Northview™

Canadian High Yield Residential Fund

Management's Discussion and Analysis

For the three months ended March 31, 2021

ADVISORIES

The following Management's Discussion and Analysis ("MD&A") of the results of operations and financial condition, dated May 10, 2021, of Northview Canadian High Yield Residential Fund ("Northview" or the "Fund") should be read in conjunction with the cautionary statement regarding forward-looking information below, the unaudited condensed consolidated interim financial statements of Northview and notes thereto for the three months ended March 31, 2021 (the "interim financial statements") and the audited consolidated financial statements and notes thereto for the period from April 14, 2020 (date of formation) to December 31, 2020 ("the annual financial statements"). The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A should also be read in conjunction with Northview's annual MD&A for the period from April 14, 2020 (date of formation) to December 31, 2020 (the "annual MD&A"). Additional information related to Northview, including periodic quarterly reports filed with the Canadian securities regulatory authorities and Northview's Annual Information Form dated March 29, 2021, is available on SEDAR at www.sedar.com.

This MD&A is intended to provide readers with management's assessment of the performance of Northview, as well as its financial position and future prospects. The operating results for the three months ended March 31, 2021 are not necessarily indicative of results that may be expected for the year ended December 31, 2021 due to seasonal variations in utility costs and other factors. All amounts in the following MD&A are in Canadian dollars unless otherwise stated.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain information contained in this MD&A may constitute forward-looking information within the meaning of applicable securities laws relating to the business and financial outlook of Northview. Statements that reflect Northview's current objectives, plans, goals, and strategies are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from future results expressed, projected, or implied by such forward-looking information. In some instances, forward-looking information can be identified by the use of terms such as "may", "should", "expect", "will", "anticipate", "believe", "intend", "estimate", "predict", "potentially", "starting", "beginning", "begun", "moving", "continue", or other similar expressions concerning matters that are not historical facts. Forward-looking information in this MD&A includes, but is not limited to, statements related to the Recapitalization Event (as defined herein) and timing thereof, statements made under the heading "Outlook" in this MD&A, the effects of the coronavirus ("COVID-19") pandemic on Northview's business, future maintenance expenditures, financing and the availability of financing, future economic conditions, the expected distributions of Northview, liquidity and capital resources, market trends, future operating efficiencies, tenant incentives, and occupancy levels. Such statements involve significant risks and uncertainties and are not meant to provide guarantees of future performance or results. These cautionary statements qualify all of the statements and information contained in this MD&A incorporating forward-looking information.

Forward-looking information is made as of May 10, 2021 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 information and reasonable assumptions available at the time they are made; 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, general economic conditions; the COVID-19 pandemic; the availability of a new competitive supply of real estate which may become available through construction; 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; Northview's qualification as a real estate investment trust ("REIT"); changes in operating costs; governmental regulations and taxation; fluctuations in commodity prices; and the availability of financing. Additional risks and uncertainties not presently known to Northview, or those risks and uncertainties that Northview currently believes to not be material, may also adversely affect Northview. Northview cautions readers that this list of factors is not exhaustive and that should certain risks or uncertainties materialize, or should underlying estimates or assumptions prove incorrect, actual events, performance, and results may vary materially from those expected.

Except as specifically required by applicable Canadian law, Northview assumes no obligation to update or revise publicly any forward-looking information to reflect new events or circumstances that may arise after May 10, 2021.

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 EBITDA: Calculated as the sum of net and comprehensive income (loss), financing costs from operations, distributions to Unitholders, depreciation and amortization, gain on business combination, transaction costs, and fair value gain or loss on investment properties. Adjusted EBITDA is used in the calculation of the debt service coverage ratio and interest coverage ratio, which management considers useful measures to evaluate the objectives, policies, and processes for capital management. The most comparable GAAP measure to Adjusted EBITDA is net and comprehensive income (loss), for which a reconciliation is provided in the "Liquidity and Capital Resources - Capital Management" section of this MD&A.

Adjusted funds from operations ("AFFO"): Defined as a recurring economic earnings measure and is calculated in accordance with the Real Property Association of Canada ("REALPAC") definition, as set out in its February 2019 white paper "White Paper on Funds From Operations & Adjusted Funds from Operations for IFRS" (the "White Paper"), but may differ from other issuers' methods of calculating AFFO and, accordingly, may not be comparable to AFFO reported by other issuers. AFFO is calculated as funds from operations ("FFO") less maintenance capital expenditures. Maintenance capital expenditures are capital expenditures that sustain and maintain existing assets. Management considers AFFO a useful measure of operating performance excluding the impact of maintenance capital expenditures. The most comparable GAAP measure to AFFO is net and comprehensive income (loss), for which a reconciliation is provided in the "Other Consolidated Results" section of this MD&A.

AFFO payout ratio: AFFO payout ratio is calculated as distributions declared to Unitholders divided by AFFO for the previous twelve months. This calculation is currently based on the period from November 2, 2020, the date on which Northview began operations, to March 31, 2021. 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.

Debt service coverage ratio: Calculated as Adjusted EBITDA divided by the sum of total interest expense and principal mortgage repayments for the previous twelve months. This calculation is currently based on the period from November 2, 2020, the date on which Northview began operations, to March 31, 2021. Total interest expense consists of mortgage interest, amortization of deferred financing costs and fair value of debt, and interest expense on credit facility. Management considers it a useful measure to evaluate the objectives, policies, and processes for capital management. See the calculation of debt service coverage ratio in the "Liquidity and Capital Resources - Capital Management" section of this MD&A.

Debt to gross book value: Defined under the Declaration of Trust as a percentage measure calculated as debt divided by gross book value. Debt consists of borrowings on the credit facility and mortgages payable less cash and cash equivalents. Gross book value consists of the carrying value of investment properties and gross property, plant and equipment, plus a portfolio premium. Management considers it a useful measure to evaluate leverage. See the calculation of debt to gross book value in the "Liquidity and Capital Resources - Capital Management" section of this MD&A.

Units outstanding: The number of Class A equivalent Units outstanding at period-end, adjusted for conversion ratios applicable to each Unit class assuming that all Class C Units and Class F Units were converted to Class A Units. Refer to the calculation of Units outstanding in the "Liquidity and Capital Resources – Net Assets Attributable to Unitholders" section of this MD&A.

