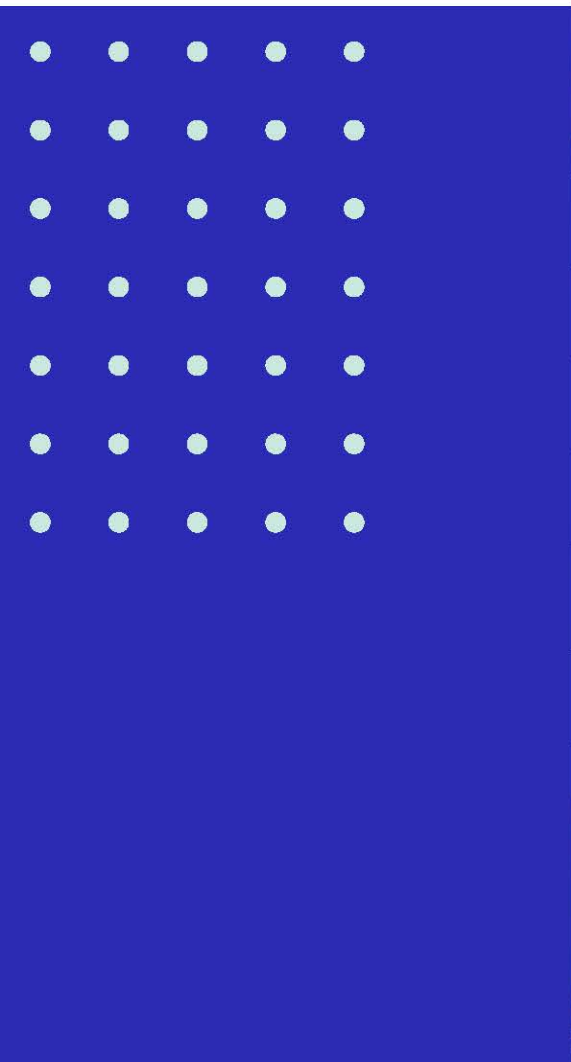




2025 First Quarter Management Discussion and Analysis

Northwest Healthcare Properties
Real Estate Investment Trust



INTRODUCTION

Northwest Healthcare Properties Real Estate Investment Trust ("**Northwest**", or the "**REIT**"), 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 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.H and NWH.DB.I.

The REIT's 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 March 31, 2025, the REIT currently owns and manages interests in 169 hospitals, medical outpatient buildings and healthcare facilities in Europe, North America, Brazil and Australasia. The REIT manages \$8.4 billion of assets under management, of which \$2.6 billion is owned directly by the REIT and \$5.8 billion is owned jointly with third-party investors. The REIT is the largest non-government healthcare real estate owner in Canada.

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, the REIT brings 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. The REIT provides integrated property management, acquisition and development management services for its joint venture partners and investments.

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

The REIT's 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 the REIT's leading healthcare campuses.

The REIT's hospitals, medical outpatient buildings, medical clinics, life sciences assets, and healthcare related facilities, are designed to meet the needs of its hospital operators, doctors, nurses, and other medical practitioners in private and public healthcare jurisdictions.

The REIT's portfolio has been designed with the goals of generating stable and growing cash flows underpinned by tenancies of high-quality hospital and healthcare operators and long-term, inflation-indexed leases.

The REIT's 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 improving efficiencies across all the REIT's markets and continuing to strengthen its balance sheet.

Current Business Environment and Outlook

The global economy has been forecasted to grow at a 2.8% rate in 2025 and 3.0% in 2026, according to the International Monetary Fund ("**IMF**"), which is below the historical (2000-2019) average of 3.7%. In the United States, the economy is showing signs of slowing amid rising policy uncertainty and rapidly deteriorating sentiment, while inflation expectations have risen. Canada's economy is slowing as tariff announcements and uncertainty pull down consumer and business confidence, with the IMF projecting growth of 1.4% in 2025 and 1.6% in 2026. In Australia and New Zealand, economic growth is also projected to moderate, as major policy shifts are resetting the global trade system and giving rise to uncertainty that is once again testing the resilience of the global economy. In Europe, growth is expected to recover

gradually, though geopolitical tensions, weaker-than-expected manufacturing activity, and heightened political uncertainty have led to downward revisions in growth expectations. Across all key regions, uncertainties surrounding protectionist policies, including global trade tensions and tariffs, could hinder global growth and economic momentum.

Global disinflation continues, with headline inflation projected to move closer toward central bank targets. Even though inflation is expected to remain above the central bank's 2% target in the United States, underlying inflation rates have moderated in Australia and New Zealand and are expected to return to the 2% to 3% target range this year. Meanwhile, Europe continues to face more subdued inflationary pressures.

In the healthcare real estate sector, inflationary pressures contribute to rising operational costs, though inflation-linked lease structures and long-term leases help mitigate these risks. In this regard, Northwest has consistently demonstrated strong cash collections, occupancy rates exceeding 96% and weighted average lease expiries reaching 14 years, even during periods of economic fluctuations. In addition, the aging population in Northwest's primary markets continues to drive demand for healthcare facilities, reinforcing healthcare expenditures and supporting long-term demand for the REIT's assets. The growing trend of increased healthcare utilization is expected to further benefit healthcare real estate, positioning us well to capitalize on these demographic shifts through its portfolio of high-quality assets.

The REIT remains committed to optimizing its portfolio and identifying opportunities to unlock value and reduce leverage through non-core asset sales. However, central bank efforts to curb inflation continue to impact borrowing costs and capitalization rates, prompting us to be more selective in the approach to asset monetization. The REIT will therefore evaluate holding non-core assets based on their strong occupancy rates and yields or selling them at current capitalization rates. Northwest has a comprehensive capital management strategy to not only strengthen the balance sheet but also maintain a disciplined approach to portfolio management. As such, the REIT's commitment and focus remains on enhancing long-term unitholder value, while navigating evolving macroeconomic conditions across the REIT's key markets.

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				
	As at		As at	
	March 31, 2025		December 31, 2024	
(unaudited)				
Operational Information ⁽¹⁾				
Number of Properties		169	172	
Gross Leasable Area (sf)		15,792,262	15,886,309	
Occupancy %		96.5%	96.4%	
Weighted Average Lease Expiry ("WALE") (years) ⁽²⁾		13.6	13.6	
Summary of Financial Information				
Assets Under Management ⁽²⁾	\$	8,371,223	\$ 8,281,609	
Gross Book Value ⁽³⁾	\$	6,136,341	\$ 6,049,576	
Debt	\$	3,092,247	\$ 3,027,154	
Debt to Gross Book Value		50.4%	50.0%	
Economic Weighted Average Interest Rate ⁽²⁾⁽⁴⁾		5.09%	5.52%	
Net Asset Value ("NAV") per Unit ⁽²⁾	\$	8.71	\$ 8.55	
Units Outstanding - period end		248,398,612	247,784,245	
		For the three months ended March 31, 2025	For the three months ended March 31, 2024	
			For the three months ended December 31, 2024	
Operating Results				
Revenue from investment properties	\$	111,647	\$ 133,545	\$ 102,702
Net Income / (Loss)	\$	(15,530)	\$ (38,617)	\$ 2,928
Net Operating Income ("NOI")	\$	77,148	\$ 95,452	\$ 77,764
Funds From Operations ("FFO"), excluding accelerated amortization of deferred financing charges ⁽²⁾⁽⁷⁾	\$	26,120	\$ 26,957	\$ 23,674
Adjusted Funds From Operations ("AFFO") ⁽²⁾⁽⁷⁾	\$	24,346	\$ 27,679	\$ 24,281
Distributions ⁽⁵⁾	\$	22,338	\$ 22,031	\$ 22,346
Interest Coverage ⁽⁶⁾⁽⁸⁾		1.98	1.52	1.86
Per Unit Amounts				
FFO, per unit - Basic, excluding accelerated amortization of deferred financing charges, per unit ⁽²⁾⁽⁷⁾	\$	0.11	\$ 0.11	\$ 0.10
FFO, per unit - Diluted, excluding accelerated amortization of deferred financing charges, per unit ⁽²⁾⁽⁷⁾	\$	0.10	\$ 0.11	\$ 0.10
AFFO per unit - Basic ⁽²⁾⁽⁷⁾	\$	0.10	\$ 0.11	\$ 0.10
AFFO per unit - Diluted ⁽²⁾⁽⁷⁾	\$	0.10	\$ 0.11	\$ 0.10
Distributions per unit ⁽⁵⁾	\$	0.09	\$ 0.09	\$ 0.09
AFFO Payout Ratio ⁽²⁾		92%	80%	92%
AFFO Payout Ratio - Diluted ⁽²⁾		92%	80%	92%
Weighted Average Units Outstanding				
Basic		248,104,145	245,381,166	247,493,809
Diluted		249,111,151	246,703,287	248,641,782

(1) Operational information includes 100% of Vital Trust and joint venture ("JV") investments. The REIT owns an approximate 28.3% interest in Vital Trust and 30% of the JV investments as at March 31, 2025. See **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) As at March 31, 2025, 85.5% (December 31, 2024 - 78.7%) of the REIT's debt including debentures is subject to fixed interest rates, including total debt of \$1.3 billion (December 31, 2024 - \$1.4 billion) that is economically fixed after taking into consideration the interest rate derivatives, but is contractually subject to a variable rate interest. See **Gain/Loss on Financial Instruments**.
- (5) Represents distributions to Unitholders 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. Distributions per unit is a non-IFRS ratio calculated as sum of the distributions on the REIT's units. 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.
- (6) See **Financial Ratios** for the REIT's calculation of Interest Coverage.
- (7) For the three months ended March 31, 2025, FFO and FFO per unit excludes \$1.9 million of accelerated amortization of deferred financing charges due to the early repayment of debt using proceeds from the issuance of the \$500 million senior unsecured debentures in February 2025. FFO and FFO per unit including accelerated amortization of deferred financing charges is \$24.2 million or \$0.10 per unit, respectively.
- Included in FFO and AFFO for the three months ended March 31, 2024, is \$6.7 million related to interest rate cap derivative arrangements, which matured during the three months ended March 31, 2024, the impact of which is \$0.02 per unit.
- (8) Interest coverage for the March 31, 2024, comparative period has been restated to align with the definition updated in the fourth quarter of 2024. See **Performance Management**.

HIGHLIGHTS FOR THE QUARTER

During the quarter, the REIT continued to execute its stated objectives aimed at enhancing balance sheet strength, optimizing its asset portfolio, and reinforcing its commitment to sustainable value creation for unitholders.

Non-Core Asset Sales

During the three months ended March 31, 2025, the REIT completed the sale of three income producing properties and one development property in North America classified as assets held for sale at their fair value of \$46.9 million.

During the quarter, the REIT also fully exited its investment in Australian unlisted securities, generating approximately \$4.1 million in proceeds through the sale or redemption of all remaining units.

The proceeds were used to repay directly attributable debt and outstanding balances on credit facilities.

As at March 31, 2025, the REIT held three income producing properties and two development properties totaling \$58.8 million classified as assets held for sale.

Credit Rating and Senior Unsecured Debenture Issuance

The REIT received an investment-grade issuer credit rating of BBB (low) with a Stable Trend from Morningstar DBRS on February 5, 2025.

On February 18, 2025, the REIT successfully completed its inaugural senior unsecured debenture offering totaling \$500.0 million, comprising of \$200.0 million of 5.02% Series A senior unsecured debentures due in 2028 and \$300.0 million of 5.51% Series B senior unsecured debentures due in 2030.

The REIT used the proceeds from the offering to repay outstanding debt including the REIT's US term debt, the Series G Convertible Debentures, and corporate facilities with a weighted average interest rate of 7.55%.

Credit Facility Amendment

During the quarter the REIT amended its revolving credit facility with an outstanding balance of \$144.8 million and extended its maturity from March 2026 to March 2027.

SUBSEQUENT EVENTS

Sale of Assura

Subsequent to March 31, 2025, the REIT sold its shares in Assura through two on-market transactions for total proceeds of \$209.3 million (£114.6 million) resulting in a full divestment of the shares. The REIT's investment in Assura was acquired as partial consideration for the REIT's disposition of its UK portfolio in August 2024 at a value of \$177 million (£100 million), resulting in a gain on disposition of approximately \$32.3 million (£14.6 million). Proceeds were used to repay related debt and corporate facilities.

Debt Refinancing

Subsequent to March 31, 2025, \$134.9 million (NZ\$150.0 million) of term debts secured by investment properties in Australasia bearing weighted average interest rate ("WAIR") of 5.83% were refinanced, extending its maturity date from March 2026 and March 2027 to April 2028 and April 2029, and reducing the WAIR to 5.55%.

The REIT also refinanced \$224.0 million (A\$249.0 million) of term debts bearing weighted average interest rate of 5.36% in the REIT's Australasian JV, extending its maturity date from July 2026 to July 2030 and reducing the WAIR to 5.24%.

