NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST PROVIDES UPDATE ON PROGRESS OF ITS UK JOINT VENTURE, NON-CORE SALES PROGRAM AND RELEASES FIRST QUARTER 2023 RESULTS

TORONTO, May 12, 2023 /CNW/ - Northwest Healthcare Properties Real Estate Investment Trust (the "REIT") (TSX: NWH.UN), today provides an update on the progress of the UK joint venture ("UK JV"), its non-core sales program and announces results for the three months ended March 31, 2023.

The UK JV is progressing well and as previously announced Northwest has secured an investment from an institutional investor (the "UK Investor") to acquire between 70% and 80% of the net equity in the REIT's UK portfolio. The UK JV is expected to close on or before June 30, 2023 subject to customary closing conditions and final documentation.

The REIT's non-core sales program, announced last quarter, has expanded from $220 million to approximately $340 million at a weighted average cap rate of approximately 5.75%. $75 million of asset sales are committed and closing on May 31, 2023 and the balance of sales are expected to close over the course of Q2 and Q3. Proceeds will be used to repay higher cost debt and are expected to be immediately accretive to AFFO per unit.

Inclusive of the non-core sales program, its previously announced US JV initiative and the UK JV, the REIT expects to generate between $550 and $600 million of net proceeds in 2023. Net proceeds from capital recycling initiatives will be used to repay higher cost debt on an accretive basis.

Operationally, the REIT's high quality and defensive portfolio delivered strong results including 4.4% same property NOI ("SPNOI")[1] on a year over year basis. The REIT's portfolio occupancy of 97% is underpinned by a weighted average lease expiry of 14 years and 83% of leases are subject to rent indexation. With a portfolio comprising more than 2,000 tenants the REIT's cash flow is highly diversified.

In Q1 2023, revenue and NOI increased by 29% and 24%, respectively. However, as a result of higher interest rates, temporarily elevated leverage, and lower transaction volumes within the REIT's fee bearing capital platforms, per unit AFFO decreased from $0.21 in Q1 2022 to $0.17 in Q1 2023. During the quarter, the REIT implemented a hedging program to fix the interest rate on $901 million of floating rate, foreign currency debt and for the partial quarter for which the hedges were in place the REIT achieved interest savings of $3.7 million. Beginning in Q2 2023, the full

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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.

quarter impact of the hedging program will result in incremental interest rate savings of $0.02 per unit as compared to Q1 2023.

Over the course of 2023, the impact of hedging activities, the UK and US joint ventures, non-core asset sales and associated capital redeployment is expected to increase per unit AFFO by approximately 20% relative to the current quarter run-rate.

Commenting on the REIT's progress advancing its capital raising initiatives, Paul Dalla Lana, the REIT's Chairman and CEO said:

> "The *UK JV has entered the final stage and is tracking to close before June 30, 2023. This will enable the REIT to eliminate the transitional capital structure which was put in place to facilitate its strategic US acquisition. Together with the non-core sale program that will see the first closing on May 31st and the $86 million convertible debenture that closed in Q2 the REIT is expecting to generate more than $375 million of net new proceeds in the quarter. After repaying high-cost debt on an accretive basis the REIT anticipates that Q2 capital generation will increase liquidity by more than $125 million."*

Mr. Dalla Lana went on to say:

> *"With anticipated liquidity in excess of near-term requirements, the REIT is considering all options to redeploy capital to maximize unitholder value including through unit buybacks, further deleveraging and opportunistic acquisitions."*

Balance Sheet Initiatives:

As at March 31, 2023, the REIT reported Debt to Gross Book Value (including Convertible Debentures) of 50% on a consolidated and proportionate basis. As highlighted above the REIT has identified approximately $340 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 38.2% (-1,180 bp) and 47.7% (-1,000 bp), respectively.

