Northview™

Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Northview Residential REIT

Opinion

We have audited the consolidated financial statements of Northview Residential REIT (the Entity), which comprise:

- the consolidated statements of financial position as at December 31, 2024 and December 31, 2023;
- the consolidated statements of net and comprehensive income for the years then ended;
- the consolidated statement of changes in unitholders' equity for the year ended December 31, 2024;
- the consolidated statements of cash flows for the years then ended
- and notes to the consolidated financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2024 and December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

Evaluation of the fair value of certain investment properties

Description of the matter

We draw attention to Note 2(C), Note 2(T)(a)(i) and Note 3 to the financial statements. Investment properties include properties held for rental income and capital appreciation, investment properties under development, and land held for development. The Entity has recorded investment properties held for rental income and capital appreciation at fair value for an amount of $2,588,022 thousand. Subsequent to initial recognition, investment properties are measured at fair value. Significant judgment is applied in arriving at these fair values. The fair value is based on valuations by a combination of management estimates and independent appraisers. External appraisals are used by management to verify certain variables used in the internal calculation of the fair value. The internal calculation of fair value is determined using the capitalization rate approach, whereby the projected stabilized net operating income ("NOI") is divided by the capitalization rate.

Significant estimates in determining the fair value of investment properties include capitalization rates and projected stabilized NOI. A change to any one of these inputs could significantly alter the fair value of an investment property.

Why the matter is a key audit matter

We identified the evaluation of the fair value of certain investment properties as a key audit matter. These investment properties related to properties held for rental income and capital appreciation. This matter represented an area of significant risk of material misstatement given the magnitude of such investment properties and the high degree of management judgment in determining the fair value of such investment properties.

How the matter was addressed in the audit

The primary procedures we performed to address this key audit matter included the following:

For a selection of investment properties, we compared projected stabilized NOI to the actual NOI and budgeted NOI. We took into account the changes in conditions and events affecting the investment properties to assess the adjustments, or lack of adjustments, made by the Entity in arriving at projected stabilized NOI.

We compared the 2024 actual NOI of the investment properties to the 2024 budgeted NOI of the investment properties that was used as an input into the prior year's estimate of projected stabilized NOI to assess the Entity's ability to accurately forecast.

For a selection of investment properties, we evaluated the capitalization rates by comparing them to published reports of real estate industry commentators or external appraisals obtained by the Entity.

For a selection of investment properties, we involved valuations professionals with specialized skills and knowledge, who assisted in evaluating the methodology used and the appropriateness of the fair value. The fair value was evaluated by comparing the capitalization rates to published reports of real estate industry commentators and considering the features of the specific investment property.

Other Information

Management is responsible for the other information. Other information comprises the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.
- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this auditor's report is Ernest Trevor Hammond.

KPMG LLP

Chartered Professional Accountants

Calgary, Canada

March 5, 2025

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

	Note	As at December 31, 2024	As at December 31, 2023
Assets			
Non-current assets			
Investment properties	3	**2,588,022**	2,661,118
Property, plant and equipment	4	**26,290**	29,077
Investment in joint ventures	5	**13,991**	14,174
Other long-term assets		**2,943**	2,521
		2,631,246	2,706,890
Current assets			
Assets held for sale	21	**13,190**	—
Accounts receivable		**10,131**	8,107
Prepaid expenses and other assets		**7,755**	4,366
Restricted cash		**8,863**	7,693
Cash and cash equivalents		**9,138**	21,394
		49,077	41,560
Total assets		**2,680,323**	2,748,450
Liabilities			
Non-current liabilities			
Mortgages payable	6	**1,178,664**	1,136,763
Credit facilities	7	**266,949**	—
Redeemable Units	10	**—**	47,967
		1,445,613	1,184,730
Current liabilities			
Mortgages payable	6	**206,378**	241,631
Credit facilities	7	**—**	348,576
Exchangeable Units	9	**52,522**	46,033
Redeemable Units	10	**106,303**	50,017
Trade and other payables		**50,054**	44,125
Distributions payable	11	**3,286**	3,286
Liabilities related to assets held for sale	21	**9,692**	—
		428,235	733,668
Total liabilities		**1,873,848**	1,918,398
Equity			
Unitholders' equity	8, 10	**806,475**	828,891
Non-controlling interest		**—**	1,161
Total equity		**806,475**	830,052
Total liabilities and equity		**2,680,323**	2,748,450

See accompanying notes to these consolidated financial statements.

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

		Year Ended December 31	
	Note	**2024**	**2023**
Revenue	**16**	**276,026**	228,472
Operating expenses		**115,194**	96,524
Net operating income		**160,832**	131,948
Other expenses (income)			
Financing costs	**18**	**90,027**	75,180
Administration		**11,503**	8,433
Asset management fees	**22**	**—**	4,211
Distributions	**11**	**3,716**	23,902
Fair value loss (gain) on investment properties	**3**	**27,553**	(177,555)
Fair value loss on Exchangeable Units	**9**	**6,489**	3,200
Fair value loss on Restricted Units	**12**	**40**	—
Accretion on Redeemable Units	**10**	**8,319**	3,183
Transaction costs on dispositions		**2,047**	—
Depreciation and amortization	**4**	**3,013**	3,213
Equity income from joint ventures	**5, 22**	**(1,016)**	(1,772)
Insurance proceeds		**(4,305)**	(265)
Recapitalization Event costs		**—**	27,050
		147,386	(31,220)
Net and comprehensive income		**13,446**	163,168
Net and comprehensive income attributable to:			
Unitholders		**13,324**	163,028
Non-controlling interest		**122**	140
Net and comprehensive income		**13,446**	163,168

See accompanying notes to these consolidated financial statements.

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

Year Ended December 31, 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 income		**—**	**—**	**13,324**	**122**	**13,446**
Distributions declared	**11**	**—**	**—**	**(35,721)**	**(67)**	**(35,788)**
Acquisition of non-controlling interest		**—**	**—**	**(19)**	**(1,216)**	**(1,235)**
Balance, end of year		**527,950**	**12,864**	**265,661**	**—**	**806,475**

Year Ended December 31, 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	**8**	425,176	—	129,595	—	554,771
Units issued for acquisition	**8, 10**	100,397	12,864	—	—	113,261
Units issued for Exchangeable Units	**8, 9**	2,377	—	—	—	2,377
Net and comprehensive income		—	—	173,126	140	173,266
Distributions declared	**11**	—	—	(14,644)	(142)	(14,786)
Balance, end of period		527,950	12,864	288,077	1,161	830,052

See accompanying notes to these consolidated financial statements.

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

		Year Ended December 31	
	Note	**2024**	**2023**
Operating activities			
Net and comprehensive income		**13,446**	163,168
Adjustments:			
Distributions	**11**	**3,716**	23,902
Depreciation and amortization	**4**	**3,013**	3,213
Equity income from joint ventures	**5**	**(1,016)**	(1,772)
Fair value loss (gain) on investment properties	**3**	**27,553**	(177,555)
Fair value loss on Exchangeable Units	**9**	**6,489**	3,200
Fair value loss on Restricted Units	**12**	**40**	—
Accretion on Redeemable Units	**10**	**8,319**	3,183
Transaction costs on dispositions	**3**	**2,047**	—
Amortization of fair value adjustment and deferred financing costs, loss (gain) on debt extinguishment	**6, 7**	**9,177**	(1,923)
Settlement of carried interest	**9**	**—**	20,393
Changes in non-cash operating working capital	**19**	**(1,392)**	8,507
Cash flows provided by operating activities		**71,392**	44,316
Financing activities			
Proceeds from new mortgages	**6**	**238,722**	497,989
Mortgages repaid	**6**	**(180,698)**	(175,484)
Mortgage principal repayments	**6**	**(33,705)**	(30,626)
Payment of deferred financing costs	**6, 7**	**(16,128)**	(32,304)
Repayments on credit facility, net	**7**	**(82,357)**	(152,339)
Distributions paid to Unitholders	**11**	**(39,437)**	(39,022)
Distributions to non-controlling interest		**(67)**	(142)
Acquisition of non-controlling interest		**(1,235)**	—
Changes in non-cash financing working capital		**(34)**	(87)
Cash flows (used in) provided by financing activities		**(114,939)**	67,985
Investing activities			
Acquisitions		**—**	(98,998)
Capital expenditures on investment properties	**3**	**(27,657)**	(18,912)
Proceeds from sale of assets	**3**	**61,300**	—
Transaction costs on dispositions	**3**	**(2,047)**	—
Capital expenditures on property, plant and equipment	**4**	**(498)**	(234)
Distributions received from equity investees	**5**	**1,199**	751
Changes in non-cash investing working capital	**3**	**(1,006)**	—
Cash flows provided by (used in) investing activities		**31,291**	(117,393)
Net decrease in cash and cash equivalents		**(12,256)**	(5,092)
Cash and cash equivalents, beginning of year		**21,394**	26,486
Cash and cash equivalents, end of year		**9,138**	21,394
Supplementary information for cash flows provided by operating activities			
Cash interest paid		**81,331**	78,505

