Northview™

Unaudited Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2024 and 2023

NORTHVIEW RESIDENTIAL REIT
UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(thousands of Canadian dollars)

	Note	As at September 30, 2024	As at December 31, 2023
Assets			
Non-current assets			
Investment properties	3	**2,599,460**	2,661,118
Property, plant and equipment		**26,499**	29,077
Investment in joint ventures		**14,448**	14,174
Other long-term assets		**2,796**	2,521
		2,643,203	2,706,890
Current assets			
Assets held for sale	15	**35,783**	—
Accounts receivable		**9,142**	8,107
Prepaid expenses and other assets		**2,900**	4,366
Restricted cash		**8,619**	7,693
Cash and cash equivalents		**14,939**	21,394
		71,383	41,560
Total assets		**2,714,586**	2,748,450
Liabilities			
Non-current liabilities			
Mortgages payable	4	**1,168,016**	1,136,763
Redeemable Units	8	**—**	47,967
		1,168,016	1,184,730
Current liabilities			
Mortgages payable	4	**199,435**	241,631
Credit facilities	5	**305,081**	348,576
Exchangeable Units	7	**62,953**	46,033
Redeemable Units	8	**104,727**	50,017
Trade and other payables		**46,045**	44,125
Distributions payable	9	**3,286**	3,286
Liabilities related to assets held for sale	15	**24,110**	—
		745,637	733,668
Total liabilities		**1,913,653**	1,918,398
Equity			
Unitholders' equity	6, 8	**800,933**	828,891
Non-controlling interest		**—**	1,161
Total equity		**800,933**	830,052
Total liabilities and equity		**2,714,586**	2,748,450

See accompanying notes to these unaudited condensed consolidated interim financial statements.

NORTHVIEW RESIDENTIAL REIT
UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF NET AND COMPREHENSIVE INCOME (LOSS)
(thousands of Canadian dollars)

		Three Months Ended September 30		Nine Months Ended September 30	
	Note	**2024**	**2023**	**2024**	**2023**
Revenue	**13**	**69,059**	57,402	**206,686**	160,607
Operating expenses		**26,867**	22,380	**85,093**	68,040
Net operating income		**42,192**	35,022	**121,593**	92,567
Other expenses (income)					
Financing costs	**14**	**22,703**	20,030	**67,683**	52,636
Administration		**2,905**	2,134	**8,361**	6,057
Asset management fees		**—**	911	**—**	4,211
Distributions	**9**	**929**	2,290	**2,787**	22,973
Fair value loss (gain) on investment properties	**3**	**7,116**	(168,509)	**20,501**	(159,822)
Fair value loss (gain) on Exchangeable Units	**7**	**3,500**	(5,089)	**16,920**	(5,089)
Fair value loss on Restricted Units	**10**	**53**	—	**97**	—
Accretion on Redeemable Units	**8**	**2,176**	954	**6,743**	954
Transaction costs on dispositions	**3**	**408**	—	**408**	—
Depreciation and amortization		**768**	776	**2,315**	2,437
Equity income from joint ventures		**(417)**	(433)	**(874)**	(1,086)
Insurance proceeds		**(238)**	(118)	**(2,321)**	(259)
Recapitalization Event costs		**—**	26,600	**—**	26,600
		39,903	(120,454)	**122,620**	(50,388)
Net and comprehensive income (loss)		**2,289**	155,476	**(1,027)**	142,955
Net and comprehensive income (loss) attributable to:					
Unitholders		**2,250**	155,440	**(1,149)**	142,847
Non-controlling interest		**39**	36	**122**	108
Net and comprehensive income (loss)		**2,289**	155,476	**(1,027)**	142,955

See accompanying notes to these unaudited condensed consolidated interim financial statements.

NORTHVIEW RESIDENTIAL REIT
UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN UNITHOLDERS' EQUITY
(thousands of Canadian dollars)

Nine Months Ended September 30, 2024						
	Note	**Trust Units**	**Redeemable Units**	**Retained earnings**	**Non-controlling interest**	**Total equity**
Balance, beginning of period		**527,950**	**12,864**	**288,077**	**1,161**	**830,052**
Net and comprehensive (loss) income		**—**	**—**	**(1,149)**	**122**	**(1,027)**
Distributions declared	**9**	**—**	**—**	**(26,790)**	**(67)**	**(26,857)**
Acquisition of non-controlling interest		**—**	**—**	**(19)**	**(1,216)**	**(1,235)**
Balance, end of period		**527,950**	**12,864**	**260,119**	**—**	**800,933**

Nine Months Ended September 30, 2023						
	Note	**Trust Units**	**Redeemable Units**	**Retained earnings**	**Non-controlling interest**	**Total equity**
Balance, beginning of period		—	—	—	1,163	1,163
Reclassification from net assets attributable to Unitholders	**6**	425,176	—	129,595	—	554,771
Units issued for acquisition	**6, 8**	100,397	12,864	—	—	113,261
Units issued for Exchangeable Units	**6, 7**	2,377	—	—	—	2,377
Net and comprehensive income		—	—	152,945	108	153,053
Distributions declared	**9**	—	—	(5,714)	(112)	(5,826)
Balance, end of period		527,950	12,864	276,826	1,159	818,799

See accompanying notes to these unaudited condensed consolidated interim financial statements.