Subsequent to quarter end, the REIT issued a $86.3 million convertible debenture (including full exercise of the overallotment option) with a 7.75% coupon that matures on April 30 2028. Net proceeds of the transaction were used to repay short-term variable rate debt with a weighted average interest rate of 9.3%. The REIT has now refinanced 76% of its 2023 debt maturities, increased its exposure to fixed rate debt (including in-place hedges) to 64% and reduced its weighted average interest rate to 4.7%.

Funds Management:

As highlighted above, Northwest has secured an investment from a UK Investor for a 70% to 80% investment in the UK seed portfolio which is tracking to close on or before June 30, 2023 subject to confirmatory due diligence and final documentation.

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. Completion continues to be 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:

The healthcare real estate market continues to adjust to the rapid change in global interest rates over the last 12 months, bid ask spreads are beginning to converge and transaction volumes are beginning to normalize. With that said, the REIT remains highly disciplined with respect to capital deployment and as a result acquisition volume was nil in the quarter.

The REIT had previously identified $220 million of directly held non-core assets for sale across the REIT's global platform which has now increased to approximately $340 million. These sale processes have significantly advanced and $146 million of assets in the United States and Germany are now classified as held for sale, including one that is fully committed and closing on May 31, 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 $4.6 billion of available fee bearing capital its is well positioned to execute on new investment opportunities while remaining disciplined in its capital allocation strategies.

2023 First Quarter Financial and Operational Highlights:

For the three months ended March 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:

- Q1 2023 revenue of $135.3M up 29.5% YOY;
- Q1 2023 AFFO of $0.17 per unit (see **Exhibit 2**);
- Q1 2023 Same Property NOI increased by 4.4% 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 98.2%;
- Weighted average lease expiry of 13.6 years is underpinned by the international portfolio's Hospital and Health Care Facility Assets' weighted average lease expiry of 18.0 years;
- Total assets under management ("AUM") increased 13.7% year over year to $10.8 billion;
- Total capital deployed in fee bearing vehicles is $6.1 billion up 8.9% year over year. Available capacity in existing fee bearing vehicles totals $4.6 billion;
- Net asset value ("NAV") per unit decreased by 1.4% to $13.16 compared to December 31, 2022 (see **Exhibit 4**);
- Consolidated Debt to Gross Book Value Including Convertible Debentures of 50.0% has increased 750 bp year over year and is expected to decrease to 38.2% (1,180 bp) as the REIT completes its UK and US JVs as well as its non-core assets sales.

Selected Financial Information:

(unaudited) *($000's, except unit and per unit amounts)*	*Three months ended March 31, 2023*	*Three months ended March 31, 2022*
Number of properties	233	202
Gross leasable area (sf)	18,637,159	16,919,499
Occupancy	97%	97%
Weighted Average Lease Expiry (Years)	13.6	14.6
Net Operating Income	$95,421	$77,067
Net Income (Loss) attributable to unitholders	$(89,155)	$123,335
Funds from Operations ("FFO") (1)	$39,538	$47,328
Adjusted Funds from Operations ("AFFO") (1)	$40,129	$47,450
Debt to Gross Book Value - Declaration of Trust (1)	46.7%	40.7%
Debt to Gross Book Value - Including Convertible Debentures (1)	50.0%	42.5%

(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.

Q1 2023 Conference Call:

The REIT invites you to participate in its conference call with senior management to discuss our first quarter 2023 results on Friday, May 12, 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 64481047#.

Audio replay will be available from May 12, 2023 through May 19, 2023 by dialing 416-764-8677 or 1 (888) 390-0541. The reservation number is 481047#.

In conjunction with the release of the REIT's first quarter 2023 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.

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 March 31, 2023, 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, the United States, 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 300 professionals in ten offices in eight 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 3 months ended March 31, 2023, 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.

