Management’s Discussion and Analysis

For the years ended December 31, 2023 and 2022

ADVISORIES

The following Management's Discussion and Analysis ("MD&A") of the results of operations and financial condition, dated February 27, 2024, 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 audited consolidated annual financial statements of Northview and notes thereto for the years ended December 31, 2023 and 2022 (the "financial statements"). The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). 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. All amounts in this MD&A are in Canadian dollars unless otherwise stated. Additional information related to Northview, including periodic quarterly reports filed with the Canadian securities regulatory authorities and Northview's Annual Information Form, are available on SEDAR+ at www.sedarplus.com.

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 (as defined herein), future maintenance expenditures, financing and the availability of financing and the terms thereof, the replacement of floating-rate debt with fixed-rate debt, the intention to sell select assets, the use of proceeds from any such sales, 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 February 27, 2024 and is based on information available to management as of that date. Management believes that the expectations reflected in forward-looking information are based upon reasonable assumptions; however, management can give no assurance that the actual results will be consistent with this forward-looking information. Factors that could cause actual results, performance, or achievements to differ materially from those expressed or implied by forward-looking information include, but are not limited to, the risks identified herein (including at "Risk Factors"), and 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, including those outlined in Note 2 of the financial statements, 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 February 27, 2024.

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 FFO (as defined herein) 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 loss 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 that 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 other 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. 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. 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.

As at December 31, 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**

RECAPITALIZATION EVENT

On August 21, 2023, Northview completed its 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 Exchangeable Units. See also "Related Party Transactions".

ACQUISITIONS OF PORTFOLIOS

Three portfolios of properties 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 at $12.65 per unit, which was the closing TSX price of Class A Units on August 21, 2023, 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(1)	**139,297**
Purchase price	**741,870**

(1) The fair value gain of $139.3 million represents the difference between the fair value of the consideration transferred at the close of the acquisition and the fair value of the assets and liabilities acquired (day 2 gain). The gain 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 third quarter of 2023, 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, was terminated upon completion of the Recapitalization Event. Following the termination of the Management Agreement, Northview directly employs the Chief Executive Officer and Chief Financial Officer.

OUTLOOK

Northview's business priorities remain focused on owning and operating a strong portfolio of income producing properties to generate sufficient income to provide sustainable distributions for Unitholders. In addition, Northview is committed to strengthening its balance sheet through active debt management strategies and improving its cost of capital, which will enable it to continue to grow through the acquisition of high quality properties in strong, stable markets.

Northview's portfolio is expected to continue to deliver solid results in 2024. High demand for rental apartments driven by housing supply constraints, high cost of home ownership and international immigration are expected to continue to drive high occupancy levels and opportunities for rental rate increases in many markets in which Northview operates. Northview is committed to providing quality housing for its residents through continued reinvestment in its properties and delivering high quality customer service.

In Northern Canada, rental revenue is expected to remain stable due to tight supply conditions, long-term leases with government tenants, sustained low vacancy and high AMR, and a higher cost operating environment. In Western Canada, the economy has been increasingly impacted by immigration and inter-provincial migration to address labour shortages, strong commodity-based markets, and sustained demand from the service industry. These factors have encouraged a positive outlook for the region which is expected to result in continued occupancy gains at a more moderate pace. Atlantic Canada markets are supported by a diverse economic base and record population growth in 2023 which are expected to result in rental rate gains and steady occupancy. In Central Canada, diversified stable economies, that includes agriculture, manufacturing, and mining, are expected to deliver consistent returns.

The current elevated interest rate environment is expected to continue through 2024. While it appears interest rates have peaked since the Bank of Canada has paused overnight interest rate increases since September 2023, it is not possible to accurately predict the near term outlook for interest rates in the current environment. Northview will continue to execute its debt management strategy to reduce exposure to floating interest rates through longer term mortgage financing as well as lower overall leverage through opportunistic non-cores asset sales and accessing capital markets when it is able to do so under favorable terms.

2023 ANNUAL RESULTS

(thousands of dollars, except as indicated)	As at December 31, 2023	As at December 31, 2022	As at December 31, 2021
Total assets	**2,748,450**	1,954,529	1,853,096
Total liabilities, excluding net assets attributable to Unitholders	**1,918,398**	1,388,497	1,357,746
Credit facilities	**348,576**	503,502	513,677
Mortgages payable	**1,378,394**	850,830	808,842
Debt to gross book value[1]	**65.1%**	69.5%	71.1%
Weighted average mortgage interest rate	**3.80%**	3.63%	2.87%
Weighted average term to maturity (years)	**4.7**	2.5	2.7
Weighted average capitalization rate	**6.41%**	7.18%	7.44%
Multi-residential occupancy[3]	**94.7%**	93.4%	90.2%
AMR ($)[3]	**1,313**	1,278	1,272
Number of Units outstanding[3]	**36,056**	20,524	20,524

	Year Ended December 31		
(thousands of dollars, except as indicated)	**2023**	**2022**	**2021**
Revenue	**228,472**	198,210	192,125
NOI	**131,948**	112,508	112,669
NOI margin[3]	**57.8%**	56.8%	58.6%
Cash flows provided by operating activities	**44,316**	41,030	57,531
Distributions declared to Unitholders[1]	**38,546**	45,150	45,150
Distributions declared per Unit ($/Unit)			
Class A Unit	**1.5547**	2.2000	2.2000
Class C Unit	**1.6155**	2.3218	2.3218
Class F Unit	**1.5894**	2.2695	2.2695
FFO payout ratio[2][4]	**84.9%**	88.3%	69.1%
AFFO payout ratio[2][4]	**115.5%**	117.7%	83.3%
Net and comprehensive income	**163,168**	70,811	(21,341)
Per basic unit ($/Unit)	**6.23**	3.45	(1.04)
Per diluted unit ($/Unit)	**5.98**	3.45	(1.04)
FFO[3]	**45,422**	51,160	65,386
Per basic unit ($/Unit)[2]	**1.73**	2.49	3.19
Per diluted unit ($/Unit)[2]	**1.67**	2.49	3.19
AFFO[3]	**33,371**	38,362	54,190
Per basic unit ($/Unit)[2]	**1.27**	1.87	2.64
Per diluted unit ($/Unit)[2]	**1.22**	1.87	2.64
Weighted average number of Units – basic (000's)[3]	**26,184**	20,524	20,524
Weighted average number of Units – diluted (000's)[3]	**27,275**	20,524	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 January 1, 2023 to December 31, 2023.

2023 ANNUAL REVIEW

NET AND COMPREHENSIVE INCOME AND FFO

For the three months ended December 31, 2023, net and comprehensive income of $20.2 million was lower than $25.1 million for the three months ended December 31, 2022. The decrease was driven by lower fair value gains on investment properties, a fair value loss on Exchangeable Units, and higher financing costs, partially offset by higher NOI and the reclassification of distributions declared on Trust Units. See also "Liquidity and Capital Resources – Units".

FFO of $14.4 million for the three months ended December 31, 2023 was higher than $9.5 million in the three months ended December 31, 2022 due to higher NOI, partially offset by higher financing costs. FFO per basic Unit and FFO per diluted Unit of $0.40 and $0.34 for the three months ended December 31, 2023 were lower than $0.46 and $0.46, respectively, for the same periods in 2022 due to additional Units issued for the Recapitalization Event.

For the year ended December 31, 2023, net and comprehensive income of $163.2 million was higher than $70.8 million for the prior year due to the fair value gain on investment properties, lower distributions expensed to net and comprehensive income, and NOI growth, partially offset by Recapitalization Event costs and higher financing costs.

For the year ended December 31, 2023, FFO of $45.4 million was lower than $51.2 million due to higher financing costs, partially offset by increased NOI. FFO per basic Unit and FFO per diluted Unit of $1.73 and $1.67 were lower than $2.49 and $2.49, respectively, for the comparative period due to lower FFO and additional Units issued for the Recapitalization Event.

NOI

Total NOI for the fourth quarter of 2023 and year ended December 31, 2023 increased $11.0 million or 38.9%, and $19.4 million or 17.3%, respectively. This was mainly driven by NOI from the acquired portfolio, along with higher same door revenue. NOI attributable to non-same door properties for the three months and year ended December 31, 2023 were $9.4 million and $13.1 million, respectively, and consistent with management's expectations.

For the three months ended December 31, 2023, same door NOI increased by 5.7% compared to the three months ended December 31, 2022 driven by Western Canada and Atlantic Canada in the multi-residential segment. Significant same door occupancy gains of 390 bps were made in Western Canada and same door AMR gains were most prominent in Western Canada and Atlantic Canada.

For the year ended December 31, 2023, same door NOI increased by 5.3% driven by multi-residential NOI. Higher multi-residential NOI in Western Canada and Atlantic Canada more than offset lower NOI in Northern Canada that was challenged by wildfire evacuations in Yellowknife, NT and unexpected utility infrastructure repairs in the year. Overall, same door NOI margin was relatively consistent for the year ended December 31, 2023 compared to the same period in 2022.

Multi-residential same door occupancy for the fourth quarter of 2023 was 94.6%, a 120-bps improvement compared to the fourth quarter of 2022. The gain was mainly due to a 390-bps increase in Western Canada same door properties.

Same door AMR of $1,326 as at December 31, 2023 was higher than $1,316 as at September 30, 2023 and $1,278 as at December 31, 2022. Same door AMR improved across all regions from both comparative periods, driven by Western Canada and Atlantic Canada. Northview's properties have reached stabilized occupancy allowing for increased focus on AMR management.

DEBT MANAGEMENT

Northview's debt is comprised of borrowings on the credit facilities, which are subject to floating interest rates, and mortgage debt, which is generally at fixed interest rates. Northview manages its debt and interest rate exposure by utilizing availability of financing on its properties with mortgage debt that is subject to lower fixed interest rates and works with various lenders and Canada Mortgage and Housing Corporation ("CMHC") for new mortgage financing on certain properties for which the net proceeds may be used to repay borrowings on the credit facilities.

Northview has focused on repaying borrowings on the credit facilities and, for the year ended December 31, 2023, proceeds from mortgage financing were used to repay $246.2 million on the credit facilities, representing approximately 49% of its borrowings on the credit facilities as at December 31, 2022.

As at December 31, 2023, debt to gross book value was 65.1%, a decrease of 440 bps from 69.5% as at December 31, 2022 due to lower leverage on the acquired properties as part of the Recapitalization Event.

Northview is in the preliminary stages of identifying non-core assets sales as a source of funds to repay its credit facilities.

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

DISTRIBUTIONS

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.

In the fourth quarter of 2023, distributions declared to Unitholders represented 68.6% of FFO. The higher FFO payout ratio of 84.9% for the twelve months ended December 31, 2023, reflected five months of distributions at a higher rate. See also “Distributions to Unitholders”.

2023 ANNUAL 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.

ACQUISITIONS

In the third quarter of 2023, Northview completed the acquisitions of three portfolios of properties 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**

For the three months and year ended December 31, 2023, NOI from the acquired properties were $9.4 million and $13.1 million, respectively. These results, reflecting operations commencing August 21, 2023, align with management's expectations.

