Northview™

Canadian High Yield Residential Fund

Management's Discussion and Analysis

For the three and six months ended June 30, 2021

ADVISORIES

The following Management's Discussion and Analysis ("MD&A") of the results of operations and financial condition, dated August 5, 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 and six months ended June 30, 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 and six months ended June 30, 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 August 5, 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 August 5, 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, gain on disposition of property, plant and equipment, fair value gain or loss on investment properties, and transaction costs. 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 June 30, 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 June 30, 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.

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 of property, plant and equipment, 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 June 30, 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 June 30, 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 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 an important measure of the income generated from income-producing properties.

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.

OTHER KEY PERFORMANCE INDICATORS

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 SECOND QUARTER RESULTS

(thousands of dollars, except as indicated)	As at June 30, 2021	As at December 31, 2020
Total assets	**1,872,704**	1,878,598
Total liabilities, excluding net assets attributable to Unitholders	**1,361,150**	1,362,821
Total liabilities, net assets attributable to Unitholders	**1,871,864**	1,877,618
Total non-current liabilities, excluding net assets attributable to Unitholders	**1,130,541**	1,164,992
Mortgages payable	**828,279**	847,845
Debt to gross book value[1]	**67.0%**	66.7%
Interest coverage ratio (times)[1][2]	**2.72**	2.60
Debt service coverage ratio (times)[1][2]	**1.46**	1.39
Weighted average mortgage interest rate	**2.87%**	2.87%
Weighted average term to maturity (years)	**3.2**	3.6
Weighted average capitalization rate	**7.56%**	7.56%
Multi-residential occupancy	**89.9%**	88.7%
Multi-residential AMR ($)	**1,270**	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 June 30, 2021	Six Months Ended June 30, 2021
Total revenue	**47,681**	**95,529**
Total NOI[1]	**27,621**	**54,562**
NOI margin[1]	**57.9%**	**57.1%**
Cash flow provided by operating activities	**13,858**	**25,641**
Distributions declared to Unitholders	**11,288**	**22,576**
Monthly distributions declared per Unit – weighted average ($/Unit)	**0.1092**	**0.1092**
Class A Unit ($/Unit)	**0.1048**	**0.1048**
Class C Unit ($/Unit)	**0.1106**	**0.1106**
Class F Unit ($/Unit)	**0.1081**	**0.1081**
FFO payout ratio[1][2]	**75.2%**	**75.2%**
AFFO payout ratio[1][2]	**92.2%**	**92.2%**
Net and comprehensive loss	**(2,692)**	**(3,975)**
Net and comprehensive loss per Unit ($/Unit)[1]	**(0.07)**	**(0.11)**
FFO[1]	**15,635**	**30,805**
FFO per Unit ($/Unit)[1]	**0.44**	**0.86**
AFFO[1]	**12,836**	**25,207**
AFFO per Unit ($/Unit)[1]	**0.36**	**0.70**

(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, the date on which Northview began operations, to the end of the period presented.

2021 SECOND QUARTER REVIEW

NET AND COMPREHENSIVE LOSS AND FFO

For the three months ended June 30, 2021, net and comprehensive loss of $2.7 million was attributable to revenue of $47.7 million, more than offset by operating expenses of $20.1 million and other expenses of $30.3 million. In the second quarter of 2021, other expenses primarily consisted of distributions to Unitholders of $11.3 million and financing costs from operations of $8.5 million. FFO was $15.6 million and FFO per Unit was $0.44 for the current quarter.

For the six months ended June 30, 2021, net and comprehensive loss was $4.0 million and was primarily attributable to revenue of $95.5 million, offset by operating expenses of $41.0 million and other expenses of $58.5 million. For the six months ended June 30, 2021, other expenses primarily consisted of distributions to Unitholders of $22.6 million and financing costs from operations of $17.0 million. FFO was $30.8 million and FFO per Unit was $0.86 for the year-to-date period.