See accompanying notes to these consolidated 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 consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and approved by the Canadian Accounting Standards Board ("AcSB").

The consolidated financial statements have been prepared on a historical cost basis, except for investment properties, Exchangeable Units, and Restricted Units which have been valued at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets. These consolidated financial statements have been prepared on a going concern basis and are presented in Canadian dollars rounded to the nearest thousand, except as indicated. The accounting policies set out below have been applied to the periods presented in these consolidated financial statements. These consolidated financial statements reflect all normal and recurring adjustments which are, in the opinion of management, necessary for fair presentation of the periods presented.

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 consolidated financial statements were authorized for issuance by the Board of Trustees of Northview (the "Trustees") on March 5, 2025.

B. Principles of consolidation

These consolidated financial statements include the accounts of Northview and its subsidiaries (wholly and partially owned). Subsidiaries are entities controlled by Northview. The financial transactions of subsidiaries are included in the consolidated financial statements from the date control is obtained. The subsidiary financial statements are consolidated line by line, adding assets, liabilities, equity, revenue, and expenses of similar types. Transactions and balances between Northview and its subsidiaries have been eliminated. If Northview does not own 100% of the subsidiary, non-controlling interest is classified as a component of equity. The accounting policies of subsidiaries are the same as those of Northview.

Northview accounts for joint ventures using the equity method as described in Note 2(N).

C. Investment properties

Investment properties include residential and commercial properties held to earn rental income and held for capital appreciation.

Investment properties are measured initially at cost, including transaction costs, unless the acquisition is part of a business combination, in which case the investment properties are measured at acquisition-date fair value. Subsequent to initial recognition, investment properties are measured at fair value, in accordance with International Accounting Standard ("IAS") 40 *Investment Property*.

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In estimating the fair value of investment properties, the highest and best use of the investment properties is their current use. The fair value of its investment properties is reviewed by management each reporting period and revisions to carrying values are made when market circumstances change the underlying variables used to fair value investment properties.

The fair value of investment properties is based on valuations by a combination of management estimates and independent appraisers, who hold recognized and relevant professional qualifications and have recent experience in the location and category of the investment properties being valued. External appraisals of investment property are performed for certain properties throughout each year and are used to verify certain variables used in the internal calculation of investment property values. Management uses the external investment property appraisals to verify its assessment of regional vacancy, management overhead, and capitalization rate information, which is then applied to the stabilized annual net operating income ("NOI") to calculate the fair value of the remainder of Northview's investment properties within the region. The fair value is determined using the capitalization rate approach, whereby the projected stabilized NOI is divided by the capitalization rate. Fair value gains and losses arising from changes in the fair value of investment properties are included in the consolidated statements of net and comprehensive income in the period in which they arise. There has been no change to the valuation technique during the period.

Investment properties are segregated into two categories:

i. residential (apartments, townhouses, duplexes, single family, and mixed use), and
ii. commercial (office, industrial, and retail)

Residential investment properties include prepaid land equity leases ranging in terms from 15 to 30 years, asset acquisition costs, furniture and fixtures, and capital expenditures.

Land held for development is measured initially at cost, including transaction costs and subsequently measured at fair value.

Capital expenditures include value-enhancing capital expenditures ("value-enhancing capex") and maintenance capital expenditures ("maintenance capex"). Value-enhancing capex are expected to increase the NOI or value of the properties and are discretionary in nature. Maintenance capex focuses on maintaining the existing condition and operating efficiency of the properties, including its profitability.

If applicable, transfers between property, plant and equipment and investment properties are recognized at fair value on transfer.

D. Business combinations and asset acquisitions

Acquisitions of property are accounted for as a business combination using the acquisition method if the acquired assets constitute a business of which control is obtained. A business includes an integrated set of assets and activities that include, at minimum, an input and a substantive process that together significantly contribute to the ability to create output. However, if substantially all of the fair value of gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets, the acquisition may be accounted for as an asset acquisition rather than applying the acquisition method as elected by the transaction.

Under the acquisition method, the assets acquired, liabilities assumed, and consideration transferred are measured at their acquisition-date fair values. Components of non-controlling interests are measured at the present ownership instruments' proportionate share in the recognized amounts of the acquiree's identifiable net assets. If applicable, the excess or deficiency of the fair value of net assets acquired versus consideration paid is recognized as a gain on the business combination or as goodwill on the consolidated statements of financial position, respectively. Acquisition-related costs incurred to effect a business combination are expensed in the period incurred, with the exception of the costs to issue debt or equity securities. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period", which cannot exceed one year from the acquisition date, about facts and circumstances that existed at the acquisition date.

If the assets acquired do not constitute a business, the acquisition is accounted for as an asset acquisition whereby the value of consideration paid is allocated to the assets acquired and liabilities assumed. Transaction costs are initially capitalized.

E. Property, plant and equipment

Land and buildings used as administrative offices and warehouse properties, as well as execusuites, are classified as property, plant, and equipment ("PP&E") in accordance with IAS 16 *Property, Plant and Equipment*. PP&E is initially measured using the cost model. PP&E is measured and carried at cost less accumulated depreciation and any accumulated impairment losses. PP&E is recorded at cost and depreciated using the following annual rates and methods:

Buildings	50 years	straight-line basis
Parking lot	20 years	straight-line basis
Roof	15 years	straight-line basis
HVAC	15 years	straight-line basis
Capital expenditures ("Capex")	5 years	straight-line basis
Furniture, fixtures and equipment	5 years	straight-line basis
Automotive	5 years	straight-line basis
Computers	4 years	straight-line basis

Costs include expenditures that are directly attributable to the acquisition of the asset. The cost initially recognized with respect to a building is further allocated amongst its significant component parts with each part being depreciated separately. Management's judgement is used to determine components constituting significant costs in relation to the total cost of an asset and whether these components have similar or dissimilar patterns of consumption and useful lives for purposes of calculating depreciation and amortization. Significant components of a building include the parking lot, roof, HVAC, and capex, which is defined as interior finishing including wallpaper, paint, flooring or carpeting, cabinets, and bathroom fixtures.

The cost of replacing a major component of a building is recognized in the carrying amount of the building if it is probable that the future economic benefits embodied within the component will flow to Northview and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. The costs of ongoing repairs and maintenance of the properties are recognized in profit or loss as incurred.

Depreciation methods are evaluated annually by management and any changes in these estimates are accounted for on a prospective basis.

If applicable, any excess or deficiency of proceeds from disposal and carrying amount are recognized as gains and losses, which are presented on a net basis in the consolidated statements of net and comprehensive income.

F. Trust Units

Trust Units consist of Class A Units, Class C Units, and Class F Units (collectively, “Trust Units”). Northview’s Trust Units are redeemable at the holder’s option up to a maximum of $100,000 per calendar quarter and are therefore considered puttable instruments. Puttable instruments meet the definition of a financial liability and are accounted for as such, except where certain conditions are met as described in IAS 32 *Financial Instruments: Presentation*, in which case the instruments are classified as equity instruments.

