Management's Discussion and Analysis

For the three and nine months ended September 30, 2023 and 2022

ADVISORIES

The following Management's Discussion and Analysis ("MD&A") of the results of operations and financial condition, dated November 13, 2023, of Northview Residential REIT ("Northview" or the "REIT", formerly known as Northview 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 nine months ended September 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.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 and nine months ended September 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 made under the heading "Outlook" in this MD&A, the implementation of any changes relating to DC&P and ICFR as a result of the properties acquired pursuant to the Recapitalization Event, future maintenance expenditures, financing and the availability of financing and the terms thereof, the replacement of floating-rate debt with fixed-rate debt, 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 November 13, 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"), the risks outlined in the annual MD&A (including at "Risk Factors"), and those discussed in Northview's other materials filed with the Canadian securities regulatory authorities from time to time, 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; 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"); 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 November 13, 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"): AFFO measures operating performance and is calculated as funds from operations 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 income, for which a reconciliation is provided in "Other Consolidated Results – FFO and AFFO". AFFO is not a standardized financial measure under IFRS and, accordingly, may not be comparable to AFFO reported by other issuers. Northview's definition of AFFO differs from 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"), in that, when calculating AFFO, Northview (a) excludes accretion on Redeemable Units (as defined herein) and (b) excludes Recapitalization Event (as defined herein) costs.

Funds from operations ("FFO"): FFO measures operating performance and is calculated by adjusting net and comprehensive income for distributions recognized in net and comprehensive income, 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 gain on investment properties, fair value gain on Exchangeable Units (as defined herein), accretion on Redeemable Units, and Recapitalization Event costs. Management considers FFO a useful measure of operating performance. The most comparable GAAP measure to FFO is net and comprehensive income, for which a reconciliation is provided in "Other Consolidated Results – FFO and AFFO". FFO is not a standardized measure under IFRS and may differ from other issuers' methods of calculating FFO and, accordingly, may not be comparable to FFO reported by other issuers. Northview's definition of FFO differs from REALPAC Guidance in that, when calculating FFO, Northview (a) excludes accretion on Redeemable Units and (b) excludes Recapitalization Event costs.

NON-GAAP RATIOS

AFFO payout ratio: AFFO payout ratio is calculated as distributions declared to Unitholders (see "Non-GAAP and Other Financial Measures – Capital Management Measures") 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 on a basic and diluted basis. AFFO per Unit – basic and AFFO per Unit – diluted are calculated as AFFO divided by the weighted average number of Units – basic or the weighted average number of Units – diluted, respectively (see "Non-GAAP and Other Financial Measures – Other Key Performance Indicators"). 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 (see "Non-GAAP and Other Financial Measures – Capital Management measures") 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 on a basic and diluted basis. FFO per Unit – basic and FFO per Unit – diluted are calculated as FFO divided by the weighted average number of Units – basic or the weighted average number of Units – diluted, respectively (see "Non-GAAP and Other Financial Measures – Other Key Performance Indicators"). 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

Distributions declared to Unitholders: 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 "Trust Units" and such holders, collectively, "Trust Unitholders"), plus aggregate distributions declared to holders of limited partnership units of subsidiary limited partnerships are exchangeable into Trust Units ("Exchangeable Units" and, such holders, "Exchangeable Unitholders"), plus aggregate distributions declared to holders of redeemable limited partnership units of a subsidiary limited partnership ("Redeemable Units" and, such holders, "Redeemable Unitholders", and, collectively with the Trust Units and Exchangeable Units, "Units" and such holders, collectively, "Unitholders").

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 facilities 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. 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". Beginning in the third quarter of 2023, Northview now reports debt to gross book value excluding the portfolio premium to align with open-ended real estate investment trusts ("REITs"). Comparative periods have been adjusted to reflect this change.

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.

Number of Units outstanding: The number of Trust Units, Exchangeable Units, and Redeemable Units outstanding at period-end. See also the calculation of the number of Units outstanding in "Liquidity and Capital Resources – Units". Comparative periods have been restated to reflect the unit consolidation on a 1.75 to 1.00 basis that occurred in August 2023.

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 revenues, expenses, net operating income, occupancy, and AMR: 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, stabilized properties owned and in operation by Northview for both the current reporting period and on or before January 1, 2022 are included in the same door calculation.

Weighted average number of Units – basic: The total Trust Units, Exchangeable Units, and Redeemable Units, weighted for the period of time each was outstanding in the period presented. See also the calculation of the weighted average number of Units in "Liquidity and Capital Resources – Units". Comparative periods have been restated to reflect the unit consolidation on a 1.75 to 1.00 basis that occurred in August 2023.

Weighted average number of Units – diluted: The weighted-average number of units – basic plus additional Trust Units that are estimated to be issuable upon redemption of the outstanding Redeemable Units based on the average price of Northview's Class A Units in the period. See also the calculation of the weighted average number of Units in "Liquidity and Capital Resources – Units". Comparative periods have been restated to reflect the unit consolidation on a 1.75 to 1.00 basis that occurred in August 2023.

BUSINESS OVERVIEW

Northview is a real estate investment trust established pursuant to a declaration of trust dated April 14, 2020 as most recently amended and restated on August 21, 2023 (the "Declaration of Trust") under the laws of the Province of Ontario for the primary purpose of acquiring, owning, and operating a portfolio of income-producing rental properties in secondary markets within Canada. Northview's portfolio consists of approximately 14,400 residential suites, 1.3 million sq. ft. of commercial space, and 200 execusuites across nine provinces and two territories. Northview's Class A Units currently trade on the Toronto Stock Exchange ("TSX") under the symbol "NRR.UN" (formerly "NHF.UN").

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

Management reviews operations by market segment being the multi-residential segment and the commercial and execusuite segment.

In addition, management presents geographical reporting for Northern Canada, Western Canada, Atlantic Canada, and Central 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 Nova Scotia. The Central Canada region includes the operations of properties located in Manitoba, Québec, and Ontario.

As at September 30, 2023, 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	6,181	—	142,545
Atlantic Canada	4,057	—	245,417
Central Canada	1,698	—	106,751
Total	**14,422**	**200**	**1,251,373**

Previously, Northview presented the operations of properties located in Québec within Atlantic Canada. Due to the Recapitalization Event, the operations of properties located in Québec have been reallocated to Central Canada. Comparative periods have been adjusted to reflect this change.

OUTLOOK

Northview's new structure as an open-ended REIT, with total assets of $2.7 billion, is expected to attract greater institutional investment and result in enhanced liquidity and marketability. Following the Recapitalization Event, Northview created a strong platform from which it can broaden and deepen its access to capital, increase Unitholder liquidity and, over time, reduce Northview's cost of capital. Debt to gross book value of 65.8% as at September 30, 2023 represented a decrease of 370 bps from 69.5% as at December 31, 2022 as the Recapitalization Event deleveraged and strengthened the balance sheet, driven by lower leverage ratios for the acquired properties.

Northview is Canada's only predominantly residential real estate investment trust with exposure to nine provinces and two territories, with approximately 14,400 residential suites, 1.3 million sq. ft. of commercial space, and 200 execusuites. This solid foundation offers potential for continued growth, particularly in new markets. In addition to exposure to new markets, Northview maintains a significant presence in Northern Canada, which is expected to remain a source of strong, stable returns.

Canadians continue to experience a housing shortage across the country, driven by strong demand supported by population growth and relatively limited rental supply. High rental rates and low vacancy are expected to persist as demand continues to outpace supply. Northview remains focused on providing quality housing to its tenants, which is anticipated to improve financial results, through a focus on customer service.

Since March 2022, the Bank of Canada has increased its target for the overnight rate by 475 bps to 5.00%. This increase in market interest rates has significantly increased Northview's financing costs, particularly on its credit facilities which bear interest at floating rates. Northview continues to reduce its interest rate exposure and, as a result of the Recapitalization Event and the use of mortgage financing to repay borrowings on the credit facilities, Northview increased its proportion of fixed-rate debt to 75% as at September 30, 2023, from 56% as at December 31, 2022. Northview remains focused on reducing its floating interest rate exposure and strengthening its balance sheet.

Northview's portfolio is expected to continue to deliver strong operating results from its existing properties and the recently integrated acquired properties. In Northern Canada, rental revenue is expected to remain stable 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, the economy has been increasingly impacted by diversification, strong commodity-based markets, and sustained demand from the service industry. These factors have encouraged a more optimistic outlook for the region, which is expected to experience continued occupancy gains at a more moderate pace. In Atlantic Canada, 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. In Central Canada, the diversified, stable economy that includes agriculture, manufacturing, and mining, is expected to deliver consistent returns.

RECAPITALIZATION EVENT

On August 21, 2023, Northview completed the previously announced recapitalization transaction, which included the acquisitions of three high-quality portfolios consisting of 3,301 multi-residential suites and a transformation into Northview Residential REIT, an open-ended real estate investment trust, with a corresponding change in TSX trading symbol to "NRR.UN" from "NHF.UN", which constituted the Recapitalization Event for purposes of the Declaration of Trust (the "Recapitalization Event").

The Recapitalization Event provided Northview with further geographic diversification, grew total assets to $2.7 billion, and provided the foundation for future growth opportunities through a strengthened balance sheet and a reduction in overall leverage. The completion of the Recapitalization Event has enhanced Northview's ability to broaden and deepen its access to capital.

Immediately following the closing of the Recapitalization Event, Northview's units were consolidated on a 1.75 to 1.00 basis. All references to the number of units and per unit amounts in this MD&A have been restated and are reflected on a post-consolidation basis.

The significant components of the Recapitalization Event are outlined below.

TRADITIONAL REIT STRUCTURE

Northview transformed to an open-ended real estate investment trust from a closed-ended fund. In the third quarter of 2023, Northview amended and restated its Declaration of Trust to align Northview with typical open-ended real estate investment trusts and to facilitate the Recapitalization Event. In addition, upon closing of the Recapitalization Event, the carried interest was crystallized and settled by way of the Northview Canadian HY Holdings LP class B units becoming exchangeable for Trust Units. See also "Related Party Transactions".

ACQUISITIONS OF PORTFOLIOS

Three portfolios were acquired for an aggregate purchase price of $741.9 million. The first portfolio consisted of twelve properties in Alberta, Nova Scotia, and Québec and was purchased from an affiliate of Starlight Group (as defined herein), certain funds managed by KingSett Capital, and an affiliate of AIMCo Realty (the "Galaxy Portfolio"). The second portfolio consisted of four properties in Ontario and Alberta and was purchased from an affiliate of Starlight Investments (the "SL Portfolio"). The third portfolio consisted of four properties in Winnipeg, Manitoba and was purchased from two global, institutional investors (the "Winnipeg Portfolio").