NORTHVIEW RESIDENTIAL REIT
UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(thousands of Canadian dollars)

		Three Months Ended September 30		Nine Months Ended September 30	
	Note	**2024**	**2023**	**2024**	**2023**
Operating activities					
Net and comprehensive income (loss)		**2,289**	155,476	**(1,027)**	142,955
Adjustments:					
Distributions	**9**	**929**	2,290	**2,787**	22,973
Depreciation and amortization		**768**	776	**2,315**	2,437
Equity income from joint ventures		**(417)**	(433)	**(874)**	(1,086)
Fair value loss (gain) on investment properties	**3**	**7,116**	(168,509)	**20,501**	(159,822)
Fair value loss (gain) on Exchangeable Units	**7**	**3,500**	(5,089)	**16,920**	(5,089)
Fair value loss on Restricted Units	**10**	**53**	—	**97**	—
Accretion on Redeemable Units	**8**	**2,176**	954	**6,743**	954
Transaction costs on dispositions	**3**	**408**	—	**408**	—
Amortization of fair value adjustment and deferred financing costs, loss (gain) on debt extinguishment	**14**	**2,398**	151	**5,807**	(2,471)
Settlement of carried interest	**7**	**—**	20,393	**—**	20,393
Changes in non-cash operating working capital		**2,579**	4,119	**958**	2,384
Cash flows provided by operating activities		**21,799**	10,128	**54,635**	23,628
Financing activities					
Proceeds from new mortgages	**4**	**54,438**	238,197	**181,870**	454,925
Mortgages repaid	**4**	**(46,252)**	(46,718)	**(141,248)**	(156,713)
Mortgage principal repayments	**4**	**(8,184)**	(7,334)	**(25,385)**	(21,900)
Payment of deferred financing costs	**4, 5**	**(2,150)**	(20,204)	**(8,790)**	(30,091)
Repayments on credit facility, net	**5**	**(33,204)**	(61,987)	**(42,582)**	(136,206)
Distributions paid to Unitholders	**9**	**(9,858)**	(6,587)	**(29,577)**	(29,163)
Distributions to non-controlling interest		**(45)**	(29)	**(67)**	(112)
Acquisition of non-controlling interest		**(1,235)**	—	**(1,235)**	—
Changes in non-cash financing working capital		**204**	288	**86**	(447)
Cash flows (used in) provided by financing activities		**(46,286)**	95,626	**(66,928)**	80,293
Investing activities					
Acquisitions		**—**	(98,998)	**—**	(98,998)
Capital expenditures on investment properties	**3**	**(6,899)**	(3,920)	**(19,524)**	(12,651)
Proceeds from sale of assets	**3**	**24,700**	—	**25,305**	—
Transaction costs on dispositions	**3**	**(408)**	—	**(408)**	—
Capital expenditures on property, plant and equipment		**(48)**	(85)	**(135)**	(189)
Distributions received from equity investees		**—**	—	**600**	377
Cash flows provided by (used in) investing activities		**17,345**	(103,003)	**5,838**	(111,461)
Net (decrease) increase in cash and cash equivalents		**(7,142)**	2,751	**(6,455)**	(7,540)
Cash and cash equivalents, beginning of period		**22,081**	16,195	**21,394**	26,486
Cash and cash equivalents, end of period		**14,939**	18,946	**14,939**	18,946
Supplementary information for cash flows provided by operating activities					
Cash interest paid		**20,605**	19,297	**61,172**	55,260

See accompanying notes to these unaudited condensed consolidated interim financial statements.

1. DESCRIPTION OF THE REPORTING ENTITY

Northview Residential REIT ("Northview" or the "REIT") is a real estate investment trust established pursuant to an initial declaration of trust dated April 14, 2020 and amended and restated most recently on August 21, 2023 (the "Declaration of Trust"). Northview's primary purpose is to acquire, own, and operate a portfolio of income-producing rental properties in secondary markets within Canada.

Northview was established under the laws of the province of Ontario. The head and registered office of Northview is located at Suite 200, 6131 6 Street SE, Calgary, Alberta, T2H 1L9. Northview's Class A Units ("Class A Units") trade on the Toronto Stock Exchange ("TSX") under the symbol "NRR.UN".

On August 21, 2023, Northview completed its recapitalization transaction, which included the acquisitions of three high-quality portfolios consisting of 3,301 multi-residential suites and a transformation into Northview Residential REIT, an open-ended real estate investment trust (the "Recapitalization Event").

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

2. MATERIAL ACCOUNTING POLICIES

A. Basis of presentation and statement of compliance

The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB").

These unaudited condensed consolidated interim financial statements should be read in conjunction with Northview's audited consolidated financial statements for the years ended December 31, 2023 and 2022. These unaudited condensed consolidated interim financial statements have been prepared using the same accounting policies and methods of computation as Northview's audited consolidated financial statements for the years ended December 31, 2023 and 2022, except as described below.

In the comparative periods, the REIT previously classified insurance proceeds as part of financing costs as they were inconsequential. As a result of an increase in insurance proceeds recognized during 2024, Northview has presented these amounts separately and reclassified the comparative period figures to conform with the current period presentation.

These unaudited condensed consolidated interim financial statements were authorized for issue by the Board of Trustees of Northview (the "Trustees") on November 14, 2024.

B. Critical accounting estimates and judgements

The preparation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB requires management to make estimates and judgements that affect the reported amounts of assets, liabilities, income, and expenses. Estimates and judgements are evaluated each reporting period and are 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. A summary of Northview's critical accounting estimates and judgements can be found in Note 2(S) of Northview's audited consolidated financial statements for the years ended December 31, 2023 and 2022.