Subsequent to March 31, 2025, \$25.5 million of mortgages secured by investment properties in North America bearing a weighted average interest rate of 2.90% were refinanced with mortgages bearing a weighted average interest rate of 4.57%, increasing the weighted average term to maturity by 3.4 years.

Non-core Asset Sale

On May 2, 2025, the REIT completed the disposition of one Australasian development property included in assets held for sale as of March 31, 2025, at its carrying value for total proceeds of \$1.4 million.

On May 14, 2025, the REIT sold one development property in Europe included in assets held for sale at its fair value of \$10.9 million as at March 31, 2025. The proceeds from the sale will be used to repay property level debt of \$10.1 million classified as liabilities related to assets held for sale as at March 31, 2025.

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". The sustainability program attempts to amplify the collective impact of the REIT's own operators together with its tenant partners and other engaged stakeholders.

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 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 2025 the REIT:

- will publish its 2024 Sustainability Report in May 2025, 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;
- has completed a review and adapted the 19 externally facing key performance indicators and commitments to appropriately reflect the findings of the ESG Materiality Assessment completed in Q4 2024;

- was awarded a B score for the Vital Healthcare Property Trust 2024 CDP disclosure, an improvement from B- in 2024 reflecting continued enhancement of climate disclosure and environmental performance;
- has refreshed the ESG Policy to reflect the REIT's current sustainability approach in line with the overarching ESG framework.

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**”, or the “**REIT**”) should be read in conjunction with the REIT’s unaudited condensed consolidated interim financial statements and accompanying notes for the three months ended March 31, 2025, prepared in accordance with IFRS Accounting Standards (“**IFRS**”) as issued by the International Accounting Standards Board. 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 REIT Units, except where otherwise stated.

This MD&A should also be read in conjunction with the Annual Information Form of the REIT dated March 10, 2025 (the “**Annual Information Form**”) and the REIT’s Management Information Circular dated April 1, 2025 (the “**Circular**”). This MD&A is current as of May 14, 2025, 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 **Debentures** and includes the following series of convertible debentures:
 - NWH.DB.H;
 - NWH.DB.I.
- “**Senior Unsecured Debentures**” has the meaning set out in the Section **Debentures** and includes the following series of senior unsecured debentures:
 - Series A;
 - Series B.
- “**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;
- “**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.

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, HSO’s rent deferral arrangements, the ongoing operation of HSO’s hospitals, the REIT’s commitment to continue pursuing asset sales, simplifying the business, reducing costs, and strengthening its balance sheet, future debt repayment and renewal, demand for REIT properties, and balance sheet optimization arrangements. 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 continued operation of HSO’s hospitals and HSO’s ability and willingness to pay deferred rent in accordance with its agreements; (iii) the REIT’s properties continuing to perform as they have recently, (iv) 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, (v) 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, (vi) the REIT’s commitment to sustainability objectives and the impact thereof, and (vii) savings resulting from the REIT’s workforce reduction initiatives not being reallocated to other matters. 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 the information included.

Although the third-party sources believe it to be reliable, the REIT has 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**”);
- Economic weighted average interest rate (“**Economic WAIR**”);
- Occupancy levels;
- Assets Under Management (“**AUM**”);
- Debt
- 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.

“**Economic Weighted Average Interest Rate**” or “**Economic WAIR**” includes debt with fixed interest rates, variable rate debt at the current reference interest rate plus the contractual margin, and the impact of interest rate derivatives effective at the balance sheet date or future reference date that economically fix the REIT’s variable rate debt. This calculation is a useful measure because it allows management to compare movements in interest rates period over period and to compare the cost of the REIT’s debt to the current market rates.

“**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, 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” is a supplementary financial measure and represents the sum of the REIT’s indebtedness. It includes the sum of the principal balance of mortgages, securities lending agreements, margin facilities, term loans, line of credit, lease liabilities, convertible debentures, senior unsecured debentures and deferred consideration, as reported in the condensed consolidated interim financial statements. The Debt 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 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 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 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) 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, and
- (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.

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 **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'.

"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.

"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 it 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.

“Adjusted EBITDA” is a non-IFRS financial measure defined as net income (loss), excluding income taxes, interest expense, distributions on Exchangeable Units, depreciation expense and amortization expense, IFRS fair value changes associated with investment properties and financial instruments, unit-based compensation expense, unrealized foreign exchange gains and losses, employee termination benefits and related expenses, gains and losses on disposal of investment properties, transaction costs, 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.

“Interest Coverage” is a non-IFRS ratio calculated as Adjusted EBITDA divided by interest expense, including the portion of interest expense that is capitalized (**“Adjusted 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.

“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), 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

Underpinned by a high quality and diversified portfolio, supportive healthcare market fundamentals, and a strong management team, the REIT's strategy is focused on driving a successful turnaround of the REIT by strengthening its financial profile and positioning Northwest for sustainable growth.

The REIT continues to actively capitalize on opportunities within its portfolio which has led to the strategic repositioning of assets through favourable asset management initiatives and releasing activities, enabling us to optimize value created through the REIT's divestitures of non-core properties. The REIT also continues to evaluate and execute upzoning opportunities throughout its portfolio where appropriate.

The REIT's active capital management efforts have significantly reduced total debt over the last eight quarters. By implementing prudent treasury policies and interest rate hedging to minimize variable rate exposure, the REIT has lowered its weighted average interest rate and reduced interest expense. In February 2025, Northwest obtained an investment grade BBB(low) rating with stable trend from Morningstar DBRS and issued \$500 million of senior unsecured debentures to repay higher cost debt.

Northwest continues to simplify and streamline operations across all markets. Over the last year, the REIT completed a strategic workforce reduction and has outsourced elements of its parking operations and technical facilities management in select regions to further advance the REIT's ongoing simplification initiatives.

The REIT remains committed to upholding the high standards of ESG performance and governance, ensuring that sustainability remains integral to driving the REIT's long-term success.

Looking ahead to the remainder of 2025, the REIT's strategic focus will be continuing to:

- Unlock embedded value from within its portfolio;
- Strengthen the balance sheet;
- Simplify and improve efficiencies; and
- Reinforce its commitment to the REIT's sustainability goals.

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. 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 the 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 Income Tax Act (Canada) 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 if, after giving effect to the incurrence or assumption of such Indebtedness, the total Indebtedness of the REIT, as defined in the Declaration of Trust, 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 March 31, 2025, the REIT was in compliance with all investment guidelines and operating policies stipulated in the Declaration of Trust.

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 169 income-producing properties and 15.8 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 outpatient 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, Brasília 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 5.1% in the subject properties. As a result, the effective interest in the subject properties is 33.57%.
- A minority interest in Assura PLC ("**Assura**"), a publicly-listed REIT on the London stock Exchange (LSE: AGR). Subsequent to March 31, 2025, the REIT sold its investment in Assura (see "**Subsequent Events**").

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

- 30% interest in a joint venture ("**Australian JV**") and in joint operations with a third-party institutional investor.
- 28.3% 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.
- Investment properties including hospitals, MOBs and life sciences assets 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.
- 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 March 31, 2025, 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 March 31, 2025:

Funds Under Management and Capital Commitments						
Cdn\$ Billions	Total Commitment	Capital Deployed	Capital Allocated	Available Capacity	REIT Ownership	Term
Australian Core Hospital JV	\$3.3	\$2.6	\$0.5	\$0.2	30%	Perpetuity
Australian Core Hospital JV 2	2.1	—	—	2.1	30%	Perpetuity
Vital Trust	2.6	2.6	—	Open	28%	Perpetuity
European JV ⁽ⁱ⁾	3.0	0.6	—	2.4	30%	11 Years
Total	\$11.0	\$5.8	\$0.5	\$4.7		

(i) 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 March 31, 2025:

SUMMARY OF ASSETS					
	North America	Brazil	Europe ⁽ⁱ⁾	Australasia ⁽²⁾⁽³⁾	Consolidated Total ⁽⁴⁾
Number of Properties	59	8	43	59	169
Asset Mix	80% MOB & 18% Hospitals & Healthcare Facilities & 2% Life Sciences	100% Hospitals	58% MOB & 42% Hospitals & Healthcare Facilities	21% MOB & 76% Hospitals & Healthcare Facilities & 3% Life Sciences	49% MOB & 49% Hospitals & Healthcare Facilities & 2% Life Sciences
Gross Leasable Area ("GLA") (million sf)	3.8	1.9	4.5	5.6	15.8
Total Assets (millions)	\$1,397	\$667	\$926	\$3,069	\$6,136
Occupancy	91.0%	100.0%	96.8%	98.8%	96.5%
WALE (years)	5.7	17.7	13.7	16.9	13.6
Average Building Age (years)	30	21	36	15	26
Weighted Average Implied Cap Rate	6.7%	8.9%	6.0%	5.6%	6.3%

(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. The REIT has an approximate 28.3% 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.

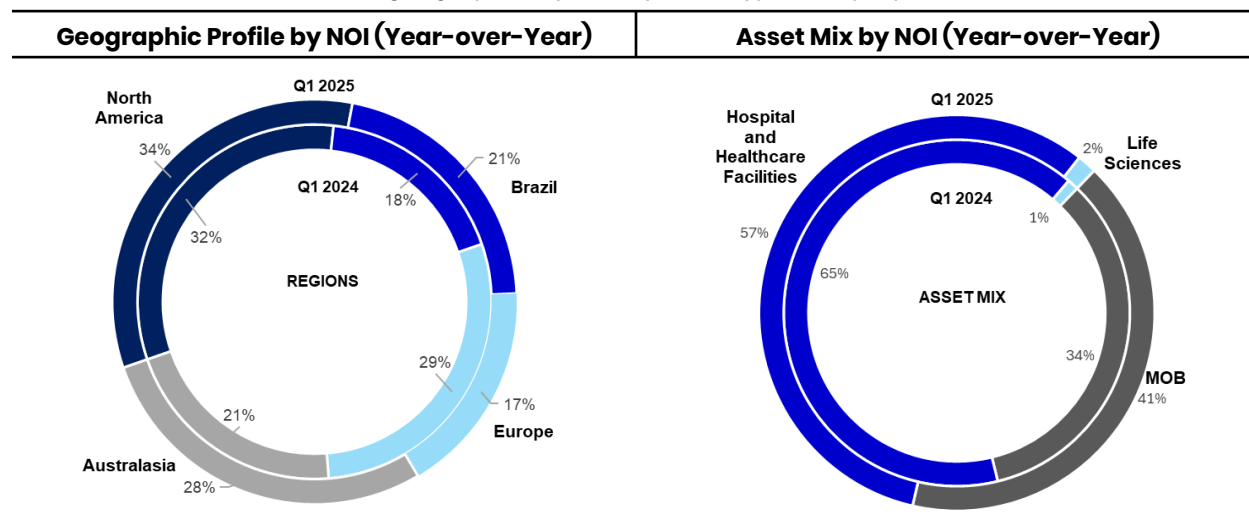
MOBs are facilities designed to provide medical care to patients who do not require overnight hospitalization. These are typically multi-tenant properties that accommodate a variety of healthcare services, including consultations, diagnostic tests, treatments, and minor surgical procedures.

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 capital expenditure 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:



Tenant Mix

The following table summarizes the REIT's 10 largest tenants by percentage of proportionate revenue for the three months ended March 31, 2025:

10 LARGEST TENANTS BY PERCENTAGE OF RENT				
	Tenant	Region	%	# of locations
1	Rede D'Or	Brazil	15.1 %	7
2	Healthscope	Australasia	5.4 %	12
3	Epworth Foundation	Australasia	2.8 %	8
4	Aurora Healthcare	Australasia	1.9 %	8
5	Health Care Surgical Pty Ltd	Australasia	1.8 %	5
6	PrairieCare, LLC	North America	1.6 %	1
7	Stichting Albert Schweitzer Ziekenhuis	Europe	1.5 %	4
8	Rush University Medical Center	North America	1.3 %	1
9	Median Kliniken	Europe	1.3 %	8
10	Hospital Sabara	Brazil	1.2 %	1
			33.9 %	55

- (i) 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 28.3% 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 reais (\$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. According to public disclosures, Rede D'or has a credit rating of AAA(bra) (Brazil national scale rating) with a stable outlook from S&P Global Ratings and Fitch Ratings.

Healthscope Limited ("HSO") is currently the REIT's second largest tenant, occupying 12 properties ("**HSO Portfolio**") and accounting for 5.4% 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. In March 2025, following sector margin pressures exacerbated by its capital structure, HSO requested temporary relief from its lender syndicate and landlords, including Northwest. During the quarter, the REIT and HSO reached a short (10 week) partial rent deferral arrangement, and since quarter end, the REIT has agreed to provide HSO with a further partial rent deferral until July 18, 2025, totaling \$2.3 million (at the REIT's proportionate share). HSO also advised the REIT that it has reached agreement with its lender syndicate to provide time and enhanced liquidity to explore a sale or recapitalization of the business. Upon expiry of the initial lender forbearance period, on May 11, 2025, HSO has committed to an orderly transition of control to lenders, who will continue the sale process while HSO hospitals continue to operate. The deferred rent is subject to interest at 8% per annum and further conditions to protect collectability. As of today, all rent owing to the REIT from HSO has been paid (other than the rent subject to the agreed upon deferral arrangements) and HSO continues to meet all other lease obligations.

