2024 Third Quarter Management Discussion and Analysis

Northwest Healthcare Properties Real Estate Investment Trust

INTRODUCTION

Northwest Healthcare Properties Real Estate Investment Trust ("Northwest", the "REIT", or the "Trust"), is a Canadian open-end trust established on January 1, 2010 and governed pursuant to a third amended and restated Declaration of Trust dated September 15, 2020, as amended by amendments dated as of March 30, 2023, September 21, 2023, and June 18, 2024, under the laws of the Province of Ontario ("Declaration of Trust"). The registered office of the REIT is 180 Dundas Street West, Suite 1100, Toronto, Ontario, M5G 1Z8. The REIT completed its initial public offering ("**IPO**") on March 25, 2010. The REIT Trust Units are listed and publicly traded on the Toronto Stock Exchange ("**TSX**") under the symbol NWH.UN. The REIT's Convertible Debentures are listed and publicly traded on the TSX under the symbols NWH.DB.G, NWH.DB.H and NWH.DB.I.

Our Business

Founded in 2004 and publicly traded since 2010, the REIT is a global investor, active manager, and developer, focused on properties and partnerships at the intersection of healthcare, knowledge, and research.

As an investor, as of September 30, 2024, the REIT currently owns and manages interests in 186 hospitals, medical office buildings and healthcare facilities in Europe, North America, Brazil and Australasia. The REIT manages $8.7 billion of assets under management, of which $2.7 billion is owned directly by the REIT and $6.0 billion is owned jointly with third-party investors.

As an active manager, the REIT promotes value-add partnerships and demonstrates strong governance, deep expertise, and excellence in execution. With offices in eight countries, we bring a global view, local execution capabilities, and a long-term ownership strategy to serve as a real estate partner of choice to leading healthcare operators around the world. We provide integrated property management, acquisition and development management services for our joint venture partners and investments.

As a developer, the REIT has a strong record of creating value through partnering with leading healthcare operators. We are an active developer of healthcare real estate projects (for long term ownership) in many of our markets, especially in Australia and New Zealand, where Northwest is a market leader.

Our Purpose

Northwest owns, manages, acquires and develops healthcare real estate properties which generate value for investors, operating partners, and tenants many of whom work in and around our leading healthcare campuses.

Our hospitals, medical office buildings, medical clinics, life sciences assets, and healthcare related facilities, are designed to meet the needs of our hospital operators, doctors, nurses, and other medical practitioners in private and public healthcare jurisdictions.

Our portfolio generates stable and growing cash flows underpinned by tenancies of high-quality hospital and healthcare operators and long-term, inflation-indexed leases.

Our Investment Strategy

Northwest aims to build on its position as a healthcare real estate leader, focused on maximizing value for unitholders by continuing to execute on identified initiatives. This includes a commitment to further asset sales in order to continue to simplify the business, reduce debt and strengthen the balance sheet.

Current Business Environment and Outlook

According to the World Economic Outlook, October 2024: Policy Pivot, Rising Threats, the global effort to control inflation has been largely successful, with inflation rates projected to drop to 3.5% by the end of 2025, below the historical average from 2000 to 2019. However, Brazil, where the REIT has operations, continues to face higher inflation. As of mid-October, inflation over the previous 12 months reached 4.47%. The REIT also has operations in Australia, where consumer inflation expectations fell to 4.0% in October 2024 from 4.4% in August, marking the lowest level since October 2021 as inflation continues to ease. The REIT continue to navigate a dynamic environment shaped by shifts in monetary policy, sector-specific headwinds, and changing demographics. Lower interest rates could potentially reduce borrowing expenses for REITs, but the actual impact will depend on future monetary policy decisions.

Healthcare REITs maintain a positive outlook, driven by long-term demographic trends, particularly the aging population, which fuels sustained demand for healthcare facilities. The "essential" nature of healthcare assets, combined with long-term leases and government-backed funding, reinforces stability in this sector. Northwest, with a resilient portfolio of high-quality assets operated with inflation-indexed leases, has consistently demonstrated strong cash collections and occupancy rates exceeding 96%, even during periods of economic fluctuation.

While the Canadian government recent reduction in immigration targets for 2025-2027 may present challenges for residential REITs, we believe healthcare REITs are likely to remain resilient. The aging population continues to drive demand for healthcare services and facilities, which are considered essential regardless of population growth rates. As a result, income-seeking investors may increasingly favour healthcare REITs.

According to the Bank of Canada's Monetary Policy Report released October 2024, the global economy is projected to grow at about 3% over the coming years. U.S. economic growth may be slowing down. In Europe, growth is subdued but gradually improving. Inflation in advanced economies is expected to stay near central bank targets. Brazil's economic growth forecast for this year has been raised to 3.2%, indicating stronger momentum compared to 2023 and highlighting the resilience of Latin America's largest economy. Meanwhile, Australia's GDP growth is expected to remain modest overall, with per capita growth stagnating.

Northwest, based on its high-quality healthcare real estate portfolio, believes it will continue to attract high demand for its properties from its healthcare tenants and operating partners. While rate drops are beneficial, Northwest's business does not rely solely on them. The REIT has a comprehensive capital management strategy aimed at reducing debt and lowering its loan-to-value (LTV) ratio to achieve an investment-grade balance sheet.

FINANCIAL AND OPERATIONAL SUMMARY

The following is a summary of key financial and operational information as at and for the periods indicated, where financial information is expressed in thousands of Canadian dollars, except unit and per unit amounts:

FINANCIAL AND OPERATIONAL HIGHLIGHTS

(unaudited)	As at September 30, 2024	As at December 31, 2023
Operational Information (1)		
Number of Properties	186	219
Gross Leasable Area (sf)	16,064,306	17,736,521
Occupancy %	96.1%	96.6%
Weighted Average Lease Expiry ("WALE") (years)	13.4	13.3
Summary of Financial Information		
Assets Under Management (2)	$ 8,657,264	$ 9,901,036
Gross Book Value (3)	$ 6,344,230	$ 7,628,615
Debt - Declaration of Trust (2)	$ 2,765,655	$ 3,641,463
Debt to Gross Book Value - Declaration of Trust (2)	43.6%	47.7%
Debt - Including Convertible Debentures (2)	$ 3,122,380	$ 3,962,317
Debt to Gross Book Value - Including Convertible Debentures (2)	49.2%	51.9%
Effective Weighted Average Interest Rate (4)	5.60%	6.27%
Net Asset Value ("NAV") per Unit (2)	$ 9.02	$ 10.86
Adjusted Units Outstanding - period end (5)	247,179,996	245,002,126

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the three months ended June 30, 2024
Operating Results			
Revenue from investment properties	$ 107,015	$ 122,182	$ 119,141
Net Income / (Loss)	$ (157,266)	$ (95,270)	$ (127,224)
Net Operating Income ("NOI")	$ 82,216	$ 95,097	$ 93,976
Funds From Operations ("FFO"), excluding accelerated amortization of deferred financing charges (2), (8)	$ 26,093	$ 33,559	$ 22,314
Adjusted Funds From Operations ("AFFO") (2)	$ 22,352	$ 32,879	$ 21,186
Distributions (6)	$ 22,229	$ 40,050	$ 22,150
Interest Coverage (7)	1.85	1.82	1.68
Per Unit Amounts			
FFO, excluding accelerated amortization of deferred financing charges, per unit - Basic (7), (8)	$ 0.11	$ 0.14	$ 0.09
FFO, excluding accelerated amortization of deferred financing charges, per unit - diluted (7), (8)	$ 0.11	$ 0.14	$ 0.09
AFFO per unit - Basic (7), (8)	$ 0.09	$ 0.13	$ 0.09
AFFO per unit - diluted (7), (8)	$ 0.09	$ 0.13	$ 0.09
Distributions per unit (9)	$ 0.09	$ 0.16	$ 0.09
AFFO Payout Ratio (7)	99 %	122 %	105 %
AFFO Payout Ratio - diluted (2)	100 %	123 %	105 %
Adjusted Weighted Average Units Outstanding (5)			
Basic	246,832,144	244,782,614	246,032,139

(1) Operational information includes 100% of Vital Trust and joint venture ("JV") investments. The REIT owns an approximate 28.4% interest in Vital Trust and 30% of the JV investments as at September 30, 2024. See **"PART II – BUSINESS OVERVIEW –** Investment in Joint Ventures"

(2) As defined in the Performance Measurement section included in this MD&A.

(3) Gross Book Value is defined as total assets under IFRS.

(4) 68.1% (December 31, 2023 - 69.4%) of the REIT's debt is subject to fixed interest rates, including total debt of $1.3 billion (December 31, 2023 - $1.8 billion) that is economically fixed after taking into consideration the interest rate derivatives, but is contractually subject to a variable rate interest. Mortgages of $192.4 million are economically fixed at a weighted average interest rate of 3.62% and $1.1 billion of term debts with variable interest rates have been economically fixed at 5.23%. See **"PART III – RESULTS FROM OPERATIONS –** Gain/Loss on financial instruments**.**"

(5) Under IFRS the REIT's Class B LP Units are presented as a financial liability rather than equity. The REIT has chosen to present an adjusted basic and diluted per unit measure that includes the Class B LP Units in basic and diluted units outstanding/weighted average units outstanding, which is on a non-IFRS basis. On January 15, 2024, all 1,710,000 Class B exchangeable units were exchanged into REIT units. There were no Class B LP Units outstanding as at September 30, 2024 (December 31, 2023 - 1,710,000 Class B LP Units).

(6) Represents distributions to Unitholders and Class B LP Units on an accrual basis. Distributions are payable at the end of the period in which they are declared by the Board of Trustees and are paid on or around the 15th day of the following month.

(7) See Ratios and Covenants for the REIT's calculation of Interest Coverage.

(8) For the three months ended September 30, 2024, FFO and FFO per unit excludes $10.3 million of amortization of transactional deferred financing charges which consists of accelerated amortization of deferred financing costs due to early repayment of debt upon sale of the UK portfolio in August 2024. FFO and FFO per unit including amortization of transactional deferred financing charges is $15.8 million or $0.06 per unit, respectively, for the three months ended September 30, 2024.

Included in FFO and AFFO for the three months ended September 30, 2023 is $11.0 million related to interest rate cap derivative arrangements, which matured during the three months ended March 31, 2024, the impact of which is $0.05 per unit.

(9) Distributions per unit is a non-IFRS ratio calculated as sum of the distributions on the REIT's units and finance costs on Class B LP Units. Management does not consider finance costs on Class B LP units to be a financing cost of the REIT but rather component of the REIT's total distributions. Distributions per unit is not defined by IFRS and does not have a standard meaning and may not be comparable with similar measures presented by other issuers.

HIGHLIGHTS FOR THE QUARTER

UK Portfolio Disposition

On August 8, 2024, the REIT's UK portfolio was sold to Assura PLC ("Assura"), a publicly-listed REIT on the London Stock Exchange (LSE: AGR) for total consideration of $885 million, consisting of $708 million of cash and the remaining $177 million in shares of Assura, calculated on a 30-day VWAP basis. The REIT's stake in Assura equates to approximately 8% of Assura's public float and is subject to certain disposal restrictions for the period of six months following August 8, 2024. The net cash proceeds from the sale of the UK portfolio were used to repay debts with weighted average interest rate of 7.9%.

The sale aligns with the REIT's strategic disposition program aimed at strengthening its financial position and simplifying the business. The sale of the UK portfolio represented a cap rate of 5.9%. Although the sale resulted in a fair value loss of $105.0 million, it resulted in and is expected to result in accretive debt reduction and balance sheet improvements that provide optionality for addressing future debt maturities.

Upon sale of the UK assets, the $470.7 million of term debt secured by the underlying UK properties was settled by the purchaser and the underlying European (GBP) interest derivative swaps were settled in full. The REIT also repaid Brazilian term debt of $140.0 million which was set to mature in April 2025 and total credit facilities of $143.5 million.

On August 29, 2024, Assura announced distributions payable with a record date of September 5, 2024, and was paid on October 9, 2024. The REIT recorded distribution receivable relating to the investment in Assura of $3.7 million during the three and nine months ended September 30, 2024. The distribution was subject to $0.5 million of net withholding tax expense.

Assets Held for Sale

As at September 30, 2024, the REIT has 19 income producing properties and one development property totaling $122.8 million classified as assets held for sale and $10.3 million of directly associated property level debt expected to be part of the sale transaction classified as liabilities related to assets held for sale (See **Investment Properties**). The REIT expects to complete the dispositions within the next 12 months and will use proceeds to repay debt and reduce leverage.

Redemption and Sale of Unlisted Securities

During the three months ended September 30, 2024, the REIT redeemed and sold $19.2 million of its investment in unlisted securities under the terms of an existing agreement. The proceeds were used towards repaying balances outstanding on credit facilities.

Refinancing Activity

During the three months ended September 30, 2024, refinancing activity included:

- On September 30, 2024, an unsecured revolving credit facility previously maturing in March 2025 was extended to March 2026. The facility has a general security arrangement, borrowing capacity of $95.0 million, and outstanding balance of $65.0 million.
- As of September 30, 2024, the US dollar-denominated non-revolving credit facility tranche with a previous balance outstanding of $65.2 million maturing January 2025 was fully repaid using proceeds from the UK sale.
- The REIT partially repaid $4.6 million (NZ $5.6 million) of the Australasian secured term loan. As of September 30, 2024, the loan has a balance outstanding of $160.2 million (NZ$186.4 million) and bears interest of 8.3%.
- On September 30, 2024, US investment properties related term debt with a balance outstanding of $185.7 million was amended to extend the maturity date by 2 years from January 2025 to January 2027. Subsequent to September 30, 2024, the interest rate derivative swaps relating to the term debt were also extended by 2 years to mature in January 2027 (see **Subsequent Events**).
- Mortgages in North America totaling $14.1 million were amended, bearing a weighted average interest rate of 3.13% with new mortgages of $15.0 million bearing a weighted average interest rate of 5.07%. The weighted average term to maturity was extended by approximately 5 years.

Reduction in Workforce

The REIT is committed to simplifying its geographic footprint and improving efficiency in all markets. In a strategic effort to enhance operational efficiency and lower costs, the REIT made the decision to reduce staffing by 50 employees globally, which represents approximately 16% of its total workforce. Consequently, the REIT has recognized termination benefits and associated costs totaling $3.8 million for the three and nine months ended September 30, 2024, which are included in General and Administrative Expense.

Our focus remains on positioning the REIT for future growth while maintaining its commitment to employees, tenants and stakeholders. This decision, while not taken lightly, is part of a broader initiative to streamline our operations and ensure the long-term sustainability of the business. This workforce reduction measure is expected to result in annualized savings of approximately $3.7 million in General and Administrative Expense and Property Operating Costs, net of capitalization and excluding any related impact to revenues or recoveries.

Management Changes

On October 8, 2024, the REIT announced Mr. Craig Mitchell, Chief Executive Officer, intentions to retire in mid-2025. The REIT has commenced a recruitment search, assisted by a professional executive recruitment firm and led by the Board's Compensation, Governance and Nominating Committee, to ensure a seamless transition and onboarding of Craig's successor.

SUBSEQUENT EVENTS

Subsequent to September 30, 2024, the REIT:

- Extended its North American interest rate derivative swaps with a notional amount of $187.1 million by two years to mature in January 2027, in line with the underlying term debt;
- Sold approximately $12.6 million of its investment in unlisted securities. The proceeds were used towards repaying balances outstanding on credit facilities; and
- Received lender commitments or executed refinancing of all remaining 2024 debt maturities totaling $48.8 million increasing the weighted average interest rates from 3.30% to 4.80% and to extend the weighted average term on these debts by 4 years.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The REIT's Board of Trustees (the "Board") and its management are committed to sustainability through the environment, social, and governance ("ESG") policies and practices of the organization. The REIT's Board of Trustees oversees the REIT's strategy and approach to ESG matters. The Board reviewed and approved the REIT's sustainability strategy and receives quarterly reports from management on the REIT's progress on ESG initiatives.

Internally, the REIT refers to its ESG initiatives as "sustainability initiatives". Our sustainability program attempts to amplify the collective impact of our own operators together with our tenant partners and other engaged stakeholders.

ESG is a focus of the REIT which we believe will, in time, add value to our unitholders.

Environmental, social, and governance sensitivities have long been part of the REIT's culture and ethos. This comes from being a real estate partner to healthcare providers across eight countries. The organization believes that ESG issues have played, and will continue to play, an important part in defining the REIT, given the REIT's focus on healthcare real estate and the impact that role can have on improving the provision of healthcare services as delivered by the REIT's tenant partners. The REIT has consistently focused on partnering with healthcare providers to provide well-located, appropriately appointed, and safe facilities in which our tenants can provide their services. Since its inception the REIT has recognized that its efforts would impact not only its tenants, but also patients at the REIT's properties. As such, the REIT has been cognizant of the social impact its properties can have on the surrounding community as a whole.

In progressing on key sustainability initiatives, during 2024 the REIT:

- Has published its 2023 Sustainability Report, which provides a comprehensive overview of the organization's sustainability initiatives, achievements, and future goals. This report demonstrates the REIT's commitment to transparency and accountability in ESG efforts;
- Achieved Global Sector Leader and Global Listed Sector Leader in Healthcare status in the Global Real Estate Sustainability Benchmark, GRESB, (the highest possible achievement) for both Northwest and Vital Healthcare Property Trust in the Development component, highlighting the significant sustainability efforts implemented by all regional Development Teams. Northwest scored 74/100 overall in the GRESB Standing Asset component, these results reflect the ongoing work in regional utility data collection;
- Completed the filing of Vital Healthcare Property Trust's first annual Climate Statement adhering to the New Zealand External Reporting Board (XRB) Standards. The Climate Statement, which follows the TCFD framework, details current and future climate risks and opportunities, and outlines the business's strategies and processes for managing climate-related risks. Successful filing of the Climate Statement demonstrates the REIT's ability to respond to the TCFD reporting framework as these sustainability reporting requirements develop across all markets;
- Has released its first Reflect Reconciliation Action Plan, which outlines our commitment to promoting reconciliation and building strong, respectful relationships with First Nations communities in Australia. This plan reflects the REIT's dedication to social responsibility and community engagement and is the first step in our reconciliation journey;

- Undertaken an ESG Materiality assessment to gather commentary and opinions on various ESG themes and topics from senior leadership, all employees and key stakeholders. The results of this assessment will be published in the 2024 Northwest Sustainability Report;
- Released an annual Tenant Satisfaction survey across the portfolio. Results, including a Net Promoter Score, are expected by Q1 2025 to inform property-specific action plans; and
- Has completed a response to CDP (formerly Carbon Disclosure Project) for Vital Healthcare Property Trust disclosing key initiatives on greenhouse gas emissions and climate risk assessments. Vital maintained a B-score in 2023 demonstrating an awareness of impacts on the environment and appropriate actions taken to reduce these. The results of these are expected by Q2 2025.

The REIT's most recent versions of its ESG Policy, Environmental Management System (EMS) documentation, and Sustainability Report are available on the REIT's website. The information contained on the REIT's website is not incorporated by reference into this MD&A.

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PART I - BASIS OF PRESENTATION

This Management's Discussion and Analysis of the results of operations and financial condition ("**MD&A**") of Northwest Healthcare Properties Real Estate Investment Trust ("**Northwest**", the "**REIT**" or the "**Trust**") should be read in conjunction with the REIT's unaudited condensed consolidated interim financial statements and accompanying notes for the three and nine months ended September 30, 2024, prepared in accordance with IFRS Accounting Standards ("**IFRS**"). All amounts are presented in thousands of Canadian dollars, except where otherwise stated. Per unit amounts are presented in Canadian dollars and are calculated using an aggregate of REIT Units and Class B LP Units (as defined hereafter), except where otherwise stated.

This MD&A should also be read in conjunction with the Annual Information Form of the REIT dated March 14, 2024 (the "**Annual Information Form**") and the REIT's Management Information Circular dated May 7, 2024 (the "**Circular**"). This MD&A is current as of November 14, 2024, unless otherwise stated. Additional information relating to the REIT, including its continuous disclosure documents required by the securities regulators, is filed as required on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") and can be accessed electronically at www.sedarplus.ca.

Throughout this MD&A, the following terms have the meanings set forth below, unless otherwise indicated. Words importing the singular include the plural and vice versa:

- "**Convertible Debentures**" has the meaning set out in the Section "**CAPITAL STRUCTURE – Convertible Debentures**" and includes the following series of convertible debentures:
  - NWH.DB.G;
  - NWH.DB.H;
  - NWH.DB.I.
- "**Class B LP Unit**" or "**Exchangeable Unit**" means a Class B limited partnership unit of NWI Healthcare Properties LP ("**NWI LP**"), exchangeable for Trust Units, all of which were exchanged into REIT units on January 15, 2024;
- "**Special Voting Unit**" means a special voting unit of the REIT attached to a Class B LP Unit;
- "**Trust Unit**" or "**REIT Unit**" means a trust unit of the REIT; and
- "**Unitholder**" means a holder of Trust Units and any reference to a Unitholder in the context of such Unitholder's right to vote at a meeting of Unitholders also includes reference to a holder of Special Voting Units.

Effective January 1, 2024, the REIT revised its operating segments as follows: North America (Canada, United States), Brazil, Europe (UK, Germany, Netherlands), Australasia (Australia, New Zealand), and Corporate. Relevant comparative periods have been amended and restated to reflect the change in the composition of the REIT's segments for this purpose.