Prior to the closing of the Recapitalization Event on August 21, 2023, the Trust Units did not meet these conditions and the Trust Units were presented as financial liabilities in the consolidated statements of financial position as net assets attributable to Unitholders. As a result, distributions to Unitholders were presented in the consolidated statements of net and comprehensive income within “Distributions”.

Upon the closing of the Recapitalization Event on August 21, 2023, the Trust Units met these conditions as they are economically equivalent and collectively subordinate to all other classes of instruments. As a result, the Trust Units were reclassified from a financial liability to equity at the carrying value of the financial liability on the date of reclassification, and are presented as equity on the consolidated statements of financial position. Correspondingly, distributions to Unitholders are recorded on the consolidated statement of changes in equity.

Earnings per share presentation is not required for puttable instruments.

Class A Units are listed on the TSX under the symbol “NRR.UN”. Class C Units and Class F Units are unlisted, but each is convertible into Class A Units. Class C Units and Class A Units are also convertible into Class F Units. Unitholders primary mechanism to liquidate their investment is to transact on the stock exchange through Class A Units.

The Trust Units are redeemable at the option of Unitholders, quarterly, provided that the total amount payable by Northview by cash payment in respect of the redemption of Units for the calendar quarter does not exceed $100,000 (unless such limit is waived by the Trustees in its sole discretion). Additional Trust Units may be redeemed by an *in specie* distribution of property and/or unsecured subordinated notes of Northview, at its option. Such redemption right is not intended to be the primary mechanism for Unitholders to liquidate their investment. The redemption price payable per Trust Unit in respect of each class of Trust Units is:

- where the Trust Units are listed on a stock exchange or similar market, equal to the lesser of (i) 95% of the average market price of the Trust Units during the 10-trading day period after the redemption date; and (ii) 100% of the closing market price of the Trust Units on the redemption date;
- where the Trust Units are not listed on a stock exchange or similar market, but a class of Trust Units are listed on a stock exchange or similar market, equal to the lesser of (i) 95% of the average market price of such listed class of Trust Units during the 10-trading day period after the redemption date; and (ii) 100% of the closing market price of such listed class of Trust Units on the redemption date on an as-converted basis; or
- where none of the Trust Units are listed on a stock exchange or similar market, the fair market value of the Trust Units, which will be determined by the Trustees in its sole discretion based on the applicable proportionate class interest of the Trust Units being redeemed.

G. 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”). Exchangeable Units are accompanied by an equivalent number of special voting units of Northview (“Special Voting Units”) as described in Note 2(I). 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 given they are exchangeable into Trust Units, which are also classified as puttable instruments. Exchangeable Units are designated as fair value through profit or loss (“FVTPL”) and, therefore, are measured at fair value at each reporting period with any changes in fair value recorded in the consolidated statements of net and comprehensive income. The fair value of Exchangeable Units is determined with reference to the Class A Unit price on the TSX at period-end given the Exchangeable Units can be exchanged into Trust Units and this represents an active market.

The distributions declared on Exchangeable Units are presented in the consolidated statements of net and comprehensive income within “Distributions”.

H. Redeemable Units

Redeemable limited partnership units of a subsidiary limited partnership are redeemable and retractable at the option of the holder in four equal installments after the 12-month, 15-month, 18-month, and 21-month anniversaries of issuance on August 21, 2023 at the Transaction Unit Price (“Redeemable Units”). 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 the Transaction Unit Price. Redeemable Units are accompanied by an equivalent number of Special Voting Units as described in Note 2(I), and 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. The liability component of Redeemable Units that is redeemable within twelve months of period-end is classified as current. The liability component is initially measured at fair value which is based on the present value of future redemption payments discounted at management’s estimate of the discount rate as per note 14. The equity component is initially measured as the residual amount between the face value of the instrument itself and the fair value of the liability component. Subsequently, the liability component is measured at amortized cost and is accreted to its face value over the respective redemption periods at the effective interest rate. Upon redemption, Northview derecognizes the liability component and recognizes it as equity, resulting in no gain or loss on redemption.

Distributions on Redeemable Units are accounted for as a reduction to Unitholders’ equity on the consolidated statement of changes in Unitholders’ equity.

I. Special Voting Units

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

J. Impairment of non-financial assets

Northview's PP&E and intangible assets with definite useful lives are reviewed at each reporting date for any indicators of potential impairment. For impairment assessments, assets are aggregated into cash generating units ("CGUs"), which represent the lowest level for which there are identifiable cash inflows that are largely independent of cash inflows from other assets or other groups of assets. If any such indicators exist, then the CGU's recoverable amount is estimated at the higher of its fair value less costs of disposal or its value in use. Fair value estimates are based upon current prices for similar assets. In assessing value in use, assumptions include estimates of future operating cash flows, the time period over which they will occur, a discount rate and growth rates. If the carrying amount of a CGU exceeds its recoverable amount, an impairment loss is recognized to reduce the carrying value of the CGU to its recoverable amount.

If an impairment loss has been recognized in a prior period, an assessment is performed at each reporting date to determine if there are indicators that the circumstances that led to an impairment loss have been reversed. If such indicators exist and the recoverable amount exceeds the carrying value after the impairment loss, the impairment loss is reversed net of depreciation that would have otherwise been recognized.

K. 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 in accordance with IFRS 5 Non-current Assets Held for Sale. 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.

Assets held for sale are measured at the lower of carrying amount and fair value less costs to sell with the exception of investment properties. Investment properties classified as assets held for sale continue to be measured at fair value in accordance with IAS 40 Investment Property. Estimates in determining the fair value of investment properties as found in Note 2(C) of Northview's audited consolidated financial statements for the years ended December 31, 2024 ***and*** 2023***, 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.

L. Financial instruments

a. Non-derivative financial assets

i. Initial recognition

At initial recognition, Northview measures its accounts receivables arising from contracts with customers that do not have a significant financing component at the transaction price. Northview initially measures other financial assets at fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the statements of net and comprehensive income.

ii. Subsequent measurement

For subsequent measurement, Northview classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value either through other comprehensive income (“OCI”) or through profit or loss, and
- those to be measured at amortized cost

iii. Impairment

Northview assesses the expected credit loss associated with its financial assets carried at amortized cost and fair value through OCI (“FVOCI”) on a forward-looking basis. The impairment methodology generally applied depends on whether there has been a significant increase in credit risk since initial recognition.

Currently, Northview does not have material financial assets subject to this general impairment approach.

For accounts receivable and tenant receivables, Northview applies the expected lifetime losses to be recognized from initial recognition of the receivables. Impairment losses are recognized in profit or loss. Subsequent recoveries of amounts previously written off are recorded as credits against losses recognized.

b. Non-derivative financial liabilities

i. Initial recognition

At initial recognition, Northview measures a financial liability at its fair value minus, in the case of a financial liability not at FVTPL, transaction costs that are directly attributable to the issuance of the financial liability. Transaction costs of financial liabilities carried at FVTPL are expensed in profit or loss.

ii. Subsequent measurement

For subsequent measurement, Northview classifies its financial liabilities in the following measurement categories:

- those to be measured subsequently at FVTPL, and
- those to be measured at amortized cost

Financial liabilities are classified as FVTPL if they are designated as such by management provided certain conditions are met. Financial liabilities designated as FVTPL are measured at fair value with changes in fair value recognized in profit or loss, except for changes due to the effect of credit risk. Such changes in fair value due to the effect of credit risk are recorded in OCI without subsequent amortization to profit or loss.

c. Measurement of financial assets and liabilities

	Measurement
Financial assets	
Non-current financial assets	
Other long-term assets	Amortized cost
Current financial assets	
Accounts receivable	Amortized cost
Restricted cash	Amortized cost
Cash and cash equivalents	Amortized cost
Financial liabilities	
Non-current financial liabilities	
Mortgages payable	Amortized cost
Credit facility	Amortized cost
Current financial liabilities	
Mortgages payable	Amortized cost
Exchangeable units	FVTPL
Redeemable units	Amortized cost
Trade and other payables(1)	Amortized cost
Distributions payable	Amortized cost

(1) Trade and other payables are measured at amortized cost, except for Restricted Units, which are measured at FVTPL.