NOI

For the three and six months ended June 30, 2021, NOI of $27.6 million and $54.6 million, respectively, represented NOI margins of 57.9% and 57.1%. For the three months ended June 30, 2021, AMR was $1,270 and occupancy was 89.9% for the multi-residential portfolio, compared to $1,286 and 89.1%, respectively, in the first quarter of 2021. Commercial portfolio occupancy was 91.9% for the second quarter of 2021, compared to 92.5% in the first quarter of 2021.

DISTRIBUTIONS

Distributions of $11.3 million and $22.6 million were declared for the three and six months ended June 30, 2021 respectively, which resulted in an FFO payout ratio of 75.2% for the period from November 2, 2020, the date on which Northview began operations, to June 30, 2021.

LEVERAGE AND COVERAGE RATIOS

Debt to gross book value was 67.0% as at June 30, 2021, an increase of 10 bps from 66.9% at March 31, 2021. Interest coverage and debt service coverage ratios were 2.72 and 1.46, respectively, for the period from November 2, 2020, the date on which Northview began operations, to June 30, 2021.

During the three months ended June 30, 2021, there was no new mortgage financing, excluding short-term financing for multi-residential properties. 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 remaining near record lows, Northview intends to secure this 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 during the previous academic year.

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. Execusuite occupancy showed improvements in the first half of 2021 following the easing of interterritorial travel restrictions.

The administration of COVID-19 vaccinations continues across Canada, and over half of Canadians who were eligible to receive a COVID-19 vaccine were fully vaccinated by July 2021. Near the end of the second quarter of 2021, some public health measures were eased, as well as certain interprovincial, interterritorial, and international travel restrictions.

Northview collected 98.7% of multi-residential and commercial rent in the second quarter of 2021. The collection rate to-date in the third quarter of 2021 has been consistent with the second 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 June 30, 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 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 AMR.

In Western Canada, the market is currently impacted by lower activity in resource-based markets due to the volatility of commodity prices. The outlook for Western Canada is impacted by uncertainty in the resource sector including regulatory uncertainty, lack of infrastructure, volatile regional commodity prices, and high unemployment rates. However, the easing of COVID-19 restrictions and expected return of in-class learning for post-secondary institutions in select regions may act as a catalyst for recovery. Northview expects occupancy and rental rates to be stable and 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 speed of an economic recovery is impacted by higher unemployment rates, while the economic outlook in New Brunswick remains stable from increased demand driven by an inflow of international migrants and downsizing of an aging population. This is expected to result in overall steady occupancy and rental rates in Atlantic Canada.

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 SECOND QUARTER OPERATING RESULTS

Operations include the multi-residential segment and commercial and execusuite segment. The operating results for the three and six months ended June 30, 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 Northern Canada, Western Canada, and Atlantic Canada. The Northern Canada region includes the operations of properties located in the Northwest Territories and Nunavut. The Western Canada region includes the operations of properties located in Alberta, British Columbia, and Saskatchewan. The Atlantic Canada region includes the operations of properties located in Newfoundland and Labrador, New Brunswick, and Québec.

CONSOLIDATED NET OPERATING INCOME

The following table details NOI by segment:

	Three Months Ended June 30, 2021			Six Months Ended June 30, 2021		
(thousands of dollars)	Multi-Residential	Commercial and Execusuite	Total	Multi-Residential	Commercial and Execusuite	Total
Revenue	37,753	9,928	**47,681**	75,161	20,368	**95,529**
Operating expenses	16,070	3,990	**20,060**	32,717	8,250	**40,967**
NOI	**21,683**	**5,938**	**27,621**	**42,444**	**12,118**	**54,562**
NOI margin	**57.4%**	**59.8%**	**57.9%**	**56.5%**	**59.5%**	**57.1%**

The following table details operating expenses:

(thousands of dollars)	Three Months Ended June 30, 2021	Six Months Ended June 30, 2021
Utilities	**5,976**	**13,452**
Property taxes	**3,716**	**7,403**
Salaries and benefits	**2,069**	**3,985**
Maintenance	**5,087**	**10,705**
General	**3,212**	**5,422**
Operating expenses	**20,060**	**40,967**

