus.ca.

2023 SECOND QUARTER RESULTS

(thousands of dollars, except as indicated)	As at June 30, 2023	As at December 31, 2022
Total assets	**1,950,301**	1,954,529
Total liabilities, excluding net assets attributable to Unitholders	**1,396,873**	1,388,497
Total liabilities, net assets attributable to Unitholders	**1,949,149**	1,953,366
Total non-current liabilities, excluding net assets attributable to Unitholders	**682,751**	562,433
Mortgages payable	**929,864**	850,830
Debt to gross book value[1]	**67.8%**	66.4%
Weighted average mortgage interest rate	**3.65%**	3.63%
Weighted average term to maturity (years)	**3.4**	2.5
Weighted average capitalization rate	**7.18%**	7.18%
Multi-residential occupancy[2]	**94.1%**	93.4%
AMR ($)[2]	**1,299**	1,278
Number of multi-residential suites	**11,121**	11,121
Number of execusuites	**200**	200
Commercial sq. ft.	**1,131,730**	1,131,730
Number of Units outstanding ('000s)[2]	**35,917**	35,917

	Three Months Ended June 30		Six Months Ended June 30	
(thousands of dollars, except as indicated)	**2023**	2022	**2023**	**2022**
Revenue	**51,578**	48,899	**103,205**	97,538
NOI	**30,656**	28,628	**57,545**	53,259
NOI margin[2]	**59.4%**	58.5%	**55.8%**	54.6%
Cash flows provided by operating activities	**10,873**	15,315	**13,500**	21,922
Distributions declared to Unitholders	**9,395**	11,288	**20,683**	22,576
Distributions declared per Unit ($/Unit)				
Class A Unit	**0.2616**	0.3143	**0.5759**	0.6286
Class C Unit	**0.2761**	0.3317	**0.6078**	0.6634
Class F Unit	**0.2699**	0.3242	**0.5941**	0.6484
FFO payout ratio[3]	**101.6%**	73.2%	**101.6%**	73.2%
AFFO payout ratio[3]	**140.6%**	90.9%	**140.6%**	90.9%
Net and comprehensive loss	**(3,100)**	(3,759)	**(12,521)**	(7,024)
Net and comprehensive loss per Unit ($/Unit)	**(0.09)**	(0.10)	**(0.35)**	(0.20)
FFO[3]	**11,435**	14,552	**18,517**	27,102
FFO per Unit ($/Unit)[3]	**0.32**	0.41	**0.52**	0.75
AFFO[3]	**8,732**	11,353	**13,111**	20,703
AFFO per Unit ($/Unit)[3]	**0.24**	0.32	**0.37**	0.58

(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 SECOND QUARTER REVIEW

NET AND COMPREHENSIVE LOSS AND FFO

For the three months ended June 30, 2023, net and comprehensive loss of $3.1 million was lower than $3.8 million for the three months ended June 30, 2022. The decrease in net and comprehensive loss was driven by NOI growth and lower distributions, partially offset by an increase in financing costs. The higher financing costs, partially offset by higher NOI, resulted in FFO of $11.4 million and FFO per Unit of $0.32 for the three months ended June 30, 2023, which were lower than $14.6 million and $0.41, respectively, for the comparative period.

For the six months ended June 30, 2023, net and comprehensive loss of $12.5 million was higher than $7.0 million for the six months ended June 30, 2022. For the six months ended June 30, 2023, FFO of $18.5 million was lower than FFO of $27.1 million for the six months ended June 30, 2022, and FFO per Unit of $0.52 was lower than $0.75 for the comparative period. The changes in net and comprehensive loss and FFO were related to an increase in financing costs due to higher interest rates on the credit facility, which more than offset NOI growth.

NOI

NOI for the second quarter of 2023 increased by 7.1% and NOI margin increased by 90 bps to 59.4% relative to the second quarter of 2022 as higher revenues outpaced inflationary pressures on operating expenses in both the multi-residential and the commercial and execusuite segments. In the multi-residential segment, NOI increased by 7.4%, led by increases of 20.7% in Western Canada and 13.5% in Atlantic Canada, partially offset by a decrease in NOI of 4.4% in Northern Canada. Occupancy and AMR increased by 780 bps and 4.0%, respectively, in Western Canada and 130 bps and 4.0%, respectively, in Atlantic Canada compared to the three months ended June 30, 2022. In Northern Canada, relatively stable occupancy and AMR were more than offset by higher maintenance expenses relative to the comparative period of 2022.

NOI of $57.5 million and NOI margin of 55.8% for the six months ended June 30, 2023 were higher than $53.3 million and 54.6%, respectively, for the six months ended June 30, 2022 as higher revenue more than offset higher operating expenses. An increase in revenue of 5.8% was driven by an increase in occupancy in Western Canada and Atlantic Canada, as well as higher AMR in all regions. Higher operating expenses were primarily attributable to higher maintenance expense in Northern Canada.

Occupancy of 94.1% for the multi-residential portfolio in the second quarter of 2023 represented an improvement of 320 bps compared to the second quarter of 2022, marking the fifth 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 $1,299 as at June 30, 2023 was higher than $1,283 as at March 31, 2023 and $1,275 as at June 30, 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 June 30, 2023, Northview completed $72.1 million of mortgage financing with a weighted average interest rate of 4.13% and an average term to maturity of 9.28 years. During the three months ended June 30, 2022, Northview completed $70.9 million of mortgage financing with a weighted average interest rate of 3.82% and an average term to maturity of 4.98 years. Proceeds from mortgage financing during the three months ended June 30, 2023 and 2022 were used to repay $28.8 million and $48.3 million in borrowings on the credit facility, respectively.