Funds from operations ("FFO"): FFO measures operating performance and is calculated in accordance with the REALPAC definition as set out in the White Paper but may differ from other issuers' methods of calculating FFO and, accordingly, may not be comparable to FFO reported by other issuers. FFO is calculated by adjusting net and comprehensive income (loss) for depreciation of property, plant and equipment excluding depreciation of that are not uniquely significant to the real estate industry items (for example, depreciation related to computer and auto assets), gain or loss on disposition, and fair value gain or loss on investment properties. Management considers FFO a useful measure of operating performance. The most comparable GAAP measure to FFO is net and comprehensive income (loss), for which a reconciliation is provided in the "Other Consolidated Results - FFO" section of this MD&A.

FFO payout ratio: FFO payout ratio is calculated as distributions declared to Unitholders divided by FFO for the previous twelve months. This calculation is currently based on the period from November 2, 2020, the date on which Northview began operations, to March 31, 2021. 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.

Interest coverage ratio: Calculated as Adjusted EBITDA divided by the sum of total interest expense for the previous twelve months. This calculation is currently based on the period from November 2, 2020, the date on which Northview began operations, to March 31, 2021. Management considers it a useful measure to evaluate the objectives, policies, and processes for capital management. See the calculation in the "Liquidity and Capital Resources - Capital Management" section of this MD&A.

Net operating income ("NOI"): NOI is calculated by deducting the direct operating expenses of maintaining and operating investment properties from the revenue which they generate. NOI should not be construed as an alternative to net and comprehensive income (loss) determined in accordance with GAAP. Northview's method of calculating NOI may differ from other issuers' methods and, accordingly, may not be comparable to NOI reported by other issuers. Management considers NOI as an important measure of the income generated from income-producing properties and it is used by management in evaluating the performance of Northview's properties. Projected stabilized NOI is also a key input in determining the value of Northview's properties.

NOI margin: NOI margin is calculated by dividing NOI by the revenue generated from investment properties. Management considers NOI margin as an important measure of the income generated from income-producing properties.

OTHER FINANCIAL MEASURES

Certain other financial 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 incentive divided by the number of occupied 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.

Capitalization rate: A percentage calculated as NOI divided by the fair value or sales price of the asset. It is a measure of stabilized rate of return on the real estate investment.

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 average monthly rent, 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.

BUSINESS OVERVIEW

Northview Canadian High Yield Residential Fund is a "closed-end fund", as no further Units will be issued, formed in 2020 pursuant to a declaration of trust ("Declaration of Trust") under the laws of the Province of Ontario for the primary purpose of indirectly acquiring, owning, and operating a geographically diversified real estate portfolio comprised of income-producing multi-residential suites, commercial real estate, and execusuites in secondary markets within Canada. Northview's portfolio consists of approximately 11,000 residential suites, 1.1 million sq. ft. of commercial space, and 200 execusuites across six provinces and two territories. Northview's Class A Units currently trade on the Toronto Stock Exchange ("TSX") under the symbol "NHF.UN".

The head and registered office of Northview is located at Suite 1400, 3280 Bloor Street West, Centre Tower, Toronto, Ontario, M8X 2X3. The principal business office of Northview is located at Suite 200, 6131 6 Street SE, Calgary, Alberta, T2H 1L9.

Northview's investment objectives are to:

- Own and operate a high-quality, geographically diversified real estate portfolio comprised of income-producing multi-residential suites, commercial real estate, and execusuites.
- Generate stable income to support monthly cash distributions.
- Effect a Recapitalization Event (as defined herein) between 2023 to 2025, approximately three to five years subsequent to the formation of Northview in 2020.

2021 FIRST QUARTER REVIEW

NET AND COMPREHENSIVE LOSS AND FFO

For the three months ended March 31, 2021, net and comprehensive loss was $1.3 million and was primarily attributable to revenue of $47.8 million, offset by operating expenses of $20.9 million and other expenses of $28.2 million. Other expenses primarily consisted of distributions to Unitholders of $11.3 million and financing costs from operations of $8.5 million.

FFO was $15.2 million and FFO per Unit was $0.42 for the three months ended March 31, 2021, consistent with management's expectations.

REVENUE, NOI, AND AMR

Revenue of $47.8 million for the three months ended March 31, 2021 was consistent with management's expectations, resulting in consolidated NOI of $26.9 million and a 56.3% NOI margin. For the three months ended March 31, 2021, AMR was $1,286 for the multi-residential portfolio.

DISTRIBUTIONS

Distributions of $11.3 million were declared for the three months ended March 31, 2021, which resulted in an FFO payout ratio of 77.1%.

OCCUPANCY

Multi-residential portfolio occupancy of 89.1% for the three months ended March 31, 2021 represented an improvement of 40 basis points ("bps") compared to 88.7% for the period ended December 31, 2020. The increase in occupancy during the quarter was primarily attributable to improvements in Atlantic Canada and Northern Canada that were partially offset by decreases in Western Canada, where lower activity in resource-based markets resulted in slightly lower occupancy.

Commercial portfolio occupancy of 92.5% for the three months ended March 31, 2021 represented an improvement of 70 bps compared to 91.8% for the period ended December 31, 2020, primarily due to improved occupancy in Northern Canada.

LEVERAGE AND COVERAGE RATIOS

Debt to gross book value was 66.9% as at March 31, 2021, an increase of 20 bps from 66.7% as at December 31, 2020. Interest coverage and debt service coverage ratios were 2.67 and 1.44, respectively, for the period from November 2, 2020, the date on which Northview began operations, to March 31, 2021.

During the three months ended March 31, 2021, Northview completed $21.5 million of mortgage financing, excluding short-term financing, for multi-residential properties with a weighted average interest rate of 1.95% and an average term to maturity of 5.2 years. Northview continues to monitor market interest rates to identify opportunities to reduce its overall borrowing costs. With Canada Mortgage and Housing Corporation ("CMHC") mortgage financing rates currently at or near record lows, Northview intends to secure lower-cost financing in place of conventional mortgage financing and borrowings on the credit facility.

COVID-19 OVERVIEW AND OPERATIONAL UPDATE

Notwithstanding the impacts of the COVID-19 pandemic, the long-term fundamentals for Canadian multi-residential markets remain compelling and Northview's portfolio is in several diversified geographies. The demand for rental accommodation remains strong due to home ownership affordability continuing to be a challenge in many markets. Markets with exposure to student housing continue to experience higher vacancy than expected under normal operating conditions as a result of remote learning arrangements at post-secondary institutions.