The following table details NOI by segment and region:

	Three Months Ended June 30, 2021			Six Months Ended June 30, 2021		
(thousands of dollars)	Multi-Residential	Commercial and Execusuite	Total	Multi-Residential	Commercial and Execusuite	Total
Northern Canada	10,613	4,856	**15,469**	20,426	9,808	**30,234**
Western Canada	6,598	180	**6,778**	13,443	339	**13,782**
Atlantic Canada	4,472	902	**5,374**	8,575	1,971	**10,546**
Total	**21,683**	**5,938**	**27,621**	**42,444**	**12,118**	**54,562**

Operating results for the three and six months ended June 30, 2021 were consistent with management's expectations.

Revenue for the three and six months ended June 30, 2021 was $47.7 million and $95.5 million, respectively. 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 and six months ended June 30, 2021 were $20.1 million and $41.0 million, respectively. Operating expenses primarily related to utilities, maintenance, and property taxes.

NOI of $27.6 million represented a 57.9% NOI margin for the three months ended June 30, 2021, and NOI of $54.6 million represented a 57.1% NOI margin for the six months ended June 30, 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 June 30, 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.)
Northern Canada	2,486	200	756,660
Western Canada	5,261	-	131,941
Atlantic Canada	3,374	-	243,129
Total	**11,121**	**200**	**1,131,730**

MULTI-RESIDENTIAL OPERATIONS

The multi-residential segment is composed of apartments, townhomes, and single-family rental suites, for which rental contracts are typically twelve months, excluding leases with 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 June 30, 2021				Six Months Ended June 30, 2021			
(thousands of dollars)	Northern Canada	Western Canada	Atlantic Canada	Total	Northern Canada	Western Canada	Atlantic Canada	Total
Revenue	16,122	13,446	8,185	**37,753**	32,055	26,856	16,250	**75,161**
Operating expense	5,509	6,848	3,713	**16,070**	11,629	13,413	7,675	**32,717**
NOI	**10,613**	**6,598**	**4,472**	**21,683**	**20,426**	**13,443**	**8,575**	**42,444**
NOI margin (%)	**65.8%**	**49.1%**	**54.6%**	**57.4%**	**63.7%**	**50.1%**	**52.8%**	**56.5%**

	Three Months Ended June 30, 2021		
	Multi-Residential Suites	AMR ($)	Occupancy (%)
Northern Canada			
Northwest Territories	1,310	1,774	94.3%
Nunavut	1,176	2,698	99.2%
Total Northern Canada	**2,486**	**2,224**	**97.1%**
Western Canada			
Alberta	3,559	1,028	79.8%
British Columbia	1,379	963	77.2%
Saskatchewan	323	1,282	90.8%
Total Western Canada	**5,261**	**1,031**	**80.0%**
Atlantic Canada			
Newfoundland and Labrador	1,875	868	94.2%
New Brunswick	1,338	832	97.4%
Québec	161	736	98.3%
Total Atlantic Canada	**3,374**	**847**	**95.7%**
Total	**11,121**	**1,270**	**89.9%**

The following table outlines Northview's AMR:

	Q2 2021	Q1 2021	Q4 2020
Northern Canada	**2,224**	2,237	2,226
Western Canada	**1,031**	1,055	1,067
Atlantic Canada	**847**	839	839
Total	**1,270**	1,286	1,279

The following table outlines Northview's occupancy rates:

	Q2 2021	Q1 2021	Q4 2020
Northern Canada	**97.1%**	96.1%	95.6%
Western Canada	**80.0%**	79.4%	79.7%
Atlantic Canada	**95.7%**	96.0%	93.8%
Total	**89.9%**	89.1%	88.7%

Operating results for the three and six months ended June 30, 2021 were consistent with management's expectations.