Epworth Foundation is currently the REIT's third largest tenant, occupying 8 properties across the Vital and Australasian JV Funds, accounting in total for 2.8% 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 assists 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 13.6 years as at March 31, 2025. The percentage of leases expiring by year by region is as follows:

	2025	2026	2027	2028	2029	2030	2031	2032	Thereafter	Total
North America	8.4 %	8.0 %	11.6 %	17.6 %	7.2 %	9.1 %	6.4 %	4.4 %	27.3 %	100.0 %
Brazil	— %	— %	— %	— %	— %	— %	— %	— %	100.0 %	100.0 %
Europe ⁽¹⁾	5.5 %	4.0 %	1.7 %	4.4 %	3.0 %	10.6 %	5.0 %	0.5 %	65.3 %	100.0 %
Australasia ⁽²⁾	0.2 %	1.0 %	4.7 %	0.9 %	1.9 %	1.4 %	13.1 %	4.9 %	71.9 %	100.0 %
Total Portfolio	3.6 %	3.4 %	4.9 %	5.8 %	3.3 %	5.7 %	7.6 %	2.9 %	62.8 %	100.0 %

(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 a 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 19.5 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 20.4 years and the Australian portfolio which has a WALE of 14.8 years.

The table below summarizes the REIT's WALE allocated by asset type as at March 31, 2025, excluding development projects:

	Asset Mix			WALE (in years)			Total
	MOB	Hospitals & Healthcare Facilities	Life Sciences	MOB	Hospitals & Healthcare Facilities	Life Sciences	
North America	80%	18%	2%	4.8	9.3	18.7	5.7
Brazil	0%	100%	0%	–	17.7	–	17.7
Europe ⁽¹⁾	58%	42%	0%	5.6	19.5	–	13.7
Australasia ⁽²⁾	20%	76%	3%	16.1	17.4	9.6	16.9
Total Portfolio	49%	49%	2%	6.4	17.4	10.9	13.6

(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 a 30% interest in the JV.

Lease Indexation

As at March 31, 2025, over 96.5% of the REIT's rental income globally is subject to inflation linked or fixed rate rent adjustments. The below table summarizes the percentage of revenue by region which receives the benefit of regular inflationary or fixed rate adjustments:

Revenue Subject to Adjustments			
	Index Linked	Fixed Rate	% of Total Rent
North America	17.0%	65.4%	82.4%
Brazil	100.0%	–%	100.0%
Europe ⁽¹⁾	96.7%	3.1%	99.8%
Australasia ⁽²⁾	56.8%	42.2%	99.0%
Portfolio Weighted Average	60.1%	36.4%	96.5%

(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 a 30% interest in the JV.

Leasing Activity

LEASING ACTIVITY					
(in thousands of square feet)	Three months ended March 31, 2025				
	North America	Brazil	Europe ⁽¹⁾	Australasia ⁽²⁾	Total
Opening Occupancy	90%	100%	97%	99%	96%
Opening Balance	3,488	1,882	4,387	5,558	15,315
Disposition	(100)	–	–	–	(100)
Expiries	(58)	–	(125)	(4)	(187)
Early Terminations	(1)	–	–	–	(1)
Renewal	51	–	111	3	165
New Leasing	19	–	8	6	33
Other ⁽³⁾	11	–	3	3	17
Closing Balance	3,410	1,882	4,384	5,566	15,242
Closing Occupancy	91%	100%	97%	99%	97%
Early Lease Extensions	34	–	48	–	82

(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 a 30% interest in the JV.

(3) Other includes remeasurements and month-to-month leases.

The lease renewal rate for the three months ended March 31, 2025, was 89%. The rental rates achieved per square feet for the leases that were renewed, on an end-to-start basis, for the three months ended March 31, 2025, were as follows:

Renewal Spreads	Three months ended March 31, 2025				
	Expiring	Renewal	Renewal Rate	Spread %	
North America (CAD)	\$ 28.94	\$ 30.08	89 %	4 %	
Brazil (BRL)	—	—	N/A	N/A	
Europe (EUR)	12.27	12.67	89 %	3 %	
Australasia (AUD)	68.38	65.07	84 %	(5)%	

In North America, for the three months ended March 31, 2025, the REIT completed 51,151 square feet of renewal leasing representing an 89% renewal rate. The REIT completed the renewals at an initial net rent of \$30.08 per square foot versus an expiring net rent per square foot of \$28.94 per square foot, an increase of \$1.14 per square foot or 4%.

In Europe, 97% of leases are indexed with inflation, therefore renewals have been secured at 3% higher than expiring rents for the three months ended March 31, 2025, representing a renewal rate of 89% for the quarter. Overall, occupancy for the region remains unchanged at 97% as net absorption was mostly flat compared to the prior quarter.

In Australasia, where 99% of rental revenues are subject to inflation indexation and periodic market-based reviews, the REIT completed 3,120 square feet of renewal leasing representing an 84% renewal rate. The REIT completed the renewals at an initial rent of \$65.07 per square foot, 5% below the expiring rent, due to a market rent revision at the time of renewal.

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 months ended March 31, 2025, and 2024:

	Three months ended March 31,	
	2025	2024
Expressed in thousands of Canadian dollars		
Net Operating Income		
Revenue from investment properties	\$ 111,647	\$ 133,545
Property operating costs	34,499	38,093
Net Operating Income (NOI)	77,148	95,452
Other income		
Interest and other	6,181	3,403
Management fees	3,773	3,850
Share of profit (loss) of equity accounted investments	(8,742)	3,315
	1,212	10,568
	78,360	106,020
Expenses and Other		
Interest expense	(35,090)	(55,433)
General and administrative expenses	(14,848)	(15,537)
Transaction costs	(9,432)	(2,367)
Foreign exchange gain (loss)	1,819	13,730
Income (loss) before the under noted items	20,809	46,413
Other finance (costs) income	(17,253)	(15,332)
Net gain (loss) on financial instruments	28,799	5,612
Fair value adjustment of investment properties	(46,347)	(71,703)
Net loss on disposal of investment properties	(1,399)	(5,192)
Fair value adjustment of Unit-Based Compensation Liabilities	(1,470)	355
Income (loss) before taxes	(16,861)	(39,847)
Current tax expense	(3,609)	(2,766)
Deferred tax (expense) recovery	4,940	3,996
Net income (loss)	\$ (15,530)	\$ (38,617)
Net income (loss) attributable to:		
Unitholders	(890)	(47,607)
Non-controlling interests	(14,640)	8,990
	\$ (15,530)	\$ (38,617)

Revenue from Investment Properties

REVENUE FROM INVESTMENT PROPERTIES		
	Three months ended March 31,	
	2025	2024
North America	43,736	52,880
Brazil	15,572	16,474
Europe	12,289	27,024
Australasia	40,050	37,167
Total revenue from investment properties	111,647	133,545

Revenue from investment properties for the three months ended March 31, 2025, was \$21.9 million lower than the comparative period mainly due to decreases related to the disposition of non-core assets and the sale of the REIT's UK portfolio in 2024. The decreases were partially offset by rent indexation across all regions.

Net Operating Income

SAME PROPERTY NOI			
	Three months ended March 31,		
	2025	2024	Var %
Same property NOI⁽¹⁾			
North America	\$ 20,781	\$ 19,968	4.1%
Brazil	13,920	13,288	4.8%
Europe	8,123	7,959	2.1%
Australasia	30,983	29,410	5.3%
Same property NOI⁽¹⁾	\$ 73,807	\$ 70,625	4.5%
Impact of foreign currency translation	—	137	
Straight-line rental revenue recognition	770	1,240	
Amortization of operating leases	(30)	(38)	
Lease termination fees	—	69	
Other transactions	77	440	
Developments	2,124	477	
Dispositions	400	22,502	
NOI	\$ 77,148	\$ 95,452	(19.2)%

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

The REIT's consolidated Same Property NOI for the three months ended March 31, 2025, increased by 4.5% over the comparable prior year period mainly due to inflationary adjustments on rents, rentalised developments, and improved recoveries, reflecting a steady growth in the REIT's underlying lease rates supported by a long-term WALE of 13.6 years.

North America

Same property NOI for the three months ended March 31, 2025, increased by 4.1% over the comparable prior year period as result of rent step-ups and inflationary adjustments, and an increase in parking income in the Canadian portfolio.

Brazil

Same Property NOI for the three months ended March 31, 2025, increased by 4.8% over the comparable prior year period driven by inflationary adjustments.

Europe

Same Property NOI for the three months ended March 31, 2025, increased by 2.1% over the comparable prior year period reflecting growth in rental revenue from indexation increases.

Australasia

Same Property NOI for the three months ended March 31, 2025, increased by 5.3% comparable prior year period driven by growth in rental revenue from indexation increases and rentalised capital expenditures.

Interest and other

For the three months ended March 31, 2025 and 2024, the REIT recorded interest and other income of \$6.2 million and \$3.4 million, respectively.

The increase is primarily due to distribution income received from the REIT's investment in Assura, partially offset by a decrease in distribution income from the REIT's investment in unlisted securities as a result of full disposition of the unlisted securities by March 31, 2025.

Management Fees

	GLOBAL ASSET MANAGER FEES	
	Three months ended March 31,	
	2025	2024
Base fee	\$ 7,802	\$ 7,765
Incentive and performance fee ⁽¹⁾	—	1,363
Project and Acquisition fees	389	1,053
Trustee fees	430	267
Other fees and cost reimbursements	20	194
Total Management Fees	\$ 8,641	\$ 10,642
less: inter-company elimination	(4,868)	(6,792)
Consolidated Management Fees	3,773	3,850
add: fees charged to non-controlling interests ⁽²⁾	3,388	4,729
Proportionate Management Fees	\$ 7,161	\$ 8,579

(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 intercompany transactions, but the REIT receives the benefit of approximately 72% 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 March 31, 2025, proportionate management fees decreased by \$1.4 million compared to the same period in 2024 due to decrease in development and acquisition-based activity fees and no incentive fees earned in 2025.

Share of Profit (Loss) of Equity Accounted Investments

SHARE OF PROFIT/LOSS IN EQUITY ACCOUNTED INVESTMENTS						
For the three months ended March 31,	2025			2024		
	Australasia	Europe	Total	Australasia	Europe	Total
Total revenues	\$ 33,474	\$ 11,007	\$ 44,481	\$ 29,260	\$ 11,009	\$ 40,269
Operating costs, expenses, and fair value adjustments						
Operating costs	\$ 5,515	\$ 1,754	\$ 7,269	\$ 3,687	\$ 2,183	\$ 5,870
Interest expense	14,707	6,437	21,144	14,991	6,212	21,203
General and administrative expenses	2,165	874	3,039	2,379	445	2,824
Other	299	127	426	308	145	453
Fair value (gain) loss adjustments and transaction costs	37,930	1,890	39,820	(1,924)	(918)	(2,842)
Income (loss) before taxes	\$ (27,142)	\$ (75)	\$ (27,217)	\$ 9,819	\$ 2,942	\$ 12,761
Income tax (recovery) expense	—	1,744	1,744	—	1,075	1,075
Net income (loss)	\$ (27,142)	\$ (1,819)	\$ (28,961)	\$ 9,819	\$ 1,867	\$ 11,686
Less: Non-controlling interests	333	—	333	781	—	781
Net income (loss) attributable to owners	\$ (27,475)	\$ (1,819)	\$ (29,294)	\$ 9,038	\$ 1,867	\$ 10,905
Weighted average share	30 %	30% to 33.57%		30.0 %	30% to 33.57%	
Share of profit (loss)	\$ (8,243)	\$ (499)	\$ (8,742)	\$ 2,711	\$ 604	\$ 3,315

Equity accounted investments represent the REIT's share of Australasian and European JVs with an institutional partner.

The REIT's share of profit (loss) was lower by \$12.1 million for the three months ended March 31, 2025, compared to the same period in 2024. The decrease was mainly attributable to higher valuation losses on investment properties.

Interest Expense

	Three months ended March 31,	
	2025	2024
North America		
Mortgages and Term debts	5,607	9,819
Brazil		
Term debts	1,435	5,893
Europe		
Mortgages and Term debts	3,166	9,301
Australasia		
Term debts	15,254	15,971
Corporate		
Australasian Secured Financing	2,663	3,687
Corporate Credit Facilities	2,257	10,019
Senior Unsecured Debentures	3,059	—
Convertible Debentures	7,145	7,183
	40,586	61,873
Less: capitalized interest	(5,496)	(6,440)
Total interest expense	35,090	55,433

The interest expense for the three months ended March 31, 2025, was \$35.1 million, a \$20.3 million decrease over the prior period. The decrease is due to overall debt reduction and repayment following asset sales during 2024 and into 2025, an overall decrease in economic weighted average interest rate from 6.10% to 5.09%. See **Capital Structure**.