Due to the long-term tenure of commercial leases, supported primarily by government tenants and credit-rated corporations, there was minimal impact of COVID-19 on rent collections in Northview's commercial portfolio. Execusuites experienced lower occupancy in 2020 than expected under normal operating cycles as a result of restrictions on interterritorial travel due to the COVID-19 pandemic, but showed improvements in the first quarter of 2021 following the easing of some travel restrictions for medical and business travel.

The administration of COVID-19 vaccinations continues across Canada, and the federal government of Canada expects that all adult Canadians will have access to the COVID-19 vaccination by the end of Q3 2021. In particular, Nunavut and the Northwest Territories have been identified as priority regions for the COVID-19 vaccination and, as a result, the vaccination is more accessible as comparable to other regions of Canada. As of May 2021, all adult residents in the Northwest Territories are eligible for a COVID-19 vaccination, and Nunavut has opened vaccination eligibility to adult residents in priority areas, including all adults in Iqaluit, NU.

Northview collected 98.3% of multi-residential and commercial rent in the first quarter of 2021. The collection rate to-date in the second quarter of 2021 has been consistent with the first quarter of 2021.

Northview has a rent deferral program for residential tenants who have faced financial hardships due to the COVID-19 pandemic. As at March 31, 2021, approximately 1.3% (December 31, 2020 – 1.2%) of residential tenants currently have a rent deferral arrangement and these tenants are fulfilling their obligations under the payment arrangements.

OUTLOOK

Northview's portfolio is located in geographically and economically diversified secondary markets. Management believes the markets in which the portfolio is situated allows for mitigation of negative shocks and cyclicality within specific markets, while providing the potential for stable returns and distributions.

In Northern Canada, Northview generates stable NOI and approximately 65% of rental revenue is derived from leases to or leases guaranteed by government or credit-rated corporations. The region continues to be impacted by widespread housing shortages, whereby new supply is constrained due to both the financial and practical constraints of construction. Rental revenue is expected to be stable due to sustained low vacancy and high rental rates.

In Western Canada, the market is currently impacted by lower activity in resource-based markets due to the volatility of commodity prices. The uncertain outlook for the resource sector including regulatory uncertainty, lack of infrastructure, low regional commodity prices, and high employment rates, is expected to continue to impact occupancy. In addition, the economy recovery continues to be stalled due to the impact of COVID-19. During these periods of uncertainty, Northview has maintained occupancy and rental rates, which are expected to continue to be steady. Northview continues to focus on ensuring its properties are well maintained and are positioned to be a first choice for new tenants as the economy recovers.

In Atlantic Canada, the market is supported by a diverse economic base that includes manufacturing, aquaculture, forestry, mining, oil and gas, and agriculture. In Newfoundland, the economic outlook may be further dampened by COVID-19 related restrictions and higher unemployment rates, which is expected to impact occupancy and rental rates. The economic outlook in New Brunswick is stable, reflecting successful COVID-19 containment, increased demand driven by an inflow of international migrants and downsizing of an aging population, which is expected to result in steady occupancy and rental rates.

Northview expects to continue to identify and execute optimization initiatives that capitalize on opportunities for asset repositioning and suite renovations, as well as leveraging ongoing expenditure management and its strong relationship with Starlight Group Property Holdings Inc. and its affiliates ("Starlight"), with which it has a Management Agreement (see the "Related Party Transactions" section of this MD&A). Northview's relationship with Starlight offers synergies in financing, asset management, information technology, and contract procurement.

2021 FIRST QUARTER RESULTS

(thousands of dollars, except as indicated)	As at March 31, 2021	As at December 31, 2020
Total assets	**1,866,904**	1,878,598
Total liabilities, excluding net assets attributable to Unitholders	**1,352,647**	1,362,821
Total liabilities, net assets attributable to Unitholders	**1,866,109**	1,877,618
Total non-current liabilities, excluding net assets attributable to Unitholders	**1,123,639**	1,164,992
Mortgages payable	**838,121**	847,845
Debt to gross book value[1]	**66.9%**	66.7%
Interest coverage ratio (times)[1][2]	**2.67**	2.60
Debt service coverage ratio (times)[1][2]	**1.44**	1.39
Weighted average mortgage interest rate	**2.87%**	2.87%
Weighted average term to maturity (years)	**3.4**	3.6
Weighted average capitalization rate	**7.56%**	7.56%
Multi-residential occupancy	**89.1%**	88.7%
Multi-residential AMR ($)	**1,286**	1,279
Number of multi-residential suites	**11,121**	11,121
Number of execusuites	**200**	200
Commercial sq. ft.	**1,131,730**	1,131,730
Number of Units outstanding ('000s)[1]	**35,917**	35,917

(thousands of dollars, except as indicated)	Three Months Ended March 31, 2021
Total revenue	**47,848**
Total NOI[1]	**26,941**
NOI margin[1]	**56.3%**
Cash flow provided by operating activities	**11,783**
Distributions declared to Unitholders	**11,288**
Monthly distributions declared per Unit – weighted average ($/Unit)	**0.1092**
Class A Unit ($/Unit)	**0.1048**
Class C Unit ($/Unit)	**0.1106**
Class F Unit ($/Unit)	**0.1081**
FFO payout ratio[1][2]	**77.1%**
AFFO payout ratio[1][2]	**95.0%**
Net and comprehensive loss	**(1,283)**
Net and comprehensive loss per Unit ($/Unit)[1]	**(0.04)**
FFO[1]	**15,170**
FFO per Unit ($/Unit)[1]	**0.42**
AFFO[1]	**12,371**
AFFO per Unit ($/Unit)[1]	**0.34**

(1) Non-GAAP financial measure. See "Non-GAAP and Other Financial Measures" section of this MD&A.

(2) Calculated for the period from November 2, 2020 to March 31, 2021 as at March 31, 2021, and for the period from November 2, 2020 to December 31, 2020 as at December 31, 2020.

2021 FIRST QUARTER OPERATING RESULTS

Operations include the multi-residential segment and commercial and execusuite segment. The operating results for the three months ended March 31, 2021 are not necessarily indicative of results that may be expected for the year ended December 31, 2021 due to seasonal variations in utility costs, which are typically higher in the first and fourth quarters of each year, and other factors.

