

**NORTHWEST HEALTHCARE
PROPERTIES REAL ESTATE
INVESTMENT TRUST**

**CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS
(IN CANADIAN DOLLARS)**

FOR THE THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2020

(UNAUDITED)



NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST**Condensed Consolidated Interim Balance Sheet**

(in thousands of Canadian dollars)

Unaudited

As at	Note	September 30, 2020	December 31, 2019
Assets			
Investment properties	6	\$ 4,875,822	\$ 4,928,111
Equity accounted investments	7	228,463	134,070
Intangible assets		47,287	47,264
Goodwill		41,671	41,671
Financial instruments	11	22	155
Accounts receivable		10,775	19,660
Other assets	8	120,103	65,021
Cash and cash equivalents	16	64,891	192,203
Assets held for sale	5	277,543	107,149
Total assets		\$ 5,666,577	\$ 5,535,304
Liabilities			
Mortgages and loans payable	9	\$ 2,580,384	\$ 2,341,391
Convertible debentures	10	286,678	391,201
Deferred unit plan liability	12	22,578	19,656
Class B exchangeable units	13	19,426	211,257
Deferred tax liability		250,895	322,166
Financial instruments	11	67,086	48,475
Income tax payable		15,058	22,331
Accounts payable and accrued liabilities		100,890	92,466
Distributions payable		11,716	10,242
Liabilities related to assets held for sale		97,358	—
Total liabilities		\$ 3,452,069	\$ 3,459,185
Unitholders' Equity			
Unitholders' equity	15	1,492,015	1,319,307
Non-controlling interest	19	722,493	756,812
Total liabilities and unitholders' equity		\$ 5,666,577	\$ 5,535,304

The accompanying notes are an integral part of these condensed consolidated interim financial statements

NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST
Condensed Consolidated Interim Statements of Income (Loss) and Comprehensive Income (Loss)
(in thousands of Canadian dollars)
Unaudited

		For the three months ended September 30,		For the nine months ended September 30,	
	Note	2020	2019	2020	2019
Net Property Operating Income					
Revenue from investment properties	14	\$ 95,086	\$ 91,106	\$ 280,973	274,448
Property operating costs		22,847	21,319	66,186	65,112
		72,239	69,787	214,787	209,336
Other Income					
Interest and other		513	2,452	1,645	5,123
Management fees		3,656	2,231	7,425	10,020
Share of profit (loss) of equity accounted investments	7	5,642	2,716	17,260	(19,002)
		9,811	7,399	26,330	(3,859)
Expenses and other					
Mortgage and loan interest expense		25,205	33,804	73,855	98,396
General and administrative expenses		7,080	8,053	21,923	25,098
Transaction costs	3,5	4,451	1,419	31,624	11,255
Foreign exchange (gain) loss		382	(44)	13,636	(3,162)
		37,118	43,232	141,038	131,587
Income before other finance costs, and fair value adjustments					
		44,932	33,954	100,079	73,890
Finance costs					
Amortization of financing costs		(2,991)	(5,453)	(6,872)	(9,591)
Amortization of mark-to-market adjustment		252	330	760	1,020
Class B exchangeable unit distributions	13	(342)	(3,541)	(3,159)	(10,625)
Fair value adjustment of Class B exchangeable units	13	(958)	177	85,444	(40,552)
Accretion of financial liabilities	9	(759)	(130)	(3,321)	(3,978)
Fair value adjustment of convertible debentures	10	(5,368)	(740)	8,474	(24,468)
Net loss on financial instruments	11	(3,879)	(11,359)	(18,715)	(28,216)
Fair value adjustment of investment properties	6	8,209	3,069	(4,931)	140,050
Fair value adjustment of deferred unit plan liability	12	(1,386)	(135)	700	(3,139)
Income before taxes					
		37,710	16,172	158,459	94,391
Current tax expense		7,057	(1,449)	12,310	4,390
Deferred tax expense (recovery)		4,097	(52)	(35,016)	42,660
Income tax expense (recovery)		11,154	(1,501)	(22,706)	47,050
Net income		\$ 26,556	\$ 17,673	\$ 181,165	47,341
Net income attributable to:					
Unitholders		\$ 19,913	\$ 18,562	\$ 170,592	10,187
Non-controlling interest		6,643	(889)	10,573	37,154
		\$ 26,556	\$ 17,673	\$ 181,165	47,341

The accompanying notes are an integral part of these condensed consolidated interim financial statements

NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST**Condensed Consolidated Interim Statements of Income (Loss) and Comprehensive Income (Loss) (cont.)****(in thousands of Canadian dollars)****Unaudited**

	For the three months ended September 30,		For the nine months ended September 30,	
	2020	2019	2020	2019
Net income	\$ 26,556	\$ 17,673	\$ 181,165	\$ 47,341
Other comprehensive income (loss) ("OCI"):				
Items that will be reclassified subsequently to income (loss):				
Foreign currency translation adjustment	\$ 5,943	\$ (75,365)	\$ (45,237)	\$ (151,221)
Change in relative interest of non-controlling interests	224	—	224	—
Realized foreign exchange gains/(losses) on hedges	—	—	—	4,179
Current taxation (expense)/recovery	—	—	—	(1,170)
Unrealized foreign exchange gains/(losses) on hedges	—	—	—	(2,750)
Deferred taxation (expense)/recovery	—	—	—	1,786
Fair value gain (loss) on net investment hedges	(1,274)	(3,335)	(4,211)	(6,349)
Deferred taxation (expense)/recovery	357	934	1,180	762
Other comprehensive income (loss), net of tax	5,250	(77,766)	(48,044)	(154,763)
Total comprehensive income (loss) for the year	\$ 31,806	\$ (60,093)	\$ 133,121	\$ (107,422)
Total comprehensive income (loss) attributable to:				
Unitholders	\$ 14,253	\$ (74,629)	\$ 94,910	\$ (153,305)
Non-controlling interests	17,552	14,536	38,210	45,883
	\$ 31,805	\$ (60,093)	\$ 133,120	\$ (107,422)

The accompanying notes are an integral part of these condensed consolidated interim financial statements

NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST
Condensed Consolidated Interim Statements of Unitholders' Equity
(in thousands of Canadian dollars)
Unaudited

	Note	Unitholders' Equity	Contributed Surplus	Cumulative Distributions	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Unitholders' Equity	Non-Controlling Interests	Total Equity
Balance, December 31, 2019		\$ 1,510,245	\$ 39,724	\$ (364,595)	\$ (140,209)	\$ 274,142	\$ 1,319,307	\$ 756,812	\$ 2,076,119
Private placement of units	15	24,494	—	—	—	—	24,494	—	24,494
Units issued through distribution reinvestment plan		5,620	—	—	—	—	5,620	3,960	9,580
Units issued on exercise of deferred units	15	840	—	—	—	—	840	—	840
Conversion of Class B LP exchangeable units	13	106,387	—	—	—	—	106,387	—	106,387
Disposition of investment in subsidiary	3	—	—	—	—	—	—	(54,705)	(54,705)
Change in relative interest of non-controlling interests	19	—	—	—	(224)	—	(224)	(1,461)	(1,685)
Acquisition and cancellation of REIT units under normal course issuer bid	15	(7,196)	—	—	—	—	(7,196)	—	(7,196)
Conversion of convertible debentures into units	15	51,483	—	—	—	—	51,483	—	51,483
Distributions		—	—	(103,383)	—	—	(103,383)	(20,322)	(123,705)
Foreign currency translation adjustments		—	—	—	(75,147)	—	(75,147)	29,910	(45,237)
Other comprehensive income (loss)		—	—	—	(758)	—	(758)	(2,274)	(3,032)
Net income		—	—	—	—	170,592	170,592	10,573	181,165
Balance, September 30, 2020		\$ 1,691,873	\$ 39,724	\$ (467,978)	\$ (216,338)	\$ 444,734	\$ 1,492,015	\$ 722,493	\$ 2,214,508

	Note	Unitholders' Equity	Contributed Surplus	Cumulative Distributions	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Unitholders' Equity	Non-Controlling Interests	Total Equity
Balance, December 31, 2018		\$ 953,169	\$ 39,724	\$ (264,119)	\$ (57,065)	\$ 276,013	\$ 947,722	\$ 734,826	\$ 1,682,548
Issue of share capital		301,479	—	—	—	—	301,479	6,246	307,725
Units issued through distribution reinvestment plan		7,862	—	—	—	—	7,862	4,508	12,370
Units issued on exercise of deferred units	15	1,053	—	—	—	—	1,053	—	1,053
Conversion of convertible debenture into units	15	192	—	—	—	—	192	—	192
Distributions		—	—	(72,544)	—	—	(72,544)	(21,785)	(94,329)
Foreign currency translation adjustments		—	—	—	(162,611)	—	(162,611)	11,390	(151,221)
Other comprehensive income (loss)		—	—	—	(882)	—	(882)	(2,660)	(3,542)
Net income		—	—	—	—	10,187	10,187	37,154	47,341
Balance, September 30, 2019		\$ 1,263,755	\$ 39,724	\$ (336,663)	\$ (220,558)	\$ 286,200	\$ 1,032,458	\$ 769,679	\$ 1,802,137

The accompanying notes are an integral part of these condensed consolidated interim financial statements

NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST
Condensed Consolidated Interim Statements of Cash Flows
(in thousands of Canadian dollars)
Unaudited

		For the three months ended September 30,		For the nine months ended September 30,	
	Note	2020	2019	2020	2019
Cash provided by (used in):					
Operating activities					
Net income (loss) before taxes		\$ 37,710	\$ 16,172	\$ 158,459	\$ 94,391
Adjustments for:					
Amortization		398	493	1,197	1,619
Mortgage and loan interest accrued		25,205	33,804	73,855	98,396
Mortgage and loans interest paid		(22,372)	(31,692)	(72,057)	(92,658)
Finance costs	16	10,166	9,357	(81,326)	88,194
Interest income		(513)	(2,452)	(1,645)	(5,123)
Share of (profit)/loss of equity accounted investments		(5,642)	(2,716)	(17,260)	19,002
Unrealized foreign exchange loss (gain)		2,422	(50)	15,690	(1,264)
Amortization of deferred revenue		—	—	—	(42)
Amortization of finance leases receivable/payable, net		(23)	(22)	(67)	(67)
Fair value adjustment of investment properties	6	(8,209)	(3,069)	4,931	(140,050)
Fair value loss on financial instruments	11	3,879	11,222	18,715	28,315
Transaction costs		4,451	1,419	31,624	11,255
Fair value adjustment of deferred unit plan liability		1,386	135	(700)	3,139
Unit-based compensation expense	12	1,271	1,937	6,311	6,348
Redemption of units issued under deferred unit plan		(404)	(689)	(1,867)	(3,800)
Income taxes paid		(6,848)	(7,668)	(13,491)	(13,226)
Changes in non-cash working capital balances	3,16	12,070	(27,721)	21,277	(11,533)
Cash provided by (used in) operating activities		54,947	(1,540)	143,646	82,896
Investing activities					
Acquisitions of investment properties	4	(476,586)	(91,814)	(722,612)	(188,263)
Additions to investment properties	6	(61,761)	(29,487)	(129,915)	(66,410)
Net proceeds on disposal of investment properties	5	—	—	103,537	2,112
Investment in equity accounted investments		—	(77)	(10,340)	(152,509)
Transaction costs		(4,451)	(1,419)	(31,624)	(11,116)
Proceeds from disposition of subsidiary	3	—	—	63,863	—
Cash transferred upon disposition of subsidiary	3	(532)	—	(4,877)	—
Taxes paid related to disposition		—	—	(11,077)	—
Distributions from equity accounted investments		2,505	2,374	7,765	4,253
Cash interest received		503	1,872	1,320	3,029
Additions to furniture and fixtures		(60)	(113)	(154)	(221)
Net receipts from forward contract	11	—	—	—	156,455
Receipts (payments) from foreign exchange contracts		(102)	327	12	4,531
Net decrease (increase) to restricted cash		(10)	281	(11)	277
Cash provided by (used in) investing activities		(540,494)	(118,056)	(734,113)	(247,862)
Financing activities					
Mortgage and loan proceeds	9	580,057	273,062	1,153,160	395,299
Repayment of mortgages	3,9	(101,831)	(6,360)	(530,727)	(18,735)
Net advances (repayments) of loans payable	9	—	(195,188)	—	(316,451)
Repurchase of units under normal course issuer bid	15	—	—	(7,196)	—
Redemption of convertible debentures	10	—	(38,585)	(44,568)	(38,585)
Proceeds from issuance of units, net of issuance costs	15	—	164,646	24,494	301,479
Financing fees paid		(9,542)	(10,161)	(11,708)	(13,018)
Net (payments) advances from (to) related parties		(292)	162	2,435	(2,838)
Distributions paid		(35,148)	(22,464)	(96,292)	(62,749)
Class B exchangeable units distributions paid	13	(342)	(3,541)	(3,159)	(10,625)
Distributions paid to non-controlling interests		(5,066)	(5,689)	(16,318)	(17,276)
Cash provided by (used in) financing activities		427,836	155,882	470,121	216,501
Net change in cash and cash equivalents		(57,711)	36,286	(120,346)	51,535
Effect of foreign currency translation		(8,052)	(1,514)	(6,955)	(11,426)
Net change in cash and cash equivalents		(65,763)	34,772	(127,301)	40,109
Cash and cash equivalents, beginning of period		130,612	51,145	192,150	45,808
Cash and cash equivalents, end of period		\$ 64,849	\$ 85,917	\$ 64,849	\$ 85,917

The accompanying notes are an integral part of these condensed consolidated interim financial statements

NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST**Notes to Condensed Consolidated Interim Financial Statements**

(in thousands of Canadian dollars)

For the three and nine months ended September 30, 2020 and 2019

Unaudited

NorthWest Healthcare Properties Real Estate Investment Trust (the "REIT"), is a Canadian open-end trust created pursuant to an amended and restated Declaration of Trust dated May 15, 2015. The registered office of the REIT is 180 Dundas Street West, Suite 1100, Toronto, Ontario, M5G 1Z8. The principal business of the REIT is to invest in and manage healthcare real estate globally.

1. Basis of Preparation and Statement of Compliance

The condensed consolidated interim financial statements of the REIT have been prepared by management in accordance with International Accounting Standard ("IAS") 34: Interim Financial Reporting as issued by the International Accounting Standards Board. Certain information and note disclosure included in the annual consolidated financial statements based on accounting policies and practices in accordance with International Financial Reporting Standards ("IFRS") have been omitted in these condensed consolidated interim financial statements. The accompanying unaudited condensed consolidated interim financial statements should be read in conjunction with the REIT's audited consolidated financial statements for the year ended December 31, 2019. These condensed consolidated interim financial statements were approved by the Board of Trustees of the REIT on November 12, 2020.

The condensed consolidated interim financial statements have been prepared on the historical cost basis, except for investment properties and financial assets and liabilities including, convertible debentures, derivative financial instruments, Class B exchangeable units and deferred units under the deferred unit plan ("DUP"), which are measured at fair value.

The condensed consolidated interim financial statements are presented in thousands of Canadian dollars, except per unit amounts which are presented in Canadian dollars. The Canadian dollar is the REIT's functional currency.

NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST**Notes to Condensed Consolidated Interim Financial Statements**

(in thousands of Canadian dollars)

For the three and nine months ended September 30, 2020 and 2019

Unaudited

2. Significant Accounting Policies

All significant accounting policies have been applied on a basis consistent with those followed in the most recent audited annual consolidated financial statements of the REIT for the year ended December 31, 2019 with the exception of the accounting standards implemented in 2019. Changes to significant accounting policies are described below.

COVID-19 Pandemic

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19" in early 2020 was declared a pandemic by the World Health Organization. This has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel restrictions, self-imposed quarantine periods, temporary closures or restrictions of non-essential businesses, limitations on public gatherings, and social distancing guidelines, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity and capital markets have also experienced significant volatility and weakness. The governments have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. It is not possible to forecast with certainty the duration and full scope of the economic impact of the pandemic and other consequential changes to the REIT's business and operations, both in the short term and in the long term.

In the preparation of these unaudited interim condensed consolidated financial statements, the REIT has incorporated the potential impact of COVID-19 into its estimates and assumptions that affect the carrying amounts of its assets and liabilities, and the reported amount of its results using the best available information as of September 30, 2020. Actual results could differ from those estimates. The estimates and assumptions that the REIT considers critical and/or could be impacted by COVID-19 include those underlying the valuation of investment properties, the estimate of any expected credit losses on its accounts receivable or loans and mortgages receivable and determining the values of financial instruments for disclosure purposes.

Accounting Standards and amendments implemented in 2020*(i) IFRS 3, Business Combinations ("IFRS 3")*

On October 22, 2018, the IASB issued amendments to IFRS 3, Business Combinations ("IFRS 3"), that seek to clarify whether a transaction is to be accounted for as an asset acquisition or a business acquisition. The amendments apply to businesses acquired in annual reporting periods beginning on or after January 1, 2020. Earlier application is permitted. The amendments include an election to use a concentration test. This is a simplified assessment that results in an asset acquisition if substantially all of the fair value of the gross assets is concentrated in a single identifiable asset or a group of similar identifiable assets. If a preparer chooses not to apply the concentration test, or the test is failed, then the assessment focuses on the existence of a substantive process. The REIT adopted the amendments in its condensed consolidated interim financial statements beginning on January 1, 2020, when the standard became effective. The amendments did not have a significant impact on the REIT's condensed consolidated interim financial statements.

NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST**Notes to Condensed Consolidated Interim Financial Statements**

(in thousands of Canadian dollars)

For the three and nine months ended September 30, 2020 and 2019

Unaudited

3. Dispositions*(i) Northwest Healthcare Properties Australia REIT*

On June 30, 2020, the REIT completed the sale of a 70% interest in Northwest Healthcare Properties Australia REIT ("AREIT") units to an institutional partner. As a result of the disposition, the REIT was deemed to have lost control of the previously consolidated subsidiary in accordance with IFRS 10 - *Consolidated financial statements* and accordingly derecognized the assets and liabilities of AREIT from the consolidated statement of financial position and recognized the remaining 30% investment in AREIT as a joint venture to which the equity method of accounting has been applied in accordance to IAS 28 - *Investments in associates and joint ventures* (note 7).