M. Income taxes

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 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. "Unitholders" in these consolidated financial statements refers to Unitholders of Trust Units ("Trust Unitholders"), Exchangeable Units ("Exchangeable Unitholders") and Redeemable Units ("Redeemable Unitholders").

N. Investment in joint ventures

Under IFRS 11 *Joint Arrangements*, there are two types of joint arrangements: joint operations and joint ventures. The type of joint arrangement is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to their respective assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement.

Northview's existing joint arrangements are joint ventures accounted for using the equity method. Under the equity method, investments in joint ventures are carried in the consolidated statements of financial position at cost as adjusted for Northview's proportionate share of post-acquisition changes in the net assets of the joint ventures, or for post-acquisition changes in any excess of Northview's carrying amount over the net assets of the joint ventures, less any identified impairment loss. When Northview's share of losses of a joint venture equals or exceeds its interest in that joint venture, Northview discontinues recognizing its share of further losses. An additional share of losses is provided for and a liability is recognized only to the extent that Northview has incurred legal or constructive obligations to fund the entity or made payments on behalf of that entity.

When a group entity transacts with a joint venture of Northview, profits and losses are eliminated to the extent of Northview's interest in the relevant joint venture. Balances outstanding between Northview and jointly controlled entities are not eliminated in the consolidated statements of financial position.

O. Right-of-use assets and lease liabilities

Northview recognizes right-of-use assets and lease liabilities as a lessee in accordance with IFRS 16 *Leases*. A contract contains a lease if it conveys the right to control the use of a specified asset for a time period in exchange for consideration. At the lease commencement date, the lease liability is measured at the present value of the remaining lease payments at the interest rate implicit in the lease or, if that rate cannot be readily determined, the applicable incremental borrowing rate. A corresponding right-of-use asset is recognized at the lease commencement date, adjusted for initial direct costs and lease incentives received. Northview has elected not to recognize lease assets and lease liabilities for low-value assets or short-term leases with a term of 12 months or less.

The lease liability is subsequently measured at amortized cost using the effective interest method. The lease liability is remeasured when the expected lease payments change as a result of certain modifications, changes in payments based on an index or rate, or due to changes in the lease term.

Some of Northview's land leases qualify as investment properties. To determine the fair value of leased investment properties, Northview applies fair value calculations to the right-of-use assets, including all future lease payments, and the carrying value of investment properties is adjusted by adding the right-of-use asset to the fair value otherwise determined.

P. Cash and cash equivalents

Cash and cash equivalents include cash and short-term investments that are readily convertible into a known amount of cash with an original maturity of three months or less. Restricted cash does not meet the definition of cash and cash equivalents and is disclosed separately in the consolidated statements of financial position, and typically relates to cash received for security deposits.

Q. Revenue from contracts with customers

Rental revenue from income-producing property is recognized when a tenant commences occupancy of a property and rent is due. All risks and rewards related to the investment properties are retained and therefore leases with tenants are accounted for as operating leases. Rental revenue to be received from leases with rental rates varying over the term of the lease is recorded on a straight-line basis over the lease term. Accordingly, differences between the rental revenue recorded on a straight-line basis and the rent that is contractually due from the tenant is recorded as deferred rent receivable for accounting purposes.

Revenue from contracts with customers includes revenue from services delivered over time under enforceable customer contracts. For commercial customers, services include cleaning, provision of utilities, snow removal, landscaping, maintenance of common areas, garbage disposal, and other similar miscellaneous services (collectively referred to as "commercial common area maintenance services"). Commercial building insurance and property taxes are included in rental revenue. For residential customers, services include the provision of in-suite utilities, maintenance of common areas, garbage disposal, and other similar services ("residential service components"). Residential revenue is allocated to the service components using a cost-based approach. Revenue for commercial leases is allocated to the non-lease service component based on the consideration directly related to it in accordance with the lease agreement. Revenue from commercial common area maintenance services and residential service components are recognized over time as services are performed in the amounts that Northview has the right to invoice. To determine the amounts that Northview has a right to invoice during the year, estimates are made to ensure that the revenue recognized is highly probable of not being reversed in subsequent periods.

Execusuite revenue is recorded as rental revenue and is recognized evenly over each distinct execusuite stay.

Northview does not have contracts with customers where the period between the transfer of the promised services to the customer and payment by the customer exceeds one year, other than rent and security deposits obtained for security purposes rather than financing. As a result, Northview does not adjust any transaction prices to reflect significant financing components.

Tenant inducements for commercial and residential tenants are allocated between rental revenue and commercial common area maintenance services and residential service component revenue on the basis of relative fair value and are recorded on a straight-line basis over the lease term.

R. Insurance Proceeds

Insurance proceeds represent compensation received from an insurance policy in response to a non-recurring event, such as fire damage, natural disasters, recovered losses related to certain other property damage claims, or other property losses. These proceeds are triggered by infrequent circumstances, differing from revenue generated through Northview's business operations. Northview records insurance proceeds when received or receivable from the insurance providers.

S. Distributions to Unitholders

Unitholders at the close of business on each distribution record date (the last day of the month) are entitled to receive distributions from Northview as declared by the Trustees for such month. The distributions are accrued and will be paid on the distribution date (usually the 15th of the following month).

T. Fair value measurement

Northview measures investment properties, Exchangeable Units, and Redeemable Units at fair value at each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous accessible market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability assuming that market participants act in their economic best interests.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Northview uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, Northview determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

U. Critical accounting estimates and judgements

The preparation of financial statements requires management to make estimates and judgements about the future. Estimates and judgements are continually evaluated 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. The following discussion sets forth management's most critical estimates and assumptions in determining the value of assets and liabilities and management's most critical judgements in applying accounting policies. Actual results may differ from these estimates.

a. Estimates

i. Fair value of investment properties

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

Components of projected stabilized NOI that could be impacted by the increased economic uncertainty include market rents, occupancy rates, and operating expenses such as utilities and bad debt expenses. As at December 31, 2024, management believed that there had not been a material impact to any of these inputs and that the longer-term implications could not be reasonably estimated. The longer-term impact that the increased economic uncertainty may have on capitalization rates and projected stabilized NOI may depend on the extent and effectiveness of government stimulus and regulations that impact Northview's operations and tenants, unemployment rates, inflation rates, interest rates, and market demand for multi-residential and commercial properties.

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

ii. Depreciation and amortization

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

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

iii. Impairment

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

(thousands of Canadian dollars, except as indicated)

b. Judgements

i. Purchase of investment properties

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

V. 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.

3. INVESTMENT PROPERTIES

The following table discloses the balance of investment properties:

	As at December 31, 2024	As at December 31, 2023
Investment in properties	**2,573,580**	2,641,910
Investment in land	**14,442**	19,208
Balance, end of year	**2,588,022**	2,661,118

The following table reconciles the change in investment properties:

	2024	2023
Balance at January 1	**2,661,118**	1,862,078
Capital expenditures on investment properties	**27,657**	18,912
Fair value (loss) gain on investment properties	**(27,553)**	177,555
Land lease additions	**1,006**	—
Transfers to assets held for sale	**(12,906)**	—
Dispositions	**(61,300)**	—
Balance at December 31	**2,588,022**	2,661,118

Dispositions of non-core properties for the year ended December 31, 2024 were as follows:

	As at December 31, 2024		
Region	Multi-Residential Suites	Commercial (Sq. Ft.)	Gross Proceeds
Northern Canada	**9**	**4,334**	**4,880**
Atlantic Canada	**435**	**—**	**43,420**
Central Canada	**161**	**—**	**13,000**
Overall	**605**	**4,334**	**61,300**

(thousands of Canadian dollars, except as indicated)

Northview did not dispose of any properties during the year ended December 31, 2023.