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

CONSOLIDATED NET OPERATING INCOME

The following table details NOI by segment:

Three Months Ended March 31, 2021			
(thousands of dollars)	**Multi-Residential**	**Commercial and Execusuite**	**Total**
Revenue	37,408	10,440	**47,848**
Operating expenses	16,647	4,260	**20,907**
NOI	**20,761**	**6,180**	**26,941**
NOI margin	**55.5%**	**59.2%**	**56.3%**

The following table details operating expenses:

(thousands of dollars)	**Three Months Ended March 31, 2021**
Utilities	**7,476**
Property taxes	**3,687**
Salaries and benefits	**1,916**
Maintenance	**5,618**
General	**2,210**
Operating expenses	**20,907**

The following table details NOI by segment and region:

Three Months Ended March 31, 2021			
(thousands of dollars)	**Multi-Residential**	**Commercial and Execusuite**	**Total**
Western Canada	6,845	159	**7,004**
Northern Canada	9,813	4,952	**14,765**
Atlantic Canada	4,103	1,069	**5,172**
Total	**20,761**	**6,180**	**26,941**

Operating results for the three months ended March 31, 2021 were consistent with management’s expectations.

Revenue for the three months ended March 31, 2021 was $47.8 million. Revenue includes rental revenue and other property income. Rental revenue consists of rents earned from residential and commercial lease agreements and rents from execusuites. Other property income consists of ancillary revenue from laundry facilities, utility charges, and parking; storage rental revenue; and other fee income from tenants.

Total operating expenses for the three months ended March 31, 2021 were $20.9 million and primarily related to utilities, maintenance, and property taxes. Utility costs are typically higher in the winter months due to colder weather.

NOI of $26.9 million represented a 56.3% NOI margin for the three months ended March 31, 2021.

SEGMENTED RESULTS

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

As at March 31, 2021 and December 31, 2020, 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.)
Western Canada	5,261	-	131,941
Northern Canada	2,486	200	756,660
Atlantic Canada	3,374	-	243,129
Total	**11,121**	**200**	**1,131,730**

MULTI-RESIDENTIAL OPERATIONS

The multi-residential segment is composed of apartments, townhomes, and single-family rental suites, for which rental contracts are typically twelve months, excluding leases with 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.

	Three Months Ended March 31, 2021			
(thousands of dollars)	Western Canada	Northern Canada	Atlantic Canada	Total
Revenue	13,410	15,933	8,065	**37,408**
Operating expense	6,565	6,120	3,962	**16,647**
NOI	**6,845**	**9,813**	**4,103**	**20,761**
NOI margin (%)	**51.0%**	**61.6%**	**50.9%**	**55.5%**

	Three Months Ended March 31, 2021		
	Multi-Residential Suites	AMR ($)	Occupancy (%)
Western Canada			
Alberta	3,559	1,063	80.1%
British Columbia	1,379	957	74.9%
Saskatchewan	323	1,285	86.2%
Total Western Canada	**5,261**	**1,055**	**79.4%**
Northern Canada			
Northwest Territories	1,310	1,768	91.4%
Nunavut	1,176	2,697	99.5%
Total Northern Canada	**2,486**	**2,237**	**96.1%**
Atlantic Canada			
Newfoundland and Labrador	1,875	860	94.1%
New Brunswick	1,338	825	98.2%
Québec	161	731	98.8%
Total Atlantic Canada	**3,374**	**839**	**96.0%**
Total	**11,121**	**1,286**	**89.1%**

The following table outlines Northview's AMR:

	Three Months Ended March 31, 2021	Period Ended December 31, 2020
Western Canada	**1,055**	1,067
Northern Canada	**2,237**	2,226
Atlantic Canada	**839**	839
Total	**1,286**	1,279

The following table outlines Northview's occupancy rates:

	Three Months Ended March 31, 2021	Period Ended December 31, 2020
Western Canada	**79.4%**	79.7%
Northern Canada	**96.1%**	95.6%
Atlantic Canada	**96.0%**	93.8%
Total	**89.1%**	88.7%

Operating results for the three months ended March 31, 2021 were consistent with management's expectations.

WESTERN CANADA OPERATIONS

In Western Canada, revenue was $13.4 million and NOI was $6.8 million for the three months ended March 31, 2021, resulting in an NOI margin of 51.0%.

AMR of $1,055 and occupancy of 79.4% reflected continued challenging economic conditions in resource-based markets located in northern Alberta and British Columbia. Northview's occupancy in these markets fluctuates based on the volume and duration of short-term rentals to contractors, which are impacted by the number of infrastructure projects in progress. Northview manages occupancy through market rents and incentives to maximize revenue.

For the three months ended March 31, 2021, occupancy in British Columbia decreased 130 bps, driven by lower occupancy in Fort Nelson and Prince George. The decrease in British Columbia was partially offset by a 40 bps improvement in Regina, SK, while overall occupancy in Alberta was consistent with the fourth quarter of 2020.

NORTHERN CANADA OPERATIONS

For the three months ended March 31, 2021, revenue was $15.9 million and NOI was $9.8 million. An NOI margin of 61.6% was driven by occupancy of 96.1% and AMR of $2,237.

Northern Canada experienced higher occupancy and higher rental rates than Western Canada and Atlantic Canada due to widespread housing shortages and high barriers for new entrants into the market. Nunavut had the highest AMR and occupancy of Northview's provinces and territories due to chronic housing shortages, stable government-centric economy, and long-term lease arrangements with government departments and agencies. In the Northwest Territories, occupancy of 91.4% represented a 130 bps improvement from 90.1% for the period ended December 31, 2020, and was driven primarily by increased occupancy in Yellowknife, NT following the completion of multi-residential properties that consist of 125 suites.

ATLANTIC CANADA OPERATIONS

Atlantic Canada contributed $8.1 million of revenue and $4.1 million of NOI for the three months ended March 31, 2021, resulting in an NOI margin of 50.9%. Atlantic Canada maintained average occupancy of 96.0% for the three months ended March 31, 2021 and AMR of $839.

For the three months ended March 31, 2021, occupancy of 96.0% in Atlantic Canada represented a 220 bps improvement compared to 93.8% for the period ended December 31, 2020 driven by improvements in St. John's, NL, combined with relatively stable occupancy in New Brunswick and Québec.

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 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 and Iqaluit, NU, and a 50% joint venture in Inuvik, NT. The execusuite properties offer apartment-style accommodation and are rented for both short-term and long-term stays.