FORWARD-LOOKING INFORMATION ADVISORY

This MD&A may contain forward-looking statements with respect to the REIT, its operations, strategy, financial performance and condition. These statements generally can be identified by words such as "may", "will", "expect", "estimate", "anticipate", "intends", "believe", "normalized", "contracted", or "continue" or the negative thereof or similar variations. Forward looking statements in this MD&A may include statements concerning global and U.S. economic factors, the REIT's position as a leading healthcare real estate asset manager globally, the impact of its sustainability efforts, the REIT's commitment to continue pursuing asset sales, simplifying the business, reducing costs, and strengthening its balance sheet, demand for REIT properties, the impact of the sale of the UK Portfolio and associated debt repayments made with sale proceeds, optionality for addressing future debt maturities, the REIT's Australasia expansion projects, balance sheet optimization arrangements, and the REIT's pursuit of becoming an institutional quality REIT with a sustainable financial profile. The REIT's actual results and performance discussed herein could differ materially from those expressed or implied by such statements. The forward-looking statements contained in this MD&A are based on numerous assumptions which may prove incorrect and which could cause actual results or events to differ materially from the forward-looking statements. Such assumptions include, but are not limited to (i) assumptions relating to completion of anticipated dispositions and deleveraging transactions; (ii) the REIT's properties continuing to perform as they have recently, (iii) various general economic and market factors, including exchange rates remaining constant, local real estate conditions remaining strong, and interest rates remaining at current levels or decreasing; and (iv) the availability of equity and debt financing to the REIT and the REIT's ability to refinance, or extend the maturity of, its existing debt. Such forward-looking statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations, including that the transactions contemplated herein are completed. Important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, competition, changes in government regulations and the factors described under "Risks and Uncertainties" in this MD&A, as well as the section titled "Risk Factors" in the Annual Information Form, which are hereby incorporated by reference in this MD&A and is available on SEDAR+ at www.sedarplus.ca.

These forward-looking statements are made as of the date of this MD&A and, except as expressly required by applicable law, the REIT assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

MARKET AND INDUSTRY DATA

This MD&A includes market and industry data and forecasts that were obtained from third-party sources, industry publications and publicly available information. Third-party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information.

Although the third-party sources believe it to be reliable, we have not independently verified any of the data from third-party sources referred to in this MD&A, or analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying economic assumptions relied upon by such sources.

PERFORMANCE MEASUREMENT

The key performance indicators by which management measures the REIT's performance are as follows:

- Net income (loss);
- Cash flows from operations;
- Funds from operations ("**FFO**");
- Adjusted funds from operations ("**AFFO**");
- Weighted average lease expiry ("**WALE**");
- Weighted average interest rate ("**WAIR**");
- Occupancy levels;
- Assets Under Management ("**AUM**")
- Debt - Declaration of Trust;
- Debt - Including Convertible Debentures;
- Adjusted EBITDA;
- Net operating income ("**NOI**");
- Net Asset Value ("**NAV**") and Net Asset Value per unit ("**NAV/unit**");
- Constant Currency Same Property NOI ("**SPNOI**")

Explanation of Non-Financial Information used in this MD&A

"WALE" is a measurement of the average term (expressed in years) remaining in each of the REIT's leases, weighted by the size of the gross leasable area ("**GLA**") each lease represents of the total GLA of the REIT's portfolio. WALE is a common performance measure used in the real estate industry which is useful in measuring the vacancy risk and the stability of future cash flows of the REIT's properties.

The REIT's "**WAIR**" includes secured debt with fixed interest rates, including secured and unsecured variable rate debt that is economically fixed after taking into consideration interest rate derivatives, and excludes debt classified as held for sale, secured and unsecured debt with variable interest rates. This calculation is a useful measure because it allows management to compare movements in interest rates period over period and to compare the average rate to the current market rates at that point in time.

"Occupancy levels" are presented in different manners depending on its context. It could be presented as a weighted average portfolio occupancy, based on the area weightings, when analyzing the overall operating performance of the REIT's portfolio, or as a point-in-time reference when analyzing future lease expiries, or as an assessment of the performance of each property period over period. Management considers this a useful measure in assessing the overall performance of its portfolio and is an essential tool to determine which properties require further investigation if performance lags.

"**AUM**" is key to evaluating trends in earnings. AUM is the main driver for investment property income and management fees. Growth in AUM is driven by the REIT's direct investments and investments managed on behalf of third-party investors. For reporting purposes, the REIT calculates AUM as the sum of fair value of investment properties and properties under development, loans receivables, finance lease assets, real estate related financial instruments, assets held for sale and the third-party share of investment in the aforementioned.

Explanation of certain IFRS and supplementary financial measures used in this MD&A

This MD&A contains the supplementary financial measures described below.

"**NOI**" is an industry term in widespread use. NOI as calculated by the REIT based on its IFRS financial statements may not be comparable to similarly titled measures reported by other issuers. The REIT considers NOI a meaningful measure of operating performance of its property assets, prior to financing considerations. NOI is defined as income from properties after operating expenses and is the same as Net Property Operating Income on the REIT's IFRS financial statements.

"**Debt - Declaration of Trust**" is a supplementary financial measure that represents the indebtedness definition outlined in the REIT's Declaration of Trust. It includes the sum of the principal balance of mortgages, securities lending agreements, margin facilities, term loans, line of credit, and deferred consideration, as reported in the consolidated financial statements and excludes the Class B LP Units and the REIT's Convertible Debentures. The Debt - Declaration of Trust is used to measure a ratio based on total assets (or sometimes referred to as Gross Book Value). The REIT's Declaration of Trust provides an operating guideline that sets a maximum level of indebtedness relative to Gross Book Value of 65%. The REIT measures Debt-Declaration of Trust each reporting period to ensure that the REIT remains compliant with the operating guidelines of the REIT's Declaration of Trust in respect of indebtedness. The definition of indebtedness and maximum indebtedness ratio relative to Gross Book Value of the REIT's declaration of trust may differ from the declarations of trust of other issuers and accordingly may not be comparable to similar measures used by other issuers.

"**Debt - Including Convertible Debentures**" is a supplementary financial measure and represents the sum of the REIT's indebtedness as defined by the REIT's declaration of Trust (Debt - Declaration of Trust, defined above) plus the amount of Convertible Debentures as reported in the REIT's consolidated financial statements. The Debt - Including Convertible Debentures amount is intended to measure total leverage which is commonly reported by other issuers in the industry and is used an important measure in the management of debt levels. Debt - Including Convertible Debentures is also stated as a ratio to total assets or Gross Book Value. The ratio is an important measure in determining the REIT's capacity for incremental indebtedness to finance operations, maturing obligations, or capital expenditures, as required. The definition of Debt - Including Convertible Debentures and its ratio relative to Gross Book Value of the REIT's Declaration of Trust may differ and may not be comparable to similar measures used by other issuers.

Explanation of non-IFRS financial measures and non-IFRS financial ratios used in this MD&A

This MD&A contains the non-IFRS financial measures and non-IFRS ratios described below. These non-IFRS financial measures and non-IFRS ratios are not standardized financial measures under IFRS and might not be comparable to similar financial measures disclosed by other publicly traded companies.

"**FFO**" and "**AFFO**" are measures of a Canadian real estate investment trust's performance and the REIT believes that FFO and AFFO, while primarily earnings-based measures, also provide relevant measures of its ability to earn and distribute cash returns to Unitholders. FFO and AFFO should not be construed as alternatives to net income (loss), or cash flows from operating activities, determined in accordance with IFRS as indicators of the REIT's performance. The IFRS measurement most directly comparable to FFO and AFFO is net income (loss). The REIT's method of calculating FFO and AFFO may differ from other issuers' methods and accordingly may not be comparable to measures used by other issuers.

"**FFO**" is a non-IFRS financial measure defined as net income (loss) (as computed in accordance with IFRS), excluding:

(1) fair value adjustments on investment properties;
(2) net loss on disposal of investment properties;
(3) fair value adjustments and other effects of redeemable units classified as liabilities;
(4) fair value adjustments on convertible debentures;
(5) payments of premiums on derivative financial instruments;

(6) fair value adjustment of unit-based liabilities;
(7) revaluation adjustments of financial liabilities;
(8) unrealized foreign exchange gains and losses;
(9) deferred income tax expense;
(10) transaction costs;
(11) employee termination benefits and related expenses;
(12) convertible debentures issuance costs;
(13) internal leasing costs;
(14) property taxes accounted for under IFRIC 21, Levies;
(15) amortization on Right of Use ('ROU') assets, net of payments on leases where the REIT is a lessee;
(16) acquisition costs expensed as a result of the purchase of a property being accounted for as a business combination;
(17) results of discontinued operations; and including
(18) the cash flow benefit to the REIT of certain ANZ Manager fees which are eliminated on consolidation but benefit the REIT to the extent of the non-controlling interests,
(19) all after adjustments for equity accounted entities, joint ventures and non-controlling interests calculated to reflect FFO on the same basis as consolidated properties.
(20) In addition, FFO is being adjusted for net losses incurred with respect to an investment in unlisted securities, and the portion of financing and interest costs attributable to short-term arrangements and certain G&A expenses that, in each case, management views as not reflective of recurring earnings from core operations (collectively, the "Other FFO Adjustments").

REALPAC has established a standardized definition of FFO in a white paper dated January 2022 ("**REALPAC Guidance**"). The REIT's FFO definition differs from the REALPAC Guidance in that, when calculating FFO, the REIT excludes the revaluation of financial liabilities, payments of premiums on derivative financial instruments, employee termination benefits and related expenses, unrealized foreign exchange gains and losses and certain transaction costs; and makes the Other FFO Adjustments. See **"PART III – RESULTS FROM OPERATIONS – FUNDS FROM OPERATIONS ("FFO")".**

"**FFO per Unit"** or sometimes presented as "**FFO/unit**" is a non-IFRS ratio defined as FFO divided by the weighted average number of units outstanding during the period. **"FFO per Unit - diluted"** sometimes presented as "**FFO/unit - diluted**" is a non-IFRS ratio defined as FFO divided by the diluted weighted average number of units outstanding during the period. Diluted units include vested but unexercised deferred trust units and the conversion of the REIT's Convertible Debentures that would have a dilutive effect upon conversion at the holders' contractual exercise or conversion price. Convertible Debentures are dilutive if the interest per unit obtainable on conversion is less than the basic per unit measure.

"**AFFO**" is a non-IFRS financial measure defined as FFO, subject to certain adjustments, including:

(1) amortization of fair value mark-to-market adjustments on mortgages acquired;
(2) amortization of transactional deferred financing charges;
(3) differences, if any, resulting from recognizing property revenues on a straight-line basis as opposed to contractual rental amounts;
(4) stabilized amounts for tenant inducements, leasing costs, and sustaining capital expenditures;
(5) compensation expense related to unit based incentive plans; and
(6) all after adjustments for equity accounted entities, joint ventures and non-controlling interests calculated to reflect AFFO on the same basis as consolidated properties.

Other adjustments may be made to AFFO as determined by management at its discretion. Management's definition of AFFO is intended to reflect a stabilized business environment. The REIT's AFFO definition differs from the REALPAC Guidance in that, when calculating AFFO, the REIT makes adjustments to AFFO for amortization of fair value mark-to-market adjustments on mortgages acquired, amortization of transactional deferred financing charges, compensation expense related to unit based incentive plans, and net adjustments for equity accounted investments.

"**AFFO per Unit"** or sometimes presented as "**AFFO/unit**" is a non-IFRS ratio defined as AFFO divided by the weighted average number of units outstanding during the period. **"AFFO per Unit - diluted"** sometimes presented as "**AFFO/unit - diluted**" is a non-IFRS ratio defined as FFO divided by the diluted weighted average number of units outstanding during the period, calculated using same methodology as 'FFO/ unit - diluted'.

The REIT uses the January 2022 REALPAC white papers in determining its FFO and AFFO definitions, with some exceptions, which are outlined in **PART III - RESULTS FROM OPERATIONS**.

"**AFFO Payout Ratio**" is a non-IFRS ratio used by management to assess the sustainability of the REIT's distribution payments. The ratio is calculated using cash distributions declared divided by AFFO.

"**EBITDA**" is a non-IFRS financial measure defined as net income (loss) before taxes, excluding mortgage and loan interest expense, distributions on Exchangeable Units and depreciation expense and amortization expense. It is a metric that can be used to determine the REIT's ability to satisfy its obligations, including servicing its debt; but it may be affected by non-recurring items.

"**Adjusted EBITDA**" is a non-IFRS financial measure defined as EBITDA excluding: IFRS fair value changes associated with investment properties and financial instruments, Unit-based compensation expense, foreign exchange gains and losses, Employee termination benefits and related expenses, gains and losses on disposal of investment properties, adjustments for equity accounted investments, as well as, other items from time-to-time that management considers non-operating or non-recurring in nature. It is a metric that can be used to determine the REIT's ability to satisfy its obligations, including servicing its debt.

"Proportionate Basis" is a non-IFRS measure which represents financial information adjusted to reflect the REIT's (i) equity accounted joint ventures and (ii) subsidiaries where the REIT has control and consolidates at 100% with its non-controlling interest reflected in the statement of equity, on a proportionately consolidated basis at the REIT's ownership percentage of the related investments. Management believes is relevant in representing the REIT's incomes, expenses, assets and liabilities in proportion to its investment interest in entities otherwise consolidated or equity accounted under IFRS.

"**Interest Coverage**" is a non-IFRS ratio calculated as Adjusted EBITDA divided by mortgage and loan interest expense less debt repayment costs ("**Adjusted mortgage and loan interest expense**"). The interest coverage ratio is useful in determining the REIT's ability to service the interest requirements of its outstanding debt.

"**Cash Flows from Operating Activities Attributable to Unitholders**" is a non-IFRS financial measure define as cash generated from operations after providing for operating capital requirements and is useful to evaluate the REIT's ability to fund distributions to Unitholders.

"**Distributions**" is a non-IFRS financial measure defined as distributions to Unitholders and Class B LP Units on an accrual basis. Distributions are payable at the end of the period in which they are declared by the Board of Trustees and are paid on or around the 15th day of the following month.

"**Net Asset Value**" or **"NAV"** is a non-IFRS financial measure, defined as total assets less total liabilities and non-controlling interests, adjusted further to exclude the REIT's proportionate share of the following: goodwill, Unit-based compensation liabilities, deferred tax liabilities derivative instruments (except financial instruments related to investment interest in real estate assets), Class B LP Unit liability and adjusted to reflect the fair value increase of the Global Manager. "**NAV per Unit"** or sometimes presented as "**NAV/unit**" is a non-IFRS ratio defined as NAV divided by the number of units outstanding at the end of the period. The REIT considers NAV and NAV per Unit to be meaningful measures because it provides, in management's view, an estimate of the underlying intrinsic value of the REIT's units.

"**Constant Currency Same Property NOI**", sometimes also presented as "**Same Property NOI"** or **"SPNOI",** is a non-IFRS financial measure, defined as NOI for investment properties that were owned for a full reporting period in both the current and comparative year, subject to certain adjustments including: (i) straight-line rental revenue recognition; (ii) amortization of operating leases; (iii) lease termination fees; and (iv) non-recurring transactions that are not expected to recur (v) excluding properties held for redevelopment and (vi) excluding impacts of foreign currency translation by converting the foreign currency denominated SPNOI from comparative periods at current period average exchange rates. Management considers Same Property NOI to be a key operating metric useful in understanding period-over-period changes in NOI due to occupancy, rental rates, operating costs and realty taxes, before considering the changes in NOI that can be attributed to the transactions and development activities.

PART II – BUSINESS OVERVIEW

BUSINESS OVERVIEW AND STRATEGIC DIRECTION

On August 8, 2023, the REIT announced that a Strategic Review Committee was formed to assess the best course of action for the REIT's next phase of development and growth. On August 8, 2024, the Strategic Review Committee of the REIT has concluded Northwest's strategic review process.

For the remainder of 2024 and into 2025, the REIT's focus will be continuing to:

- Explore opportunities to surface embedded value from within our portfolio;
- Strengthen the balance sheet and become an institutional quality REIT;
- Simplify our geographic footprint, and improve efficiencies in all our markets; and
- Reinforce our commitment to sustainability and progress against the REIT's ESG KPIs.

Declaration of Trust

The investment guidelines of the REIT are outlined in the REIT's Declaration of Trust, a copy of which is filed on SEDAR. Further information regarding the Declaration of Trust can also be located in the REIT's Annual Information Form under the heading "Declaration of Trust". Some of the main investment guidelines and operating policies in the Declaration of Trust include the following:

Investment Guidelines (condensed summary)

1. The REIT may only invest directly or indirectly in interests in income–producing real estate and assets ancillary thereto necessary for the operation of such real estate;
2. Provided that the REIT may invest up to 25% of the Gross Book Value of the REIT in investments which do not comply with one or more of the specific investment guidelines set forth in Declaration of Trust; and
3. The REIT shall not hold any investment or take any action that would result in the REIT not qualifying as a "mutual fund trust" or "unit trust" both within the meaning of the Tax Act or the Units not qualifying as qualified investments for Exempt Plans.

Operating Policies (condensed summary)

1. The REIT shall not incur or assume any Indebtedness, as defined, if, after giving effect to the incurrence or assumption of such Indebtedness, the total Indebtedness of the REIT would be more than 65% of Gross Book Value;
2. Subsidiaries of the REIT may engage in construction or development of real property provided such real property meets the REIT's investment guidelines and operating policies; and
3. No guaranteeing of third-party debt outside its existing structure and potential joint venture partner structures, except under certain specific conditions and meeting certain defined criteria.

As at September 30, 2024, the REIT was in compliance with all investment guidelines and operating policies stipulated in the Declaration of Trust.

Debt Management

Subject to market conditions and the credit environment, Management believes that it has sufficient resources to meet its liquidity requirements in the near and longer term based on continued availability of financing, property operating performance, and the further sale of investment properties.

Northwest has historically used mortgages, credit facilities, senior unsecured debentures, convertible debentures and equity issuances to finance its growth and repay debt.

The actual level and type of future borrowings will be determined based on market availability, prevailing interest rates, various costs of debt and equity capital, capital market conditions and Management's view of the appropriate leverage for the business.

Northwest manages its liquidity risk by staggering debt maturities, renegotiating expiring credit arrangements proactively, using revolving credit facilities, and issuing equity when deemed appropriate. Liquidity risk exists due to the possibility of Northwest not being able to generate sufficient cash flows, and/or not having access to sufficient debt and equity capital to fund its ongoing operations and growth and to refinance or meet existing obligations.

The REIT has carried out a fair, balanced and understandable assessment of the emerging and principal risks facing Northwest's current liquidity profile, and an assessment of ongoing economic uncertainties, the likelihood of a decrease to prevailing interest rates, the costs and availability of debt capital, the availability of equity capital, the ability to generate and release embedded value from within the current portfolio, and the continued strength of North American financial markets. Based on the assessment, management believes that it has the means to create liquidity, which will provide sufficient resources to meet its operational and investing requirements in the near and longer term.

PORTFOLIO PROFILE

The REIT provides investors with access to a portfolio of high-quality healthcare real estate comprised of interests in a diversified portfolio of 186 income-producing properties and 16.1 million square feet of gross leasable area located throughout major markets in North America, Brazil, Europe, and Australasia.

The REIT's **North America** platform consists of:

- Medical office buildings ("MOBs") and healthcare related facilities comprised of high-quality real estate tenancies across both Canada and the US. Canadian MOBs offer stable cash flow supported by the Canadian publicly funded healthcare system. In addition to the MOBs, US properties include hospitals with long-term, triple-net, inflation-indexed leases, providing consistent organic growth ("US Portfolio").

The REIT's **Brazil** platform consists of:

- Institutional quality, core healthcare infrastructure assets in Brazil located in strategic markets including São Paulo, Brasilia and Rio de Janeiro delivering stable cash flow with long-term, triple-net, inflation-indexed leases, providing consistent organic growth.

The REIT's **Europe** platform consists of:

- Direct interest in high quality MOBs and medical clinics located in Germany and the Netherlands.
- European portion of the REIT's global asset manager business, a fully integrated property management and asset management operation for the European JV.
- 30% interest in a joint venture ("European JV") with a third-party institutional partner that has initial seed investments in hospitals and rehabilitation clinics located in the major markets. For certain investment properties in the joint venture, the REIT holds a direct 5% in the subject properties. As a result, the effective interest in the subject properties is 33.57%.

The REIT's **Australasia** platform consists of:

- Hospitals, medical centers, life sciences assets and aged care facilities in Australia and New Zealand which provide growing cash flows underpinned by tenancies of high-quality hospital and healthcare operators with long-term, inflation-indexed leases.
- 30% interest in a joint venture ("Australian JV") with a third-party institutional investor.
- 28.4% interest in New Zealand Stock Exchange ("NZX") listed Vital Healthcare Properties Trust ("Vital Trust") which is 100% consolidated by the REIT for financial reporting purposes. The REIT manages Vital Trust and is its largest unitholder. Vital Trust is New Zealand's largest specialist and only listed landlord of healthcare real estate.
- Australasian portion of global asset manager business providing property management and asset management for the Australian JV and investment in Vital Trust.