The aggregate estimated fair value of the assets and liabilities disposed of on the disposition date, June 30, 2020, is as follows:

Investment properties	\$	276,024
Other assets		16,573
Accounts receivable		2,532
Cash		4,345
Mortgages and loans payable		(148,277)
Derivative financial liabilities		(1,065)
Accounts payable and accrued liabilities		(4,194)
Non controlling interests		(54,705)
Net assets disposed	\$	91,233
Cash proceeds	\$	63,863
Retained interest in equity accounted investment		27,370
	\$	91,233
Gain (loss) on disposition	\$	—

The REIT incurred transaction costs in the amount of \$5.0 million which have been included and presented as part of the transaction costs in the statement of income and comprehensive income (loss).

(ii) European Clinics

During the quarter, the REIT entered into a joint arrangement, NWI Galaxy JV GmbH & Co. KG ("European JV"), with an institutional partner to invest in income-producing portfolio of healthcare real estate in Germany and the Netherlands.

Effective on September 30, 2020, the REIT completed the sale of a 94.9% interest in various limited partnerships ("Target Companies"), which were previously wholly owned by the REIT, to the European JV in which the REIT holds a 30% equity interest. As a result of the disposition, the REIT was deemed to have lost control of the previously consolidated Target Companies in accordance with IFRS 10 - *Consolidated financial statements* and accordingly derecognized the assets and liabilities of the Target Companies from the REIT's consolidated statement of financial position, and reclassified \$4.7 million of foreign exchange gain through the statement of income (loss) and other comprehensive income (loss), that was previously recorded in accumulated other comprehensive income. The REIT will retain its investment in the Target Companies through its 30% ownership in the European JV and the remaining 5.1% through a wholly owned subsidiary. The investment in the European JV will be in the form of a joint venture to which the equity method of accounting has been applied in accordance to IAS 28 - *Investments in associates and joint ventures* (note 7).

The accompanying notes are an integral part of these condensed consolidated interim financial statements

NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST**Notes to Condensed Consolidated Interim Financial Statements**

(in thousands of Canadian dollars)

For the three and nine months ended September 30, 2020 and 2019

Unaudited

The aggregate estimated fair value of the assets and liabilities disposed of on the disposition date, September 30, 2020, is as follows:

Investment properties	\$	278,123
Accounts receivable		1,410
Other assets		11
Cash and cash equivalents		536
Mortgages and loans payable		(158,420)
Accounts payable and accrued liabilities		(6,965)
Net assets disposed	\$	114,695
Proceeds from sale	\$	75,633
Retained interest in equity accounted investment		39,062
	\$	114,695
Gain (loss) on disposition	\$	—

The REIT contributed incremental capital to the European JV for its relative interest in addition to the net assets disposed of \$0.6 million. The REIT incurred transaction costs in the amount of \$2.3 million which have been recorded as part of the transaction costs in the statement of income (loss) and comprehensive income (loss). At September 30, 2020, \$75.6 million were receivable from the European JV partner in respect of the REIT's sale of its 94.9% interest in the Target Companies and was recorded in other assets.

NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST**Notes to Condensed Consolidated Interim Financial Statements**

(in thousands of Canadian dollars)

For the three and nine months ended September 30, 2020 and 2019

Unaudited

4. Property Acquisitions

During the nine months ended September 30, 2020 the following investment property acquisitions were completed:

Region	Acquisition Cost ⁽¹⁾		Property specific debt	
Europe	\$	719,284	\$	249,548
Other ⁽²⁾		3,328		—
Total	\$	722,612	\$	249,548

(1) Total acquisition costs includes transaction costs incurred with respect to acquiring the investment property assets.

(2) Other acquisitions include land and properties acquired for future developments.

5. Property Dispositions

During the nine months ended September 30, 2020 the REIT disposed the following investment properties:

Region	Gross Proceeds ⁽¹⁾		Property specific debt settled	
Australasia ⁽ⁱ⁾	\$	380,458	\$	148,277
Europe ⁽ⁱⁱ⁾		278,123		158,420
	\$	658,581	\$	306,697

(1) Proceeds relates to the disposition of the assets held for sale and AREIT sale excludes transaction costs of \$0.9 million and \$4.9 million, respectively.

i. In Q1 2020, the REIT disposed of investment properties in the amount of \$104.4 million that were previously classified as assets held for sale as at December 31, 2019. In addition, on June 30, 2020, investment properties with a fair value of \$276.0 million and related debt of \$148.3M were disposed as part of the sale of 70% interest in AREIT units (note 3).

ii. In Q3 2020, the REIT disposed of a 94.9% interest in entities previously consolidated by the REIT that hold investment properties on the amount of \$278.1 million as part of the sale to European JV (note 3).

As at September 30, 2020, the REIT classified investment properties with a fair value of \$195.1 million and \$82.4 million located in Europe and Australasia, respectively, as held for sale. Liabilities associated with the properties as at September 30, 2020 are \$97.4 million and nil. The European assets are expected to be sold to the European JV by December 31, 2020. The Australasian assets are expected to be sold by September 30, 2021.

NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST**Notes to Condensed Consolidated Interim Financial Statements**

(in thousands of Canadian dollars)

For the three and nine months ended September 30, 2020 and 2019

Unaudited

6. Investment Properties

As at	September 30, 2020	December 31, 2019
Balance, beginning of period	\$ 4,928,111	\$ 4,669,802
Acquisition of investment properties (note 4)	722,612	264,129
Disposition of investment properties (notes 3)	(554,147)	(2,251)
Additions to investment properties	129,915	105,446
Increase in straight line rents	2,467	3,146
Reclassified as assets held for sale	(277,543)	(114,331)
Right of use asset addition	1,696	7,720
Fair value gain (loss)	(4,931)	210,762
Foreign currency translation	(72,358)	(216,312)
Balance, end of period	\$ 4,875,822	\$ 4,928,111

Investment properties are measured at fair value. The investment properties are re-measured to fair value at each reporting date, determined based on internal valuation models incorporating available market evidence, which includes consideration of the valuations performed by third-party appraisers.

The fair values of the investment properties at September 30, 2020 and December 31, 2019 were determined using internal valuation models incorporating available market evidence and the results of valuations performed by third party appraisers. Significant estimates and assumptions used in determining the fair value of the investment properties include capitalization rates, discount rates and future cash flows that incorporate inflation rates, vacancy rates, market rents, property level capital expenditures, and net operating income. The REIT reviewed its future cash flow projections and the valuation of its properties in light of the COVID-19 pandemic during the nine months ended September 30, 2020. The carrying value for the REIT's investment properties reflects its best estimate for the highest and best use as at September 30, 2020.

It is not possible to forecast with certainty the duration and full scope of the economic impact of COVID-19 and other consequential changes it will have on the REIT's business and operations, both in the short term and in the long term. In a long term scenario, certain aspects of the REIT's business and operations that could potentially be impacted include rental income, occupancy, tenant inducements, future demand for space, and market rents, which all impact the underlying valuation of investment properties. The REIT has provided a wider range of measurement uncertainty scenarios with respect to the impact on valuation of investment properties using a range of discount and capitalization rates below.

NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST

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The key valuation metrics for investment properties by region are set out in the following table:

	As at September 30, 2020			
	Canada	Brazil	Europe	Australasia
Discount rate - range	5.3% - 8.5%	6.8% - 8.0%	3.3% - 7.3%	5.8% - 10.0%
Discount rate - weighted average	7.3%	7.3%	6.0%	6.7%
Terminal capitalization rate - range	4.8% - 7.8%	6.5% - 7.5%	4.3% - 7.5%	4.9% - 9.0%
Terminal capitalization rate - weighted average	6.6%	6.9%	5.5%	6.0%
Implied capitalization rate - range	3.6% - 9.7%	6.6% - 7.7%	4.0% - 7.5%	4.9% - 10.7%
Implied capitalization rate - weighted average	6.5%	7.0%	5.6%	5.5%

	As at December 31, 2019			
	Canada	Brazil	Europe	Australasia
Discount rate - range	5.3% - 8.5%	6.8% - 8.0%	3.3% - 7.3%	6.0% - 10.3%
Discount rate - weighted average	7.2%	7.3%	6.0%	6.6%
Terminal capitalization rate - range	4.8% - 8.0%	6.5% - 7.5%	4.3% - 7.5%	5.3% - 8.9%
Terminal capitalization rate - weighted average	6.6%	6.9%	5.6%	6.1%
Implied capitalization rate - range	3.4% - 9.7%	6.6% - 7.7%	3.9% - 7.0%	4.4% - 9.5%
Implied capitalization rate - weighted average	6.5%	7.0%	5.5%	5.5%

The following table summarizes fair value sensitivity for the portion of the REIT's investment properties which is most sensitive to changes in capitalization rates:

Capitalization rate sensitivity increase/ (decrease)	Weighted average overall capitalization rate	Estimated fair value of investment properties	Fair value variance	% Change
(0.75)%	5.20 %	\$ 6,103	\$ 950	18.0 %
(0.50)%	5.45 %	\$ 5,757	\$ 603	12.0 %
(0.25)%	5.70 %	\$ 5,441	\$ 288	6.0 %
— %	5.95 %	\$ 5,153	—	— %
0.25 %	6.20 %	\$ 4,889	(\$ 264)	(5.0)%
0.50 %	6.45 %	\$ 4,646	(\$ 508)	(10.0)%
0.75 %	6.70 %	\$ 4,421	(\$ 732)	(14.0)%

The REIT engages third party appraisers to appraise its investment properties such that approximately one-third of the portfolio is independently appraised annually and every property is appraised at least once over a five-year period. The internal valuation models incorporate the results of valuations performed by third party appraisers. During the three and nine months ended September 30, 2020, investment properties with an aggregate estimated fair value of \$0.7 billion and \$2.8 billion, respectively (for the three and nine months ended months ended September 30, 2019 - \$0.3 billion and \$2.3 billion, respectively) were valued by third party appraisers.