The purchase price was satisfied through a combination of the issuance of Units at a value of $26.36 per unit on a post-consolidation basis ($15.06 per unit on a pre-consolidation basis) (the "Transaction Unit Price"), in addition to the assumption of in-place mortgage debt and cash consideration primarily resulting from mortgage financing and credit facility borrowings. The Units issued for the acquisition consisted of Trust Units as well as Exchangeable Units and Redeemable Units of certain Northview subsidiaries.

To account for the transaction, the fair value of Trust Units and Exchangeable Units was measured with reference to the closing price of Class A Units on the TSX of $12.65 per unit, resulting in a fair value differential between the Transaction Unit Price and fair value upon closing. The purchase price of $741.9 million was accounted for as follows:

(thousands of dollars)	**Total**
Fair value of Units issued	**232,879**
Cash	**98,998**
Fair value of mortgages	**267,325**
Working capital deficit	**3,371**
Fair value gain	**139,297**
Purchase price	**741,870**

The fair value gain of $139.3 million increased the cost of the investment properties to purchase price and was recognized in net and comprehensive income. See also "Acquisitions" and "Related Party Transactions".

CREDIT FACILITIES

Upon closing of the Recapitalization Event, Northview also executed amendments to the existing syndicated credit facility and obtained an additional $60.0 million term credit facility. The amendments to the syndicated facility provided for an additional $40.0 million facility to effect the Recapitalization Event which was fully repaid in the quarter, an extension of the maturity date of the syndicated credit facility to December 31, 2024 from October 31, 2023, and revised thresholds for the debt service coverage ratio and tangible net worth financial covenants, among other matters. See also “Liquidity and Capital Resources – Credit Facilities”.

INTERNALIZATION OF MANAGEMENT

In accordance with its terms, the Management Agreement (as defined herein) with Starlight Group (as defined herein), the Management Agreement was terminated upon completion of the Recapitalization Event. Following the termination of the Management Agreement, Northview’s Chief Executive Officer and Chief Financial Officer were employed directly by Northview.

2023 THIRD QUARTER RESULTS

(thousands of dollars, except as indicated)	As at September 30, 2023	As at December 31, 2022
Total assets	**2,723,054**	1,954,529
Non-current liabilities	**1,538,756**	562,433
Credit facilities	**364,059**	503,502
Mortgages payable	**1,364,209**	850,830
Debt to gross book value[1]	**65.8%**	69.5%
Weighted average mortgage interest rate	**3.77%**	3.63%
Weighted average term to maturity (years)	**4.7**	2.5
Weighted average capitalization rate	**6.47%**	7.18%
Multi-residential occupancy[3]	**94.7%**	93.4%
AMR ($)[3]	**1,301**	1,278
Number of Units outstanding[3]	**36,056**	20,524

	Three Months Ended September 30		Nine Months Ended September 30	
(thousands of dollars, except as indicated)	**2023**	**2022**	**2023**	**2022**
Revenue	**57,402**	49,703	**160,607**	147,241
NOI	**35,022**	30,904	**92,567**	84,163
NOI margin[3]	**61.0%**	62.2%	**57.6%**	57.2%
Cash flows provided by operating activities	**10,128**	9,443	**23,628**	31,365
Distributions declared to Unitholders[1]	**8,004**	11,287	**28,687**	33,863
Distributions declared per Unit ($/Unit)				
Class A Unit	**0.2734**	0.5500	**1.2812**	1.6500
Class C Unit	**0.2785**	0.5804	**1.3421**	1.7413
Class F Unit	**0.2763**	0.5674	**1.3160**	1.7021
FFO payout ratio – trailing twelve months[2],[4]	**98.6%**	78.2%	**98.6%**	78.2%
AFFO payout ratio – trailing twelve months[2],[4]	**139.5%**	99.5%	**139.5%**	99.5%
Net and comprehensive income	**155,476**	52,707	**142,955**	45,683
Per basic unit ($/Unit)	**5.66**	2.57	**6.25**	2.23
Per diluted unit ($/Unit)	**5.28**	2.57	**6.16**	2.23
FFO[3]	**12,530**	14,553	**31,047**	41,655
Per basic unit ($/Unit)[2]	**0.46**	0.71	**1.36**	2.03
Per diluted unit ($/Unit)[2]	**0.43**	0.71	**1.34**	2.03
AFFO[3]	**9,246**	11,353	**22,357**	32,056
Per basic unit ($/Unit)[2]	**0.34**	0.55	**0.98**	1.56
Per diluted unit ($/Unit)[2]	**0.31**	0.55	**0.96**	1.56
Weighted average number of Units – basic[3]	**27,446**	20,524	**22,857**	20,524
Weighted average number of Units – diluted[3]	**29,460**	20,524	**23,208**	20,524

(1) See "Non-GAAP and Other Financial Measures – Capital Management Measures".
(2) 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".
(3) See "Non-GAAP and Other Financial Measures – Other Key Performance Indicators".
(4) Calculated for the period from October 1, 2022 to September 30, 2023.

2023 THIRD QUARTER REVIEW

NET AND COMPREHENSIVE INCOME AND FFO

For the three months ended September 30, 2023, net and comprehensive income of $155.5 million was higher than $52.7 million for the three months ended September 30, 2022. The increase was driven by the fair value gain on investment properties and the reclassification of distributions declared on Trust Units, partially offset by Recapitalization Event costs. The fair value gain on investment properties is primarily related to an accounting gain of $161.3 million on properties acquired in the third quarter of 2023.

FFO of $12.5 million for the third quarter of 2023 was lower than $14.6 million in the third quarter of 2022 as higher financing costs more than offset increased NOI. FFO per basic Unit and FFO per diluted Unit of $0.46 and $0.43, respectively, for the three months ended September 30, 2023 were lower than $0.71 and $0.71, respectively, for the same periods in 2022 due to lower FFO and additional Units issued for the Recapitalization Event.

For the nine months ended September 30, 2023, net and comprehensive income of $143.0 million was higher than $45.7 million for the nine months ended September 30, 2022 due to the fair value gain on investment properties, lower distributions, and NOI growth, partially offset by Recapitalization Event costs and higher financing costs.

For the nine months ended September 30, 2023, FFO of $31.0 million was lower than $41.7 million due to higher financing costs, partially offset by increased NOI. FFO per basic Unit and FFO per diluted Unit of $1.36 and $1.34, respectively, were lower than $2.03 and $2.03, respectively, for the comparative period due to lower FFO and additional Units issued for the Recapitalization Event.

NOI

For the three months ended September 30, 2023, same door NOI increased by 0.3% compared to the three months ended September 30, 2022 as NOI gains from Western Canada, Atlantic Canada, and Central Canada were offset by a decrease in NOI in Northern Canada driven by lower revenues resulting from rental abatements provided to tenants evacuated due to the Yellowknife, NT wildfires. In August 2023, the Government of the Northwest Territories issued an evacuation order for the City of Yellowknife as a result of approaching wildfires. Northview provided rental abatements for the period of the evacuation order which resulted in a decrease to revenue of $0.9 million in the third quarter of 2023.

In the third quarter of 2023, same door NOI margin decreased by 1.4% compared to the third quarter of 2022, driven by Northern Canada as a result of the rental abatements.

For the nine months ended September 30, 2023, same door NOI increased by 5.2% as NOI increased in both the multi-residential and the commercial and execusuite segments. In the multi-residential segments, higher NOI in Western Canada and Atlantic Canada more than offset lower NOI in Northern Canada. In the commercial and execusuite segment, higher revenue exceeded an increase in operating expenses. Overall, same door NOI margin was relatively consistent for the nine months ended September 30, 2023 compared to the same period in 2022.

Multi-residential occupancy for the third quarter of 2023 was 94.7%, a 260-bps improvement compared to the third quarter of 2022, making it the sixth consecutive quarter of occupancy gains. The gain was mainly due to a 660-bps increase in Western Canada, which was primarily driven by same door properties and was achieved in combination with higher AMR.

AMR of $1,301 as at September 30, 2023 was higher than $1,299 as at June 30, 2023 and $1,276 as at September 30, 2022. AMR improved across all regions from both comparative periods, driven by Western Canada AMR growth of 12.7%, of which 5.2% was contributed by same door properties and the remaining 7.5% was from higher AMR on the acquired properties.

LEVERAGE AND FINANCING ACTIVITY

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 facilities by refinancing through property mortgage debt that is subject to lower fixed interest rates.

As at September 30, 2023, debt to gross book value was 65.8%, a decrease of 370 bps from 69.5% as at December 31, 2022 due to lower leverage on the acquired properties.

To mitigate higher interest rates, Northview has focused on repaying borrowings on the credit facilities and, for the nine months ended September 30, 2023, proceeds from mortgage financing were used to repay $224.1 million on the credit facilities, representing approximately 45% of its borrowings on the credit facilities as at December 31, 2022.

During the quarter, Northview executed amendments to the syndicated facility and obtained an additional $60.0 million term facility. See “Recapitalization Event”.

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 facilities.

See also “Liquidity and Capital Resources – Capital Management”.

DISTRIBUTIONS

Distributions declared to Unitholders of $8.0 million and $28.7 million during the three and nine months ended September 30, 2023 respectively, were lower than $11.3 million and $33.9 million declared during the comparative periods of the prior year.

In June 2023, Northview adjusted its distribution to $1.09 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. Following the Recapitalization Event, distributions per Class C Unit and Class F Unit are equivalent to distributions per Class A Unit.

For the three months ended September 30, 2023, distributions declared to Unitholders represented 63.9% of $12.5 million of FFO in the third quarter of 2023. The higher FFO payout ratio of 98.6% for the twelve months ended September 30, 2023 reflected eight months of distributions at a higher rate.

See also “Distributions to Unitholders”.

2023 THIRD 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, the first and fourth quarters of each year, due to higher utilities and other expenses.

Total revenue, operating expenses, and NOI for the three and nine months ended September 30, 2023 are inclusive of 41 days of operations from the acquired properties and therefore are not comparable to the operating results for the three and nine months ended September 30, 2022.

ACQUISITIONS

In the third quarter of 2023, Northview completed the acquisitions of three portfolios which resulted in the addition of 3,301 multi-residential suites and 119,643 commercial sq. ft. for an aggregate purchase price of $741.9 million as follows:

	Multi-Residential Suites	Commercial (sq. ft)	Purchase Price
Western Canada			
Alberta	920	10,604	266,720
Western Canada	**920**	**10,604**	**266,720**
Atlantic Canada			
Nova Scotia	844	2,288	128,150
Atlantic Canada	**844**	**2,288**	**128,150**
Central Canada			
Manitoba	845	100,963	179,800
Québec	420	4,490	76,300
Ontario	272	1,298	90,900
Central Canada	**1,537**	**106,751**	**347,000**
Total	**3,301**	**119,643**	**741,870**

NOI from the acquired properties of $4.0 million in the third quarter of 2023, which reflected 41 days of operations, was consistent with management's expectations.