General and Administrative Expenses (“G&A”)

General and administrative expenses	Three months ended March 31,	
	2025	2024
G&A excluding unit-based compensation expense	\$ 11,893	\$ 12,988
Employee termination benefits and associated costs	382	—
Unit-based compensation expense	2,573	2,549
General and administrative expenses	\$ 14,848	\$ 15,537

G&A, excluding amounts associated Unit-Based Compensation Expenses, decreased \$1.1 million for the three months ended March 31, 2025, compared to prior period. The decrease is a result of simplification of operations and cost control initiatives implemented by management.

Transaction Costs

For the three months ended March 31, 2025, the REIT incurred transaction costs of \$9.4 million (three months ended March 31, 2024 - \$2.4 million). Transaction costs included third party costs and internal allocations related to investment opportunities, and capital raising initiatives.

Included in transaction costs for the three months ended March 31, 2025, is approximately \$6.3 million related to rating agency, advisory fees, and out of pocket costs in respect of the REIT's inaugural investment grade rating obtained in February 2025.

Net Loss on Disposal of Investment Properties

During the three months ended March 31, 2025, the REIT incurred net losses on disposal of investment properties of \$1.4 million (three months ended March 31, 2024 - \$5.2 million). Net loss on disposal of investment properties includes direct costs and allocations of compensation expenses related to dispositions of investment properties, including dispositions that are 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 months ended March 31, 2025, the REIT recorded a foreign exchange gain of \$1.8 million (three months ended March 31, 2024 - gain of \$13.7 million). Included in the foreign exchange gain is an unrealized gain of \$1.9 million 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 (three months ended March 31, 2024 - unrealized gain of \$13.8 million).

Other Finance Costs

Other finance costs for the three months ended March 31, 2025 and 2024 consisted of the following:

	Three months ended March 31,	
	2025	2024
Fair value adjustment of Convertible Debentures	\$ 10,485	\$ 5,975
Amortization of deferred financing costs	3,349	5,180
Loss (gain) on revaluation of financial liabilities	3,419	4,008
Fair value adjustment of Exchangeable Units	—	205
Convertible Debenture issuance costs	—	27
Distributions on Exchangeable Units	—	(63)
Total Finance Costs (Income)	\$ 17,253	\$ 15,332

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						
	25-Mar	24-Dec	24-Sep	24-Jun	24-Mar	23-Dec
Month-end closing price (Canadian \$)						
NWH.DB.H	995	949	950	813	830	808
NWH.DB.I	1,020	970	963	825	848	820

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 months ended March 31, 2025, the REIT recorded amortization of deferred financing fees of \$3.3 million (for the three months ended March 31, 2024 - \$5.2 million).

The decrease in amortization of deferred finance costs for the three months ended March 31, 2025 compared to the prior period is due to lower deferred financing costs on debts due to repayments associated with assets disposed throughout 2024, partially offset by accelerated amortization of financing costs associated with debt that was repaid early using proceeds from assets disposed in the quarter and through proceeds from the senior unsecured debentures.

The REIT adjusts for transactional deferred financing charges, including accelerated amortization of deferred financing costs upon repayment and/or retirement of debt, in determining AFFO. See **Adjusted Funds from Operations ("AFFO")**.

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 months ended March 31, 2025, accretion expense was \$3.4 million (for the three months ended March 31, 2024 - \$4.0 million). The decrease in accretion expense is attributable to the depreciation of the Brazilian currency relative to the Canadian dollar, offset by higher inflation rate as of March 31, 2025, of 5.65% compared to 3.98% as at March 31, 2024.

Gain/Loss on Financial Instruments

Gain/loss on financial instruments for the three months ended March 31, 2025 and 2024 consisted of the following:

	Three months ended March 31,	
	2025	2024
GAIN (LOSS) ON FINANCIAL INSTRUMENTS		
North America		
Interest rate derivatives	\$ 11	\$ 4,410
Europe		
Interest rate derivatives	(921)	3,533
Investment in Assura	34,923	—
Australasia		
Interest rate derivatives	(4,231)	34
Unlisted securities	(205)	(2,519)
Foreign exchange contracts	53	154
Corporate		
Interest rate derivatives	\$ (831)	\$ —
Total gain (loss) on financial instruments	\$ 28,799	\$ 5,612

The REIT has interest rate swaps and cap contracts to mitigate some of the risks associated with its variable rate long-term debt. Premium payments and obligations under such contracts are reflected in the effective interest rates stated below. The terms of the contracts as at March 31, 2025 are:

Segment	Type	Variable rate	Notional Amount	Weighted Average Remaining Term (Years)	Pay Fixed Rate ⁽²⁾	Fair Value ⁽⁴⁾
Interest rate derivative assets						
Europe	Swap	Euribor	\$ 76,782	3.1	1.27%	\$ 3,352
Europe	Cap	Euribor	94,759	1.2	2.31%	2,363
Europe	Cap floor	Euribor	17,330	4.3	—%	3
Australasia	Swap	BBSY	498,046	0.9	2.80%	3,059
			\$ 686,917			\$ 8,777
Future dated ⁽³⁾						
Australasia	Swap	BBSY	\$ 313,511	2.8	3.50%	\$ 959
Australasia	Swaption ⁽¹⁾	BBSY	44,980	2.9	3.54%	29
Australasia	Swap	BKBM	40,870	2.0	3.15%	209
			\$ 399,361			\$ 1,197
						\$ 9,974
Interest rate derivatives liabilities						
Europe	Swap	Euribor	\$ 46,889	2.9	2.68%	\$ (461)
Australasia	Swap	BBSY	278,876	1.5	3.84%	(497)
Australasia	Swap	BKBM	81,740	4.3	4.10%	(1,692)
Corporate	Swap	CORRA	150,000	1.7	2.80%	(1,152)
Corporate	Swap	BKBM	81,740	1.5	4.87%	(2,006)
			\$ 639,245			\$ (5,808)
Future dated ⁽³⁾						
Australasia	Forward Start Swap	BBSY	\$ 44,980	2.0	3.54%	\$ (397)
Australasia	Swaption ⁽¹⁾	BBSY	223,551	2.2	3.67%	(1,915)
			\$ 268,531			\$ (2,312)
						\$ (8,120)
Interest rate derivatives						
Current			\$ 1,326,162	1.5	3.10%	\$ 2,969
Future dated ⁽³⁾			\$ 667,892	2.4	3.56%	\$ (1,115)
Total			\$ 1,994,054	1.7	3.19%	\$ 1,854

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

(2) Represents the weighted average pay-fixed base rate per the interest rate derivative contract.

(3) The REIT has entered derivative financial instruments that become effective at a later date.

(4) The REIT's exposure to credit risk in respect of financial instruments relates primarily to counterparty obligations regarding derivatives contracts. The credit risk of derivative financial instruments is reflected in the fair value of the instruments, which in general tends to be a relatively small proportion of the notional value. The REIT mitigates its credit risk through diversification and the use of established financial institutions. The maximum exposure to credit risk is the carrying value of derivative financial instruments in an asset position of \$10.0 million.

Fair Value Adjustment of Investment Properties

For the three months ended March 31, 2025, the REIT recorded a fair value loss on investment properties of \$46.3 million (three months ended March 31, 2024 - \$71.7 million). The fair value losses were mainly attributable to changes in valuation parameters, rent reviews, and the inclusion of available market evidence. See **Investment Properties**.

Fair Value Adjustment of Unit-Based Compensation Liabilities

Under IFRS, the REIT's unit-based compensation liabilities ("Unit-Based Liabilities") 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. At the reporting date, the valuation of preferred units is based on a Monte-Carlo simulation except if they become fully vested and they are valued based on the outcome of the underlying performance conditions.

The change in fair value of the Unit-Based Liabilities is recognized in income (loss). The fair value loss on revaluation of the Unit-Based Liabilities for the three months ended March 31, 2025 was \$1.5 million (three months ended March 31, 2024 - gain of \$0.4 million), due to the increase in trading price of the REIT's units during the period.

Income Tax Expense

The REIT's income tax recovery for the three months ended March 31, 2025, was \$1.3 million (three months ended March 31, 2024 - recovery of \$1.2 million).

For the three months ended March 31, 2025, the REIT recognized a current tax expense of \$3.6 million (for the three months ended March 31, 2024 - expense of \$2.8 million). The current tax expense during the three month period relates to normal course income tax expense on taxable earnings in the Global Manager, Vital Trust and Europe, and withholding tax in Australia and Brazil.

The REIT records deferred tax assets and liabilities arising primarily due to the difference between the carrying value for accounting purposes and the tax cost of its investment properties. The deferred tax recovery for the three months ended March 31, 2025, of \$4.9 million (three months ended March 31, 2024 - recovery of \$4.0 million) is primarily a result of fair value adjustments related to investment properties.

PROPORTIONATE BASIS RESULTS FROM OPERATIONS

INCOME STATEMENT

For the three months ended,	March 31, 2025			March 31, 2024		
	IFRS Basis	Adjustments ⁽¹⁾	Proportionate Basis	IFRS Basis	Adjustments ⁽¹⁾	Proportionate Basis
Net Property Operating Income						
Revenue from investment properties	\$ 111,647	\$ (14,116)	\$ 97,531	\$ 133,545	\$ (13,376)	\$ 120,169
Property operating costs ⁽²⁾	34,499	(2,484)	32,015	38,093	(1,243)	36,850
	77,148	(11,632)	65,516	95,452	(12,133)	83,319
Other Income						
Interest and other ⁽³⁾	6,181	281	6,462	3,403	195	3,598
Management fees ⁽²⁾	3,773	4,868	8,641	3,850	6,792	10,642
Share of profit of equity accounted investments	(8,742)	8,742	—	3,315	(3,315)	—
	1,212	13,891	15,103	10,568	3,672	14,240
Expenses and other						
Interest expense ⁽³⁾	(35,090)	(35)	(35,125)	(55,433)	(430)	(55,863)
General and administrative expense ⁽²⁾	(14,848)	(1,846)	(16,694)	(15,537)	(1,848)	(17,385)
Transaction costs	(9,432)	—	(9,432)	(2,367)	(613)	(2,980)
Foreign exchange loss (gain)	1,819	(164)	1,655	13,730	298	14,028
	(57,551)	(2,045)	(59,596)	(59,607)	(2,593)	(62,200)
Income (loss) before the under noted items	20,809	214	21,023	46,413	(11,054)	35,359
Other finance (costs) income	(17,253)	170	(17,083)	(15,332)	152	(15,180)
Net gain (loss) on financial instruments	28,799	2,407	31,206	5,612	363	5,975
Fair value adjustment of investment properties ⁽²⁾	(46,347)	13,048	(33,299)	(71,703)	(846)	(72,549)
Net loss on disposal of investment properties	(1,399)	32	(1,367)	(5,192)	788	(4,404)
Fair value adjustment of unit-based compensation liabilities	(1,470)	—	(1,470)	355	—	355
Income (loss) before taxes	\$ (16,861)	\$ 15,871	\$ (990)	\$ (39,847)	\$ (10,597)	\$ (50,444)
Income tax expense (recovery)	(1,331)	1,231	(100)	(1,230)	(1,607)	(2,837)
Total net income (loss)	(15,530)	14,640	(890)	(38,617)	(8,990)	(47,607)
Less: non-controlling interests	(14,640)	14,640	—	8,990	(8,990)	—
Total net income (loss) attributable to unitholders¹	\$ (890)	\$ —	\$ (890)	\$ (47,607)	\$ —	\$ (47,607)

- (1) Proportionate basis results from operations is a non-IFRS measure based on certain adjustments to the condensed consolidated interim statements of income (loss) adjusted to reflect share of net income (losses) from equity accounted joint ventures and 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 intercompany 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 intercompany eliminations that are required under IFRS in respect of the management fees.
- (3) Interest income and interest expense under proportionate basis are presented gross of any intercompany eliminations required under IFRS.

NOI from investment properties for the three months ended March 31, 2025 was \$65.5 million (three months ended March 31, 2024 - \$83.3 million). The decrease from the comparative periods is primarily driven by impact of non-core assets sales during 2024 including the sale of the REIT's UK portfolio, partially offset by rent escalations.

Net income (loss) attributable to unitholders for the three months ended March 31, 2025 was \$(0.9) million (three months ended March 31, 2024 - \$(47.6) million). The increase in net income (loss) is due to lower interest expense due to debt repayments from asset dispositions and the decrease in overall weighted average interest rates, as well as due to lower fair value losses recorded on investment properties and higher gain on financial instruments driven by an increase in the value of the REIT's investment in Assura.

