northwest

NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST PROVIDES UPDATE ON UK JOINT VENTURE AND RELEASES FOURTH QUARTER AND 2022 RESULTS

TORONTO, March 31, 2023 /CNW/ - Northwest Healthcare Properties Real Estate Investment Trust (the "REIT") (TSX: NWH.UN), today provides an update on its UK joint venture ("UK JV") initiative and announces results for the three months and year ended December 31, 2022.

Further to the UK JV announcement in Q3 2022, Northwest has secured a commitment with an institutional investor (the "UK Investor") for a larger investment in the REIT's UK Portfolio. The investment in the UK seed portfolio is expected to be 70% to 80% of the net equity value of the portfolio, allowing the REIT to accelerate its deleveraging strategy and pursue strategic growth. The commitment is subject to confirmatory due diligence, final documentation and typical closing conditions and is expected to close in Q2 2023.

Operationally, the REIT's high quality and defensive portfolio delivered strong results including 2.9% same property NOI ("SPNOI")[1] on year over year basis in Q4 2022. The REIT's portfolio occupancy of 97% is underpinned by a weighted average lease expiry of 14 years and 83% of leases subject to rent indexation. With a portfolio comprising more than 2,100 tenants the REIT is highly diversified and its hospital tenants are performing well averaging 2.3x EBITDAR coverage[2].

In 2022, revenue and NOI both increased by 20%. However, as a result of higher interest rates, temporarily elevated leverage, and lower transaction volume within the REIT's fee bearing capital platforms, per unit AFFO[1] declined to $0.73 (-16.1%). Subsequent to year-end, the REIT entered into hedging arrangements to fix interest rates on $892 million of floating rate, foreign currency debt facilities which will immediately stabilize results and increase annualized AFFO by $0.05 per Unit.

Additionally, the REIT has actioned several accretive initiatives to improve per unit results, including $220 million of non-core asset sales and its US JV initiative, which when combined with the UK JV are expected to generate between $425 million and $500 million of net proceeds in 2023.

Considering the in-place hedges and incremental initiatives underway, the REIT anticipates AFFO per Unit increasing by approximately 10% on an annualized basis over the course of 2023.

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[1] These are not measures recognized under IFRS and do not have standardized meanings prescribed by IFRS. Further, the REIT's definitions of FFO and AFFO differ from those used by other similar real estate investment trusts, as well from the definitions recommended by REALpac. See "Non-IFRS Financial Measures", Exhibit 1 and Exhibit 2.

[2] Rent weighted average of the REIT's 10 largest hospital operators

Balance Sheet Initiatives:

As at December 31, 2022, the REIT reports Debt to Gross Book Value (including Convertible Debentures) of 48.5% and 56.1% on a consolidated and proportionate basis, respectively. As highlighted above the REIT has identified approximately $220 million of directly held non-core asset sales in addition to its commitment to closing the UK JV in Q2 2023, and the US JV in H2 2023. Upon completion of these transactions and associated debt repayment the REIT anticipates consolidated and proportionate Debt to Gross Book Value to decrease to 35.5% (-1,300 bp) and 44.5% (-1,160 bp), respectively.

In Q4 2022 and post quarter end, the REIT refinanced $1.7 billion of expiring debt to extend term and increase fixed rate exposure. The REIT has now refinanced 67% of its 2023 debt maturities and increased its exposure to fixed rate debt (including in-place hedges) to 63% while also reducing its weighted average interest rate to 4.7% and increasing its weighted average term to maturity to 3.1 years.

Funds Management:

During the year, capital commitments increased by $2.2 billion to $11.5 billion and deployed capital grew by 11% from $5.5 billion to $6.1 billion. Additionally, Northwest has secured a commitment with a UK Investor for a 70% to 80% investment in the UK seed portfolio which is expected to close in Q2 2023.

The REIT's US joint venture initiative continues to progress, and the REIT remains actively engaged with qualified partners and is working towards commercial terms. As a result of macroeconomic uncertainty completion is now expected in the second half of 2023.

At a target ownership level of between 20% and 30% across its capital platforms the REIT anticipates generating an increased level of growth in both AFFO and NAV on a per unit basis as a result of leveraging its capital light model and internally generated capital to fund growth.