CONSOLIDATED NOI

Properties acquired in the third quarter of 2023 contributed additional revenue, operating expenses, and NOI to both the multi-residential and the commercial and execusuite segments. Within the multi-residential segment, properties were acquired in Western Canada, Atlantic Canada, and Central Canada. See also "2023 Third Quarter Operating Results – Acquisitions".

The following tables detail consolidated NOI:

	Three Months Ended September 30					
	Total			Same Door		
	2023	2022	Change	2023	2022	Change
Revenue	**57,402**	49,703	15.5%	**51,019**	49,703	2.6%
Expenses						
General operating expenses	**12,548**	10,476	19.8%	**11,329**	10,476	8.1%
Utilities	**5,606**	4,872	15.1%	**4,982**	4,872	2.3%
Property tax	**4,226**	3,451	22.5%	**3,706**	3,451	7.4%
Total operating expenses	**22,380**	18,799	19.0%	**20,017**	18,799	6.5%
NOI	**35,022**	30,904	13.3%	**31,002**	30,904	0.3%
NOI margin (%)	**61.0%**	62.2%	(1.2%)	**60.8%**	62.2%	(1.4%)

	Nine Months Ended September 30					
	Total			Same Door		
	2023	**2022**	**Change**	**2023**	**2022**	**Change**
Revenue	**160,607**	147,241	9.1%	**154,224**	147,241	4.7%
Expenses						
General operating expenses	**36,390**	32,091	13.4%	**35,171**	32,091	9.6%
Utilities	**20,051**	19,907	0.7%	**19,427**	19,907	(2.4%)
Property tax	**11,599**	11,080	4.7%	**11,079**	11,080	—%
Total operating expenses	**68,040**	63,078	7.9%	**65,677**	63,078	4.1%
NOI	**92,567**	84,163	10.0%	**88,547**	84,163	5.2%
NOI margin (%)	**57.6%**	57.2%	0.4%	**57.4%**	57.2%	0.2%

Same door NOI increased by 0.3% for the three months ended September 30, 2023 as an increase in multi-residential NOI was mostly offset by lower NOI in the commercial and execusuite segment. In the multi-residential segment, NOI increased in Western Canada and Atlantic Canada, which was partially offset by lower NOI in Northern Canada. In the commercial and execusuite segment, lower NOI was primarily attributable to higher operating expenses.

For the nine months ended September 30, 2023, same door NOI increased by 5.2% as NOI increased in both the multi-residential and the commercial and execusuite segments. In the multi-residential segments, higher NOI in Western Canada and Atlantic Canada more than offset by lower NOI in Northern Canada. In the commercial and execusuite segment, higher revenue exceeded an increase in operating expenses.

Same door NOI margin decreased by 1.4% in the third quarter of 2023 compared to the third quarter of 2022 as higher operating expenses more than offset higher revenue. For the nine months ended September 30, 2023, NOI margin was relatively consistent.

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.

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

MULTI-RESIDENTIAL NOI

The following tables detail multi-residential NOI:

	Three Months Ended September 30					
	Total			Same Door		
	2023	**2022**	**Change**	**2023**	**2022**	**Change**
Revenue	**47,022**	39,486	19.1%	**40,780**	39,486	3.3%
Expenses						
General operating expenses	**10,156**	8,323	22.0%	**8,939**	8,323	7.4%
Utilities	**4,579**	3,933	16.4%	**3,991**	3,933	1.5%
Property tax	**3,406**	2,726	24.9%	**2,934**	2,726	7.6%
Total operating expenses	**18,141**	14,982	21.1%	**15,864**	14,982	5.9%
NOI	**28,881**	24,504	17.9%	**24,916**	24,504	1.7%
NOI margin (%)	**61.4%**	62.1%	(0.7%)	**61.1%**	62.1%	(1.0%)

	Nine Months Ended September 30					
	Total			Same Door		
	2023	**2022**	**Change**	**2023**	**2022**	**Change**
Revenue	**128,519**	116,630	10.2%	**122,277**	116,630	4.8%
Expenses						
General operating expenses	**29,042**	25,307	14.8%	**27,824**	25,307	9.9%
Utilities	**16,243**	16,217	0.2%	**15,655**	16,217	(3.5%)
Property tax	**9,344**	8,905	4.9%	**8,872**	8,905	(0.4%)
Total operating expenses	**54,629**	50,429	8.3%	**52,351**	50,429	3.8%
NOI	**73,890**	66,201	11.6%	**69,926**	66,201	5.6%
NOI margin (%)	**57.5%**	56.8%	0.7%	**57.2%**	56.8%	0.4%

REVENUE

Multi-residential same door revenues increased by 3.3% and 4.8%, respectively, for the three and nine months ended September 30, 2023 relative to the comparative periods in the prior year. The increase was due to gains in Western Canada occupancy and AMR as well as Atlantic Canada AMR, partially offset by lower Northern Canada revenue as a result of rental abatements provided to tenants evacuated due to the Yellowknife, NT wildfires.

OPERATING EXPENSES

For the third quarter of 2023, multi-residential same door operating expenses were 5.9% higher than the third quarter of 2022 driven by general operating expenses as higher boiler maintenance costs incurred in Northern Canada were partially offset by lower security expenses related to certain properties in Yellowknife, NT. Same door property taxes increased by 7.6% in the third quarter of 2023 relative to the same period in 2022 due to the timing of receipt of property tax credits in New Brunswick.

For the nine months ended September 30, 2023, multi-residential same door operating expenses increased by 3.8% compared to the same period in the prior year driven by higher general operating expenses and utilities. General operating expenses increased by 9.9% due to higher maintenance costs primarily related to Northern Canada related to boiler repairs and maintenance in Iqaluit, NU. Same door utilities decreased by 3.5%, driven by lower fixed rate contracts in Alberta for natural gas and electricity compared to the prior year.

NOI

Same door multi-residential NOI increased by 1.7% and 5.6%, respectively, for the three and nine months ended September 30, 2023 compared to the same period in the prior year driven by Western Canada and Atlantic Canada, partially offset by Northern Canada.

For the third quarter of 2023, NOI margin decreased by 1.0% relative to the third quarter of 2022 as a result of the rental abatements. For the nine months ended September 30, 2023, NOI margin was relatively consistent.

AMR

	Total Q3 2023	**Same Door Q3 2023**	**Q2 2023**	**Q1 2023**	**Q4 2022**	**Q3 2022**
Northern Canada	**2,297**	**2,297**	2,282	2,280	2,273	2,267
Western Canada	**1,171**	**1,093**	1,073	1,052	1,046	1,039
Atlantic Canada	**950**	**927**	909	902	895	883
Central Canada	**1,140**	**784**	772	767	762	759
Overall	**1,301**	**1,316**	1,299	1,283	1,278	1,276

OCCUPANCY

	Total Q3 2023	Same Door Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Northern Canada	**96.8%**	**96.8%**	96.4%	95.9%	96.3%	96.4%
Western Canada	**91.5%**	**90.9%**	89.7%	88.9%	87.9%	84.9%
Atlantic Canada	**97.2%**	**97.4%**	98.1%	98.4%	98.1%	97.3%
Central Canada	**95.2%**	**98.9%**	100.0%	100.0%	99.8%	97.2%
Overall	**94.7%**	**94.6%**	94.1%	93.7%	93.4%	92.1%

AMR, AND OCCUPANCY BY REGION

	AMR ($)			Occupancy (%)		
	Q3 2023	Q3 2022	Change (%)	Q3 2023	Q3 2022	Change (bps)
Northern Canada						
Northwest Territories	**1,823**	1,796	1.5%	**93.1%**	92.6%	50
Nunavut	**2,781**	2,747	1.2%	**99.5%**	99.3%	20
Northern Canada	**2,297**	2,267	1.3%	**96.8%**	96.4%	40
Western Canada						
Alberta	**1,196**	1,038	15.2%	**92.4%**	85.6%	680
British Columbia	**1,001**	953	5.0%	**86.1%**	79.5%	660
Saskatchewan	**1,397**	1,321	5.8%	**98.2%**	94.9%	330
Western Canada	**1,171**	1,039	12.7%	**91.5%**	84.9%	660
Atlantic Canada						
Newfoundland and Labrador	**928**	894	3.8%	**97.2%**	96.3%	90
New Brunswick	**926**	869	6.6%	**97.6%**	98.8%	(120)
Nova Scotia	**1,038**	—	n/a	**96.2%**	—%	n/a
Atlantic Canada	**950**	883	7.6%	**97.2%**	97.3%	(10)
Central Canada						
Manitoba	**1,091**	—	n/a	**92.7%**	—%	n/a
Québec	**1,000**	759	31.8%	**99.1%**	97.2%	190
Ontario	**1,599**	—	n/a	**94.5%**	—%	n/a
Central Canada	**1,140**	759	50.2%	**95.2%**	97.2%	(200)
Overall	**1,301**	1,276	2.0%	**94.7%**	92.1%	260

NORTHERN CANADA OPERATIONS

	Three Months Ended September 30					
	Total			Same Door		
(thousands of dollars)	2023	2022	Change	2023	2022	Change
Revenue	**15,516**	16,241	(4.5%)	**15,516**	16,241	(4.5%)
Operating expenses	**5,857**	5,114	14.5%	**5,857**	5,114	14.5%
NOI	**9,659**	11,127	(13.2%)	**9,659**	11,127	(13.2%)
NOI margin (%)	**62.3%**	68.5%	(6.2%)	**62.3%**	68.5%	(6.2%)

	Nine Months Ended September 30					
	Total			Same Door		
(thousands of dollars)	2023	2022	Change	2023	2022	Change
Revenue	**48,033**	48,712	(1.4%)	**48,033**	48,712	(1.4%)
Operating expenses	**19,464**	17,949	8.4%	**19,464**	17,949	8.4%
NOI	**28,569**	30,763	(7.1%)	**28,569**	30,763	(7.1%)
NOI margin (%)	**59.5%**	63.2%	(3.7%)	**59.5%**	63.2%	(3.7%)

For the three months ended September 30, 2023, total and same door NOI and NOI margin decreased by 13.2% and 6.2%, respectively, due to both lower revenue and higher operating expenses. Total and same door revenue declined 4.5% as rental abatements were provided to tenants impacted by the Yellowknife, NT wildfire evacuations, resulting in a $0.9 million decrease to revenue, which was partially offset by increases in both AMR and occupancy. Operating expenses increased by 14.5% in the third quarter of 2023 compared to the same period in the prior year due to higher boiler maintenance costs in Iqaluit, NU, as well as higher electricity and fuel oil costs.