CONSOLIDATED NOI

	Three Months Ended December 31					
	Total			Same Door		
	2023	**2022**	**Change**	**2023**	**2022**	**Change**
Revenue	**67,865**	50,969	33.1%	**53,236**	50,969	4.4%
Expenses						
General operating expenses	**15,219**	11,141	36.6%	**12,320**	11,141	10.6%
Utilities	**8,498**	7,835	8.5%	**7,331**	7,835	(6.4%)
Property tax	**4,767**	3,648	30.7%	**3,611**	3,648	(1.0%)
Total operating expenses	**28,484**	22,624	25.9%	**23,262**	22,624	2.8%
NOI	**39,381**	28,345	38.9%	**29,974**	28,345	5.7%
NOI margin (%)	**58.0%**	55.6%	2.4%	**56.3%**	55.6%	0.7%

	Year Ended December 31					
	Total			Same Door		
	2023	**2022**	**Change**	**2023**	**2022**	**Change**
Revenue	**228,472**	198,210	15.3%	**207,460**	198,210	4.7%
Expenses						
General operating expenses	**51,609**	43,232	19.4%	**47,491**	43,232	9.9%
Utilities	**28,549**	27,742	2.9%	**26,758**	27,742	(3.5%)
Property tax	**16,366**	14,728	11.1%	**14,690**	14,728	(0.3%)
Total operating expenses	**96,524**	85,702	12.6%	**88,939**	85,702	3.8%
NOI	**131,948**	112,508	17.3%	**118,521**	112,508	5.3%
NOI margin (%)	**57.8%**	56.8%	1.0%	**57.1%**	56.8%	0.3%

Total NOI increased $11.0 million or 38.9%, and $19.4 million or 17.3%, for the three months and year ended

December 31, 2023, mainly due to the impact of new acquisitions.

Same door NOI increased by 5.7% for the three months ended December 31, 2023, relative to the comparative period in 2022. The increase was driven by the multi-residential segment as NOI improved across all regions with Western Canada and Atlantic Canada showing the most significant gains.

For the year ended December 31, 2023, same door NOI increased by 5.3% compared to the year ended December 31, 2022 with positive contribution from both segments. Within the multi-residential segment, NOI growth was primarily led by Western Canada and Atlantic Canada, offset by lower NOI in Northern Canada. Commercial and execusuite NOI increased 2.3% attributed to improvements in execusuite activity.

Same door NOI margin for the three months and year ended December 31, 2023 were comparable to the same period in the prior year.

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 December 31					
	Total			Same Door		
	2023	**2022**	**Change**	**2023**	**2022**	**Change**
Revenue	**56,638**	40,244	40.7%	**42,265**	40,244	5.0%
Expenses						
General operating expenses	**12,380**	8,837	40.1%	**9,541**	8,837	8.0%
Utilities	**6,940**	6,250	11.0%	**5,796**	6,250	(7.3%)
Property tax	**4,011**	2,929	36.9%	**2,959**	2,929	1.0%
Total operating expenses	**23,331**	18,016	29.5%	**18,296**	18,016	1.6%
NOI	**33,307**	22,228	49.8%	**23,969**	22,228	7.8%
NOI margin (%)	**58.8%**	55.2%	3.6%	**56.7%**	55.2%	1.5%

	Year Ended December 31					
	Total			Same Door		
	2023	**2022**	**Change**	**2023**	**2022**	**Change**
Revenue	**185,157**	156,874	18.0%	**164,542**	156,874	4.9%
Expenses						
General operating expenses	**41,422**	34,144	21.3%	**37,366**	34,144	9.4%
Utilities	**23,184**	22,467	3.2%	**21,451**	22,467	(4.5%)
Property tax	**13,354**	11,834	12.8%	**11,831**	11,834	—%
Total operating expenses	**77,960**	68,445	13.9%	**70,648**	68,445	3.2%
NOI	**107,197**	88,429	21.2%	**93,894**	88,429	6.2%
NOI margin (%)	**57.9%**	56.4%	1.5%	**57.1%**	56.4%	0.7%

REVENUE

Multi-residential same door revenues increased by 5.0% for the three months ended December 31, 2023, compared with same period for previous year. The increase was driven by AMR improvements across all regions coupled with a 450 bps increase in occupancy in Western Canada.

For the year ended December 31, 2023, same door revenue increased by 4.9% relative to same period of 2022, driven by Western Canada occupancy and AMR. Additionally, AMR improved in Atlantic Canada, partially offset by lower Northern Canada revenue attributable to rent abatements extended to tenants affected by the wildfire evacuation in Yellowknife, NT during the third quarter of 2023.

OPERATING EXPENSES

For the fourth quarter of 2023, multi-residential same door operating expenses rose by 1.6% compared to the fourth quarter of 2022, driven by general operating expenses due to increased labour costs and higher building maintenance primarily in Northern Canada. Same door utility costs decreased due to lower consumption resulting from milder winter temperatures along with lower rates, while property taxes remained steady.

For the year ended December 31, 2023, same door operating expenses rose by 3.2% compared to the same period in the prior year. This was largely driven by unexpected repairs to utility infrastructure and boiler repairs and maintenance in Iqaluit, NU. Same door utilities decreased 4.5% compared to the year ended December 31, 2022 driven by lower fixed rate contracts in Alberta for natural gas and electricity and lower consumption compared to the prior year.

NOI

Same door multi-residential NOI three months ended December 31, 2023 improved by 7.8% and NOI margin increased 1.5% relative to same period of 2022 driven by Western Canada. Same door NOI for the year ended December 31, 2023 increased 6.2% compared to the year ended December 31, 2022 driven by Western Canada and Atlantic Canada, partially offset by Northern Canada resulting in a consistent NOI margin compared to the previous year.

TOTAL AMR

	Same Door Q4 2023	Total Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Northern Canada	**2,305**	**2,305**	2,297	2,282	2,280	2,273
Western Canada	**1,110**	**1,190**	1,171	1,073	1,052	1,046
Atlantic Canada	**942**	**970**	950	909	902	895
Central Canada	**792**	**1,140**	1,140	772	767	762
Overall	**1,326**	**1,313**	1,301	1,299	1,283	1,278

TOTAL OCCUPANCY

	Same Door Q4 2023	Total Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Northern Canada	**96.2%**	**96.2%**	96.8%	96.4%	95.9%	96.3%
Western Canada	**91.8%**	**92.4%**	91.5%	89.7%	88.9%	87.9%
Atlantic Canada	**96.8%**	**96.8%**	97.2%	98.1%	98.4%	98.1%
Central Canada	**100.0%**	**95.0%**	95.2%	100.0%	100.0%	99.8%
Overall	**94.6%**	**94.7%**	94.7%	94.1%	93.7%	93.4%

TOTAL AMR, AND OCCUPANCY BY REGION

		AMR ($)			Occupancy (%)		
	Multi-Residential Suites	Q4 2023	Q4 2022	Change (%)	Q4 2023	Q4 2022	Change (bps)
Northern Canada							
Northwest Territories	1,310	**1,824**	1,799	1.4%	**91.7%**	91.6%	10
Nunavut	1,176	**2,790**	2,748	1.5%	**99.4%**	99.7%	(30)
Northern Canada	2,486	**2,305**	2,273	1.4%	**96.2%**	96.3%	(10)
Western Canada							
Alberta	4,479	**1,216**	1,044	16.5%	**93.1%**	88.9%	420
British Columbia	1,379	**1,020**	960	6.3%	**87.6%**	81.7%	590
Saskatchewan	323	**1,417**	1,331	6.5%	**98.4%**	98.2%	20
Western Canada	6,181	**1,190**	1,046	13.8%	**92.4%**	87.9%	450
Atlantic Canada							
Newfoundland and Labrador	1,875	**943**	903	4.4%	**96.5%**	97.8%	(130)
New Brunswick	1,338	**942**	884	6.6%	**97.1%**	98.6%	(150)
Nova Scotia	844	**1,071**	—	n/a	**96.8%**	—%	n/a
Atlantic Canada	4,057	**970**	895	8.4%	**96.8%**	98.1%	(130)
Central Canada							
Manitoba	845	**1,110**	—	n/a	**94.5%**	—%	n/a
Québec	581	**986**	762	29.4%	**98.5%**	99.8%	(130)
Ontario	272	**1,595**	—	n/a	**91.4%**	—%	n/a
Central Canada	1,698	**1,140**	762	49.6%	**95.0%**	99.8%	(480)
Overall	**14,422**	**1,313**	1,278	2.7%	**94.7%**	93.4%	130

NORTHERN CANADA OPERATIONS

	Three Months Ended December 31					
	Total			Same Door		
(thousands of dollars)	**2023**	**2022**	**Change**	**2023**	**2022**	**Change**
Revenue	**16,432**	16,306	0.8%	**16,432**	16,306	0.8%
Operating expenses	**6,861**	6,803	0.9%	**6,861**	6,803	0.9%
NOI	**9,571**	9,503	0.7%	**9,571**	9,503	0.7%
NOI margin (%)	**58.2%**	58.3%	(0.1%)	**58.2%**	58.3%	(0.1%)

	Year Ended December 31					
	Total			Same Door		
(thousands of dollars)	**2023**	**2022**	**Change**	**2023**	**2022**	**Change**
Revenue	**64,465**	65,018	(0.9%)	**64,465**	65,018	(0.9%)
Operating expenses	**26,325**	24,752	6.4%	**26,325**	24,752	6.4%
NOI	**38,140**	40,266	(5.3%)	**38,140**	40,266	(5.3%)
NOI margin (%)	**59.2%**	61.9%	(2.7%)	**59.2%**	61.9%	(2.7%)

For the three months ended December 31, 2023, same door NOI and NOI margin were relatively consistent to the three months ended December 31, 2022.

For the year ended December 31, 2023, same door NOI and NOI margin decreased by 5.3% and 2.7%, respectively, driven by lower revenue and higher operating expenses. Same door revenue declined by 0.9% due to rental abatements of approximately $0.9 million provided to tenants impacted by the Yellowknife, NT wildfire evacuations in the third quarter, partially offset by a 1.4% increase in AMR. Same door operating expenses increased 6.4% due to unexpected repairs to utility infrastructure and boiler repairs and maintenance in Iqaluit, NU during the first half of the year, partially offset by lower security expenses related to certain properties in Yellowknife, NT.

WESTERN CANADA OPERATIONS

	Three Months Ended December 31					
	Total			Same Door		
(thousands of dollars)	**2023**	2022	Change	**2023**	2022	Change
Revenue	**21,161**	14,892	42.1%	**16,473**	14,892	10.6%
Operating expenses	**8,894**	7,317	21.6%	**7,437**	7,317	1.6%
NOI	**12,267**	7,575	61.9%	**9,036**	7,575	19.3%
NOI margin (%)	**58.0%**	50.9%	7.1%	**54.9%**	50.9%	4.0%

	Year Ended December 31					
	Total			Same Door		
(thousands of dollars)	**2023**	2022	Change	**2023**	2022	Change
Revenue	**69,871**	56,530	23.6%	**63,112**	56,530	11.6%
Operating expenses	**31,003**	28,513	8.7%	**28,934**	28,513	1.5%
NOI	**38,868**	28,017	38.7%	**34,178**	28,017	22.0%
NOI margin (%)	**55.6%**	49.6%	6.0%	**54.2%**	49.6%	4.6%

For the three months and year ended December 31, 2023, same door NOI increased by 19.3% and 22.0%, respectively, compared to same period of 2022 driven by both higher occupancy and AMR. Same door occupancy of 91.8% in the fourth quarter of 2023 was a 390 bps increase from the same period in the prior year led by Grande Prairie, AB; Fort McMurray, AB; and Fort St. John, BC. With higher occupancy, Northview was able to drive higher same door AMR to $1,110 compared to $1,046 as at December 31, 2022. Same door operating expenses increased 1.6% due to higher maintenance costs.

Same door NOI margin increased 4.0% and 4.6%, respectively for the three months and year ended December 31, 2023 as a result of higher revenue.