Growth and Capital Recycling:

In 2022, the REIT completed over $1.1 billion of acquisitions, highlighted by the REIT's entry into the United States which continues to perform in line with expectations.

At the end of 2022, the REIT completed a full review of its income producing property portfolio and identified properties valued at approximately $220 million that it considers non-core across its three geographic segments. Sales processes are already underway for select assets and marketing will begin for the balance in Q2 2023. Net proceeds from asset sales will be allocated to repaying high-cost corporate debt on an accretive basis.

The REIT remains constructive on the long-term demand factors that drive value creation in healthcare real estate and with $4.5 billion of available fee bearing capital its is well positioned to execute on new investment opportunities while remaining disciplined in its capital allocation strategies.

2022 Fourth Quarter Financial and Operational Highlights:

For the three months and year ended December 31, 2022, the REIT delivered strong operational performance with an increasingly conservative balance sheet across an expanded 233 property, 18.6 million square foot defensive acute healthcare real estate portfolio underpinned by long-term inflation indexed leases. Key highlights are as follows:

- Q4 2022 revenue of $118.5M up 23.0% YOY;
- Q4 2022 AFFO of $0.17 per unit (see **Exhibit 2**);
- 2022 AFFO of $0.73 per unit (see **Exhibit 2**);
- Q4 2022 Same Property NOI increased by 2.9% on a year over year basis, driven primarily by annual rent indexation (see **Exhibit 3**);
- Strong portfolio occupancy of 97% consistent with last quarter with the international portfolio holding stable at 98.3%;
- Weighted average lease expiry of 14 years is underpinned by the international portfolio's Hospital and Health Care Facility Assets' weighted average lease expiry of 18.2 years;
- Total assets under management ("AUM") increased 18.5% year over year to $10.9 billion;
- Total capital deployed in fee bearing vehicles is $6.1 billion up 10.9% year over year. Available capacity in existing fee bearing vehicles totals $4.5 billion;
- Net asset value ("NAV") per unit decreased by 4.6% year over year to $13.80 (see **Exhibit 4**);
- Consolidated Debt to Gross Book Value Including Convertible Debentures of 48.5% has increased 660 bp year over year and is expected to decrease to 35.5% (-1,300bp) as the REIT completes its UK and US JVs as well as its non-core asset sales.

Selected Financial Information:

(unaudited) *($000's, except unit and per unit amounts)*	*Three months ended December 31, 2022*	*Three months ended December 31, 2021*
Number of properties	233	197
Gross leasable area (sf)	18,585,583	16,391,724
Occupancy	97%	97%
Weighted Average Lease Expiry (Years)	13.8	14.5
Net Operating Income	$92,855	$74,436
Net Income (Loss) attributable to unitholders	$(100,195)	$139,452
Funds from Operations ("FFO") (1)	$37,578	$49,376
Adjusted Funds from Operations ("AFFO") (1)	$41,440	$50,436
Debt to Gross Book Value - Declaration of Trust (1)	45.3%	39.9%
Debt to Gross Book Value - Including Convertible Debentures (1)	48.5%	41.9%

(1) FFO and AFFO are not measures recognized under IFRS and do not have standardized meanings prescribed by IFRS. The REIT's definitions of FFO and AFFO differ from those used by other similar real estate investment trusts, as well from the definitions recommended by REALpac. See "Non-IFRS Financial Measures", Exhibit 1 and Exhibit 2 and "Performance Measurement" in the REIT's MD&A.

Q4 2022 Conference Call:

The REIT invites you to participate in its conference call with senior management to discuss our fourth quarter 2022 results on Friday, March 31, 2023 at 10:00 AM (Eastern).

The conference call can be accessed by dialing 416-764-8609 or 1 (888) 390-0605. The conference ID is 07909755.

Audio replay will be available from March 31, 2023 through April 7, 2023 by dialing 416-764-8677 or 1 (888) 390-0541. The reservation number is 089610#.

In conjunction with the release of the REIT's fourth quarter 2022 financial results, the REIT will post a current investor update presentation to its website where additional information on the REIT's investments and operating performance may be found. Please visit the REIT's website at https://nwhreit.com/ to view the latest update.