Northview uses the capitalization rate approach to value investment properties, whereby a projected stabilized NOI is divided by the capitalization rate. As at December 31, 2024, capitalization rates ranging from 4.05% to 11.85% 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 December 31, 2024 was 6.62% (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 December 31, 2024			As at December 31, 2023		
Region	**Minimum**	**Maximum**	**Weighted Average**	**Minimum**	**Maximum**	**Weighted Average**
Northern Canada	**6.08%**	**11.85%**	**8.45%**	6.21%	11.00%	8.50%
Western Canada	**4.49%**	**11.00%**	**6.56%**	4.25%	11.00%	6.19%
Atlantic Canada	**4.48%**	**8.28%**	**5.70%**	4.25%	8.00%	5.38%
Central Canada	**4.05%**	**7.05%**	**4.40%**	4.15%	7.05%	4.49%
Overall	**4.05%**	**11.85%**	**6.62%**	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 December 31, 2024			As at December 31, 2023		
Region	**Weighted Average**	**Increase**	**Decrease**	**Weighted Average**	**Increase**	**Decrease**
Northern Canada	**8.45%**	**(21,306)**	**22,605**	8.50%	(21,149)	22,431
Western Canada	**6.56%**	**(34,412)**	**37,139**	6.19%	(35,962)	38,990
Atlantic Canada	**5.70%**	**(24,317)**	**26,550**	5.38%	(28,259)	31,015
Central Canada	**4.40%**	**(19,741)**	**22,122**	4.49%	(19,450)	21,743
Overall	**6.62%**	**(99,776)**	**108,416**	6.41%	(104,820)	114,179

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 December 31, 2024		As at December 31, 2023	
Region	**Increase**	**Decrease**	**Increase**	**Decrease**
Northern Canada	**18,547**	**(18,547)**	18,498	(18,498)
Western Canada	**23,433**	**(23,433)**	23,152	(23,152)
Atlantic Canada	**14,459**	**(14,459)**	15,899	(15,899)
Central Canada	**9,172**	**(9,172)**	9,221	(9,221)
Overall	**65,611**	**(65,611)**	66,770	(66,770)

(thousands of Canadian dollars, except as indicated)

4. PROPERTY, PLANT AND EQUIPMENT

The following table reconciles the change in Northview's property, plant and equipment:

	Land	Buildings	Other	Total
Balance at January 1, 2023	5,685	19,047	7,311	32,043
Additions	—	—	234	234
Depreciation	—	(660)	(2,540)	(3,200)
Balance at December 31, 2023	**5,685**	**18,387**	**5,005**	**29,077**
Additions	**—**	**—**	**498**	**498**
Depreciation	**—**	**(657)**	**(2,344)**	**(3,001)**
Transfers to assets held for sale	**(60)**	**(189)**	**(35)**	**(284)**
Balance at December 31, 2024	**5,625**	**17,541**	**3,124**	**26,290**

	Land	Buildings	Other	Total
Cost	5,685	20,477	13,427	39,589
Accumulated depreciation	—	(2,090)	(8,422)	(10,512)
Carrying amount at December 31, 2023	**5,685**	**18,387**	**5,005**	**29,077**
Cost	**5,625**	**20,261**	**13,801**	**39,687**
Accumulated depreciation	**—**	**(2,720)**	**(10,677)**	**(13,397)**
Carrying amount at December 31, 2024	**5,625**	**17,541**	**3,124**	**26,290**

5. INVESTMENT IN JOINT VENTURES

Northview has a 50% interest in Inuvik Capital Suites Zheh Gwizu' Limited Partnership ("ICS") and a 50% interest in Inuvik Commercial Properties Zheh Gwizu' Limited Partnership ("ICP"), which are accounted for as joint ventures using the equity method:

- ICS is owned by Zheh Gwizu' Limited Partnership and Northview Canadian HY Properties LP ("NCHYPLP") for the purpose of investing in an income-producing execusuite property in the Northwest Territories.
- ICP is owned by Zheh Gwizu' Limited Partnership and NCHYPLP for the purposes of investing in a portfolio of commercial and mixed-use income-producing properties in the Northwest Territories.

The following tables summarize the financial information of Northview's joint ventures:

	ICS	ICP	Total
As at December 31, 2024			
Current assets	**772**	**1,551**	**2,323**
Non-current assets	**11,754**	**17,257**	**29,011**
Current liabilities	**(602)**	**(1,296)**	**(1,898)**
Non-current liabilities	**(544)**	**(910)**	**(1,454)**
Net assets	**11,380**	**16,602**	**27,982**
Carrying amount of interest in joint venture (50%)	**5,690**	**8,301**	**13,991**
As at December 31, 2023			
Current assets	1,653	1,199	2,852
Non-current assets	12,261	17,304	29,565
Current liabilities	(684)	(1,558)	(2,242)
Non-current liabilities	(900)	(927)	(1,827)
Net assets	12,330	16,018	28,348
Carrying amount of interest in joint venture (50%)	6,165	8,009	14,174

(thousands of Canadian dollars, except as indicated)

	ICS	ICP	Total
Year Ended December 31, 2024			
Revenue	**2,699**	**3,921**	**6,620**
Expenses	**2,152**	**2,436**	**4,588**
Net and comprehensive income	**547**	**1,485**	**2,032**
Northview's share of net and comprehensive income (50%)	**273**	**743**	**1,016**
Year Ended December 31, 2023			
Revenue	3,208	3,684	6,892
Expenses	2,256	1,092	3,348
Net and comprehensive income	952	2,592	3,544
Northview's share of net and comprehensive income (50%)	476	1,296	1,772

6. MORTGAGES PAYABLE

The following table summarizes Northview’s outstanding mortgages payable:

	As at December 31, 2024	As at December 31, 2023
Mortgages payable	**1,452,488**	1,428,168
Unamortized fair value adjustment	**(14,160)**	(15,489)
Deferred financing costs	**(43,594)**	(34,285)
	1,394,734	1,378,394
Mortgages related to assets held for sale	**(9,692)**	—
Balance, end of year	**1,385,042**	1,378,394
Current	**206,378**	241,631
Non-current	**1,178,664**	1,136,763
Balance, end of year	**1,385,042**	1,378,394

As at December 31, 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 3.86% (December 31, 2023 – 3.80%). The mortgages mature between 2025 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 December 31, 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 December 31, 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
2025	29,419	188,497	217,916	15.0%	3.47%
2026	23,760	83,807	107,567	7.4%	2.62%
2027	19,284	184,097	203,381	14.0%	3.89%
2028	16,615	258,473	275,088	18.9%	4.18%
2029	11,487	130,186	141,673	9.8%	4.17%
Thereafter	29,997	476,866	506,863	34.9%	3.94%
Total	**130,562**	**1,321,926**	**1,452,488**	**100.0%**	**3.86%**

(thousands of Canadian dollars, except as indicated)

The following table reconciles the change in mortgages payable:

	2024	2023
Balance at January 1	**1,378,394**	850,830
Proceeds	**238,722**	497,989
Repaid	**(180,698)**	(175,484)
Principal repayments	**(33,705)**	(30,626)
Payment of deferred financing costs	**(14,042)**	(28,795)
Amortization of deferred financing costs	**3,884**	1,669
Amortization of fair value adjustment	**1,422**	(4,101)
Loss on extinguishment of debt	**757**	(413)
Mortgages related to assets held for sale	**(9,692)**	—
Assumed on acquisition net of fair value adjustment	**—**	267,325
Balance at December 31	**1,385,042**	1,378,394

7. CREDIT FACILITIES

As at December 31, 2024, Northview had in place two credit facilities: a syndicated credit facility with a credit limit of $285.0 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”).