Investments in Joint Ventures: As at September 30, 2024, Northwest had interests in joint ventures that it accounts for using the equity accounting method. The REIT's joint ventures are as follows:

Equity Investments	Ownership Interest	Location	Term
NWI Galaxy JV GmbH & Co. KG ("European JV")	30%	Europe	11 years
NorthWest Australia HSO Trust	30%	Australia	Perpetuity
NorthWest Australia Hospital Investment Trust	30%	Australia	Perpetuity
Northwest Healthcare Properties Australia REIT ("AREIT")	30%	Australia	Perpetuity
NorthWest Australia Hospital Investment Galaxy 2 Trust	30%	Australia	Perpetuity

The following summarizes the REIT's managed funds as at September 30, 2024:

Funds Under Management and Capital Commitments						
Cdn$ Billions	**Total Commitment**	**Capital Deployed**	**Capital Allocated**	**Available Capacity**	**REIT Ownership**	**Term**
Australian Core Hospital JV	$3.5	$2.6	$0.6	$0.3	30%	Perpetuity
Australian Core Hospital JV 2	2.2	—	—	2.2	30%	Perpetuity
Vital Trust	2.8	2.8	—	Open	28%	Perpetuity
European JV (1)	3.0	0.6	—	2.4	30%	11 Years
Total	**$11.5**	**$6.0**	**$0.6**	**$4.9**		

(1) The European JV commitment period has expired. Further capital may be deployed upon mutual agreement between the joint venture parties.

The following table summarizes the REIT's assets by region as at September 30, 2024:

SUMMARY OF ASSETS	**North America**	**Brazil**	**Europe (1)**	**Australasia (2)(3)**	**Consolidated Total (4)**
Number of Properties	63	8	54	61	186
Asset Mix	81% MOB & 17% Hospitals & Healthcare Facilities & 2% Life Sciences	100% Hospitals	67% MOB & 33% Hospitals & Healthcare Facilities	20% MOB & 77% Hospitals & Healthcare Facilities & 3% Life Sciences	53% MOB & 45% Hospitals & Healthcare Facilities & 2% Life Sciences
Gross Leasable Area ("GLA") (million sf)	3.9	1.9	4.7	5.6	16.1
Total Assets (millions)	$1,423	$672	$899	$3,267	$6,344
Occupancy	90.6%	100.0%	96.6%	98.3%	96.1%
WALE (years)	5.8	16.7	13.6	17.0	13.4
Average Building Age (years)	31	20	38	15	26
Weighted Average Implied Cap Rate	6.7%	8.4%	6.3%	5.4%	6.2%

(1) Shown at 100% basis for assets held as part of JVs, except Total Assets, which are presented in accordance with IFRS.
(2) Vital Trust is reflected on a 100% basis, except Total Assets. The REIT has an approximate 28.4% interest in Vital Trust within Australasia and consolidates its investment in Vital Trust for financial reporting under IFRS.
(3) Australia within Australasia is shown at 100% basis for assets held as part of JVs, except Total Assets, which are presented in accordance with IFRS.
(4) Consolidated Total includes corporate assets and Global Manager.

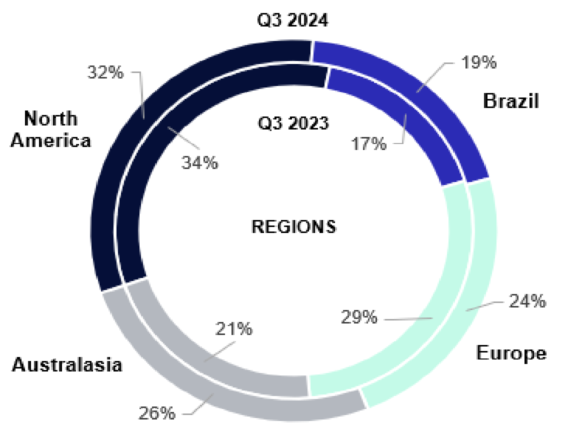
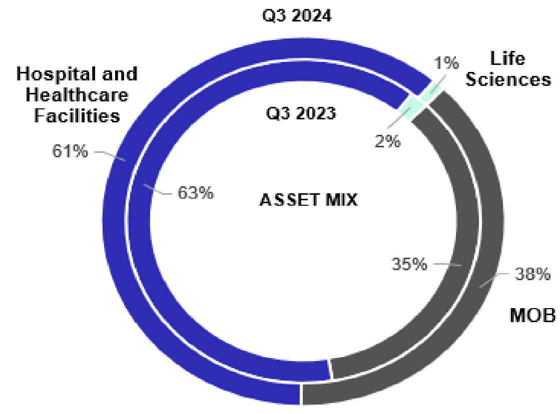
MOBs are similar to commercial office buildings, are typically multi-tenant properties and are primarily leased to necessity-based healthcare providers.

Hospital and other healthcare facilities are typically leased to a single tenant or hospital operator under long-term, inflation indexed, triple net lease structures in which the REIT does not absorb any material property operating cost or CAPEX risk.

Life Sciences are an emerging class of assets that are primarily leased to life science users with a focus on research and development, under long-term leases.

Diversification of Assets

The REIT's assets are diversified geographically and by asset type on a proportionate basis as follows:

Geographic Profile by NOI (Year-over-Year)	Asset Mix by NOI (Year-over-Year)
	

Tenant Mix

The following table summarizes the REIT's 10 largest tenants by percentage of proportionate revenue for the three months ended September 30, 2024:

10 LARGEST TENANTS BY PERCENTAGE OF RENT

	Tenant	Region	%	# of locations
1	Rede D'Or	Brazil	13.6 %	7
2	Healthscope Limited (1)	Australasia	5.7 %	12
3	Epworth Foundation (1)	Australasia	3.2 %	10
4	Aurora Healthcare (1)	Australasia	2.2 %	13
5	Healthe Care Surgical Pty Ltd (1)	Australasia	1.8 %	4
6	PrairieCare, LLC	North America	1.7 %	2
7	Stichting Albert Schweitzer Ziekenhuis (1)	Europe	1.6 %	4
8	Rush University Medical Center	North America	1.4 %	1
9	Median Kliniken	Europe	1.3 %	8
10	Evolution Group (1)	Australasia	1.2 %	3
			33.7 %	64

(1) Australia and Europe are shown at proportionate ownership basis for assets held as part of the JVs or Vital Trust. The REIT owns a 30%-33.57% interest in the JVs and has an approximate 28.4% interest in Vital Trust.

Further information on the REIT's three largest tenants is below:

Rede D'Or is the largest integrated health care network in Brazil. With more than 40 years of experience in the healthcare business, the company has solid business positions and operational scale strategically located in 13 states with the majority of the hospitals concentrated in the states of: São Paulo, Rio de Janeiro, Bahia, Federal District and Pernambuco. Since 2004, the company has grown substantially through a series of strategic partnerships and acquisitions. Rede D'or was valued at 112.5 billion reals ($22 billion) in an initial public offering priced on December 8, 2020, placing it among Brazil's 10 biggest companies by market capitalization at the time.

Healthscope Limited ("HSO") is currently the REIT's second largest tenant, occupying 12 properties (HSO Portfolio) and accounting for 5.7% of the REIT's proportionate revenues, which takes into account the REIT's ownership level of 30% for these respective properties. HSO, formed in 1985, is Australia's second largest private hospital operator and healthcare provider with a network of 38 private hospitals across every Australian state and territory. Specializing in medical and surgical, mental health, rehabilitation and maternity services, its hospitals are concentrated in large metropolitan centers, constituting 26 acute, 6 mental health and 6 rehabilitation hospitals.

Epworth Foundation is currently the REIT's third largest tenant, occupying 6 properties across the Vital and Australasian JV Funds, accounting in total for 3.2% of the REIT's proportionate revenues, which takes into account the REIT's ownership level of approximately 28.5% for these respective properties. Epworth Foundation was established in 1982 to raise funds to ensure patients at Epworth HealthCare receive the best possible care. Epworth HealthCare is Victoria's largest not-for-profit private health care group, with more than 7,100 employees, including nurses, doctors, allied health professionals and support services, across nine hospitals and several specialty centers around the Melbourne metropolitan area. Epworth Foundation invests heavily in the latest technology and innovation, as well as nurse training facilities, which all assist it in attracting leading physicians and staff.

LEASING

Lease Maturities

The REIT's asset diversification is complemented by a long-term maturity profile, with a weighted average lease expiry of 13.4 years as at September 30, 2024. The percentage of leases expiring by year by region is as follows:

	2024	2025	2026	2027	2028	2029	2030	2031	Thereafter	Total
North America	1.3 %	8.7 %	9.7 %	10.9 %	17.6 %	8.1 %	7.4 %	6.1 %	30.2 %	100.0 %
Brazil	— %	— %	— %	— %	— %	— %	— %	— %	100.0 %	100.0 %
Europe (1)	0.6 %	5.1 %	8.3 %	2.3 %	3.4 %	3.4 %	4.2 %	9.8 %	62.9 %	100.0 %
Australasia (2)	0.4 %	1.0 %	1.8 %	1.5 %	5.8 %	1.8 %	1.4 %	5.1 %	81.2 %	100.0 %
Total Portfolio	0.6 %	3.8 %	5.3 %	3.7 %	7.0 %	3.5 %	3.4 %	6.1 %	66.6 %	100.0 %

(1) Europe is shown at 100% basis for assets held as part of JVs. The REIT owns 30%-33.57% interest in the JV.
(2) Australia within Australasia is shown at 100% basis for assets held as part of JVs. The REIT owns 30% interest in the JV.

The REIT's expiry profile benefits from its Brazilian Hospitals, Australian Hospitals and European Clinic properties which are subject to long term leases. The eight Brazilian hospitals are each occupied by single tenants that are leading hospital operators and have leases expiring between September 2034 and January 2045.

The European clinic properties are mainly occupied by single tenants with an average WALE of 19.9 years.

The expiry profile also reflects the longer-term nature of many of the hospital tenants within the Vital Trust portfolio which has a WALE of 18.8 years and the Australian portfolio which has a WALE of 15.4 years.

The table below summarizes the REIT's WALE allocated by asset type as at September 30, 2024, on a proportionate basis and excluding development projects:

	Asset Mix			WALE (in years)			
	MOB	Hospitals & Healthcare Facilities	Life Sciences	MOB	Hospitals & Healthcare Facilities	Life Sciences	Total
North America	81%	17%	2%	4.8	9.6	19.2	**5.8**
Brazil	0%	100%	0%	–	16.7	–	**16.7**
Europe (1)	67%	33%	0%	5.4	19.9	–	**13.6**
Australasia (2) (3)	20%	77%	3%	15.7	17.4	10.1	**17.0**
Total Portfolio	53%	45%	2%	6.1	17.4	11.5	**13.4**

(1) Europe is shown at 100% basis for assets held as part of JVs. The REIT owns a 30%-33.57% interest in the JV.
(2) Australia within Australasia is shown at 100% basis for assets held as part of JVs. The REIT owns 30% interest in the JV.

Lease Indexation

As at September 30, 2024, over 86.2% of the REIT's rental income globally (98.2% of the REIT's rental income outside Canada) is subject to inflationary adjustments, certain of which are fixed or capped, and market reviews. The below table summarizes the percentage of revenue by region which receives the benefit of regular inflationary adjustments:

Revenue Subject to Inflationary/Market Based Adjustments	
	% of Revenue
North America	51.9%
Brazil	100.0%
Europe (1)	96.0%
Australasia (2)	99.0%
Portfolio Weighted Average	**86.2%**

(1) Europe is shown at 100% basis for assets held as part of JVs. The REIT owns 30%-33.57% interest in the JV.
(2) Australia within Australasia is shown at 100% basis for assets held as part of JVs. The REIT owns 30% interest in the JV.

Leasing Activity

LEASING ACTIVITY

	Three months ended September 30, 2024				
in thousands of square feet	**North America**	**Brazil**	**Europe (1)**	**Australasia (2)**	**Total**
Opening Occupancy	91%	100%	97%	99%	97%
Opening Balance	3,476	1,880	5,227	5,517	16,100
Disposition	—	—	(672)	—	(672)
Expiries	(92)	(157)	(79)	(54)	(382)
Early Terminations	(5)	—	—	—	(5)
Renewal	72	157	61	17	307
New Leasing	28	—	20	14	62
Other (3)	28	—	7	(2)	33
Closing Balance	3,507	1,880	4,564	5,492	15,443
Closing Occupancy	**91%**	**100%**	**97%**	**98 %**	**96%**
Early Lease Extensions		—	—	424	424

	Nine months ended September 30, 2024				
in thousands of square feet	**North America**	**Brazil**	**Europe (1)**	**Australasia (2)**	**Total**
Opening Occupancy	92%	100%	97%	99%	97%
Opening Balance	4,192	1,880	5,296	5,742	17,110
Disposition	(693)	—	(731)	(282)	(1,706)
Completed development	—	—	—	61	61
Expiries	(268)	(157)	(554)	(152)	(1,131)
Early Terminations	(5)	—	—	—	(5)
Renewal	186	157	455	105	903
New Leasing	60	—	89	20	169
Other (3)	35	—	9	(2)	42
Closing Balance	3,507	1,880	4,564	5,492	15,443
Closing Occupancy	**91%**	**100%**	**97%**	**98 %**	**96%**
Early Lease Extensions		—	—	424	424

(1) Europe is shown at 100% basis for assets held as part of JVs. The REIT owns 30%-33.57% interest in the JV.
(2) Australia within Australasia is shown at 100% basis for assets held as part of JVs. The REIT owns 30% interest in the JV.
(3) Other includes remeasurements and month-to-month leases.

Through active asset management, material and early lease extensions were also achieved in Australasia, with key operators on five major hospital assets. These extensions varied between 5 and 10 years and collectively, amongst other leasing achievements including Sabara Hospital has materially increased the global portfolio WALE to 13.4yrs.

The lease renewal rate for the three and nine months ended September 30, 2024 was 80% and 80%, respectively. The rental rates achieved per square feet for the leases that were renewed, on an end-to-start basis, for the three and nine months ended September 30, 2024 were as follows:

	Three Months Ended September 30, 2024				**Nine Months Ended September 30, 2024**			
Renewal Spreads	**Expiring**	**Renewal**	**Renewal Rate**	**Spread %**	**Expiring**	**Renewal**	**Renewal Rate**	**Spread %**
North America (CAD)	18.89	18.47	78.1%	-2.2%	15.57	15.63	69.4%	0.4%
Brazil (BRL)	1,100.68	1,100.68	100.0%	—%	1,100.68	1,100.68	100.0%	—%
Europe (EUR)	14.24	14.43	77.6%	1.3%	14.01	14.18	82.2%	1.2%
Australasia (AUD)	69.51	68.95	31.7%	-0.8%	58.17	59.47	69.1%	2.2%

The negative leasing spreads in North America for the three months ended September 30, 2024, are primarily attributable to a renewal of an anchor tenant in Alberta, Canada driven by the leasing market. Excluding this renewal, the initial net rent versus expiring net rent would have been increased by $0.91 per square foot or 4.9% for the three months ended September 30, 2024.

In Brazil, the Sabara hospital lease for approximately 157,000 square feet, which was expiring on September 30, 2024, was renewed for a 10-year term, with a 10-year renewal option, at passing rent, and is subject to future inflationary increases.

European renewals show positive spreads to passing rents over both the three and nine months ended September 30, 2024, as rental growth from leasing activity is delivered. The renewal rate largely reflects one-year lease renewals at passing rents while longer term lease extensions are being negotiated.

In Australasia, where 99.0% of rental revenues are subject to inflation indexation and periodic market-based reviewed, the REIT secured several renewals at approximately expiring rents for the three month and nine months ended September 30, 2024.

PART III – RESULTS FROM OPERATIONS

NET INCOME (LOSS)

The following is a summary of selected financial information from the consolidated statements of income (loss) and comprehensive income (loss) for the three and nine months ended September 30, 2024, and 2023:

RESULTS FROM OPERATIONS

Expressed in thousands of Canadian dollars	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Net Operating Income				
Revenue from investment properties	$ 107,015	$ 122,182	$ 359,701	$ 384,010
Property operating costs	24,799	27,085	88,057	95,471
Net Operating Income (NOI)	**82,216**	**95,097**	**271,644**	**288,539**
Other income				
Interest and other	6,151	7,882	12,910	15,963
Management fees	4,117	3,660	11,333	11,139
Share of profit (loss) of equity accounted investments	(22,100)	1,966	(32,084)	(19,917)
	(11,832)	**13,508**	**(7,841)**	**7,185**
	70,384	**108,605**	**263,803**	**295,724**
Expenses and Other				
Mortgage and loan interest expense	(44,332)	(58,715)	(153,521)	(167,550)
General and administrative expenses	(16,003)	(16,664)	(45,019)	(45,235)
Transaction costs	(5,366)	(6,209)	(12,300)	(13,905)
Other finance (costs) income	(46,482)	10,732	(62,226)	13,472
Foreign exchange gain (loss)	(500)	(2,521)	12,369	7,487
Income (loss) before the under noted items	**(42,299)**	**35,228**	**3,106**	**89,993**
Gain (loss) on financial instruments	(21,490)	(6,585)	(10,141)	14,204
Fair value adjustment of investment properties	(94,747)	(122,204)	(338,867)	(414,189)
Net loss on disposal of investment properties	(21,299)	(5,046)	(31,396)	(20,783)
Fair value adjustment of Unit-Based Compensation Liability	(1,641)	2,692	(480)	12,275
Income (loss) before taxes	**(181,476)**	**(95,915)**	**(377,778)**	**(318,500)**
Current tax expense	(6,641)	(11,049)	(13,035)	(22,515)
Deferred tax (expense) recovery	30,851	11,694	67,681	49,179
Net income (loss)	**$ (157,266)**	**$ (95,270)**	**$ (323,132)**	**$ (291,836)**
Net income (loss) attributable to:				
Unitholders	(138,252)	(81,276)	(308,222)	(210,855)
Non-controlling interests	(19,014)	(13,994)	(14,910)	(80,981)
	$ (157,266)	**$ (95,270)**	**$ (323,132)**	**$ (291,836)**

Revenue from Investment Properties

REVENUE FROM INVESTMENT PROPERTIES

	Three months ended September 30,		Nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
North America	35,788	45,313	127,589	147,147
Brazil	13,388	14,287	44,127	43,267
Europe	18,904	25,777	73,983	76,533
Australasia	38,935	36,805	114,002	117,063
Total revenue from investment properties	**107,015**	**122,182**	**359,701**	**384,010**

Revenue from investment properties for the three and nine months ended September 30, 2024 was $15.2 million and $24.3 million lower than the comparative period, respectively, mainly due to decreases in Europe and North America as a result of disposition of non-core assets during 2023 and 2024. The increases were partially offset by rent indexation and increases in tenant recoveries.

Net Operating Income

SAME PROPERTY NOI

	Three months ended September 30,			Nine months ended September 30,		
	2024	**2023**	**Var %**	**2024**	**2023**	**Var %**
Same property NOI (1)						
North America	$ 18,920	$ 17,663	7.1%	$ 54,828	$ 51,804	5.8%
Brazil	13,388	12,765	4.9%	42,423	40,499	4.8%
Europe	7,665	7,368	4.0%	23,103	22,256	3.8%
Australasia	30,739	29,555	4.0%	89,812	86,385	4.0%
Same property NOI (1)	**$ 70,712**	**$ 67,351**	**5.0%**	**$ 210,166**	**$ 200,944**	**4.6%**
Impact of foreign currency translation	—	1,242		—	797	
Straight-line rental revenue recognition	214	893		2,291	3,596	
Amortization of operating leases	35	39		111	124	
Lease termination fees	2	188		104	227	
Other transactions	833	(60)		1,149	3,000	
Developments	4,664	1,171		12,951	4,403	
Dispositions	5,756	24,270		44,872	75,446	
NOI	**$ 82,216**	**$ 95,094**	**(13.5)%**	**$ 271,644**	**$ 288,537**	**(5.9)%**

(1) Same property NOI is a non-IFRS financial measure. See **Performance Measuremen**t.

The REIT's Same Property NOI for the three and nine months ended September 30, 2024 increased by 5.0% and 4.6%, respectively, over the comparable prior year periods mainly due to inflationary adjustments on rents, rentalised capital spend, and improved recoveries, reflecting a steady growth in the REIT's underlying lease rates supported by a long term WALE of 13.4 years.

North America

Same property NOI for the three and nine months ended September 30, 2024 increased by 7.1% and 5.8% respectively over the comparable prior year periods as result of free rent arrangement in 2023 for a major tenant which did not recur in current year, rent step-ups and inflationary adjustments, and an increase in parking income in the Canadian portfolio.

Brazil

Same Property NOI for the three and nine months ended September 30, 2024 increased by 4.9% and 4.8% respectively over the comparable prior year periods driven by inflationary adjustments.

Europe

Same Property NOI for the three and nine months ended September 30, 2024 increased by 4.0% and 3.8% respectively over the comparable prior year periods reflecting growth in rental revenue from indexation increases, and improved recoveries.

Australasia

Same Property NOI for the three and nine months ended September 30, 2024 increased by 4.0% over the comparable prior year periods driven by growth in rental revenue from indexation increases and rentalised capital expenditure.

Interest and other

For the three months ended September 30, 2024 and 2023, the REIT recorded interest and other income of $6.2 million and $7.9 million, respectively. For the nine months ended September 30, 2024 and 2023, the REIT recorded interest and other income of $12.9 million and $16.0 million, respectively.