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7. Equity Accounted Investments

The REIT has entered into arrangements with third parties for the purpose of jointly developing, owning and operating investment properties.

Equity Accounted Investments	Ownership Interest	Location
NWI Galaxy JV GmbH & Co. KG ("European JV")	30%	Europe
NorthWest Australia HSO Trust	30%	Australia
NorthWest Australia Hospital Investment Trust	30%	Australia
Northwest Healthcare Properties Australia REIT	30%	Australia

The following table shows the changes in the carrying value of the equity accounted investments:

	September 30, 2020	December 31, 2019
Balance, beginning of period	\$ 134,070	\$ —
Cash contributions	10,340	162,407
Retained interest in investments	66,432	—
Share of profit (loss) for the period	17,260	(16,950)
Distributions	(7,183)	(8,006)
Foreign exchange	7,544	(3,381)
Balance, end of period	\$ 228,463	\$ 134,070

On February 19, 2020, the REIT acquired 30% freehold interests in two medical research institutes through NorthWest Australia Hospital Investment Trust.

On June 30, 2020, the REIT completed the sale of a 70% interest in AREIT units and recognized the remaining 30% retained investment in AREIT as a joint venture (note 3).

On August 23, 2020, the REIT entered into a joint arrangement with an institutional partner in which the REIT holds an interest of 30%. On September 30, 2020, the REIT completed the sale of a 94.9% interest in various limited partnerships to European JV (note 3).

The following tables summarized financial information of the REIT's interest in equity accounted investments:

	September 30, 2020	December 31, 2019
Total assets	\$ 2,013,890	\$ 1,236,364
Total liabilities	(1,209,940)	(790,404)
Net assets	803,950	445,960
Less: Non-controlling interest	(57,154)	—
Ownership Interest	30 %	30 %
Equity Accounted Investments	\$ 228,463	\$ 134,070

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	For the three months ended September 30,		For the nine months ended September 30,	
	2020	2019	2020	2019
Total revenue	\$ 24,384	\$ 18,606	\$ 60,727	\$ 24,126
Expenses				
Operating costs	(1,708)	(383)	(4,235)	(699)
Mortgage and loan interest expense	(3,720)	(5,347)	(11,736)	(7,032)
General and administrative expenses	(183)	(1,343)	(289)	(1,374)
Other	(144)	(94)	(379)	(124)
Fair value adjustments	1,905	(2,385)	15,173	(78,237)
Net income (loss)	\$ 20,534	\$ 9,054	\$ 59,261	\$ (63,340)
Non-controlling interest	(1,728)	—	(1,728)	—
Net profit attributable to unitholders	18,806	9,054	57,533	(63,340)
Weighted average share of profits (loss)	30 %	30 %	30 %	30 %
REIT's share of income (loss)	\$ 5,642	\$ 2,716	\$ 17,260	\$ (19,002)

8. Other Assets

As at	September 30, 2020	December 31, 2019
Amounts due from European JV sale (Note 3)	\$ 75,633	\$ —
Loans and mortgages receivable carried at amortized cost (i)	10,614	26,282
Prepaid expenses and deposits	7,226	11,951
Finance lease receivable (ii)	6,814	6,394
Acquisition and financing costs (iii)	5,848	7,813
Commodity taxes recoverable	5,752	1,896
Right-of-use lease assets (iv)	3,844	4,441
Furniture and office equipment	2,733	3,011
Other	1,689	487
Due from related party (v)	(50)	2,746
	\$ 120,103	\$ 65,021

- i. Loans and mortgages receivable carried at amortized cost relates to an interest-bearing loan secured by an Australian investment property maturing in less than two years.
- ii. Finance lease receivable relates to a long-term lease of land that is a finance lease, bearing a discount rate of 6.5% and remaining term of 68 years.
- iii. Acquisition and financing costs relate to potential acquisitions and debt refinancing which are currently undergoing due diligence and/or negotiation.
- iv. Right-of-use lease assets are net of accumulated amortization of \$6.4 million (December 31, 2019 - \$1.4 million).
- v. In the normal course of operations the REIT has amounts owing to and from NWVP and affiliates (Note 17). The balance is non-interest bearing without specific terms of repayment.

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9. Mortgages and Loans Payable

As at	September 30, 2020	December 31, 2019
Mortgage payable, net of financing costs	\$ 1,044,157	\$ 909,150
Term debt, net of financing costs	1,149,863	1,282,094
Credit facilities, net of financing costs	471,240	138,825
Lease liabilities	12,482	11,322
Total	\$ 2,677,742	\$ 2,341,391
Less: Liabilities related to assets held for sale	97,358	—
Mortgages and loans payable	\$ 2,580,384	\$ 2,341,391
Less: Current portion	764,822	363,083
Non-current debt	\$ 1,815,562	\$ 1,978,308

Mortgages

All mortgages are secured by first or second charges on specific investment properties in Canada and Europe, with a carrying value of \$1.3 billion as at September 30, 2020 (December 31, 2019 - \$1.6 billion).

Term debt

As at September 30, 2020, term debt balance includes Brazilian debt secured by related investment property of \$171.5 million (December 31, 2019 - \$244.8 million); Australian term debt of \$98.0 million (December 31, 2019 - \$342.4 million) secured by assets owned by an Australian subsidiary (excluding any non-controlling interests); New Zealand term debts of \$777.0 million (December 31, 2019 - \$596.5 million) secured by Vital Trust's security trust deed and by a first mortgage ranking over the respective investment properties held by Vital Trust; and Australasian secured term financing of \$110.2 million (December 31, 2019 - \$109.6 million) secured by 111,923,175 units (December 31, 2019 - 108,823,293 units) of Vital Trust held by the REIT.

Credit facilities

As at September 30, 2020, the balance outstanding includes \$403.9 million of revolving credit facilities with weighted average interest rate of 3.39% (December 31, 2019 - \$130.0 million) and \$69.0 million of non-revolving credit facilities with weighted average interest rate of 7.63% (December 31, 2019 - \$10.0 million). The revolving credit facility is secured by first and second charges on certain Canadian investment properties with an estimated fair value of \$498.3 million, and the terms of a general security agreement.

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Lease liabilities

The lease of land on which one of the REIT's investment properties is built is accounted for as a finance lease. The remaining term of the lease at September 30, 2020 was 67 years. In addition, as part of the transition to IFRS 16 in the prior year, the REIT recognized lease liabilities for leases where the REIT acts as a lessee. Minimum payments under the lease and their present values are as follows:

As at	September 30, 2020	December 31, 2019
Minimum lease payments payable:		
Not later than one year	\$ 1,634	\$ 1,715
Later than one year and not later than five years	5,367	5,858
Later than five years	31,292	30,641
	38,293	38,214
Future finance charges	(25,811)	(26,892)
Present value of minimum lease payments	\$ 12,482	\$ 11,322
Present value of minimum lease payments:		
Not later than one year	1,560	1,668
Later than one year and not later than five years	4,637	5,145
Later than five years	6,285	4,509
	\$ 12,482	\$ 11,322

As at September 30, 2020, the scheduled principal repayments and debt maturities are as follows:

	Mortgage Debt	Term Debt	Credit Facilities	Finance Lease	Total
2020 (remainder)	\$ 5,597	\$ 4,476	\$ 67,500	\$ 423	\$ 77,996
2021	382,642	312,830	191,623	1,541	888,636
2022	201,483	480,999	213,739	1,474	897,695
2023	72,914	238,792	—	1,388	313,094
2024	108,621	17,263	—	985	126,869
2025 & thereafter	281,936	102,350	—	6,671	390,957
	\$ 1,053,193	\$ 1,156,710	\$ 472,862	\$ 12,482	\$ 2,695,247
Financing costs	(10,276)	(6,847)	(1,622)	—	(18,745)
Mark-to-market adjustment	1,240	—	—	—	1,240
Total	\$ 1,044,157	\$ 1,149,863	\$ 471,240	\$ 12,482	\$ 2,677,742

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A summary of the maturity and the weighted average interest rates relating to the mortgages and loans payable, including term debt and credit facilities, outstanding at September 30, 2020 are as follows:

	Maturity	Weighted Average Interest Rate	Carrying Value	Available to be Drawn
Fixed rate				
Mortgage debt	October 2020 - June 2030	2.76 %	\$ 1,032,054	\$ —
Term debt	March 2021 - June 2031	4.63 %	591,329	80,928
Total fixed rate debt			\$ 1,623,383	\$ 80,928
Variable Rate				
Mortgage debt	March 2022	2.79 %	21,139	—
Term debt	March 2021 - October 2023	1.96 %	565,381	74,802
Credit facilities	January 2021 - November 2022	4.01 %	472,862	31,138
Total variable rate debt			\$ 1,059,382	\$ 105,940
Total debt excluding the following:			\$ 2,682,765	\$ 186,868
Finance lease			12,482	—
Mark-to-market adjustment			1,240	—
Financing costs			(18,745)	—
Total debt			\$ 2,677,742	\$ 186,868