ATLANTIC CANADA OPERATIONS

	Three Months Ended December 31					
	Total			Same Door		
(thousands of dollars)	**2023**	2022	Change	**2023**	2022	Change
Revenue	**11,790**	8,666	36.0%	**8,974**	8,666	3.6%
Operating expenses	**5,029**	3,743	34.4%	**3,854**	3,743	3.0%
NOI	**6,761**	4,923	37.3%	**5,120**	4,923	4.0%
NOI margin (%)	**57.3%**	56.8%	0.5%	**57.1%**	56.8%	0.3%

	Year Ended December 31					
	Total			Same Door		
(thousands of dollars)	**2023**	2022	Change	**2023**	2022	Change
Revenue	**39,492**	33,863	16.6%	**35,452**	33,863	4.7%
Operating expenses	**16,407**	14,556	12.7%	**14,756**	14,556	1.4%
NOI	**23,085**	19,307	19.6%	**20,696**	19,307	7.2%
NOI margin (%)	**58.5%**	57.0%	1.5%	**58.4%**	57.0%	1.4%

Same door NOI increased by 4.0% and 7.2% for the three months and year ended December 31, 2023, respectively, relative to the comparative periods in 2022 due to higher AMR. Same door AMR increased to $942 as of December 31, 2023 compared to $895 as of December 31, 2022, due to lower market vacancy and a strengthening economy in New Brunswick. Same door occupancy decreased to 96.8% from 98.1% relative to the prior year temporarily due to delays in suite turnover that have been subsequently completed and leased in 2024.

For the three months ended December 31, 2023, same door operating expenses increased 3.0% compared to the three months ended December 31, 2022 due to higher maintenance expenses from increased labour costs. For the year ended December 31, 2023, same door operating expenses were comparable to the prior year.

The same door NOI margin for the fourth quarter of 2023 was in line with the fourth quarter of 2022. For the year ended December 31, 2023, same door NOI margin increased 1.4% compared to the same period in the prior year driven by higher revenues.

CENTRAL CANADA OPERATIONS

	Three Months Ended December 31					
	Total			Same Door		
(thousands of dollars)	**2023**	2022	Change	**2023**	2022	Change
Revenue	**7,255**	380	1,809.2%	**386**	380	1.6%
Operating expenses	**2,547**	153	1,564.7%	**144**	153	(5.9%)
NOI	**4,708**	227	1,974.0%	**242**	227	6.6%
NOI margin (%)	**64.9%**	59.7%	5.2%	**62.7%**	59.7%	3.0%

	Year Ended December 31					
	Total			Same Door		
(thousands of dollars)	**2023**	2022	Change	**2023**	2022	Change
Revenue	**11,329**	1,463	674.4%	**1,513**	1,463	3.4%
Operating expenses	**4,225**	624	577.1%	**633**	624	1.4%
NOI	**7,104**	839	746.7%	**880**	839	4.9%
NOI margin (%)	**62.7%**	57.3%	5.4%	**58.2%**	57.3%	0.9%

On a same door basis, NOI increased by 6.6% and 4.9%, respectively, for the three months and year ended December 31, 2023 due to higher revenues driven by AMR and occupancy combined with lower expenses. The changes in AMR and occupancy reflected contributions from the properties in the acquired portfolio, which are performing as expected by management.

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 December 31					
	Total			Same Door		
	2023	2022	Change	**2023**	2022	Change
Revenue	**11,227**	10,725	4.7%	**10,971**	10,725	2.3%
Expenses						
General operating expenses	**2,839**	2,304	23.2%	**2,779**	2,304	20.6%
Utilities	**1,558**	1,585	(1.7%)	**1,535**	1,585	(3.2%)
Property tax	**756**	719	5.1%	**652**	719	(9.3%)
Total operating expenses	**5,153**	4,608	11.8%	**4,966**	4,608	7.8%
NOI	**6,074**	6,117	(0.7%)	**6,005**	6,117	(1.8%)
NOI margin (%)	**54.1%**	57.0%	(2.9%)	**54.7%**	57.0%	(2.3%)

	Year Ended December 31					
	Total			Same Door		
	2023	2022	Change	**2023**	2022	Change
Revenue	**43,315**	41,336	4.8%	**42,918**	41,336	3.8%
Expenses						
General operating expenses	**10,187**	9,088	12.1%	**10,125**	9,088	11.4%
Utilities	**5,365**	5,275	1.7%	**5,307**	5,275	0.6%
Property tax	**3,012**	2,894	4.1%	**2,859**	2,894	(1.2%)
Total operating expenses	**18,564**	17,257	7.6%	**18,291**	17,257	6.0%
NOI	**24,751**	24,079	2.8%	**24,627**	24,079	2.3%
NOI margin (%)	**57.1%**	58.3%	(1.2%)	**57.4%**	58.3%	(0.9%)

For the three months ended December 31, 2023, same door NOI and NOI margin decreased by 1.8% and 2.3%, respectively, from the same periods in 2022. Same door revenue increased by 2.3%, due to improved execusuite occupancy. In the fourth quarter of 2023, execusuite occupancy, including joint ventures at 100%, was 53.2% compared to 53.0% in the fourth quarter of 2022. Same door operating expenses increased due to general operating expenses which were attributable to maintenance costs and security costs in Iqaluit, NU.

For the year ended December 31, 2023, same door commercial and execusuite NOI increased by 2.3% as higher revenue, driven by higher rental rates and occupancy in the execusuite portfolio more than offset higher maintenance expenses. Same door NOI margin for the year ended December 31, 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 December 31					
	Average Rent ($/sq. ft.)			Occupancy (%)		
	2023	**2022**	**Change (%)**	**2023**	**2022**	**Change (bps)**
Northern Canada	**27.37**	27.19	0.7%	**95.0%**	95.4%	(40)
Western Canada	**15.48**	15.11	2.4%	**63.2%**	72.2%	(900)
Atlantic Canada	**17.64**	18.41	(4.2%)	**86.1%**	88.1%	(200)
Central Canada	**16.74**	—	n/a	**41.2%**	—%	n/a
	24.14	24.42	(1.1%)	**85.1%**	91.1%	(600)

	Year Ended December 31					
	Average Rent ($/sq. ft.)			Occupancy (%)		
	2023	**2022**	**Change (%)**	**2023**	**2022**	**Change (bps)**
Northern Canada	**27.36**	27.13	0.8%	**95.1%**	95.5%	(40)
Western Canada	**15.32**	15.08	1.6%	**64.9%**	71.3%	(640)
Atlantic Canada	**17.94**	18.60	(3.5%)	**87.9%**	89.6%	(170)
Central Canada	**16.70**	—	n/a	**41.3%**	—%	n/a
	24.13	24.42	(1.2%)	**85.7%**	91.4%	(570)

The decrease in commercial average rents and occupancy for the three months and year ended December 31, 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 has an active leasing program and there is approximately 264,000 sq. ft. of commercial space with leases maturing in 2024.

OTHER CONSOLIDATED RESULTS

OTHER EXPENSES (INCOME)

	Three Months Ended December 31			Year Ended December 31		
(thousands of dollars)	**2023**	2022	Change	**2023**	2022	Change
Distributions	**929**	11,287	(91.8%)	**23,902**	45,150	(47.1%)
Financing costs	**22,538**	15,912	41.6%	**74,915**	48,839	53.4%
Administration	**2,376**	1,475	61.1%	**8,433**	6,922	21.8%
Asset management fees	**—**	1,650	(100.0%)	**4,211**	6,592	(36.1%)
Depreciation and amortization	**776**	826	(6.1%)	**3,213**	3,377	(4.9%)
Equity income from joint ventures	**(686)**	(1,007)	(31.9%)	**(1,772)**	(1,960)	(9.6%)
Fair value gain on investment properties	**(17,733)**	(26,926)	(34.1%)	**(177,555)**	(67,235)	164.1%
Fair value loss on Exchangeable Units	**8,289**	—	100.0%	**3,200**	—	100.0%
Accretion on Redeemable Units	**2,229**	—	100.0%	**3,183**	—	100.0%
Loss on disposition of assets	**—**	—	—%	**—**	12	(100.0%)
Recapitalization Event costs	**450**	—	100.0%	**27,050**	—	100.0%
Total	**19,168**	3,217	495.8%	**(31,220)**	41,697	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 $0.9 million and $23.9 million for the three months and year ended December 31, 2023 were lower than $11.3 million and $45.2 million due to the re-classification of Trust Units following the Recapitalization Event, 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 months and year ended December 31, 2023, financing costs increased by 41.6% and 53.4%, respectively, versus the comparative periods in the prior year. The increase in financing costs was primarily driven by higher interest rates on the credit facilities and from mortgage debt on acquired properties.

ADMINISTRATION EXPENSE AND ASSET MANAGEMENT FEES

Administration expense of $2.4 million in the fourth quarter of 2023 was higher than $1.5 million in the fourth quarter of 2022 as a result of higher costs from increased scale and property portfolio size including higher compensation costs partially attributed to the termination of the Management Agreement, legal fees, and information technology software. For the year ended December 31, 2023, administration expense was 21.8% higher than the year ended December 31, 2022 due to the aforementioned and inflationary pressures.

As a result of the termination of the Management Agreement, asset management fees paid to Starlight Group (as defined herein) during the three months and year ended December 31, 2023 of nil and $4.2 million were lower than $1.7 million and $6.6 million for the three months and year ended December 31, 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 months ended December 31, 2023, the fair value gain on investment properties of $17.7 million related primarily to higher projected stabilized NOI in Atlantic Canada and Western Canada.

For the year ended December 31, 2023, the fair value gain on investment properties of $177.6 million, 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, which 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 LOSS 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 in connection with the Recapitalization Event (see also “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 months and year ended December 31, 2023, the fair value loss of $8.3 million and $3.2 million, respectively, resulted from an increase in the TSX Class A trading price from $11.11 at September 30, 2023 to $13.55 at December 31, 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 include 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 months and year ended December 31, 2023, accretion of $2.2 million and $3.2 million, respectively, were recognized.

RECAPITALIZATION EVENT COSTS

Recapitalization Event costs include costs incurred to effect the overall Recapitalization Event, including settlement of the carried interest, as well as professional and legal fees. For the three months and year ended December 31, 2023, Recapitalization Event costs of $0.5 million and $27.1 million, respectively, were incurred and expensed, 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 Exchangeable 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 Unit 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 December 31		Year Ended December 31	
(thousands of dollars, except as indicated)	**2023**	**2022**	**2023**	**2022**
Net and comprehensive income	**20,213**	25,128	**163,168**	70,811
Adjustments:				
Distributions	**929**	11,287	**23,902**	45,150
Depreciation	**732**	751	**3,007**	3,040
Fair value gain on investment properties	**(17,733)**	(26,926)	**(177,555)**	(67,235)
Fair value loss on Exchangeable Units	**8,289**	—	**3,200**	—
Accretion on Redeemable Units	**2,229**	—	**3,183**	—
Recapitalization Event costs	**450**	—	**27,050**	—
Other(1)	**(734)**	(735)	**(533)**	(606)
FFO(2)	**14,375**	9,505	**45,422**	51,160
Maintenance capex reserve – multi-residential	**(3,178)**	(2,963)	**(11,355)**	(11,852)
Maintenance capex reserve – commercial	**(183)**	(236)	**(696)**	(946)
AFFO(2)	**11,014**	6,306	**33,371**	38,362
FFO				
FFO per Unit – basic ($/Unit)(2)	**0.40**	0.46	**1.73**	2.49
FFO per Unit – diluted ($/Unit)(2)	**0.34**	0.46	**1.67**	2.49
FFO payout ratio(2)(3)	**84.9%**	88.3%	**84.9%**	88.3%
AFFO				
AFFO per Unit – basic ($/Unit)(2)	**0.31**	0.31	**1.27**	1.87
AFFO per Unit – diluted ($/Unit)(2)	**0.26**	0.31	**1.22**	1.87
AFFO payout ratio(2)(3)	**115.5%**	117.7%	**115.5%**	117.7%
Weighted average number of Units				
Basic ('000s)	**36,056**	20,524	**26,184**	20,524
Diluted ('000s)	**42,125**	20,524	**27,275**	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 January 1, 2023 to December 31, 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 months ended December 31, 2023, FFO of $14.4 million was higher than $9.5 million for the comparative period in 2022 due to higher NOI, which reflects a full quarter of operating results of the properties acquired, partially offset by higher financing costs. For the year ended December 31, 2023, FFO of $45.4 million was lower than $51.2 million for the comparative period in 2022 due to higher financing costs, partially offset by higher NOI from same door NOI growth and NOI contributions from acquisitions.