During the six months ended June 30, 2023, Northview completed $215.2 million of mortgage financing with a weighted average interest rate of 4.16% and an average term to maturity of 6.60 years. During the six months ended June 30, 2022, Northview completed $70.9 million of mortgage financing with a weighted average interest of 3.82% and an average term to maturity of 4.98 years. Proceeds from mortgage financing during the six months ended June 30, 2023 and 2022 were used to repay $98.1 million and $48.3 million in borrowings on the credit facility, respectively.

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.

As part of the Recapitalization Event, Northview expects to execute amendments to the credit facility, including the extension of the current maturity date of October 30, 2023 to December 31, 2024. See also "Recapitalization Event" and "Liquidity and Capital Resources".

Debt to gross book value was 67.8% as at June 30, 2023, an increase of 140 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 $9.4 million and $20.7 million for the three and six months ended June 30, 2023 were lower than $11.3 million and $22.6 million for the comparative periods in the prior year. Commencing with the distribution declared in June 2023, Northview adjusted its distribution to $0.625 per Class A Unit per annum (with proportionately equivalent changes to the distributions per Class C Unit and Class F Unit). The current level of distributions is expected to allow for stable monthly cash distributions to Unitholders.

For the twelve months ended June 30, 2023, the FFO payout ratio was 101.6% compared to 73.2% for the twelve months ended June 30, 2022. The increase in the FFO payout ratio was due to the decrease in FFO. See also "Distributions to Unitholders".

OUTLOOK

On June 12, 2023, Northview announced its Recapitalization Event, which includes the acquisitions of three portfolios with properties in Alberta, Ontario, Nova Scotia, Québec, and Manitoba. These acquisitions will further diversify Northview's portfolio and supplement Northview's strong operational performance. In addition, the Recapitalization Event will establish the foundation for future growth opportunities with enhanced access to capital, as well as deleverage and strengthen Northview's balance sheet. See also "Recapitalization Event".

Northview's current portfolio is expected to continue to deliver strong operating results. In Northern Canada (as defined herein), rental revenue is expected to remain stable for the remainder of 2023 due to tight supply conditions, sustained low vacancy and high AMR, which reflects the higher cost operating environment, and long-term leases with government tenants. In Western Canada (as defined herein), the economy has been increasingly impacted by diversification and signs of increasing capital activity in the oil and gas sector that have encouraged a more optimistic outlook for the region and it is expected to experience continued occupancy gains at a more moderate pace. 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, which is expected to result in stable occupancy and rental rates in the region for the rest of 2023.

The long-term fundamentals for Canadian multi-residential markets remain compelling as recent economic volatility has heightened market expectations that tightening monetary policy may lead to broad economic weakness. The current high interest rate environment is expected to continue to put pressures on expenses and therefore FFO. Northview's portfolio is located in 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, operating efficiencies, and expenditure management, to the extent expenditures are controllable, which have contributed to continued occupancy and AMR growth. 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.

2023 SECOND QUARTER OPERATING RESULTS

Operations include the multi-residential segment and the commercial and execusuite 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:

	Three Months Ended June 30			Six Months Ended June 30		
(thousands of dollars)	**2023**	2022	Change	**2023**	2022	Change
Multi-residential	**41,091**	38,832	5.8%	**81,497**	77,144	5.6%
Commercial and execusuite	**10,487**	10,067	4.2%	**21,708**	20,394	6.4%
Total	**51,578**	48,899	5.5%	**103,205**	97,538	5.8%

Revenue is comprised of rental revenue earned from residential and commercial lease agreements and rents from execusuites, 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 5.8% and 5.6% for the three and six months ended June 30, 2023, compared to the same period in 2022 driven by Western Canada and Atlantic Canada.

For the three and six months ended June 30, 2023, revenue in the commercial and execusuite segment increased 4.2% and 6.4% relative to the comparative periods in the prior year, driven by higher other income in the commercial portfolio and higher revenue in the execusuite portfolio.

OPERATING EXPENSES

The following table details operating expenses by segment:

	Three Months Ended June 30			Six Months Ended June 30		
(thousands of dollars)	**2023**	2022	Change	**2023**	2022	Change
Multi-residential	**16,816**	16,230	3.6%	**36,488**	35,447	2.9%
Commercial and execusuite	**4,106**	4,041	1.6%	**9,172**	8,832	3.8%
Total	**20,922**	20,271	3.2%	**45,660**	44,279	3.1%

The following table details consolidated operating expenses by category:

	Three Months Ended June 30			Six Months Ended June 30		
(thousands of dollars)	**2023**	2022	Change	**2023**	2022	Change
Utilities	**5,891**	5,974	(1.4%)	**14,445**	15,035	(3.9%)
Maintenance	**6,182**	5,607	10.3%	**13,425**	11,731	14.4%
Property taxes	**3,549**	3,852	(7.9%)	**7,373**	7,629	(3.4%)
Salaries and benefits	**2,209**	1,982	11.5%	**4,146**	3,824	8.4%
General	**3,091**	2,856	8.2%	**6,271**	6,060	3.5%
Operating expenses	**20,922**	20,271	3.2%	**45,660**	44,279	3.1%

Total operating expenses for the three and six months ended June 30, 2023 increased by 3.2% and 3.1%, respectively, compared to the same period in 2022, which was primarily attributable to increases in maintenance expense.

For the three months ended June 30, 2023, utilities expense was relatively comparable with the three months ended June 30, 2022. For the six months ended June 30, 2023, utilities expense decreased by 3.9% compared to the same period in the prior year, driven by lower electricity consumption and natural gas prices in the first quarter of 2023. 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.