During the three and nine months ended September 30, 2024 interest and other income decreased by $1.7 million and $3.1 million, respectively, primarily due to the decrease in the REIT's investment in unlisted securities and the corresponding decrease in the related distribution income and one-time project related reimbursement income included as part of other income in the prior period. The decrease during the three months ended September 30, 2024 is partially offset by distribution income from the REIT's investment in Assura following the sale of the UK assets (see **Highlights for the Quarter**).

Management Fees

GLOBAL ASSET MANAGER FEES

	Three months ended September 30,		Nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Base fee	$ 7,902	$ 7,811	$ 23,547	$ 24,363
Incentive and performance fee [1]	—	1,358	2,729	5,505
Project and Acquisition fees	2,633	2,036	5,017	5,593
Trustee fees	444	283	1,335	883
Other fees and cost reimbursements	17	—	50	—
Total Management Fees	**$ 10,996**	**$ 11,488**	**$ 32,678**	**$ 36,344**
less: inter-company elimination	(6,879)	(7,828)	(21,345)	(25,205)
Consolidated Management Fees	**4,117**	**3,660**	**11,333**	**11,139**
add: fees charged to non-controlling interests [2]	4,856	5,470	14,634	17,702
Proportionate Management Fees	**$ 8,973**	**$ 9,130**	**$ 25,967**	**$ 28,841**

(1) Incentive fees are calculated as a percentage of the average annual increase in Vital Trust's net tangible assets, over the 12-month period ending June 30, 2024, and the two preceding periods.
(2) The Global Asset Manager fees charged to Vital Trust are eliminated on consolidation as inter-company transactions, but the REIT receives the benefit of approximately 71% of the fees, representing the non-controlling interest ownership in Vital Trust.

The REIT has established asset managers in Australasia and Europe to provide property management, acquisition and development management services to Vital Trust, and joint ventures, which are collectively referred to as the Global Asset Manager. In exchange for its services, the Global Asset Manager earns market-based asset management fees, activity-based fees for acquisitions and development, incentive/ performance fees and fees in respect of additional services.

For the three months ended September 30, 2024, proportionate management fees decreased by $0.2 million due to decrease in incentive fees which is calculated based on NAV growth, partially offset by higher activity-based fees. For the nine months ended September 30, 2024, proportionate management fees decreased $2.9 million compared to the same period in 2023 due to decrease in development and acquisition-based activity fees and lower incentive fees.

Share of Profit (Loss) of Equity Accounted Investments

SHARE OF PROFIT/LOSS IN EQUITY ACCOUNTED INVESTMENTS						
For the three months ended September 30,	2024			2023		
	Australasia	Europe	Total	Australasia	Europe	Total
Total revenues	**$ 28,339**	**$ 10,671**	**$ 39,010**	$ 26,944	$ 10,202	$ 37,146
Expenses						
Operating costs	**1,805**	**1,906**	**3,711**	2,177	1,642	3,819
Mortgage and loan interest expense	**15,244**	**6,449**	**21,693**	15,287	6,185	21,472
General and administrative expenses	**2,330**	**1,551**	**3,881**	2,649	1,626	4,275
Other	**461**	**123**	**584**	229	105	334
Fair value (gain) loss adjustments and transaction costs	**81,473**	**2,336**	**83,809**	(635)	428	(207)
Income tax expense	**—**	**56**	**56**	—	584	584
Net income (loss)	**(72,974)**	**(1,750)**	**(74,724)**	7,237	(368)	6,869
Less: Non-controlling interests	**921**	**(58)**	**863**	540	—	540
Net profit attributable to unitholders	**(73,895)**	**(1,692)**	**(75,587)**	6,697	(368)	6,329
Weighted average share of profits (loss)	**30 %**	**30% to 33.57%**		30 %	30% to 33.57%	
REIT's share of income (loss)	**$ (21,616)**	**$ (484)**	**$ (22,100)**	$ 2,011	$ (45)	$ 1,966

For the nine months ended September 30,	2024			2023		
	Australasia	Europe	Total	Australasia	Europe	Total
Total revenues	**$ 88,313**	**$ 32,305**	**$ 120,618**	$ 86,517	$ 31,145	$ 117,662
Expenses						
Operating costs	**9,883**	**6,134**	**16,017**	10,170	5,945	16,115
Mortgage and loan interest expense	**45,214**	**18,947**	**64,161**	41,895	18,205	60,100
General and administrative expenses	**7,276**	**3,453**	**10,729**	7,573	3,738	11,311
Other	**1,102**	**389**	**1,491**	568	309	877
Fair value (gain) loss adjustments and transaction costs	**126,336**	**6,235**	**132,571**	71,422	23,887	95,309
Income tax expense	**—**	**1,545**	**1,545**	—	(2,766)	(2,766)
Net income (loss)	**(101,498)**	**(4,398)**	**(105,896)**	(45,111)	(18,173)	(63,284)
Less: Non-controlling interests	**(1,019)**	**—**	**(1,019)**	2,811	—	2,811
Net profit attributable to unitholders	**(100,479)**	**(4,398)**	**(104,877)**	(47,922)	(18,173)	(66,095)
Weighted average share of profits (loss)	**30 %**	**30% - 33.57%**		30 %	30% to 33.57%	
REIT's share of income (loss)	**$ (30,755)**	**$ (1,329)**	**$ (32,084)**	$ (14,376)	$ (5,541)	$ (19,917)

Equity accounted investments represent the REIT's share of Australasian and European JVs with an institutional partner. The REIT's share of loss was higher by $24.1 million and $12.2 million for the three and nine months ended September 30, 2024, respectively, compared to the same periods in 2023. The increase was mainly attributable to higher valuation losses on investment properties, increase in interest rates and expense during late 2023 and early 2024, partially offset by lower general and administrative expenses.

Mortgage and Loan Interest Expense

MORTGAGE AND LOAN INTEREST EXPENSE				
	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
North America				
Mortgages and Term debts	7,222	12,958	26,439	38,629
Brazil				
Mortgages and Term debts	3,592	1,970	15,413	5,878
Europe				
Mortgages and Term debts	4,836	9,583	22,962	26,838
Australasia				
Term debts	15,959	15,806	47,750	48,278
Corporate				
Australasian Secured Financing	3,860	4,173	10,934	12,096
Corporate Credit Facilities	7,106	14,568	26,137	37,719
Convertible Debentures	7,261	5,863	21,626	15,274
	49,836	64,921	171,261	184,712
less: capitalized interest	(5,504)	(6,206)	(17,740)	(17,162)
Total mortgage and loan interest expense	**44,332**	**58,715**	**153,521**	**167,550**

The mortgage and loan interest expense for the three and nine months ended September 30, 2024, was $44.3 million and $153.5 million, respectively. The $14.4 million quarter-to-date decrease is due to debt repayments from asset dispositions partially offset by an increase in interest rate on series G convertible debenture from 5.5% to 10.0%. The year-to-date decrease of $14.0 million is primarily attributable to an overall decrease in weighted average interest rates from 6.04% to 5.60%, alongside debt repayments and asset dispositions.

General and Administrative Expenses (“G&A”)

General and administrative expenses				
	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
G&A excluding employee termination benefits and unit-based compensation expense	$ 12,654	$ 14,781	$ 38,851	$ 37,855
Employee termination benefits and associated costs	3,807	—	3,807	—
Unit-based compensation expense	(458)	1,883	2,361	7,380
General and administrative expenses	**$ 16,003**	**$ 16,664**	**$ 45,019**	**$ 45,235**

G&A expenses for the three and nine months ended September 30, 2024, includes Unit-Based Compensation Expense of $(0.5) million and $2.4 million, respectively (three and nine months ended September 30, 2023 - $1.9 million and $7.4 million). Unit-Based compensation compared to prior periods decreased primarily due to forfeitures in 2023 and 2024.

Also included in G&A expense for the three and nine months ended September 30, 2024 is $3.8 million of termination benefits and associated costs. This workforce reduction measure is expected to result in go forward annualized savings of approximately $3.7 million in General and Administrative Expense and Property Operating Costs, excluding any related impact to revenues or recoveries. See **“Highlights for the Quarter”**.

G&A, excluding amounts associated with employee termination benefits and associated costs and Unit-Based Compensation Expenses, decreased $2.1 million for the three months ended September 30, 2024 compared to prior period. The decrease is due to the simplification of operations and cost control initiatives implemented by management. The increase of $1.0 million for the nine months ended September 30, 2024 compared to prior period is primarily due to statutory and tax compliance costs related to historical periods in Europe, partially offset by cost control initiatives.

Transaction Costs

For the three and nine months ended September 30, 2024, the REIT incurred transaction costs of $5.4 million and $12.3 million, respectively (three and nine months ended September 30, 2023 - $6.2 million and $13.9 million, respectively). Transaction costs included third party costs and internal allocations related to investment opportunities, capital raising initiatives, and the Board's Strategic Review Committee.

Net Loss on Disposal of Investment Properties

During the three and nine months ended September 30, 2024, the REIT incurred net losses on disposal of investment properties of $21.3 million and $31.4 million, respectively (three and nine months ended September 30, 2023 - $5.0 million and $20.8 million, respectively) consisting of direct costs and allocation of employee compensation relating to dispositions of investment properties, including dispositions that did not successfully complete or expected to be completed in future periods.

Foreign Exchange Gain (Loss)

The REIT and its subsidiaries' financial assets and liabilities denominated in foreign currencies are revalued at the end of each period at the prevailing rate on the balance sheet date. For the three and nine months ended September 30, 2024, the REIT recorded a foreign exchange loss of $0.5 million and gain of $12.4 million, respectively, which included an unrealized loss of $1.9 million and gain of $11.1 million, respectively, related to revaluation of third-party debt and intercompany loans between subsidiaries of the REIT that are denominated in foreign currencies as compared to the functional currency of the subsidiary entity, and a realized gain of $1.4 million and gain of $1.3 million for the three and nine months ended September 30, 2024, respectively, mainly related to settlements of debt denominated in foreign currencies.

Other Finance Costs

Other finance costs for the three and nine months ended September 30, 2024 and 2023 consisted of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Fair value adjustment of Convertible Debentures	$ 34,179	$ (12,613)	$ 35,871	$ (26,792)
Amortization of deferred financing costs	11,366	2,686	20,817	8,649
Loss (gain) on revaluation of financial liabilities	937	814	5,369	6,602
Fair value adjustment of Exchangeable Units	—	(2,052)	205	(7,558)
Convertible Debenture issuance costs	—	91	27	4,601
Distributions on Exchangeable Units	—	342	(63)	1,026
Total Finance Costs (Income)	**$ 46,482**	**$ (10,732)**	**$ 62,226**	**$ (13,472)**

Fair value adjustment of Convertible Debentures

Under IFRS, the REIT has elected to measure Convertible Debentures at fair value. The fair value of the Convertible Debentures is based on the closing trading price of the REIT's Convertible Debentures as at the reporting date. The following table summarizes the value of the convertible debentures issued and outstanding at the closing prices of the REIT's Convertible Debentures at each quarter end for the last six quarters:

CLOSING PRICE OF CONVERTIBLE DEBENTURES						
	24-Sep	**24-Jun**	**24-Mar**	**23-Dec**	**23-Sep**	**23-Jun**
Month-end closing price (Canadian $)						
NWH.DB.G	1,010	1,002	999	998	993	990
NWH.DB.H	950	813	830	808	853	913
NWH.DB.I	963	825	848	820	908	950

An increase in the price of a convertible debenture results in a fair value loss to the REIT and a decrease in the trading price of a convertible debenture results in a fair value gain to the REIT.

Amortization of deferred financing costs

For the three and nine months ended September 30, 2024, the REIT recorded amortization of deferred financing fees of $11.4 million and $20.8 million, respectively (for the three and nine months ended months ended September 30, 2023 - $2.7 million and $8.6 million, respectively). The increase in amortization is primarily attributable to accelerated amortization of financing costs associated with debt that was repaid early using proceeds from assets disposed in 2024. The REIT adjusts for transactional deferred financing charges, including accelerated amortization of deferred financing costs, in determining AFFO (see **Adjusted Funds from Operations**).

Loss (gain) on revaluation of financial liabilities

The outstanding balances of the Brazilian term debt are adjusted by the inflation rate (the consumer price inflation measure used by the Central Bank of Brazil for guiding monetary policy ("**IPCA**").

For the three and nine months ended September 30, 2024 , accretion expense was $0.9 million and $5.4 million (for the three and nine months ended September 30, 2023 - $0.8 million and $6.6 million, respectively). The increase in accretion expense for the three months ended September 30, 2024 is attributable to depreciation of foreign currency relative to the Canadian dollar, and decreases in accretion expense for the nine months ended September 30, 2024 are attributable to a lower inflation rate as of September 30, 2024 of 4.38% as compared to 5.19% as at September 30, 2023.

Gain/Loss on Financial Instruments

Gain/loss on financial instruments for the three and nine months ended September 30, 2024 and 2023 consisted of the following:

GAIN (LOSS) ON FINANCIAL INSTRUMENTS	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
North America				
Interest rate derivatives	$ (2,874)	$ 4,145	$ 1,694	$ 5,961
Europe				
Interest rate derivatives	(7,729)	(7,358)	(3,901)	5,046
Investment in Assura	7,542	—	7,542	—
Australasia				
Interest rate derivatives	(13,659)	(2,651)	(8,184)	1,150
Unlisted securities	(3,024)	(1,140)	(5,632)	1,742
Foreign exchange contracts	336	419	408	305
Corporate				
Interest rate derivatives	$ (2,082)	$ —	$ (2,068)	$ —
Total gain (loss) on financial instruments	**$ (21,490)**	$ (6,585)	**$ (10,141)**	$ 14,204

The REIT's interest rate derivative arrangements outstanding as at September 30, 2024 were as follows:

Segment	Type	Variable rate	Notional Amount	Weighted Average Remaining Term (Years)	Effective Interest Rate	Fair Value
Interest rate derivative assets						
North America	Swap	SOFR	$ 185,385	1.4	3.49%	$ 331
Europe	Swap	Euribor	98,923	2.9	1.32%	3,931
Europe	Cap	Euribor	93,511	1.7	2.31%	3,552
Europe	Cap Floor	Euribor	17,073	4.8	—%	9
Australasia	Swap	BBSY	518,087	1.4	2.80%	5,905
			912,979			$ 13,728
Future dated						
Australasia	Swap	BKBM	42,960	2.0	3.15%	33
			$ 955,939			$ 13,761
Interest rate derivatives liabilities						
Australasia	Swap	BBSY	$ 290,098	2.0	3.84%	$ (841)
Corporate	Swap	BKBM	85,920	2.0	4.87%	(2,068)
			$ 376,018			$ (2,909)
Future dated						
Australasia	Swap	BBSY	280,740	2.6	3.53%	(991)
Australasia	Swap	BKBM	85,920	4.5	4.10%	(2,406)
Australasia	Swaptions(1)	BBSY	187,160	2.5	3.75%	(2,103)
			$ 553,820			$ (5,500)
			$ 929,838			$ (8,409)

(1) Exercisable at the election of the bank counterparty.

During the three and nine months ended September 30, 2024, the REIT partially settled interest rate derivative swaps in North America with a notional amount of $49.2 million (US$67.3 million) and $153.4 million (US$112.2 million) following the repayment of property level debt following the disposition of the associated investment properties (note 4).

The REIT also fully settled interest rate derivative swaps with a notional amount of $470.7 million with respect to the term debt of the UK portfolio, which was sold during the quarter (see **Highlights for the Quarter**). The cash proceeds from the sale also repaid the $65.2 million (US$47.7 million) non-revolving credit facility and the related financial instruments with a notional amount of $55.8 million (US$40.7 million) were settled.

During the three and nine months ended September 30, 2024, the REIT entered into interest rate swaps in respect of its Australasian secured term financing with a notional value of $21.5 million (NZ$25.0 million) and $85.9 million (NZ$100.0 million) and a term of two years, resulting in the base rate (BKBM) on the notional amount being fixed at 4.87%.

Fair Value Adjustment of Investment Properties

For the three and nine months ended September 30, 2024, the REIT recorded a fair value loss on investment properties of $94.7 million and $338.9 million, respectively (three and nine months ended September 30, 2023 - $122.2 million and $414.2 million, respectively). The fair value losses were mainly attributable to changes in valuation parameters, rent reviews, and the inclusion of available market evidence.

Included in the fair value loss on investment properties for the three and nine months ended September 30, 2024, is fair value loss of approximately $105.0 million on the UK portfolio to reflect the market price at which it was sold.

See **"PART V – BALANCE SHEET AND CAPITALIZATION – INVESTMENT PROPERTIES".**

Fair Value Adjustment of Unit-Based Compensation Liability

Under IFRS, the REIT's unit-based compensation liability ("Unit-Based Liability") is measured at fair value each reporting period. The valuation with respect to deferred units and restricted units is based on the market value of a REIT Trust Unit or Vital Trust unit at the reporting date, and the valuation with respect to preferred units is based on a Monte-Carlo simulation at the reporting date. The change in fair value of the Unit-Based Liability is recognized in income (loss). The fair value adjustment on revaluation of the Unit-Based Liability for the three and nine months ended September 30, 2024 was $(1.6) million and $(0.5) million, respectively (three and nine months ended September 30, 2023 - $2.7 million and $12.3 million, respectively).

Income Tax Expense

The combined current tax and deferred tax recovery of the REIT for the three and nine months ended September 30, 2024, was $24.2 million and $54.6 million, respectively.

For the three and nine months ended September 30, 2024, the REIT recognized a current tax expense of $6.6 million and $13.0 million (for the three and nine months ended September 30, 2023 - expense of $11.0 million and $22.5 million, respectively). The decrease in current taxes during the quarter was primarily due to a non-recurring gain recognized in 2023 on the settlement of interest rate swaps in Vital Trust, in addition to lower pre-tax income and timing differences in the Australian asset manager.

The deferred tax recovery for the three and nine months ended September 30, 2024, was $30.9 million and $67.7 million (three and nine months ended September 30, 2023 - a recovery of $11.7 million and $49.2 million) was primarily a result of fair value losses on investment properties and the sale of the UK Portfolio that occurred during the reporting periods. The REIT records deferred tax assets and liabilities arising from the difference between the carrying value for accounting purposes and the tax cost of its investment properties.

PROPORTIONATE BASIS RESULTS FROM OPERATIONS

INCOME STATEMENT

For the three months ended,	September 30, 2024			September 30, 2023		
	IFRS Basis	**Adjustments (1)**	**Proportionate Basis**	IFRS Basis	Adjustments (1)	Proportionate Basis
Net Property Operating Income						
Revenue from investment properties	**$ 107,015**	**$ (15,262)**	**$ 91,753**	$ 122,182	$ (13,757)	$ 108,425
Property operating costs (2)	**24,799**	**(2,488)**	**22,311**	27,085	(1,410)	25,675
	82,216	**(12,774)**	**69,442**	95,097	(12,347)	82,750
Other Income						
Interest and other	**6,151**	**165**	**6,316**	7,882	219	8,101
Management fees (2)	**4,117**	**6,879**	**10,996**	3,660	7,828	11,488
Share of profit of equity accounted investments	**(22,100)**	**22,100**	**—**	1,966	(1,966)	—
	(11,832)	**29,144**	**17,312**	13,508	6,081	19,589
Expenses and other						
Mortgage and loan interest expense	**(44,332)**	**310**	**(44,022)**	(58,715)	(441)	(59,156)
General and administrative expense (2)	**(16,003)**	**(1,773)**	**(17,776)**	(16,664)	(2,631)	(19,295)
Transaction costs	**(5,366)**	**354**	**(5,012)**	(6,209)	(147)	(6,356)
Foreign exchange loss (gain)	**(500)**	**29**	**(471)**	(2,521)	(490)	(3,011)
	(66,201)	**(1,080)**	**(67,281)**	**(84,109)**	**(3,709)**	**(87,818)**
Income (loss) before the under noted items	**4,183**	**15,290**	**19,473**	24,496	(9,975)	14,521
Other finance costs	**(46,482)**	**195**	**(46,287)**	10,732	224	10,956
Net gain (loss) on financial instruments	**(21,490)**	**6,867**	**(14,623)**	(6,585)	1,605	(4,980)
Fair value adjustment of investment properties (2)	**(94,747)**	**(1,973)**	**(96,720)**	(122,204)	21,526	(100,678)
Net loss on disposal of investment properties	**(21,299)**	**289**	**(21,010)**	(5,046)	829	(4,217)
Fair value adjustment of unit-based compensation liabilities	**(1,641)**	**—**	**(1,641)**	2,692	—	2,692
Income (loss) before taxes	**$ (181,476)**	**$ 20,668**	**$ (160,808)**	$ (95,915)	$ 14,209	$ (81,706)
Income tax expense (recovery)	**24,210**	**(1,654)**	**22,556**	645	(215)	430
Total net income (loss)	**(157,266)**	**19,014**	**(138,252)**	(95,270)	13,994	(81,276)
Less: non-controlling interest	**19,014**	**(19,014)**	**—**	13,994	(13,994)	—
Total net income (loss) attributable to unitholders'	**$ (138,252)**	**$ —**	**$ (138,252)**	$ (81,276)	$ —	$ (81,276)

For the nine months ended,	September 30, 2024			September 30, 2023		
	IFRS Basis	**Adjustments (1)**	**Proportionate Basis**	IFRS Basis	Adjustments (1)	Proportionate Basis
Net Property Operating Income						
Revenue from investment properties	**359,701**	**(42,329)**	**317,372**	384,010	(43,836)	340,174
Property operating costs (2)	**88,057**	**(5,404)**	**82,653**	95,471	(5,448)	90,023
	271,644	**(36,925)**	**234,719**	288,539	(38,388)	250,151
Other Income						
Interest and other	**12,910**	**213**	**13,123**	15,963	955	16,918
Management fees (2)	**11,333**	**21,345**	**32,678**	11,139	25,205	36,344
Share of profit of equity accounted investments	**(32,084)**	**32,084**	**—**	(19,917)	19,917	—
	(7,841)	**53,642**	**45,801**	7,185	46,077	53,262
Expenses and other						
Mortgage and loan interest expense	**(153,521)**	**(3)**	**(153,524)**	(167,550)	(114)	(167,664)
General and administrative expense (2)	**(45,019)**	**(5,701)**	**(50,720)**	(45,235)	(8,480)	(53,715)
Transaction costs	**(12,300)**	**355**	**(11,945)**	(13,905)	(709)	(14,614)
Foreign exchange loss (gain)	**12,369**	**397**	**12,766**	7,487	(652)	6,835
	(198,471)	**(4,952)**	**(203,423)**	(219,203)	(9,955)	(229,158)
Income (loss) before the under noted items	**65,332**	**11,765**	**77,097**	76,521	(2,266)	74,255
Other finance costs	**(62,226)**	**528**	**(61,698)**	13,472	672	14,144
Net gain (loss) on financial instruments	**(10,141)**	**4,945**	**(5,196)**	14,204	(925)	13,279
Fair value adjustment of investment properties (2)	**(338,867)**	**(5,780)**	**(344,647)**	(414,189)	78,067	(336,122)
Net loss on disposal of investment properties	**(31,396)**	**555**	**(30,841)**	(20,783)	1,885	(18,898)
Fair value adjustment of unit-based compensation liabilities	**(480)**	**—**	**(480)**	12,275	1	12,276
Income (loss) before taxes	**$ (377,778)**	**$ 12,013**	**$ (365,765)**	$ (318,500)	$ 77,434	$ (241,066)
Income tax expense (recovery)	**54,646**	**2,897**	**57,543**	26,664	3,547	30,211
Total net income (loss)	**(323,132)**	**14,910**	**(308,222)**	(291,836)	80,981	(210,855)
Less: non-controlling interest	**14,910**	**(14,910)**	**—**	80,981	(80,981)	—
Total net income (loss) attributable to unitholders	**$(308,222)**	**$ —**	**$ (308,222)**	$ (210,855)	$ —	$ (210,855)

(1) Proportionate basis results from operations is a non-IFRS based on certain adjustments to condensed consolidated interim statement of income (loss) adjusted to reflect share of net income (losses) from equity accounted joint ventures and fully consolidated Vital Trust on a proportionately consolidated basis at the REIT's ownership percentage of the related investments.