FUNDS FROM OPERATIONS (“FFO”)

The REIT calculates FFO based on certain adjustments to net income (loss) (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’s 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, and certain transaction costs.

For the three months ended March 31, 2025, FFO was \$24.2 million including accelerated amortization of deferred financing costs as a result of early repayment of the underlying debt, using proceeds from the senior unsecured debentures. Excluding the impact of \$1.9 million of accelerated amortization of deferred financing costs, FFO for the three months ended March 31, 2025 is \$26.1 million or \$0.11 per unit.

FUNDS FROM OPERATIONS (“FFO”)	Three months ended March 31,		
	2025	2024	
Net income (loss) attributable to unitholders	\$	(890) \$	(47,607)
Add / (Deduct):			
Fair market value losses (gains) ⁽²⁾		13,934	78,878
Finance cost - Exchangeable Unit distributions		—	(63)
Revaluation of financial liabilities		3,419	4,008
Unrealized foreign exchange loss (gain)		(1,685)	(14,043)
Deferred taxes		(2,294)	(4,590)
Transaction costs		9,432	3,077
Net loss on disposal of investment properties		1,367	4,404
Convertible Debenture issuance costs		—	27
Internal leasing costs		400	358
Property taxes accounted for under IFRIC 21		20	135
Net adjustment for lease liabilities		(81)	(125)
Employee termination benefits and related expenses		382	—
Other FFO adjustments		213	2,498
FFO ⁽¹⁾⁽²⁾	\$	24,217	\$ 26,957
FFO per Unit - Basic ⁽¹⁾⁽²⁾	\$	0.10	\$ 0.11
FFO per Unit - Diluted ⁽³⁾	\$	0.10	\$ 0.11
Weighted average units outstanding			
Basic		248,104,145	245,381,166
Diluted ⁽³⁾		249,111,151	246,703,287

- (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 months ended March 31, 2024 is \$6.7 million related to premiums paid in connection with interest rate cap derivatives, the impact of which is \$0.02 per unit.
- (3) Diluted units include the impact of vested deferred trust units and the convertible debentures, that would have a dilutive effect upon conversion.

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)

	Three months ended March 31,	
	2025	2024
Fair market value losses (gains)		
Fair value adjustment of Convertible Debentures	\$ 10,485	\$ 5,975
Fair value adjustment of Exchangeable Units	—	205
Fair value adjustment of investment properties	33,185	72,303
Loss on derivative financial instruments	(31,206)	(5,975)
Premiums on derivative financial instruments	—	6,725
Fair value adjustment of Unit-Based Liabilities	1,470	(355)
Total	\$ 13,934	\$ 78,878

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).

Unit-Based Liabilities

Under IFRS the REIT's Unit-Based Liabilities are classified as financial liabilities and any related unrealized fair value changes in re-measuring the financial liability impact net income (loss). 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 Unit-Based Liabilities 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 months ended March 31, 2024 premiums of \$6.7 million on derivative financial instruments to cap 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 three months ended March 31, 2024, the derivative financial instruments subject to these premiums expired and no further adjustments are expected in subsequent reporting periods.

Finance cost - Exchangeable Unit distributions

Under IFRS the REIT's Exchangeable Units were classified as financial liabilities and any related distributions on the Exchangeable Units were 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 were added back to the REIT's net income (loss). Included in distributions during the three months ended March 31, 2024, are distributions to Class B LP Unitholders. On January 15, 2024, all 1,710,000 Class B exchangeable units were exchanged into REIT units. As at March 31, 2025, no exchangeable units were outstanding (December 31, 2024 - nil units were outstanding).

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, a credit facility tranche which is denominated in US dollars and held by a Canadian 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, of which there have been none for the periods presented, 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, costs related to the Board's Strategic Review Committee, costs in respect of abandoned transactions, advisory and other out of pocket costs related to the REIT's inaugural credit rating, and other capital raising initiatives being explored by the REIT, each of 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, certain employee benefits relating to disposition of investment properties, and tax on gains or losses arising from 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.

Net adjustment for lease liabilities

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 lease asset and lease liability, 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 year ended December 31, 2024, the REIT made the decision to reduce its headcount across all markets as part of a broader strategic initiative to streamline its operations. During the three months ended March 31, 2025, the REIT incurred additional employee termination benefits in respect of further headcount reductions made during the quarter. In accordance with IFRS, the REIT accrued the full employee termination benefits and related expenses in General and Administrative Expense. These costs are not reflective of recurring earnings from core operations. 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 March 31,	
	2025	2024
Financing costs incurred with respect to an investment in unlisted securities, net of distributions income generated by the securities	\$ 15	\$ 990
G&A expenses related to strategic tenant inducements and charitable pledge	198	1,040
Corporate financing costs related to short-term financing arrangements to fund the US property acquisitions that are not reflective of long-term financing costs	—	468
Total	\$ 213	\$ 2,498

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’s 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.

	Three months ended March 31,	
	2025	2024
ADJUSTED FUNDS FROM OPERATIONS		
FFO ⁽¹⁾⁽²⁾	\$ 24,217	\$ 26,957
Add / (Deduct):		
Amortization of transactional deferred financing charges	1,903	2,785
Unit-based compensation expense	2,573	2,549
Straight-line revenue	(1,306)	(1,186)
Leasing costs and non-recoverable maintenance capital expenditures	(3,041)	(3,426)
AFFO ⁽¹⁾⁽²⁾	\$ 24,346	\$ 27,679
AFFO per Unit - Basic ⁽¹⁾⁽²⁾	\$ 0.10	\$ 0.11
AFFO per Unit - diluted ⁽³⁾	\$ 0.10	\$ 0.11
Distributions per Unit	\$ 0.09	\$ 0.09
Weighted average units outstanding:		
Basic	248,104,145	245,381,166
Diluted ⁽³⁾	249,111,151	246,703,287

- (1) FFO and AFFO are not measures recognized under IFRS and do 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) Included in FFO and AFFO for the three months ended March 31, 2024 is \$6.7 million related to premiums paid in connection with interest rate cap derivatives, the impact of which is \$0.02 per unit.
- (3) Diluted units include the impact of vested deferred trust units and the convertible debentures, that would have a dilutive effect upon conversion.

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. While not contemplated by REALPAC as an adjustment to AFFO, the Unit-Based Compensation Expense is added back on the substance that the expense may be settled using a fixed number of 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 outpatient 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								
	Q1-25	Q4-24	Q3-24	Q2-24	Q1-24	Q4-23	Q3-23	Q2-23
Summary Financial Information								
AUM	\$ 8,371,223	\$ 8,281,609	\$ 8,657,264	\$ 9,293,665	\$ 9,602,095	\$ 9,901,036	\$ 10,019,995	\$ 10,255,181
Gross Book Value	\$ 6,136,341	\$ 6,049,576	\$ 6,344,230	\$ 7,040,791	\$ 7,383,601	\$ 7,628,615	\$ 7,834,202	\$ 8,061,118
Debt	\$ 3,092,247	\$ 3,027,154	\$ 3,122,380	\$ 3,694,732	\$ 3,851,715	\$ 3,962,317	\$ 4,038,756	\$ 4,092,556
Debt to Gross Book Value	50.4%	50.0%	49.2%	52.5%	52.2%	51.9%	51.6%	50.8%
Operating Results								
Revenue from investment properties	\$ 111,647	\$ 102,702	\$ 107,015	\$ 119,141	\$ 133,545	\$ 123,986	\$ 122,182	\$ 126,504
Net income (loss)	\$ (15,530)	\$ 2,928	\$ (157,266)	\$ (127,224)	\$ (38,617)	\$ (188,900)	\$ (95,270)	\$ (107,411)
NOI	\$ 77,148	\$ 77,764	\$ 82,216	\$ 93,976	\$ 95,452	\$ 98,083	\$ 95,097	\$ 98,021
FFO	\$ 24,217	\$ 23,674	\$ 15,775	\$ 22,314	\$ 26,957	\$ 36,759	\$ 33,559	\$ 31,521
AFFO	\$ 24,346	\$ 24,281	\$ 22,352	\$ 21,186	\$ 27,679	\$ 32,835	\$ 32,879	\$ 31,913
Distributions	\$ 22,338	\$ 22,346	\$ 22,229	\$ 22,150	\$ 22,031	\$ 22,048	\$ 40,050	\$ 48,849
Per Unit Amounts								
FFO per unit - Basic	\$ 0.10	\$ 0.10	\$ 0.06	\$ 0.09	\$ 0.11	\$ 0.15	\$ 0.14	\$ 0.13
AFFO per unit - Basic	\$ 0.10	\$ 0.10	\$ 0.09	\$ 0.09	\$ 0.11	\$ 0.13	\$ 0.13	\$ 0.13
Distributions	\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.16	\$ 0.20
Weighted Average Units Outstanding								
Basic	248,104,145	247,493,809	246,832,144	246,032,139	245,381,166	244,959,959	244,782,614	244,036,797

- (i) The quarterly financial data reflects fluctuations in revenue, FFO, AFFO, investment properties and total debt primarily from asset sales, the timing of leasing and development activities, acquisitions and foreign exchange. Investment properties also fluctuate from the effect of measuring properties at fair value under IFRS Accounting Standards. Net income (loss) attributable to unitholders primarily fluctuates from fair value gains (losses) on investment properties.

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

QUARTERLY FFO and AFFO								
	Q1-25	Q4-24	Q3-24	Q2-24	Q1-24	Q4-23	Q3-23	Q2-23
Net income (loss) attributable to unitholders	\$ (890)	8,465	(138,252)	(122,338)	(47,607)	(136,835)	(81,276)	(32,093)
Add / (Deduct): ⁽ⁱ⁾								
Fair market value losses (gains)	13,934	26,519	146,541	166,842	79,124	129,299	99,327	39,587
Finance cost - Exchangeable Unit distributions	—	—	—	—	(63)	154	342	342
Revaluation of financial liabilities	3,419	1,876	937	424	4,008	2,556	814	745
Unrealized foreign exchange loss (gain)	(1,685)	(21,825)	1,858	752	(14,043)	9,881	2,972	(2,732)
Deferred taxes	(2,294)	1,414	(26,027)	(33,922)	(4,590)	10,197	(5,730)	(2,125)
Net loss on disposal of investment properties	1,367	3,189	20,990	4,813	4,404	3,248	325	724
Non-recurring transaction costs	9,432	3,064	5,011	4,568	3,077	12,264	11,817	17,768
Convertible Debenture issuance costs	—	—	—	—	27	2,682	91	4,489
Internal leasing costs	400	300	312	293	358	462	510	466
Property taxes accounted for under IFRIC 21	20	47	(108)	(74)	135	—	174	271
Net adjustment for lease liabilities	(81)	4	(189)	(125)	(125)	(185)	(91)	(84)
Employee termination benefits and related expenses	382	—	3,807	—	—	—	—	—
Other FFO adjustments	213	621	895	1,081	2,252	3,035	4,284	4,163
FFO	24,217	23,674	15,775	22,314	26,957	36,758	33,559	31,521
Add / (Deduct): ⁽ⁱ⁾								
Amortization of transactional deferred financing charges	1,903	271	10,318	2,031	2,785	1,489	1,465	1,673
Straight-line revenue	(1,306)	859	(417)	(513)	(1,186)	(1,402)	(701)	(910)
Leasing costs and non-recoverable maintenance capital expenditures	(3,041)	(2,625)	(2,867)	(2,916)	(3,426)	(3,315)	(3,327)	(3,522)
Unit-based compensation expense	2,573	2,102	(457)	270	2,549	(696)	1,883	3,151
AFFO	\$ 24,346	\$ 24,281	\$ 22,352	\$ 21,186	\$ 27,679	\$ 32,834	\$ 32,879	\$ 31,913
Per Unit Amounts								
FFO per unit - Basic	\$ 0.10	\$ 0.10	\$ 0.06	\$ 0.09	\$ 0.11	\$ 0.15	\$ 0.14	\$ 0.13
AFFO per unit - Basic	\$ 0.10	\$ 0.10	\$ 0.09	\$ 0.09	\$ 0.11	\$ 0.13	\$ 0.13	\$ 0.13
Weighted Average Units Outstanding								
Basic	248,104,145	247,493,809	246,832,144	246,032,139	245,381,166	244,959,959	244,782,614	244,036,797

(i) FFO and AFFO are not measures recognized under IFRS and do 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 months ended March 31, 2025, the REIT declared a total of \$22.3 million distributions on Trust Units (three months ended March 31, 2024 - \$22.0 million). These distributions reflect an annualized distribution rate of \$0.36 per unit per annum (March 31, 2024 - \$0.36 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.

During the three months ended March 31, 2025, a total of 612,988 Trust Units were issued under the DRIP (three months ended March 31, 2024 - 481,560 Trust Units).

For the three months ended March 31, 2025, the REIT's DRIP participation rate was 12.5% (three and three months ended March 31, 2024 - 10.3%).