Maintenance expense increased by 10.3% and 14.4%, respectively, for the three and six months ended June 30, 2023 relative to the comparative periods in 2022. The increases in maintenance expense were primarily attributable to unexpected repairs to utility infrastructure and boiler maintenance costs incurred in Iqaluit, NU and inflationary pressures on service contracts, partially offset by lower security expense for certain Yellowknife, NT properties.

Property tax expense decreased by 7.9% and 3.4% for the three and six months ended June 30, 2023, respectively, due to New Brunswick property tax relief credits received in the second quarter of 2023 compared to the third quarter of 2022.

For the three and six months ended June 30, 2023, salaries and benefits increased by 11.5% and 8.4% compared to the same periods in 2022, driven by general salary increases and fewer vacant positions.

General operating expenses increased by 8.2% and 3.5%, respectively, for the three and six months ended June 30, 2023 compared to the same periods in the prior year, driven by higher insurance expense.

NET OPERATING INCOME

CONSOLIDATED NET OPERATING INCOME

	Three Months Ended June 30			Six Months Ended June 30		
(thousands of dollars)	**2023**	**2022**	**Change**	**2023**	**2022**	**Change**
Multi-residential	**24,275**	22,602	7.4%	**45,009**	41,697	7.9%
Commercial and execusuite	**6,381**	6,026	5.9%	**12,536**	11,562	8.4%
Total	**30,656**	28,628	7.1%	**57,545**	53,259	8.0%
NOI margin	**59.4%**	58.5%	0.9%	**55.8%**	54.6%	1.2%

For the three and six months ended June 30, 2023, NOI increased by 7.1% and 8.0%, respectively, and NOI margin increased by 0.9% and 1.2%, respectively, relative to the comparative periods in 2022 due to NOI growth in both the multi-residential and the commercial and execusuite segments.

NET OPERATING INCOME BY SEGMENT AND REGION

	Three Months Ended June 30					
	Multi-Residential			Commercial and Execusuite		
(thousands of dollars)	**2023**	**2022**	**Change**	**2023**	**2022**	**Change**
Northern Canada	**10,061**	10,527	(4.4%)	**5,357**	4,953	8.2%
Western Canada	**8,573**	7,104	20.7%	**181**	178	1.7%
Atlantic Canada	**5,641**	4,971	13.5%	**843**	895	(5.8%)
Total	**24,275**	22,602	7.4%	**6,381**	6,026	5.9%

	Six Months Ended June 30					
	Multi-Residential			Commercial and Execusuite		
(thousands of dollars)	**2023**	**2022**	**Change**	**2023**	**2022**	**Change**
Northern Canada	**18,910**	19,636	(3.7%)	**10,512**	9,485	10.8%
Western Canada	**15,700**	12,692	23.7%	**344**	318	8.2%
Atlantic Canada	**10,399**	9,369	11.0%	**1,680**	1,759	(4.5%)
Total	**45,009**	41,697	7.9%	**12,536**	11,562	8.4%

	Three Months Ended June 30			Six Months Ended June 30		
(thousands of dollars)	**2023**	2022	Change	**2023**	2022	Change
Northern Canada	**15,418**	15,480	(0.4%)	**29,422**	29,121	1.0%
Western Canada	**8,754**	7,282	20.2%	**16,044**	13,010	23.3%
Atlantic Canada	**6,484**	5,866	10.5%	**12,079**	11,128	8.5%
Total	**30,656**	28,628	7.1%	**57,545**	53,259	8.0%

In the multi-residential segment, NOI increased by 7.4% and 7.9%, respectively, for the three and six months ended June 30, 2023 led by NOI growth in Western Canada and Atlantic Canada due to higher revenue in both regions, partially offset by lower NOI in Northern Canada.

In the commercial and execusuite segment, NOI increased by 5.9% and 8.4%, respectively, for the three and six months ended June 30, 2023 due to higher other income in the commercial portfolio and higher revenue in the execusuite portfolio.

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 June 30, 2023 and June 30, 2022, Northview's portfolio consisted of the following suites, execusuites, 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

	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Northern Canada	**2,282**	2,280	2,273	2,267	2,260
Western Canada	**1,073**	1,052	1,046	1,039	1,032
Atlantic Canada	**902**	895	888	877	867
Overall	**1,299**	1,283	1,278	1,276	1,275

OCCUPANCY

	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Northern Canada	**96.4%**	95.9%	96.3%	96.4%	96.7%
Western Canada	**89.7%**	88.9%	87.9%	84.9%	81.9%
Atlantic Canada	**98.2%**	98.5%	98.2%	97.3%	96.9%
Overall	**94.1%**	93.7%	93.4%	92.1%	90.9%

SUITES, AMR, AND OCCUPANCY BY REGION

		AMR ($)			Occupancy (%)		
	Multi-Residential Suites	Q2 2023	Q2 2022	Change (%)	Q2 2023	Q2 2022	Change (bps)
Northern Canada							
Northwest Territories	1,310	**1,813**	1,792	1.2%	**91.8%**	93.3%	(150)
Nunavut	1,176	**2,762**	2,743	0.7%	**99.7%**	99.1%	60
Northern Canada	2,486	**2,282**	2,260	1.0%	**96.4%**	96.7%	(30)
Western Canada							
Alberta	3,559	**1,071**	1,029	4.1%	**90.2%**	82.5%	770
British Columbia	1,379	**988**	951	3.9%	**85.1%**	77.1%	800
Saskatchewan	323	**1,371**	1,312	4.5%	**99.0%**	91.4%	760
Western Canada	5,261	**1,073**	1,032	4.0%	**89.7%**	81.9%	780
Atlantic Canada							
Newfoundland and Labrador	1,875	**915**	887	3.2%	**98.1%**	95.7%	240
New Brunswick	1,338	**901**	853	5.6%	**98.2%**	98.3%	(10)
Québec	161	**772**	753	2.5%	**100.0%**	99.8%	20
Atlantic Canada	3,374	**902**	867	4.0%	**98.2%**	96.9%	130
Overall	11,121	**1,299**	1,275	1.9%	**94.1%**	90.9%	320

NORTHERN CANADA OPERATIONS

AMR of $2,282 as at June 30, 2023 was consistent with $2,260 as at June 30, 2022, underpinned by the stable government-centric economy and long-term lease arrangements with government departments and agencies.