NORTHERN CANADA OPERATIONS

For the three months ended June 30, 2021, revenue was $16.1 million and NOI was $10.6 million, representing an NOI margin of 65.8%. For the six months ended June 30, 2021, revenue was $32.1 million and NOI was $20.4 million, representing an NOI margin of 63.7%. In the second quarter of 2021, occupancy improved 100 bps from the prior quarter to 97.1%, coupled with relatively stable AMR. The increase in occupancy was driven by continued leasing of repositioned suites in Yellowknife, NT.

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 related to severe weather conditions and remote nature of the communities. Nunavut had the highest AMR and occupancy of Northview's provinces and territories due to the stable government-centric economy and long-term lease arrangements with government departments and agencies.

WESTERN CANADA OPERATIONS

Western Canada operations contributed revenue of $13.4 million and NOI of $6.6 million for the three months ended June 30, 2021, representing an NOI margin of 49.1%. For the six months ended June 30, 2021, revenue was $26.9 million and NOI was $13.4 million, resulting in an NOI margin of 50.1%. For the three months ended June 30, 2021, occupancy of 80.0% represented a 60 bps improvement from the previous quarter, which was primarily attributable to higher occupancy in Fort Nelson, BC and Prince George, BC, partially offset by lower occupancy in Grande Prairie, AB.

AMR of $1,031 and occupancy of 80.0% for the three months ended June 30, 2021 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.

ATLANTIC CANADA OPERATIONS

For the three months ended June 30, 2021, revenue was $8.2 million and NOI was $4.5 million, resulting in an NOI margin of 54.6%. For the six months ended June 30, 2021, revenue was $16.3 million and NOI was $8.6 million, representing an NOI margin of 52.8%. For the three months ended June 30, 2021, occupancy remained relatively stable at 95.7%, primary due to improvements in Labrador City, NL and Gander, NL, offset by lower occupancy in St. John's, NL and Moncton, NB due to increased move-outs in the quarter.

AMR of $847 as at June 30, 2021 was relatively consistent with the prior quarter.

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 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 June 30, 2021	Six Months Ended June 30, 2021
Revenue	**9,928**	**20,368**
Operating expenses	**3,990**	**8,250**
NOI	**5,938**	**12,118**
NOI margin (%)	**59.8%**	**59.5%**

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 June 30, 2021		Six Months Ended June 30, 2021	
	Commercial (sq. ft.)	Average Rent ($/sq. ft.)	Occupancy (%)	Average Rent ($/sq. ft.)	Occupancy (%)
Northern Canada	756,660	**26.86**	**96.0%**	**26.70**	**96.1%**
Western Canada	131,941	**15.32**	**70.8%**	**15.15**	**70.8%**
Atlantic Canada	243,129	**19.11**	**90.6%**	**19.03**	**91.6%**
Average	1,131,730	**24.37**	**91.9%**	**24.22**	**92.3%**

For the three and six months ended June 30, 2021, NOI of $5.9 million and $12.1 million, respectively, were consistent with management's expectations and represented NOI margins of 59.8% and 59.5%. Overall, the commercial average rent per sq. ft. of $24.37 increased from $24.07 from the prior quarter. Occupancy of 91.9% for the second quarter of 2021 represented a 60 bps decrease from 92.5% for the first quarter of 2021 due to a tenant at a warehouse in St. John's, NL. Occupancy in Northern 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 the majority of the vacancy in Western Canada related to a vacant 27,000 sq. ft. warehouse in Fort Nelson, BC.

As at June 30, 2021, Northview had 161,000 sq. ft. of commercial space with leases maturing in 2021, of which approximately 112,000 sq. ft. was renewed and approximately 8,000 sq. ft. was on a monthly lease as at June 30, 2021. 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 and six months ended June 30, 2021, execusuites experienced 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 June 30, 2021	Six Months Ended June 30, 2021
Distributions to Unitholders	**11,288**	**22,576**
Financing costs from operations	**8,516**	**17,023**
Administration	**1,956**	**3,748**
Management fees	**1,695**	**3,345**
Depreciation and amortization	**879**	**1,709**
Gain on disposition of property, plant and equipment	**(36)**	**(36)**
Equity income from joint ventures	**(254)**	**(492)**
Fair value loss on investment properties	**6,269**	**9,798**
Transaction costs	**-**	**866**
Total	**30,313**	**58,537**

Results for the three and six months ended June 30, 2021 were consistent with management's expectations.