The table below summarizes the movements in the REIT's mortgages and loans during the nine months ended September 30, 2020:

	Mortgage Debt	Term Debt	Credit Facilities	Total
Opening balance, January 1, 2020	\$909,150	\$1,282,094	\$138,825	\$2,330,069
Repayments	(94,421)	(114,782)	(321,524)	(530,727)
Mortgages and loans dispositions (note 3)	(158,420)	(148,277)	—	(306,697)
Advances	351,307	147,514	654,339	1,153,160
Reclassified as held for sale	(97,358)	—	—	(97,358)
Additional financing fees incurred	(9,345)	(427)	(1,936)	(11,708)
Amortization of finance fees	2,582	2,857	1,433	6,872
Amortization of mark-to-market	(760)	—	—	(760)
Inflation adjustment	—	3,321	—	3,321
Foreign exchange adjustment	44,064	(22,437)	103	21,730
Ending balance, September 30, 2020	\$946,799	\$1,149,863	\$471,240	\$2,567,902

The REIT has entered into interest rate swap contracts to limit its exposure to fluctuations in the interest rates on its \$607.2 million variable rate mortgage debt as at September 30, 2020 (December 31, 2019 - \$714.9 million). The interest rate swaps terminate between 2021 and 2030, refer to note 11.

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10. Convertible Debentures

The movements in fair value of convertible debentures were as follows:

As at	September 30, 2020		December 31, 2019	
Balance, beginning of period	\$	391,201	\$	401,235
Conversion to REIT units (note 15)		(51,483)		(940)
Convertible debentures redeemed		(44,566)		(38,585)
Change in fair value of convertible debentures		(8,474)		29,491
Balance, end of period	\$	286,678	\$	391,201

The fair values of convertible debentures outstanding, determined on the basis of the closing market price as at the reporting date, are as follows:

As at	September 30, 2020		December 31, 2019	
NWH.DB	\$	—	\$	40,351
NWH.DB.D		—		55,254
NWH.DB.E		76,220		77,987
NWH.DB.F		81,708		85,137
NWH.DB.G		128,750		132,472
Fair Value	\$	286,678	\$	391,201
Current		76,220		95,605
Non-Current		210,458		295,596
	\$	286,678	\$	391,201

Debentures Series	Conversion price per Unit (\$)	Maturity	Interest rate	Interest payment	Interest payment dates
NWH.DB.E	\$12.75	July 31, 2021	5.25%	Semi-annual	Jan 31 and July 31
NWH.DB.F	\$12.80	December 31, 2021	5.25%	Semi-annual	June 30 and December 31
NWH.DB.G	\$13.35	December 31, 2023	5.50%	Semi-annual	June 30 and December 31

On January 17, 2020, the REIT fully repaid the \$40.3 million outstanding carrying value amount of the 5.25% NWH.DB convertible debenture series. In addition, \$47.7 million of the \$52.1 million carrying value amount 5.5% NWH.DB.D convertible debenture series were converted by the debenture holders into 4,238,308 REIT units during the nine month period ended September 30, 2020 (Note 15). The REIT fully repaid the remaining \$4.4 million principal balance outstanding for those debentures not converted.

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11. Financial Instruments

As at	September 30, 2020	December 31, 2019
Financial assets:		
Foreign exchange contracts ⁽ⁱ⁾	22	155
Total financial assets	22	155
Financial liabilities:		
Interest rate swaps ⁽ⁱⁱ⁾	66,958	48,475
Foreign exchange contracts ⁽ⁱⁱ⁾	128	—
Total financial liabilities	\$ 67,086	\$ 48,475

Derivative financial asset

(i) The derivative financial instrument asset relates to foreign exchange contracts in place at Vital Trust. The forward exchange contracts are measured using a valuation model based on the applicable forward price curves derived from observable forward prices.

Derivative financial liability

(ii) The REIT has entered into interest rate swap contracts during the three and nine months ended September 30, 2020 with respect to certain Canadian and German mortgages, and portions of the Vital Trust facility for a total of \$607.2 million (note 9). The interest rate derivatives mature over the next 1 to 10 years and have fixed interest rates ranging from 1.38% to 4.32%.

The components of the gain/(loss) on derivative financial instruments are as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2020	2019	2020	2019
Fair value adjustment - interest rate swaps	\$ (3,958)	\$ (11,269)	\$ (18,727)	\$ (42,380)
Receipts/(payments) under transaction hedging foreign exchange contracts	(102)	(144)	12	90
Fair value adjustment - foreign exchange contracts	181	54	—	95
Fair value adjustment - forward contracts	—	—	—	39,352
Fair value adjustment - option contracts	—	—	—	(24,658)
Distribution equivalent - forward contract	—	—	—	7,669
Finance costs - embedded funding contained in forward contract	—	—	—	(8,384)
	\$ (3,879)	\$ (11,359)	\$ (18,715)	\$ (28,216)

12. Deferred Unit Plan ("DUP") Liability

The REIT's DUP became effective in March 2010 and was re-approved at the annual general meeting of Unitholders in 2019. The DUP is administered by the Compensation, Governance and Nominating Committee. The purpose of the DUP is to promote a greater alignment of interests between the Trustees, officers and certain other participants of the REIT and the Unitholders. Under the plan, the maximum number of units authorized for issuance shall not exceed 5% of the units issued and outstanding at any given time. The deferred units can be settled at the holders' option in units or cash subject to the REIT's approval and are treated as a financial liability until redeemed.

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Deferred unit plan liabilities also exist with respect to a plan administered by NorthWest Healthcare Properties Management Limited (the "Global Manager") and are related to deferred units of Vital Trust, a consolidated subsidiary.

(a) Liability:

As at	September 30, 2020		December 31, 2019	
Balance, beginning of period	\$	19,656	\$	13,030
Unit based compensation expense		6,311		8,361
Exercised and paid in cash		(1,867)		(4,092)
Exercised and settled in Trust Units		(840)		(1,135)
Fair value adjustment		(700)		3,600
Foreign exchange		18		(108)
Balance, end of period	\$	22,578	\$	19,656

The balance of the DUP liability at September 30, 2020 consists of \$21.3 million related to the REIT's DUP and \$1.2 million related to Vital Trust's DUP (December 31, 2019 - \$17.7 million related to the REIT's DUP and \$2.0 million related to Vital Trust's DUP).

Unit-based compensation expense is measured on grant at the service commencement date, based on the fair market value of a REIT unit or Vital Trust unit, as applicable, and amortized over the vesting period. Unit-based compensation does not qualify as an equity award and is classified as a liability. The awards are measured at fair-value each reporting period, based on the fair market value of a REIT unit or Vital Trust unit, as applicable, and the change in fair value is recognized as compensation expense for the period.

(b) Units outstanding under the deferred unit plans:

As at September 30, 2020	REIT	Vital Trust
Balance, beginning January 1, 2020	1,737,584	1,172,781
Granted	709,542	3,550
Exercised and paid in cash	(74,034)	(471,632)
Exercised and paid in REIT units	(89,576)	—
Forfeited	(15,814)	—
Distribution entitlement	109,670	—
Balance, as at September 30, 2020	2,377,372	704,699
Units vested but not exercised	1,462,321	83,082

For the three and nine months ended September 30, 2020, the REIT granted 688,031 and 709,542 DUP units with a grant-date fair value of \$6.7 million and \$6.7 million, respectively (for the three and nine months ended months ended September 30, 2019 - 88,066 and 564,901 DUP units with a fair value of \$0.9 million and \$6.4 million, respectively).

13. Class B Exchangeable Units

The Class B exchangeable units are economically equivalent to REIT units and are entitled to receive distributions equal to those provided to holders of REIT units. The fair value of the Class B exchangeable unit liability is determined with reference to the market price of the REIT's units at the reporting date.

On March 23, 2020, 15,998,065 Class B units held by NWVP were converted to REIT units. As at September 30, 2020, there were 1,710,000 Class B exchangeable units (December 31, 2019 - 17,708,065) of

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NorthWest International Healthcare Properties LP ("NWI LP") issued and outstanding with fair value of \$19.4 million (December 31, 2019 - \$211.3 million).

Distributions declared on the Class B exchangeable units of NWI LP totaled \$0.3 million and \$3.2 million for the three and nine months ended September 30, 2020, respectively (for the three and nine months ended months ended September 30, 2019 - \$3.5 million and \$10.6 million, respectively) and have been accounted for as finance costs in profit or loss.

The following table shows the continuity of the Class B exchangeable units:

	Units	Amount
Balance, December 31, 2019	17,708,065	\$ 211,257
Converted to REIT units	(15,998,065)	(106,387)
Fair value adjustment	—	(85,444)
Balance, September 30, 2020	1,710,000	\$ 19,426

14. Rental Revenue

The components of rental revenue are as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2020	2019	2020	2019
Rental income	\$ 72,861	\$ 68,378	\$ 216,807	\$ 206,505
Operating cost recoveries	14,158	14,074	42,466	43,676
Tax and insurance recoveries	6,527	6,320	17,241	17,228
Other revenue	1,540	2,334	4,459	7,039
Rental revenue	\$ 95,086	\$ 91,106	\$ 280,973	\$ 274,448

15. Unitholders' Equity

The REIT is authorized to issue two categories of equity: (a) REIT units; and (b) special voting units attached to the exchangeable Class B exchangeable units of NWI LP, a subsidiary of the REIT.