(thousands of dollars)	**Three Months Ended March 31, 2021**
Revenue	**10,440**
Operating expenses	**4,260**
NOI	**6,180**
NOI margin (%)	**59.2%**

COMMERCIAL OPERATIONS

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

	Three Months Ended March 31, 2021			**Period Ended December 31, 2020**	
	Commercial (sq. ft.)	**Average Rent ($/sq. ft.)**	**Occupancy (%)**	**Average Rent ($/sq. ft.)**	**Occupancy (%)**
Western Canada	**131,941**	**14.99**	**70.8%**	14.33	70.6%
Northern Canada	**756,660**	**26.54**	**96.3%**	26.23	94.8%
Atlantic Canada	**243,129**	**18.95**	**92.6%**	18.90	93.8%
Average	**1,131,730**	**24.07**	**92.5%**	23.78	91.8%

NOI for the three months ended March 31, 2021 of $6.2 million was consistent with management's expectations and represented an NOI margin of 59.2%. Overall, the commercial average rent per sq. ft. of $24.07 was relatively consistent with $23.78 per sq. ft. in the prior period. Occupancy of 92.5% for the three months ended March 31, 2021 was 70 bps higher than 91.8% for the period ended December 31, 2020, and was driven by higher occupancy in Inuvik, NT. Occupancy in Atlantic Canada and Western Canada was relatively stable as compared to the prior period. Western Canada continued to be impacted by lower activity in resource-based markets due to the volatility of commodity prices, and approximately 70% of the vacancy in Western Canada related to a vacant 27,000 sq. ft. warehouse in Fort Nelson, BC.

As at March 31, 2021, Northview had 161,000 sq. ft. of commercial space with leases maturing in 2021, of which approximately 100,000 sq. ft. was renewed and approximately 6,000 sq. ft. was on a monthly lease. Northview expects the remaining lease maturities with government tenants to renew on similar terms. Northview actively manages occupancy levels through a proactive lease renewal program and utilizing tenant inducements, when appropriate.

EXECUSUITE OPERATIONS

For the three months ended March 31, 2021, execusuites saw improved occupancy as compared to the period ended December 31, 2020, primarily in Iqaluit, NU, as some interterritorial travel restrictions have been relaxed to allow for medical and business-related travel.

OTHER CONSOLIDATED RESULTS

OTHER EXPENSE (INCOME)

(thousands of dollars)	Three Months Ended March 31, 2021
Financing costs from operations	**8,507**
Distributions to Unitholders	**11,288**
Administration	**1,792**
Management fees	**1,650**
Depreciation and amortization	**830**
Equity income from joint ventures	**(238)**
Fair value loss on investment properties	**3,529**
Transaction costs	**866**
Total	**28,224**

Results for the three months ended March 31, 2021 were consistent with management's expectations.

Financing costs from operations consists of mortgage interest, amortization of deferred financing costs and fair value of debt assumed, interest expense on the credit facility, and other income. Financing costs from operations for the three months ended March 31, 2021 consisted primarily of interest expense on mortgages of $5.8 million and interest expense on the credit facility of $5.2 million. These amounts were partially offset by $2.3 million relating to the amortization of the difference between the notional amount of the mortgages payable assumed and the acquisition-date fair value.

Distributions to Unitholders of $11.3 million is recognized in net and comprehensive income (loss) as Units are classified as financial liabilities and presented as net assets attributable to Unitholders. This presentation does not alter the underlying interest of the Unitholders in the net assets and net and comprehensive income (loss) attributable to Unitholders. See the "Liquidity and Capital Resources – Distributions to Unitholders" section of this MD&A for further discussion of distributions.

Administration expense of $1.8 million for the three months ended March 31, 2021 was consistent with management's expectations.

For the three months ended March 31, 2021, management fees of $1.7 million were paid to Starlight and were consistent with management's expectations. Refer to the "Related Party Transactions" section of this MD&A.

Northview reports fair value change of investment properties on a net basis after deducting capital expenditures. The fair value loss on investment properties of $3.5 million resulted from sustaining capital expenditures incurred in the quarter.

FFO

Northview measures its operating performance by using net and comprehensive income (loss), as well as industry-accepted non-GAAP performance measures such as FFO. Northview calculates FFO in accordance with REALPAC definition. FFO is not defined by IFRS and does not have a standard meaning under IFRS; therefore, it may not be comparable to similar measures presented by other entities. Refer to the "Non-GAAP and Other Financial Measures" section of this MD&A.

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

(thousands of dollars, except where indicated)	**Three Months Ended March 31, 2021**
Net and comprehensive loss	**(1,283)**
Adjustments:	
Distributions to Unitholders	**11,288**
Depreciation of property, plant and equipment	**749**
Fair value loss on investment properties	**3,529**
Transaction costs	**866**
Other(1)	**21**
FFO	**15,170**
FFO per Unit ($/Unit)	**0.42**
FFO payout ratio(2)	**77.1%**
Number of Units outstanding ('000s)	**35,917**

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

(2) FFO payout ratio is calculated for the period from November 2, 2020, the date on which Northview began operations, to March 31, 2021.

For the three months ended March 31, 2021, FFO of $15.2 million was consistent with management's expectations, and reflected a seasonality component due to higher utility costs in the winter months.

AFFO

Northview measures its operating performance by using net and comprehensive income (loss), as well as industry-accepted non-GAAP performance measures such as AFFO. Northview calculates AFFO in accordance with the REALPAC definition. AFFO is not defined by IFRS and does not have a standard meaning under IFRS; therefore, it may not be comparable to similar measures presented by other entities. Refer to the "Non-GAAP and Other Financial Measures" section of this MD&A.

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 judgment. 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. Detailed information on actual capital expenditures by category is provided in the "Other Consolidated Results - Capital Expenditures" section of this MD&A.

The most directly comparable GAAP measure to AFFO is net and comprehensive income (loss) as presented in the financial statements. The following table reconciles AFFO from FFO; a reconciliation of FFO from net and comprehensive income (loss) is provided in the "Other Consolidated Results - FFO" section of this MD&A:

(thousands of dollars, except where indicated)	**Three Months Ended March 31, 2021**
FFO	**15,170**
Maintenance capex reserve – multi-residential(1)	**(2,747)**
Maintenance capex reserve – commercial(1)	**(52)**
AFFO	**12,371**
AFFO per Unit ($/Unit)	**0.34**
AFFO payout ratio(2)	**95.0%**
Number of Units outstanding ('000s)	**35,917**

(1) See "Maintenance Capex Reserve – Multi-Residential and Commercial" section of this MD&A.