For the nine months ended September 30, 2023, total and same door NOI and NOI margin decreased by 7.1% and 3.7%, respectively, due to both lower revenue and higher operating expenses. The decrease in revenue was primarily attributable to rental abatements in Yellowknife, NT, partially offset by higher AMR and occupancy. The increase in operating expenses was driven by increased boiler maintenance costs as well as unexpected utility infrastructure repairs in Iqaluit, NU, partially offset by lower security expenses related to certain properties in Yellowknife, NT.

WESTERN CANADA OPERATIONS

	Three Months Ended September 30					
		Total			Same Door	
(thousands of dollars)	**2023**	**2022**	**Change**	**2023**	**2022**	**Change**
Revenue	**18,075**	14,341	26.0%	**16,004**	14,341	11.6%
Operating expenses	**7,174**	6,591	8.8%	**6,562**	6,591	(0.4%)
NOI	**10,901**	7,750	40.7%	**9,442**	7,750	21.8%
NOI margin (%)	**60.3%**	54.0%	6.3%	**59.0%**	54.0%	5.0%

	Nine Months Ended September 30					
		Total			Same Door	
(thousands of dollars)	**2023**	**2022**	**Change**	**2023**	**2022**	**Change**
Revenue	**48,710**	41,638	17.0%	**46,639**	41,638	12.0%
Operating expenses	**22,109**	21,196	4.3%	**21,497**	21,196	1.4%
NOI	**26,601**	20,442	30.1%	**25,142**	20,442	23.0%
NOI margin (%)	**54.6%**	49.1%	5.5%	**53.9%**	49.1%	4.8%

For the three and nine months ended September 30, 2023, same door NOI increased by 21.8% and 23.0% due to higher revenue driven by both higher occupancy and AMR. Same door occupancy of 90.9% in the third quarter of 2023 represented a 600-bps increase compared to the third quarter of 2022 driven by Grande Prairie, AB; Fort McMurray, AB; and Fort St. John, BC. Same door AMR of $1,093 as at September 30, 2023 was higher than $1,039 as at September 30, 2022 as AMR was actively managed with increasing occupancy and reduced lease incentive offerings to maximize revenue. For the third quarter of 2023, same door operating expenses were flat. For the nine months ended September 30, 2023, same door operating expenses increased by 1.4% driven by higher maintenance costs, partially offset by lower utilities.

Same door NOI margin increased by 5.0% and 4.8%, respectively, for the three and nine months ended September 30, 2023 as a result of higher revenue.

ATLANTIC CANADA OPERATIONS

	Three Months Ended September 30					
		Total			Same Door	
(thousands of dollars)	**2023**	**2022**	**Change**	**2023**	**2022**	**Change**
Revenue	**10,106**	8,546	18.3%	**8,882**	8,546	3.9%
Operating expenses	**3,780**	3,145	20.2%	**3,303**	3,145	5.0%
NOI	**6,326**	5,401	17.1%	**5,579**	5,401	3.3%
NOI margin (%)	**62.6%**	63.2%	(0.6%)	**62.8%**	63.2%	(0.4%)

	Nine Months Ended September 30					
	Total			Same Door		
(thousands of dollars)	**2023**	2022	Change	**2023**	2022	Change
Revenue	**27,702**	25,197	9.9%	**26,478**	25,197	5.1%
Operating expenses	**11,378**	10,813	5.2%	**10,901**	10,813	0.8%
NOI	**16,324**	14,384	13.5%	**15,577**	14,384	8.3%
NOI margin (%)	**58.9%**	57.1%	1.8%	**58.8%**	57.1%	1.7%

Same door NOI increased by 3.3% and 8.3% for the three and nine months ended September 30, 2023, respectively, relative to the comparative periods in 2022 as a result of higher revenue. Same door AMR increased to $950 as at September 30, 2023 compared to $927 as at September 30, 2022 due to low market vacancy and a strengthening economy in New Brunswick,. For the three months ended September 30, 2023, same door operating expenses increased by 5.0% due to the timing of receipt of New Brunswick property tax credits that were received in the third quarter of 2022.

Same door NOI margin was relatively consistent in the third quarter of 2023 compared to the third quarter of 2022 as higher revenue was offset with higher operating expenses. For the nine months ended September 30, 2023, the increase in revenue resulted in an increase in same door NOI margin of 1.7%.

CENTRAL CANADA OPERATIONS

	Three Months Ended September 30					
	Total			Same Door		
(thousands of dollars)	**2023**	2022	Change	**2023**	2022	Change
Revenue	**3,325**	358	828.8%	**378**	358	5.6%
Operating expenses	**1,330**	132	907.6%	**142**	132	7.6%
NOI	**1,995**	226	782.7%	**236**	226	4.4%
NOI margin (%)	**60.0%**	63.1%	(3.1%)	**62.4%**	63.1%	(0.7%)

	Nine Months Ended September 30					
	Total			Same Door		
(thousands of dollars)	**2023**	2022	Change	**2023**	2022	Change
Revenue	**4,074**	1,083	276.2%	**1,127**	1,083	4.1%
Operating expenses	**1,678**	471	256.3%	**489**	471	3.8%
NOI	**2,396**	612	291.5%	**638**	612	4.2%
NOI margin (%)	**58.8%**	56.5%	2.3%	**56.6%**	56.5%	0.1%

On a same door basis, NOI increased by 4.4% and 4.2%, respectively, for the three and nine months ended September 30, 2023 as higher revenue exceeded higher operating expenses. The changes in AMR and occupancy reflected contributions from the acquired properties. Same door NOI margin for the three and nine months ended September 30, 2023 was relatively consistent with the comparable periods in the prior year.

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.

The following tables detail commercial and execusuite NOI:

	Three Months Ended September 30					
	Total			Same Door		
	2023	2022	Change	**2023**	2022	Change
Revenue	**10,380**	10,217	1.6%	**10,239**	10,217	0.2%
Expenses						
General operating expenses	**2,392**	2,153	11.1%	**2,390**	2,153	11.0%
Utilities	**1,027**	939	9.4%	**991**	939	5.5%
Property tax	**820**	725	13.1%	**772**	725	6.5%
Total operating expenses	**4,239**	3,817	11.1%	**4,153**	3,817	8.8%
NOI	**6,141**	6,400	(4.0%)	**6,086**	6,400	(4.9%)
NOI margin (%)	**59.2%**	62.6%	(3.4%)	**59.4%**	62.6%	(3.2%)

	Nine Months Ended September 30					
	Total			Same Door		
	2023	2022	Change	**2023**	2022	Change
Revenue	**32,088**	30,611	4.8%	**31,947**	30,611	4.4%
Expenses						
General operating expenses	**7,348**	6,784	8.3%	**7,347**	6,784	8.3%
Utilities	**3,808**	3,690	3.2%	**3,772**	3,690	2.2%
Property tax	**2,255**	2,175	3.7%	**2,207**	2,175	1.5%
Total operating expenses	**13,411**	12,649	6.0%	**13,326**	12,649	5.4%
NOI	**18,677**	17,962	4.0%	**18,621**	17,962	3.7%
NOI margin (%)	**58.2%**	58.7%	(0.5%)	**58.3%**	58.7%	(0.4%)

For the three months ended September 30, 2023, same door NOI and NOI margin decreased by 4.9% and 3.2%, respectively, from the same periods in 2022. The decrease was primarily driven by overall higher operating expenses due to building maintenance labour costs, as well as lower execusuite revenue in Yellowknife, NT due to the impact of the wildfire evacuations in the third quarter of 2023. Execusuite occupancy, including joint ventures at 100%, was 65.5% in the third quarter of 2023 compared to 71.5% in the third quarter of 2022.

For the nine months ended September 30, 2023, same door commercial and execusuite NOI increased by 3.7% as higher revenue, driven by higher rental rates and occupancy in the execusuite portfolio and other income in the commercial portfolio, more than offset higher operating expenses due to higher maintenance expenses. NOI margin for the nine months ended September 30, 2023 was relatively consistent with the comparative period in the prior year.

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 September 30					
	Average Rent ($/sq. ft.)			Occupancy (%)		
	2023	**2022**	**Change (%)**	**2023**	**2022**	**Change (bps)**
Northern Canada	**27.37**	27.16	0.8%	**95.0%**	95.4%	(40)
Western Canada	**15.40**	15.09	2.1%	**63.6%**	71.3%	(770)
Atlantic Canada	**18.21**	18.90	(3.7%)	**91.9%**	90.1%	180
Central Canada	**16.88**	—	n/a	**41.1%**	—%	n/a
	24.16	24.49	(1.3%)	**86.2%**	91.4%	(520)

	Nine Months Ended September 30					
	Average Rent ($/sq. ft.)			Occupancy (%)		
	2023	**2022**	**Change (%)**	**2023**	**2022**	**Change (bps)**
Northern Canada	**27.32**	27.12	0.7%	**95.1%**	95.6%	(50)
Western Canada	**15.27**	15.07	1.3%	**65.5%**	71.0%	(550)
Atlantic Canada	**18.04**	18.66	(3.3%)	**88.5%**	90.1%	(160)
Central Canada	**16.88**	—	n/a	**41.1%**	—%	n/a
	24.11	24.42	(1.3%)	**85.8%**	91.5%	(570)

The decrease in commercial average rents and occupancy for the three and nine months ended September 30, 2023 relative to the comparative periods in the prior year was primarily due to the properties acquired in the third quarter of 2023, which have overall lower average rents and occupancy than the existing portfolio. Northview is currently reviewing market opportunities to provide currently vacant square footage to prospective tenants at competitive terms.