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:

	Three months ended March 31,	
	2025	2024
Net income (loss) attributable to unitholders	\$ (890)	\$ (47,607)
Add: Finance cost - Exchangeable Unit distributions	-	(63)
Net income (loss) after the above adjustments	\$ (890)	\$ (47,670)
Cash flows from operating activities	\$ 27,845	\$ 23,136
Less: non-controlling interests	9,857	11,467
Cash flows from operating activities attributable to unitholders	\$ 17,988	\$ 11,669
Distributions paid and payable		
Trust Units	\$ 22,338	\$ 22,094
Exchangeable Units	-	(63)
	\$ 22,338	\$ 22,031
Surplus (shortfall) of adjusted net income (loss) attributable to unitholders over distributions paid and payable	\$ (23,228)	\$ (69,701)
Surplus (shortfall) of cash flows from operating activities attributable to unitholders over distributions paid and payable	\$ (4,350)	\$ (10,362)

During the three months ended March 31, 2025, there was a shortfall in cash flows from operating activities attributable to unitholders (a non-IFRS financial measure) over distributions paid and payable of \$4.4 million.

Cash flows from operating activities attributable to unitholders excludes the distribution income from the REIT's investments in its JVs, investment in Assura, and investment in unlisted securities. The distributions earned from its 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 months ended March 31, 2025, the adjusted cash surplus from operating activities was \$3.5 million (for the three months ended March 31, 2024 - surplus of \$1.6 million).

The shortfall of cash flows from operating activities attributable to unitholders for the three months ended March 31, 2025, is in part attributable to timing of working capital, including payment timing of cash taxes and debt interest and was impacted by the REIT's exposure to higher interest rates on its variable rate debts such as its term debts and credit facilities. Based on the cash flow projections and availability of credit capacity under the REIT's credit facilities 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 March 31,	
	2025	2024
Surplus (shortfall) of cash flows from operating activities attributable to unitholders over distributions paid and payable	\$ (4,350)	\$ (10,362)
Add: Value of REIT Units issued pursuant to the DRIP	2,785	2,065
Add: Distribution income from investments	5,017	3,150
Add: Premiums paid on derivative financial instruments	—	6,725
Adjusted surplus (shortfall) of cash flow from operating activities attributable to unitholders over distributions paid and payable	\$ 3,452	\$ 1,578

During the three months ended March 31, 2025, there was \$2.8 million in value of REIT units issued under the DRIP (three months ended March 31, 2024, there was \$2.1 million). 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 March 31,	
	2025	2024
Cash flows from operating activities	\$ 27,845	\$ 23,136
Add (deduct):		
Interest expense in excess (shortfall) of interest paid	2,376	9,528
Current tax expense (recovery) in excess of taxes paid	2,659	7,581
Changes in non-cash working capital balances	(1,365)	(2,756)
AFFO of equity accounted investments	12,072	(545)
Employee termination benefits and related expenses	382	—
Other FFO adjustments	213	2,498
Internal leasing costs	400	358
Property taxes accounted for under IFRIC 21	20	135
Amortization of recurring financing charges	(1,446)	(2,395)
Leasing costs and non-recoverable maintenance capital expenditures	(3,369)	(3,501)
Amortization of lease liabilities	(81)	(125)
Interest income and other	6,181	2,232
Straight-line revenue	(520)	(698)
Redemption of units issued under the unit-based incentive plans	225	388
Amortization of furniture and office equipment	(1,829)	(1,804)
Share of profit (loss) from equity accounted investments	(8,742)	3,315
AFFO attributable to non-controlling interests	(10,675)	(9,668)
AFFO	\$ 24,346	\$ 27,679

PART V – BALANCE SHEET AND CAPITALIZATION

The following table reconciles the unaudited balance sheets on an IFRS basis to a proportionate basis, a non-IFRS measure, as at March 31, 2025, and December 31, 2024:

	March 31, 2025			December 31, 2024		
	IFRS Basis	Adjustments ⁽ⁱ⁾	Proportionate Basis	IFRS Basis	Adjustments ⁽ⁱ⁾	Proportionate Basis
Assets						
Investment properties	\$ 5,299,084	\$ (1,096,792)	\$ 4,202,292	\$ 5,260,990	\$ (1,113,404)	\$ 4,147,586
Equity accounted investments	323,775	(323,775)	—	325,965	(325,965)	—
Intangible assets	48,148	—	48,148	47,687	—	47,687
Goodwill	37,667	—	37,667	37,178	—	37,178
Deferred tax assets	2,719	—	2,719	2,450	413	2,863
Derivative financial instruments	10,113	(2,876)	7,237	16,185	(5,632)	10,553
Other assets	260,250	(6,738)	253,512	222,357	(6,620)	215,737
Accounts receivable	22,250	1,531	23,781	24,506	1,303	25,809
Assets held for sale	58,769	(25,861)	32,908	59,278	—	59,278
Cash, cash equivalents, and restricted cash	73,566	1,788	75,354	52,980	5,013	57,993
Total assets	\$ 6,136,341	\$ (1,452,723)	\$ 4,683,618	\$ 6,049,576	\$ (1,444,892)	\$ 4,604,684
Liabilities						
Mortgages and loans payable	2,307,024	(359,066)	1,947,958	2,635,545	(333,721)	2,301,824
Debentures	739,266	—	739,266	356,963	—	356,963
Lease Liabilities	21,922	(5,889)	16,033	21,506	(5,843)	15,663
Unit-based compensation liabilities	13,763	—	13,763	9,929	—	9,929
Deferred tax liabilities	322,841	(81,646)	241,195	315,221	(83,114)	232,107
Derivative financial instruments	8,524	(1,831)	6,693	6,181	(2,224)	3,957
Income taxes payable	7,121	(627)	6,494	10,175	(2,461)	7,714
Accounts payable and accrued liabilities	101,001	2,128	103,129	105,108	569	105,677
Distributions payable	7,452	—	7,452	7,433	—	7,433
Liabilities related to assets held for sale	10,146	—	10,146	—	—	—
Total liabilities	\$ 3,539,060	\$ (446,931)	\$ 3,092,129	\$ 3,468,061	\$ (426,794)	\$ 3,041,267
Unitholders' Equity						
Unitholders' equity	1,591,489	—	1,591,489	1,563,417	—	1,563,417
Non-controlling interests	1,005,792	(1,005,792)	—	1,018,098	(1,018,098)	—
Total liabilities and unitholders' equity	\$ 6,136,341	\$ (1,452,723)	\$ 4,683,618	\$ 6,049,576	\$ (1,444,892)	\$ 4,604,684

- (i) Proportionate basis results from operations is a non-IFRS measure based on certain adjustments to the condensed consolidated interim statements of income (loss) adjusted to reflect share of net income (losses) from equity accounted joint ventures and consolidated 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 March 31, 2025 was \$4.2 billion (December 31, 2024 - \$4.1 billion) representing an implied weighted average capitalization rate of 6.5% (December 31, 2024 - 6.5%). The movements in the REIT's investment properties on a proportionate basis are as follows:

INVESTMENT PROPERTIES BY REGION					
Three months ended March 31, 2025					
Income Producing Properties					
	North America	Brazil	Europe	Australasia	Total
IFRS basis balance, beginning of period	\$ 1,340,638	\$ 612,744	\$ 552,224	\$ 2,410,104	\$ 4,915,710
Adjustments ⁽ⁱ⁾	—	—	183,248	(1,069,422)	(886,174)
Non-IFRS proportionate share balance, beginning of period	1,340,638	612,744	735,472	1,340,682	4,029,536
Additions to investment properties	3,011	—	3,420	2,848	9,279
Additions to (amortization of) straight line rents	586	54	(706)	740	674
Transfers from (to) properties under development	—	—	—	2,715	2,715
Transfers from (to) assets held for sale	—	—	—	(10,221)	(10,221)
Fair value gain (loss)	(4,922)	(5,320)	2	(22,201)	(32,441)
Foreign currency translation	(439)	46,055	29,840	14,878	90,334
Non-IFRS proportionate share closing balance, end of period	\$ 1,338,874	\$ 653,533	\$ 768,028	\$ 1,329,441	\$ 4,089,876
Properties Under Development					
	North America	Brazil	Europe	Australasia	Total
IFRS basis balance, beginning of period	\$ 10,000	\$ —	\$ 10,598	\$ 324,682	\$ 345,280
Adjustments ⁽ⁱ⁾	—	—	—	(227,230)	(227,230)
Non-IFRS proportionate share balance, beginning of period	10,000	—	10,598	97,452	118,050
Additions to investment properties	62	—	106	7,638	7,806
Additions to (amortization of) straight line rents	—	—	(475)	—	(475)
Transfers from (to) income producing	—	—	—	(2,715)	(2,715)
Transfers from (to) assets held for sale	—	—	(10,625)	—	(10,625)
Fair value gain (loss)	38	—	278	(119)	197
Foreign currency translation	—	—	118	60	178
Non-IFRS proportionate share closing balance, end of period	\$ 10,100	\$ —	\$ —	\$ 102,316	\$ 112,416
Total					
	North America	Brazil	Europe	Australasia	Total
IFRS basis balance, beginning of period	\$ 1,350,638	\$ 612,744	\$ 562,822	\$ 2,734,786	\$ 5,260,990
Adjustments ⁽ⁱ⁾	—	—	183,248	(1,296,652)	(1,113,404)
Non-IFRS proportionate share balance, beginning of period	1,350,638	612,744	746,070	1,438,134	4,147,586
Additions to investment properties	3,073	—	3,526	10,486	17,085
Additions to (amortization of) straight line rents	586	54	(1,181)	740	199
Transfers from (to) assets held for sale	—	—	(10,625)	(10,221)	(20,846)
Fair value gain (loss)	(4,884)	(5,320)	280	(22,320)	(32,244)
Foreign currency translation	(439)	46,055	29,958	14,938	90,512
Non-IFRS proportionate share closing balance, end of period	\$ 1,348,974	\$ 653,533	\$ 768,028	\$ 1,431,757	\$ 4,202,292

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

2025 Dispositions

On an IFRS basis, during the three months ended March 31, 2025, the REIT disposed of investment properties for total proceeds of \$46.9 million.

DISPOSITIONS					
Region	Quarter	Properties⁽ⁱ⁾	Disposition proceeds	Property specific debt	
North America	Q1	4	\$	46,918	\$ —
Total		4	\$	46,918	\$ —

- (i) Properties disposed includes one development property in North America

During the three months ended March 31, 2025, the REIT sold three income producing properties and one development property in North America previously classified as assets held for sale at the fair value of \$46.9 million. The proceeds from dispositions were used primarily towards repayment of debt.

For the three months ended March 31, 2025, the REIT incurred total losses on the disposal of investment properties of \$1.4 million 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 March 31, 2025 were determined either on internal valuation models incorporating available market evidence or on valuations performed by independent third-party appraisers. During the three months ended March 31, 2025, income producing properties with an aggregate estimated proportionate fair value of \$55.9 million representing approximately 1% of the portfolio, were valued by independent third-party appraisers (three months ended March 31, 2024 - \$66.0 million and 2%).

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	Q2 2025 - Q2 2026	\$ 257,735	\$ 75,476	55 %	5.6%
	6		\$ 257,735	\$ 75,476		

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 second quarter of 2025 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 liquidity and financing arrangements. Expansion projects are approximately 55% leased at premium yields. The REIT's share of Australasian development costs is \$74.4 million of which the estimated costs to complete is \$21.8 million.

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).

LEASING COSTS AND CAPITAL EXPENDITURES

	Three months ended March 31, 2025				
	North America	Brazil	Europe	Australasia	Total
Additions to investment properties					
Leasing costs ⁽¹⁾	\$ 1,835	\$ —	\$ —	\$ 17	\$ 1,852
Tenant improvements ⁽²⁾	118	—	769	119	1,006
Maintenance capital expenditures	70	—	1,343	140	1,553
Other capital expenditures	1,022	—	1,043	1,680	3,745
	3,045	—	3,155	1,956	8,156
Internal leasing costs expensed	267	—	133	—	400
	3,312	—	3,288	1,956	8,556
Less:					
Recoverable maintenance capital expenditures	(70)	—	(25)	—	(95)
Other value enhancing leasing and capital expenditures	(1,136)	—	(1,708)	(1,863)	(4,707)
Leasing costs and non-recoverable maintenance capital expenditures	2,106	—	1,555	93	3,754
AFFO adjustment for leasing costs and non-recoverable maintenance capital expenditures	2,211	—	737	93	3,041
Leasing costs and non-recoverable maintenance capital expenditures in excess of (below) AFFO adjustment ⁽³⁾	\$ (105)	\$ —	\$ 818	\$ —	\$ 713

- (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 outpatient 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 outpatient 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 the 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 months ended March 31, 2025, additions for the North America investment properties totaled \$3.3 million. During the first quarter, leasing costs of \$1.8 million included costs attributable to 11 transactions, which included new leases and lease expansions with an aggregate WALE of 9.1 years.