(2) AFFO payout ratio is calculated for the period from November 2, 2020, the date on which Northview began operations, to March 31, 2021.

For the three months ended March 31, 2021, AFFO of $12.4 million and an AFFO payout ratio of 95.0% were consistent with management's expectations.

MAINTENANCE CAPEX RESERVE – MULTI-RESIDENTIAL AND COMMERCIAL

Capital expenditures include value-enhancing capex and maintenance capex. 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 projects to transition properties to cleaner sources of energy. Building includes building exterior and common area upgrades. Suite improvements include renovations that exceed basic replacement and minor repairs on turnover.

The annualized 2021 maintenance capex reserve amount is calculated based on management's forecast of maintenance capex in 2021 on a per suite or per sq. ft. basis.

For the multi-residential portfolio, maintenance capex were focused on maintaining the existing conditions of the properties. Maintenance capex include routine suite renovations, and the replacement of boilers and mechanical systems. Management has determined the annualized maintenance capex reserve to be $989 per multi-residential suite for 2021. For the three months ended March 31, 2021, maintenance capex for multi-residential of $2.7 million were calculated as $247 per multi-residential suite (25% of management's estimated annualized reserve of $989 per multi-residential suite) multiplied by an average of 11,111 multi-residential suites.

For the commercial portfolio, value-enhancing capex are typically recoverable capital expenditures and maintenance capex are typically non-recoverable capital expenditures. Management determined the annualized maintenance capex reserve to be $0.20 per sq. ft. for the commercial portfolio. Maintenance capex for the three months ended March 31, 2021 of less than $0.1 million were calculated as $0.05 per sq. ft. (25% of management's estimated annualized reserve of $0.20 per sq. ft.) multiplied by an average of 1,040,000 commercial sq. ft.

CAPITAL EXPENDITURES

(thousands of dollars, except where indicated)	Three Months Ended March 31, 2021
Building and common areas	**863**
Suite renovations	**1,566**
Appliances	**164**
Boilers and mechanical	**380**
Other	**553**
Total capital expenditures – multi-residential	**3,526**
Average number of multi-residential suites	**11,111**
Capital expenditures per multi-residential suite	**317**
Total capital expenditures – multi-residential	**3,526**
Total capital expenditures – commercial	**17**
Total capital expenditures	**3,543**

Capital expenditures of $3.5 million were incurred during the three months ended March 31, 2021, the vast majority related to the multi-residential segment and was consistent with management's expectations as capital expenditures related primarily to suite renovations.

TAX STATUS

Northview is a mutual fund trust and a real estate investment trust as defined in the Income Tax Act (Canada). Under current tax legislation, a real estate investment trust is entitled to deduct distributions of 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 Income Tax Act (Canada) relating to the nature of its assets and revenue (the "REIT Conditions"). Northview qualifies as a real estate investment trust (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. However, should it no longer qualify, it would not be able to flow-through its taxable income to Northview Unitholders and

Northview would, therefore, be subject to tax. As of and during the three months ended March 31, 2021, 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

The table below summarizes Northview's results for the most recent period:

(thousands of dollars, except as indicated)	Q1 2021	Q4 2020[(1)]	Q3 2020	Q2 2020
Total revenue	**47,848**	31,059	-	-
Net and comprehensive (loss) income	**(1,283)**	89,664	-	-
Net and comprehensive (loss) income per Unit ($/Unit)	**(0.04)**	2.50	-	-
NOI	**26,941**	17,642	-	-
FFO	**15,170**	9,219	-	-
FFO per Unit ($/Unit)	**0.42**	0.26	-	-
FFO payout ratio	**77.1%**	81.6%	-	-

(1) Q4 2020 included results from November 2, 2020 to December 31, 2020, including the impact of the business combination.

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 flow provided by operating activities, borrowings on the credit facility, and mortgage debt secured by investment properties.

As at March 31, 2021, Northview had a working capital deficiency of $204.8 million. In the normal course of business, a portion of Northview's borrowings under mortgages with a maturity date less than one year will be considered current liabilities prior to being replaced with longer-term financing. As at March 31, 2021, $201.6 million of the working capital deficiency was related to the current portion of mortgages payable and expected to be refinanced with long-term mortgages. As at March 31, 2021, Northview had undrawn capacity of $52.0 million on its credit facility. As market conditions permit, Northview may also leverage availability of financing on its properties to minimize interest costs.

Liquidity risk is the risk that Northview is not able to meet its financial obligations as they become due or can only do so at excessive cost. Northview manages liquidity risk by balancing the maturity profile of mortgages and borrowings on the credit facility. Mortgage maturities normally enable replacement financing with funds available for other purposes. Northview utilizes CMHC insured mortgage lender financing to obtain loans up to 75% of CMHC's assessed value of a multi-residential property. Northview bears lower refinancing risk and incurs lower borrowing costs on properties financed using CMHC insured mortgage lender financing, including the cost of the insurance, when compared to conventional financing. Adverse economic conditions may result in a decrease in NOI, and therefore the borrowing base, which would reduce the amount of liquidity available to Northview. Cash flow projections are updated on a regular basis to ensure there will be adequate liquidity to maintain operating, capital, and investment activities, and distributions to Unitholders.

The current FFO payout ratio is 77.1% for the three months ended March 31, 2021.

MORTGAGES

During the three months ended March 31, 2021, Northview completed $21.5 million of mortgage financing, excluding short-term financing, for multi-residential properties with a weighted average interest rate of 1.95% and an average term to maturity of 5.2 years.