On October 24, 2024, Northview executed amendments to its syndicated facility, which provided for, among other administrative amendments:

- An extension of the maturity date to December 31, 2026 from December 31, 2024.
- Change from a primarily non-revolving facility with multiple tranches to a revolving single tranche facility. Funds are available at all times, subject to meeting lender conditions, whereas previously draws were limited to a single draw at closing (Tranche A) and quarterly draws (Tranche B).
- An increase in credit limit to $285.0 million, including a $5 million swingline facility, which is subject to $20 million annual reductions at the end of December 31, 2025 and 2026.
- A reduction in interest rate from prime plus 2.65% or the CORRA rate plus 3.95% to prime rate plus 1.70% or the CORRA rate plus 3.00%,
- Amended financial covenants as follows:
  - 1.25x Debt Service Coverage Ratio all times (from 1.20x)
  - 72.5% Consolidated debt to aggregate asset from close to September 30, 2025 with a reduction to 70% thereafter (from 75.0%)
  - Tangible Net Worth increased to $750 million (from $700 million)
  - Minimum Occupancy: 90% (from 87%).

On October 30, 2024 Northview also extended the maturity date of the term facility for two years to December 31, 2026 with other terms unchanged.

Previously, each tranche of the syndicated facility bore interest at the Bankers’ Acceptance (“BA”) rate plus 3.65%. Effective June 2024, the BA Canadian Dollar Offered Rate (“CDOR”) was discontinued and Northview’s credit facilities were transitioned to the CORRA rate. The contractual cash flows of the credit facilities were economically equivalent with the transition from CDOR to CORRA.

(thousands of Canadian dollars, except as indicated)

The terms of the credit facilities were as follows:

	As at December 31, 2024		As at December 31, 2023	
	Credit Limit	**Amount Drawn**	**Credit Limit**	**Amount Drawn**
Syndicated facility				
Revolving facility	**285,000**	**211,636**	—	—
Tranche A-1 Facility	**—**	**—**	211,663	211,663
Tranche A-2 Facility	**—**	**—**	—	—
Tranche B-1 Term Facility	**—**	**—**	32,000	32,000
Tranche B-2 Revolving Facility	**—**	**—**	20,000	5,000
Tranche B-3 Term Facility	**—**	**—**	75,000	72,500
Total syndicated facility	**285,000**	**211,636**	338,663	321,163
Term facility	**57,169**	**57,169**	60,000	30,000
Total	**342,169**	**268,805**	398,663	351,163
Total available credit	**73,364**		**47,500**	

During the year ended December 31, 2024, Northview completed repayments of $112.9 million (year ended December 31, 2023 – $246.2 million). As at December 31, 2024 there is $73.4 million of available credit that may be drawn (December 31, 2023 – $47.5 million) .

As at December 31, 2024 and December 31, 2023, substantially all investment properties have been pledged as collateral security for the credit facilities. As at December 31, 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.

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

	As at December 31, 2024	**As at December 31, 2023**
Syndicated facility	**211,636**	321,163
Term facility	**57,169**	30,000
Deferred financing costs	**(1,856)**	(2,587)
Balance, end of year	**266,949**	348,576
Current	**—**	348,576
Non-current	**266,949**	—
Balance, end of year	**266,949**	348,576

The following table reconciles the change in the credit facilities:

	2024	**2023**
Balance at January 1	**348,576**	503,502
Borrowings	**30,531**	93,900
Repayments	**(112,888)**	(246,239)
Payment of deferred financing costs	**(2,086)**	(3,509)
Amortization of deferred financing costs	**2,816**	922
Balance at December 31	**266,949**	**348,576**

(thousands of Canadian dollars, except as indicated)

Financial covenants

The credit facilities are subject to the following financial covenants:

	Limit	As at December 31, 2024
Syndicated facility		
Consolidated debt to aggregate assets	Not greater than 72.5%	**63.9%**
Debt service coverage ratio	Not less than 1.25	**1.42**
Consolidated tangible net worth	Not less than $750 million	**$969 million**
Physical occupancy rate	Not less than 90%	**95.0%**
Term facility		
Consolidated debt to aggregate assets	Not greater than 70%	**58.8%**
Debt service coverage ratio	Not less than 1.00	**1.22**
Portfolio equity	Not less than $75 million	**$124 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 consolidated 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.

8. 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, 2023	4,104	13,988	1,606	19,698	—
Reclassification from net assets attributable to Unitholders	—	—	—	—	425,176
Units issued for acquisition	—	7,862	—	7,862	100,397
Units issued for conversion	(824)	(67)	878	(13)	—
Units issued for subdivision	—	772	67	839	—
Units issued for Exchangeable Units	—	188	—	188	2,377
Balance at December 31, 2023	**3,280**	**22,743**	**2,551**	**28,574**	**527,950**
Units issued for conversion	**304**	**(18)**	**(286)**	**—**	**—**
Balance at December 31, 2024	**3,584**	**22,725**	**2,265**	**28,574**	**527,950**

9. 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. 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, 2023	—	—
Units issued for acquisition	1,973	24,817
Units issued for carried interest	1,612	20,393
Units exchanged to Trust Units	(188)	(2,377)
Fair value loss	—	3,200
Balance at December 31, 2023	**3,397**	**46,033**
Fair value loss	**—**	**6,489**
Balance at December 31, 2024	**3,397**	**52,522**

10. 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, 2023	—	—	—
Units issued for acquisition	4,085	94,801	12,864
Accretion on Redeemable Units	—	3,183	—
Balance at December 31, 2023	**4,085**	**97,984**	**12,864**
Accretion on Redeemable Units	**—**	**8,319**	**—**
Balance at December 31, 2024	**4,085**	**106,303**	**12,864**

The fair value of the liability component of the Redeemable Units as at December 31, 2024 was approximately $97.9 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. Refer to note 14 for details.

11. 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, 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.

The following table summarizes distributions declared:

	Year Ended December 31	
	2024	**2023**
Trust Units	**—**	22,553
Exchangeable Units	**3,716**	1,349
Recognized in net and comprehensive income	**3,716**	23,902
Trust Units	**31,253**	13,022
Redeemable Units	**4,468**	1,622
Recognized in retained earnings	**35,721**	14,644
Distributions declared to Unitholders	**39,437**	38,546

Subsequent to the end of the period and prior to the consolidated financial statements being authorized for issue on March 5, 2025, Northview declared monthly distributions totaling $3.3 million or $0.09 per Unit that are to be paid to Unitholders on March 17, 2025.

12. 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. 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	**52**	**421**
Restricted Units cancelled	**(1)**	**(4)**
Fair value loss on Restricted Units	**—**	**40**
Balance at December 31, 2024	**51**	**457**

As at December 31, 2024, the carrying value of the unit-based compensation liability was $0.5 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 year ended December 31, 2024, employees invested and Northview contributed a total of $0.2 million.

13. GUARANTEES, COMMITMENTS AND CONTINGENCIES

In the normal course of operations, Northview may provide indemnification commitments to counterparties in transactions such as leasing transactions, service arrangements, director and officer indemnification agreements, and sale of assets. These indemnification agreements may require Northview to compensate the counterparties for costs incurred as a result of changes in laws and regulations (including tax legislation) or as a result of litigation claims or statutory sanctions that may be suffered by counterparties as a consequence of the transaction. The terms of these indemnification agreements vary based on the contract and may not provide any limit on the maximum potential liability. To date, Northview has not made any payments under such indemnifications and no amount has been accrued in the financial statements with respect to these indemnification commitments.

In the normal course of operations, Northview is and may become subject to various legal and other claims. Management and its legal counsel evaluate these claims and, when required, accrue the best estimate of costs. Management believes the outcome of claims of this nature as at December 31, 2024 will not have a material impact on Northview.

In the normal course of operations, Northview provides guarantees for mortgages payable relating to investments in corporations and joint ventures in which Northview owns less than 100%. The mortgages payable are secured by specific charges against the properties owned by the corporations and joint ventures. In the event of a default of the corporation or joint venture, Northview may be liable for up to 100% of the outstanding balances of these mortgages payable.