The REIT is authorized to issue an unlimited number of REIT units without par value. Each unit represents a single vote at any meeting of unitholders and entitles the unitholder to receive a pro rata share of all distributions. The unitholders have the right to require the REIT to redeem their units on demand. Upon receipt of the redemption notice by the REIT, all rights to and under the units tendered for redemption shall be surrendered and the holder thereof shall be entitled to receive a price per unit ("Redemption Price"), as determined by a market formula.

The Redemption Price will be paid in accordance with the conditions provided for in the Declaration of Trust.

The special voting units are only issued in tandem with Class B exchangeable units and are not transferable separately from the Class B exchangeable units to which they are attached. As Class B exchangeable units are exchanged or surrendered for REIT units, the corresponding special voting units will be cancelled for no consideration. Special voting units have no economic entitlement in the REIT, however, it entitles the holder to one vote per special voting unit at any meeting of the unitholders. The REIT's Trustees have discretion in declaring distributions.

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The following table shows the changes in REIT units:

	REIT units	Amount
Balance, December 31, 2018	103,570,247	\$ 953,169
Units issued through distribution reinvestment plan (i)	995,102	11,205
Units issued on conversion of convertible debentures (note 10)	74,975	940
Units issued under deferred unit plan (note 12)	107,342	1,135
Units issued pursuant to equity offering	48,879,000	569,546
Units issuance cost	—	(25,750)
Balance, December 31, 2019	153,626,666	\$ 1,510,245
Units issued through distribution reinvestment plan (i)	522,825	5,620
Units issued on conversion of convertible debentures (note 10)	4,244,780	51,483
Units issued under deferred unit plan (note 12)	89,576	840
Units issued pursuant to conversion of Class B units (note 13)	15,998,065	106,387
Units cancelled pursuant to NCIB (ii)	(800,207)	(7,196)
Units issued pursuant to private placement (iii)	2,049,180	25,000
Units issuance costs	—	(506)
Balance, September 30, 2020	175,730,885	\$ 1,691,873

- (i) The REIT has established a distribution reinvestment plan ("DRIP") for its unitholders, which allows participants to reinvest their monthly cash distributions in additional units at an effective discount of 3%. On March 24, 2020, in response to market volatility caused by the COVID-19 pandemic the Board approved the elimination of the 3% bonus distribution under the DRIP, commencing with the April 2020 distribution. The DRIP will remain suspended until further notice.
- (ii) On March 24, 2020 the TSX approved the REIT's application to proceed with a normal course issuer bid ("NCIB") for a portion of its Trust Units from time to time. Trust Units representing up to 10% of the REIT's public float may be purchased for cancellation under the NCIB, subject to certain maximum daily amounts, over the next 12 months. During the nine months ended September 30, 2020, the REIT purchased 800,207 units at a weighted average price per unit of \$8.99, for a total cost of \$7.2 million (including commissions).
- (iii) In connection with a public offering of units in December 19, 2019, on January 31, 2020, the REIT closed a private placement with NWVP for gross proceeds of approximately \$25.0 million.

The accompanying notes are an integral part of these condensed consolidated interim financial statements

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16. Supplemental Cash Flow Information

(i) Cash, cash equivalents and restricted cash

As at	September 30, 2020		December 31, 2019	
Cash and cash equivalents	\$	64,849	\$	192,150
Restricted cash		42		53
Total cash, cash equivalents and restricted cash	\$	64,891	\$	192,203

Restricted cash represents cash held in the REIT's designated bank accounts pledged as collateral for the Brazil term debt (note 9).

(ii) Changes in Non-Cash Working Capital Balances

	For the three months ended September 30,		For the nine months ended September 30,	
	2020	2019	2020	2019
Accounts receivable	\$ 3,345	\$ (1,937)	\$ 1,648	\$ 6,908
Other assets	(4,508)	(14,687)	2,775	(12,722)
Accounts payable and accrued liabilities	13,233	(11,097)	16,854	(5,719)
Changes in non-cash working capital balances	\$ 12,070	\$ (27,721)	\$ 21,277	\$ (11,533)

(iii) Non-Cash Financing and Investing Activities

	For the three months ended September 30,		For the nine months ended September 30,	
	2020	2019	2020	2019
Non cash distributions to Unitholders under the DRIP (note 15)	\$ 11	\$ 3,022	\$ 5,620	\$ 7,862
Units issued under deferred unit plan (note 12)	30	202	840	1,053
Non-cash conversion of convertible debentures	—	165	51,483	192
Non-cash conversion of Class B exchangeable units (note 13)	—	—	106,387	—

(iv) Finance costs

	For the three months ended September 30,		For the nine months ended September 30,	
	2020	2019	2020	2019
Distributions on Exchangeable Units	\$ 342	\$ 3,541	\$ 3,159	\$ 10,625
Accretion of financial liabilities	759	130	3,321	3,978
Amortization of deferred financing costs	2,991	5,453	6,872	9,591
Amortization of marked to market adjustment	(252)	(330)	(760)	(1,020)
Fair value adjustment of Convertible Debentures	5,368	740	(8,474)	24,468
Fair value adjustment of Class B exchangeable units	958	(177)	(85,444)	40,552
Total finance costs	\$ 10,166	\$ 9,357	\$ (81,326)	\$ 88,194

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17. Related Party Transactions

- (a) On January 31, 2020, the REIT completed a private placement of 2,049,180 REIT Units to NWVP for gross proceeds of approximately \$25.0 million (note 15). On March 23, 2020, 15,998,065 Exchangeable Units held by NWVP were converted to REIT Units (note 13).

As at September 30, 2020, NWVP indirectly owned approximately 15.4% (approximately 13.5% on a fully diluted basis assuming conversion of the REIT's convertible debentures and redemption of its deferred units) of the REIT through a combination of units of the REIT and Class B exchangeable units of NWI LP. Paul Dalla Lana, Chairman of the Board of Trustees and Chief Executive Officer ("CEO") of the REIT, is the sole shareholder, sole director and President of NWVP.

- (b) In the normal course of operations, the REIT has amounts owing to and from NWVP and affiliates which includes compensation for CEO management services and related expense reimbursements. As at September 30, 2020, these non-interest bearing amounts without repayment terms are representative of a net asset included in other assets totaling \$nil (December 31, 2019 - a net asset of \$2.7 million). See note 8 for further details.
- (c) At September 30, 2020, included in accounts payable and accrued liabilities are Class B exchangeable unit distributions payable owing to NWVP and affiliates in the amount of \$0.1 million (December 31, 2019 - \$1.2 million), which were settled subsequent to period end.
- (d) In the normal course of operations the REIT entered into related party transactions with NWVP and affiliates in the amount of \$0.1 million and \$10.4 million during the three and nine months ended September 30, 2020, respectively (three and nine months ended months ended September 30, 2019 - \$0.2 million and \$0.7 million, respectively) relating to CEO management services, cost-sharing and sublease agreements and reimbursement for out-of-pocket costs.

18. Segmented Information

The REIT operates in one industry segment being the real estate industry segment; however the REIT monitors and operates its European, Brazilian, Canadian, and Australasian operations separately. The CEO assesses the performance of each of the operating segments based on a measure of operating income (loss). The accounting policies for each of the segments are the same as those for the REIT. The REIT's trust and general and administrative expenses are managed centrally in Canada and are not allocable to operating segments, however certain operating segments incur general and administrative expenses specific to their segment.

During the three and nine months ended September 30, 2020, two tenants in Brazil accounted for 11% (for the three and nine months ended months ended September 30, 2019 - 15%), and one tenant in Australasia operating segment accounted for 14% (for the three and nine months ended months ended September 30, 2019 - 15%) of the total revenue from investment properties.