Distributions to Unitholders of $11.3 million and $22.6 million for the three and six months ended June 30, 2021, respectively, were consistent with management's expectations. Distributions to Unitholders are 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.

Financing costs from operations consists of mortgage interest, amortization of deferred financing costs and the adjustment of fair value for debt assumed, interest expense on the credit facility, and other income. For the three and six months ended June 30, 2021, financing costs from operations of $8.5 million and $17.0 million, respectively, were consistent with management's expectations. For the three months ended June 30, 2021, financing costs from operations consisted primarily of interest expense on mortgages of $5.6 million, interest expense on the credit facility of $5.3 million, partially offset by amortization of fair value of debt assumed of $2.2 million, relating to the amortization of the difference between the notional amount of the mortgages payable assumed and the acquisition-date fair value. For the six months ended June 30, 2021, financing costs from operations consisted primarily of interest expense on mortgages of $11.5 million, interest expense on the credit facility of $10.5 million, partially offset by amortization of fair value of debt assumed of $4.4 million.

Administration expense of $2.0 million and $3.7 million for the three and six months ended June 30, 2021 were consistent with management's expectations.

For the three and six months ended June 30, 2021, management fees of $1.7 million and $3.3 million, respectively, 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. For the six months ended June 30, 2021, the fair value loss on investment properties of $9.8 million resulted from sustaining capital expenditures incurred in the period.

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 the 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 June 30, 2021	Six Months Ended June 30, 2021
Net and comprehensive loss	**(2,692)**	**(3,975)**
Adjustments:		
Distributions to Unitholders	**11,288**	**22,576**
Depreciation of property, plant and equipment	**787**	**1,536**
Fair value loss on investment properties	**6,269**	**9,798**
Transaction costs	**-**	**866**
Other[1]	**(17)**	**4**
FFO	**15,635**	**30,805**
FFO per Unit ($/Unit)	**0.44**	**0.86**
FFO payout ratio[2]	**75.2%**	**75.2%**
Number of Units outstanding ('000s)	**35,917**	**35,917**

(1) "Other" is comprised of non-controlling interest; amortization of other long-term assets; amortization of tenant inducements; gain on disposition of property, plant and equipment; 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 June 30, 2021.

For the three months ended June 30, 2021, FFO of $15.6 million was consistent with management's expectations.

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 June 30, 2021	Six Months Ended June 30, 2021
FFO	**15,635**	**30,805**
Maintenance capex reserve – multi-residential(1)(2)	**(2,747)**	**(5,494)**
Maintenance capex reserve – commercial(1)(3)	**(52)**	**(104)**
AFFO	**12,836**	**25,207**
AFFO per Unit ($/Unit)	**0.36**	**0.70**
AFFO payout ratio(4)	**92.2%**	**92.2%**
Number of Units outstanding ('000s)	**35,917**	**35,917**

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

(2) For the multi-residential maintenance capex reserve, management has determined the annualized reserve to be $989 per multi-residential suite for 2021. For the three months ended June 30, 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 six months ended June 30, 2021, maintenance capex for multi-residential of $5.5 million were calculated as $495 per multi-residential suite (50% of management's estimated annualized reserve of $989 per multi-residential suite) multiplied by an average of 11,111 multi-residential suites.

(3) For the commercial maintenance capex reserve, management determined the annualized maintenance capex reserve to be $0.20 per sq. ft. Maintenance capex for the three months ended June 30, 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. Maintenance capex for the six months ended June 30, 2021 of $0.1 million were calculated as $0.10 per sq. ft. (50% of management's estimated annualized reserve of $0.20 per sq. ft.) multiplied by an average of 1,040,000 commercial sq. ft.