As at December 31, 2024, Northview had provided guarantees on mortgages secured by investment properties totaling $2.4 million (December 31, 2023 – $3.0 million) for its joint ventures, ICP and ICS. These mortgages bear interest at rates ranging from 5.50% to 6.90% (December 31, 2023 – 4.34% to 7.06%) and mature between 2025 and 2027 (December 31, 2023 – 2024 and 2027). As at December 31, 2024, land and buildings with a carrying value of $28.7 million have been pledged to secure these mortgages payable (December 31, 2023 – $29.2 million). As these joint ventures are accounted for under the equity method, these mortgage balances have not been recorded in Northview’s financial statements.

14. FAIR VALUE, FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a. Fair value measures

As at December 31, 2024, the only recurring fair value measures in these consolidated financial statements relate to Northview’s investment properties and investment properties classified as held for sale, Exchangeable Units, and Restricted Units. For the periods presented, the fair value of investment properties, including those classified as held for sale, 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 recurring fair value measures 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, 2024 and 2023. Refer to Note 3 for a reconciliation of the fair value of investment properties for the years ended December 31, 2024 and 2023.

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 December 31, 2024, the spread rates referenced maturities of up to ten years and ranged from 0.88% 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 December 31, 2024, the discount rates used in determining the fair value of the Redeemable Units ranged from 7.00% to 7.09% (December 31, 2023 – 9.01% to 9.88%) and were calculated with reference to bond yield curves with maturities of up to ten years.

v. Other financial assets and liabilities

The fair value of Northview's other financial assets and liabilities approximate their recorded carrying values due to their short-term nature. These include cash and cash equivalents, restricted cash, accounts receivable, other long-term assets, trade and other payable, and distributions payable.

b. Risk management related to financial instruments

Northview is exposed to interest rate, utility cost, credit, and liquidity risks associated with its financial assets and liabilities. Northview followed the overall risk management policies as established by the Trustees of Northview during the periods presented. Management performs ongoing assessments so that all significant risks related to financial instruments are reviewed and addressed in light of changes to market conditions and Northview's operating activities.

i. Interest rate risk

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. Interest rate risk is predominately related to Northview's credit facility which is subject to floating rates as described in Note 7. Mortgage loans are predominantly subject to fixed rates and therefore face exposure on renewals. As at December 31, 2024, a 100-bps increase (decrease) in interest rates, all else being equal, would impact Northview's net and comprehensive income by approximately $2.8 million.

Management mitigates interest rate risk by utilizing fixed rate mortgages, ensuring access to a number of sources of funding, and staggering debt maturities. As at December 31, 2024 and December 31, 2023, substantially all of Northview's mortgages were subject to fixed interest rates.

ii. Utility cost risk

Utility cost risk is the potential financial loss Northview may experience as a result of higher resource prices or lack of supply. Northview is exposed to utility cost risk from the fluctuation in retail prices for fuel oil, natural gas, and electricity, which are the primary utilities used to heat its properties. The exposure to utility cost risk is restricted primarily to the multi-residential rental and execusuite portfolios. For leases in commercial property, Northview provides for recovery of operating costs from tenants, including utilities. Due to the locations of Northview’s properties, the exposure to utility price fluctuations is more pronounced in the first and last fiscal quarters of the year. Northview manages its exposure to utility cost risk through a number of measures, including energy-efficient appliances, fixtures, and windows. Northview may also utilize fixed price hedges to manage exposure to utility cost risk.

Heating oil and wood pellets are the primary sources of fuel for heating properties located in Nunavut and Yellowknife, Northwest Territories.

Natural gas is the main source of fuel for heating properties located in Alberta; New Brunswick; Saskatchewan; Nova Scotia as well as parts of British Columbia, Manitoba, Québec and Inuvik, Northwest Territories. Natural gas prices in Alberta and British Columbia are not subject to regulated price control. Northview uses fixed price hedges to manage the exposure to the utility cost risk in Alberta.

Electricity is the primary source for heating properties located in Newfoundland and Labrador and Ontario as well as parts of British Columbia, Manitoba and Québec. In Newfoundland and Labrador and British Columbia, electricity is purchased from the provincially regulated utilities.

Water services are typically provided by the various municipalities and subject to price fluctuations due to changes in fees and taxes imposed by the municipalities.

A 10% change in the combined average price of utilities (electricity, water, fuel oil, wood pellets, and natural gas) would impact Northview’s net and comprehensive income by approximately $3.2 million for the year ended December 31, 2024 (year ended December 31, 2023 - approximately $2.9 million).

iii. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Northview’s credit risk primarily arises from the possibility that residents may not be able to fulfill their lease commitments. Given Northview’s collection history and the nature of these tenants, credit risk is assessed as low.

Accounts receivable consists mainly of resident receivables across the geographic areas in which Northview operates. There are no significant exposures to single residents with the exception of the Governments of Canada and Nunavut, which lease a large number of residential suites and commercial space in the Northwest Territories and Nunavut.

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

iv. 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 thereby minimizing exposure in a single year. Northview’s mortgages are primarily insured through Canada Mortgage and Housing Corporation (“CMHC”), reducing liquidity risk upon refinancing. Cash flow projections are completed on a regular basis to ensure that there will be adequate liquidity to maintain operating, capital, and investment activities.

(thousands of Canadian dollars, except as indicated)

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, reducing capital expenditures, 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, 2026 following amendments completed in October 2024. Refer to Note 7 for the details.

As at December 31, 2024, Northview had a working capital deficiency of $379.2 million (December 31, 2023 – $692.1 million), of which $206.4 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, $159.3 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, the issuance of Trust Units, or a combination of cash and Trust Units.

Contractual maturity for non-derivative financial liabilities as at December 31, 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)	**1,442,569**	1,702,679	271,699	390,196	473,207	567,577
Credit facilities (principal)	**268,805**	268,805	—	268,805	—	—
Trade and other payables [1]	**50,054**	50,054	50,054	—	—	—
Liabilities related to assets held for sale	**9,919**	10,621	10,621	—	—	—
Distributions payable	**3,286**	3,286	3,286	—	—	—
Total	**1,774,633**	2,035,445	335,660	659,001	473,207	567,577

[1] Security deposits payable are included in trade and other payables.

15. CAPITAL MANAGEMENT

Northview's capital consists of mortgages payable, borrowings on the credit facility, as well as Trust Units, Exchangeable Units, and Redeemable Units. Northview's objectives for managing capital is to ensure sufficient capital to support business strategies and maximize Unitholder value while complying with debt covenants and the guidelines that are set out in the Declaration of Trust, including a maximum debt to gross book value of 70.0%.

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 level of mortgage debt, consideration is given to the cash flows generated from the specific property, the interest rate, the amortization period, the maturity, and the debt service ratio. Northview may also use its credit facilities to fund capital expenditures until specific mortgage debt is placed. Northview continues to monitor its capital structure and sources of financing, including amendments to the existing credit facility and/or establishing additional credit facilities. Refer to Note 7 for the details of credit facility amendments.

The Declaration of Trust provides for a maximum debt to gross book value ratio of 70.0%. As at December 31, 2024, Northview's debt to gross book value ratio was 64.8% as calculated in the table below (December 31, 2023 – 65.1%), which was in compliance with the Declaration of Trust.