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 months ended March 31, 2025 were \$3.3 million.

During the three months ended March 31, 2025, value enhancing capital expenditures costs of \$1.7 million included tenant fit-outs in Berlin, capex including ventilation system upgrades, lighting system upgrades, and fire protection enhancements across the portfolio.

Australasia

The majority of Australasian assets, including Vital Trust, represent hospitals leased to single tenant, hospital operators under long-term, inflation-indexed or fixed-rate increases, triple-net lease structures. As a result, the Australasian portfolio does not incur significant leasing or maintenance capital expenditures. For the 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 months ended March 31, 2025, additions to the Australasian investment properties totaled \$2.0 million which were largely attributable to value enhancing development work on Peninsula Private Hospital, and tenant and building improvement works at Ascot Hospital, St. Asaph property, and Kelvin Grove 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 and the senior unsecured debentures disclosed in note 9 of the condensed consolidated interim financial statements.

The following table shows the REIT's total capital as at March 31, 2025 and December 31, 2024:

CAPITAL STRUCTURE				
	As at March 31, 2025		As at December 31, 2024	
Mortgages and loans payable ⁽ⁱ⁾	\$	2,317,730	\$	2,648,685
Lease Liabilities		21,922		21,506
Mortgages related to assets held for sale		10,146		—
Debentures ⁽ⁱ⁾		742,449		356,963
Debt		3,092,247		3,027,154
Unamortized financing costs		(13,889)		(13,140)
Debt, net of unamortized financing costs		3,078,358		3,014,014
Unit-based Liabilities		13,763		9,929
Unitholders' equity		1,591,489		1,563,417
Total Capitalization	\$	4,683,610	\$	4,587,360

(i) Excluding deferred financing fees

Unitholders' Equity

The following table reconciles the movements in the units outstanding for the three months ended March 31, 2025:

UNITS OUTSTANDING	
Trust Units outstanding, December 31, 2024	247,784,245
Issuance of Trust Units under the DRIP	612,988
Issuance of Trust Units pursuant to Conversion of Convertible Debentures	1,379
Trust Units outstanding, March 31, 2025	248,398,612

Consolidated Debt

	As at March 31, 2025					
	Weighted Average Interest Rate	Outstanding Balance	Marked to Market	Unamortized Financing Costs	Balance	Maturity
North America	4.11 %	349,413	—	(1,107)	348,306	April 2025 - August 2031
Brazil	4.35 %	138,804	—	(1,553)	137,251	November 2027 - June 2031
Europe	4.12 %	373,038	—	(2,435)	370,603	August 2025 - December 2047
Australasia	5.71 %	1,187,300	—	(3,265)	1,184,035	March 2026 - March 2029
Corporate	6.10 %	279,321	—	(2,346)	276,975	March 2027
Mortgages and loans payable, including liabilities related to assets held for sale	5.18 %	\$ 2,327,876	\$ —	\$ (10,706)	\$ 2,317,170	
Lease liabilities	5.45 %	21,922	—	—	21,922	February 2027 - April 1 2088
Debentures	5.80 %	741,500	949	(3,183)	739,266	August 2027 - February 2030
Total Debt	5.33 %	\$ 3,091,298	\$ 949	\$ (13,889)	\$ 3,078,358	

The debt above includes variable rate debt fixed, or capped, by derivatives. As at March 31, 2025, the economic weighted average interest rate is 5.09%, excluding lease liabilities and including debentures. See **Gain/Loss on Financial Instruments**.

The table below summarizes the movements in the REIT's mortgages and loans payable (before reclassification as held for sale) during the three months ended March 31, 2025:

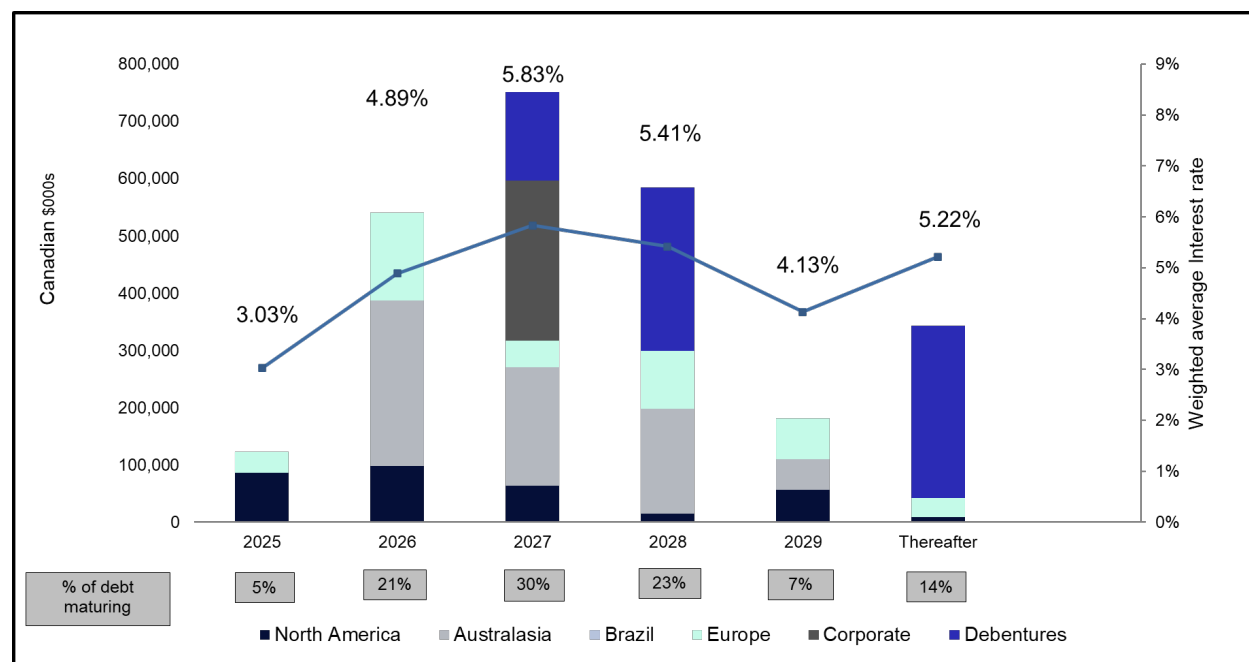
	For the three months ended March 31, 2025					
	North America Debt	Brazil Term Loans	Europe Mortgages and Term Loans	Australasia Term Loans	Corporate Debt	Total
Opening balance, December 31, 2024	\$ 564,610	\$ 130,140	\$ 389,485	\$ 1,138,771	\$ 412,539	\$ 2,635,545
Principal amortization	(2,559)	(6,198)	(2,040)	—	—	(10,797)
Repayments	(214,868)	—	(63,987)	(81,211)	(292,880)	(652,946)
Advances	—	—	32,747	114,988	155,100	302,835
Additional financing fees incurred	(51)	—	(98)	29	(493)	(613)
Amortization of finance fees	1,530	138	425	445	716	3,254
Inflation adjustment	—	3,419	—	—	—	3,419
Foreign exchange adjustment	(356)	9,752	14,071	11,013	1,993	36,473
Ending balance, March 31, 2025	\$ 348,306	\$ 137,251	\$ 370,603	\$ 1,184,035	\$ 276,975	\$ 2,317,170

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

DEBT						
As at	March 31, 2025			December 31, 2024		
	IFRS Basis	Adjustments ⁽ⁱ⁾	Proportionate Basis	IFRS Basis	Adjustments ⁽ⁱ⁾	Proportionate Basis
Mortgage payable, net of financing costs	\$ 670,227	\$ 94,439	\$ 764,666	\$ 678,710	\$ 91,510	\$ 770,220
Term debt, net of financing costs	1,503,942	(453,505)	1,050,437	1,694,092	(425,231)	1,268,861
Credit facilities, net of financing costs	143,001	—	143,001	262,743	—	262,743
Total mortgages and loans payable	2,317,170	(359,066)	1,958,104	2,635,545	(333,721)	2,301,824
Less: Liabilities related to assets held for sale, net of financing costs	(10,146)	—	(10,146)	—	—	—
Mortgages and loans payable	\$2,307,024	\$ (359,066)	\$ 1,947,958	\$2,635,545	\$ (333,721)	\$ 2,301,824
Liabilities related to assets held for sale, net of financing costs	10,146	—	10,146	—	—	—
Lease liabilities	21,922	(5,889)	16,033	21,506	(5,843)	15,663
Debentures	739,266	—	739,266	356,963	—	356,963
Total debt, net of unamortized financing costs	\$3,078,358	\$ (364,955)	\$ 2,713,403	\$3,014,014	\$ (339,564)	\$ 2,674,450
Unamortized financing costs	\$ 13,889	\$ (1,025)	\$ 12,864	\$ 13,140	\$ 1,328	\$ 11,812
Total Debt	\$3,092,247	\$ (365,980)	\$ 2,726,267	\$3,027,154	\$ (338,236)	\$ 2,686,262

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

The following chart summarizes, as at March 31, 2025, the REIT's debt maturities on a proportionate basis at their weighted average interest rate:



Debt repayments, including principal amortization and debt maturities, of the REIT's mortgages and loans payable and debentures on a proportionate basis with weighted average interest rates are disclosed below. The proportionate WAIR for the total portfolio is 5.12%.

DEBT REPAYMENTS

	North America		Brazil		Europe		Australasia		Corporate		Total	
	Total debt payable	WAIR	Total debt payable	WAIR	Total debt payable	WAIR	Total debt payable	WAIR	Total debt payable	WAIR	Total debt payable	Total WAIR
2025	\$ 93,014	2.87 %	\$ 19,053	4.79 %	\$ 43,348	3.58 %	—	— %	—	— %	\$ 155,415	3.30 %
2026	103,987	3.38 %	26,562	4.79 %	159,224	5.40 %	288,731	5.18 %	—	— %	578,504	4.90 %
2027	67,734	5.83 %	26,924	4.76 %	51,324	4.45 %	206,165	5.46 %	434,571	6.15 %	786,718	5.78 %
2028	16,867	5.48 %	18,054	3.88 %	103,997	3.44 %	183,793	5.82 %	286,250	5.84 %	608,961	5.36 %
2029	57,839	5.09 %	18,741	3.88 %	73,516	1.91 %	53,492	5.82 %	—	— %	203,588	4.02 %
Thereafter	9,972	3.35 %	29,470	3.88 %	36,657	2.87 %	—	— %	300,000	5.51 %	376,099	5.07 %
	\$349,413	4.11 %	\$138,804	4.35 %	\$468,066	3.92 %	\$ 732,181	5.47 %	\$1,020,821	5.88 %	\$2,709,285	5.12 %

Debentures

As at		March 31, 2025	December 31, 2024
Senior unsecured debentures	\$	496,817	\$ —
Convertible debentures		242,449	356,963
Total debentures	\$	739,266	\$ 356,963

The following table summarizes, as at March 31, 2025, the REIT's Senior Unsecured Debentures:

SENIOR UNSECURED DEBENTURES				
	Carrying Value	Coupon Rate	Maturity Date	Interest payment dates
Series A	\$ 200,000	5.02%	February 2028	February 18 and August 18
Series B	300,000	5.51%	February 2030	February 18 and August 18
	\$ 500,000	5.32%		
Financing Costs	(3,183)			
Senior Unsecured Debentures, net of financing costs	\$ 496,817			

On February 5, 2025, Morningstar DBRS assigned the REIT an investment-grade issuer credit rating of BBB(Low), with a stable trend. Credit ratings are not a recommendation to buy, sell or hold such securities of the REIT. A rating may be revised or withdrawn by the rating agency as required.

On February 18, 2025, the REIT issued \$500.0 million aggregate principal of senior unsecured debentures in two series. The REIT issued \$200.0 million of 5.02% Series A senior unsecured debentures due on February 18, 2028; and \$300.0 million of 5.51% Series B senior unsecured debentures due on February 18, 2030. Deferred financing costs of \$3.3 million were incurred in connection with the Series A and Series B debentures and are recorded as a reduction against the carrying values. Both Series A and Series B debentures are redeemable in whole or in part in accordance with the terms and conditions of the offering agreements.

Rating Agency	Credit Rating	Trend
Morningstar DBRS	BBB (Low)	Stable

The REIT's senior unsecured debentures are subject to certain occurrence-based financial covenants that limit the REIT's ability to incur indebtedness. They are defined in the supplemental indenture, with methodology set out therein, and include compliance with certain ratios on a proportionate basis as follows:

- interest coverage ratio⁽ⁱ⁾ greater than or equal to 1.65 to 1; and
- debt to gross book value, excluding convertible debentures and excluding cash and cash equivalents deducted from both indebtedness and assets, of less than 65%; and

The REIT must also maintain proportionate adjusted unitholders' equity of not less than \$500.0 million.