(4) AFFO payout ratio is calculated for the period from November 2, 2020, the date on which Northview began operations, to June 30, 2021.

For the three and six months ended June 30, 2021, AFFO of $12.8 million and $25.2 million, respectively, 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.

For the commercial portfolio, value-enhancing capex are typically recoverable capital expenditures and maintenance capex are typically non-recoverable capital expenditures.

CAPITAL EXPENDITURES

(thousands of dollars, except where indicated)	Three Months Ended June 30, 2021	Six Months Ended June 30, 2021
Building and common areas	**1,179**	**2,042**
Suite renovations	**3,327**	**4,893**
Appliances	**213**	**377**
Boilers and mechanical	**253**	**633**
Other	**677**	**1,230**
Total capital expenditures – multi-residential	**5,649**	**9,175**
Average number of multi-residential suites	**11,111**	**11,111**
Capital expenditures per multi-residential suite ($/suite)	**508**	**826**
Total capital expenditures – multi-residential	**5,649**	**9,175**
Total capital expenditures – commercial	**541**	**558**
Total capital expenditures	**6,190**	**9,733**

Capital expenditures of $6.2 million and $9.7 million were incurred during the three and six months ended June 30, 2021, respectively. In both periods, capital expenditures were primarily attributable to the multi-residential segment, in which the majority of expenditures related to suite renovations, consistent with management's expectations.

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 and six months ended June 30, 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)	Q2 2021	Q1 2021	Q4 2020[1]	Q3 2020	Q2 2020
Total revenue	**47,681**	47,848	31,059	**-**	**-**
Net and comprehensive (loss) income	**(2,692)**	(1,283)	89,664	**-**	**-**
Net and comprehensive (loss) income per Unit ($/Unit)	**(0.07)**	(0.04)	2.50	**-**	**-**
NOI	**27,621**	26,941	17,462	**-**	**-**
FFO	**15,635**	15,170	9,219	**-**	**-**
FFO per Unit ($/Unit)	**0.44**	0.42	0.26	**-**	**-**
FFO payout ratio[2]	**75.2%**	77.1%	81.6%	-	-

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

(2) FFO payout ratio is calculated for the period from November 2, 2020, the date on which Northview began operations, the end of the period presented.

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 June 30, 2021, Northview had a working capital deficiency of $198.4 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 June 30, 2021, $199.8 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 June 30, 2021, Northview had undrawn capacity of $37.0 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 75.2% for the period from November 2, the date on which Northview began operations, to June 30, 2021.

MORTGAGES

During the three and six months ended June 30, 2021, there was no new mortgage financing completed excluding short-term financing for multi-residential properties.

The following table outlines Northview's mortgage maturity schedule and weighted average interest rate as at June 30, 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	25,651	166,249	191,900	23.9%	2.79%
2022	23,080	79,820	102,900	12.8%	2.77%
2023	18,741	137,482	156,223	19.5%	3.21%
2024	13,571	159,792	173,363	21.6%	3.01%
2025	5,827	62,333	68,160	8.5%	2.59%
Thereafter	7,096	102,851	109,947	13.7%	2.62%
Total	**93,966**	**708,527**	**802,493**	**100.0%**	**2.87%**

CREDIT FACILITY

As at June 30, 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 June 30, 2021, the credit facility had the following terms:

	As at June 30, 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**	**15,000**	20,000	-
Total	**539,077**	**502,077**	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 June 30, 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. 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 and six months ended June 30, 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 interim 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 67.0% as at June 30, 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 June 30, 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 2.72 and 1.46, respectively, for the period ended June 30, 2021. These ratios were calculated for the period from November 2, 2020, the date on which Northview began operations, to June 30, 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 June 30, 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 June 30, 2021	**As at December 31, 2020**
Credit facility		**502,077**	487,077
Mortgages payable		**802,493**	817,645
Less: Cash and cash equivalents		**(19,618)**	(25,337)
Total debt	**A**	**1,284,952**	1,279,385
Investment properties		**1,789,078**	1,789,143
Property, plant and equipment		**36,538**	38,183
Accumulated depreciation		**2,261**	566
Portfolio premium		**89,000**	89,000
Gross book value	**B**	**1,916,877**	1,916,892
Debt to gross book value	**A/B**	**67.0%**	66.7%