As at September 30, 2020	Europe	Brazil	Australasia	Canada	Total
Investment properties	\$1,088,542	\$ 586,951	\$1,993,796	\$1,206,533	\$4,875,822
Mortgages and loans payable	\$ 465,142	\$ 166,182	\$ 879,203	\$1,069,857	\$2,580,384
As at December 31, 2019	Europe	Brazil	Australasia	Canada	Total
Investment properties	\$ 785,252	\$ 781,837	\$2,171,276	\$1,189,746	\$4,928,111
Mortgages and loans payable	\$ 424,976	\$ 236,825	\$ 941,576	\$ 738,014	\$2,341,391

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For the three months ended September 30, 2020	Europe	Brazil	Australasia	Canada	Total
Operating Income (Loss)					
Revenue from investment properties	\$ 21,899	\$ 10,535	\$ 31,543	\$ 31,109	95,086
Property operating costs	3,763	—	4,433	14,651	22,847
Net property operating income	18,136	10,535	27,110	16,458	72,239
Other income					
Interest and other	197	87	223	6	513
Management fee	—	—	3,656	—	3,656
Share of profit of associate	—	—	5,642	—	5,642
	197	87	9,521	6	9,811
Mortgage and loan interest expense	3,654	2,031	7,105	12,415	25,205
General and administrative expenses	1,181	355	2,706	2,838	7,080
Transaction costs	2,409	—	148	1,894	4,451
Foreign exchange (gain) loss	(37)	—	2,349	(1,930)	382
	7,207	2,386	12,308	15,217	37,118
Operating income (loss)	\$ 11,126	\$ 8,236	\$ 24,323	\$ 1,247	\$ 44,932
For the three months ended September 30, 2019	Europe	Brazil	Australasia	Canada	Total
Operating Income (Loss)					
Revenue from investment properties	\$ 12,604	\$ 13,523	\$ 35,056	\$ 29,923	\$ 91,106
Property operating costs	2,836	—	5,329	13,154	21,319
Net property operating income	9,768	13,523	29,727	16,769	69,787
Other income					
Interest and other	132	1,339	893	88	2,452
Management fee	—	—	2,231	—	2,231
Share of profit of associate	—	—	2,716	—	2,716
	132	1,339	5,840	88	7,399
Mortgage and loan interest expense	2,189	7,238	10,073	14,304	33,804
General and administrative expenses	929	595	3,050	3,479	8,053
Transaction costs	—	970	411	38	1,419
Foreign exchange (gain) loss	(22)	(19)	4,073	(4,076)	(44)
	3,096	8,784	17,607	13,745	43,232
Operating income (loss)	\$ 6,804	\$ 6,078	\$ 17,960	\$ 3,112	\$ 33,954

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For the nine months ended September 30, 2020	Europe	Brazil	Australasia	Canada	Total
Operating Income					
Revenue from investment properties	\$ 56,470	\$ 34,344	\$ 96,990	\$ 93,169	\$ 280,973
Property operating costs	10,362	—	11,925	43,899	66,186
Net property operating income	46,108	34,344	85,065	49,270	214,787
Other income					
Interest and other	215	236	1,084	110	1,645
Management fee	—	—	7,425	—	7,425
Share of income (loss) of associate	—	—	17,260	—	17,260
	215	236	25,769	110	26,330
Mortgage and loan interest expense	8,526	6,628	23,484	35,217	73,855
General and administrative expenses	2,954	1,057	8,212	9,700	21,923
Transaction costs	3,009	213	14,807	13,595	31,624
Foreign exchange (gain) loss	(75)	10	5,604	8,097	13,636
	14,414	7,908	52,107	66,609	141,038
Operating income (loss)	\$ 31,909	\$ 26,672	\$ 58,727	\$ (17,229)	\$ 100,079
For the nine months ended September 30, 2019	Europe	Brazil	Australasia	Canada	Total
Operating Income					
Revenue from investment properties	\$ 36,587	\$ 41,749	\$ 104,715	\$ 91,397	\$ 274,448
Property operating costs	9,133	—	14,594	41,385	65,112
Net property operating income	27,454	41,749	90,121	50,012	209,336
Other income					
Interest and other	283	1,508	3,130	202	5,123
Management fee	—	—	10,020	—	10,020
Share of income (loss) of associate	—	—	(19,002)	—	(19,002)
	283	1,508	(5,852)	202	(3,859)
Mortgage and loan interest expense	6,359	13,860	32,593	45,584	98,396
General and administrative expenses	2,939	1,750	8,604	11,805	25,098
Transaction costs	—	984	9,221	911	11,116
Foreign exchange (gain) loss	(23)	(1,197)	3,674	(5,616)	(3,162)
	9,275	15,397	54,092	52,684	131,448
Operating income (loss)	\$ 18,462	\$ 27,860	\$ 30,177	\$ (2,470)	\$ 74,029

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19. Non-Controlling Interests

The following tables present summarized accounts for Vital Trust and two investment properties Divine, and Fritz-Lang-Platz 6, held by Australia REIT and NWI Gesundheitsimmobilien GmbH & Co. KG, respectively, where a non-controlling or partial interest is owned by a third party. On June 30, 2020, the REIT sold a 70% interest in its Australia REIT subsidiary (note 3), and as a result the non-controlling interest balance related to Divine is no longer consolidated by the REIT.

In August 2020, the REIT purchased additional 725,000 ordinary Vital Trust units on market for \$1.7 million, which resulted in a change in relative interest of non-controlling interests. The difference between the carrying value of the units and the consideration paid of \$0.2 million has been recognized in equity under Other Comprehensive Income through the Statements of Income (Loss) and Comprehensive Income (Loss).

The net assets and income (loss) attributable to the non-controlling interests and the REIT are as follows:

As at September 30, 2020	Vital Trust		Fritz-Lang-Platz 6		Total	
REIT's ownership interest	25.5 %		94.9 %			
Total assets	\$	1,926,483	\$	21,836	\$	1,948,319
Total liabilities		958,238		10,002		968,240
Net assets	\$	968,245	\$	11,834	\$	980,079
Attributable to:						
Unitholders of the REIT		246,291		11,295		257,586
Non-controlling interest		721,954		539		722,493
	\$	968,245	\$	11,834	\$	980,079
For the three months ended September 30, 2020						
	Vital Trust		Fritz-Lang-Platz 6		Total	
	For the three months ended September 30, 2019		Vital Trust		Divine	
	Lang-Platz 6		Total			
Revenue from investment properties	\$	28,488	\$	404	\$	28,892
	\$	25,109	\$	1,902	\$	382
	\$	27,393				
Net income attributable to:						
Unitholders of the REIT		2,220		88		2,308
		(513)		908		358
		753				
Non-controlling interest		6,639		4		6,643
		(1,576)		677		10
		(889)				
Net income	\$	8,859	\$	92	\$	8,951
	\$	(2,089)	\$	1,585	\$	368
	\$	(136)				
Total comprehensive income attributable to:						
Unitholders of the REIT		6,111		12		6,123
		5,049		(937)		(121)
		3,991				
Non-controlling interest		17,537		15		17,552
		15,252		(710)		(6)
		14,536				
Total comprehensive income (loss)	\$	23,648	\$	27	\$	23,675
	\$	20,301	\$	(1,647)	\$	(127)
	\$	18,527				
Distributions attributable to non-controlling interest						
	\$	13,191	\$	—	\$	13,191
	\$	6,460	\$	724	\$	(6)
	\$	7,178				

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	For the nine months ended September 30, 2020				For the nine months ended September 30, 2019			
	Vital Trust	Divine	Fritz-Lang-Platz 6	Total	Vital Trust	Divine	Fritz-Lang-Platz 6	Total
Revenue from investment properties	\$ 77,130	\$ 3,810	\$ 1,172	\$ 82,112	\$ 74,436	\$ 5,706	\$ 1,144	\$ 81,286
Net income (loss) attributable to:								
Unitholders of the REIT	3,080	1,667	449	5,196	11,421	3,430	339	15,190
Non-controlling interest	9,234	1,316	23	10,573	34,445	2,691	18	37,154
Net income (loss)	\$ 12,314	\$ 2,983	\$ 472	\$ 15,769	\$ 45,866	\$ 6,121	\$ 357	\$ 52,344
Total comprehensive income (loss) attributable to:								
Unitholders of the REIT	12,045	1,257	113	13,415	15,588	(1,709)	(140)	13,739
Non-controlling interest	35,366	2,785	59	38,210	47,185	(1,295)	(7)	45,883
Total comprehensive income (loss)	\$ 47,411	\$ 4,042	\$ 172	\$ 51,625	\$ 62,773	\$ (3,004)	\$ (147)	\$ 59,622
Distributions attributable to non-controlling interest	\$ 19,606	\$ 716	\$ —	\$ 20,322	\$ 19,633	\$ 2,153	\$ (1)	\$ 21,785

	For the three months ended September 30, 2020				For the three months ended September 30, 2019			
	Vital Trust	Divine	Fritz-Lang-Platz 6	Total	Vital Trust	Divine	Fritz-Lang-Platz 6	Total
Cash flow activities:								
Operating	\$ 8,300	\$ —	\$ —	\$ 8,300	\$ (1,743)	\$ 3,947	\$ 144	\$ 2,348
Investing	(50,542)	—	—	(50,542)	(12,382)	(1,858)	—	(14,240)
Financing	39,449	—	—	39,449	11,980	(3,042)	(121)	8,817
Effect of foreign currency translation	2,559	—	(1)	2,558	(1,174)	914	3	(257)
Net change in cash	\$ (234)	\$ —	\$ (1)	\$ (235)	\$ (3,319)	\$ (39)	\$ 26	\$ (3,332)

	For the nine months ended September 30, 2020				For the nine months ended September 30, 2019			
	Vital Trust	Divine	Fritz-Lang-Platz 6	Total	Vital Trust	Divine	Fritz-Lang-Platz 6	Total
Cash flows from (used in):								
Operating	\$ 27,639	\$ 2,645	\$ 411	\$ 30,695	\$ 18,996	\$ 9,132	\$ 346	\$ 28,474
Investing	(101,244)	—	—	(101,244)	(22,899)	(1,858)	—	(24,757)
Financing	71,206	(1,659)	(428)	69,119	838	(6,326)	(495)	(5,983)
Effect of foreign currency translation	2,201	(1,793)	(1)	407	(2,707)	(968)	5	(3,670)
Net change in cash	\$ (198)	\$ (807)	\$ (18)	\$ (1,023)	\$ (5,772)	\$ (20)	\$ (144)	\$ (5,936)

The REIT is subject to restrictions over the extent to which it can access funds of Vital Trust and Fritz-Lang-Platz 6 in the form of cash distributions, or use of assets and access to debt and credit facilities as a result of borrowing arrangements, regulatory restrictions and the REIT's economic interests in Vital Trust and Fritz-Lang-Platz 6, being limited to approximately 25.5% and 94.9%, respectively.