(2) Management fees under proportionate basis are presented gross of any inter-company eliminations. Accordingly, the REIT's property operating costs, general and administrative expense and fair value adjustment of investment properties are also presented gross of any inter-company eliminations that are required under IFRS in respect of the management fees.

NOI from investment properties for the three and nine months ended September 30, 2024 was $69.4 million and $234.7 million, respectively (three and nine months ended September 30, 2023 - $82.8 million and $250.2 million, respectively). The decrease from the comparative periods is primarily driven by impact of non-core assets sales, offset by rent escalations.

Net loss for the three and nine months ended September 30, 2024 was $138.3 million and $308.2 million, respectively (three and nine months ended September 30, 2023 - $81.3 million and $210.9 million, respectively). The year-to-date decrease of the net loss is primarily attributable to the decrease in NOI, higher amortization on deferred financing costs due to accelerated amortization on early repayment of debt and loss on disposal of investment properties.

FUNDS FROM OPERATIONS ("FFO")

The REIT calculates FFO based on certain adjustments to net income (computed in accordance with IFRS) as detailed below. The REIT makes adjustments for cost incurred with respect to exploring new strategic opportunities, establishing joint arrangements, building relationships with healthcare operators and institutional investors, which in management view are not reflective of earnings from core operations or impact the REIT's ability in the long-run to make distributions to unitholders given their discretionary and strategic nature. Accordingly, the REIT's method of calculating FFO may differ from other issuers' methods and may not be comparable to similar measures used by other issuers.

The REIT presents its consolidated FFO calculations in accordance with the January 2022 guidance in the REALPAC White Paper on Funds From Operations, with the exception that the REIT excludes the following adjustments when determining FFO: revaluation of financial liabilities, employee termination benefits and related expenses, payments of premiums on derivative financial instruments, unrealized foreign exchange gains and losses, and certain transaction costs.

For the three and nine months ended September 30, 2024, FFO per unit was $0.06 and $0.26 per unit, respectively, including accelerated amortization of deferred financing costs as a result of early repayment of the underlying debt, using proceeds from asset sales. Excluding the impact of $10.3 million of accelerated amortization of deferred financing costs, FFO for the three and nine months ended September 30, 2024 is $0.11 and $0.31 per unit, respectively.

FUNDS FROM OPERATIONS ("FFO")	**Three months ended September 30,**		**Nine months ended September 30,**	
	2024	**2023**	**2024**	**2023**
Net income (loss) attributable to unitholders	**$ (138,252)**	**$ (81,276)**	**$ (308,222)**	**$ (210,855)**
Add / (Deduct): [1]				
Fair market value losses (gains) [2]	146,541	99,081	391,899	302,038
Finance cost - Exchangeable Unit distributions	—	342	(63)	1,026
Revaluation of financial liabilities	937	814	5,369	6,602
Unrealized foreign exchange loss (gain)	1,858	2,972	(11,433)	(6,360)
Deferred taxes	(26,027)	(5,730)	(64,539)	(42,386)
Transaction costs	5,011	7,925	12,041	16,758
Net loss on disposal of investment properties	20,990	4,217	30,805	18,898
Convertible Debenture issuance costs	—	91	27	4,601
Internal leasing costs	312	510	963	1,470
Property taxes accounted for under IFRIC 21	(108)	174	(47)	846
Net adjustment for lease amortization	(189)	(91)	(439)	(257)
Employee termination benefits and related expenses	3,807	—	3,807	—
Other FFO adjustments	895	4,530	5,026	12,236
FFO	**$ 15,775**	**$ 33,559**	**65,194**	**104,617**
FFO per Unit - Basic	$ 0.06	$ 0.14	$ 0.26	$ 0.43
FFO per Unit - Diluted [3]	$ 0.06	$ 0.14	$ 0.26	$ 0.43
Adjusted weighted average units outstanding [4]				
Basic	246,832,144	244,782,614	246,084,555	243,903,682
Diluted [3]	247,870,148	246,594,988	247,334,010	245,770,444

(1) FFO is not a measure recognized under IFRS and does not have standardized meanings prescribed by IFRS. See **Performance Measurement**. The adjustments to determine FFO have been presented on a proportionate basis.

(2) Included in FFO for the three and nine months ended September 30, 2024 are nil and $6.7 million related to premiums paid in connection with interest rate cap derivatives (three and nine months ended September 30, 2023 - $11.0 million and $26.2 million), the impact of which is nil and $0.03 per unit, respectively (three and nine months ended September 30, 2023 - $0.05 per unit and $0.11 per unit, respectively).

(3) Diluted units include the impact of vested deferred trust units and the convertible debentures, that would have a dilutive effect upon conversion.

(4) Under IFRS the REIT's Class B LP Units are treated as a financial liability rather than equity. The REIT has chosen to present an adjusted basic and diluted per unit measure that includes the Class B Units in basic and diluted units outstanding/weighted average units outstanding. There were no Class B Units outstanding as at September 30, 2024 (September 30, 2023 - 1,710,000 Class B Units).

Additional details on the adjustments to the REIT's net income in order to arrive at FFO are as follows:

Fair market value losses (gains)

FAIR MARKET VALUE LOSSES (GAINS)

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Fair market value losses (gains)				
Fair value adjustment of Convertible Debentures	$ 34,179	$ (12,613)	$ 35,871	$ (26,792)
Fair value adjustment of Exchangeable Units	—	(2,052)	205	(7,558)
Fair value adjustment of investment properties	96,098	100,432	343,422	335,724
Loss (Gain) on derivative financial instruments	14,623	4,980	5,196	(13,279)
Premiums on derivative financial instruments	—	11,026	6,725	26,219
Fair value adjustment of Unit-Based Liability	1,641	(2,692)	480	(12,276)
Total	**$ 146,541**	**$ 99,081**	**$ 391,899**	**$ 302,038**

Convertible Debentures

Under IFRS the REIT's Convertible Debentures are classified as financial liabilities measured at fair value through profit and loss and any related unrealized fair value changes in re-measuring the financial liability impact net income. Compliant with the REALPAC Guidance and in order to enhance the usefulness and comparability of FFO as a supplemental measure of the operating performance of the REIT, fair value changes related to the Convertible Debentures have been added back to the REIT's net income (loss).

Exchangeable Units and Unit-Based Liability

Under IFRS the REIT's Exchangeable Units and Unit-Based Liability are classified as financial liabilities and any related unrealized fair value changes in re-measuring the financial liability impact net income. Compliant with REALPAC Guidance and in order to enhance the usefulness and comparability of FFO as a supplemental measure of the operating performance of the REIT, fair value changes related to Exchangeable Units and Unit-Based Liability have been added back to the REIT's net income (loss).

Investment properties

Under IFRS the REIT has elected to use the fair value model to account for its investment properties. Under the fair value model, investment properties are carried on the consolidated balance sheets at fair value. The properties are not depreciated and changes in the fair value of the investment properties are recognized in income in the period in which they occur. Compliant with REALPAC Guidance and in order to enhance the usefulness and comparability of FFO as a supplemental measure of the operating performance of the REIT, fair value changes related to investment properties have been added back to the REIT's net income (loss).

Derivative financial instruments

Under IFRS derivative financial instruments are measured at fair value and any related unrealized fair value changes in re-measuring the derivative financial instrument impact net income. Compliant with the REALPAC Guidance and in order to enhance the usefulness and comparability of FFO as a supplemental measure of the operating performance of the REIT, unrealized fair value changes related to derivative financial instruments have been added back to the REIT's net income (loss).

Premiums on derivative financial instruments

For the three and nine months ended September 30, 2024, premiums of nil and $6.7 million (three and nine months ended September 30, 2023 - $11.0 million and $26.2 million) on derivative financial instruments to fix variable rate debt which are reflected under interest expense have been added back to the REIT's net income (loss). The adjustment is not in compliance with REALPAC Guidance. In management's view, the premiums paid reflect investment activity and should be added back to reflect ongoing operating performance of the REIT. During the nine months ended September 30, 2024, the derivative financial instruments subject to these premiums have expired and no further adjustments are expected in subsequent reporting periods.

Finance cost - Exchangeable Unit distributions

Under IFRS the REIT's Exchangeable Units are classified as financial liabilities and any related distributions on the Exchangeable Units are regarded as finance costs. Compliant with REALPAC Guidance and in order to enhance the usefulness and comparability of FFO as a supplemental measure of the operating performance of the REIT, distributions related to the Exchangeable Units have been added back to the REIT's net income (loss).

Revaluation of financial liabilities

Over the term of the loan, the Brazil Securitization Financings are adjusted by the inflation rate (IPCA) from the date of inception of these liabilities to their respective maturities. The accretion expense is treated as a fair value adjustment to the Brazil Securitization Financings and therefore adjusted for when calculating FFO. Although this adjustment is not compliant with REALPAC Guidance, the REIT believes the adjustment is aligned with industry practice.

Unrealized foreign exchange loss (gain)

Under IFRS, financial assets and liabilities denominated in foreign currencies are revalued at the end of each period at the prevailing balance sheet date rate. The REIT's unrealized foreign exchange movements for the periods relate primarily to the revaluation of the Australasian debt which are denominated in Australian and/or New Zealand dollars and held by a Canadian and/or New Zealand subsidiary of the REIT, and revaluation of short-term loans with subsidiaries of the REIT that are denominated in a different source currency than the functional currency of the subsidiary. In line with the principles of REALPAC Guidance, the unrealized foreign exchange movements on the indebtedness in addition to the intercompany transactions have been added back to the REIT's net income (loss).

Deferred taxes

Under IFRS, the REIT has recorded deferred taxes in Europe, Brazil, and Australasia arising primarily due to the difference between the book value and tax cost of its investment properties. In compliance with REALPAC Guidance and in order to enhance the usefulness and comparability of FFO as a supplemental measure of the operating performance of the REIT, deferred taxes have been added back (or deducted) to its net income (loss).

Transaction costs

Under IFRS, the REIT expenses transaction costs related to acquisitions which have been determined to be business combinations and business development costs. In accordance with the principles of REALPAC Guidance, to allow for consistent treatment of transaction costs incurred whether a transaction is recorded as an asset acquisition or business combination, and to enhance the usefulness and comparability of FFO as a supplemental measure of the operating performance of the REIT, costs related to the REIT's transactions have been added back to net income (loss). In addition, the REIT also adds back to net income (loss) third party transaction and internally allocated costs related to investment opportunities, establishment of joint arrangements, including those incurred with respect to building relationships with healthcare operators and institutional investors, tax on profits or losses on disposals of properties, the Board's Strategic Review Committee, abandoned transaction costs, and other capital raising initiatives being explored by the REIT, which are not contemplated in the REALPAC Guidance.

Net loss on disposal of investment properties

In compliance with REALPAC Guidance, the REIT added back to net income (loss) the net loss on disposal of investment properties, which includes broker commissions, professional fees and certain employee benefits relating to the disposition of investment properties.

Convertible Debenture issuance cost

In accordance with IFRS, because the REIT measures its Convertible Debentures at fair value, the REIT expenses the costs related to the issuance of the Convertible Debentures. These non-recurring finance costs related to the issuance of the Convertible Debentures have been added back to the REIT's net income (loss), in compliance with REALPAC Guidance.

Internal leasing costs

In accordance with IFRS, internal leasing costs that are not incremental are expensed. These amounts include the base salary and benefits of the internal leasing department. Compliant with REALPAC Guidance, costs that can be reasonably and directly attributed to signed leases, and that would otherwise be capitalized if incurred from external sources, are added back to net income (loss) in determining FFO.

Property taxes accounted for under IFRIC 21

Compliant with REALPAC Guidance, as a result of the requirements of IFRIC 21 wherein the obligating event that gives rise to the property tax liability does not occur over a period of time, an adjustment should be made to FFO to reflect a pro-rata expense over the period of ownership.

Amortization of finance leases

Compliant with REALPAC Guidance, where the REIT is accounting for operating leases under IFRS 16, the REIT has adjusted FFO to reflect the principal payments that are amortized against the lease liability. For Right of Use

("ROU") assets that are being measured at cost and amortized, the amortization is added back as prescribed by the REALPAC Guidance.

Australia has one long term lease receivable and one long term ground lease payable which have been recorded, in accordance with IFRS, as a finance lease payable and receivable, respectively. An adjustment has been made to FFO to adjust for the net cash impact of the finance leases.

Employee Termination Benefits and Related Expenses

During the three months ended September 30, 2024, the REIT made the decision reduce staffing by 50 employees across all markets as part of a broader strategic initiative to streamline its operations. In accordance with IFRS, the REIT accrued the full employee termination benefits and related expenses during the three and nine months ended September 30, 2024 in General and Administrative Expense. These costs are not reflective of recurring earnings from core operations and is expected to result in annualized savings of approximately $3.7 million in General and Administrative Expense and Property Operating Costs, and excluding any related impact to revenues or recoveries. The adjustment is not contemplated in the REALPAC Guidance.

Other FFO adjustments

Other FFO adjustments include items that, in management's view, are not reflective of recurring earnings from core operations, as described in the Business Overview.

Other FFO adjustments

	Three months ended September 30,		Nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Financing costs incurred with respect to an investment in unlisted securities, net of distributions income generated by the securities	$ 448	$ 2,449	$ 2,209	$ 7,790
G&A expenses related to strategic tenant inducements and charitable pledge	447	1,301	1,931	1,776
Corporate financing costs related to short-term financing arrangements to fund the US property acquisitions that are not reflective of long-term financing costs	—	780	886	2,670
Total	**$ 895**	**$ 4,530**	**$ 5,026**	**$ 12,236**

The above adjustments, in each case, are not contemplated in the REALPAC Guidance for FFO.

ADJUSTED FUNDS FROM OPERATIONS ("AFFO")

AFFO is a supplemental non-IFRS financial measure of a REIT's operating performance and is intended to reflect a stabilized business environment. The REIT makes certain adjustments as detailed below in calculating its FFO and AFFO, which in management view are not reflective of earnings from core operations, as described in the Business Overview, or impact the REIT's ability in the long run to make distributions to unitholders given their discretionary and strategic nature. Accordingly, the REIT's method of calculating FFO and AFFO may differ from other issuers' methods and may not be comparable to similar measures used by other issuers.

The REIT presents its consolidated AFFO calculations in accordance with the January 2022 guidance in the REALPAC White Paper on Funds From Operations, except that the REIT makes adjustments to AFFO for (i) amortization of transactional deferred financing charges, (ii) compensation expense related to unit based incentive plans, and (iii) net adjustments for equity accounted investments.

ADJUSTED FUNDS FROM OPERATIONS

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
FFO [1]	**$ 15,775**	**$ 33,559**	**$ 65,194**	**$ 104,617**
Add / (Deduct):				
Amortization of transactional deferred financing charges	10,318	1,465	15,134	5,220
Unit-based compensation expense	(457)	1,883	2,362	7,380
Straight-line revenue	(417)	(701)	(2,116)	(2,257)
Leasing costs and non-recoverable maintenance capital expenditures	(2,867)	(3,327)	(9,209)	(10,038)
AFFO [1]	**$ 22,352**	**$ 32,879**	**$ 71,365**	**$ 104,922**
AFFO per Unit - Basic	$ 0.09	$ 0.13	$ 0.29	$ 0.43
AFFO per Unit - diluted [2]	$ 0.09	$ 0.13	$ 0.29	$ 0.43
Distributions per Unit - Basic	$ 0.09	$ 0.16	$ 0.27	$ 0.56
Adjusted weighted average units outstanding: [3]				
Basic	246,832,144	244,782,614	246,084,555	243,903,682
Diluted [2]	247,870,148	246,594,988	247,334,010	245,770,444

(1) FFO and AFFO are not measures recognized under IFRS and does not have standardized meanings prescribed by IFRS. See **Performance Measurement**. The adjustments to determine FFO and AFFO have been presented on a proportionate basis.

(2) Diluted units include the impact of vested deferred trust units and the convertible debentures, that would have a dilutive effect upon conversion.

(3) Under IFRS the REIT's Class B LP Units are treated as a financial liability rather than equity. The REIT has chosen to present an adjusted basic and diluted per unit measure that includes the Class B Units in basic and diluted units outstanding/weighted average units outstanding. There were no Class B Units outstanding as at September 30, 2024 (September 30, 2023 - 1,710,000 Class B Units).

Additional details on the adjustments to the REIT's net income (loss) to arrive at AFFO are below:

Amortization of transactional deferred financing charges

Under IFRS, the REIT has recorded amortization of deferred financing charges, which it considers to be a proxy for financing fees incurred over the term of the related debt. Thus, AFFO is not adjusted for amortization financing charges, except for those related to short-term transaction-related financings, and the write off of financing fees for which debt has been repaid in advance of its maturity, which the REIT adds back to AFFO to reflect a stabilized business environment. This adjustment is not contemplated in the REALPAC Guidance for AFFO.

Unit-Based Compensation Expense

The period over period change in fair value of the Unit-Based Compensation liability is added back to income (loss) when determining FFO in accordance with REALPAC Guidance. However, as the Unit-Based Compensation Expense, while not contemplated by REALPAC as an adjustment to AFFO, is added back on the substance of the expense which may be settled units, at the REIT's option. Accordingly, the REIT has added back Unit-Based Compensation Expense to income when determining AFFO even though it's not contemplated in the REALPAC Guidance and provides AFFO per unit - diluted.

Straight-line revenue

Under IFRS rental revenue from operating leases is recognized over the lease term on a straight-line basis. The difference between rental revenue recognized and cash flows is recorded as straight-line rent receivable or payable. Compliant with the REALPAC Guidance to account for the non-cash nature of these differences, the REIT has included an adjustment in AFFO.

Leasing costs and non-recoverable maintenance capital expenditures

In North America and Europe, due to the nature of the portfolios, on a quarterly basis and during portfolio repositioning, leasing costs, tenant improvements and maintenance capital expenditures can fluctuate and as such, should not be regarded as stabilized. Compliant with the REALPAC Guidance, the REIT uses a reserve of 6% per annum of revenue from the medical office properties in North America and Europe when determining AFFO. In Brazil and Australasia, due to the long term, triple net nature of the leases in those regions the REIT uses actual leasing costs and non-recoverable maintenance capital expenditures when determining AFFO.