C. Adoption of New Accounting Standard

In January 2020, the IASB issued *Classification of Liabilities as Current or Non-current* (Amendment to IAS 1, *Presentation of Financial Statements*). Under the amendment, the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. The classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. In October 2022, another amendment to IAS 1 was issued for non-current liabilities with covenants. Only covenants with which an entity is required to comply on or before the reporting date impact the classification of a liability as current or non-current. Additional disclosures are required to enable users of financial statements to understand the risk of non-current liabilities with covenants becoming repayable within 12 months. Northview has liabilities subject to covenants and adopted both amendments to IAS 1 retrospectively on January 1, 2024. There was no material impact as a result of adopting these amendments.

(thousands of Canadian dollars, except as indicated)

D. Assets Held for Sale

A non-current asset is classified as an asset held for sale when a sale is considered to be highly probable. This is at the point in time when management has committed to a plan to sell the asset; there is an active program to locate a buyer; the non-current asset is being actively marketed at a reasonable price in relation to the current fair value of the asset; the sale is highly probable and is expected to be completed within one year from the date of classification; and it is unlikely there will be changes to the plan. Non-current assets classified as held for sale and the associated liabilities are separately classified from other assets and other liabilities in the consolidated statement of financial position.

Estimates in determining the fair value of investment properties as found in Note 2(S) of Northview's audited consolidated financial statements for the years ended December 31, 2023 and 2022, is applicable to investment properties classified as assets held for sale.

All applicable disclosures within these financial statements include assets held for sale and the associated liabilities unless otherwise specified.

3. INVESTMENT PROPERTIES

The following table discloses the balance of investment properties:

	As at September 30, 2024	As at December 31, 2023
Investment in properties	**2,580,971**	2,641,910
Investment in land	**18,489**	19,208
Balance, end of period	**2,599,460**	2,661,118

The following table reconciles the change in investment properties:

	2024
Balance at January 1	**2,661,118**
Capital expenditures on investment properties	**19,524**
Fair value loss on investment properties	**(20,501)**
Transfers to assets held for sale	**(35,376)**
Dispositions	**(25,305)**
Balance at September 30	**2,599,460**

(thousands of Canadian dollars, except as indicated)

Dispositions of non-core properties for the nine months ended September 30, 2024 were as follows:

	As at September 30, 2024		
Region	Multi-Residential Suites	Commercial (Sq. Ft.)	Gross Proceeds
Northern Canada	8	2,556	4,005
Western Canada	—	—	—
Atlantic Canada	220	—	21,300
Central Canada	—	—	—
Overall	228	2,556	25,305

	As at September 30, 2024
Gross Proceeds	25,305
Transaction costs on dispositions	(408)
Net proceeds	24,897
Net book value	
Investment property	25,305
Transaction costs on dispositions	(408)

Northview did not dispose of any properties during the nine months ended September 30, 2023.

Northview uses the capitalization rate approach to value investment properties, whereby a projected stabilized NOI is divided by the capitalization rate. As at September 30, 2024, capitalization rates ranging from 4.15% to 11.00% were applied to a projected stabilized NOI (December 31, 2023 – 4.15% to 11.00%). The weighted average capitalization rate used to fair value Northview's investment properties as at September 30, 2024 was 6.42% (December 31, 2023 – 6.41%).

A summary of the capitalization rates for both the multi-residential segment and the commercial and execusuite segment used for valuations is outlined in the following table:

	As at September 30, 2024			As at December 31, 2023		
Region	Minimum	Maximum	Weighted Average	Minimum	Maximum	Weighted Average
Northern Canada	6.21%	11.00%	8.50%	6.21%	11.00%	8.50%
Western Canada	4.25%	11.00%	6.15%	4.25%	11.00%	6.19%
Atlantic Canada	4.25%	8.28%	5.44%	4.25%	8.00%	5.38%
Central Canada	4.15%	7.05%	4.49%	4.15%	7.05%	4.49%
Overall	4.15%	11.00%	6.42%	4.15%	11.00%	6.41%

The following table outlines the impact of a 25-basis point change in capitalization rates on the fair value of investment properties:

	As at September 30, 2024			As at December 31, 2023		
Region	Weighted Average	Increase	Decrease	Weighted Average	Increase	Decrease
Northern Canada	8.50%	(20,807)	22,068	8.50%	(21,149)	22,431
Western Canada	6.15%	(36,742)	39,858	6.19%	(35,962)	38,990
Atlantic Canada	5.44%	(26,736)	29,310	5.38%	(28,259)	31,015
Central Canada	4.49%	(19,499)	21,799	4.49%	(19,450)	21,743
Overall	6.42%	(103,784)	113,035	6.41%	(104,820)	114,179

(thousands of Canadian dollars, except as indicated)

The following table outlines the impact of a 250-basis point change in projected stabilized NOI on the fair value of investment properties:

	As at September 30, 2024		As at December 31, 2023	
Region	**Increase**	**Decrease**	**Increase**	**Decrease**
Northern Canada	**18,204**	**(18,204)**	18,498	(18,498)
Western Canada	**23,499**	**(23,499)**	23,152	(23,152)
Atlantic Canada	**15,221**	**(15,221)**	15,899	(15,899)
Central Canada	**9,242**	**(9,242)**	9,221	(9,221)
Overall	**66,166**	**(66,166)**	66,770	(66,770)

4. MORTGAGES PAYABLE

The following table summarizes Northview's outstanding mortgages payable:

	As at September 30, 2024	As at December 31, 2023
Mortgages payable	**1,443,407**	1,428,168
Unamortized fair value adjustment	**(14,684)**	(15,489)
Deferred financing costs	**(39,978)**	(34,285)
	1,388,745	1,378,394
Mortgages related to assets held for sale	**(21,294)**	—
Balance, end of period	**1,367,451**	1,378,394
Current	**199,435**	241,631
Non-current	**1,168,016**	1,136,763
Balance, end of period	**1,367,451**	1,378,394

As at September 30, 2024, Northview had in place mortgages that bore interest at rates ranging from 1.21% to 8.95% (December 31, 2023 – 1.21% to 8.95%) and had a weighted average interest rate of 3.84% (December 31, 2023 – 3.80%). The mortgages mature between 2024 and 2034 (December 31, 2023 – 2024 and 2034) and are secured by charges against specific properties. Land and buildings with a carrying value of $2.4 billion (December 31, 2023 – $2.5 billion) have been pledged to secure Northview's mortgages payable.

The fair value of mortgages payable as at September 30, 2024 was approximately $1.4 billion (December 31, 2023 – $1.4 billion). The fair value is determined by discounting the future cash payments by the current market borrowing rate. The majority of the mortgages on Northview's investment properties are insured by Canada Mortgage and Housing Corporation ("CMHC"). Pursuant to standard mortgage terms, mortgagees have security interest in the specified property. In addition, certain investment properties are cross-securitized, providing the lender with security rights to those properties.

As at September 30, 2024, Northview's mortgage maturity schedule and weighted average interest rate for the years indicated were as follows:

	Principal Amount	Principal on Maturity	Total	% of Total	Weighted Average Interest Rate
Remainder of 2024	8,299	39,613	47,912	3.4%	3.66%
2025	28,739	186,239	214,978	14.9%	3.45%
2026	23,505	82,558	106,063	7.3%	2.52%
2027	19,229	184,099	203,328	14.1%	3.91%
2028	15,753	267,729	283,482	19.6%	4.17%
Thereafter	40,363	547,281	587,644	40.7%	3.99%
Total	**135,888**	**1,307,519**	**1,443,407**	**100.0%**	**3.84%**

(thousands of Canadian dollars, except as indicated)

The following table reconciles the change in mortgages payable:

	2024
Balance at January 1	**1,378,394**
Proceeds	**181,870**
Repaid	**(141,248)**
Principal repayments	**(25,385)**
Payment of deferred financing costs	**(8,722)**
Amortization of deferred financing costs	**2,775**
Amortization of fair value adjustment	**875**
Loss on extinguishment of debt	**186**
Mortgages related to assets held for sale	**(21,294)**
Balance at September 30	**1,367,451**

5. CREDIT FACILITIES

Effective June 2024, the Bankers Acceptance Canadian Dollar Offered rate (“CDOR”) was discontinued and Northview’s credit facilities were transitioned to the Canadian Overnight Repo Rate Average (“CORRA”) rate.

As at September 30, 2024, Northview had in place two credit facilities: a syndicated credit facility with a total credit limit of $276.4 million (December 31, 2023 – $338.7 million) (the “syndicated facility”) and a term credit facility with a credit limit of $57.2 million (December 31, 2023 – $60.0 million) (the “term facility”) (collectively, the “credit facilities”). The syndicated facility includes multiple tranches that each bears interest at the prime rate plus 2.65% or the CORRA rate plus 3.95%. The term facility bears interest at the prime rate plus 1.50% or the CORRA rate plus 2.80%. These credit facilities mature on December 31, 2024. Refer to Note 17 for further details on Northview’s amendments to the credit facilities, including an extension to December 31, 2026.

The terms of the credit facilities were as follows:

	As at September 30, 2024		As at December 31, 2023	
	Credit Limit	Amount Drawn	Credit Limit	Amount Drawn
Syndicated facility				
Tranche A-1 Facility	**149,411**	**149,411**	211,663	211,663
Tranche B-1 Term Facility	**32,000**	**32,000**	32,000	32,000
Tranche B-2 Revolving Facility	**20,000**	**5,000**	20,000	5,000
Tranche B-3 Term Facility	**75,000**	**75,000**	75,000	72,500
Term facility	**57,170**	**47,170**	60,000	30,000
Total	**333,581**	**308,581**	398,663	351,163

The Tranche A-1 Facility is a non-revolving term loan facility. The Tranche B-1 Term Facility is a non-revolving capital expenditure loan facility on which draws may occur no more than once per fiscal quarter in an amount of up to 75% of allowable capital expenditure costs incurred. The Tranche B-2 Revolving Facility is a facility available for general corporate, trust, or operating purposes. The Tranche B-3 Term Facility is a non-revolving facility on which draws may occur no more than once per fiscal quarter for mortgage principal repayments. The term facility is a non-revolving facility in which draws may not occur more than once per month for mortgage principal payments.

As the Tranche A-1 Facility is a non-revolving term loan facility, payments on the facility reduce the credit limit available. For the nine months ended September 30, 2024, Northview completed repayments of $62.3 million (nine months ended September 30, 2023 – $224.1 million), which reduced the credit limit on the Tranche A-1 Facility.

As at September 30, 2024 there is $25.0 million of available credit that may be drawn.