For the three months ended December 31, 2023, basic and diluted FFO per Unit of $0.40 and $0.34 were lower than $0.46 and $0.46, respectively, for the comparative quarter of 2022. For the year ended December 31, 2023, basic and diluted FFO per Unit of $1.73 and $1.67, respectively, were lower than $2.49 and $2.49 for the year ended December 31, 2022. The decreases in FFO per Unit were due to additional Units issued in connection with the Recapitalization Event.

For the twelve months ended December 31, 2023, the FFO payout ratio of 84.9% was lower than 88.3% for the twelve months ended December 31, 2022. The FFO payout ratio is calculated using a trailing twelve month period, which does not reflect the annualized impact of the June 2023 distribution reduction. For the three months ended December 31, 2023, distributions declared in this period represented 68.6% of FFO. See also “Distributions to Unitholders” for further discussion of Northview’s distributions.

AFFO

For the three months ended December 31, 2023, AFFO of $11.0 million was higher than $6.3 million for the comparative period in 2022 primarily due to higher NOI, partially offset by higher financing costs. For the year ended December 31, 2023, AFFO of $33.4 million was lower than $38.4 million for the comparative period in 2022 due to higher financing costs, partially offset by higher NOI.

For the three months ended December 31, 2023, basic and diluted AFFO per Unit was $0.31 and $0.26 compared to $0.31 and $0.31, respectively, for the comparative quarter of 2022. For the year ended December 31, 2023, basic and diluted AFFO per Unit of $1.27 and $1.22, respectively, were lower than $1.87 and $1.87 for the year ended December 31, 2022. The changes 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 December 31, 2023, the AFFO payout ratio of 115.5% was lower than 117.7% for the twelve months ended December 31, 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 December 31, 2023, distributions declared in this period represented 89.5% of AFFO. See also “Distributions to Unitholders” for further discussion of Northview’s distributions.

CAPITAL EXPENDITURES

	Three Months Ended December 31			Year Ended December 31		
(thousands of dollars, except as indicated)	**2023**	**2022**	**Change**	**2023**	**2022**	**Change**
Suite renovations	**3,099**	2,741	13.1%	**8,981**	9,857	(8.9%)
Building and common areas	**597**	1,094	(45.4%)	**2,316**	4,810	(51.9%)
Boilers and mechanical	**1,498**	1,337	12.0%	**4,740**	3,217	47.3%
Appliances	**283**	207	36.7%	**824**	831	(0.8%)
Other	**482**	513	(6.0%)	**1,383**	1,421	(2.7%)
Total capex – multi-residential	**5,959**	5,892	1.1%	**18,244**	20,136	(9.4%)
Average number of multi-residential suites	**14,412**	11,111	29.7%	**12,431**	11,111	11.9%
Capex per multi-residential suite ($/suite)	**413**	530	(22.0%)	**1,468**	1,812	(19.0%)
Total capex – multi-residential	**5,959**	5,892	1.1%	**18,244**	20,136	(9.4%)
Total capex – commercial	**302**	269	12.3%	**668**	601	11.1%
Total capex	**6,261**	6,161	1.6%	**18,912**	20,737	(8.8%)

Capital expenditures of $6.3 million and $18.9 million were incurred during the three months and year ended December 31, 2023, which were higher and lower than $6.2 million and $20.7 million, respectively, 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 determined 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 and so previously three years of actual maintenance capex was 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 multiple years.

- For 2023, the annualized reserve was based on an average of actual results for 2021 and 2022 and management's forecast for 2023.
- For 2022, the annualized reserve was based on an average of actual results for 2021 and management's forecast for 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. Northview has also applied the reserve per suite or reserve per sq.ft. to the acquired properties as it best reflects management's estimate of maintenance capex for these properties.

For 2023, management has determined the annualized multi-residential maintenance capex reserve to be $913 per multi-residential suite (2022 – $1,067 per multi-residential suite) and $0.64 per sq. ft. (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 December 31		**Year Ended December 31**	
(thousands of dollars, except as indicated)	**2023**	**2022**	**2023**	**2022**
Multi-residential				
Maintenance capex reserve	**3,178**	2,963	**11,355**	11,852
Actual maintenance capex	**3,388**	1,386	**10,318**	9,558
Difference	**(210)**	1,577	**1,037**	2,294
Commercial				
Maintenance capex reserve	**183**	236	**696**	946
Actual maintenance capex	**300**	271	**666**	601
Difference	**(117)**	(35)	**30**	345

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 months and year ended December 31, 2023, Northview met all the requirements to be qualified as a Tax REIT.
The Tax REIT Exemption does not apply to incorporated subsidiaries of Northview, which are therefore subject to Canadian income taxes. Northview does not currently hold any income-producing property or operations in taxable incorporated subsidiaries. As such, there is currently no provision for current or deferred income tax expense required in the current reporting period.

SUMMARY OF QUARTERLY RESULTS

(thousands of dollars, except as indicated)	Q4 2023[(1)]	Q3 2023[(1)]	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Revenue	**67,865**	57,402	51,578	51,627	50,969	49,703	48,899	48,639
Net and comprehensive income (loss)	**20,213**	155,476	(3,100)	(9,421)	25,128	52,707	(3,759)	(3,265)
Per basic unit ($/Unit)[(2)]	**0.56**	5.66	(0.15)	(0.46)	1.22	2.57	(0.18)	(0.16)
Per diluted unit ($/Unit)[(2)]	**0.48**	5.28	(0.15)	(0.46)	1.22	2.57	(0.18)	(0.16)
NOI	**39,381**	35,022	30,656	26,889	28,345	30,904	28,628	24,631
FFO	**14,375**	12,530	11,435	7,082	9,505	14,553	14,552	12,550
Per basic unit ($/Unit)[(2)(3)]	**0.40**	0.46	0.56	0.35	0.46	0.71	0.71	0.61
Per diluted unit ($/Unit)[(2)(3)]	**0.34**	0.43	0.56	0.35	0.46	0.71	0.71	0.61
FFO payout ratio[(3)(4)]	**84.9%**	98.6%	101.6%	98.8%	88.3%	78.2%	73.2%	71.9%

(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”.
(4) Calculated for the period from January 1, 2023 to December 31, 2023.

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 “Risk Factors - Utility Cost Risk”. 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 “Risk Factors - Interest Rate Risk”.

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 December 31, 2023, Northview had a working capital deficiency of $692.1 million (December 31, 2022 – $781.3 million), of which $348.6 million related to borrowings on the credit facilities, for which the maturity is December 31, 2024, and $241.6 million (December 31, 2022 – $288.4 million) related to the current portion of mortgages payable which is expected to be refinanced with new mortgages. In addition, $96.1 million (December 31, 2022 – $nil) related to the current portions of Exchangeable Units and Redeemable Units. Exchangeable Units are exchangeable for Trust Units and do not represent a cash liability. Redeemable Units may be settled in cash or the issuance of Trust Units at Northview’s discretion.

Northview has a history of generating positive cash flows provided by operating activities. However, it has also historically operated with a 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 December 31, 2023, Northview had undrawn capacity of $47.5 million on its credit facilities (December 31, 2022 – $26.4 million).

As market conditions permit, Northview may also utilize 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 December 31, 2023, Northview completed $39.1 million of mortgage financing with a weighted average interest rate of 5.06% and an average term to maturity of 8.5 years. During the three months ended December 31, 2022, Northview completed $21.6 million of mortgage financing with a weighted average interest rate of 4.08% and an average term to maturity of 5.4 years.

During the year ended December 31, 2023, Northview completed $485.8 million of mortgage financing with a weighted average interest rate of 4.33% and an average term to maturity of 7.3 years. During the year ended December 31, 2022, Northview completed $112.8 million of mortgage financing with a weighted average interest of 3.91% and an average term to maturity of 5.1 years.

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 5.4 years.

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

	Principal Amount	Principal on Maturity	Total	% of Total	Weighted Average Interest Rate
2024	31,461	214,533	245,994	17.3%	4.56%
2025	25,368	155,077	180,445	12.6%	3.00%
2026	19,779	81,081	100,860	7.1%	2.34%
2027	15,987	181,342	197,329	13.8%	3.81%
2028	13,192	269,922	283,114	19.8%	4.17%
Thereafter	32,983	387,443	420,426	29.4%	3.78%
Total	**138,770**	**1,289,398**	**1,428,168**	**100.0%**	**3.80%**

CREDIT FACILITIES

As at December 31, 2023, Northview had in place two credit facilities: a syndicated credit facility with a total credit limit of $338.7 million (December 31, 2022 – $529.9 million) (the "syndicated facility") and a term credit facility with a credit limit of $60.0 million (the "term facility") (collectively, the "credit facilities"). These 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 (decrease from 1.40), and
    - Consolidated tangible net worth of not less than $700 million (increase from $350 million).

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

The terms of the credit facilities were as follows:

	As at December 31, 2023		As at December 31, 2022	
	Credit Limit	**Amount Drawn**	**Credit Limit**	**Amount Drawn**
Syndicated facility				
Tranche A-1 Facility	**211,663**	**211,663**	315,651	315,651
Tranche A-2 Facility	**—**	**—**	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**	**30,000**	—	—
Total	**398,663**	**351,163**	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 amendments to the syndicated facility provided for the availability of an additional $40.0 million, which was made available via the Tranche A-3 Facility. Northview drew $40.0 million on the Tranche A-3 Facility to facilitate the acquisition of the Galaxy Portfolio. As the Tranche A-3 Facility is non-revolving, this extinguished the associated credit limit.

As the Tranche A-1 Facility, Tranche A-2 Facility, and Tranche A-3 Facility are non-revolving term loan facilities, payments on the facilities reduce the credit limit available. For the year ended December 31, 2023, Northview completed repayments of $246.2 million (year ended December 31, 2022 – $84.2 million), which included the full repayment of the Tranche A-3 Facility and, reduced the credit limit on the Tranche A-1 Facility and Tranche A-2 Facility.

The term facility is a non-revolving facility of which $30.0 million has been drawn and draws on the remaining $30.0 million may occur no more than once per month for mortgage principal payments.

In addition, Northview drew $93.9 million on the credit facilities for the year ended December 31, 2023, including $40.0 million to facilitate the acquisition of the Galaxy Portfolio (year ended December 31, 2022 – $74.0 million), which was fully repaid in the third quarter of 2023 from mortgage financing proceeds on certain acquired properties.