QUARTERLY PERFORMANCE

The following is a summary of results for each of the last eight quarterly periods:

QUARTERLY PERFORMANCE	Q3-24	Q2-24	Q1-24	Q4-23	Q3-23	Q2-23	Q1-23	Q4-22
Summary Financial Information								
AUM	$8,657,264	$9,293,665	$9,602,095	$9,901,036	$10,019,995	$10,255,181	$10,755,346	$10,878,099
Gross Book Value	$6,344,230	$ 7,040,791	$ 7,383,601	$ 7,628,615	$7,834,202	$ 8,061,118	$ 8,418,407	$8,514,000
Debt - Declaration of Trust	$2,765,655	$ 3,372,186	$3,524,886	$3,641,463	$3,704,028	$ 3,745,216	$3,933,906	$3,855,247
Debt to Gross Book Value - Declaration of Trust	43.6 %	47.9 %	47.7 %	47.7 %	47.3 %	46.5 %	46.7 %	45.3 %
Debt - Including Convertible Debentures	$ 3,122,380	$3,694,732	$ 3,851,715	$ 3,962,317	$4,038,756	$4,092,556	$4,205,978	$ 4,130,517
Debt to Gross Book Value - Including Convertible Debentures	49.2 %	52.5 %	52.2 %	51.9 %	51.6 %	50.8 %	50.0 %	48.5 %
Operating Results								
Revenue from investment properties	$ 107,015	$ 119,141	$ 133,545	$ 123,986	$ 122,182	$ 126,504	$ 135,324	$ 118,546
Net income (loss)	$ (157,266)	$ (127,224)	$ (38,617)	$ (188,900)	$ (95,270)	$ (107,411)	$ (89,155)	$ (135,519)
NOI	$ 82,216	$ 93,976	$ 95,452	$ 98,083	$ 95,097	$ 98,021	$ 95,421	$ 92,855
FFO	$ 15,775	$ 22,314	$ 26,957	$ 36,759	$ 33,559	$ 31,521	$ 39,538	$ 37,578
AFFO	$ 22,352	$ 21,186	$ 27,679	$ 32,835	$ 32,879	$ 31,913	$ 40,130	$ 41,440
Distributions	$ 22,229	$ 22,150	$ 22,031	$ 22,048	$ 40,050	$ 48,849	$ 48,606	$ 48,415
Per Unit Amounts								
FFO per unit - Basic	$ 0.06	$ 0.09	$ 0.11	$ 0.15	$ 0.14	$ 0.13	$ 0.16	$ 0.16
AFFO per unit - Basic	$ 0.09	$ 0.09	$ 0.11	$ 0.13	$ 0.13	$ 0.13	$ 0.17	$ 0.17
Distributions	$ 0.09	$ 0.09	$ 0.09	$ 0.09	$ 0.16	$ 0.20	$ 0.20	$ 0.20
Adjusted Weighted Average Units Outstanding								
Basic	246,832,144	246,032,139	245,381,166	244,959,959	244,782,614	244,036,797	242,870,623	241,928,826

The following table reconciles quarterly net income (loss) attributable to Unitholders to FFO and AFFO:

QUARTERLY FFO and AFFO

	Q3-24	Q2-24	Q1-24	Q4-23	Q3-23	Q2-23	Q1-23	Q4-22
Net income (loss) attributable to unitholders	**$ (138,252)**	**(122,338)**	**(47,607)**	**(136,835)**	**(81,276)**	**(32,093)**	**(97,486)**	**(100,193)**
Add / (Deduct): (1)								
Fair market value losses (gains)	146,541	166,842	79,124	129,299	99,327	39,587	163,525	116,689
Finance cost - Exchangeable Unit distributions	—	—	(63)	154	342	342	342	342
Revaluation of financial liabilities	937	424	4,008	2,556	814	745	5,043	3,200
Unrealized foreign exchange loss (gain)	1,858	752	(14,043)	9,881	2,972	(2,732)	(6,600)	(7,559)
Deferred taxes	(26,027)	(33,922)	(4,590)	10,197	(5,730)	(2,125)	(34,530)	3,173
Net loss on disposal of investment properties	20,990	4,813	4,404	3,248	325	724	—	—
Non-recurring transaction costs	5,011	4,568	3,077	12,264	11,817	17,768	5,020	12,561
Convertible Debenture issuance costs	—	—	27	2,682	91	4,489	21	14
Internal leasing costs	312	293	358	462	510	466	494	524
Property taxes accounted for under IFRIC 21	(108)	(74)	135	—	174	271	401	—
Amortization	(189)	(125)	(125)	(185)	(91)	(84)	(82)	(53)
Employee termination benefits and related expenses	3,807	—	—	—	—	—	—	—
Other FFO adjustments	895	1,081	2,252	3,035	4,284	4,163	3,390	8,880
FFO	**15,775**	**22,314**	**26,957**	**36,758**	**33,559**	**31,521**	**39,538**	**37,578**
Add / (Deduct): (1)								
Amortization of marked to market adjustment	—	—	—	—	—	—	—	—
Amortization of transactional deferred financing charges	10,318	2,031	2,785	1,489	1,465	1,673	2,079	2,946
Straight-line revenue	(417)	(513)	(1,186)	(1,402)	(701)	(910)	(647)	(723)
Leasing costs and non-recoverable maintenance capital expenditures	(2,867)	(2,916)	(3,426)	(3,315)	(3,327)	(3,522)	(3,187)	(3,007)
Unit-based compensation expense	(457)	270	2,549	(696)	1,883	3,151	2,346	4,646
AFFO	**$ 22,352**	**$ 21,186**	**$ 27,679**	**$ 32,834**	**$ 32,879**	**$ 31,913**	**$ 40,129**	**$ 41,440**
Per Unit Amounts								
FFO per unit - Basic	$ 0.06	$ 0.09	$ 0.11	$ 0.15	$ 0.14	$ 0.13	$ 0.16	$ 0.15
AFFO per unit - Basic	$ 0.09	$ 0.09	$ 0.11	$ 0.13	$ 0.13	$ 0.13	$ 0.17	$ 0.17
Adjusted Weighted Average Units Outstanding								
Basic	246,832,144	246,032,139	245,381,166	244,959,959	244,782,614	244,036,797	242,870,623	241,928,826

(1) FFO and AFFO are not measures recognized under IFRS and does not have standardized meanings prescribed by IFRS. See **Performance Measurement**. The adjustments to determine FFO and AFFO have been presented on a proportionate basis.

PART IV – DISTRIBUTIONS

For the three and nine months ended September 30, 2024, the REIT declared a total of $22.2 million and $66.5 million in distributions on Trust Units, respectively (three and nine months ended September 30, 2023 - $40.1 million and $137.5 million, respectively). These distributions reflect an annualized distribution rate of $0.36 per unit per annum (three and nine months ended September 30, 2023 - $0.65 per unit per annum).

Distribution Reinvestment Plan

Participants in the REIT's distribution reinvestment plan (the "**DRIP**") have their distribution entitlement used to purchase Trust Units and also receive a "bonus distribution" of Trust Units equal in value to 3% of each distribution.

On June 7, 2023, the Board of Trustees approved the suspension of the 3% bonus distribution under the DRIP, commencing with the June 2023 distribution. The REIT reinstated the DRIP on December 15, 2023 (December 2023 distribution, January 15, 2024 payment date).

During the three and nine months ended September 30, 2024, a total of 531,455 and 1,546,086 Trust Units were issued under the DRIP (three and nine months ended September 30, 2023 - nil and 2,175,190 Trust Units, respectively).

For the three and nine months ended September 30, 2024, the REIT's DRIP participation rate was 11.8% and 11.4% (three and nine months ended September 30, 2023 - nil and 15.7%).

Cash Flows from Operations

As required by National Policy 41-201 "Income Trusts and Other Indirect Offerings", the following table outlines the differences between cash flows from operating activities and cash distributions, as well as the differences between net income (loss) and cash distributions, in accordance with the guidelines:

DIFFERENCES BETWEEN CASH FLOWS FROM OPERATIONS/NET INCOME (LOSS) AND CASH DISTRIBUTIONS

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Net income (loss) attributable to unitholders	$ (138,252)	$ (81,276)	$ (308,222)	(210,855)
Add: Finance cost - Exchangeable Unit distributions	$ —	342	$ (63)	1026
Net income (loss) after the above adjustments	$ (138,252)	$ (80,934)	$ (308,285)	(209,829)
Cash flows from operating activities	$ 33,354	$ 26,141	$ 64,576	82,016
Less: non-controlling interests	$ 11,107	8,412	$ 27,209	19,598
Cash flows from operating activities attributable to unitholders	$ 22,247	$ 17,729	$ 37,367	62,418
Distributions paid and payable				
Trust Units	$ 22,229	$ 39,708	$ 66,473	136,479
Exchangeable Units	$ —	342	$ (63)	1,026
	$ 22,229	$ 40,050	$ 66,410	137,505
Surplus (shortfall) of adjusted net income (loss) attributable to unitholders over distributions paid and payable	$ (160,481)	$ (120,984)	$ (374,695)	(347,334)
Surplus (shortfall) of cash flows from operating activities attributable to unitholders over distributions paid and payable	$ 18	$ (22,321)	$ (29,043)	(75,087)

During the three and nine months ended September 30, 2024, there was a surplus and shortfall, respectively, in cash flows from operating activities attributable to unitholders (a non-IFRS financial measure) over distributions paid and payable of $— million and $29.0 million, respectively. Cash flows from operating activities attributable to unitholders excludes the distribution income from the REIT's investments in its JVs. The distributions earned from its JV investments are considered by management to be an integral part of the REIT's cash flows from operations due to the nature of the equity invested, similarly premiums paid on derivative financial instruments are viewed as investments in financial instruments and are an important part of the REIT's cash flows. The remaining shortfall were partially financed by DRIP.

As demonstrated in the table below, for three and nine months ended September 30, 2024, the adjusted cash surplus and shortfall from operating activities was $8.5 million and $5.2 million, respectively (for the three and nine months ended September 30, 2023 - shortfall of $6.4 million and shortfall of $13.7 million, respectively).

The shortfall of cash flows from operating activities attributable to unitholders for the nine months ended September 30, 2024 is in part attributable to timing of working capital, including payment timing of cash taxes and debt interest, and impacted by the REIT's exposure to higher interest rates on its variable rate debts such as its term debts and credit facilities. Starting in 2023, central banks globally increased interest rates seeking to reduce inflationary pressures, resulting in higher finance costs as result of REIT's exposure to variable rate debts. The REIT has taken steps over 2023 and in year-to-date 2024 to address pressures from the higher interest rate environment including asset sales to repay high cost debt, renegotiating terms of financing arrangements and implementing operational strategies to improve NOI. Based on the cash flow projections, and success of strategic asset sale program, management believes that the REIT has sufficient liquidity to fund its financial obligations and distributions.

ADJUSTED CASH SURPLUS (SHORTAGE) FROM OPERATING ACTIVITIES TO DISTRIBUTIONS

	Three months ended September 30,		Nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Surplus (shortfall) of cash flows from operating activities attributable to unitholders over distributions paid and payable	$ 18	$ (22,321)	$ (29,043)	$ (75,087)
Add: Value of REIT Units issued pursuant to the DRIP	5,197	—	7,262	18,222
Add: Distribution income from equity accounted associates	3,265	4,861	9,875	16,958
Add: Premiums paid on derivative financial instruments	—	11,026	6,725	26,219
Adjusted surplus (shortfall) of cash flow from operating activities attributable to unitholders over distributions paid and payable	$ 8,480	$ (6,434)	$ (5,181)	$ (13,688)

During the three and nine months ended September 30, 2024, there was $5.2 million and $7.3 million in value of REIT units issued under the DRIP (three and nine months ended September 30, 2023, there was nil and $18.2 million, respectively). While reducing the cash required to settle the REIT's distributions, the REIT Units issued, pursuant to the DRIP, may in future result in additional cash distributions, should the holders of these REIT Units opt out of the DRIP.

Pursuant to National Policy 41-201 "Income Trusts and Other Indirect Offerings", the following table, reconciles the REIT's cash flows from operations to AFFO:

RECONCILIATION OF CASH FLOWS FROM OPERATIONS TO AFFO	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Cash flows from operating activities	**$ 33,354**	**$ 26,141**	**$ 64,576**	**82,016**
Add (deduct):				
Interest expense in excess (shortfall) of interest paid	(6,887)	8,577	4,638	28,357
Current tax expense (recovery) in excess of taxes paid	1,766	1,831	11,511	2,570
Changes in non-cash working capital balances	(8,956)	(1,156)	2,313	(4,600)
AFFO of equity accounted investments	24,654	67	39,943	27,859
Employee termination benefits and related expenses	3,807	—	3,807	—
Other FFO adjustments	895	4,530	5,026	12,235
Internal leasing costs	312	510	963	1,470
Property taxes accounted for under IFRIC 21	(108)	174	(47)	846
Amortization of recurring financing charges	(1,048)	(1,221)	(5,683)	(3,391)
Leasing costs and non-recoverable maintenance capital expenditures	(2,993)	(3,365)	(9,424)	(10,354)
Amortization of lease liabilities	(189)	(92)	(439)	(258)
Interest income and other	6,151	3,494	12,910	11,575
Straight-line revenue	79	(1,131)	(587)	(687)
Redemption of units issued under the unit-based incentive plans	1,682	2	1,997	1,464
Amortization of furniture and office equipment	(697)	(358)	(3,174)	(956)
Share of profit (loss) from equity accounted investments	(22,100)	1,966	(32,084)	(19,917)
AFFO attributable to non-controlling interests	(7,370)	(7,090)	(24,881)	(23,307)
AFFO	**$ 22,352**	**$ 32,879**	**$ 71,365**	**$ 104,922**

PART V – BALANCE SHEET AND CAPITALIZATION

The following table reconciles the unaudited condensed balance sheets on an IFRS basis to a proportionate basis, a non-GAAP measure, as at September 30, 2024, and December 31, 2023:

BALANCE SHEET

	September 30, 2024			December 31, 2023		
	IFRS Basis	Adjustments (1)	Proportionate Basis	IFRS Basis	Adjustments (1)	Proportionate Basis
Assets						
Investment properties	$ 5,429,231	$ (1,176,620)	$ 4,252,611	$ 6,874,660	$ (1,140,455)	$ 5,734,205
Equity accounted investments	338,502	(338,502)	—	362,340	(362,340)	—
Intangible asset	50,842	—	50,842	43,780	—	43,780
Goodwill	39,593	—	39,593	38,566	—	38,566
Deferred tax assets	1,996	1,464	3,460	9,177	—	9,177
Financial Instruments	14,110	(4,846)	9,264	26,057	(7,801)	18,256
Assets held for sale	122,841	(29,022)	93,819	55,972	(1,160)	54,812
Cash, cash equivalents, and restricted cash	65,236	(3,824)	61,412	72,090	(5,973)	66,117
Other assets	281,879	(5,608)	276,271	145,973	(2,365)	143,608
Total assets	**$ 6,344,230**	**$ (1,556,958)**	**$ 4,787,272**	**$ 7,628,615**	**$ (1,520,094)**	**$ 6,108,521**
Liabilities						
Mortgages and loans payable	2,741,040	(363,381)	2,377,659	3,597,618	(320,371)	3,277,247
Convertible debentures	356,725	—	356,725	320,854	—	320,854
Class B exchangeable units	—	—	—	8,721	—	8,721
Deferred tax liabilities	335,309	(90,773)	244,536	418,446	(91,489)	326,957
Financial instruments	8,421	(3,212)	5,209	6,574	(1,527)	5,047
Liabilities related to assets held for sale	10,260	—	10,260	18,485	—	18,485
Other liabilities	157,560	(9,092)	148,468	172,649	(15,751)	156,898
Total liabilities	**$ 3,609,315**	**$ (466,458)**	**$ 3,142,857**	**$ 4,543,347**	**$ (429,138)**	**$ 4,114,209**
Unitholders' Equity						
Unitholders' equity	1,644,415	—	1,644,415	1,994,312	—	1,994,312
Non-controlling interests	1,090,500	(1,090,500)	—	1,090,956	(1,090,956)	—
Total liabilities and unitholders' equity	**$ 6,344,230**	**$ (1,556,958)**	**$ 4,787,272**	**$ 7,628,615**	**$ (1,520,094)**	**$ 6,108,521**

(1) Proportionate basis results from operations is a non-IFRS based on certain adjustments to the condensed consolidated interim statements of income (loss) adjusted to reflect the share of net income (loss) from equity accounted joint ventures and accounted for Vital Trust on a proportionately consolidated basis at the REIT's ownership percentage of the related investments.

INVESTMENT PROPERTIES

The estimated fair value of proportionate investment properties as at September 30, 2024 was $4.3 billion (December 31, 2023 - $5.7 billion) representing an implied weighted average capitalization rate of 6.41% (December 31, 2023 - 6.06%). The movements in the REIT's investment properties on a proportionate basis are as follows:

INVESTMENT PROPERTIES BY REGION

	Three months ended September 30, 2024				
	Income Producing Properties				
	North America	Brazil	Europe	Australasia	Total
IFRS basis balance, beginning of period	**$ 1,362,987**	**$ 702,715**	**$ 1,412,172**	**$ 2,509,559**	**$ 5,987,433**
Adjustments [1]	—	—	179,021	(1,104,775)	(925,754)
Non-IFRS proportionate share balance, beginning of period	**1,362,987**	**702,715**	**1,591,193**	**1,404,784**	**5,061,679**
Dispositions	—	—	(885,000)	—	(885,000)
Additions	2,955	1,388	1,429	5,435	11,207
Increase in straight-line rents	474	—	—	272	746
Transfers from (to) assets held for sale	(13,961)	—	(29,976)	(4,971)	(48,908)
Fair value gain (loss)	(8,943)	(47,901)	(4,637)	(33,767)	(95,248)
Foreign currency translation	(4,151)	10,740	41,619	33,136	81,344
Non-IFRS proportionate share closing balance, end of period	**$ 1,339,361**	**$ 666,942**	**$ 714,628**	**$ 1,404,889**	**$ 4,125,820**
	Properties Under Development				
	North America	Brazil	Europe	Australasia	Total
IFRS basis balance, beginning of period	**$ 9,300**	**$ —**	**$ 16,116**	**$ 297,971**	**$ 323,387**
Adjustments [1]	—	—	—	(208,356)	(208,356)
Non-IFRS proportionate share balance, beginning of period	**9,300**	**—**	**16,116**	**89,615**	**115,031**
Dispositions	—	—	—	—	—
Additions		—	506	8,848	9,354
Fair value gain (loss)	—	—	(1,105)	344	(761)
Foreign currency translation	—	—	471	2,696	3,167
Non-IFRS proportionate share closing balance, end of period	**$ 9,300**	**$ —**	**$ 15,988**	**$ 101,503**	**$ 126,791**
	Total				
	North America	Brazil	Europe	Australasia	Total
IFRS basis balance, beginning of period	**$ 1,372,287**	**$ 702,715**	**$ 1,428,288**	**$ 2,807,530**	**$ 6,310,820**
Adjustments [1]	—	—	179,021	(1,313,131)	(1,134,110)
Non-IFRS proportionate share balance, beginning of period	**1,372,287**	**702,715**	**1,607,309**	**1,494,399**	**5,176,710**
Dispositions	—	—	(885,000)	—	(885,000)
Additions	2,955	1,388	1,935	14,283	20,561
Increase in straight-line rents	474	—	—	272	746
Transfers from (to) assets held for sale	(13,961)	—	(29,976)	(4,971)	(48,908)
Fair value gain (loss)	(8,943)	(47,901)	(5,742)	(33,423)	(96,009)
Foreign currency translation	(4,151)	10,740	42,090	35,832	84,511
Non-IFRS proportionate share closing balance, end of period	**$ 1,348,661**	**$ 666,942**	**$ 730,616**	**$ 1,506,392**	**$ 4,252,611**

(1) Proportionate basis results from operations is a non-IFRS based on certain adjustments to the condensed consolidated interim statements of income (loss) adjusted to reflect the share of net income (loss) from equity accounted joint ventures and accounted for Vital Trust on a proportionately consolidated basis at the REIT's ownership percentage of the related investments.