Occupancy decreased by 30 bps to 96.4% in the second quarter of 2023, compared to 96.7% in the second quarter of 2022 mainly due to delays in suite turnover driven by labour and supply constraints in the Northwest Territories. Northview focused on completing suite turnovers for rental units early in the second quarter of 2023, resulting in occupancy growth of 50 bps in Northern Canada from the first quarter of 2023.

	Three Months Ended June 30			Six Months Ended June 30		
(thousands of dollars)	2023	2022	Change	2023	2022	Change
Revenue	**16,358**	16,283	0.5%	**32,517**	32,471	0.1%
Operating expenses	**6,297**	5,756	9.4%	**13,607**	12,835	6.0%
NOI	**10,061**	10,527	(4.4%)	**18,910**	19,636	(3.7%)
NOI margin (%)	**61.5%**	64.7%	(3.2%)	**58.2%**	60.5%	(2.3%)

For the three and six months ended June 30, 2023, NOI decreased by 4.4% and 3.7% and NOI margin decreased by 3.2% and 2.3%, respectively, relative to the same periods in the prior year. These decreases were primarily attributable to higher operating expenses, largely driven by higher maintenance expenses, coupled with stable revenue.

WESTERN CANADA OPERATIONS

AMR of $1,073 as at June 30, 2023 was 4.0% higher than $1,032 as at June 30, 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 89.7% for the three months ended June 30, 2023 represented an increase of 780 bps compared to 81.9% in the second quarter of 2022, driven by Grande Prairie, AB; Fort McMurray, AB; and Fort St. John, BC.

	Three Months Ended June 30			Six Months Ended June 30		
(thousands of dollars)	**2023**	**2022**	**Change**	**2023**	**2022**	**Change**
Revenue	**15,509**	13,821	12.2%	**30,635**	27,297	12.2%
Operating expenses	**6,936**	6,717	3.3%	**14,935**	14,605	2.3%
NOI	**8,573**	7,104	20.7%	**15,700**	12,692	23.7%
NOI margin (%)	**55.3%**	51.4%	3.9%	**51.2%**	46.5%	4.7%

For the three and six months ended June 30, 2023, NOI increased by 20.7% and 23.7%, respectively, and NOI margin increased by 3.9% and 4.7%, respectively, as higher revenue outpaced operating expenses. The increases in operating expenses were due to maintenance expense, partially offset by lower utility costs.

ATLANTIC CANADA OPERATIONS

AMR was $902 as at June 30, 2023, an increase of 4.0% compared to $867 as at June 30, 2022. The increase in AMR was driven by low market vacancy and a strengthening economy in New Brunswick.

Occupancy of 98.2% for the three months ended June 30, 2023 represented an increase of 130 bps compared to 96.9% in the second quarter of 2022, driven by St John's, NL, as demand for rental properties increased due to population growth and reduced home affordability.

	Three Months Ended June 30			Six Months Ended June 30		
(thousands of dollars)	**2023**	**2022**	**Change**	**2023**	**2022**	**Change**
Revenue	**9,224**	8,728	5.7%	**18,345**	17,376	5.6%
Operating expenses	**3,583**	3,757	(4.6%)	**7,946**	8,007	(0.8%)
NOI	**5,641**	4,971	13.5%	**10,399**	9,369	11.0%
NOI margin (%)	**61.2%**	57.0%	4.2%	**56.7%**	53.9%	2.8%

For the three and six months ended June 30, 2023, NOI increased by 13.5% and 11.0%, respectively, and NOI margin increased by 4.2% and 2.8%, respectively, versus the comparative periods in 2022. The increases were driven by both higher revenue, due to higher AMR and occupancy, and lower operating expenses. Lower operating expenses for the three and six months ended June 30, 2023 due to lower property taxes, partially offset by higher maintenance expenses.

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.

	Three Months Ended June 30			Six Months Ended June 30		
(thousands of dollars)	**2023**	**2022**	**Change**	**2023**	**2022**	**Change**
Revenue	**10,487**	10,067	4.2%	**21,708**	20,394	6.4%
Operating expenses	**4,106**	4,041	1.6%	**9,172**	8,832	3.8%
NOI	**6,381**	6,026	5.9%	**12,536**	11,562	8.4%
NOI margin (%)	**60.8%**	59.9%	0.9%	**57.7%**	56.7%	1.0%

For the three and six months ended June 30, 2023, NOI increased by 5.9% and 8.4%, respectively, and NOI margin increased by 0.9% and 1.0%, respectively, from the comparative periods in the prior year as higher revenue, driven by higher other income in the commercial portfolio and higher room rental rates in the execusuite portfolio, more than offset inflationary pressures on operating expenses.