OTHER CONSOLIDATED RESULTS

OTHER EXPENSES (INCOME)

	Three Months Ended September 30			Nine Months Ended September 30		
(thousands of dollars)	**2023**	2022	Change	**2023**	2022	Change
Distributions	**2,290**	11,287	(79.7%)	**22,973**	33,863	(32.2%)
Financing costs	**19,912**	13,147	51.5%	**52,377**	32,927	59.1%
Administration	**2,134**	1,883	13.3%	**6,057**	5,447	11.2%
Asset management fees	**911**	1,650	(44.8%)	**4,211**	4,942	(14.8%)
Depreciation and amortization	**776**	840	(7.6%)	**2,437**	2,551	(4.5%)
Equity income from joint ventures	**(433)**	(373)	16.1%	**(1,086)**	(953)	14.0%
Fair value gain on investment properties	**(168,509)**	(50,249)	235.3%	**(159,822)**	(40,309)	296.5%
Fair value gain on Exchangeable Units	**(5,089)**	—	100.0%	**(5,089)**	—	100.0%
Accretion on Redeemable Units	**954**	—	100.0%	**954**	—	100.0%
Loss on disposition of assets	**—**	12	(100.0%)	**—**	12	(100.0%)
Recapitalization Event costs	**26,600**	—	100.0%	**26,600**	—	100.0%
Total	**(120,454)**	(21,803)	452.5%	**(50,388)**	38,480	n/a

DISTRIBUTIONS

Certain distributions declared to Unitholders are recognized in net and comprehensive income. See "Liquidity and Capital Resources" for further discussion of capital structure and "Distributions to Unitholders" for further discussion of distributions.

Distributions recognized in net and comprehensive income of $2.3 million and $23.0 million for the three and nine months ended September 30, 2023 were lower than $11.3 million and $33.9 million due to the re-classification of Trust Units, so that distributions declared after August 21, 2023 were recognized in equity.

FINANCING COSTS

Financing costs consists of mortgage interest, interest expense on the credit facilities, 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 nine months ended September 30, 2023, financing costs increased by 51.5% and 59.1%, respectively, versus the comparative periods in the prior year. The increase in financing costs was primarily driven by higher interest expense on the credit facilities and the assumption of mortgage debt on acquired properties.

ADMINISTRATION EXPENSE AND ASSET MANAGEMENT FEES

Administration expense of $2.1 million in the third quarter of 2023 was higher than $1.9 million in the third quarter of 2022 as a result of compensation paid to Northview's Chief Executive Officer and Chief Financial Officer who were internalized following the termination of the Management Agreement between Starlight Group and Northview following the Recapitalization Event. See also "Related Party Transactions". For the nine months ended September 30, 2023, administration expense was 11.2% higher than the nine months ended September 30, 2022 due to higher compensation costs and inflationary pressures.

As a result of the termination of the Management Agreement, asset management fees paid to Starlight Group (as defined herein) of $0.9 million and $4.2 million, respectively, were lower than $1.7 million and $4.9 million for the three and nine months ended September 30, 2022, respectively. See also "Related Party Transactions".

FAIR VALUE GAIN ON INVESTMENT PROPERTIES

Northview reports fair value change of investment properties on a net basis after deducting capital expenditures. For the three and nine months ended September 30, 2023, the fair value gain on investment properties of $168.5 million and $159.8 million, respectively. This was primarily related to a gain on properties acquired in the third quarter of 2023 of $161.3 million as the acquired properties were originally recorded at cost and subsequently measured at fair value. See also "Recapitalization Event".

The acquired accounting cost upon initial recognition is primarily based on the fair value of units issued to settle the purchase price was determined with reference to Northview's TSX Class A trading price and fair value of assumed mortgages. The properties are subsequently measured at fair value.

FAIR VALUE GAIN ON EXCHANGEABLE UNITS

Exchangeable Units were first issued on August 21, 2023 as consideration for the SL Portfolio and to settle the carried interest payable to an affiliate of Starlight Group in connection with the Recapitalization Event (see also "Recapitalization Event" and "Related Party Transactions"). Exchangeable Units are classified as current financial liabilities for accounting purposes and measured at fair value, with changes in fair value recorded as gain or loss recognized in net and comprehensive income. The fair value of Exchangeable Units is determined with reference to the Class A Unit price on the TSX at period-end given the Exchangeable Units can be exchanged into Trust Units and this represents an active market. See also "Liquidity and Capital Resources – Units".

For the three and nine months ended September 30, 2023, the fair value gain of $5.1 million resulted from a decrease in the TSX Class A trading price of $12.65 upon issuance on August 21, 2023 to $11.11 at September 30, 2023.

ACCRETION ON REDEEMABLE UNITS

Redeemable Units were first issued on August 21, 2023 as consideration for the Winnipeg Portfolio (see also "Recapitalization Event"). Redeemable Units are classified as compound financial instruments for accounting purposes that includes a liability component, resulting from the redemption feature, and an equity component, resulting from the right of the holder to receive discretionary distributions. The liability component was initially measured at fair value, and is accreted to its face value over the respective lock-up period. At the end of each lock-up period, the Redeemable Units may be redeemed at the option of the holder, which redemption price may be satisfied in cash or the issuance of Trust Units at Northview's discretion. See also "Liquidity and Capital Resources – Units – Redeemable Units".

For the three and nine months ended September 30, 2023, accretion of $1.0 million was recognized.

RECAPITALIZATION EVENT COSTS

Recapitalization Event costs include costs incurred to effect the overall Recapitalization Event, including settlement of the carried interest payable to an affiliate of Starlight Group, as well as professional and legal fees. Recapitalization Event costs of $26.6 million were incurred and expensed in the nine months ended September 30, 2023, including an expense of $20.4 million related to settlement of the carried interest as upon closing of the Recapitalization Event, the carried interest was crystallized and settled by way of Northview Canadian HY Holdings LP class B units becoming exchangeable for Trust Units. See also "Related Party Transactions".

FFO AND AFFO

Northview measures its operating performance by using net and comprehensive income, as well as industry-accepted non-GAAP financial measures such as FFO and AFFO. Northview's calculations of FFO and AFFO differ from the REALPAC Guidance in that, when calculating FFO and AFFO, Northview (a) excludes accretion on Redeemable Units and (b) excludes Recapitalization Event costs. FFO and AFFO do not have a standard meaning under IFRS; therefore, these measures may not be comparable to similar measures presented by other issuers. See also "Non-GAAP and Other Financial Measures".

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

	Three Months Ended September 30		Nine Months Ended September 30	
(thousands of dollars, except as indicated)	**2023**	2022	**2023**	2022
Net and comprehensive income	**155,476**	52,707	**142,955**	45,683
Adjustments:				
Distributions	**2,290**	11,287	**22,973**	33,863
Depreciation	**736**	751	**2,275**	2,289
Fair value gain on investment properties	**(168,509)**	(50,249)	**(159,822)**	(40,309)
Fair value gain on Exchangeable Units	**(5,089)**	—	**(5,089)**	—
Accretion on Redeemable Units	**954**	—	**954**	—
Recapitalization Event costs	**26,600**	—	**26,600**	—
Other(1)	**72**	57	**201**	129
FFO(2)	**12,530**	14,553	**31,047**	41,655
Maintenance capex reserve – multi-residential	**(3,103)**	(2,963)	**(8,177)**	(8,889)
Maintenance capex reserve – commercial	**(181)**	(237)	**(513)**	(710)
AFFO(2)	**9,246**	11,353	**22,357**	32,056
FFO				
FFO per Unit – basic ($/Unit)(2)	**0.46**	0.71	**1.36**	2.03
FFO per Unit – diluted ($/Unit)(2)	**0.43**	0.71	**1.34**	2.03
FFO payout ratio – trailing twelve months(2),(3)	**98.6%**	78.2%	**98.6%**	78.2%
AFFO				
AFFO per Unit – basic ($/Unit)(2)	**0.34**	0.55	**0.98**	1.56
AFFO per Unit – diluted ($/Unit)(2)	**0.31**	0.55	**0.96**	1.56
AFFO payout ratio – trailing twelve months(2),(3)	**139.5%**	99.5%	**139.5%**	99.5%
Weighted average number of units				
Basic (‘000s)	**27,446**	20,524	**22,857**	20,524
Diluted (‘000s)	**29,460**	20,524	**23,208**	20,524

(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”.
(3) Calculated for the period from October 1, 2022 to September 30, 2023.

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 and nine months ended September 30, 2023, FFO of $12.5 million and $31.0 million were lower than $14.6 million and $41.7 million, respectively, for the comparative periods in 2022. The decreases in FFO were due to higher financing costs, partially offset by higher NOI.

For the three months ended September 30, 2023, basic and diluted FFO per Unit of $0.46 and $0.43, respectively, were lower than $0.71 and $0.71, respectively, for the comparative quarter of 2022. For the nine months ended September 30, 2023, basic and diluted FFO per Unit of $1.36 and $1.34, respectively, were lower than $2.03 and $2.03 for the nine months ended September 30, 2022. The decreases in FFO per Unit were due to lower FFO, as well as additional Units issued in connection with the Recapitalization Event.

For the twelve months ended September 30, 2023, the FFO payout ratio of 98.6% was higher than 78.2% for the twelve months ended September 30, 2022. The FFO payout ratio is calculated using a trailing twelve month period, which therefore does not reflect the annualized impact of the distribution reduction in June 2023. For the three months ended September 30, 2023, distributions declared in this period represented 63.9% of FFO, which reflects management's expectation of a sustainable payout level. See also "Distributions to Unitholders" for further discussion of Northview's distributions.

AFFO

For the three and nine months ended September 30, 2023, AFFO of $9.2 million and $22.4 million were lower than $11.4 million and $32.1 million, respectively, for the three and nine months ended September 30, 2022. The decreases in AFFO were due to higher financing costs, partially offset by higher NOI.

For the three months ended September 30, 2023, basic and diluted AFFO per Unit of $0.34 and $0.31, respectively, were lower than $0.55 and $0.55 for the comparative quarter of 2022. For the nine months ended September 30, 2023, basic and diluted AFFO per Unit of $0.98 and $0.96, respectively, were lower than $1.56 and $1.56 for the nine months ended September 30, 2022. The decreases in AFFO per Unit were primarily due to lower AFFO, as well as additional Units issued in connection with the Recapitalization Event.

For the twelve months ended September 30, 2023, the AFFO payout ratio of 139.5% was higher than 99.5% for the twelve months ended September 30, 2022. The AFFO payout ratio is calculated using a trailing twelve month period, which therefore does not reflect the annualized impact of the distribution reduction in June 2023. For the three months ended September 30, 2023, distributions declared in this period represented 86.6% of AFFO. See also "Distributions to Unitholders" for further discussion of Northview's distributions.