As at September 30, 2024 and December 31, 2023, substantially all investment properties have been pledged as collateral security for the credit facilities. As at September 30, 2024, Northview had $0.7 million in letters of credit outstanding (December 31, 2023 – $0.7 million). The fair value of the credit facilities approximate their carrying values due to the use of short-term borrowing instruments at market rates of interest.

(thousands of Canadian dollars, except as indicated)

The following table summarizes Northview's outstanding credit facilities payable:

	As at September 30, 2024	As at December 31, 2023
Syndicated facility	**261,411**	321,163
Term facility	**47,170**	30,000
Deferred financing costs	**(684)**	(2,587)
	307,897	348,576
Credit facilities related to assets held for sale	**(2,816)**	—
Balance, end of period	**305,081**	348,576

The following table reconciles the change in the credit facilities:

	2024
Balance at January 1	**348,576**
Borrowings	**22,500**
Repayments	**(65,082)**
Payment of deferred financing costs	**(68)**
Amortization of deferred financing costs	**1,971**
Credit facilities related to assets held for sale	**(2,816)**
Balance at September 30	**305,081**

Financial covenants

The credit facilities are subject to the following financial covenants:

	Limit	As at September 30, 2024
Syndicated facility		
Consolidated debt to aggregate assets	Not greater than 75%	**63.4%**
Debt service coverage ratio	Not less than 1.20	**1.39**
Consolidated tangible net worth	Not less than $700 million	**$1,003.2 million**
Physical occupancy rate	Not less than 87%	**95.5%**
Term facility		
Consolidated debt to aggregate assets	Not greater than 70%	**55.7%**
Debt service coverage ratio	Not less than 1.00	**1.35**
Portfolio equity	Not less than $75 million	**$133.1 million**

The financial covenants include financial measures defined within the credit facility agreements that are not defined under IFRS and cannot be directly derived from the unaudited condensed consolidated interim financial statements. These financial measures are defined under the credit facility agreements as follows:

- Consolidated debt: Includes all debts of the borrower determined in accordance with IFRS, excluding obligations owing under hedge agreements, Exchangeable Units, and Redeemable Units.
- Aggregate assets: Includes the appraised value of multi-residential rental and commercial real property.
- Debt service coverage ratio: Calculated as the ratio of adjusted NOI to debt service for the last four fiscal quarters. Debt service is calculated as the sum of consolidated interest expense and all regularly scheduled principal payments other than balloon, bullet, or similar payments that repay the debt in full.
- Consolidated tangible net worth: Includes stated capital or equivalent amounts in respect of issued and outstanding Trust Units, Exchangeable Units, Redeemable Units and Restricted Units (‘collectively, “Units”) less amounts attributable to outstanding Units that are redeemable prior to the maturity date of the facility, amounts attributable to certain intangible assets, and amounts attributable to the interests of any Unitholder in any subsidiary.

- Physical occupancy rate: Calculated as the percentage of the number of suites occupied by one or more tenants paying current rent divided by the total number of suites.
- Portfolio equity: Ownership interest or participation that confers the right to receive a share of profits and losses or distribution of assets, calculated as consolidated assets less consolidated debt.

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

As at and during the nine months ended September 30, 2024, Northview was in compliance with all financial covenants. Refer to Note 12 for further discussion of Northview's objectives, policies, and processes for managing capital.

6. TRUST UNITS

Trust Units consist of Class A Units, Class C Units, and Class F Units (collectively, "Trust Units"). Trust Units are redeemable at the option of the holder which results in their classification as a financial liability under IFRS; however for presentation and classification purposes, the Trust Units are presented as equity as they meet the exception criteria outlined in IAS 32 *Financial Instruments: Presentation* for puttable instruments. Prior to the Recapitalization Transaction that was completed on August 21, 2023, this exception criteria was not met and the Trust Units were classified as a financial liability and were presented as net assets attributable to Unitholders.

The following table reconciles the change in Northview's Trust Units:

(thousands of Units)	Class A	Class C	Class F	Number of Units	Equity Amount
Balance at January 1, 2024	3,280	22,743	2,551	**28,574**	**527,950**
Units issued for conversion	270	(12)	(258)	**—**	**—**
Balance at September 30, 2024	3,550	22,731	2,293	**28,574**	**527,950**

7. EXCHANGEABLE UNITS

Limited partnership units of subsidiary limited partnerships are exchangeable into Trust Units at the option of the holder and are entitled to distributions in an equivalent manner to Trust Units. Exchangeable Units are accompanied by an equivalent number of Special Voting Units of Northview which have no economic entitlement to distributions or assets of Northview and entitle the holder to one vote per Special Voting Unit at meetings of the Unitholders. Each Exchangeable Unit is exchangeable into one Trust Unit. The Exchangeable Units meet the definition of a puttable instrument classified as a current financial liability measured at fair value each reporting period with any changes recorded in net and comprehensive income (loss). The fair value of Exchangeable Units is determined with reference to the Class A Unit price on the TSX at period-end.

The following table reconciles the change in Exchangeable Units:

(thousands of Units)	Number of Units	Liability Amount
Balance at January 1, 2024	**3,397**	**46,033**
Fair value loss	**—**	**16,920**
Balance at September 30, 2024	**3,397**	**62,953**

8. REDEEMABLE UNITS

Redeemable Units are redeemable and retractable at the option of the holder in four equal installments after the 12-month, 15-month, 18-month, and 21-month anniversaries of issuance on August 21, 2023. Northview has the right to satisfy the redemption price either with cash or by the issuance of that number of Class A Units having a fair market value at $26.36 per Unit. Redeemable Units are accompanied by an equivalent number of Special Voting Units of Northview which have no economic entitlement to distributions or assets of Northview and entitle the holder to one vote per Special Voting Unit at meetings of the Unitholders. Each Redeemable Unit is entitled to distributions in an amount equivalent to the distributions paid on one Trust Unit.