(thousands of Canadian dollars, except as indicated)

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

	Note	As at December 31, 2024	As at December 31, 2023
Credit facilities[1]	**7**	**268,805**	351,163
Mortgages payable[1]	**6**	**1,452,488**	1,428,168
Less: Cash and cash equivalents		**(9,138)**	(21,394)
Total debt	**A**	**1,712,155**	1,757,937
Investment properties[1]	**3**	**2,600,928**	2,661,118
Property, plant and equipment[1]	**4**	**26,574**	29,077
Accumulated depreciation[1]		**13,513**	10,512
Gross book value	**B**	**2,641,015**	2,700,707
Debt to gross book value	**A/B**	**64.8%**	65.1%

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

16. REVENUE FROM CONTRACTS WITH CUSTOMERS

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

	Year Ended December 31	
	2024	**2023**
Rental revenue	**194,418**	156,028
Revenue from contracts with customers		
Commercial common area maintenance services and execusuites	**17,028**	16,491
Residential service components	**62,499**	54,418
Other revenue	**2,081**	1,535
Revenue	**276,026**	228,472

17. PERSONNEL COSTS

The following table outlines personnel costs:

	Year Ended December 31	
	2024	**2023**
Salaries, wages and other benefits	**35,024**	27,501
Personnel costs capitalized to investment properties	**(4,219)**	(3,286)
Personnel costs	**30,805**	24,215

18. FINANCING COSTS

The following table outlines financing costs:

	Year Ended December 31	
	2024	**2023**
Mortgage interest	**54,306**	40,136
Credit facility interest	**27,213**	37,254
Amortization of deferred financing costs	**6,702**	3,625
Amortization of fair value adjustment	**1,422**	(4,101)
Loss (gain) on debt extinguishment	**1,166**	(413)
Other income	**(782)**	(1,321)
Financing costs	**90,027**	75,180

(thousands of Canadian dollars, except as indicated)

19. SUPPLEMENTAL CASH FLOW INFORMATION

Changes in non-cash operating working capital was comprised of the following:

	Year Ended December 31	
	2024	**2023**
Accounts receivable	**(2,024)**	(5,545)
Prepaid expenses and other assets	**(3,359)**	3,274
Restricted cash	**(1,171)**	(2,146)
Other long-term assets	**(732)**	(21)
Trade and other payables	**5,894**	12,945
Changes in non-cash operating working capital	**(1,392)**	8,507

20. OPERATING LEASES

As the lessor, Northview leases commercial investment property held under operating leases. Commercial property operating leases have lease terms between 1 to 10 years, some of which have an option to extend for a further period. All commercial operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew.

The following table details future minimum lease payments receivable on commercial investment properties:

	As at December 31, 2024	**As at December 31, 2023**
Less than 1 year	**20,630**	21,905
1 – 3 years	**27,853**	26,723
4 – 5 years	**14,200**	12,595
More than 5 years	**6,273**	1,083
	68,956	62,306

21. ASSETS HELD FOR SALE

As at December 31, 2024, there were 335 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 December 31, 2024
Assets	
Investment properties	**12,906**
Property, plant and equipment	**284**
Total assets held for sale	**13,190**
Liabilities	
Mortgage payable	**9,692**
Net assets held for sale	**3,498**

22. RELATED PARTIES

Related party transactions are conducted in the normal course of operations.

a. Entities with significant influence

Starlight Group Property Holdings Inc. and its affiliates (“Starlight Group”) and KingSett Capital Inc. and its affiliates (“KingSett”) have significant influence over Northview by virtue of Unit holdings and representation on Northview’s Board of Trustees by Daniel Drimmer and Rob Kumer, respectively.

Transactions with these entities consisted of:

- Northview receives variable payments pursuant to an agreement with an affiliate of Starlight Group and certain funds managed by KingSett to make further contributions to Northview in connection with the acquisition of a portfolio consisting of twelve properties (the “Galaxy Portfolio”). The payments vary based on the performance of the Galaxy Portfolio and may range from nil to $1.6 million annually for a period of three years following the closing of the acquisition of the Galaxy Portfolio on August 21, 2023. For the year ended December 31, 2024, Northview recognized income of $0.2 million (year ended December 31, 2023 - $0.5 million).
- Northview receives fixed payments pursuant to an agreement with an affiliate of Starlight Group to make further contributions to Northview in connection with the acquisition of a portfolio consisting of four properties (the “SL Portfolio”). The payments range from $0.1 million to $0.4 million annually for a period of three years following the closing of the acquisition of the SL Portfolio on August 21, 2023. For the year ended December 31, 2024, Northview recognized income of $0.3 million (year ended December 31, 2023 - $0.1 million).
- Northview previously paid an asset management fee equal to 0.35% of gross asset value per annum. This asset management fee was incurred pursuant to a management agreement with Starlight Group entered on November 2, 2020, whereby Starlight Group provided management services to Northview, including the services of the Chief Executive Officer and Chief Financial Officer (“Management Agreement”). In accordance with its terms, the Management Agreement terminated upon completion of the Recapitalization Event on August 21, 2023.
- The Recapitalization Event included the acquisitions of the Galaxy Portfolio and the SL Portfolio, which were completed on August 21, 2023. Northview obtained formal valuations of the Galaxy Portfolio and SL Portfolio by an independent and qualified evaluator to support the purchase price.
    - The Galaxy Portfolio was indirectly purchased from Starlight Group and certain funds managed by KingSett for a purchase price of $452.8 million through the assumption of mortgages payable, cash consideration resulting from mortgage financing and credit facility borrowings, and the issuance of approximately 7.7 million Class C Units. The Class C Units issued are subject to a lock-up period during which the Trust Units cannot be sold, whereby one-third of the Trust Units issued will be released from these restrictions on each of the 12-month, 15-month, and 18-month anniversaries of August 21, 2023.
    - The SL Portfolio was indirectly purchased from Starlight Group for a purchase price of $109.3 million through the assumption of mortgages payable and the issuance of approximately 2.0 million Exchangeable Units. The Exchangeable Units issued are subject to a lock-up period for 18 months from issuance, during which the Exchangeable Units may be exchanged for Trust Units but such Units cannot be sold.
- Following the completion of the Recapitalization Event on August 21, 2023, Northview settled the carried interest owed to an affiliate of Starlight Group as described in Northview’s annual information form for the year ended December 31, 2023, resulting in the issuance of 1.6 million Exchangeable Units and the recognition of an expense of $20.4 million. The Exchangeable Units issued are subject to a lock-up period for 18 months from issuance, during which the Exchangeable Units may be exchanged for Trust Units but such Units cannot be sold.

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

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

b. Key management personnel

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

(thousands of Canadian dollars, except as indicated)

c. Joint ventures

ICS and ICP are each a joint venture in which Northview has a 50% interest (refer to Note 5). For the years ended December 31, 2024 and 2023, Northview provided management services to each of ICP and ICS.

d. Financial information

The following table outlines transactions with related parties:

	Entities with Significant Influence	Key Management Personnel	Joint Ventures	Total
Year Ended December 31, 2024				
Revenue	**—**	**—**	**419**	**419**
Other income	**486**	**—**	**—**	**486**
Expenses	**—**	**2,627**	**59**	**2,686**
Year Ended December 31, 2023				
Revenue	—	—	427	427
Other income	660	—	—	660
Expenses	4,211	1,427	64	5,702

The following table outlines outstanding balances with related parties:

	Entities with Significant Influence	Joint Ventures	Total
As at December 31, 2024			
Accounts receivable	**75**	**46**	**121**
As at December 31, 2023			
Accounts receivable	238	39	277

23. 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
Year Ended December 31, 2024			
Revenue	**230,777**	**45,249**	**276,026**
Operating expenses	**94,934**	**20,260**	**115,194**
Net operating income	**135,843**	**24,989**	**160,832**
Year Ended December 31, 2023			
Revenue	185,157	43,315	228,472
Operating expenses	77,960	18,564	96,524
Net operating income	107,197	24,751	131,948

(thousands of Canadian dollars, except as indicated)

	Multi-Residential	Commercial and Execusuite	Total
As at December 31, 2024			
Total assets	**2,365,446**	**314,877**	**2,680,323**
Investment properties	**2,337,527**	**263,401**	**2,600,928**
Total liabilities	**1,767,583**	**106,265**	**1,873,848**
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

24. SUBSEQUENT EVENTS

Subsequent to period-end, a fire occurred at a property in Iqaluit, NU which consists of 37 multi-residential suites and 4,450 commercial sq. ft. with a fair value of $12.1 million.