COMMERCIAL OPERATIONS

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

	Three Months Ended June 30					
	Average Rent ($/sq. ft.)			Occupancy (%)		
	2023	**2022**	**Change (%)**	**2023**	**2022**	**Change (bps)**
Northern Canada	**27.36**	27.11	0.9%	**95.1 %**	95.5%	(40)
Western Canada	**15.05**	15.08	(0.2%)	**71.5 %**	70.8%	70
Atlantic Canada	**18.01**	18.48	(2.5%)	**89.3 %**	89.4%	(10)
	24.43	24.38	0.2%	**91.1 %**	91.3%	(20)

	Six Months Ended June 30					
	Average Rent ($/sq. ft.)			Occupancy (%)		
	2023	**2022**	**Change (%)**	**2023**	**2022**	**Change (bps)**
Northern Canada	**27.29**	27.03	1.0%	**95.2 %**	95.7%	(50)
Western Canada	**15.06**	15.06	—%	**71.6 %**	70.9%	70
Atlantic Canada	**17.95**	18.54	(3.2%)	**87.2 %**	90.1%	(290)
	24.41	24.34	0.3%	**90.7 %**	91.6%	(90)

For the three and six months ended June 30, 2023, average rent per sq. ft. (see “Non-GAAP and Other Financial Measures – Other Key Performance Indicators”) was relatively consistent with the same periods in the prior year. For the three and six months ended June 30, 2023, occupancy decreased by 20 bps and 90 bps, respectively, versus the comparative periods in the prior year, driven by vacated space in Atlantic Canada that was leased at the end of the second quarter of 2023.

Approximately 15.0% of Northview's leased commercial space is maturing in the rest 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%, of 60.5% in the second quarter of 2023 was lower than 63.4% in the second quarter of 2022 as the comparative period benefited from higher demand due to long-term construction projects and overflow of short-term accommodations related to medical travel. For the six months ended June 30, 2023, executive occupancy, including joint ventures at 100%, increased to 59.8% compared to 55.7% for the six months ended June 30, 2022 due to higher demand for full-service suites.

For the three and six months ended June 30, 2023, average room rental rates were 25% and 22% higher, respectively, than the comparative periods in 2022, driven by strengthening of the economy.

OTHER CONSOLIDATED RESULTS

OTHER EXPENSES (INCOME)

	Three Months Ended June 30			Six Months Ended June 30		
(thousands of dollars)	**2023**	**2022**	**Change**	**2023**	**2022**	**Change**
Distributions to Unitholders	**9,395**	11,288	(16.8%)	**20,683**	22,576	(8.4%)
Financing costs	**16,033**	10,749	49.2%	**32,465**	19,780	64.1%
Administration	**1,905**	1,954	(2.5%)	**3,923**	3,564	10.1%
Asset management fees	**1,650**	1,650	—%	**3,300**	3,292	0.2%
Depreciation and amortization	**821**	856	(4.1%)	**1,661**	1,711	(2.9%)
Equity income from joint ventures	**(357)**	(325)	9.8%	**(653)**	(580)	12.6%
Fair value loss on investment properties	**4,309**	6,215	(30.7%)	**8,687**	9,940	(12.6%)
Total	**33,756**	32,387	4.2%	**70,066**	60,283	16.2%

DISTRIBUTIONS TO UNITHOLDERS

Distributions of $9.4 million and $20.7 million for the three and six months ended June 30, 2023 were lower than $11.3 million and $22.6 million for the comparative periods in the prior year. Commencing with the distribution declared in June 2023, Northview adjusted its distribution to $0.625 per Class A Unit per annum (with proportionately equivalent changes to the distributions per Class C Unit and Class F Unit). The current level of distributions is expected to allow for stable monthly cash 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.

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, gain on extinguishment of debt, and other income. For the three and six months ended June 30, 2023, financing costs increased by 49.2% and 64.1%, respectively, versus the comparative periods in the prior year. The increase in financing costs was primarily driven by higher interest expense on the credit facility attributable to the higher interest rate environment as the floating rate on the credit facility increased from 5.42% in the second quarter of 2022 to 8.71% in the second quarter of 2023. To manage higher interest rates, Northview has focused on repaying borrowings on the credit facility and, for the six months ended June 30, 2023, proceeds from mortgage financing were used to repay $98.1 million on the credit facility, representing approximately 20% of its borrowings on the credit facility as at December 31, 2022.

ADMINISTRATION EXPENSE

Administration expense of $1.9 million in the second quarter of 2023 was comparable to $2.0 million in the second quarter of 2022. For the six months ended June 30, 2023, administration expense was 10.1% higher than the six months ended June 30, 2022 due to higher compensation costs and inflationary pressures.

ASSET MANAGEMENT FEES

For the three and six months ended June 30, 2023, asset management fees owing to Starlight Group (as defined herein) of $1.7 million and $3.3 million, respectively, were incurred, consistent with the three and six months ended June 30, 2022, respectively. In each period, this represented a charge of approximately $0.6 million per month. See also “Related Party Transactions”.

In accordance with its terms, the management agreement with Starlight Group will terminate upon completion of the Recapitalization Event. See also “Recapitalization Event”.

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 and six months ended June 30, 2023, the fair value loss on investment properties of $4.3 million and $8.7 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, the most directly comparable GAAP measure as presented in the financial statements:

	Three Months Ended June 30		Six Months Ended June 30	
(thousands of dollars, except as indicated)	**2023**	**2022**	**2023**	**2022**
Net and comprehensive loss	**(3,100)**	(3,759)	**(12,521)**	(7,024)
Adjustments:				
Distributions to Unitholders	**9,395**	11,288	**20,683**	22,576
Depreciation	**769**	770	**1,539**	1,538
Fair value loss on investment properties	**4,309**	6,215	**8,687**	9,940
Other(1)	**62**	38	**129**	72
FFO(2)	**11,435**	14,552	**18,517**	27,102
Maintenance capex reserve – multi-residential	**(2,537)**	(2,963)	**(5,074)**	(5,926)
Maintenance capex reserve – commercial	**(166)**	(236)	**(332)**	(473)
AFFO(2)	**8,732**	11,353	**13,111**	20,703
FFO per Unit ($/Unit)(2)	**0.32**	0.41	**0.52**	0.75
FFO payout ratio – trailing twelve months(2)	**101.6%**	73.2%	**101.6%**	73.2%
AFFO per Unit ($/Unit)(2)	**0.24**	0.32	**0.37**	0.58
AFFO payout ratio – trailing twelve months(2)	**140.6%**	90.9%	**140.6%**	90.9%
Number of Units outstanding (‘000s)	**35,917**	35,917	**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 execusuite 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 June 30, 2023, FFO of $11.4 million ($0.32 per Unit) was lower than $14.6 million ($0.41 per Unit) for the comparative quarter of 2022. For the six months ended June 30, 2023, FFO of $18.5 million ($0.52 per Unit) was lower than $27.1 million ($0.75 per Unit) for the six months ended June 30, 2022. The decreases in FFO were due to higher financing costs, partially offset by higher NOI.