The Redeemable Units represent a compound financial instrument that includes a liability component, resulting from the redemption feature, and an equity component, resulting from the right of the holder to receive discretionary distributions. Subsequent to initial measurement, the liability component is accreted to the face value of $107.7 million over the respective redemption periods.

The following table reconciles the change in Redeemable Units:

(thousands of Units)	Number of Units	Liability Amount	Equity Amount
Balance at January 1, 2024	**4,085**	**97,984**	**12,864**
Accretion on Redeemable Units	**—**	**6,743**	**—**
Balance at September 30, 2024	**4,085**	**104,727**	**12,864**

The fair value of the liability component of the Redeemable Units as at September 30, 2024 was approximately $96.6 million (December 31, 2023 – $95.1 million). The fair value is determined by discounting the future cash payments by management's estimate of the discount rate.

9. DISTRIBUTIONS

Distributions are determined at the sole discretion of the Trustees and are paid monthly. Distributions declared to holders of Exchangeable Units are recognized in net and comprehensive income (loss), while distributions declared to holders of Redeemable and Trust Units are recognized in equity. Prior to the Recapitalization Event, distributions declared to holders of Trust Units were recognized in net and comprehensive income (loss).

The following table summarizes distributions declared:

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	**2023**	**2024**	**2023**
Trust Units	**—**	1,870	**—**	22,553
Exchangeable Units	**929**	420	**2,787**	420
Recognized in net and comprehensive income (loss)	**929**	2,290	**2,787**	22,973
Trust Units	**7,812**	5,210	**23,439**	5,210
Redeemable Units	**1,117**	504	**3,351**	504
Recognized in retained earnings	**8,929**	5,714	**26,790**	5,714
Distributions declared to Unitholders	**9,858**	**8,004**	**29,577**	28,687

Subsequent to the end of the period and prior to the unaudited condensed consolidated interim financial statements being authorized for issue on November 14, 2024, Northview declared monthly distributions totaling $3.3 million or $0.09 per Unit that are to be paid to Unitholders on November 15, 2024.

10. UNIT-BASED COMPENSATION

a. Equity incentive plan

Officers and certain employees are eligible to participate in the Northview equity incentive plan ("Equity Incentive Plan") and are granted restricted units ("Restricted Units") under such plan by the Board of Trustees as a component of their compensation. Restricted Units are awards denominated in notional units that reflect the market value of Northview's Class A Units and which vest over a three-year period, with equal thirds vesting on each December 31 following the date the Restricted Units are granted. During the period prior to vesting, the Restricted Units granted to participants receive distributions at the same rate as Trust Units and which are notionally reinvested to accumulate additional Restricted Units for each of the plan participants. Once vested, Restricted Units may be settled by (i) the issuance of Class A Units on a one-for-one basis, (ii) cash, if elected by the participant, based on the value of the applicable number of Class A Units at the date of settlement, or (iii) a combination of Class A Units and cash as contemplated by (i) and (ii).

The Restricted Units are classified as cash-settled share-based payment under IFRS 2 *Share-based Payments* given they are to be settled in Trust Units, which are classified as puttable instruments. The fair value of the Restricted Units are recognized as compensation expense over the vesting period with an offsetting amount recorded as a financial liability within trade and other payables as Northview is obliged to provide the holder with Trust Units once the Restricted Units vest. The Restricted Units are designated as fair value through profit or loss ("FVTPL") and, therefore, are measured at fair value at each reporting period with any changes in fair value recorded in the consolidated statements of net and comprehensive income (loss). The fair value of Restricted Units is determined with reference to the Class A Unit price on the TSX at period-end given the Restricted Units can be converted into Trust Units once fully vested and this represents an active market. Once vested and upon issue, the market value of the Restricted Units is credited to Unitholders equity with a corresponding reduction in liability.

The following table summarizes the changes to Restricted Units:

(thousands of Units)	Number of Units	Liability Amount
Balance at January 1, 2024	—	—
Restricted Units granted	51	326
Restricted Units cancelled	(1)	(4)
Fair value loss on Restricted Units	—	97
Balance at September 30, 2024	**50**	**419**

As at September 30, 2024, the carrying value of the unit-based compensation liability was $0.4 million within trade and other payables.

b. Employee unit purchase plan

Northview's employee unit purchase plan ("Employee Unit Purchase Plan" or "EUPP") was introduced in May 2024. Under the terms of Northview's EUPP, certain eligible employees can participate in a program that allows them to contribute a maximum of 5% of their salary or $7,500, (whichever is lower) to be used to purchase Class A Units. Under the EUPP, an employee's contributions into the plan are matched by a 50% contribution from Northview which is also used to purchase Class A Units on behalf of the employee. The Class A Units purchased in the EUPP on behalf of employees are purchased on the TSX at market prices. During the three and nine months ended September 30, 2024, employees invested and Northview contributed a total of $0.1 million.

11. FAIR VALUE, FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a. Fair value measures

As at September 30, 2024, the only recurring fair value measures in these unaudited condensed consolidated interim financial statements relate to Northview's investment properties, Exchangeable Units, and Restricted Units. For the periods presented, the fair value of investment properties is classified as Level 3 in the fair value hierarchy and there were no transfers between levels. The fair value of Exchangeable Units and Restricted Units are classified as Level 1 in the fair value hierarchy and there were no transfers between levels.