CAPITAL EXPENDITURES

	Three Months Ended September 30			Nine Months Ended September 30		
(thousands of dollars, except as indicated)	**2023**	**2022**	**Change**	**2023**	**2022**	**Change**
Suite renovations	**1,559**	2,147	(27.4%)	**5,882**	7,116	(17.3%)
Building and common areas	**572**	1,095	(47.8%)	**1,719**	3,716	(53.7%)
Boilers and mechanical	**1,294**	692	87.0%	**3,242**	1,880	72.4%
Appliances	**216**	146	47.9%	**541**	624	(13.3%)
Other	**225**	456	(50.7%)	**901**	908	(0.8%)
Total capex – multi-residential	**3,866**	4,536	(14.8%)	**12,285**	14,244	(13.8%)
Average number of multi-residential suites	**12,762**	11,111	14.9%	**11,936**	11,111	7.4%
Capex per multi-residential suite ($/suite)	**303**	408	(25.8%)	**1,029**	1,282	(19.7%)
Total capex – multi-residential	**3,866**	4,536	(14.8%)	**12,285**	14,244	(13.8%)
Total capex – commercial	**54**	57	(5.3%)	**366**	332	10.2%
Total capex	**3,920**	4,593	(14.7%)	**12,651**	14,576	(13.2%)

Capital expenditures of $3.9 million and $12.7 million, respectively, were incurred during the three and nine months ended September 30, 2023, which were lower than $4.6 million and $14.6 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. The annualized reserve per suite or per sq.ft. was also applied to an average number of multi-residential suites and commercial square footage that included acquired properties.

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

For the three months and nine months ended September 30, 2023, management determined the annualized commercial maintenance capex reserve to be $0.64 per sq. ft. (three months and nine months ended September 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 September 30		**Nine Months Ended September 30**	
(thousands of dollars, except as indicated)	**2023**	**2022**	**2023**	**2022**
Multi-residential				
Maintenance capex reserve	**3,103**	2,963	**8,177**	8,889
Actual maintenance capex	**2,306**	3,269	**6,930**	8,172
Difference	**797**	(306)	**1,247**	717
Commercial				
Maintenance capex reserve	**181**	237	**513**	710
Actual maintenance capex	**54**	54	**366**	330
Difference	**127**	183	**147**	380

Variances in actual maintenance capex compared to the maintenance capex reserve in all periods presented resulted from 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 nine months ended September 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)	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Revenue	**57,402**	51,578	51,627	50,969	49,703	48,899	48,639	48,424
Net and comprehensive income (loss)[1]	**155,476**	(3,100)	(9,421)	25,128	52,707	(3,759)	(3,265)	(18,205)
Per basic unit ($/Unit)[2]	**5.66**	(0.15)	(0.46)	1.22	2.57	(0.18)	(0.16)	(0.89)
Per diluted unit ($/Unit)[2]	**5.28**	(0.15)	(0.46)	1.22	2.57	(0.18)	(0.16)	(0.89)
NOI	**35,022**	30,656	26,889	28,345	30,904	28,628	24,631	27,918
FFO[2]	**12,530**	11,435	7,082	9,505	14,553	14,552	12,550	16,102
Per basic unit ($/Unit)[2],[3]	**0.46**	0.56	0.35	0.46	0.71	0.71	0.61	0.78
Per diluted unit ($/Unit)[2],[3]	**0.43**	0.56	0.35	0.46	0.71	0.71	0.61	0.78
FFO payout ratio – trailing twelve months[2],[3]	**98.6%**	101.6%	98.8%	88.3%	78.2%	73.2%	71.9%	69.1%

(1) Includes impact of the asset acquisitions.

(2) Per unit metrics have been retroactively adjusted to reflect the 1.75 to 1.00 consolidation that occurred on August 21, 2023

(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”.

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 income (loss). Additionally, net and comprehensive income (loss) and FFO have been impacted by higher market interest rates in recent periods as Northview’s credit facilities are 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 facilities, and mortgage debt secured by investment properties.

As at September 30, 2023, Northview had a working capital deficiency of $325.5 million (December 31, 2022 – $781.3 million), of which $260.6 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. In addition, $62.4 million (December 31, 2022 – $nil) related to the current portions of Exchangeable Units and Redeemable Units. Exchangeable Units are exchangeable for Trust Units and Redeemable Units may be settled in cash or the issuance of Trust Units at Northview’s discretion. The working capital deficiency of $781.3 million as at December 31, 2022 included borrowings on the credit facilities of $503.5 million, for which the maturity was extended to December 31, 2024 during the nine months ended September 30, 2023.

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 obligation as they come due for the foreseeable future.

As at September 30, 2023, Northview had undrawn capacity of $53.5 million on its credit facilities (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 facilities that are subject to higher interest rates.

MORTGAGES

During the three months ended September 30, 2023, Northview completed $231.4 million of mortgage financing with a weighted average interest rate of 4.36% and an average term to maturity of 8.53 years. During the three months ended September 30, 2022, Northview completed $20.2 million of mortgage financing with a weighted average interest rate of 3.97% and an average term to maturity of 4.90 years.

During the nine months ended September 30, 2023, Northview completed $446.6 million of mortgage financing with a weighted average interest rate of 4.27% and an average term to maturity of 7.48 years. During the nine months ended September 30, 2022, Northview completed $91.1 million of mortgage financing with a weighted average interest of 3.87% and an average term to maturity of 4.83 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 part of the Recapitalization Event that was completed on August 21, 2023, Northview assumed mortgages payable with a fair value of $267.3 million and a notional value of $292.5 million. The weighted average interest rate of the assumed mortgages was 3.50% and the weighted average term to maturity was 5.38 years. See also "Recapitalization Event".

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

	Principal Amount	Principal on Maturity	Total	% of Total	Weighted Average Interest Rate
2024	31,023	233,326	264,349	18.7%	4.95%
2025	25,873	144,557	170,430	12.1%	2.99%
2026	19,406	114,378	133,784	9.5%	2.40%
2027	15,291	177,263	192,554	13.6%	3.79%
2028	12,152	155,549	167,701	11.9%	4.17%
Thereafter	33,733	450,049	483,782	34.2%	3.67%
Total	**137,478**	**1,275,122**	**1,412,600**	**100.0%**	**3.77%**

CREDIT FACILITIES

As at September 30, 2023, Northview had in place two credit facilities: a syndicated credit facility with a total credit limit of $360.8 million (December 31, 2022 – $529.9 million) (the "syndicated facility") and a credit facility with a credit limit of $60.0 million (the "term facility") (collectively, the "credit facilities").

The credit facilities mature on December 31, 2024. The syndicated facility includes multiple tranches that each bears interest at the prime rate plus 2.65% or the Bankers' Acceptance ("BA") rate plus 3.65%. The term facility bears interest at the prime rate plus 1.50% or the BA rate plus 2.50%.

In August 2023, in connection with the Recapitalization Event, Northview executed amendments to its syndicated facility, which provided for, among other administrative amendments:

- An extension of the maturity date to December 31, 2024 from October 30, 2023;
- An additional $40.0 million facility (the "Tranche A-3 Facility") to effect the Recapitalization Event which was repaid in full in September 2023; and
- Amended financial covenants as follows:
    - Consolidated debt service coverage ratio of not less than 1.20 (down from 1.40), and
    - Consolidated tangible net worth of not less than $700 million (up from $350 million).

Northview also established the term facility with a credit limit of $60.0 million which was used, in part, to fund transaction costs incurred on the Recapitalization Event and the unused portion is available for mortgage principal payments.

The terms of the credit facilities were as follows:

	As at September 30, 2023		As at December 31, 2022	
	Credit Limit	Amount Drawn	Credit Limit	Amount Drawn
Syndicated facility				
Tranche A-1 Facility	**214,820**	**214,820**	315,651	315,651
Tranche A-2 Facility	**18,976**	**18,976**	87,251	87,251
Tranche B-1 Term Facility	**32,000**	**32,000**	32,000	22,600
Tranche B-2 Revolving Facility	**20,000**	**5,000**	20,000	20,000
Tranche B-3 Term Facility	**75,000**	**72,500**	75,000	58,000
Term facility	**60,000**	**24,000**	—	—
Total	**420,796**	**367,296**	529,902	503,502

The Tranche A-1 Facility and Tranche A-2 Facility are non-revolving term loan facilities. The Tranche B-1 Term 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.

The term facility is a non-revolving facility of which $24.0 million was immediately available and drawn, and draws on the remaining $36.0 million may occur no more than once per month for mortgage principal payments.

As the Tranche A-1 Facility, Tranche A-2 Facility, and Tranche A-3 Facility are non-revolving term loan facilities, therefore payments on the facilities reduce the credit limit available. For the nine months ended September 30, 2023, Northview completed repayments of $224.1 million (nine months ended September 30, 2022 – $70.0 million), which reduced the credit limit on the Tranche A-1 Facility, Tranche A-2 Facility, and Tranche A-3 Facility. In addition, Northview drew $87.9 million on the credit facilities for the nine months ended September 30, 2023, including $40.0 million to facilitate the acquisition of the Galaxy Portfolio (nine months ended September 30, 2022 – $51.0 million).

The amendments to the syndicated facility provided for the availability of an additional $40.0 million, which was made available via Tranche A-3. Northview drew $40.0 million on the Tranche A-3 Facility to facilitate the acquisition of the Galaxy Portfolio, and the borrowings were fully repaid within the third quarter of 2023 from mortgage financing proceeds on certain acquired properties. As Tranche A-3 is non-revolving, this extinguished the associated credit limit.

FINANCIAL COVENANTS

The credit facilities are subject to the following financial covenants:

	Limit	As at September 30, 2023
Syndicated facility		
Consolidated debt to aggregate assets	Not greater than 75%	**64.2%**
Debt service coverage ratio	Not less than 1.20	**1.35**
Consolidated tangible net worth	Not less than $700 million	**$951.2 million**
Physical occupancy rate	Not less than 87%	**94.0%**
Term facility		
Consolidated debt to aggregate assets	Not greater than 70%	**64.7%**
Debt service coverage ratio	Not less than 1.00	**1.22**
Portfolio equity	Not less than $75 million	**$102.1 million**

The financial covenants include financial measures defined within the credit facility agreements 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 agreements as follows:

- Consolidated debt: Includes all debts of the borrower determined in accordance with IFRS, excluding obligations owing under hedge agreements, Exchangeable Units, and Redeemable Units.
- 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 Trust Units, Exchangeable Units, and Redeemable Units (‘collectively, “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.
- Portfolio equity: Ownership interest or participation that confers the right to receive a share of profits and losses or distribution of assets, calculated as consolidated assets less consolidated debt.

For the syndicated facility, consolidated debt is calculated with respect to the consolidated portfolio. For the term facility, consolidated debt is calculated with respect to the assets pledged as security for the term facility.

As at and during the nine months ended September 30, 2023, Northview was in compliance with all financial covenants, with the exception of the debt service coverage ratio of 1.35 for the period ended June 30, 2023, which was less than the limit at that time of 1.40. Northview obtained a waiver of the debt service coverage ratio covenant effective June 30, 2023, and amended the threshold for the debt service coverage ratio to 1.20 as part of the credit facility amendments executed in the third quarter of 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 facilities. 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 65.8% as at September 30, 2023 (December 31, 2022 – 69.5%), which was in compliance with the Declaration of Trust. Following its Recapitalization Event in the third quarter of 2023, Northview no longer includes a portfolio premium in the determination of debt to gross book value and has restated its December 31, 2022 debt to gross book value to exclude the portfolio premium.