For the twelve months ended June 30, 2023, the FFO payout ratio of 101.6% was higher than 73.2% for the twelve months ended June 30, 2022. The increase in the FFO payout ratio was primarily due to the decrease in FFO. See also “Distributions to Unitholders” for further discussion of Northview’s distributions, including an adjustment in June 2023 which is expected to allow for stable monthly cash distributions.

AFFO

For the three months ended June 30, 2023, AFFO of $8.7 million ($0.24 per Unit) was lower than $11.4 million ($0.32 per Unit) for the comparative quarter of 2022. For the six months ended June 30, 2023, AFFO of $13.1 million ($0.37 per Unit) was lower than $20.7 million ($0.58 per Unit) for the six months ended June 30, 2022. The decreases in AFFO were due to higher financing costs, partially offset by higher NOI.

For the twelve months ended June 30, 2023, the AFFO payout ratio of 140.6% was higher than 90.9% for the twelve months ended June 30, 2022. The increase in the AFFO payout ratio was primarily due to the decrease in AFFO. See also “Distributions to Unitholders” for further discussion Northview’s distributions, including an adjustment in June 2023 which is expected to allow for stable monthly cash distributions.

CAPITAL EXPENDITURES

	Three Months Ended June 30			Six Months Ended June 30		
(thousands of dollars, except as indicated)	**2023**	2022	Change	**2023**	2022	Change
Suite renovations	**2,222**	2,773	(19.9%)	**4,323**	4,969	(13.0%)
Building and common areas	**811**	1,816	(55.3%)	**1,147**	2,621	(56.2%)
Boilers and mechanical	**853**	751	13.6%	**1,948**	1,188	64.0%
Appliances	**134**	357	(62.5%)	**325**	478	(32.0%)
Other	**253**	303	(16.5%)	**676**	452	49.6%
Total capex – multi-residential	**4,273**	6,000	(28.8%)	**8,419**	9,708	(13.3%)
Average number of multi-residential suites	**11,111**	11,111	—%	**11,111**	11,111	—%
Capex per multi-residential suite ($/suite)	**385**	540	(28.8%)	**758**	874	(13.3%)
Total capex – multi-residential	**4,273**	6,000	(28.8%)	**8,419**	9,708	(13.3%)
Total capex – commercial	**57**	238	(76.1%)	**312**	275	13.5%
Total capex	**4,330**	6,238	(30.6%)	**8,731**	9,983	(12.5%)

Capital expenditures of $4.3 million and $8.7 million were incurred during the three and six months ended June 30, 2023 compared to $6.2 million and $10.0 million for the comparative periods 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.

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 the three and six months ended June 30, 2023, management has determined the annualized multi-residential maintenance capex reserve to be $913 per multi-residential suite (three and six months ended June 30, 2022 – $1,067 per multi-residential suite).

For the three and six months ended June 30, 2023, management determined the annualized commercial maintenance capex reserve to be $0.64 per sq. ft. (three and six months ended June 30, 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:

	Three Months Ended June 30		**Six Months Ended June 30**	
(thousands of dollars, except as indicated)	**2023**	**2022**	**2023**	**2022**
Multi-residential				
Maintenance capex reserve	**2,537**	2,963	**5,074**	5,926
Actual maintenance capex	**2,222**	3,402	**4,624**	4,903
Difference	**315**	(439)	**450**	1,023
Commercial				
Maintenance capex reserve	**166**	236	**332**	473
Actual maintenance capex	**57**	239	**312**	276
Difference	**109**	(3)	**20**	197

For the three and six months ended June 30, 2023, actual maintenance capex were lower than the maintenance capex reserve as actual capex for the year ended December 31, 2023 is expected to be lower than the forecast used to calculate the maintenance reserve for 2023 due to the timing of projects.

For the three months ended June 30, 2022, actual maintenance capex were higher than the maintenance capex reserve due to seasonality, as the second quarter is typically characterized by higher capex activity. For the six months ended June 30, 2022, actual maintenance capex were lower than the maintenance capex reserve as actual maintenance capex for the year ended December 31, 2022 were lower than the forecast used to calculate the maintenance capex reserve for 2022 due to the timing of projects.

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 and six months ended June 30, 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)	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Revenue	**51,578**	51,627	50,969	49,703	48,899	48,639	48,424	48,172
Net and comprehensive (loss) income	**(3,100)**	(9,421)	25,128	52,707	(3,759)	(3,265)	(18,205)	839
Net and comprehensive (loss) income ($/Unit)	**(0.09)**	(0.26)	0.70	1.47	(0.10)	(0.09)	(0.51)	0.02
NOI	**30,656**	26,889	28,345	30,904	28,628	24,631	27,918	30,189
FFO(1)	**11,435**	7,082	9,505	14,553	14,552	12,550	16,102	18,479
FFO per Unit ($/Unit)(1)	**0.32**	0.20	0.26	0.41	0.41	0.35	0.45	0.51
FFO payout ratio – trailing twelve months(1)	**101.6%**	98.8%	88.3%	78.2%	73.2%	71.9%	69.1%	70.7%

(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 June 30, 2023, Northview had a working capital deficiency of $678.1 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 $429.3 million (December 31, 2022 – $503.5 million), which matures on October 30, 2023 and is expected to be extended to December 31, 2024 in connection with the Recapitalization Event. See "Recapitalization Event". In addition, there is $247.1 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.