The following table outlines Northview's mortgage maturity schedule and weighted average interest rate as at March 31, 2021, for the next five years, and thereafter:

(thousands of dollars, except as indicated)	Principal Amount	Principal on Maturity	Total	% of Total	Weighted Average Interest Rate
2021	26,576	166,775	193,351	23.9%	2.77%
2022	23,150	47,954	71,104	8.8%	2.73%
2023	19,639	94,893	114,532	14.1%	3.29%
2024	15,073	174,616	189,689	23.4%	2.82%
2025	7,333	120,905	128,238	15.8%	3.01%
Thereafter	8,105	105,154	113,259	14.0%	2.62%
Total	**99,876**	**710,297**	**810,173**	**100%**	**2.87%**

CREDIT FACILITY

As at March 31, 2021, Northview had in place a credit facility with a total credit limit of $539.1 million maturing on October 30, 2022. The credit facility includes multiple tranches that each bears interest at the prime rate plus 2.65% or the Bankers' Acceptance (BA) rate plus 3.65%. As at March 31, 2021, the credit facility had the following terms:

	As at March 31, 2021		As at December 31, 2020	
	Credit Limit	Amount Drawn	Credit Limit	Amount Drawn
Tranche A-1 Facility	**381,596**	**381,596**	381,596	381,596
Tranche A-2 Facility	**105,481**	**105,481**	105,481	105,481
Tranche B Facility	**32,000**	**-**	32,000	-
Tranche B-2 Revolving Facility	**20,000**	**-**	20,000	-
Total	**539,077**	**487,077**	539,077	487,077

The Tranche A-1 Facility and the Tranche A-2 Facility are non-revolving term loan facilities that were each available by a single Prime Loan Advance on October 30, 2020, at which point the facilities were fully drawn. The Tranche B Facility is a non-revolving capital expenditure loan facility on which draws may occur no more than once per fiscal quarter in an amount of up to 75% of allowable capital expenditure costs incurred. The Tranche B-2 Revolving Facility is a facility available for general corporate, trust, or operating purposes.

FINANCIAL COVENANTS

As at March 31, 2021, the credit facility was subject to the following financial covenants:

	Limit
Consolidated debt to aggregate assets	**Not greater than 77.5%**
Annualized debt service coverage ratio	**Not less than 1.55**
Consolidated tangible net worth	**Not less than $250 million**
Physical occupancy rate	**Not less than 87%**

The financial covenants include financial measures defined within the credit facility agreement that are not defined under IFRS and cannot be directly derived from the financial statements. Refer to the "Non-GAAP and Other Financial Measures" section of this MD&A. These financial measures are defined under the credit agreement as follows:

- Consolidated debt: Includes all debts of the borrower determined in accordance with IFRS, excluding obligations owing under hedge agreements.
- Aggregate assets: Includes the appraised value of multi-residential rental and commercial real property.
- Annualized debt service coverage ratio: Calculated as the ratio of adjusted NOI to debt service on an annualized basis. Debt service is calculated as the sum of consolidated interest expense and all regularly scheduled principal payments other than balloon, bullet, or similar payments that repay the debt in full.
- Consolidated tangible net worth: Includes stated capital or equivalent amounts in respect of issued and outstanding Units less amounts attributable to outstanding Units that are redeemable prior to the maturity date of the facility, amounts attributable to certain intangible assets, and amounts attributable to the interests of any unitholder in any subsidiary.

- Physical occupancy rate: Calculated as the percentage of the number of suites occupied by one or more tenants paying current rent divided by the total number of suites.

As at and for the three months ended March 31, 2021, these financial covenants are calculated on an annualized basis and Northview was in compliance with all financial covenants. Refer to “Capital Management” in the financial statements for further discussion of Northview’s objectives, policies, and processes for managing capital.

CAPITAL MANAGEMENT

Management monitors Northview’s capital structure on an ongoing basis to determine the appropriate level of mortgages and borrowings on the credit facility. Consistent with industry practice, Northview monitors capital on the basis of debt to gross book value, the interest coverage ratio, and the debt service coverage ratio. Please refer to the “Non-GAAP Financial Measures” section of this MD&A and “Capital Management” in the financial statements for further discussion of these metrics.

The Declaration of Trust provides for a maximum debt to gross book value ratio of 70%. Debt to gross book value was 66.9% as at March 31, 2021, which was in compliance with the Declaration of Trust. The portfolio premium included in the determination of debt to gross book value as at March 31, 2021 was $89.0 million, which was determined based on an appraisal of the portfolio obtained for a plan of arrangement in 2020.

Northview’s interest coverage and debt service coverage ratios were 2.67 and 1.44, respectively, for the period ended March 31, 2021. These ratios were calculated for the period from November 2, 2020, the date on which Northview began operations, to March 31, 2021. Northview monitors its interest and debt service coverage ratios to assess its ability to service payments on its debt. The debt service coverage ratio includes the impact of principal repayments excluding one-time lump sum payments at maturity.

The debt service coverage ratio for the period ended March 31, 2021 shown below is calculated with reference to Adjusted EBITDA, while the debt service coverage ratio used as a financial covenant for the credit facility is calculated with reference to adjusted NOI. As such, the calculation below is not comparable to the annualized debt service coverage ratio minimum of 1.55 required under the credit facility agreement, with which Northview was in compliance.

The following tables reconciles the calculation of debt to gross book value:

		As at March 31, 2021	**As at December 31, 2020**
Credit facility		**487,077**	487,077
Mortgages payable		**810,173**	817,645
Less: Cash and cash equivalents		**(14,546)**	(25,337)
Total debt	**A**	**1,282,704**	1,279,385
Investment properties		**1,789,157**	1,789,143
Property, plant and equipment		**37,391**	38,183
Accumulated depreciation		**1,394**	566
Portfolio premium		**89,000**	89,000
Gross book value	**B**	**1,916,942**	1,916,892
Debt to gross book value	**A/B**	**66.9%**	66.7%

The following table calculates Northview's interest coverage and debt service coverage ratios:

		Period Ended[1] March 31, 2021
Net and comprehensive income		**88,381**
Depreciation and amortization		**1,395**
Mortgage interest		**9,754**
Amortization of deferred financing costs and fair value of debt		**(3,749)**
Interest expense on the credit facility		**8,651**
Distributions to Unitholders		**18,813**
Fair value loss on investment properties		**731**
Gain on business combination		**(104,528)**
Transaction costs		**19,737**
Adjusted EBITDA	A	**39,185**
Mortgage interest and deferred financing costs		**9,754**
Amortization of deferred financing costs and fair value of debt		**(3,749)**
Interest expense on the credit facility		**8,651**
Interest expense	B	**14,656**
Principal payments on mortgages[2]		**12,531**
Debt service	C	**27,187**
Interest coverage ratio	A/B	**2.67**
Debt service coverage ratio	A/C	**1.44**

(1) Coverage ratios are calculated for the period from November 2, 2020 – March 31, 2021.

(2) Principal payments on outstanding mortgages excluding one-time lump sum payments at maturity.

NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

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

Northview's issued and outstanding Units were as follows:

(number of Units in thousands)	As at March 31, 2021	As at December 31, 2020
Class A	**7,087**	5,827
Class C	**24,672**	24,776
Class F	**2,705**	3,820
Total Units issued	**34,464**	34,423
Total Units potentially issuable upon conversion[1]	**1,453**	1,494
Total Units outstanding	**35,917**	35,917

(1) Units potentially issuable upon conversion reflects maximum dilution assuming that all Class C Units and Class F Units were converted to Class A Units. Refer to the "Non-GAAP and Other Financial Measures" section of this MD&A.

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

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

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

As at April 30, 2021, Northview's issued Units were as follows:

(number of Units in thousands)	As at April 30, 2021
Class A	**7,132**
Class C	**24,664**
Class F	**2,670**
Total Units issued	**34,466**

RECAPITALIZATION EVENT

In order to provide Unitholders with liquidity, Northview intends to complete a recapitalization event by way of a direct or indirect public offering or listing of new, additional, or successor securities of Northview or a traditional real estate investment trust or other entity that owns or will own all or substantially all of Northview's properties, or by way of reorganization, restructuring (corporate, capital, or otherwise), combination or merger involving Northview or the Unitholders, or similar transaction as approved by the Trustees (a "Recapitalization Event"). Northview is targeting a Recapitalization Event by November 2, 2023, which may be extended by up to two years at the sole discretion of the Trustees and the Trustees may seek further extension by special resolution of the Unitholders in accordance with the Declaration of Trust, or take such other actions as the Trustees consider appropriate with respect to the continued operation of Northview.

CONTRACTUAL OBLIGATIONS

Contractual obligations at March 31, 2021 are 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)	**810,173**	868,788	213,791	216,867	332,378	105,752
Credit facility	**487,077**	487,077	-	487,077	-	-
Trade and other payables	**23,686**	23,686	23,686	-	-	-
Distributions payable	**3,763**	3,763	3,763	-	-	-
Total	**1,324,699**	**1,383,314**	**241,240**	**703,944**	**332,378**	**105,752**

DISTRIBUTIONS TO UNITHOLDERS

Pursuant to the Declaration of Trust, Unitholders are entitled to receive distributions made on each distribution date as approved by the Trustees. For the three months ended March 31, 2021, Northview declared monthly cash distributions representing a weighted average of $0.1092 per Unit and a total of $11.3 million in distributions.

Distributions declared to Unitholders for the three months ended March 31, 2021 were as follows:

	Monthly Distributions Per Unit	Total
Class A	0.1048	**2,168**
Class C	0.1106	**8,197**
Class F	0.1081	**923**
	0.1092	**11,288**

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

(thousands of dollars)		Three Months Ended March 31, 2021
Distributions declared	A	**11,288**
Cash flow provided by operating activities	B	**11,783**
Distribution payout ratio (%)	A/B	**95.8%**

For the three months ended March 31, 2021, distributions declared to Unitholders were $11.3 million, which represented 95.8% of cash flow provided by operating activities.

In any given financial period, basic distributions declared may be greater than cash flow provided by operating activities, primarily due to the short-term fluctuations in non-cash working capital and temporary fluctuations in cash flow. Any basic distributions declared in excess of cash flow provided by operating activities may be funded by mortgage debt secured by investment properties and asset sales. If Northview were unable to raise additional funds or renew existing maturing debt on acceptable terms, capital expenditures and development activities could be reduced, or asset sales increased. If distributions declared are in excess of cash flow 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 expects cash flow provided by operating activities to exceed distributions declared in future periods.

RISK FACTORS

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

RELATED PARTY TRANSACTIONS

Related party transactions are conducted in the normal course of operations. Entities with significant influence over Northview include Starlight and KingSett Capital Inc. and its affiliates ("KingSett"). Starlight and KingSett are each controlled by a Trustee and has significant influence over Northview. Additionally, an affiliate of Starlight, Starlight Investments CDN AM Group LP, provides management services to Northview.

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

Northview has a Property Management Agreement with an entity owned by Starlight and KingSett, whereby Northview provides property management services for certain properties located in Montréal and owned by the aforementioned entity, in exchange for an annual management fee equal to 3.50% of revenue less bad debt earned included as "Other income."

Refer to Northview's annual MD&A for full discussion regarding related party transactions.

The following table outlines transactions with entities with significant influence:

	Three Months Ended March 31, 2021
Management fees	**1,650**
Other income	**176**

The following table outlines balances with entities with significant influence:

	As at March 31, 2021	As at December 31, 2020
Accounts receivable	**3,280**	1,917
Accounts payable	**556**	556

CRITICAL ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

The preparation of the financial statements in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, income, and expenses. Estimates and judgments 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 judgments in applying accounting policies. Actual results may differ from these estimates.

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 stabilized projected NOI (which is influenced by inflation rates and vacancy rates). A change to any one of these inputs could significantly alter the fair value of an investment property. The COVID-19 pandemic has created an uncertain economic outlook, which has resulted in a temporarily higher degree of uncertainty for investment property values.

Components of stabilized projected NOI that could be impacted by the increased economic uncertainty described above include market rents, occupancy rates, and operating expenses such as utilities and bad debt expenses. As at March 31, 2021 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 will depend on the duration of COVID-19 restrictions, the extent and effectiveness of government stimulus and regulations that impact Northview's operations and tenants including restrictions on travel, unemployment rates, and market demand for multi-residential and commercial properties.

While investment properties are recorded at fair value on a quarterly basis, not every property is independently appraised every year. Significant judgment is applied in arriving at these fair values, particularly as the properties are in smaller communities where there is limited buying and selling of comparable investment properties. Changes in the value of the investment properties affect income.

OFF-BALANCE SHEET ARRANGEMENTS

As at March 31, 2021, Northview did not have any off-balance sheet arrangements in place that would materially impact its financial position or results of operations.

CONTROLS AND PROCEDURES

DISCLOSURE CONTROLS AND PROCEDURES

As at March 31, 2021, 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 March 31, 2021, 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 March 31, 2021.

INTERNAL CONTROL OVER FINANCIAL REPORTING

As at March 31, 2021, 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.

As at March 31, 2021, management conducted an evaluation of the design and operating effectiveness of Northview's ICFR under the supervision of the CEO and the CFO. Based on the evaluation, the CEO and the CFO concluded that Northview's ICFR was effective as at March 31, 2021. It should be noted that a control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system will be met, and it should not be expected that the control system will prevent and detect all errors and fraud.

During the first quarter of 2021, there were no changes in Northview's ICFR that have materially affected, or are reasonably likely to materially affect, Northview's ICFR.