The following summarizes the significant methods and assumptions used in estimating the fair value of Northview's investment properties, Exchangeable Units, and Restricted Units, as well as other non-recurring fair value disclosures in these financial statements.

i. Investment properties and investment properties classified as held for sale

Northview determined the fair value of each investment property and investment properties classified as held for sale using the valuation methodology and key assumptions described in Note 2(C) of the audited consolidated financial statements for the years ended December 31, 2023 and 2022. Refer to Note 3 for a reconciliation of the fair value of investment properties for the three months ended September 30, 2024.

ii. Mortgages payable

The fair value of mortgages payable is estimated based on the present value of future payments, discounted based on the yield of a Government of Canada bond with the nearest maturity date to the underlying mortgage, plus an estimated credit spread at the reporting date for a comparable mortgage or the yield of a comparable mortgage. As at September 30, 2024, the spread rates referenced maturities of up to ten years and ranged from 0.93% to 2.40% (December 31, 2023 – 1.00% to 2.47%), depending on the nature and terms of the respective mortgages.

iii. Exchangeable Units and Restricted Units

The fair value of Exchangeable Units and Restricted Units are based on the closing price at the period-end date of its Class A Units traded on the TSX.

iv. Redeemable Units

The fair value of Redeemable Units is estimated based on the present value of future payments, discounted based on Northview's borrowing rate on its syndicated credit facility, plus an estimated maturity spread determined with reference to yields of a zero-coupon Government of Canada bond with the nearest maturity date to the earliest redemption period, plus an estimated credit spread at the reporting date for subordinated debt. As at September 30, 2024, the discount rates used in determining the fair value of the Redeemable Units ranged from 7.92% to 8.23% (December 31, 2023 – 9.01% to 9.88%) and were calculated with reference to bond yield curves with maturities of up to ten years.

b. Risk management

i. Liquidity risk

Liquidity risk is the risk that Northview is not able to meet its financial obligations as they fall due or can do so only at excessive cost. Northview manages liquidity risk by managing mortgage and loan maturities. Cash flow projections are completed on a regular basis to ensure that there will be adequate liquidity to maintain operating, capital, and investment activities.

Northview has a history of generating positive cash flows provided by operating activities. However, it has also operated with a historic working capital deficiency (defined as total current assets less total current liabilities), primarily resulting from a significant portion of its mortgages maturing in any given year and short-term maturities on the credit facilities. Northview has managed this working capital deficiency through debt renewals, extensions or refinancing as a normal part of its business activities. While Northview expects to meet its obligations as they come due for the foreseeable future, management closely monitors its liquidity position and may take additional steps to help manage liquidity including any combination of obtaining new debt, equity, non-core asset sales, or other forms of financing, or looking to manage other discretionary cash flows. Northview has identified non-core assets that have been or are expected to be sold and the net proceeds will be used to repay a portion of its credit facilities. The syndicated facility and term facility mature on December 31, 2024. In October 2024, Northview executed amendments to its syndicated facility including a maturity date extension for two years to December 31, 2026. Refer to Note 17 for the details.

(thousands of Canadian dollars, except as indicated)

As at September 30, 2024, Northview had a working capital deficiency of $674.3 million (December 31, 2023 – $692.1 million), of which $305.1 million (December 31, 2023 – $348.6 million) related to borrowings on the credit facilities, for which the maturity is December 31, 2024, and $199.4 million (December 31, 2023 – $241.6 million) related to the current portion of mortgages payable, which is expected to be refinanced with new long-term mortgages.

In addition, $168.1 million (December 31, 2023 – $96.1 million) relates to the current portions of Exchangeable Units, Redeemable Units and Restricted Units. Exchangeable Units are exchangeable for Trust Units while Redeemable Units and Restricted Units may be settled in cash or the issuance of Trust Units.

Contractual maturity for non-derivative financial liabilities as at September 30, 2024 were as follows:

	Carrying Amount	**Contractual Cash Flows**	**Up to 1 year**	**1 – 3 years**	**4 – 5 years**	**Over 5 years**
Mortgages payable (principal and interest)	**1,421,771**	1,685,588	257,202	423,372	405,416	599,598
Credit facilities (principal)	**308,578**	308,578	308,578	—	—	—
Trade and other payables	**46,045**	46,045	46,045	—	—	—
Liabilities related to assets held for sale	**24,452**	25,660	25,660	—	—	—
Distributions payable	**3,286**	3,286	3,286	—	—	—
Total	**1,804,132**	2,069,157	640,771	423,372	405,416	599,598

12. CAPITAL MANAGEMENT

Northview manages its capital through covenant compliance outlined in Note 5 and guidelines that are set out in the Declaration of Trust, including a maximum debt to gross book value ratio of 70.0%. Northview's capital consists of mortgages payable, borrowings on the credit facility, as well as Trust Units, Exchangeable Units, and Redeemable Units.

Management monitors Northview's capital structure on an ongoing basis to determine the appropriate level of mortgages payable to be placed on specific properties. In determining the most appropriate debt, consideration is given to cash flow generated from the specific property, interest rate, amortization period, maturity, and debt service ratio. Northview has a credit facility that may be used to fund capital expenditures until specific mortgage debt is placed from time to time, depending on available borrowing capacity. In addition, Northview continues to monitor its capital structure and sources of financing, including amendments to the existing credit facility and/or establishing additional credit facilities.