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

		Period Ended June 30, 2021(1)
Net and comprehensive income		**85,689**
Depreciation and amortization		**2,273**
Mortgage interest		**15,360**
Amortization of deferred financing costs and fair value of debt		**(5,888)**
Interest expense on the credit facility		**13,935**
Distributions to Unitholders		**30,101**
Fair value loss on investment properties		**7,000**
Gain on disposition of property, plant and equipment		**(36)**
Gain on business combination		**(104,528)**
Transaction costs		**19,737**
Adjusted EBITDA	**A**	**63,643**
Mortgage interest and deferred financing costs		**15,360**
Amortization of deferred financing costs and fair value of debt		**(5,888)**
Interest expense on the credit facility		**13,935**
Interest expense	**B**	**23,407**
Principal payments on mortgages(2)		**20,236**
Debt service	**C**	**43,643**
Interest coverage ratio	**A/B**	**2.72**
Debt service coverage ratio	**A/C**	**1.46**

(1) Coverage ratios are calculated for the period from November 2, 2020 – June 30, 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 June 30, 2021	As at December 31, 2020
Class A	**7,531**	5,827
Class C	**24,624**	24,776
Class F	**2,324**	3,820
Total Units issued	**34,479**	34,423
Total Units potentially issuable upon conversion(1)	**1,438**	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 July 31, 2021, Northview's issued Units were as follows:

(number of Units in thousands)	As at July 31, 2021
Class A	**7,604**
Class C	**24,576**
Class F	**2,302**
Total Units issued	**34,482**

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 as at June 30, 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)	**802,493**	856,337	211,179	288,442	253,282	103,434
Credit facility	**502,077**	502,077	-	502,077	-	-
Trade and other payables	**27,031**	27,031	27,031	-	-	-
Distributions payable	**3,763**	3,763	3,763	-	-	-
Total	**1,335,364**	**1,389,208**	**241,973**	**790,519**	**253,282**	**103,434**

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 and six ended June 30, 2021, Northview declared monthly cash distributions representing a weighted average of $0.1092 per Unit, and a total of $11.3 million and $22.6 million in distributions.

Distributions declared to Unitholders were as follows:

	Monthly Distributions Per Unit ($/Unit)	Three Months Ended June 30, 2021	Six Months Ended June 30, 2021
Class A	0.1048	**2,299**	**4,467**
Class C	0.1106	**8,176**	**16,373**
Class F	0.1081	**813**	**1,736**
	0.1092	**11,288**	**22,576**

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

(thousands of dollars)		Three Months Ended June 30, 2021	Six Months Ended June 30, 2021
Distributions declared	A	11,288	22,576
Cash flow provided by operating activities	B	13,858	25,641
Distribution payout ratio (%)	A/B	81.5%	88.0%

For the three and six months ended June 30, 2021, distributions declared to Unitholders were $11.3 million and $22.6 million, which represented 81.5% and 88.0% of cash flow provided by operating activities, respectively.

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 have 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 June 30, 2021	Six Months Ended June 30, 2021
Management fees	1,695	3,345
Other income	179	355

The following table outlines balances with entities with significant influence:

	As at June 30, 2021	As at December 31, 2020
Accounts receivable	**2,400**	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 June 30, 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 fair value of the investment properties affect income.

OFF-BALANCE SHEET ARRANGEMENTS

As at June 30, 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 June 30, 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.

During the second quarter of 2021, there were no significant changes in Northview's DC&P that have materially affected, or are reasonably likely to materially affect, Northview's DC&P.

INTERNAL CONTROL OVER FINANCIAL REPORTING

As at June 30, 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.

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

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