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20. Commitments and Contingent Liabilities

- a. The REIT obtains letters of credit to support its obligations with respect to construction work on its investment properties and satisfying mortgage financing requirements. As at September 30, 2020, the REIT has a total of \$0.9 million in outstanding letters of credit, under the REIT's secured revolving floating rate credit facility, related to construction work that is being performed on investment properties. The REIT does not believe that any of these standby letters of credit are likely to be drawn upon.
- b. Pursuant to the disposition of the REIT's 70% interest in AREIT units (note 3), the REIT indemnified the joint venture partner of potential tax liabilities related to AREIT's investment properties. The indemnity expires if the properties are not sold within 15 years of settlement. Given that the disposition of properties is dependent on uncertain future events not within the control of the REIT, and that the taxable outcome of the disposition is not estimable due to the variables involved, the REIT has not recognized a provision related to the indemnification.
- c. The REIT has entered into acquisitions and construction agreements on development properties and is committed to associated costs of \$246.1 million as at September 30, 2020 (December 31, 2019 - \$228.6 million).
- d. The REIT indemnifies individuals who have acted at the REIT's request to be a trustee and/or director and/or officer of the REIT (and/or one or more of its direct and indirect subsidiaries), to the extent permitted by law, against any and all damages, liabilities, costs, charges or expenses suffered by or incurred by the individuals as a result of their service. The claims covered by such indemnifications are subject to statutory and other legal limitation periods. The nature of the indemnification agreements prevents the REIT from making a reasonable estimate of the maximum potential amount it could be required to pay to beneficiaries of such indemnification agreements.
- e. The REIT is subject to legal and other claims in the normal course of business. Management and the REIT's legal counsel evaluate all claims. In the opinion of management these claims are generally covered by the REIT's insurance policies and any liability from such claims would not have a significant effect on the REIT's condensed consolidated interim financial statements.

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21. Fair Values

Estimated 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.

The REIT uses a fair value hierarchy to categorize the inputs used in valuation techniques to measure fair value of financial instruments and investment properties. The classifications are as follows: the use of quoted market prices for identical assets or liabilities (Level 1), internal models using observable market information as inputs (Level 2) and internal models without observable market information as inputs (Level 3).

The REIT determined the fair value of each investment property using the discounted cash flow method. The discounted cash flow method discounts the expected future cash flows, generally over a term of 10 years, including a terminal value based on the application of a capitalization rate to estimate cash flows beyond the term of 10 years. Note 6 outlines the key assumptions used by the REIT in determining fair value of its investment properties.

Derivatives instruments are valued using a valuation technique with market-observable inputs (Level 2) and include the put/call option, forward contract and the interest rate swap. The most frequently applied valuation technique includes forward pricing models, using present value calculations. The models incorporate various inputs including forward rates and interest rate curves.

As allowed under IFRS 13, if an asset or a liability measured at fair value has a bid and an ask price, the price within the bid-ask spread that is the most representative of fair value in the circumstances shall be used to measure fair value. The REIT has chosen to use closing market price (Level 1) as a practical expedient for fair value measurement for its Class B exchangeable units, DUP liability and convertible debentures.

The fair value of the REIT's mortgages and loans payable and deferred consideration are determined using present value calculations based on market-observable interest rates for mortgages and loans with similar terms and conditions (Level 2). The carrying values of the REIT's financial assets, which include accounts receivable, other assets, and cash and restricted cash, as well as financial liabilities, which includes accounts payable and accrued liabilities, distributions payable approximate their recorded fair values due to their short-term nature.

The fair value hierarchy of assets and liabilities measured at fair value on the consolidated statement of financial position or disclosed in the notes to the consolidated financial statements as at September 30, 2020 is as follows:

	Carrying value	Fair Value		
		Level 1	Level 2	Level 3
Assets measured at fair value:				
Investment properties	\$ 4,875,822	\$ —	\$ —	\$ 4,875,822
Financial instruments	22	—	22	—
Assets held for sale	277,543	—	—	277,543
Assets recorded at amortized cost:				
Loans receivable	10,614	—	—	10,614
Liabilities measured at fair value:				
Financial instruments	67,086	—	67,086	—
Convertible debentures	286,678	286,678	—	—
Class B LP exchangeable units	19,426	19,426	—	—
Deferred unit plan liabilities	22,578	22,578	—	—
Financial liabilities recorded at amortized cost:				
Mortgage and loans payable	2,580,384	—	2,603,173	—
Liabilities related to assets held for sale	97,358	—	97,358	—

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22. Capital Management

The REIT considers its capital to be its unitholders' equity, Class B exchangeable units, and debt. The REIT is free to determine the appropriate level of capital in context with its cash flow requirements, overall business risks and potential business opportunities. As a result of this, the REIT will make adjustments to its capital based on its investment strategies and changes to economic conditions.

The REIT's strategy is also driven by policies as set out in the Declaration of Trust. The requirements of the REIT's operating policies as outlined in the Declaration of Trust include the requirement that the REIT will not incur or assume indebtedness which would cause the total indebtedness of the REIT to exceed 65% of Gross Book Value as defined. Indebtedness as defined in the Declaration of Trust excludes deferred revenue, Class B exchangeable units, and unsecured debt which includes convertible debentures.

At September 30, 2020, the REIT is in compliance with its debt to gross book value ratio of the Declaration of Trust at 47.6% (December 31, 2019 - 42.5%).

As at	September 30, 2020	December 31, 2019
Debt		
Gross value of debt excluding convertible debentures ⁽¹⁾	\$ 2,695,247	\$ 2,354,897
Gross value of total debt ⁽²⁾	2,981,925	2,746,098
Gross Book Value of Assets		
Total assets	\$ 5,666,577	\$ 5,535,304
Debt-to-Gross Book Value (Declaration of Trust)	47.6 %	42.5 %
Debt-to-Gross Book Value (including convertible debentures)	52.6 %	49.6 %

(1) represents the principal balance of mortgages, credit facilities, term debt and finance lease.

(2) represents the principal balance of mortgages, credit facilities, term debt, finance lease and convertible debentures (at fair value).

The REIT's capital management is also impacted by various financial covenants in certain loan agreements. As at September 30, 2020, the REIT is in compliance with all such financial covenants.

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23. Risk Management

In the normal course of business, the REIT is exposed to a number of risks that can affect its operating performance. These risks and the actions taken to manage them are consistent with those disclosed in the annual consolidated financial statements as at and for the years ended December 31, 2019 and December 31, 2018, except as noted below.

Credit Risk

Credit risk arises from the possibility that tenants may experience financial difficulty and be unable to fulfill their lease commitments resulting in the REIT incurring a financial loss. The COVID-19 pandemic has created significant uncertainty in the general economy which may impact the ability of tenants to meet their obligations under their leases. In determining the expected credit losses, the REIT takes into account the payment history and future expectations of likely default events based on actual or company voluntary arrangements and likely deferrals of payments due. These assessments are made on a tenant-by-tenant basis. The uncertainties arising as a result of COVID-19 did not materially impact the REIT's risk assessment at September 30, 2020.

Liquidity Risk

Liquidity risk arises from the possibility of not having sufficient debt and equity capital available to the REIT to fund future growth, refinance debts as they mature or meet the REIT's payment obligations as they arise. Furthermore, liquidity risk also arises from the REIT not being able to obtain financing or refinancing on favorable terms. In light of COVID-19, the REIT has taken measures to increase liquidity and fortify its balance sheet such as increasing availability on its Credit Facilities and advancing the renewals of near term debt maturities.

24. Subsequent Events

- (i) On October 13, 2020, Vital Trust completed an equity placement of 56,250,034 units at a price of \$2.5 per unit for gross proceeds of approximately \$138.9 million. The REIT participated in the equity placement by buying 15,505,996 units of Vital Trust for a total of \$38.4 million, increasing the REIT's investment interest in Vital Trust to approximately 26.4%. The REIT partially funded its investment through \$22.0 million draw on New Zealand dollar denominated corporate facility secured by Vital Trust units and using cash on hand for the remainder.
- (ii) As at September 30, 2020, the REIT held five investment properties located in the Netherlands with value of \$195.1 million and associated liabilities of \$97.4 million as assets held for sale and liabilities related to assets held for sale, respectively. Subsequent to the reporting period, the REIT sold the properties to the European JV, subject to customary closing conditions. The REIT will generate net proceeds of approximately \$74.9 million from the disposition of a 70% interest in the investment properties.
- (iii) On November 11, 2020, the REIT amended the term of its \$79.0 million non-revolving unsecured credit facility to reduce the interest rate by 1.13% and extend the maturity by one year to January 1, 2022, subject to customary closing conditions. As at September 30, 2020 the facility had a drawn balance of \$69.0 million.
- (iv) On October 15, 2020, the REIT announced a distribution of \$0.06667 per REIT unit to unitholders of record on October 31, 2020, and paid on November 13, 2020.

The accompanying notes are an integral part of these condensed consolidated interim financial statements



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