FINANCIAL COVENANTS

The credit facilities are subject to the following financial covenants:

	Limit	As at December 31, 2023
Syndicated facility		
Consolidated debt to aggregate assets	Not greater than 75%	**64.6%**
Debt service coverage ratio	Not less than 1.20	**1.35**
Consolidated tangible net worth	Not less than $700 million	**$961.7 million**
Physical occupancy rate	Not less than 87%	**94.7%**
Term facility		
Consolidated debt to aggregate assets	Not greater than 70%	**53.0%**
Debt service coverage ratio	Not less than 1.00	**1.44**
Portfolio equity	Not less than $75 million	**$135.7 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 annual 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 year ended December 31, 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 had obtained a waiver of the debt service coverage ratio covenant which was effective for 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 annual financial statements for further discussion of Northview’s objectives, policies, and processes for managing capital. 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. Refer to the annual 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 65.1% as at December 31, 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 December 31, 2023	As at December 31, 2022
Credit facilities		**351,163**	503,502
Mortgages payable		**1,428,168**	843,757
Less: Cash and cash equivalents		**(21,394)**	(26,486)
Total debt	A	**1,757,937**	1,320,773
Investment properties		**2,661,118**	1,862,078
Property, plant and equipment		**29,077**	32,043
Accumulated depreciation		**10,512**	7,312
Gross book value	B	**2,700,707**	1,901,433
Debt to gross book value	**A/B**	**65.1%**	69.5%

The decrease in the debt to gross book value ratio from 69.5% at December 31, 2022 to 65.1% at December 31, 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.

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 are subject to an 18-month lock-up period during which the Exchangeable Units may be exchanged for Trust Units but such Trust 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 December 31, 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 December 31, 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 December 31, 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 December 31		**Year Ended December 31**	
(number of Units in thousands)	**2023**	2022	**2023**	**2022**
Trust Units	**28,574**	20,524	**23,457**	20,524
Exchangeable Units	**3,397**	—	**1,238**	—
Redeemable Units	**4,085**	—	**1,489**	—
Weighted average number of Units – basic	**36,056**	20,524	**26,184**	20,524
Trust Units potentially issuable for Redeemable Units[(2)]	**6,069**	—	**1,091**	—
Weighted average number of Units – diluted	**42,125**	20,524	**27,275**	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 December 31, 2023	As at December 31, 2022[1]
Class A	**3,280**	4,104
Class C	**22,743**	13,988
Class F	**2,551**	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 January 31, 2024, Northview's issued Units were as follows:

(number of Units in thousands)	As at January 31, 2024
Class A	**3,479**
Class C	**22,738**
Class F	**2,357**
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 December 31, 2023 were as follows:

	Carrying Amount	Contractual Cash Flows	Up to 1 year	1 – 3 years	4 – 5 years	Over 5 years
Mortgages payable (principal and interest)	**1,428,168**	1,574,134	293,169	358,180	535,039	387,746
Credit facilities (principal)	**351,163**	351,163	351,163	—	—	—
Trade and other payables[1]	**44,125**	44,125	44,125	—	—	—
Distributions payable	**3,286**	3,286	3,286	—	—	—
Total	**1,826,742**	**1,972,708**	**691,743**	**358,180**	**535,039**	**387,746**

(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 months and year ended December 31, 2023, distributions declared to Unitholders were $9.9 million and $38.5 million, respectively (for the three months and year ended December 31, 2022, $11.3 million and $45.2 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 December 31		Year Ended December 31	
(thousands of dollars)	**2023**	**2022**	**2023**	**2022**
Trust Units	**—**	11,287	**22,553**	45,150
Exchangeable Units	**929**	—	**1,349**	—
Recognized in net and comprehensive income	**929**	11,287	**23,902**	45,150
Trust Units	**7,813**	—	**13,022**	—
Redeemable Units	**1,117**	—	**1,622**	—
Recognized in retained earnings	**8,930**	—	**14,644**	—
Distributions declared to Unitholders	**9,859**	11,287	**38,546**	45,150

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

		Three Months Ended December 31		Year Ended December 31	
(thousands of dollars)		**2023**	**2022**	**2023**	**2022**
Distributions paid to Unitholders	**A**	**9,859**	11,287	**39,022**	45,150
Cash flows provided by operating activities	**B**	**20,688**	9,665	**44,316**	41,030
Distribution payout ratio (%)	**A/B**	**47.7%**	116.8%	**88.1%**	110.0%
Excess (deficiency) of cash flows provided by operating activities over distributions paid	**B-A**	**10,829**	(1,622)	**5,294**	(4,120)

For the three months and year ended December 31, 2023, distributions paid to Unitholders represented 47.7% and 88.1% of cash flows provided by operating activities, respectively (for the three months and year ended December 31, 2022 – 116.8% and 110.0%, 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 year ended December 31, 2023, the increase in cash flows provided by operating activities relative to the comparative period in the prior year was primarily due to increased NOI.

For the three months and year ended December 31, 2022, distributions paid exceeded cash flows provided by operating activities. The distributions in excess of cash flows provided by operating activities represented a return of capital that was funded by part of Northview's credit facilities. 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 borrowings on the credit facilities 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.

FINANCIAL INFORMATION

The following table outlines transactions with related parties:

	Entities with Significant Influence	Key Management Personnel	Joint Ventures	Total
Year Ended December 31, 2023				
Revenue	**—**	**—**	**427**	**427**
Other income	**660**	**—**	**—**	**660**
Expenses	**4,211**	**1,427**	**64**	**5,702**
Year Ended December 31, 2022				
Revenue	—	—	416	416
Expenses	6,592	1,158	59	7,809

The following table outlines outstanding balances with related parties:

	Entities with Significant Influence	Joint Ventures	Total
As at December 31, 2023			
Accounts receivable	**238**	**39**	**277**
As at December 31, 2022			
Accounts receivable	—	36	36
Accounts payable	646	—	646

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

ENTITIES WITH SIGNIFICANT INFLUENCE

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 previously 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 year ended December 31, 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 year ended December 31, 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 year ended December 31, 2023, Northview recognized payments of $0.5 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 year ended December 31, 2023, Northview recognized payments of $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.

KEY MANAGEMENT PERSONNEL

The compensation of key management personnel consisted of short-term employee benefits and is included within "Operating expenses" and "Administration" within the consolidated statements of net and comprehensive income depending on the function of the individual.

JOINT VENTURES

Inuvik Capital Suites Zheh Gwizu' Limited Partnership ("ICS") and Inuvik Commercial Properties Zheh Gwizu' Limited Partnership ("ICP") are each a joint venture in which Northview has a 50% interest. For the years ended December 31, 2023 and 2022, Northview provided management services to each of ICP and ICS.

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. Described below are certain risks that could materially affect Northview and the value of the Units. 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 below 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.

RISKS RELATED TO THE RECAPITALIZATION EVENT

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 financial results Northview expects.

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. The issuance of Class A Units could result in potential dilution to existing Unitholders.

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.

RISKS RELATED TO THE GENERAL ENVIRONMENT

ECONOMIC ENVIRONMENT

Northview is subject to risks involving the economy in general, including recessions, inflation, deflation or stagflation, unemployment, geopolitical issues, including the conflict between Russia and Ukraine, conflict in the Middle East, and a local, regional, national or international outbreak of a contagious disease, including the outbreak of COVID-19. Global inflation, exacerbated by supply chain issues and other macroeconomic conditions, may keep central banks aggressive in their attempts to mitigate pricing pressures. With heightened interest rates and market sentiment deteriorating, the risk of a global recession is increasing.

Poor economic conditions could adversely affect Northview’s ability to generate revenues, thereby reducing its earnings. In weak economic environments, Northview’s ability to maintain occupancy rates could be reduced, harm its financial condition, and Northview’s tenants may be unable to meet their rental payments and other obligations due, which could have a material and adverse effect.

CATASTROPHIC EVENTS, INTERNATIONAL CONFLICT, NATURAL DISASTERS, SEVERE WEATHER AND DISEASE

Northview’s business may be negatively impacted to varying degrees by a number of events which are beyond its control, including tornadoes, earthquakes, fires, floods, ice storms, cyber-attacks, unauthorized access, energy blackouts, pandemics, outbreaks of infectious disease, other public health crises affecting the markets where Northview operates, terrorist attacks, acts of war, or other natural or manmade catastrophes. In addition, liquidity and volatility, credit and insurance availability, and market and financial conditions generally could change at any time as a result. Any of these events in isolation or in combination, could have a material negative impact on Northview’s financial condition, results of operations, and decrease the amount of cash available for distribution to Unitholders.

PUBLIC HEALTH CRISIS AND DISEASE OUTBREAKS

Public health crises, or relating to any other virus, flu, epidemic, pandemic, or any other similar disease or illness (each a “Health Crisis”), could have a material adverse effect on Northview’s business, cash flows, financial condition, results of operations, and ability to make distributions to Unitholders. A Health Crisis could further result in a general or acute decline in economic activity in the regions in which Northview holds assets; increase unemployment, staff shortages, reduce tenant traffic, mobility restrictions and other quarantine measures; supply shortages; increase government regulation; and the quarantine or contamination of one or more of Northview’s properties.

ENVIRONMENTAL MATTERS AND CLIMATE CHANGE RISK

Northview is subject to various other requirements relating to environmental matters where Northview could be, or become, liable including with respect to the removal or other remediation of hazardous, toxic, or other regulated substances that may be present at or under its properties. Such requirements often impose liability without regard to whether the owner or operator knew of, or was responsible for, such materials. In addition, environmental laws and regulations may change and Northview may become subject to more stringent environmental laws and regulations in the future. Northview may become subject to transition risks as a result of the process of shifting to a low-carbon economy, influenced by new and emerging climate-related public policies and regulations, technologies, stakeholder expectations and legal developments. Compliance with more stringent environmental requirements, the identification of currently unknown environmental issues, or an increase in the costs required to address a currently known condition may have a material adverse effect on Northview's business, cash flows, financial condition, results of operations, property values, ability to finance assets, and ability to make distributions to Unitholders.

It is Northview's operating policy to obtain or be entitled to rely on an environmental site assessment prior to acquiring a property. Although such environmental assessments provide Northview with some level of assurance about the condition of the properties, there may be undisclosed liabilities and Northview may become subject to such liabilities.

Natural disasters, earthquakes and severe weather such as hurricanes, tornadoes, floods, ice storms, blizzards, wildfires, rising temperatures and other adverse weather and climate conditions may result in damage to Northview's properties, decreased property values, reduced operating income and cash flows. Northview has taken proactive steps to mitigate the risk of climate change on itself and its properties and to address Northview's environmental impact.

CYBER SECURITY RISK

Cyber security has become an increasingly problematic issue for issuers and businesses in Canada and around the world, including Northview. Cyber attacks against large organizations are increasing in sophistication and are often focused on financial fraud, compromising sensitive data for inappropriate use, or disrupting business operations. As Northview's reliance on technology has increased, so have the risks posed to its systems. Northview's primary risks include operational interruption, damage to its reputation, damage to Northview's business relationships with its tenants, disclosure of confidential information regarding its tenants, employees and third parties with whom Northview interacts, and may result in negative consequences, including remediation costs, loss of revenue, additional regulatory scrutiny, and litigation. Northview has implemented processes, procedures, and controls to mitigate these risks, including cyber security awareness training.

UNINSURED LOSSES

Northview arranges for comprehensive insurance, including fire, liability, and extended coverage, of the type and in the amounts customarily obtained for similar properties and will endeavour to obtain coverage where warranted against earthquakes and floods. However, in many cases, certain types of losses (generally of a catastrophic nature) are either uninsurable or not economically insurable. Should such a disaster occur with respect to any of the properties, Northview could suffer a loss of capital invested and not realize any profits which might be anticipated from the disposition of such properties.

RISK RELATED TO INSURANCE RENEWALS

Certain events could make it more difficult and costly to obtain property and casualty insurance, including coverage for catastrophic risks. When Northview's current insurance policies expire, Northview may encounter difficulty in obtaining or renewing its policies at the same levels of coverage and under similar terms or at insurance premiums that are reasonable. To mitigate substantial increases in insurance costs, Northview may determine to gradually increase deductible and self-insure retention amounts. If Northview is unable to obtain adequate insurance on their properties for certain risks, it could cause Northview to be in default under specific covenants on certain indebtedness or other contractual commitments. If this were to occur, or if was unable to obtain adequate insurance, and their properties experienced damages that would otherwise have been covered by insurance, it could have a material adverse effect on Northview's business, cash flows, financial condition and results of operations.