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

		As at September 30, 2023	As at December 31, 2022
Credit facilities		**367,296**	503,502
Mortgages payable		**1,412,600**	843,757
Less: Cash and cash equivalents		**(18,946)**	(26,486)
Total debt	**A**	**1,760,950**	1,320,773
Investment properties		**2,637,124**	1,862,078
Property, plant and equipment		**29,803**	32,043
Accumulated depreciation		**9,739**	7,312
Gross book value	**B**	**2,676,666**	1,901,433
Debt to gross book value	**A/B**	**65.8%**	69.5%

The decrease in the debt to gross book value ratio from 69.5% at December 31, 2022 to 65.8% at September 30, 2023 was driven by the acquisitions completed as part of the Recapitalization Event, which had lower debt relative to its gross book value as compared to the existing portfolio. See also "Recapitalization Event".

UNITS

Northview's Units are comprised of Trust Units, Exchangeable Units, and Redeemable Units.

TRUST UNITS

Trust Units consist of Class A Units, Class C Units, and Class F Units. Class A Units are listed on the TSX under the symbol "NRR.UN". Class C Units and Class F Units are not listed by Northview on any stock exchange, but Trust 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 be in 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.

On August 21, 2023, Northview issued additional Trust Units pursuant to a subdivision of the existing Class C Units and Class F Units in accordance with their exchange ratios, and concurrently amended the conversion ratios for the Trust Units such that Class A Units, Class C Units, and Class F Units are convertible on a 1:1 basis. Consideration for the acquisitions completed in connection with the Recapitalization Event on August 21, 2023 included approximately 7.9 million Trust Units, which are subject to a lock-up period during which the Trust Units cannot be sold, whereby one-third of the Trust Units issued will be released from the restrictions on each of the 12-month, 15-month, and 18-month anniversaries of August 21, 2023.

Prior to August 21, 2023, Trust Units were classified as net assets attributable to Unitholders, a financial liability, and distributions on Trust Units were recognized in net and comprehensive income. Following the unit subdivision on August 21, 2023, Trust Units were reclassified to equity and distributions declared to holders on Trust Units are recognized in retained earnings.

EXCHANGEABLE UNITS

Exchangeable Units consist of limited partnership units of a subsidiary limited partnership that are exchangeable into Trust Units at the option of the holder, and are entitled to distributions in an equivalent manner to Trust Units. Exchangeable Units are accompanied by an equivalent number of special voting units of Northview ("Special Voting Units") which, together with the Exchangeable Units, have an equivalent economic value to, and can be exchanged for, Trust Units at the option of the holder. Exchangeable Units issued as consideration for the acquisitions completed in connection with the Recapitalization Event on August 21, 2023 and in settlement of the carried interest payable to an affiliate of Starlight Group are subject to an 18-month lock-up period during which the Exchangeable Units may be exchanged for Trust Units but such Units cannot be sold.

Exchangeable Units are classified as a financial liability and measured at fair value at each reporting period with any changes in fair value recognized in net and comprehensive income. The fair value of Exchangeable Units is determined with reference to the Class A Unit price on the TSX at period-end given the Exchangeable Units can be exchanged into Trust Units and this represents an active market. Distributions declared to holders of Exchangeable Units are recognized in net and comprehensive income. As at September 30, 2023, there were approximately 3.4 million Exchangeable Units outstanding.

REDEEMABLE UNITS

Redeemable Units consist of redeemable limited partnership units of a subsidiary limited partnership that are redeemable and retractable at the option of the holder in four equal installments after the 12-month, 15-month, 18-month, and 21-month anniversaries of issuance on August 21, 2023 at the Transaction Unit Price. Northview has the right to satisfy the redemption price either with cash or by the issuance of that number of Class A Units having a fair market value equal to the redemption price on the applicable redemption date. Redeemable Units are accompanied by an equivalent number of Special Voting Units, and each Redeemable Units is entitled to distributions in an amount equivalent to the distributions paid on one Trust Unit.

Redeemable Units are classified as a compound financial instrument that includes a liability component, resulting from the redemption feature, and an equity component, resulting from the right of the holder to receive discretionary distributions. Distributions declared to holders of Redeemable Units are recognized in retained earnings. As at September 30, 2023, there were approximately 4.1 million Redeemable Units outstanding.

SPECIAL VOTING UNITS

Exchangeable Units and Redeemable Units are accompanied by an equivalent number of Special Voting Units. The Special Voting Units have no economic entitlement to distributions or assets of Northview. Holders of Special Voting Units are entitled to one vote per Special Voting Unit at meetings of the Unitholders. Special Voting Units are not separately transferable from the Exchangeable Units or Redeemable Units to which they are attached.

NUMBER OF UNITS

The following table reconciles the change in Northview's Units[(1)]:

(thousands of Units)	Trust Units	Exchangeable Units	Redeemable Units
Balance at January 1, 2023	**19,698**	**—**	**—**
Units issued for acquisition	**7,862**	**1,973**	**4,085**
Units issued for carried interest	**—**	**1,612**	**—**
Units issued for conversion	**(13)**	**—**	**—**
Units issued for subdivision	**839**	**—**	**—**
Units issued for Exchangeable Units	**188**	**(188)**	**—**
Balance at September 30, 2023	**28,574**	**3,397**	**4,085**

(1) Number of units has been retroactively adjusted to reflect the 1.75 to 1.00 consolidation that occurred on August 21, 2023.

Northview's weighted average number of Units used in the calculation of non-GAAP measures on a per Unit basis were as follows[(1)]:

	Three Months Ended September 30		Nine Months Ended September 30	
(number of Units in thousands)	**2023**	2022	**2023**	**2022**
Trust Units	**24,111**	20,524	**21,733**	20,524
Exchangeable Units	**1,514**	—	**510**	—
Redeemable Units	**1,821**	—	**614**	—
Weighted average number of Units – basic	**27,446**	20,524	**22,857**	20,524
Trust Units potentially issuable for Redeemable Units[(2)]	**2,014**	—	**351**	—
Weighted average number of Units – diluted	**29,460**	20,524	**23,208**	20,524

(1) Number of units has been retroactively adjusted to reflect the 1.75 to 1.00 consolidation that occurred on August 21, 2023.
(2) Units potentially issuable for Redeemable Units reflects dilution assuming that the weighted average basic number of Redeemable Units were redeemed based on the average price of Class A Units in the period.

Northview's issued and outstanding Units were as follows[1]:

(number of Units in thousands)	As at September 30, 2023	As at December 31, 2022[1]
Class A	**3,319**	4,104
Class C	**22,764**	13,988
Class F	**2,491**	1,606
Trust Units	**28,574**	19,698
Exchangeable Units	**3,397**	—
Redeemable Units	**4,085**	—
Units issued	**36,056**	19,698
Units potentially issuable upon conversion[2]	**—**	826
Number of Units outstanding	**36,056**	20,524

(1) Number of units has been retroactively adjusted to reflect the 1.75 to 1.00 consolidation that occurred on August 21, 2023.
(2) Units that could be issuable upon conversion assuming that all Class C and Class F Units were converted to Class A Units prior to the subdivision that occurred on August 21, 2023.

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

(number of Units in thousands)	As at October 31, 2023
Class A	**3,316**
Class C	**22,747**
Class F	**2,511**
Trust Units	**28,574**
Exchangeable Units	**3,397**
Redeemable Units	**4,085**
Total Units issued	**36,056**

CONTRACTUAL OBLIGATIONS

Contractual obligations for non-derivative financial liabilities as at September 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)	**1,412,600**	1,548,117	309,541	376,311	411,784	450,481
Credit facilities (principal)	**367,296**	367,296	—	367,296	—	—
Trade and other payables[1]	**39,202**	39,202	39,202	—	—	—
Distributions payable	**3,286**	3,286	3,286	—	—	—
Total	**1,822,384**	**1,957,901**	**352,029**	**743,607**	**411,784**	**450,481**

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

DISTRIBUTIONS TO UNITHOLDERS

Pursuant to the Declaration of Trust, Trust Unitholders are entitled to receive distributions declared as approved by the Trustees, and the holders of each Exchangeable Unit and Redeemable Unit are entitled to receive equivalent distributions to each Trust Unit. Prior to the Recapitalization Event that closed on August 21, 2023, distributions declared to holders of Trust Units were recognized in net and comprehensive income. Upon completion of the Recapitalization Event, distributions declared to holders of Trust Units are recognized in equity. Distributions declared to holders of Exchangeable Units are recognized in net and comprehensive income. Distributions declared to holders of Redeemable Units are recognized in equity.

For the three and nine months ended September 30, 2023, distributions declared to Unitholders were $8.0 million and $28.7 million, respectively (for the three and nine months ended September 30, 2022, $11.3 million and $33.9 million, respectively). In June 2023, Northview reduced its distribution to $1.09 from $2.20 per Trust Unit per annum.

Distributions declared to Unitholders were as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
(thousands of dollars)	**2023**	2022	**2023**	2022
Trust Units	**1,870**	11,287	**22,553**	33,863
Exchangeable Units	**420**	—	**420**	—
Recognized in net and comprehensive income	**2,290**	11,287	**22,973**	33,863
Trust Units	**5,210**	—	**5,210**	—
Redeemable Units	**504**	—	**504**	—
Recognized in retained earnings	**5,714**	—	**5,714**	—
Distributions declared to Unitholders	**8,004**	11,287	**28,687**	33,863

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

		Three Months Ended September 30		Nine Months Ended September 30	
(thousands of dollars)		**2023**	2022	**2023**	2022
Distributions paid to Unitholders	**A**	**6,587**	11,287	**29,163**	33,863
Cash flows provided by operating activities	**B**	**10,128**	9,443	**23,628**	31,365
Distribution payout ratio (%)	**A/B**	**65.0%**	119.5%	**123.4%**	108.0%
Excess (deficiency) of cash flows provided by operating activities over distributions paid	**B-A**	**3,541**	(1,844)	**(5,535)**	(2,498)

For the three and nine months ended September 30, 2023, distributions paid to Unitholders represented 65.0% and 123.4% of cash flows provided by operating activities, respectively (for the three and nine months ended September 30, 2022 – 119.5% and 108.0%, respectively). The decrease in distributions paid in the current periods relative to the comparative periods in the prior year was due to the distribution reduction in June 2023. For the nine months ended September 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 nine months ended September 30, 2023 and the three and nine months ended September 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 facilities, which mature on December 31, 2024. Beginning with the distribution declared in June 2023, Northview adjusted its distribution to $1.09 from $2.20 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 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.