Vital Healthcare Property Trust

On February 23, 2023 Vital Trust also announced its financial results for the half year ended December 31, 2022. Details on Vital Trust's financial results are available on Vital Trust's website at www.vitalhealthcareproperty.co.nz

About Northwest Healthcare Properties Real Estate Investment Trust

Northwest Healthcare Properties Real Estate Investment Trust (TSX: NWH.UN) (Northwest) is an unincorporated, open-ended real estate investment trust established under the laws of the Province of Ontario. As at December 31, 2022, the REIT provides investors with access to a portfolio of high quality international healthcare real estate infrastructure comprised of interests in a diversified portfolio of 233 income-producing properties and 18.6 million square feet of gross leasable area located throughout major markets in Canada, Brazil, Europe, Australia and New Zealand. The REIT's portfolio of medical office buildings, clinics, and hospitals is characterized by long term indexed leases and stable occupancies. With a fully integrated and aligned senior management team, the REIT leverages over 250 professionals in nine offices in five countries to serve as a long term real estate partner to leading healthcare operators.

For further information, please contact Paul Dalla Lana, CEO at (416) 366-8300 x 1001.

Non-IFRS Financial Measures

Some financial measures used in this press release, such as SPNOI, Constant Currency SPNOI, FFO, FFO per Unit, AFFO, AFFO per Unit, AFFO Payout Ratio, NAV, NAV per Unit, portfolio occupancy and weighted average lease expiry, are used by the real estate industry to measure and compare the operating performance of real estate companies, but they do not have any standardized meaning prescribed by IFRS.

These non-IFRS financial measures and non-IFRS ratios should not be construed as alternatives to financial measures calculated in accordance with IFRS. The REIT's method of calculating these measures and ratios may differ from the methods of other real estate investment trusts or other issuers, and accordingly may not be comparable. Further, the REIT's definitions of FFO and AFFO differ from the definitions recommended by REALpac. These non- IFRS measures are more fully defined and discussed in the exhibits to this news release and in the REIT's Management's Discussion and Analysis ("MD&A") for the year ended December 31, 2022, in the "Performance Measurement" and "Results from Operations" sections. The MD&A is available on the SEDAR website at www.sedar.com.

Forward-Looking Statements

This press release may contain forward-looking statements with respect to the REIT, its operations, strategy, financial performance and condition. These statements generally can be identified by use of forward-looking words such as "may", "will", "expect", "estimate", "anticipate", "intends", "believe", "normalized", "contracted", or "continue" or the negative thereof or similar variations. Examples of such statements in this press release may include statements concerning the REIT's position as a leading healthcare real estate asset manager globally, geographic expansion, ESG initiatives, expanding AUM, balance sheet optimization arrangements, and potential acquisitions, dispositions and other transactions, including the proposed UK joint venture, a potential US joint venture and the program intended to reduce the REIT's exposure to floating rate debt. 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 press release 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 acquisitions, dispositions, development, joint venture, deleveraging and other transactions (some of which remain subject to completing documentation) on terms disclosed; (ii) the REIT's properties continuing to perform as they have recently, (iii) the REIT successfully integrating past and future acquisitions, including the realization of synergies in connection therewith; (iv) various general economic and market factors, including exchange rates remaining constant, local real estate conditions remaining strong, interest rates remaining at current levels, the impacts of COVID-19 on the REIT's business ameliorating or remaining stable; and (vii) the availability of equity and debt financing to the REIT. 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 the REIT's Annual Information Form and the risks and uncertainties set out in the MD&A which are available on www.sedar.com. These cautionary statements qualify all forward-looking statements attributable to the REIT and persons acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release, and, except as expressly required by applicable law, the REIT assumes no obligation to update such statements.

NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST

Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

(in thousands of Canadian dollars)

	For the three months ended December 31,		For the year ended December 31,	
	2022	2021	**2022**	2021
Net Property Operating Income				
Revenue from investment properties	**$ 118,546**	$ 96,368	**$ 448,829**	$ 374,613
Property operating costs	**25,691**	21,932	**100,477**	85,093
	92,855	74,436	**348,352**	289,520
Other Income				
Interest and other	**2,451**	1,068	**9,180**	4,597
Development revenue	**—**	4,608	**3,746**	10,350
Management fees	**(775)**	3,396	**11,477**	16,545
Share of profit (loss) of equity accounted investments	**(8,280)**	51,930	**20,604**	107,483
	(6,604)	61,002	**45,007**	138,975
Expenses and other				
Mortgage and loan interest expense	**49,859**	22,299	**148,634**	90,461
General and administrative expenses	**12,310**	10,426	**47,870**	40,203
Transaction costs	**12,501**	7,652	**28,359**	37,984
Development costs	**—**	4,437	**3,430**	9,441
Foreign exchange (gain) loss	**(8,485)**	(5,716)	**(9,262)**	(14,735)
	66,185	39,098	**219,031**	163,354
Income before finance costs, fair value adjustments, and net gain (loss) on financial instruments	**20,066**	96,340	**174,328**	265,141
Finance costs				
Amortization of financing costs	**(2,878)**	(2,135)	**(10,702)**	(12,189)
Amortization of mark-to-market adjustment	**—**	102	**719**	416
Class B exchangeable unit distributions	**(342)**	(342)	**(1,368)**	(1,368)
Fair value adjustment of Class B exchangeable units	**1,881**	(1,505)	**7,336**	(2,035)
Accretion of financial liabilities	**(3,200)**	(4,276)	**(15,249)**	(11,707)
Fair value adjustment of convertible debentures	**2,313**	(4,938)	**17,205**	(3,989)
Convertible debenture issuance costs	**(14)**	—	**(7,062)**	—
Net gain (loss) on financial instruments	**(1,620)**	(22,488)	**58,281**	(9,515)
Fair value adjustment of investment properties	**(147,224)**	190,665	**(28,800)**	513,986
Fair value adjustment of deferred unit plan liability	**3,381**	(2,060)	**10,236**	(2,672)
Income before taxes from continuing operations	**(127,637)**	249,363	**204,924**	736,068
Current tax expense	**4,607**	2,626	**21,847**	13,196
Deferred tax expense (recovery)	**3,275**	39,375	**57,450**	111,033
Income tax expense (recovery)	**7,882**	42,001	**79,297**	124,229
Net income from continuing operations	**$ (135,519)**	$ 207,362	**$ 125,627**	$ 611,839
Net income (loss) from discontinued operations	**—**	25,688	**—**	51,346
Total net income	**$ (135,519)**	$ 233,050	**$ 125,627**	$ 663,185
Net income attributable to:				
Unitholders	**$ (100,195)**	$ 139,452	**$ 64,295**	$ 434,879
Non-controlling interests	**(35,324)**	93,598	**61,332**	228,306
	$ (135,519)	$ 233,050	**$ 125,627**	$ 663,185

Financial Exhibits

Exhibit 1 – Funds From Operations Reconciliation

The REIT calculates FFO based on certain adjustments to net income (computed in accordance with IFRS) as detailed below. The REIT makes adjustments for cost incur with respect to exploring new growth opportunities, establishing joint arrangements, building relationships with healthcare operators and institutional investors, which in management view are not reflective of earnings from core operations or impact the REIT's ability in the long-run to make distributions to Unitholders given their discretionary and strategic nature. In addition, beginning in the quarter ended December 31, 2022, FFO is being adjusted for net losses incurred with respect to an investment in unlisted securities 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 (a) excludes the revaluation of financial liabilities, convertible debenture issuance costs and all transaction costs, and (b) makes the Other FFO Adjustments. The REIT's method of calculating FFO also differs from other issuers' methods and may not be comparable to similar measures used by other issuers.