INVESTMENT PROPERTIES BY REGION

	Nine months ended September 30, 2024				
	Income Producing Properties				
	North America	Brazil	Europe	Australasia	Total
IFRS basis balance, beginning of period	**$ 1,629,881**	**$ 818,170**	**$ 1,567,647**	**$ 2,431,040**	**$ 6,446,738**
Adjustments [1]	—	—	178,428	(1,043,802)	(865,374)
Non-IFRS proportionate share balance, beginning of period	**1,629,881**	**818,170**	**1,746,075**	**1,387,238**	**5,581,364**
Dispositions	(260,064)	—	(885,000)	(19,079)	(1,164,143)
Additions	9,264	1,485	6,416	12,570	29,735
Increase in straight-line rents	2,789	—	—	1,207	3,996
Transfers from (to) properties under development	—	—	—	50,823	50,823
Transfers from (to) assets held for sale	(35,161)	—	(50,464)	(11,207)	(96,832)
Fair value gain (loss)	(21,579)	(80,796)	(171,682)	(60,886)	(334,943)
Foreign currency translation	14,231	(71,917)	69,283	44,223	55,820
Non-IFRS proportionate share closing balance, end of period	**$ 1,339,361**	**$ 666,942**	**$ 714,628**	**$ 1,404,889**	**$ 4,125,820**

	Properties Under Development				
	North America	Brazil	Europe	Australasia	Total
IFRS basis balance, beginning of period	**$ 16,877**	**$ —**	**$ 19,883**	**$ 391,162**	**$ 427,922**
Adjustments [1]	—	—	—	(275,081)	(275,081)
Non-IFRS proportionate share balance, beginning of period	**16,877**	**—**	**19,883**	**116,081**	**152,841**
Dispositions	—	—	—	(1,961)	(1,961)
Additions	60	—	3,522	32,101	35,683
Transfers from (to) income producing	—	—	—	(50,823)	(50,823)
Transfers from (to) assets held for sale	(7,600)	—	—	—	(7,600)
Fair value gain (loss)	(37)	—	(7,945)	592	(7,390)
Foreign currency translation	—	—	528	5,513	6,041
Non-IFRS proportionate share closing balance, end of period	**$ 9,300**	**$ —**	**$ 15,988**	**$ 101,503**	**$ 126,791**

	Total				
	North America	Brazil	Europe	Australasia	Total
IFRS basis balance, beginning of period	**$ 1,646,758**	**$ 818,170**	**$ 1,587,530**	**$ 2,822,202**	**$ 6,874,660**
Adjustments [1]	—	—	178,428	(1,318,883)	(1,140,455)
Non-IFRS proportionate share balance, beginning of period	**1,646,758**	**818,170**	**1,765,958**	**1,503,319**	**5,734,205**
Dispositions	(260,064)	—	(885,000)	(21,040)	(1,166,104)
Additions	9,324	1,485	9,938	44,671	65,418
Increase in straight-line rents	2,789	—	—	1,207	3,996
Transfers from (to) assets held for sale	(42,761)	—	(50,464)	(11,207)	(104,432)
Fair value gain (loss)	(21,616)	(80,796)	(179,627)	(60,294)	(342,333)
Foreign currency translation	14,231	(71,917)	69,811	49,736	61,861
Non-IFRS proportionate share closing balance, end of period	**$ 1,348,661**	**$ 666,942**	**$ 730,616**	**$ 1,506,392**	**$ 4,252,611**

(1) Proportionate basis results from operations is a non-IFRS based on certain adjustments to the condensed consolidated interim statements of income (loss) adjusted to reflect the share of net income (loss) from equity accounted joint ventures and accounted for Vital Trust on a proportionately consolidated basis at the REIT's ownership percentage of the related investments.

2024 Dispositions

On an IFRS basis, during the three and nine months ended September 30, 2024, the REIT disposed of investment properties for total proceeds of $885.0 million and $1.3 billion, respectively, $65.4 million of which had been reclassified to assets held for sale from investment properties.

DISPOSITIONS

Region	Quarter	Disposition proceeds	Property specific debt
North America	Q1	**163,444**	**18,370**
Australasia(1)	Q1	**1,774**	**—**
North America	Q2	**139,810**	**—**
Australasia(1)	Q2	**73,990**	**—**
Europe	Q2	**20,616**	**12,257**
Europe	Q3	**885,000**	**470,732**
Total		**1,284,634**	**501,359**

(1) The table above is presented on an IFRS basis. Australasia disposition consists only of properties in Vital Trust. The REIT's proportionate ownership of Vital Trust as at September 30, 2024 is 28.4%.

On August 8, 2024, the REIT's UK Portfolio was sold at its carrying value to Assura, a publicly-listed REIT on the London Stock Exchange (LSE: AGR) for total consideration of $885.0 million, including $177.0 million of total consideration in shares of Assura (note 7) and $470.7 million in debt assumed by Assura, resulting in net cash proceeds of $206.3 million. For the three and nine months ended September 30, 2024, the REIT also incurred $20.8 million and $22.2 million, respectively, in loss on disposal of investment properties related to the sale.

For the three and nine months ended September 30, 2024, the REIT incurred total losses on the disposal of investment properties of $21.3 million and $31.4 million, respectively, directly associated with the above-noted disposition activity, related primarily to broker commissions and professional fees associated with the dispositions.

Valuation of Investment Properties

The estimated fair values of the income producing properties at September 30, 2024 were determined either on internal valuation models incorporating available market evidence or on valuations performed by independent third party appraisers. During the nine months ended September 30, 2024, income producing properties with an aggregate estimated proportionate fair value of $659.8 million representing approximately 16% of the portfolio, were valued by independent third-party appraisers (nine months ended September 30, 2023 - $2.9 billion and 51%).

DEVELOPMENT ACTIVITY

The REIT is undertaking the following active development projects which are at various stages of execution ranging from planning to active development:

MAJOR DEVELOPMENT ACTIVITY BY REGION

	Number of Projects	Estimated Completion Date	Estimated Project Costs	Estimated Costs to Complete	% Pre-leased	Anticipated Project Yield
Australasia	6	Q4 2024 - Q2 2026	$ 344,936	$ 133,445	65 %	5.6%
	6		$ 344,936	$ 133,445		

The reader is cautioned that the above information is forward-looking, and actual results may vary materially. See **FORWARD-LOOKING INFORMATION ADVISORY.**

Australasia

The REIT currently has a total of 6 active expansion projects in Australasia within the Vital Trust and JV funds, with completion dates ranging from the fourth quarter of 2024 to the second quarter of 2026. Projects include a mix of modernization and expansion projects at surgical and mental health facilities to meet the growing demand for services. The developments are expected to be funded through existing resources. Expansion projects are approximately 65% leased at premium yields. The REIT's share of Australasian development costs is $99.2 million of which the estimated costs to complete is $38.4 million.

During the nine months ended September 30, 2024, the REIT completed 4 development projects in Australasia at a combined cost of $96.6 million ($27.9 million at Northwest ownership share) and an average project yield of approximately 6%.

In efforts to continue enhancing the sustainability of the Northwest portfolio, all major Australasian developments target a minimum of 5-star Green Star ratings (Australian sustainability rating and certification system), including two of the development projects completed during the nine months ended September 30, 2024.

LEASING COSTS AND CAPITAL EXPENDITURES

PROPORTIONATE LEASING COSTS AND CAPITAL EXPENDITURES

	Three months ended September 30, 2024				
	North America	**Brazil**	**Europe**	**Australasia**	**Total**
Additions to investment properties					
Leasing costs [1]	$ 404	$ 1,388	$ —	$ 364	**$ 2,156**
Tenant improvements [2]	719	—	121	35	**875**
Maintenance capital expenditures	927	—	653	(46)	**1,534**
Other capital expenditures	614	—	382	5,534	**6,530**
	2,664	1,388	1,156	5,887	**11,095**
Internal leasing costs expensed	234	—	78	—	**312**
	2,898	1,388	1,234	5,887	**11,407**
Less:					
Recoverable maintenance capital expenditures	(926)	—	(39)	—	**(965)**
Other value enhancing and non-recurring leasing and capital expenditures	(676)	(1,388)	(416)	(5,823)	**(8,303)**
Leasing costs and non-recoverable maintenance capital expenditures	1,296	—	779	64	**2,139**
AFFO adjustment for leasing costs and non-recoverable maintenance capital expenditures	2,015	—	788	64	**2,867**
Leasing costs and non-recoverable maintenance capital expenditures in excess of (below) AFFO adjustment [3]	$ (719)	$ —	$ (9)	$ —	**$ (728)**

PROPORTIONATE LEASING COSTS AND CAPITAL EXPENDITURES					
	Nine months ended September 30, 2024				
	North America	**Brazil**	**Europe**	**Australasia**	**Total**
Additions to investment properties					
Leasing costs [(1)]	$ 842	$ 1,388	$ —	$ 688	**$ 2,918**
Tenant improvements [(2)]	3,110	—	1,411	545	**$ 5,066**
Maintenance capital expenditures	1,907	—	2,120	372	**$ 4,399**
Other capital expenditures	2,498	97	937	10,071	**$ 13,603**
	8,357	1,485	4,468	11,676	**25,986**
Internal leasing costs expensed	841	—	122	—	**$ 963**
	9,198	1,485	4,590	11,676	**26,949**
Less:					
Recoverable maintenance capital expenditures	(2,705)	—	(200)	—	**$ (2,905)**
Other value enhancing and non-recurring leasing and capital expenditures	(1,476)	(1,485)	(1,893)	(11,328)	**$ (16,182)**
Leasing costs and non-recoverable maintenance capital expenditures	5,017	—	2,497	348	**7,862**
AFFO adjustment for leasing costs and non-recoverable maintenance capital expenditures	6,524	—	2,337	348	**$ 9,209**
Leasing costs and non-recoverable maintenance capital expenditures in excess of (below) AFFO adjustment [(3)]	$ (1,507)	$ —	$ 160	$ —	**$ (1,347)**

(1) Leasing costs exclude internal leasing department compensation costs, which have been expensed.
(2) Tenant improvements include tenant allowances and landlord work and maintenance activities.
(3) In North America and in Europe, due to the nature of the portfolios, on a quarterly basis and during portfolio repositioning, leasing costs, tenant improvements and maintenance capital expenditures can fluctuate and as such, should not be regarded as stabilized. As a result, the REIT uses a reserve of 6% of revenue from MOBs in North America and in Europe when determining AFFO. In Brazil and US within North America and Australasia due to the long term, triple net nature of the leases the REIT uses actual leasing costs and non-recoverable maintenance capital expenditures when determining AFFO.

The REIT's current leasing cost and capital expenditure reserves (the "**LC and CAPEX reserve**") are based on its views of stabilized, constant-occupancy leasing costs and maintenance capital expenditures. These views are underpinned by both the REIT's 10 plus years of experience as an owner and operator of healthcare real estate (including Canadian and Europe medical office buildings) as well as 5-year forecast expenditures, which incorporate a series of asset and space specific assumptions made by management supported by third party appraisers via valuation reports and engineers via building condition reports. The REIT's 6% per annum LC and CAPEX reserves for North America and Europe medical office buildings are based on a 5-year forecast of leasing costs based on historic results, known leasing activity at constant occupancy levels and maintenance requirements as well as forecast market trends. Leases relating to the REIT's investments in Brazil and Australasia are typically structured on a long-term triple-net basis, and as such leasing costs and maintenance capital expenditures are reported on an actual basis.

North America

In North American portfolio on a quarterly basis and during asset repositioning, leasing costs, tenant improvements and capital expenditures can fluctuate and as such, should not be regarded as stabilized. Further, in accordance with the REIT's strategy of extending average lease terms whenever possible, especially for primary medical tenancies, often non-recurring leasing costs are involved.

During the three and nine months ended September 30, 2024, additions for the North America investment properties totaled $2.9 million and $9.2 million, respectively. During the third quarter, leasing costs of $0.6 million included costs attributable to four transactions in the Canadian portfolio, of which all were new leases, lease renewals and expansions with an aggregate WALE of 10.6 years. Included in the other value enhancing and non-recurring capital expenditures for the quarter are one-time development capital expenditures incurred.

Brazil

The REIT's hospitals in Brazil are leased to single tenant, hospital operators under long-term, inflation indexed triple net lease structures, as a result, the REIT does not incur any leasing or capital expenditures as normal course activity.

During the three months ended September 30, 2024, additions to the Brazil investment properties totaled $1.4 million which relates to leasing cost associated with renewal negotiations for the Sabara Children's Hospital.

Europe

On a quarterly basis leasing cost, tenant improvements and capital expenditures can fluctuate and as such, should not be regarded as stabilized. Additions to the European investment properties for the three and nine months ended September 30, 2024 were $1.2 million and $4.6 million, respectively.

During the third quarter, value enhancing and non-recurring capital expenditures costs of $0.4 million included tenant fit-outs in Berlin, Lübeck and Leipzig, non-recurring capex including ventilation system upgrades, fire protection enhancements, sewage pipe renewal, and repairs of roof leakages and construction defects in Berlin, Hamburg, Lübeck and other locations.

Australasia

The majority of Australasian assets, including Vital Trust, represent hospitals leased to single tenant, hospital operators under long-term, inflation-indexed, triple-net lease structures. As a result, the Australasian portfolio does not incur significant leasing or maintenance capital expenditures. For Australasian MOB portfolio and certain hospital assets, leasing costs, tenant improvements and maintenance capital expenditures can be incurred. The REIT has elected to recognize actual leasing and maintenance capital expenditures incurred in determining AFFO due to the significant proportion of Australasian portfolio comprised of triple net leased hospitals.

During the three and nine months ended September 30, 2024, additions to the Australasian investment properties totaled $5.9 million and $11.7 million respectively which were largely attributable to tenant and building improvement works at Ascot Hospital, St Asaph property, Kelvin Grove and the Healthscope leased investment properties.

CAPITAL STRUCTURE

The REIT considers its capitalization to consist of debt and equity capital, as is common in the real estate industry. The REIT actively manages both its debt and equity capital with the objective of ensuring that the REIT can continue to grow and operate its businesses.

The REIT monitors its debt regularly for compliance with debt covenants contained in its loan agreements. At the date of this MD&A, the REIT is in compliance with all such financial covenants in respect of the loans and mortgages disclosed in note 8 of the condensed consolidated interim financial statements.

The following table shows the REIT's total capital as at September 30, 2024 and December 31, 2023:

CAPITAL STRUCTURE		As at September 30, 2024		As at December 31, 2023
Mortgages and loans payable [1]	$	2,755,395	$	3,622,978
Mortgages related to assets held for sale		10,260		18,485
Debt - Declaration of Trust		**2,765,655**		**3,641,463**
Convertible Debentures at Fair Value		356,725		320,854
Debt - Including Convertible Debentures		**3,122,380**		**3,962,317**
Mortgages and loans payable - unamortized financing costs		(14,355)		(25,360)
Total Debt		3,108,025		3,936,957
Unit-based Liabilities		12,958		15,161
Class B Exchangeable Units		—		8,721
Unitholders' equity		1,644,415		1,994,312
Total Capitalization	**$**	**4,765,398**	**$**	**5,955,151**

(1) Excluding deferred financing fees

Unitholders' Equity

The following table reconciles the movements in the units outstanding for the nine months ended September 30, 2024:

UNITS OUTSTANDING	
Trust Units outstanding, December 31, 2023	**243,292,126**
Issuance of Trust Units under the DRIP	481,560
Issuance of Trust Units pursuant to conversion of Exchangeable Units	1,710,000
Issuance of Trust Units under the Unit-based incentive plans	274,939
Trust Units outstanding, March 31, 2024	**245,758,625**
Issuance of Trust Units under the DRIP	531,455
Issuance of Trust Units under the Unit-based incentive plans	10,473
Trust Units outstanding, June 30, 2024	**246,300,553**
Issuance of Trust Units under the DRIP	533,071
Issuance of Trust Units under the Unit-based incentive plans	346,372
Trust Units outstanding, September 30, 2024	**247,179,996**

Class B Exchangeable Units

Under IFRS the REIT's Exchangeable Units are treated as a financial liability rather than equity. As the Exchangeable Units are convertible into Trust Units at the option of the holder, the REIT considered the Exchangeable Units equity for capital management purposes.

During the nine months ended September 30, 2024, all of the Exchangeable Units were converted to REIT units.

Consolidated Debt

DEBT

	As at September 30, 2024					
	Weighted Average Interest Rate	**Outstanding Balance**	**Marked to Market**	**Unamortized Financing Costs**	**Balance**	**Maturity**
North America debt	5.51 %	559,784	—	(2,505)	557,279	October 2024 - August 2031
Brazil debt	4.39 %	144,827		(1,830)	142,997	November 2027 - June 2031
Europe debt	4.93 %	408,159	—	(2,955)	405,204	January 2025 - December 2047
Australasia term loans	6.10 %	1,209,339	—	(4,316)	1,205,023	March 2026 - March 2029
Corporate debt	7.91 %	429,374	—	(2,749)	426,625	March 2026 - March 2027
	6.00 %	**$ 2,751,483**	**$ —**	**$ (14,355)**	**$ 2,737,128**	
Finance Lease	5.27 %	14,172	—	—	14,172	April 1, 2088
Total Debt excluding Convertible Debentures	**6.00 %**	**$ 2,765,655**	**$ —**	**$ (14,355)**	**$2,751,300**	
Corporate Debentures	7.88 %	366,500	(9,775)	—	356,725	March 2025 - April 2028
Total Debt	**6.22 %**	**$ 3,132,155**	**$ (9,775)**	**$ (14,355)**	**$3,108,025**	

Variable rate debt in the table above includes $192.4 million in mortgages and $1.1 billion in term debt that are economically fixed using interest rate derivative contracts. The economically fixed weighted average interest rates are 3.62% and 5.23%, respectively. The net effective weighted average interest rate is 5.60% as at September 30, 2024, excluding financing leases and including convertible debentures. See **"PART III – RESULTS FROM OPERATIONS – GAIN/LOSS ON FINANCIAL INSTRUMENTS".**

The table below summarizes the movements in the REIT's mortgages and loans (before reclassification as held for sale) during the three and nine months ended September 30, 2024:

	For the three months ended September 30, 2024					
	North America Debt	**Brazil Term Loans**	**Europe Mortgages and Term Loans**	**Australasia Term Loans**	**Corporate Debt**	**Total**
Opening balance, June 30, 2024	**$ 562,272**	**$ 280,835**	**$ 773,918**	**$ 1,145,029**	**$ 573,975**	**$ 3,336,029**
Principal amortization	(2,823)	(5,912)	(2,328)	—	—	(11,063)
Debt settled upon sale of investment properties	—	—	(470,732)	—	—	(470,732)
Repayments	(14,139)	(140,000)			(176,282)	(330,421)
Advances	15,000	—	79,826	28,373	23,761	146,960
Additional financing fees incurred	(1,185)	—	(1,841)	(14)	(789)	(3,829)
Amortization of finance fees	398	4,476	4,776	486	1,230	11,366
Inflation adjustment	—	937	—	—	—	937
Foreign exchange adjustment	(2,244)	2,661	21,585	31,149	4,730	57,881
Ending balance, September 30, 2024	**$ 557,279**	**$ 142,997**	**$ 405,204**	**$ 1,205,023**	**$ 426,625**	**$ 2,737,128**

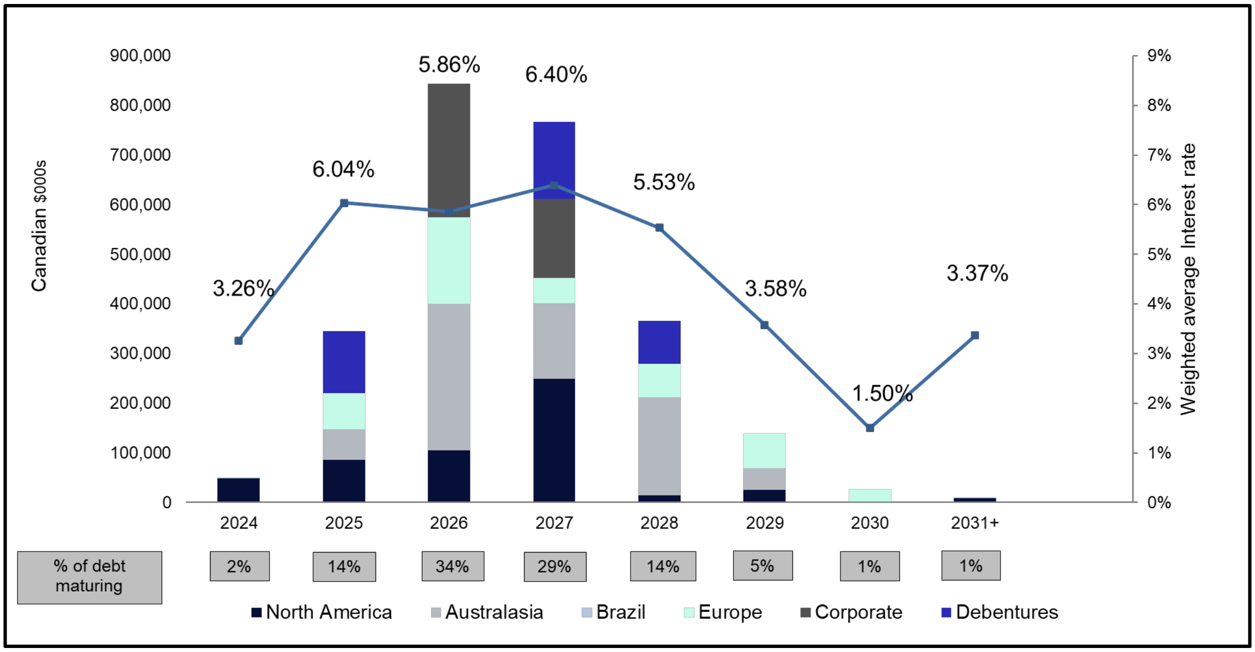
	For the nine months ended September 30, 2024					
Opening balance, January 1, 2024	**$ 777,266**	**$ 304,950**	**$ 782,708**	**$ 1,114,739**	**$ 622,069**	**$ 3,601,732**
Principal amortization	(8,691)	(18,287)	(8,951)	—	(1)	(35,930)
Debt settled upon sale of investment properties	—	—	(470,732)	—	—	(470,732)
Repayments	(289,348)	(140,000)	(15,748)	(109,143)	(325,307)	(879,546)
Advances	68,871	—	79,826	155,591	122,723	427,011
Additional financing fees incurred	(1,786)	(2,800)	(2,197)	(931)	(1,970)	(9,684)
Amortization of finance fees	1,971	8,394	6,511	1,385	2,556	20,817
Inflation adjustment	—	5,369	—	—	—	5,369
Foreign exchange adjustment	8,996	(14,629)	33,787	43,382	6,555	78,091
Ending balance, September 30, 2024	**$ 557,279**	**$ 142,997**	**$ 405,204**	**$ 1,205,023**	**$ 426,625**	**$ 2,737,128**

The table below summarizes the REIT's total debt on a proportionate basis.