(in thousands of Canadian dollars)

Unaudited

	For the three months ended March 31,	
	2023	2022
Net Property Operating Income		
Revenue from investment properties	**$ 135,324**	$ 104,463
Property operating costs	**39,903**	27,396
	95,421	77,067
Other Income		
Interest and other	**4,116**	2,510
Development revenue	**—**	2,564
Management fees	**10,725**	7,095
Share of profit (loss) of equity accounted investments	**3,988**	5,168
	18,829	17,337
Expenses and other		
Mortgage and loan interest expense	**51,648**	23,387
General and administrative expenses	**13,036**	10,309
Transaction costs	**5,020**	5,599
Development costs	**—**	2,348
Foreign exchange (gain) loss	**(7,216)**	(594)
	62,488	41,049
Income before finance costs, fair value adjustments, and net gain (loss) on financial instruments	**51,762**	53,355
Finance costs		
Amortization of financing costs	**(2,970)**	(2,221)
Amortization of mark-to-market adjustment	**—**	90
Class B exchangeable unit distributions	**(342)**	(342)
Fair value adjustment of Class B exchangeable units	**1,761**	34
Accretion of financial liabilities	**(5,043)**	(8,573)
Fair value adjustment of convertible debentures	**3,198**	2,850
Convertible debenture issuance costs	**(21)**	—
Net gain (loss) on financial instruments	**(17,192)**	28,970
Fair value adjustment of investment properties	**(151,561)**	82,341
Fair value adjustment of deferred unit plan liability	**3,303**	211
Income before taxes from continuing operations	**(117,105)**	156,715
Current tax expense	**6,996**	7,193
Deferred tax expense (recovery)	**(34,946)**	26,187
Income tax expense (recovery)	**(27,950)**	33,380
Total net income	**$ (89,155)**	$ 123,335

Net income attributable to:				
Unitholders	**$**	**(97,486)**	$	88,254
Non-controlling interests		**8,331**		35,081
	$	**(89,155)**	$	123,335

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 March 31,		
	2023	2022	Variance
Net income (loss) attributable to unitholders	**$ (97,486)**	**$ 88,254**	**$ (185,740)**
Add / (Deduct):			
(i) Fair market value losses (gains)	162,498	(114,406)	276,904
Less: Non-controlling interests' share of fair market value losses (gains)	1,299	37,559	(36,260)
(ii) Finance cost - Exchangeable Unit distributions	342	342	—
(iii) Revaluation of financial liabilities	5,043	8,573	(3,530)
(iv) Unrealized foreign exchange loss (gain)	(6,756)	1,817	(8,573)
Less: Non-controlling interests' share of unrealized foreign exchange loss (gain)	156	(171)	327
(v) Deferred taxes	(34,946)	26,187	(61,133)
Less: Non-controlling interests' share of deferred taxes	377	(7,901)	8,278
(vi) Transaction costs	5,020	5,697	(677)
Less: Non-controlling interests' share of transaction costs	—	303	(303)
(vii) Convertible Debenture issuance costs	21	—	21
(viii) Net adjustments for equity accounted investments	(814)	240	(1,054)
(ix) Internal leasing costs	494	906	(412)
(x) Property taxes accounted for under IFRIC 21	401	—	401
(xi) Net adjustment for lease amortization	(82)	(72)	(10)
(xii) Other FFO adjustments	3,971	—	3,971
Funds From Operations ("FFO") (1)	**$ 39,538**	**$ 47,328**	**$ (7,790)**
FFO per Unit - Basic	$ 0.16	$ 0.21	$ (0.05)
FFO per Unit - fully diluted (3)	$ 0.16	$ 0.21	$ (0.05)
Adjusted weighted average units outstanding (2)			
Basic	242,870,623	226,324,317	16,546,306
Diluted (3)	246,584,256	237,987,041	8,597,215

(1) Other FFO adjustments include items that, in management's view, are not reflective of recurring earnings from core operations. For the three months ended March 31, 2023, other FFO adjustments included (a) $2.7 million financing costs incurred with respect to an investment in unlisted securities, (b) $0.2 million of corporate G&A expenses related to the establishment of a philanthropic platform and (c) $1.0 million of corporate financing costs related to short-term financing arrangement to fund property acquisition activity that are not reflective of long-term financing costs.

(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 March 31, 2023 and 1,710,000 outstanding as at March 31, 2022.