FUNDS FROM OPERATIONS						
Expressed in thousands of Canadian dollars, except per unit amounts	**Three months ended December 31,**			**Year ended December 31,**		
	2022	**2021**	**Variance**	**2022**	**2021**	**Variance**
Net income (loss) attributable to unitholders	**$ (100,195)**	**$ 139,452**	**$ (239,647)**	**$ 64,295**	**$ 434,879**	**$ (370,584)**
Add / (Deduct):						
(i) Fair market value losses (gains)	141,269	(159,674)	300,943	(64,258)	(495,775)	431,517
Less: Non-controlling interests' share of fair market value losses (gains)	(39,482)	104,784	(144,266)	56,033	242,976	(186,943)
(ii) Finance cost - Exchangeable Unit distributions	342	342	—	1,368	1,368	—
(iii) Revaluation of financial liabilities	3,200	4,276	(1,076)	15,249	11,707	3,542
(iv) Unrealized foreign exchange loss (gain)	(7,363)	(5,326)	(2,037)	(6,095)	(17,339)	11,244
Less: Non-controlling interests' share of unrealized foreign exchange loss (gain)	(196)	(81)	(115)	(376)	1,317	(1,693)
(v) Deferred taxes	3,275	39,375	(36,100)	57,450	111,033	(53,583)
Less: Non-controlling interests' share of deferred taxes	(383)	(13,306)	12,923	(19,264)	(33,039)	13,775
(vi) Transaction costs	12,790	8,287	4,503	28,851	45,213	(16,362)
Less: Non-controlling interests' share of transaction costs	(10)	(795)	785	971	(962)	1,933
(vii) Convertible Debenture issuance costs	14	—	14	7,062	—	7,062
(vii) Net adjustments for equity accounted investments	14,387	(44,705)	59,092	6,940	(78,743)	85,683
(viii) Internal leasing costs	524	619	(95)	2,512	2,768	(256)
(ix) Net adjustment for discontinued operations	—	(24,144)	24,144	—	(49,056)	49,056
(x) Net adjustment for lease amortization	(53)	(33)	(20)	(98)	(231)	133
(xi) Other FFO adjustments	9,459	305	9,154	17,532	1,529	16,003
Funds From Operations ("FFO") (1)	**$ 37,578**	**$ 49,376**	**$ (11,798)**	**$ 168,172**	**$ 177,645**	**$ (9,473)**
FFO per Unit - Basic	$ 0.16	$ 0.22	$ (0.06)	$ 0.71	$ 0.86	$ (0.15)
FFO per Unit - fully diluted (3)	$ 0.15	$ 0.22	$ (0.07)	$ 0.70	$ 0.84	$ (0.14)
Adjusted weighted average units outstanding (2)						
Basic	241,928,826	222,600,122	19,328,704	237,322,182	206,844,980	30,477,202
Diluted (3)	245,587,137	234,287,101	11,300,036	240,395,240	218,777,321	21,617,919

Notes

(1) Other FFO adjustments include items that, in management's view, are not reflective of recurring earnings from core operations. For the year ended December 31, 2022, other FFO adjustments included (a) $7.5 million financing costs incurred with respect to an investment in unlisted securities, (b) $0.6 million of technology related G&A adjustment incurred by the REIT's European joint venture, (c) $1.2 million of corporate G&A expenses related to the establishment of a philanthropic platform and (d) $8.2 million of corporate financing costs related to short-term financing arrangement to fund property acquisition activity that are not reflective of long-term capital allocation

(2) FFO is not a measure recognized under IFRS and does not have standardized meanings prescribed by IFRS. See **Performance Measurements** section in the REIT's MD&A.

(3) Under IFRS the REIT's Class B LP Units are treated as a financial liability rather than equity. The REIT has chosen to present an adjusted basic and diluted per unit measure that includes the Class B LP Units in basic and diluted units outstanding/weighted average units outstanding. There were 1,710,000 Class B LP Units outstanding as at December 31, 2022 and 1,710,000 outstanding as at December 31, 2021.

(4) Diluted units includes vested but unissued deferred trust units and the conversion of the REIT's Convertible Debentures that would have a dilutive effect upon conversion at the holders' contractual conversion price. Convertible Debentures are dilutive if the interest (net of tax and other changes in income or expense) per unit obtainable on conversion is less than the basic per unit measure.