RISKS RELATED TO NORTHVIEW'S REAL ESTATE OWNERSHIP

An investment in Units is an investment in real estate markets through Northview's indirect interest in its subsidiaries and the properties, directly or indirectly, acquired by it. Investment in real estate is subject to numerous risks, including the factors listed below and other events and risk factors which are beyond the control of Northview.

GENERAL REAL ESTATE OWNERSHIP RISK

All real property investments are subject to a degree of risk and uncertainty including general economic conditions, local real estate markets, and other factors. The ability to rent vacant suites in the properties will be affected by many factors, including changes in general economic conditions (such as the availability and cost of mortgage funds), local conditions (such as an oversupply of space or a reduction in demand for real estate in the area), government regulations, changing demographics, competition from other available properties, and other factors. If a significant number of tenants are unable to meet their obligations under their leases (see "Credit Risk") or if a significant amount of available space in the properties becomes vacant and cannot be re-leased on economically favourable terms, the properties may not generate revenues sufficient to meet operating expenses, including debt service and capital expenditures, and cash available for distribution will be adversely affected.

Historical occupancy rates and revenues are not necessarily an accurate prediction of the future occupancy rates. Northview may, in the future, be exposed to a general decline of demand by tenants for space in properties. Also, certain leases of the properties held by Northview may have early termination provisions which, if exercised, would reduce the average lease term. There can be no assurance that, upon the expiry or termination of existing leases, the average occupancy rates and revenues will be higher than historical occupancy rates and revenues. It may take a significant amount of time for Northview to achieve market rents due to internal and external limitations on its ability to charge these new market-based rents in the short-term.

Real property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relationship with demand for and the perceived desirability of such investments. Such illiquidity will tend to limit Northview's ability to vary its portfolio promptly in response to changing economic or investment conditions. If Northview were to be required to quickly liquidate its real property investments, the proceeds might be significantly less than the aggregate carrying value of the properties or less than what could be expected to be realized under normal circumstances.

Real property ownership of investment properties in Nunavut includes freehold interests, and long term leasehold interests. There are two forms of leasehold interests in Nunavut, land leases and equity land leases. Land leases have a fixed term with no automatic renewal clause. Equity land leases generally include an automatic renewal clause for periods ranging from 25 to 35 years. Certain equity leases in Iqaluit, NU are also available for terms up to 99 years. Northview could be subject to the risk that the land leases are not renewed by the Government of Nunavut, thus impairing Northview's ability to generate income from these properties. The majority of Northview's investment in real property in Nunavut is located in Iqaluit where the investment properties are either held via freehold interest or equity land leases.

LIQUIDITY RISK

Northview's liquidity is subject to macroeconomic, financial, competitive, and other factors that are beyond Northview's control, including increasing interest rates and inflationary pressures. Liquidity risk is the risk that Northview is not able to meet its financial obligations as they fall due or can do so only at excessive cost. Northview manages liquidity risk by managing mortgage and loan maturities. Cash flow projections are completed on a regular basis to ensure there will be adequate liquidity to maintain operating, capital, and investment activities, and distributions to Unitholders. In addition, Northview continues to repay its floating rate debt and monitor its capital structure and sources of financing, including amendments to the existing credit facilities and/or establishing additional credit facilities. If needed, Northview may take additional steps to manage liquidity including any combination of reducing or suspending distributions, reducing capital expenditures, divesting certain investment properties and assets, or obtaining new debt, equity, or other forms of financing.

CAPITAL MARKET RISK

Northview accesses the capital markets from time to time through the issuance of debt, equity or equity related securities. If Northview were unable to raise additional funds or renew existing maturing debt on favourable terms, then acquisition or development activities may be curtailed, asset sales accelerated, property specific financing, purchase and development agreements re-negotiated, and monthly cash distributions reduced or suspended.

FINANCING RISKS

As at December 31, 2023, Northview had outstanding mortgages of approximately $1.4 billion (December 31, 2022 – $0.8 billion) and approximately $351.2 million (December 31, 2022 – $503.5 million) drawn on its credit facilities. A portion of the cash flow generated by Northview's properties is required for principal and interest payments on such debt and there can be no assurance that Northview will continue to generate sufficient cash flow from operations to meet required payments. See "Liquidity Risk". The future development of Northview's business may require additional financing. If Northview is unable to meet interest or principal repayments, it could be required to attempt a renegotiation of such payments with its lenders or obtain additional debt or other financing. The failure of Northview to make or successfully renegotiate interest or principal repayments or obtain additional debt or other financing, or if such financing is available, not being available on terms acceptable to Northview, could materially adversely affect Northview's financial condition and results of operations and decrease or eliminate the amount of cash available for distributions to Unitholders.

Northview is subject to the risks associated with debt financing, including the risk that the existing mortgages secured by certain properties will not be able to be refinanced or that the terms of such refinancing will not be as favourable as the terms of existing indebtedness. The borrowing capacity of the operating facilities is based on the asset values and debt serviceability of the assets pledged. As such, weakness in financial performance of certain properties may have an adverse effect on debt serviceability and overall asset value thereby reducing the borrowing capacity.

Northview's degree of leverage could affect Northview's ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, development or other general fund purposes, making Northview more vulnerable to a downturn in business or the economy in general. Under the Declaration of Trust, total indebtedness of Northview can be no more than 70% of Gross Book Value or 75% of Gross Book value including convertible debentures, which may mean the appraised value of the properties inclusive of any portfolio premium for the purposes of this determination.

INTEREST RATE RISK

As interest rates increase, the amount Northview pays to service debt increases. Northview is exposed to fluctuations in Canadian interest rates as it maintains a portion of its debt capacity in its floating-rate credit facilities, and regularly executes mortgage financing at prevailing market rates. Northview utilizes both fixed and floating rate debt. Fluctuations in interest rates may adversely affect Northview's ability to refinance existing indebtedness on its maturity or on similar favourable terms, which may negatively impact Northview's business, cash flows, financial condition, results of operations, and ability to make distributions to Unitholders.

Management mitigates interest rate risk by utilizing fixed rate mortgages, ensuring access to a number of sources of funding, and staggering debt maturities. As at December 31, 2023 and 2022, substantially all of Northview's mortgages were subject to fixed interest rates.

USE OF PROPERTY APPRAISALS

Appraisals are obtained for acquired properties and Northview may, from time to time, engage appraisers to provide independent estimates of the fair market value range in respect of existing properties. Caution should be exercised in the evaluation and use of appraisals, which are estimates of market value applying the analysis and opinion of qualified experts as of the effective date of such appraisals. 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. Furthermore, a publicly traded real estate investment trust will not necessarily trade at values determined solely by reference to the underlying value of its real estate assets. Accordingly, the Class A Units may trade at a premium or a discount to values implied by any appraisal(s) of the properties.

CAPITALIZATION RATE RISK

As interest rates fluctuate in the lending market, generally capitalization rates may as well, which affects the underlying value of real estate. As such, when interest rates rise, generally capitalization rates could be expected to rise. Over the period of investment, capital gains and losses at the time of disposition can occur due to the increase or decrease of these capitalization rates.

INFLATION RISK

Global and domestic inflationary pressures, external supply constraints, competitive labour markets, together with the imposition by central banks of higher interest rates, may put pressure on Northview's financing and labour costs as well as tenants' ability to pay rent in full or on a timely basis. If inflation at elevated levels persists and interest rates continue to climb, an economic contraction could be possible. There can be no assurances regarding the impact of a significant economic contraction on the business, operations, and financial performance of Northview and its tenants. If Northview's operating costs were to become subject to significant inflationary pressures, it may negatively influence its operations and Northview may not be able to offset these higher operating costs by increasing rent from its tenants. This may have a material adverse effect on Northview's business, cash flows, financial condition, results of operations, and ability to make distributions to Unitholders.

CREDIT RISK

Northview's credit risk primarily arises from the possibility that residents may not be able to fulfill their lease commitments.

There are no significant exposures to single residents with the exception of the Governments of Canada and Nunavut, which lease a large number of residential suites and commercial space in the Northwest Territories and Nunavut.

Northview mitigates credit risk through conducting thorough credit checks on prospective residents, requiring rental payments on the first of the month, obtaining security deposits approximating one month's rent from residents where legislation permits, and geographic diversification of its portfolio. Northview records an estimate of expected lifetime credit losses for receivables from past and current tenants as an allowance.

ACQUISITION, INVESTMENT AND DISPOSITION RISKS

Northview evaluates business and growth opportunities and considers a number of acquisition, investment and disposition opportunities to achieve its business and growth strategies. Northview will compete for suitable real estate investments and an increased availability market real estate investment funds would tend to increase competition, increasing purchase prices and reducing the yield on such investments. There is a risk that increased competition for real estate acquisitions may increase purchase prices to levels that are not accretive.

In the normal course, Northview may have outstanding non-binding letters of intent and/or conditional agreements or may otherwise be engaged in discussions with respect to potential acquisitions and financing of new assets, the refinancing of existing assets, potential dispositions, and changes to its capital structure, each of which, individually or in the aggregate, may or may not be material if they were to progress. However, there can be no assurance that any of these discussions will result in a definitive agreement and, if they do, the terms or timing to be completed by Northview may differ. Such transactions may also involve significant commitments of Northview's financial and other resources.

Acquisitions of properties by Northview are subject to the normal commercial risks and satisfaction of closing conditions that may include, among other things, lender approval, Competition Act (Canada) approval, receipt of estoppel certificates and obtaining title insurance. Such acquisitions may not be completed or, if completed, may not be on terms that are exactly the same as initially negotiated. In the event that Northview does not complete an acquisition, it may have an adverse effect on the operations and results of Northview in the future and its cash available for distributions to Unitholders.

JOINT VENTURES/CO-INVESTMENT RISKS

Northview may invest in, or be a participant in, directly or indirectly, joint ventures and partnerships with third parties in respect of the properties. A joint venture or partnership involves certain additional risks, including:

- the possible misalignment of business interests or goals with respect to the properties;
- the risk that such partners could experience financial difficulties which could result in additional financial demands on Northview to maintain and operate such properties or repay the partners' share of property debt guaranteed by Northview;

- the risk that such partners may, through their activities on behalf of or in the name of the ventures or partnerships, expose or subject Northview to liability; and
- the risk of not obtaining the partners' consents with respect to certain major decisions, including the decision to distribute cash generated from such properties or to refinance or sell a property.

In addition, the sale or transfer of interests the joint ventures may be subject to certain requirements, such as rights of first refusal, rights of first offer, or drag-along rights, and provide for buy-sell or similar arrangements. Such rights may inhibit Northview's ability to sell an interest in a property or a joint venture in a timely fashion. Additionally, drag-along rights may be triggered at a time when Northview may not wish to sell its interest in a property.

LEGAL AND LITIGATION RISKS

GOVERNMENT REGULATIONS

Certain provinces and territories in Canada have enacted residential tenancy legislation which imposes, among other things, rent control guidelines that limit Northview's ability to raise rental rates at the properties which may adversely affect Northview's ability to increase income from the properties.

In addition, residential tenancy legislation in such provinces may provide certain rights to tenants, while imposing obligations upon landlords. This legislation may also prescribe procedures which must be followed by a landlord which could take several months to terminate a residential lease, even where the tenant's rent is in arrears.