The Declaration of Trust provides for a maximum debt to gross book value ratio of 70.0%. As at September 30, 2024, Northview's debt to gross book value ratio was 64.9% as calculated in the table below (December 31, 2023 – 65.1%), which was in compliance with the Declaration of Trust. Northview monitors capital on the basis of debt to gross book value to assess its leverage.

(thousands of Canadian dollars, except as indicated)

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

	Note	As at September 30, 2024	As at December 31, 2023
Credit facilities[1]	**5**	**308,581**	351,163
Mortgages payable[1]	**4**	**1,443,407**	1,428,168
Less: Cash and cash equivalents		**(14,939)**	(21,394)
Total debt	**A**	**1,737,049**	1,757,937
Investment properties[1]		**2,635,243**	2,661,118
Property, plant and equipment		**26,499**	29,077
Accumulated depreciation		**12,809**	10,512
Gross book value	**B**	**2,674,551**	2,700,707
Debt to gross book value	**A/B**	**64.9%**	65.1%

[1] Includes assets or liabilities related to assets held for sale.

13. REVENUE FROM CONTRACTS WITH CUSTOMERS

The following table outlines revenue from contracts with customers and revenue from other sources:

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	**2023**	**2024**	**2023**
Rental revenue	**51,037**	41,691	**146,570**	109,000
Revenue from contracts with customers				
Commercial common area maintenance services and execusuites	**4,148**	3,766	**12,673**	12,094
Residential service components	**13,378**	11,577	**45,875**	38,453
Other revenue	**496**	368	**1,568**	1,060
Revenue	**69,059**	57,402	**206,686**	160,607

14. FINANCING COSTS

The following table outlines financing costs:

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	**2023**	**2024**	**2023**
Mortgage interest	**13,656**	10,616	**40,603**	26,767
Interest on credit facilities	**6,841**	9,448	**21,939**	29,366
Amortization of deferred financing costs	**1,697**	997	**4,746**	2,132
Amortization of fair value adjustment	**521**	(846)	**875**	(4,190)
Loss (gain) on debt extinguishment	**180**	—	**186**	(413)
Other income	**(192)**	(185)	**(666)**	(1,026)
Financing costs	**22,703**	20,030	**67,683**	52,636

(thousands of Canadian dollars, except as indicated)

15. ASSETS HELD FOR SALE

As at September 30, 2024, there were 643 suites and 1,152 commercial sq.ft. classified as 'Assets held for sale'. No assets were held for sale in the 2023 reporting period.

The following table outlines assets held for sale:

	As at September 30, 2024
Assets	
Investment properties	**35,376**
Property, plant and equipment	**407**
Total assets held for sale	**35,783**
Liabilities	
Mortgage payable	**21,294**
Credit facilities	**2,816**
Total liabilities related to assets held for sale	**24,110**
Net assets held for sale	**11,673**

16. SEGMENTED INFORMATION

Management reviews operations by market segment. Northview's multi-residential segment is comprised of apartments, townhomes, and single-family rental suites, for which rental contracts are typically twelve months. The commercial and execusuite segment is comprised of office, industrial, and retail properties primarily in areas where Northview has residential operations, and execusuite properties that offer apartment style accommodation. Commercial lease terms are generally five years and execusuite rental periods range from several days to several months.

The following tables outline Northview's results by segment:

	Multi-Residential	Commercial and Execusuite	Total
Three Months Ended September 30, 2024			
Revenue	**58,101**	**10,958**	**69,059**
Operating expenses	**22,034**	**4,833**	**26,867**
Net operating income	**36,067**	**6,125**	**42,192**
Three Months Ended September 30, 2023			
Revenue	47,022	10,380	57,402
Operating expenses	18,141	4,239	22,380
Net operating income	28,881	6,141	35,022
Nine Months Ended September 30, 2024			
Revenue	**172,861**	**33,825**	**206,686**
Operating expenses	**70,218**	**14,875**	**85,093**
Net operating income	**102,643**	**18,950**	**121,593**
Nine Months Ended September 30, 2023			
Revenue	128,519	32,088	160,607
Operating expenses	54,629	13,411	68,040
Net operating income	73,890	18,677	92,567

(thousands of Canadian dollars, except as indicated)

	Multi-Residential	Commercial and Execusuite	Total
As at September 30, 2024			
Total assets	**2,385,633**	**328,953**	**2,714,586**
Investment properties	**2,357,597**	**277,239**	**2,634,836**
Total liabilities	**1,759,161**	**154,492**	**1,913,653**
As at December 31, 2023			
Total assets	2,417,092	331,358	2,748,450
Investment properties	2,382,641	278,477	2,661,118
Total liabilities	1,742,550	175,848	1,918,398

17. SUBSEQUENT EVENTS

On October 24, 2024, Northview executed extensive amendments to the syndicated credit facility. The credit limit increased to $285.0 million and the facility was restructured into a revolving facility. This facility will bear interest at the Canadian Overnight Repo Rate Average (“CORRA”) rate plus 3.00%, decreased from CORRA rate plus 3.95%. The maturity date was extended for two years to December 31, 2026.

On October 30, 2024 Northview also extended the maturity on our private term facility, maturing at the end of this year, for two years to December 31, 2026.

Subsequent to period-end, Northview completed sales of 377 multi-residential suites for gross proceeds of $31.3 million.