Exhibit 2 – Adjusted Funds From Operations Reconciliation

AFFO is a supplemental non-IFRS financial measure of a REIT's operating performance and is intended to reflect a stabilized business environment. The REIT makes certain adjustments as detailed below in calculating its FFO and AFFO, which in management view are not reflective of earnings from core operations or impact the REIT's ability in the long-run to make distributions to Unitholders given their discretionary and strategic nature. The REIT's AFFO definition differs from the REALpac Guidance in that, when calculating AFFO, the REIT does not make an adjustment to AFFO for amortization financing charges. The REIT's method of calculating AFFO also differs from other issuers' methods and may not be comparable to similar measures used by other issuers.

ADJUSTED FUNDS FROM OPERATIONS												
Expressed in thousands of Canadian dollars, except per unit amounts	Three months ended December 31,						Year ended December 31,					
	2022		2021		Variance		2022		2021		Variance	
FFO (1)	**$**	**37,578**	**$**	**49,376**	**$**	**(11,798)**	**$**	**168,172**	**$**	**177,645**	**$**	**(9,473)**
Add / (Deduct):												
(i) Amortization of marked to market adjustment		—		(102)		102		(719)		(416)		(303)
(ii) Amortization of transactional deferred financing charges		2,946		2,014		932		7,787		3,237		4,550
(iii) Straight-line revenue		204		761		(557)		39		2,101		(2,062)
Less: non-controlling interests' share of straight-line revenue		(899)		(475)		(424)		(2,322)		(1,666)		(656)
(iv) Leasing costs and non-recoverable maintenance capital expenditures		(3,053)		(2,727)		(326)		(12,050)		(11,017)		(1,033)
Less: non-controlling interests' share of actual capex and leasing costs		52		27		25		365		731		(366)
(v) DUP Compensation Expense		4,646		1,771		2,875		11,874		8,980		2,894
(vi) Net adjustments for equity accounted investments		(34)		(209)		175		(483)		(634)		151
Adjusted Funds From Operations ("AFFO") (1)	**$**	**41,440**	**$**	**50,436**	**$**	**(8,996)**	**$**	**172,663**	**$**	**178,961**	**$**	**(6,298)**
AFFO per Unit - Basic	$	0.17	$	0.23	$	(0.06)	$	0.73	$	0.87	$	(0.14)
AFFO per Unit - fully diluted (3)	$	0.17	$	0.22	$	(0.05)	$	0.72	$	0.85	$	(0.13)
Distributions per Unit - Basic	$	0.20	$	0.20	$	—	$	0.80	$	0.80	$	—
Adjusted weighted average units outstanding: (2)												
Basic		241,928,826		222,600,122		19,328,704		237,322,182		206,844,980		30,477,202
Diluted (3)		245,587,137		234,287,101		11,300,036		240,395,240		218,777,321		21,617,919

Notes

(1) FFO and AFFO are not measures recognized under IFRS and do not have standardized meanings prescribed by IFRS. See **Performance Measurement** section in the REIT's MD&A.

(2) Under IFRS the REIT's Class B LP Units are treated as a financial liability rather than equity. The REIT has chosen to present an adjusted basic and diluted per unit measure that includes the Class B LP Units in basic and diluted units outstanding/weighted average units outstanding. There were 1,710,000 Class B LP Units outstanding as at December 31, 2022 and 1,710,000 outstanding as at December 31, 2021.

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

Exhibit 3 – Constant Currency Same Property NOI

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 impact of foreign currency translation by converting the foreign currency denominated SPNOI from comparative period at current period average exchange rates. Management considers. SPNOI is more fully defined and discussed in the REIT's MD&A (see “**Performance Measurement**”).

SAME PROPERTY NOI						
In thousands of CAD	**Three months ended December 31,**			**Year ended December 31,**		
	2022	**2021**	**Var %**	**2022**	**2021**	**Var %**
Same property NOI (1)						
Americas	$ 29,024	$ 29,028	— %	$ 113,427	$ 109,980	3.1 %
Europe	17,548	17,071	2.8 %	55,864	56,453	(1.0)%
Australasia	25,425	23,839	6.7 %	94,385	90,237	4.6 %
Same property NOI (1)	**$ 71,997**	**$ 69,938**	**2.9 %**	**$ 263,676**	**$ 256,670**	**2.7 %**
Impact of foreign currency translation on Same Property NOI	—	1,018		—	7,060	
Straight-line rental revenue recognition	(65)	(270)		(639)	89	
Amortization of operating leases	(43)	(71)		(193)	(314)	
Lease termination fees	34	11		55	617	
Other transactions	1,148	465		2,687	502	
Developments	4,319	2,308		15,421	11,369	
Acquisitions	14,950	414		65,805	10,745	
Dispositions	—	127		(305)	1,006	
Intercompany/Elimination	515	496		1,845	1,776	
NOI	**$ 92,855**	**$ 74,436**	**24.7 %**	**$ 348,352**	**$ 289,520**	**20.3 %**

Notes:

(1) Same property NOI is a non-IFRS measure, defined and discussed in the REIT's MD&A.