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

In the event that the REIT is not in compliance with the above covenants, the senior unsecured debenture trustee has customary enforcement rights subject to customary cure periods.

As of March 31, 2025, the REIT is in compliance with all covenants.

- (i) On the earlier of (i) February 18, 2027, or (ii) the date upon which the REIT's revolving credit facility becomes an unsecured obligation, the REIT will be required to maintain an interest coverage ratio greater than or equal to 1.65 to 1.

The following table summarizes, as at March 31, 2025, the REIT's Convertible Debentures:

CONVERTIBLE DEBENTURES						
	Fair Value ⁽ⁱ⁾	Face Value	Interest Rate	Conversion Price per Unit	Maturity	Interest Payment Dates
Series NWH.DB.H	154,474	155,250	6.25 %	\$ 16.00	August 2027	February 28 and August 31
Series NWH.DB.I	87,975	86,250	7.75 %	\$ 10.55	April 2028	April 30 and October 31
	\$ 242,449	\$ 241,500				

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

On March 31, 2025, the 10.00% NWH.DB.G convertible debenture series with principal amount of \$125.0 million matured. A portion was converted by the debenture holders into 1,379 Trust Units at \$7.25 per unit. The REIT repaid the remaining principal balance outstanding in cash.

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 March 31, 2025 the Unit-Based Liabilities is \$13.8 million (December 31, 2024 - \$9.9 million) representing 1,685,965 deferred units, 1,890,587 restricted units and 2,004,494 performance units outstanding. (December 31, 2024 - 1,644,373 deferred units, 1,383,683 restricted units and 1,310,134 performance units outstanding).

The Plan and DUP are administered by the Compensation, Governance and Nominating Committee.

Deferred Units

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.

Restricted Units

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 Liabilities 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 Liabilities 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. As at March 31, 2025, the REIT was compliant with its Declaration of Trust requirements.

The following summarizes key performance ratio as at March 31, 2025, and as at December 31, 2024:

As at	March 31, 2025	December 31, 2024
Gross book value	\$6,136,341	\$6,049,576
Debt	\$3,092,247	\$3,027,154
Debt to Gross Book Value	50.4 %	50.0 %

The REIT's overall borrowing policy is to obtain secured and unsecured debt on a primarily fixed rate basis, with a term to maturity that is appropriate having regard to the lease maturity profile for the portfolio and which allows the REIT to (i) achieve and maintain staggered debt maturities to lessen exposure to interest rate fluctuations and re-financing risk in any particular period and (ii) fix the rates and extend loan terms as long as possible when borrowing conditions are favourable.

The following summarizes the status of Interest Coverage for the three months ended March 31, 2025 and 2024:

INTEREST COVERAGE⁽²⁾						
For the three months ended,	March 31, 2025			March 31, 2024		
	IFRS Basis	Adjustments ⁽¹⁾	Proportionate Basis	IFRS Basis	Adjustments ⁽¹⁾	Proportionate Basis
Net Income (Loss)	(15,530)	14,640	(890)	(38,617)	(8,990)	(47,607)
Add (deduct):						
Interest expense	35,090	35	35,125	55,433	430	55,863
Interest income from equity accounted investments	—	(1,265)	(1,265)	—	(1,195)	(1,195)
Income tax expense (recovery)	(1,331)	1,231	(100)	(1,230)	(1,607)	(2,837)
Depreciation and Amortization	1,829	—	1,829	1,804	—	1,804
Amortization of deferred financing costs	3,349	(81)	3,268	5,180	(151)	5,029
Fair market value losses (gains)	29,503	(15,569)	13,934	71,916	237	72,153
Finance cost - Exchangeable Unit distributions	—	—	—	(63)	—	(63)
Revaluation of financial liabilities	3,419	—	3,419	4,008	—	4,008
Unrealized foreign exchange loss (gain)	(1,855)	170	(1,685)	(13,765)	(278)	(14,043)
Transaction costs	9,432	—	9,432	2,367	613	2,980
Net loss on disposal of investment properties	1,399	(32)	1,367	5,192	(788)	4,404
Convertible Debenture issuance costs	—	—	—	27	—	27
Employee termination benefits and related costs	382	—	382	—	—	—
Unit-based compensation expense	2,573	—	2,573	2,549	—	2,549
Net adjustments for equity accounted investments	12,284	(12,284)	—	(555)	555	—
Adjusted EBITDA⁽¹⁾	\$ 80,544	\$ (13,155)	\$ 67,389	\$ 94,246	\$ (11,174)	\$ 83,072
Interest expense	35,090	35	35,125	55,433	430	55,863
Capitalized interest	5,496	(3,576)	1,920	6,440	(4,195)	2,245
Adjusted Interest Expense	\$ 40,586	\$ (3,541)	\$ 37,045	\$ 61,873	\$ (3,765)	\$ 58,108
Interest Coverage⁽²⁾	1.98		1.82	1.52		1.43

- (1) Proportionate basis results from operations is a non-IFRS measure based on certain adjustments to the condensed consolidated interim statements of income (loss) adjusted to reflect share of net income (losses) from equity accounted joint ventures and consolidated Vital Trust on a proportionately consolidated basis at the REIT's ownership percentage of the related investments.
- (2) Adjusted EBITDA and Interest Coverage for March 31, 2024, has been restated to align with the REIT's updated definition. See **Performance Management**. Definitions have been updated to align with the REIT's expectation of how the market evaluates its ratios and financial performance.

LIQUIDITY

Cash Resources

CASH RESOURCES				
	March 2025		December 2024	
Cash and cash equivalents	\$	70,597	\$	51,247
Restricted cash		2,969		1,733
Total	\$	73,566	\$	52,980

Restricted cash represents cash held in the REIT's designated bank accounts pledged as collateral. \$2.3 million of the total restricted cash forms part of the security for certain European mortgages.

The REIT has certain restrictions to its access to cash, being (1) it can only access cash from Vital Trust and the JVs through distributions, (2) withholding tax in certain circumstances when moving cash between jurisdictions, (3) cash management or cash collateral requirements under certain credit facilities and (4) restrictions arising in connection with REIT status compliance.

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.

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 strategic asset sales, including sale of Assura shares.

The following table sets out the REIT's contractual cash flows as at March 31, 2025:

CONTRACTUAL CASH FLOWS								
	Carrying amount	Contractual cash flows	2025	2026	2027	2028	2029	Thereafter
Accounts payable and accrued liabilities ⁽¹⁾	\$ 101,001	\$ 101,001	\$ 92,005	\$ —	\$ —	\$ —	\$ —	\$ 8,996
Income tax payable	7,121	7,121	7,121	—	—	—	—	—
Distributions payable	7,452	7,452	7,452	—	—	—	—	—
Liabilities associated with assets held for sale	10,146	10,146	10,146	—	—	—	—	—
Convertible debentures ⁽²⁾	242,449	285,560	12,291	16,388	168,403	88,478	—	—
Lease liabilities ⁽²⁾	21,922	28,115	2,678	3,674	2,657	2,044	1,533	15,529
Mortgages and loans payable ⁽²⁾	2,307,024	2,463,828	190,893	408,241	897,137	583,605	344,828	39,124
Senior Unsecured Debentures ⁽²⁾	496,817	610,609	19,935	26,580	26,580	218,215	16,542	302,757
Total	\$3,193,932	\$ 3,513,832	\$ 342,521	\$454,883	\$1,094,777	\$ 892,342	\$362,903	\$ 366,406

(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.

(2) Contractual cash flows related to convertible debentures, senior unsecured debentures, lease liabilities, and mortgages and loans payable include interest payments based on interest rates as of March 31, 2025.

As at March 31, 2025, the REIT's current liabilities of \$400.6 million exceeded current assets of \$384.9 million (including assets held for sale and investment in Assura), resulting in a difference of \$15.7 million.

Current liabilities include:

- Canadian and European mortgage maturities of \$144.8 million. Subsequent to March 31, 2025, the REIT has extended the maturity of \$25.5 of North American mortgages. See **Subsequent Events**. The REIT expects the remaining balance to be refinanced on or before maturity;
- Term loans in Australasia with outstanding balances of \$22.5 million maturing in March 2026. Subsequent to March 31, 2025, the REIT has refinanced these facilities. See **Subsequent Events**;
- Scheduled principal repayments and interest payments of \$63.8 million related to mortgages and loans that will be paid using existing liquidity; and
- Accounts payable and accrued liabilities of \$92.0 million which is expected to be repaid in normal course using existing liquidity.
- European term loan of \$50.1 million that is secured by the REIT's shares in Assura. Subsequent to March 31, 2025, the REIT has repaid this debt using proceeds from the sale of Assura. The remaining proceeds were used towards repayment of corporate debt. See **Subsequent Events**.

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 March 31,	
	2025	2024
Cash provided by / (used in):		
Operating activities	\$ 27,845	\$ 23,136
Investing activities	4,507	116,795
Financing activities	(18,770)	(135,665)
Net increase / (decrease) in cash during the period	13,582	4,266
Effect of foreign currency translation	5,768	(5,997)
Net increase / (decrease) in cash during the period	\$ 19,350	\$ (1,731)

Operating activities

Cash generated by operating activities totaled \$27.8 million for the three months ended March 31, 2025, as compared to cash generated by operating activities of \$23.1 million for the three months ended March 31, 2024, an increase of \$4.7 million. This increase is primarily related to a \$20.8 million decrease in mortgage and loan interest paid, a \$4.0 million decrease in income taxes paid, offset by a \$1.4 million negative working capital movement, and a decrease in net operating income of \$18.3 million as a result of non-core asset sales.

Investing activities

Cash generated by investing activities totaled \$4.5 million for the three months ended March 31, 2025, which is primarily related to \$45.5 million cash proceeds from the sale of investment properties, net of disposition costs, \$4.1 million from the redemption and sale of unlisted securities and distributions received from associates, Assura, and unlisted securities of \$3.8 million, offset by \$39.8 million used for additions to investment properties, primarily on developments in Australasia, and \$10.4 million of transaction costs associated with strategic initiatives.

Financing activities

During the three months ended March 31, 2025, cash used by financing activities totaled \$18.8 million as compared to cash used of \$135.7 million during the three months ended March 31, 2024. The financing activities during the three months ended March 31, 2025 include \$496.7 million proceeds from issuance of Senior Unsecured Debentures net of financing fees paid, offset by \$360.9 million of net repayment of mortgages, loans payable and credit facilities, \$125.0 million related to repayment of the REIT's series G convertible debenture that matured on March 31, 2025, and distributions paid to REIT unitholders and to non-controlling interests of \$28.4 million.

FOREIGN EXCHANGE AND CURRENCY MANAGEMENT

For the three months ended March 31, 2025, the majority of the REIT's AFFO, including certain corporate costs such as certain amounts in interest expenses and interest income, was conducted in currencies other than Canadian dollars, while its distributions to unitholders were denominated only in Canadian dollars.

For the three months ended March 31, 2025, 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 March 31, 2025, was a loss of \$6.7 million, while Canadian dollar distributions paid in cash totaled \$19.5 million. The shortfall was funded from cash repatriated to Canada from US, Brazil, the UK, Europe, Australia, and New Zealand.

As at March 31, 2025, the REIT held approximately \$11.7 million of cash and receivables denominated in Canadian Dollars.

The REIT monitors its foreign exchange exposure 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 economic 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, 2024, with the exception of the new and changes to accounting standards and policies implemented in 2025, which are described in note 2 of the REIT's condensed consolidated interim financial statements for the three months ended March 31, 2025.

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, 2024.

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 risks described in the REIT's Annual Information Form, which can be found on SEDAR+ at www.sedarplus.ca, are incorporated by reference herein.

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 filings 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 months ended March 31, 2025, that have materially affected, or are likely to materially affect, the REIT's internal controls over financial reporting.

PART IX – NET ASSET VALUE

	Q1 2025	Q4 2024
Total Assets	\$ 6,136,341	\$ 6,049,576
less: total liabilities	(3,539,060)	(3,468,061)
less: non-controlling interests	(1,005,792)	(1,018,098)
Unitholders' equity	1,591,489	1,563,417
Add/(deduct):		
Goodwill	(37,667)	(37,178)
Unit-based compensation liabilities	13,763	9,929
Net deferred tax liability	320,122	312,771
less NCI	<u>(83,358)</u>	<u>(84,710)</u>
	236,764	228,061
Derivative Financial instruments - net	(1,589)	(10,004)
less NCI	<u>(365)</u>	<u>2,598</u>
	(1,954)	(7,406)
Global Manager valuation adjustment ⁽¹⁾	<u>361,285</u>	<u>361,285</u>
Net Asset Value ("NAV")	\$ 2,163,680	\$ 2,118,108
Units outstanding ('000s) - period end	248,399	247,784
NAV per Unit	\$ 8.71	\$ 8.55

(1) Global Manager includes the European and Australasian asset management operations.

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
- 6.25% convertible debentures - NWH.DB.H
- 7.75% convertible debentures - NWH.DB.I