(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 March 31,		
	2023	**2022**	**Variance**
FFO [1]	**$ 39,538**	**$ 47,328**	**$ (7,790)**
Add / (Deduct):			
(i) Amortization of marked to market adjustment	—	(90)	90
(ii) Amortization of transactional deferred financing charges	2,079	1,332	747
(iii) Straight-line revenue	715	533	182
Less: non-controlling interests' share of straight-line revenue	(1,337)	(427)	(910)
(iv) Leasing costs and non-recoverable maintenance capital expenditures	(3,314)	(2,737)	(577)
Less: non-controlling interests' share of actual capex and leasing costs	117	106	11
(v) Unit-Based Compensation Expense	2,346	1,648	698
(vi) Net adjustments for equity accounted investments	(15)	(243)	228
Adjusted Funds From Operations ("AFFO") [1]	**$ 40,129**	**$ 47,450**	**$ (7,321)**
AFFO per Unit - Basic	$ 0.17	$ 0.21	$ (0.04)
AFFO per Unit - fully diluted	$ 0.16	$ 0.21	$ (0.05)
Distributions per Unit - Basic [3]	$ 0.20	$ 0.20	$ —
Adjusted weighted average units outstanding: [2]			
Basic	242,870,623	226,324,317	16,546,306
Diluted	246,584,256	237,987,041	8,597,215

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 March 31, 2023 and 1,710,000 outstanding as at March 31, 2022.

(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 March 31,**		
	2023	**2022**	**Var %**
Same property NOI (1)			
Americas	$ 28,677	$ 28,154	1.9 %
Europe	18,297	17,549	4.3 %
Australasia	27,333	25,451	7.4 %
Same property NOI (1)	**$ 74,307**	**$ 71,154**	**4.4 %**
Impact of foreign currency translation on Same Property NOI	—	(546)	
Straight-line rental revenue recognition	519	(78)	
Amortization of operating leases	(42)	(55)	
Lease termination fees	31	—	
Other transactions	308	612	
Developments	4,248	3,460	
Acquisitions	15,460	2,114	
Dispositions	—	(4)	
Intercompany/Elimination	590	410	
NOI	**$ 95,421**	**$ 77,067**	**23.8 %**

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**").

		Q1 2023		Q4 2022
Total Assets		**$ 8,418,407**		**$ 8,514,000**
less: Total liabilities		(4,812,433)		(4,772,025)
less: Non-controlling interests		(1,265,778)		(1,285,128)
Unitholders' equity		**2,340,196**		**2,456,847**
Add/(deduct):				
Goodwill		(39,059)		(39,612)
Deferred unit plan liability		22,547		23,837
Deferred tax liability	409,871		443,935	
less NCI	(107,908)	301,963	(109,584)	334,351
Financial instruments - net	(20,821)		(38,124)	
less NCI	6,007	(14,814)	13,624	(24,500)
Exchangeable Units		14,484		16,245
Global Manager valuation adjustment		576,318		576,318
Other		—		—
Net Asset Value ("NAV")		**$ 3,201,635**		**$ 3,343,486**
Adjusted Units Outstanding (000s)- period end [(1)]		243,345		242,358
NAV per Unit		**$ 13.16**		**$ 13.80**

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**").

Expressed in thousands of Canadian dollars	Three months ended March 31,		
	2023	**2022**	**Variance**
Base fee	$ 8,384	$ 7,893	$ 491
Incentive and performance fee	4,236	4,799	(563)
Trustee fees	307	269	38
Project and Acquisition fees	5,375	3,293	2,082
Other fees	3,470	3,118	352
Total Management Fees	**$ 21,772**	**$ 19,372**	**$ 2,400**
less: inter-company elimination	(11,047)	(12,277)	1,230
Consolidated Management Fees	**$ 10,725**	**$ 7,095**	**$ 3,630**
add: fees charged to non-controlling interests	7,805	8,852	(1,047)
Proportionate Management Fees	**$ 18,530**	**$ 15,947**	**$ 2,583**