(2) NOI is an additional IFRS measure presented on the consolidated statement of income (loss) and comprehensive income (loss). NOI is defined and discussed in the REIT's MD&A.

Exhibit 4 – Net Asset Value ('NAV') per Unit

"NAV per Unit" or sometimes presented as "NAV/unit" is an extension of NAV and defined as NAV divided by the number of units outstanding at the end of the period. NAV and NAV/unit is more fully defined and discussed in the REIT's MD&A (see "**Performance Measurement**" and "**Part IX – Net Asset Value**").

Expressed in thousands of Canadian dollars, except per unit amounts				
		Q4 2022		**Q4 2021**
Total Assets		**$ 8,514,000**		**$ 7,064,401**
less: Total liabilities		(4,772,025)		(3,540,827)
less: Non-controlling interests		(1,285,128)		(1,131,443)
Unitholders' equity		**2,456,847**		**2,392,131**
Add/(deduct):				
Goodwill		(39,612)		(41,671)
Deferred unit plan liability		23,837		26,223
Deferred tax liability	443,935		374,845	
less NCI	(109,584)	334,351	(91,052)	283,793
Financial instruments - net	(38,124)		22,602	
less NCI	13,624	(24,500)	(15,363)	7,239
Exchangeable Units		16,245		23,581
Global Manager valuation adjustment		576,318		576,318
Other		—		—
Net Asset Value ("NAV")		**$ 3,343,486**		**$ 3,267,614**
Adjusted Units Outstanding (000s)- period end (1)		242,358		225,837
NAV per Unit		**$ 13.80**		**$ 14.47**

Notes

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

Exhibit 5 – Proportionate Management Fees

“Proportionate Management Fees” is a non-IFRS financial measure defined as the REIT's total management fees earned from third parties adjusted to be reflected on a proportionately consolidated basis at the REIT’s ownership percentage (see “**Performance Measurement**” “**PART III – RESULTS FROM OPERATIONS – NET INCOME**”).

GLOBAL MANAGER FEES

Expressed in thousands of Canadian dollars	Three months ended December 31,			Year ended December 31,		
	2022	**2021**	**Variance**	**2022**	**2021**	**Variance**
Base fee	$ 7,831	$ 7,143	$ 688	$ 31,905	$ 27,645	$ 4,260
Incentive and performance fee	4,057	6,336	(2,279)	12,517	17,155	(4,638)
Trustee fees	279	253	26	1,100	944	156
Project and Acquisition fees	2,379	4,341	(1,962)	11,038	14,485	(3,447)
Other fees	(164)	191	(355)	3,108	4,411	(1,303)
Total Management Fees	**$ 14,382**	**$ 18,264**	**$ (3,882)**	**$ 59,668**	**$ 64,640**	**$ (4,972)**
less: inter-company elimination (1)	(15,157)	(14,868)	(289)	(48,191)	(48,095)	(96)
Consolidated Management Fees (2)	**$ (775)**	**$ 3,396**	**$ (4,171)**	**$ 11,477**	**$ 16,545**	**$ (5,068)**
add: fees charged to non-controlling interests	9,900	9,931	(31)	31,188	32,133	(945)
Proportionate Management Fees (3)	**$ 9,125**	**$ 13,327**	**$ (4,202)**	**$ 42,665**	**$ 48,678**	**$ (6,013)**

Notes

(1) Management fees charged to Vital Trust and to the JVs are eliminated on consolidation as an inter-company transaction.

(2) Represents the reported consolidated management fees.

(3) See **Performance Measurements** in the REIT's MD&A.