As at and during the three months ended June 30, 2023, Northview was in compliance with all financial covenants on the credit facility with the exception of the debt service coverage ratio of 1.35, which was less than the limit of 1.40. Northview obtained a waiver of the debt service coverage ratio covenant effective June 30, 2023 and expects to amend the threshold for the debt service coverage ratio as part of the Recapitalization Event. See also "Credit Facility – Financial Covenants" for further discussion of financial covenants.

Upon closing of the Recapitalization Event announced on June 12, 2023, Northview expects to execute amendments to its credit facility, including an extension to the maturity date of the credit facility to December 31, 2024 from October 30, 2023 and an amended threshold for the debt service coverage ratio to 1.20 from 1.40. In addition to the amendments to its existing credit facility, Northview expects an additional $60.0 million credit facility which will provide further financial flexibility. See also “Recapitalization Event.” If needed, Northview may take additional steps to continue to manage its liquidity, including any combination of further reducing capital expenditures, divesting non-core investment properties and assets, obtaining new debt, equity, or other forms of financing, or further reducing or suspending distributions. There can be no assurance that Northview will be successful in amending its credit facility, and the Recapitalization Event remains subject to customary closing conditions, including third-party consents. See also Northview’s annual MD&A for full discussion regarding liquidity risk.

As at June 30, 2023, Northview had undrawn capacity of $2.5 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.

MORTGAGES

During the three months ended June 30, 2023, Northview completed $72.1 million of mortgage financing with a weighted average interest rate of 4.13% and an average term to maturity of 9.28 years. During the three months ended June 30, 2022, Northview completed $70.9 million of mortgage financing with a weighted average interest rate of 3.82% and an average term to maturity of 4.98 years.

During the six months ended June 30, 2023, Northview completed $215.2 million of mortgage financing with a weighted average interest rate of 4.16% and an average term to maturity of 6.60 years. During the six months ended June 30, 2022, Northview completed $70.9 million of mortgage financing with a weighted average interest of 3.82% and an average term to maturity of 4.98 years.

In each period above, this represents long-term financing obtained for the multi-residential segment, which represents the majority of Northview’s business.

As at June 30, 2023, Northview’s mortgage maturity schedule and weighted average interest rate for the twelve-month periods ending June 30 were as follows:

	Principal Amount	Principal on Maturity	Total	% of Total	Weighted Average Interest Rate
2024	23,685	219,863	243,548	26.0%	4.17%
2025	18,657	153,661	172,318	18.4%	3.00%
2026	11,280	62,810	74,090	7.9%	2.72%
2027	8,536	65,535	74,071	7.9%	2.91%
2028	6,111	223,925	230,036	24.6%	4.18%
Thereafter	14,003	127,857	141,860	15.2%	3.58%
Total	**82,272**	**853,651**	**935,923**	**100.0%**	**3.65%**

CREDIT FACILITY

As at June 30, 2023, Northview had in place a credit facility with a total credit limit of $431.8 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 June 30, 2023		As at December 31, 2022	
	Credit Limit	Amount Drawn	Credit Limit	Amount Drawn
Tranche A-1 Facility	**238,154**	**238,154**	315,651	315,651
Tranche A-2 Facility	**66,629**	**66,629**	87,251	87,251
Tranche B Facility	**32,000**	**32,000**	32,000	22,600
Tranche B-2 Revolving Facility	**20,000**	**20,000**	20,000	20,000
Tranche B-3 Term Facility	**75,000**	**72,500**	75,000	58,000
Total	**431,783**	**429,283**	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 six months ended June 30, 2023, Northview completed repayments of $98.1 million (six months ended June 30, 2022 – $48.3 million), which reduced the credit limit on the Tranche A-1 Facility and Tranche A-2 Facility. In addition, Northview drew $23.9 million on the credit facility for the six months ended June 30, 2023 (six months ended June 30, 2022 – $35.0 million).

FINANCIAL COVENANTS

The credit facility is subject to the following financial covenants:

	Limit	As at June 30, 2023
Consolidated debt to aggregate assets	Not greater than 75%	**71.7%**
Debt service coverage ratio	Not less than 1.40(1)	**1.35**
Consolidated tangible net worth	Not less than $350 million	**$532.2 million**
Physical occupancy rate	Not less than 87%	**93.1%**

(1) Northview obtained a waiver for the debt service coverage ratio effective June 30, 2023.

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 six months ended June 30, 2023, Northview was in compliance with all financial covenants on the credit facility with the exception of the debt service coverage ratio of 1.35, which was less than the limit of 1.40. Northview obtained a waiver of the debt service coverage ratio covenant effective June 30, 2023.