DEBT						
As at	**September 30, 2024**			**December 31, 2023**		
	IFRS Basis	Adjustments[(1)]	Proportionate Basis	IFRS Basis	Adjustments[(1)]	Proportionate Basis
Mortgage payable, net of financing costs	$ 698,525	$ 93,175	$ 791,700	$ 733,934	$ 91,638	$ 825,572
Term debt, net of financing costs	1,771,498	(456,556)	1,314,942	2,417,423	(412,009)	2,005,414
Credit facilities, net of financing costs	267,105	—	267,105	450,376	—	450,376
Lease liabilities	14,172	—	14,172	14,370	—	14,370
Total mortgages and loans payable	2,751,300	(363,381)	2,387,919	3,616,103	(320,371)	3,295,732
Less: Liabilities related to assets held for sale, net of financing costs	(10,260)	—	(10,260)	(18,485)	—	(18,485)
Mortgages and loans payable	**$2,741,040**	**$ (363,381)**	**$ 2,377,659**	**$3,597,618**	**$ (320,371)**	**$ 3,277,247**
Convertible Debentures	356,725	—	356,725	320,854	—	320,854
Total Debt	**3,097,765**	**(363,381)**	**2,734,384**	**3,918,472**	**(320,371)**	**3,598,101**

(1) Proportionate basis results from operations is a non-IFRS based on certain adjustments to the condensed consolidated interim statements of income (loss) adjusted to reflect the share of net income (loss) from equity accounted joint ventures and accounted for Vital Trust on a proportionately consolidated basis at the REIT's ownership percentage of the related investments.

The following chart summarizes, as at September 30, 2024, the REIT's debt maturities on a proportionate basis at their weighted average effective interest rate after taking into consideration the effective interest rate derivatives, and excluding those related to liabilities associated with assets classified as held for sale:



Additional details on the maturities of the REIT's mortgages and loans payables, including convertible debentures, on a proportionate basis with economically effective interest rates after taking into consideration the effective interest rate derivatives are disclosed below. The proportionate WAIR for the total portfolio is 5.66%.

DEBT MATURITIES

	North America		Brazil		Europe		Australasia		Corporate	
	Total debt payable	**WAIR**	**Total debt payable**	**WAIR**	**Total debt payable**	**WAIR**	**Total debt payable**	**WAIR**	**Total debt payable**	**WAIR**
2024	$ 51,297	3.30 %	$ 6,447	4.92 %	$ 3,095	3.24 %	—	— %	—	— %
2025	94,660	2.79 %	24,114	4.78 %	80,557	3.62 %	61,464	5.38 %	125,000	10.00 %
2026	109,097	4.02 %	25,309	4.79 %	178,763	5.97 %	296,065	5.37 %	269,221	7.26 %
2027	252,642	6.41 %	25,657	4.75 %	62,143	3.83 %	152,378	5.08 %	315,405	7.32 %
2028	16,014	5.58 %	17,246	3.88 %	70,770	3.23 %	197,036	5.36 %	86,250	7.75 %
2029	26,280	5.37 %	17,902	3.88 %	71,512	1.91 %	43,816	5.03 %	—	— %
2030	452	— %	18,585	3.88 %	26,883	1.50 %	—	— %	—	— %
2031+	9,343	3.41 %	9,567	3.88 %	7,611	3.39 %	—	— %	—	— %
	$ 559,786	4.92 %	$ 144,827	4.39 %	$ 501,334	4.07 %	$ 750,759	5.25 %	$ 795,876	7.77 %
Less liabilities related to assets held for sale	—	— %	—	— %	(10,260)	— %	—	— %	—	— %
Unamortized financing costs	(2,507)	— %	(1,830)	— %	(2,956)	— %	(2,294)	— %	(2,747)	— %
Total	$ 557,279	4.92 %	$ 142,997	4.39 %	$ 488,118	4.07 %	$ 748,465	5.25 %	$ 793,129	7.77 %

Finance Lease Payable

The lease of land on which one of Australian investment properties is built is accounted for as a finance lease. The remaining term of the lease at September 30, 2024 was 64 years. There is no purchase option.

Convertible Debentures

The following table summarizes, as at September 30, 2024, the REIT's Convertible Debentures:

CONVERTIBLE DEBENTURES

	Fair Value (1)	Face Value	Interest Rate	Conversion Price per Unit	Maturity	Interest Payment Dates
Series NWH.DB.G	$ 126,238	$ 125,000	10.00 %	$ 7.25	March 2025	June 30 and December 31
Series NWH.DB.H	147,472	155,250	6.25 %	$ 16.00	August 2027	February 28 and August 31
Series NWH.DB.I	83,015	86,250	7.75 %	$ 10.55	April 2028	April 30 and October 31
	$ 356,725	**$ 366,500**				

(1) The fair value of the Convertible Debentures is based on the closing trading price of the REIT's Convertible Debentures as at the reporting date.

Unit-Based Liabilities

On April 12, 2022, the 2022 Equity Incentive Plan (the "Plan") was approved. Under the Plan, together with the existing Deferred Unit Plan ("DUP"), a maximum of 9,000,000 the REIT's trust units are authorized to be issued. The Plan replaces the DUP introduced in 2018. No further awards will be granted under the 2018 DUP prospectively. However, any awards previously granted pursuant to the DUP shall remain outstanding and continue to be governed by the terms of the 2018 DUP.

As at September 30, 2024 the Unit-Based Liability is $13.0 million (December 31, 2023 - $15.2 million) representing 1,709,430 deferred units, 1,393,394 restricted units and 1,295,849 performance units accrued. (December 31, 2023 - 2,475,150 deferred units, 846,893 restricted units and 577,918 performance units accrued).

Deferred Units

The deferred units granted under the 2022 Equity Incentive Plan and the previous DUP plan are administered by the Compensation, Governance and Nominating Committee. The deferred units can be settled at the holders' option in units or cash subject to the REIT's approval and are classified as a financial liability until redeemed. Deferred unit 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 applicable vesting period that ranges from three to five years.

Restricted Units

The REIT grants restricted units under the Plan. 100% of the restricted units granted vest on the fifth anniversary of their respective grant dates and are subject to forfeiture until the recipients of the awards have held office in their current position with or provided services to the REIT for a specified period of time.

Performance Units

The REIT grants performance units under the Plan with a three-year performance period. The performance units are and will be subject to both non-market and market conditions consisting of both absolute and relative performance over a three-year period and settled for trust units upon vesting.

Under IFRS, the REIT's Unit-Based Liability with respect to deferred units and restricted units is measured at fair value every reporting period, based on the fair market value of a REIT Trust Unit at the reporting date. Unit-Based Liability related to the performance units is measured at fair value every reporting period using a Monte-Carlo simulation at the reporting date. The change in fair value of the Unit-Based Liability is recognized in net income (loss).

FINANCIAL RATIOS

Pursuant to the Declaration of Trust, the REIT shall not incur or assume any indebtedness, as defined, if the total indebtedness of the REIT would be more than 65% of gross book value. The following summarizes key performance ratios as at and for the three and nine months ended September 30, 2024, and as at December 31, 2023:

RATIOS		
As at	**September 30, 2024**	**December 31, 2023**
Gross book value	$6,344,230	$7,628,615
Debt - declaration of trust	$2,765,655	$3,641,463
Debt to Gross Book Value - Declaration of Trust	**43.6 %**	**47.7%**
Debt - including convertible debentures	$3,122,380	$3,962,317
Debt to Gross Book Value - Including Convertible Debentures	**49.2 %**	**51.9%**

	Three months ended September 30,		**Nine months ended September 30,**	
	2024	**2023**	**2024**	**2023**
Income (Loss) before taxes	$ (181,476)	$ (95,915)	$ (377,778)	$ (318,500)
Add (deduct):				
Mortgage and loan interest expense	44,332	58,715	153,521	167,550
Distributions on Exchangeable Units	—	342	(63)	1,026
Amortization of deferred financing costs	11,366	2,686	20,817	8,649
EBITDA	$ (125,778)	$ (34,172)	$ (203,503)	$ (141,275)
Loss on revaluation of financial liabilities	937	814	5,369	6,602
Fair market value losses (gains)	152,057	122,458	392,289	379,579
Unit-based compensation expense	(458)	1,883	2,361	7,380
Foreign exchange loss (gain)	500	2,521	(12,369)	(7,487)
Convertible debenture issuance costs	—	91	27	4,601
Transaction costs	5,366	6,209	12,300	13,905
Employee termination benefits and related expenses	3,807	—	3,807	—
Loss on disposal of investment properties	21,299	5,046	31,396	20,783
Less: share of (profit) loss of equity accounted investments	22,100	(1,966)	32,084	19,917
Add: distribution income from equity accounted investments	2,023	1,953	5,919	7,570
Adjusted EBITDA	$ 81,853	$ 104,837	$ 269,680	$ 311,575
Mortgage and loan interest expense	**44,332**	**58,715**	**153,521**	**167,550**
Interest coverage	**1.85**	**1.79**	**1.76**	**1.86**

LIQUIDITY

Cash Resources

CASH RESOURCES		
	As at September 30, 2024	**As at December 31, 2023**
Cash and cash equivalents	$ 63,926	$ 72,030
Restricted Cash	1,310	60
Total	**$ 65,236**	**$ 72,090**

Restricted cash represents cash held in the REIT's designated bank accounts pledged as collateral. $1.1 million of the total restricted cash forms part of the security for certain European mortgages.

Based on the expectation that occupancy levels remain strong, and that the REIT will be able to obtain financing on reasonable terms, Management anticipates meeting all current and future obligations as they come due.

Management expects to have sufficient liquidity from the following sources: cash flows from operating activities; distribution income received from investments in Vital Trust and JVs; financing available through both unsecured debt, and conventional mortgage debt secured by income producing properties; the issuance of new equity and debt securities and strategic asset sales, including sale and redemption of investment in unlisted securities and sale of Assura shares.

Contractual cash flows

Liquidity risk arises from the REIT's financial obligations and in the management of its assets, liabilities and capital structure. This risk is managed by regularly evaluating the liquid financial resources available to fund current and long-term obligations and to meet the REIT's capital commitments in a cost-effective manner.

The following table sets out the REIT's contractual cash flows as at September 30, 2024:

CONTRACTUAL CASH FLOWS

	Carrying amount	Contractual cash flows	2024	2025	2026	2027	2028	Thereafter
Accounts payable and accrued liabilities[1]	$ 129,545	$ 129,545	$ 120,187	$ —	$ —	$ —	$ —	$ 9,358
Distributions payable	7,443	7,443	7,443	—	—	—	—	—
Income tax payable	7,614	7,614	7,614	—	—	—	—	—
Liabilities associated with assets held for sale	10,260	10,260	—	10,260	—	—	—	—
Convertible debentures	356,725	366,500	—	125,000	—	155,250	86,250	—
Finance lease payable	14,172	14,172	568	2,127	1,968	1,538	996	6,975
Mortgages and loans payable	2,726,868	2,741,221	60,102	186,089	642,002	971,867	554,938	326,223
Total	**$3,252,627**	**$ 3,276,755**	**$ 195,914**	**$ 323,476**	**$643,970**	**$1,128,655**	**$ 642,184**	**$ 342,556**

(1) Contractual cash flows related to accounts payable and accrued liabilities includes a charitable commitment entered in 2021 and will be paid at the end of 10 years to support eligible investment initiatives in capital infrastructure or equipment.

As at September 30, 2024, the REIT's current liabilities of $495.1 million exceeded current assets of $255.8 million (including assets held for sale), resulting in a difference of $239.3 million.

Current liabilities include:

- Convertible debentures series NWH.DB.G maturing March 2025, which can be settled through conversion into REIT units and have a fair value of $126.2 million . The REIT's objective is to repay these Convertible debentures on maturity through existing credit facility capacity and proceeds from further asset sales;
- Canadian mortgage maturities and scheduled principal repayments of $123.3 million. The REIT currently expects the remaining balance of these mortgages to be refinanced on or before maturity or rolled into the revolving credit facility;
- European mortgage maturities and scheduled principal repayments of $66.6 million. The REIT expects the remaining balance of these mortgages to be refinanced on or before maturity;
- Accounts payable and accrued liabilities of $120.2 million which is expected to be repaid in normal course using existing liquidity.

There are no assurances that the timing, amounts and/ or terms of any refinancing, or other efforts will be on terms favourable or otherwise satisfactory to the REIT. If the terms of any such refinancing or other efforts are less favourable than the terms of the existing loans, then the financial condition of the

REIT, as well as the REIT's ability to continue to meet required interest and principal payments, meet capital commitments, or to continue to make distributions at current levels, may be materially adversely affected.

Changes in Cash

The following table sets out the REIT's net change in cash and cash equivalents:

NET CHANGE IN CASH

	Three months ended September 30,		Nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Cash provided by / (used in):				
Operating activities	$ 33,354	$ 26,141	$ 64,576	$ 82,016
Investing activities	189,870	70,970	503,016	68,103
Financing activities	(229,265)	(98,829)	(585,981)	(170,280)
Net increase / (decrease) in cash during the period	**(6,041)**	**(1,718)**	**(18,389)**	**(20,161)**
Effect of foreign currency translation	8,485	1,025	10,225	(295)
Net increase / (decrease) in cash during the period	**$ 2,444**	**$ (693)**	**$ (8,164)**	**$ (20,456)**

Operating activities

Cash generated by operating activities totaled $33.4 million for the three months ended September 30, 2024, as compared to cash generated by operating activities of $26.1 million for the three months ended September 30, 2023, an increase of $7.2 million. This increase is primarily related to a $18.8 million decrease in mortgage and loan interest paid and positive changes in working capital of $7.8 million, partially offset by a decrease in net operating income of $12.9 million, an increase of $1.7 million in redemption of units issued under the deferred unit plan and a decrease in realized foreign exchange income of $1.2 million.

Cash generated by operating activities totaled $64.6 million for the nine months ended September 30, 2024, as compared to $82.0 million for the nine months ended September 30, 2023, a decrease of $17.4 million. This decrease is primarily related to a $16.9 million decrease in NOI, a $4.8 million increase in G&A when excluding unit-based compensation expense, an increase in taxes paid of $4.8 million and $6.9 million negative working capital movement, partially offset by $18.3 million decrease in mortgage and loan interest paid.

Investing activities

Cash generated by investing activities totaled $189.9 million for the three months ended September 30, 2024, which is primarily related to $207.2 million cash proceeds from the sale of investment properties, net of disposition costs, $21.0 million from the redemption and sale of unlisted securities and distributions received from associates and unlisted securities of $2.3 million, offset by $38.7 million used for additions to investment properties, primarily on developments in Australasia, and $4.3 million of transaction costs associated with strategic initiatives.

Cash generated by investing activities totaled $503.0 million for the nine months ended September 30, 2024, which is attributable to $596.7 million from non-core asset sales, and $52.2 million from redemption of unlisted securities, offset by $140.4 million used for additions to investment properties and $12.3 million of transaction costs associated with strategic initiatives related to investment opportunities, capital raising initiatives, and the Board's Strategic Review Committee.

Financing activities

During the three months ended September 30, 2024 cash used by financing activities totaled $229.3 million as compared to cash used of $98.8 million during the three months ended September 30, 2023. The financing activities during the three months ended September 30, 2024 include $194.8 million of net repayment of mortgages, loans payable and credit facilities, and distributions paid to REIT unitholders and to non-controlling interests of $30.6 million.

For the nine months ended September 30, 2024, cash used by financing activities of $586.0 million as compared to cash used of $170.3 million during the nine months ended September 30, 2023. The financing activities include $488.7 million of net mortgages, loans payable and credit facilities repayments, payment of distributions to REIT unit holders and to non-controlling interests of $87.5 million and financing fees paid of $9.7 million.

FOREIGN EXCHANGE AND CURRENCY MANAGEMENT

For the three and nine months ended September 30, 2024, the majority of the REIT's AFFO, excluding Corporate costs such as certain general and administrative expenses, interest expenses and interest income that were denominated in Canadian dollars, was conducted in currencies other than Canadian dollars, while its distributions to unitholders were denominated only in Canadian dollars.

For the three and nine months ended September 30, 2024, a portion of the AFFO generated in foreign currencies was retained in those foreign currencies to provide funds for operations, future investments in those foreign jurisdictions and to minimize currency conversion costs, while a portion has been repatriated back to Canada to fund distributions, interest payments and other corporate expenses. Canadian dollar AFFO for the three months ended September 30, 2024 was a loss of $4.8 million, while Canadian dollar distributions paid in cash totaled $19.7 million. The shortfall was funded from cash repatriated to Canada from US, Brazil, the UK, Europe, Australia, and New Zealand.

As at September 30, 2024, the REIT held approximately $12.4 million of cash and receivables denominated in Canadian Dollars.

The REIT monitors its foreign exchange exposure and its hedging strategy on an ongoing basis.

The REIT may utilize currency hedges, when necessary, practicable and economically feasible to do so, to mitigate the impact of foreign currency fluctuations and to provide more certainty regarding the payment of distributions to unitholders if the Canadian dollar increases in value compared to foreign currencies. The REIT's current hedging arrangements include natural currency hedges through local-currency denominated debt, inflation-indexed leases that provide protection against currency devaluation, and exposure to a diversified basket of currencies. Future hedging arrangements may include implementing specific foreign currency hedging derivatives. The REIT does not currently have any specific foreign currency hedging derivatives in place.

PART VI – ACCOUNTING POLICIES AND ESTIMATES

All significant accounting policies have been applied on a basis consistent with those followed in the REIT's audited consolidated financial statements and accompanying notes for the year ended December 31, 2023, with the exception of the new and changes to accounting standards and policies implemented in 2024, which are described in note 2 of the REIT's condensed consolidated interim financial statements for the three and nine months ended September 30, 2024.

The preparation of financial statements in conformity with IFRS requires the REIT to make judgments, estimates, and assumptions that affect the reported amounts recognized in the financial statements. These estimates have a direct effect on the measurement of transactions and balances recognized in the financial statements. Actual results could differ from estimates. Please refer to note 1 in the REIT's audited consolidated financial statements and accompanying notes for the year ended December 31, 2023.

PART VII – RISKS AND UNCERTAINTIES

There are certain risks inherent in an investment in the Trust Units and the Convertible Debentures and in the activities of the REIT which current and prospective unitholders and current or prospective investors in Convertible Debentures should carefully consider. The REIT's Annual Information Form, which can be found on SEDAR at www.sedarplus.ca, contains a detailed summary, under "Risk Factors", of the risk factors pertaining to the REIT and its business.

PART VIII – CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The REIT's Chief Executive Officer and Chief Financial Officer have designed, or caused to be designed under their supervision, the REIT's disclosure controls and procedures (as defined by National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings, adopted by the Canadian Securities Administrators ("NI 52-109") to provide reasonable assurance that: (i) material information relating to the REIT, including its consolidated subsidiaries, is made known to them by others within those entities, particularly during the period in which the filings are being prepared; and (ii) material information required to be disclosed in the fillings or other reports filed or submitted by the REIT under securities legislation is recorded, processed, summarized and reported on a timely basis and within the time period specified by securities legislation.

Changes in Internal Controls Over Financial Reporting

There were no significant changes made in internal controls over financial reporting during the three and nine months ended September 30, 2024, that have materially affected, or are likely to materially affect, the REIT's internal controls over financial reporting.

PART IX – NET ASSET VALUE

		Q3 2024		Q4 2023
Total Assets		**$ 6,344,230**		**$ 7,628,615**
less Total Liabilities		(3,609,315)		(4,543,347)
less Non-controlling interests		(1,090,500)		(1,090,956)
Unitholders' equity		**1,644,415**		**1,994,312**
Add/(deduct):				
Goodwill		(39,593)		(38,566)
Unit-based compensation liabilities		12,958		15,161
Net deferred tax liability	333,313		409,269	
less NCI	(92,228)	241,085	(91,490)	317,779
Financial instruments - net	(5,689)		(19,483)	
less NCI	(47)	(5,736)	5,524	(13,959)
Exchangeable Units		—		8,721
Global manager valuation adjustment (1)		377,575		378,220
Net Asset Value ("NAV")		**$ 2,230,704**		**$ 2,661,668**
Adjusted units outstanding ('000s) - period end (2)		247,180		245,002
NAV per Unit		**$ 9.02**		**$ 10.86**

(1) Global manager includes the European and Australasian asset management operations.
(2) Under IFRS the REIT's Class B LP Units are treated as a financial liability rather than equity. The REIT has chosen to present an adjusted basic per unit measure that includes the Class B LP Units in basic units outstanding/ weighted average units outstanding.

Global manager valuation

The REIT utilized the discounted cash flow approach which includes significant valuation assumptions such as forecast of management fees, operating expenses, discount rates, capitalization rates, inflation rates, interest rates, taxation rates, foreign currency exchange rates and earnings multiples.

CORPORATE INFORMATION

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Stock Exchange Listing
Toronto Stock Exchange (TSX)
Listing symbols:
- REIT Trust Units - NWH.UN
- 10.00% convertible debentures - NWH.DB.G
- 6.25% convertible debentures - NWH.DB.H
- 7.75% convertible debentures - NWH.DB.I