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.

Transactions with these entities consisted of:

- Northview paid an asset management fee equal to 0.35% of gross asset value per annum. This asset management fee was incurred pursuant to a management agreement with Starlight Group entered into on November 2, 2020, whereby Starlight Group provided management services to Northview, including the services of the Chief Executive Officer and Chief Financial Officer ("Management Agreement"). In accordance with its terms, the Management Agreement terminated upon completion of the Recapitalization Event on August 21, 2023. For the nine months ended September 30, 2023, Northview recognized asset management fees of $4.2 million.
- The Recapitalization Event included the acquisitions of the Galaxy Portfolio and the SL Portfolio, which were completed on August 21, 2023. Northview obtained formal valuations of the Galaxy Portfolio and SL Portfolio by an independent and qualified evaluator to support the purchase price.
    - The Galaxy Portfolio was indirectly purchased from Starlight Group and certain funds managed by KingSett for a purchase price of $452.8 million through the assumption of mortgages payable, cash consideration resulting from mortgage financing and credit facility borrowings, and the issuance of approximately 7.7 million Class C Units. The Class C Units issued are subject to a lock-up period during which the Trust Units cannot be sold, whereby one-third of the Trust Units issued will be released from these restrictions on each of the 12-month, 15-month, and 18-month anniversaries of August 21, 2023.
    - The SL Portfolio was indirectly purchased from Starlight Group for a purchase price of $109.3 million through the assumption of mortgages payable and the issuance of approximately 2.0 million Exchangeable Units. The Exchangeable Units issued are subject to a lock-up period for 18 months from issuance, during which the Exchangeable Units may be exchanged for Trust Units but such Units cannot be sold.
- Following the completion of the Recapitalization Event on August 21, 2023, Northview settled the carried interest owed to an affiliate of Starlight Group as described in Northview's annual information form for the year ended December 31, 2022, resulting in the issuance of 1.6 million Exchangeable Units and the recognition of an expense of $20.4 million for the nine months ended September 30, 2023. The Exchangeable Units issued are subject to a lock-up period for 18 months from issuance, during which the Exchangeable Units may be exchanged for Trust Units but such Units cannot be sold.
- Northview receives variable payments pursuant to an agreement with an affiliate of Starlight Group and certain funds managed by KingSett to make further contributions to Northview in connection with the acquisition of the Galaxy Portfolio. The payments vary based on the performance of the Galaxy Portfolio and may range from nil to $1.6 million annually for a period of three years following the closing of the acquisition of the Galaxy Portfolio on August 21, 2023. For the nine months ended September 30, 2023, Northview recognized payments of $0.1 million.
- Northview receives fixed payments pursuant to an agreement with an affiliate of Starlight Group to make further contributions to Northview in connection with the acquisition of the SL Portfolio. The payments range from $0.1 million to $0.4 million annually for a period of three years following the closing of the acquisition of the SL Portfolio on August 21, 2023. For the nine months ended September 30, 2023, Northview recognized payments of less than $0.1 million.

In addition, Northview is party to an investor rights agreement with, among others, Starlight Group and KingSett, pursuant to which each of Starlight Group and KingSett has the right to nominate one individual to the Board of Trustees so long as each maintains a 5% or more interest in Northview's issued Units.

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

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 and Northview's other filings with the Canadian securities regulatory authorities. 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. For a further discussion of key risks and uncertainties, please refer to Northview's annual MD&A and Northview's other filings with the Canadian securities regulatory authorities.

Additional risks related to the Recapitalization Event that closed in the third quarter of 2023 are outlined below.

POSSIBLE FAILURE TO REALIZE EXPECTED RETURNS ON THE ACQUISITIONS

Acquisitions involve risks that could materially and adversely affect Northview's business plan, including the failure of the acquisitions to realize the results Northview expects. If the acquisitions fail to realize the results that Northview expects, the acquisitions could materially and adversely affect Northview's business plan and could have a material adverse effect on Northview and its financial results.

POTENTIAL UNDISCLOSED LIABILITIES ASSOCIATED WITH THE ACQUISITIONS

There may be liabilities, including under applicable environmental laws, that Northview has failed to discover or is unable to quantify in the due diligence review prior to the closing of the acquisitions. The subsequent discovery or quantification of any material liabilities could have a material adverse effect on Northview's business, financial condition or future prospects, which may include diminution in the value of the affected properties or the inability to finance or dispose of the affected properties on acceptable terms.

REDEMPTION OF REDEEMABLE UNITS

The Redeemable Units are redeemable and retractable at the option of the holder in four equal installments after the 12-month, 15-month, 18-month, and 21-month anniversaries of issuance on August 21, 2023 at the Transaction Unit Price. Northview has the right to satisfy the redemption price either with cash or by the issuance of an equivalent number of Class A Units having a fair market value equal to the redemption price on the applicable redemption date.

There can be no assurances that Northview will satisfy the redemption price with either cash or the issuance of Class A Units and the fair market value of Class A Units may be less than the redemption price at the time of redemption. The issuance of Class A Units could result in potential dilution to existing Unitholders.

USE OF PROPERTY APPRAISALS

Caution should be exercised in the evaluation and use of the appraisals obtained over acquired properties. A property appraisal is an estimate of market value applying the appropriate judgment. It is not a precise measure of value but is based on a subjective comparison of related activity taking place in the real estate market. The appraisals are based on various assumptions of future expectations, and while the appraisers' internal forecasts for the applicable properties are considered to be reasonable at the current time, some of the assumptions may not materialize or may differ materially from actual experience in the future.

ASSUMPTION OF LIABILITIES

Northview will assume liabilities arising out of or related to the acquired properties. Northview may assume unknown liabilities that could be significant.

TAX-RELATED RISKS

Certain of the properties acquired by Northview were acquired on a tax-deferred basis, whereby the cost of such properties for purposes of the Tax Act were less than fair market value at the time of the acquisitions. Accordingly, Northview may recognize income or, if one of such properties is disposed of, gain for purposes of the Tax Act in excess of the income or gain that would have been realized if such properties had been acquired at a tax cost equal to fair market value. Any such incremental income or gains may affect a Unitholder's after-tax return on their investment in the Units.

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 and there have been no changes to Northview's accounting policies from those reported at December 31, 2022 except for new accounting policies introduced for Trust Units, Exchangeable Units, Redeemable Units and Special Voting Units. See also the interim financial statements.

TRUST UNITS

Upon the completion of the Recapitalization Event on August 21, 2023, Trust Units were subdivided so that each class of Trust Unit was economically equivalent and collectively subordinate to all other classes of instruments. Following the subdivision, the Trust Units met the conditions for puttable instruments to be classified as equity instruments as described in IAS 32 *Financial Instruments: Presentation.* As a result, the Trust Units were reclassified from a financial liability to equity at the carrying value of the financial liability on the date of reclassification of $554.8 million, and are presented as equity on the consolidated statements of financial position. Refer to Note 7 of the interim financial statements.

EXCHANGEABLE UNITS

Exchangeable Units were first issued in connection with the completion of the Recapitalization Event on August 21, 2023. The Exchangeable Units meet the definition of a puttable instrument classified as a current financial liability given they are exchangeable into Trust Units, which are also classified as puttable instruments. Exchangeable Units are designated as fair value through profit or loss ("FVTPL") and, therefore, are measured at fair value at each reporting period with any changes in fair value recorded in the consolidated statements of net and comprehensive income. The fair value of Exchangeable Units is determined with reference to the Class A Unit price on the TSX at period-end given the Exchangeable Units can be exchanged into Trust Units and this represents an active market. Refer to Note 8 of the interim financial statements.

REDEEMABLE UNITS

Redeemable Units were first issued in connection with the completion of the Recapitalization Event on August 21, 2023. The Redeemable Units represent a compound financial instrument that includes a liability component, resulting from the redemption feature, and an equity component, resulting from the right of the holder to receive discretionary distributions. The liability component of Redeemable Units that is redeemable within twelve months of period-end is classified as current. The liability component is initially measured at fair value which is based on the present value of future redemption payments discounted at market interest rates. The equity component is initially measured as the residual amount between the face value of the instrument itself and the fair value of the liability component. Subsequently, the liability component is measured at amortized cost and is accreted to its face value over the respective lock-up period at the effective interest rate. Upon redemption, Northview derecognizes the liability component and recognizes it as equity, resulting in no gain or loss on redemption.

The liability component of $94.8 million was measured as the present value of future payments, discounted at market interest rates of 9.31% to 9.99%, depending on the earliest redemption date of the Redeemable Units. The market interest rates were based on Northview's borrowing rate on its syndicated credit facility, plus an estimated maturity spread determined with reference to yields of a zero-coupon Government of Canada bond with the nearest maturity date to the earliest redemption date, plus an estimated credit spread for subordinated debt. The equity component of $12.9 million reflects the difference between the face value of the Redeemable Units and the liability component.

SPECIAL VOTING UNITS

Special Voting Units were first issued in connection with the completion of the Recapitalization Event on August 21, 2023. Exchangeable Units and Redeemable Units are accompanied by an equivalent number of Special Voting Units. The Special Voting Units have no economic entitlement to distributions or assets of Northview. Holders of Special Voting Units are entitled to one vote per Special Voting Unit at meetings of the Unitholders. Special Voting Units are not separately transferable from the Exchangeable Units or Redeemable Units to which they are attached. The initial adoption of this policy did not have a material impact on Northview's consolidated financial statements.

OFF-BALANCE SHEET ARRANGEMENTS

As at September 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 September 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.

Except as set forth below, during the third 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 September 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.

Except as set forth below, during the third 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.

SCOPE LIMITATION ON DC&P AND ICFR

Northview's CEO and CFO, in accordance with section 3.3(1)(b) of NI 52-109, for the three months ended September 30, 2023, has limited the scope of DC&P and ICFR to exclude controls, policies, and procedures for the Galaxy Portfolio, SL Portfolio, and Winnipeg Portfolio, which were acquired on August 21, 2023.

The table below presents the summary financial information of the Galaxy Portfolio, SL Portfolio, and Winnipeg Portfolio included in Northview's financial statements as at and for the nine months ended September 30, 2023:

	As at September 30, 2023
Non-current assets	**763,845**
Current assets	**5,878**
Non-current liabilities	**406,181**
Current liabilities	**5,973**

	Nine Months Ended September 30, 2023
Revenue	**6,383**
Net and comprehensive income	**162,490**

The scope limitation is primarily based on the time required to integrate the acquired properties into Northview's existing DC&P and ICFR.