Further, the legislation may provide tenants with the right to bring certain claims to compel landlords to comply with health, safety, housing, and maintenance standards. As a result, Northview may, in the future, incur capital expenditures which may not be fully recoverable from tenants.

Residential tenancy legislation may be subject to further regulations or may be amended, repealed or enforced, or new legislation may be enacted, in a manner which will materially adversely affect the ability of Northview to maintain the historical level of earnings of the properties.

CHANGES IN APPLICABLE LAWS

Northview's operations must comply with numerous federal, provincial, territorial and local laws and regulations, some of which may conflict with one another or be subject to limited judicial or regulatory interpretations. These laws and regulations may include zoning laws, building codes, landlord tenant laws and other laws generally applicable to business operations. Non-compliance with laws could expose Northview to liability. Lower revenue growth or significant unanticipated expenditures may result from Northview's need to comply with changes in applicable laws.

POTENTIAL CONFLICT OF INTEREST

Northview may be subject to various conflicts of interest because certain directors, officers, and associates, as well as the Trustees, and the executive officers, are engaged in a wide range of real estate and other business activities. The Trustees may, from time to time, in their individual capacities, deal with parties with whom Northview may be dealing. The interests of these persons could conflict with those of Northview. The Declaration of Trust contains conflict of interest provisions requiring the Trustees to disclose their interests in certain contracts and transactions and to refrain from voting on those matters. Conflicts may also exist as certain Trustees will be nominated by KingSett Investors and Starlight Investors. There can be no assurance that the provisions of the Declaration of Trust will adequately address potential conflicts of interest or that such actual or potential conflicts of interest will be resolved in favour of Northview.

FINANCIAL REPORTING AND OTHER PUBLIC COMPANY REQUIREMENTS

Northview is subject to reporting and other obligations under applicable Canadian securities laws and rules of any stock exchange on which any class of Units are listed. In order to meet such requirements, Northview has established systems, implemented financial and management controls, reporting systems and procedures and retained accounting and finance personnel. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within a company are detected. Any failure to maintain effective internal controls could cause Northview to fail to meet its reporting obligations or result in material misstatements in its financial statements. If Northview cannot provide reliable financial reports or prevent fraud, its reputation and operating results could be materially harmed which could also cause investors to lose confidence in Northview's reported financial information, which could result in a lower trading price of Class A Units.

LITIGATION RISK

Northview is subject to a wide range litigations risks in the normal course of operations. Northview may become involved in various legal proceedings, including regulatory proceedings, tax proceedings and legal actions in relation to personal injuries, property damage, property taxes, land rights, the environment, and contract disputes. The outcome with respect to outstanding, pending, or future proceedings cannot be predicted with certainty and may have a material adverse effect of Northview's assets, liabilities, business, financial condition, and results of operations. Proceedings could be costly and time-consuming and may divert the attention of management and key personnel from Northview's business operations.

The acquisition, ownership, and disposition of real property carries certain specific litigation risks. Litigation may be commenced for a property acquired by Northview or its subsidiaries for activities that took place prior to Northview's acquisition. In addition, at the time of disposition of a property, a potential buyer may claim that it should have been afforded the opportunity to purchase the asset or claim the reimbursement of expenses or damages if not successful in purchasing the asset. Successful buyers may later sue Northview under various damage theories not uncovered in due diligence.

RISKS RELATED TO OPERATIONS

Certain significant expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs, and related charges must be made throughout the period of ownership of real property regardless of whether a property is producing any income.

RELIANCE ON MANAGEMENT, TRUSTEES, AND EXPERTISE OF THE OPERATIONAL TEAM OF NORTHVIEW

Unitholders will, in large part, be relying on the expertise of management, as well as the Trustees and Northview's operational team. In particular, Unitholders will have to rely on the discretion and ability of management in determining the composition of the portfolio of properties, and in negotiating the pricing and other terms of the agreements entered into by Northview. The loss of the services of key personnel could have an adverse effect on Northview, which Northview intends to mitigate through succession planning. The ability of management to successfully implement Northview's investment strategy will depend in large part on the continued employment of the executive team. If management loses the services of key executives, the business, financial condition, and results of operations of Northview may be materially adversely affected.

PROPERTY TAX RISK

Certain significant expenditures, including property taxes, must be made throughout the period of ownership of real property regardless of whether a property is producing any income. There is a risk that property taxes may be raised as a result of re-valuations of properties and their adherent tax rates. In some instances, enhancements to properties may result in significant increases in property assessments following a re-valuation.

UTILITY COST RISK

Northview is exposed to utility cost risk from the fluctuation in retail prices for fuel oil, natural gas, and electricity, which are the primary utilities used to heat its properties. The exposure to utility cost risk is restricted primarily to the multi-residential rental and execusuite portfolios. Due to the locations of Northview's properties, the exposure to utility price fluctuations is more pronounced in the first and last fiscal quarters of the year.

Natural gas is the main source of fuel for heating properties located in Alberta; New Brunswick; Saskatchewan; Ontario; Nova Scotia as well as parts of British Columbia, Québec and Inuvik, Northwest Territories. Natural gas prices in Alberta and British Columbia are not subject to regulated price control. Northview uses fixed price hedges to manage the exposure to the utility cost risk in Alberta. Heating oil and wood pellets are the primary sources of fuel for heating properties located in Nunavut and Yellowknife, Northwest Territories. Electricity is the primary source for heating properties located in Newfoundland and Labrador, and Manitoba as well as parts of British Columbia and Québec. In Newfoundland and Labrador and British Columbia, electricity is purchased from the provincially-regulated utilities. Water services are typically provided by the various municipalities and subject to price fluctuations due to changes in fees and taxes imposed by the municipalities.

A 10% change in the combined average price of utilities (electricity, water, fuel oil, wood pellets, and natural gas) would impact Northview's net and comprehensive income by approximately $2.9 million for the year ended December 31, 2023 (year ended December 31, 2022 - approximately $2.8 million).

For leases in commercial property, Northview provides for recovery of operating costs from tenants, including utilities. The ability to recover these costs is subject to occupancy risk.

RISKS RELATED TO UNITS

DISTRIBUTIONS MAY BE REDUCED OR SUSPENDED

Although Northview intends to make distributions of its available cash to Unitholders in accordance with its distribution policy, these cash distributions may be reduced or suspended. The actual amount distributed will depend on the cash available to Northview for distributions which may impacted by numerous factors including capital market conditions, the financial performance of the properties, Northview's debt covenants and obligations, its working capital requirements, its future capital expenditure requirements, fluctuations in interest rates and any other business needs that the Trustees deem reasonable. Northview may be required to use part of its debt capacity in order to accommodate any or all of the above items. The market value of the Units may decline significantly if Northview suspends or reduces distributions. The Trustees retain the right to reevaluate the distribution policy from time to time as they consider appropriate.

REDEMPTION OF TRUST UNITS

The payment in cash by Northview of the redemption price of Units will reduce the amount of cash available for distributions to Unitholders, as the payment of redemptions will take priority over the payment of cash distributions. In the event that the total amount payable by Northview in respect of the redemption of Units for a particular calendar quarter exceeds $100,000, the redemption of Units may be paid and satisfied by way of an in specie distribution of property of Northview, and/or unsecured subordinated notes of Northview, as determined by the Trustees in its discretion, to the redeeming Unitholder. Such property is not expected to be liquid and may not be a qualified investment for trusts governed by Plans, means, collectively, RRSPs, RRIFs, RESPs, DPSPs, RDSPs, TFSAs. Adverse tax consequences generally may apply to a Unitholder, or Plan, and/or the annuitant, holder, subscriber, or beneficiary thereunder or thereof, as a result of the redemption of Units held in a trust governed by a Plan. Accordingly, investors that propose to invest in Units through Plans should consult their own tax advisors before doing so to understand the potential tax consequences of exercising their redemption rights attached to such Units.

DILUTION

Northview is authorized to issue an unlimited number of Units, and any issuance of additional Units has a dilutive effect on the voting rights and per unit earnings attributable to Unitholders.

Northview may sell additional equity securities in subsequent offerings (including the sale of securities convertible into Units) to finance its operations or growth. Northview cannot predict the size of future sales and issuances of equity securities or the effect, if any, that future sales and issuances of equity securities will have on the market price of the Units. Sales or issuances of a substantial number of equity securities or the perception that such sales could occur, could have a material adverse effect on the prevailing market prices for the Units.

STRUCTURAL SUBORDINATION OF UNITS

In the event of bankruptcy, liquidation, or reorganization of Northview Canadian HY Properties LP, Northview Canadian HY Holdings LP (together, the "Partnerships"), or any of their subsidiaries, holders of their indebtedness and their trade creditors will generally be entitled to payment of their claims from the assets of the Partnerships, and their subsidiaries before any assets are made available for distribution to Northview or Unitholders. Therefore, the Units are effectively subordinated to the debt and other obligations of the Partnerships and their subsidiaries. The Partnerships and their subsidiaries generate all of Northview's cash available for distribution and hold substantially all of Northview's assets.

UNITHOLDER LIABILITY

Recourse for any liability of Northview is intended to be limited to Northview's assets. The Declaration of Trust provides that no Unitholder acting as trustee or carrier (an "annuitant") will be held to have any personal liability as such, and that no resort shall be had to the private property of any Unitholder or annuitant to satisfy any obligation or claim arising out of or in connection with any contract or obligation of Northview or of the Trustees.

In conducting its affairs, Northview owns and will be acquiring real property investments, subject to existing contractual obligations, including obligations under mortgages and leases. The Trustees intend to cause Northview's operations to be conducted in such a way as to minimize any such risk, including by obtaining appropriate insurance and, using all reasonable efforts to have any obligations under mortgages and material contracts, other than leases, modified so as not to have such obligations binding upon any of the Unitholders or annuitants personally. However, Northview may not be able to obtain such modification in all cases. To the extent that claims are not satisfied by Northview, there is a risk that a Unitholder or annuitant will be held personally liable for obligations.

VOLATILE MARKET PRICE FOR THE UNITS

The market price for Class A Units on the TSX may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond Northview's control. There can be no assurance that an active trading market in the Class A Units will be sustained. Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of securities of public entities and that have, in several cases, been unrelated to the operating performance, underlying asset values or prospects of such entities. Accordingly, the market price of the Units may decline even if Northview's operating results, underlying asset values or prospects have not changed. If such increased levels of volatility and market turmoil continue for a protracted period of time, Northview's operations could be materially adversely impacted and the trading price of the Units may be materially adversely affected.

LIMITED CONTROL

Unitholders have limited control over changes in Northview's policies and operations, which increases the uncertainty and risks of an investment in Northview. The Board determines major policies, including policies regarding financing, growth, debt capitalization, and distributions. The Board may amend or revise these and other policies without a vote of Unitholders. Under Northview's organizational documents, Unitholders have a right to vote only on limited matters. The Trustees' broad discretion in setting policies and Unitholders' inability to exert control over those policies increases the uncertainty and risks of an investment in Northview. In addition, the investor rights agreement grants certain nomination rights to the Starlight Investors and KingSett Investors, respectively.

RISKS RELATED TO CANADIAN INCOME TAXES

CHANGES IN TAX LAWS

There can be no assurance that Canadian federal income tax laws, the judicial interpretation thereof, or the administrative policies and assessing practices of the CRA will not be changed in a manner that adversely affects Northview or Unitholders, including with respect to Northview's qualification as a "mutual fund trust" and the "SIFT Rules'" inapplicability to a trust for a particular taxation year if the trust qualifies as a "real estate investment trust" (as defined in the Tax Act) for the year (the "REIT Exemption"). Any such change could increase the amount of tax payable by Northview or its affiliates or could otherwise adversely affect Unitholders by reducing the amount available to pay distributions or changing the tax treatment applicable to Unitholders in respect of distributions or their investments.