See also “Capital Management” in the interim financial statements for further discussion of Northview’s objectives, policies, and processes for managing capital and “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 67.8% as at June 30, 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 June 30, 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 June 30, 2023	As at December 31, 2022
Credit facility		**429,283**	503,502
Mortgages payable		**935,923**	843,757
Less: Cash and cash equivalents		**(16,195)**	(26,486)
Total debt	**A**	**1,349,011**	1,320,773
Investment properties		**1,862,122**	1,862,078
Property, plant and equipment		**30,491**	32,043
Accumulated depreciation		**8,967**	7,312
Portfolio premium		**89,000**	89,000
Gross book value	**B**	**1,990,580**	1,990,433
Debt to gross book value	**A/B**	**67.8%**	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 June 30, 2023	As at December 31, 2022
Class A	**6,262**	7,182
Class C	**24,408**	24,479
Class F	**3,775**	2,810
Total Units issued	**34,445**	34,471
Total Units potentially issuable upon conversion(1)	**1,472**	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

The amendments to the Declaration of Trust expected in connection with the Recapitalization Event include a subdivision of the existing Class C Units and Class F Units in accordance with their conversion ratios, such that the Units will be convertible on a 1.00 to 1.00 basis. In addition, concurrently with the closing of the Recapitalization Event, Northview intends to complete a 1.75 to 1.00 consolidation of all classes of Units in accordance with the terms of the Declaration of Trust. See also "Recapitalization Event".

As at July 31, 2023, Northview's issued Units were as follows:

(number of Units in thousands)	As at July 31, 2023
Class A	**6,293**
Class C	**24,407**
Class F	**3,745**
Total Units issued	**34,445**

CONTRACTUAL OBLIGATIONS

Contractual obligations for non-derivative financial liabilities as at June 30, 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)	**935,923**	1,017,650	271,625	286,531	331,205	128,289
Credit facility	**429,283**	429,283	429,283	—	—	—
Trade and other payables[(1)]	**35,855**	35,855	35,855	—	—	—
Distributions payable	**1,871**	1,871	1,871	—	—	—
Total	**1,402,932**	**1,484,659**	**738,634**	**286,531**	**331,205**	**128,289**

(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 and six months ended June 30, 2023, Northview declared monthly cash distributions of $9.4 million and $20.7 million, respectively, which represented a weighted average of $0.0909 per Unit and $0.1000 per Unit, respectively (for the three and six months ended June 30, 2022, Northview declared monthly cash distributions of $11.3 million and $22.6 million, respectively, which resulted in a weighted average of $0.1091 per Unit).

Distributions declared to Unitholders were as follows:

	Three Months Ended June 30		Six Months Ended June 30	
(thousands of dollars)	**2023**	**2022**	**2023**	**2022**
Class A	**1,735**	2,532	**3,981**	5,015
Class C	**6,745**	8,123	**14,865**	16,252
Class F	**915**	633	**1,837**	1,309
Total	**9,395**	11,288	**20,683**	22,576

In June 2023, Northview adjusted its distribution to $0.625 from $1.26 per Class A Unit per annum (with proportionately equivalent changes to the distributions per Class C Unit and Class F Unit). Monthly distributions for each Class A Unit, Class C Unit, and Class F Unit were as follows:

	June 2023	January - May 2023	January - December 2022
Class A	**0.05208**	0.10476	0.10476
Class C	**0.05497**	0.11056	0.11056
Class F	**0.05373**	0.10807	0.10807

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

		Three Months Ended June 30		Six Months Ended June 30	
(thousands of dollars)		**2023**	**2022**	**2023**	**2022**
Distributions paid to Unitholders	**A**	**11,288**	11,288	**22,576**	22,576
Cash flows provided by operating activities	**B**	**10,873**	15,315	**13,500**	21,922
Distribution payout ratio (%)	**A/B**	**103.8%**	73.7%	**167.2%**	103.0%
(Deficiency) excess of cash flows provided by operating activities over distributions paid	**B-A**	**(415)**	4,027	**(9,076)**	(654)

For the three and six months ended June 30, 2023, distributions paid to Unitholders represented 103.8% and 167.2% of cash flows provided by operating activities, respectively (for the three and six months ended June 30, 2022 – 73.7% and 103.0%, respectively). For the three and six months ended June 30, 2023 the decrease in cash flows provided by operating activities relative to the comparative periods in the prior year was primarily due to increased financing costs.

Distributions paid exceeded cash flows provided by operating activities for the three and six months ended June 30, 2023 and the six months ended June 30, 2022. 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. Beginning with the distribution declared in June 2023, Northview adjusted its distribution to $0.625 from $1.26 per Class A Unit per annum (with proportionately equivalent changes to the distributions per Class C Unit and Class F Unit). The current level of distributions is expected to allow for stable monthly cash distributions to Unitholders. In addition, Northview monitors its liquidity position each month when declaring distributions and a further reduction or suspension in distributions may be a possible mechanism to manage liquidity.

In any given financial period, distributions paid 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 further 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 further reduced or assets could be sold. If distributions paid 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 paid so that cash flows provided by operating activities exceed distributions paid 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 Group, whereby Starlight Group 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.

On June 12, 2023, Northview announced its Recapitalization Event, for which counterparties include affiliates of Starlight Group and KingSett. In addition, in accordance with its terms, the management agreement with Starlight Group will terminate upon completion of the Recapitalization Event. See also "Recapitalization Event".

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

The following table outlines transactions with entities with significant influence:

	Three Months Ended June 30		Six Months Ended June 30	
	2023	**2022**	**2023**	**2022**
Asset management fees	**1,650**	1,650	**3,300**	3,292

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

	As at June 30, 2023	**As at December 31, 2022**
Accounts payable	**1,187**	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 further reduce distributions in order to continue to operate. In addition, Northview's debt service coverage ratio, a financial covenant on its credit facility, is below its limit. Northview obtained a waiver of the debt service coverage ratio effective June 30, 2023. Northview expects to amend the threshold for the debt service coverage ratio as part of the Recapitalization Event. See also "Recapitalization Event". A breach of covenant, if not waived by lenders, provides lenders 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.

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 June 30, 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 June 30, 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 second 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 June 30, 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 second 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.