MUTUAL FUND TRUST STATUS

Northview intends to comply with the requirements under the Tax Act such that it will qualify at all times as a "mutual fund trust" for purposes of the Tax Act, however no assurances can be given in this regard. Should Northview cease to qualify as a mutual fund trust under the Tax Act, the income tax considerations associated with acquiring, holding, and disposing of Units would be materially and adversely different in certain aspects.

Under current law, a trust may lose its status under the Tax Act as a mutual fund trust if it can reasonably be considered that the trust was established or is maintained primarily for the benefit of non-residents, except in limited circumstances. There is no way of rectifying such a loss of mutual fund trust status such that if, Northview were to lose mutual fund trust status in this manner, Northview would permanently cease to be a mutual fund trust. Northview may also cease to qualify as a "mutual fund trust" for purposes of the Tax Act if a sufficient number of Unitholders of Northview were to redeem their Units.

RESTRICTIONS ON NON-RESIDENT OWNERSHIP

In order to comply with the limitations on ownership by non-residents, the Declaration of Trust includes restrictions on the ownership of Units intended to limit the number of Units held by non-residents, such that non-residents of Canada for purposes of the Tax Act, partnerships that are not "Canadian partnerships" (as defined in the Tax Act) or any combination of the foregoing may not own Units representing more than 49% of the fair market value of all Units. The restrictions on the issuance of Units by Northview to non-residents may negatively affect Northview's ability to raise financing for future acquisitions or operations. In addition, the non-resident ownership restrictions could negatively impact the liquidity of the Units and the market price at which Units can be sold.

SIFT RULES

Although, as of the date hereof, management believes that Northview met the requirements of the REIT Exemption, and that each Partnership has qualified and will qualify as an "excluded subsidiary entity" (as defined in the Tax Act) at all relevant times, there can be no assurance that Northview and its subsidiaries will be able to qualify for the REIT Exemption and as "excluded subsidiary entities", respectively, in order for Northview, its subsidiaries, and Unitholders not to be subject to the tax imposed by the SIFT Rules.

In the event that the SIFT Rules were to apply to Northview or a Partnership, the impact to a Unitholder would depend, among other factors, on the particular circumstances of the holder, on the amount of the "non-portfolio earnings" (as defined in the Tax Act) of Northview or such Partnership, as applicable, and, in the case of Northview, on the amount of income distributed which would not be deductible by Northview in computing its income in a particular year and what portions of Northview's distributions constitute "non-portfolio earnings" (as defined in the Tax Act), other income and returns of capital.

If the SIFT Rules were to apply to Northview or a Partnership, the SIFT Rules may have an adverse impact on Northview and the Unitholders, on the value of the Units, and on the ability of Northview to undertake financings and acquisitions; and the distributable cash of Northview may be materially reduced. The effect of the SIFT Rules on the market for the Units is uncertain.

LIMITS ON INTEREST DEDUCTIBILITY

On November 28, 2023, the Minister of Finance released revised proposals to amend the Tax Act (the "EIFEL Proposals") that are intended, where applicable, to limit the deductibility of interest and other financing-related expenses by an entity to the extent that such expenses, net of interest and other financing-related income, exceed a fixed ratio of the entity's tax EBITDA. Northview does not expect the EIFEL Proposals to have an adverse impact on Northview or its Unitholders, but there can be no assurances in this regard. If these rules were to apply to restrict deductions otherwise available to Northview or otherwise increase Northview's income for purposes of the Tax Act, the taxable component of distributions paid by the Trust to Unitholders may be increased, which could reduce the after-tax return associated with an investment in Units. The EIFEL Proposals are proposed to be effective for taxation years beginning on or after October 1, 2023.

QUALIFYING DISPOSITION

Northview has taken the position that its indirect acquisition of a 100% interest in properties as part of the 2020 Transaction constituted a "qualifying disposition" within the meaning of the Tax Act. However, no advance tax ruling from the CRA has been obtained in this regard and there is limited guidance regarding the relevant rules in the Tax Act. In addition, there is a risk that Northview may be subject to successor liability under the Tax Act in respect of certain tax liabilities of Northview. Should the acquisition of the properties acquired in the 2020 Transaction be determined to not constitute a qualifying disposition, or should any such successor liability arise, there may be materially adverse effects on Northview or the value of the Units.

TAXABLE INCOME EXCEEDING CASH DISTRIBUTIONS

Whether or not Northview pays cash distributions in a particular year, it is expected that Northview will make sufficient distributions (in the form of additional Units if cash distributions are not paid) to ensure that Northview is not subject to non-refundable tax under Part I of the Tax Act for the year. Accordingly, Unitholders may be subject to tax under the Tax Act on their share of Northview's income regardless of whether cash distributions are paid.

NON-RESIDENT HOLDERS

The Tax Act may impose additional withholding or other taxes on distributions made by Northview to Unitholders who are non-residents. Such taxes may reduce the after-tax return received by a non-resident from an investment in Units. Such taxes and any reduction thereof under a tax treaty between Canada and another country may change from time to time.

LOSS RESTRICTION EVENT

Pursuant to rules in the Tax Act, if Northview experiences a "loss restriction event" (i) it will be deemed to have a year-end for tax purposes (which would result in an unscheduled distribution of undistributed net income and net realized capital gains, if any, at such time to Unitholders to the extent necessary so that Northview is not liable for non-refundable tax on such amounts under Part I of the Tax Act), and (ii) it will become subject to the loss restriction rules generally applicable to a corporation that experiences an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on its ability to carry forward losses. Generally, Northview will be subject to a loss restriction event if a person becomes a "majority-interest beneficiary", or a group of persons becomes a "majority-interest group of beneficiaries", of Northview, each as defined in the affiliated persons rules contained in the Tax Act, with certain modifications. Generally, a majority-interest beneficiary of a trust is a beneficiary of the trust whose beneficial interests in the income or capital of the trust, as the case may be, together with the beneficial interests in the income or capital of the trust, as the case may be, of persons and partnerships with whom such beneficiary is affiliated for the purposes of the Tax Act, represent greater than 50% of the fair market value of all the interests in the income or capital of the trust, as the case may be.

GAINS AND LOSSES ON CAPITAL ACCOUNT

The tax treatment of gains and losses realized by Northview will depend on whether such gains or losses are treated as being on income or capital account, as described in this paragraph. Northview generally will treat gains (or losses) on the disposition of its properties as capital gains (or capital losses). Designations with respect to Northview's income and capital gains will be made and reported to Unitholders on the foregoing basis. The CRA's practice is not to grant advance income tax rulings on the characterization of items as capital gains or income and no advance income tax ruling has been requested or obtained. If any transactions of Northview are determined not to be on capital account, the net income of Northview for tax purposes and the taxable component of distributions to its Unitholders could increase. Any such determination by the CRA may result in Northview being liable for unremitted withholding taxes on prior distributions made to its Unitholders who were not resident in Canada for purposes of the Tax Act at the time of the distribution.

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. The material accounting policies adopted by Northview are included in Note 2 of the audited consolidated annual financial statements for the years ended December 31, 2023 and 2022. 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. The following discussion sets forth management's most critical estimates and assumptions in determining the value of assets and liabilities and management's most critical judgements in applying accounting policies. Actual results may differ from these estimates.

ACCOUNTING POLICIES

The below accounting policies were introduced following the close of the Recapitalization Event on August 21, 2023.

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 9 of the audited consolidated annual 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 10 of the audited consolidated annual 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. Refer to Note 11 of the audited consolidated annual financial statements.

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.

ESTIMATES

FAIR VALUE OF INVESTMENT PROPERTIES

Northview carries its investment properties at fair value. Significant estimates used in determining the fair value of Northview's investment properties include capitalization rates and projected stabilized NOI (which is influenced by inflation rates and vacancy rates). A change to either of these inputs could significantly alter the fair value of an investment property. Economic uncertainty and geopolitical risk have resulted in a temporarily higher degree of uncertainty for investment property value.

Components of projected stabilized NOI that could be impacted by the increased economic uncertainty include market rents, occupancy rates, and operating expenses such as utilities and bad debt expenses. As at December 31, 2023, management believed that there had not been a material impact to any of these inputs and that the longer-term implications could not be reasonably estimated. The longer-term impact that the increased economic uncertainty may have on capitalization rates and projected stabilized NOI may depend on the extent and effectiveness of government stimulus and regulations that impact Northview's operations and tenants, unemployment rates, inflation rates, interest rates, and market demand for multi-residential and commercial properties.

While investment properties are recorded at fair value, not every property is independently appraised every year. Significant judgement is applied in arriving at these fair values, particularly as the properties are in smaller regions with limited trading activity. Changes in the value of the investment properties impact net and comprehensive income.

DEPRECIATION AND AMORTIZATION

Depreciation and amortization are calculated to recognize the cost, less estimated residual value, of assets on a systematic and rational basis over their expected useful lives. Estimates of useful lives are based on data and information from various sources including industry practice and company-specific history. Expected useful lives and residual values are reviewed annually for any change to estimates and assumptions.

The componentization of Northview's PP&E, namely buildings, is based on management's judgement of what components constitute a significant cost in relation to the total cost of an asset and whether these components have similar or dissimilar patterns of consumption and useful lives for purposes of calculating depreciation and amortization.

IMPAIRMENT

Assessment of impairment is based on management's judgement of whether there are internal and external factors that would indicate that an asset or CGU is impaired. The determination of CGUs is also based on management's judgement and is an assessment of the smallest group of assets that generate cash inflows independently of other assets. Factors considered include whether an active market exists for the output produced by the asset or group of assets as well as how management monitors and makes decisions about Northview's operations.

JUDGEMENTS

PURCHASE OF INVESTMENT PROPERTIES

Northview reviews its purchases of investment properties to determine whether the purchase is a business combination as IFRS requires differing treatment of property acquisitions depending on whether the purchase meets the definition of a business combination. Judgement is involved in determining whether a purchase forms part of a business combination or an asset acquisition. Should the purchase form part of a business combination, the net assets acquired in the transaction are recorded at fair value and closing costs, such as appraisal and legal fees, are expensed as incurred and earnings are affected. If the purchase is an asset acquisition, the net assets acquired are recorded at the fair value of the consideration transferred and closing costs are capitalized as part of the cost of the assets acquired and earnings are not immediately affected.

OFF-BALANCE SHEET ARRANGEMENTS

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

CONTROLS AND PROCEDURES

DISCLOSURE CONTROLS AND PROCEDURES

As at December 31, 2023, the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") have designed, or caused it 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.

As at December 31, 2023, management conducted an evaluation of the design and operating effectiveness of Northview's DC&P under the supervision of the CEO and the CFO. Based on the evaluation, the CEO and the CFO concluded that Northview's DC&P were effective as at December 31, 2023.

INTERNAL CONTROL OVER FINANCIAL REPORTING

As at December 31, 2023, the CEO and the CFO have designed, or caused it 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 all errors and fraud.

Except as set forth below, during the year ended December 31, 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.

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 year ended December 31, 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 since the acquisitions occurred within 365 days of the reporting period. The scope limitation reflects the period of time required to integrate the acquired properties into Northview's existing DC&P and ICFR.

The table below presents the summary financial information of the Galaxy Portfolio, SL Portfolio, and Winnipeg Portfolio included in Northview's financial statements for the year ended December 31, 2023:

	As at December 31, 2023
Non-current assets	**764,122**
Current assets	**10,762**
Non-current liabilities	**405,895**
Current liabilities	**12,918**

	Year Ended December 31, 2023
Revenue	**20,855**
Net and comprehensive income	**164,152**