



**MANAGEMENT'S
DISCUSSION & ANALYSIS**

FIRST QUARTER REPORT
March 31, 2024

Q1



MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

For the Three Months Ended March 31, 2024

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About this Management's Discussion and Analysis

Chartwell Retirement Residences ("Chartwell" or the "Trust") has prepared the following management's discussion and analysis (the "MD&A") to provide information to assist its current and prospective investors' understanding of the financial results of Chartwell for the three months ended March 31, 2024. This MD&A should be read in conjunction with Chartwell's unaudited, condensed consolidated interim financial statements for the three months ended March 31, 2024, and the notes thereto (the "Financial Statements"), the audited consolidated financial statements for the years ended December 31, 2023 and 2022, and the notes thereto (the "2022 Financial Statements"), and the annual MD&A for the year ended December 31, 2023 (the "2023 MD&A"). This material is available on Chartwell's website at www.investors.chartwell.com. Additional information about Chartwell, including our Annual Information Form for the year ended December 31, 2023, dated March 7, 2024 (the "AIF"), can be found on SEDAR+ at www.sedarplus.com.

The discussion and analysis in this MD&A is based on information available to management as of May 9, 2024.

All references to "Chartwell," "we," "our," "us," or the "Trust" refer to Chartwell Retirement Residences and its subsidiaries, unless the context indicates otherwise. For ease of reference, "Chartwell" and the "Trust" are used in reference to the ownership and the operation of retirement and long term care residences and the third-party management business of Chartwell. The direct ownership of such residences and operation of such business is conducted by subsidiaries of the Trust.

In this document we refer to joint ventures as defined by IFRS Accounting Standards in 'IFRS 11 – Joint Arrangements' and that are accounted for using the equity method as "Equity-Accounted JVs".

In this document, "Q1" refers to the three-month period ended March 31; "Q2" refers to the three-month period ended June 30; "Q3" refers to the three-month period ended September 30; "Q4" refers to the three-month period ended December 31; "2024" refers to the calendar year 2024; "2023" refers to the calendar year 2023, "2022" refers to the calendar year 2022; "2021" refers to the calendar year 2021.

Unless otherwise indicated, all comparisons of results for Q1 2024 are in comparison to results from Q1 2023.

All dollar references, unless otherwise stated, are in Canadian dollars.

In this document we use a number of performance measures that are not defined in generally accepted accounting principles ("GAAP") which follow the disclosure requirements established by National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosures (effectively, the "Non-GAAP Measures"), to measure, compare and explain the operating results and financial performance of the Trust.

These Non-GAAP Measures do not have standardized meanings prescribed by GAAP and, therefore, may not be comparable to similar measures used by other issuers. The Real Property Association of Canada ("REALPAC") issued white papers with recommendations for calculations of Funds from Operations ("FFO"), and Adjusted Funds from Operations ("AFFO"), the "REALPAC Guidance". Our FFO definition is substantially consistent with the definition adopted by REALPAC. Refer to the "Additional Information on Non-GAAP Measures" section of this MD&A for details. As part of our financial covenants reporting, we present AFFO in accordance with the definitions used in our credit agreements. This definition differs from the definition in the REALPAC Guidance.

In this document we use various financial metrics and ratios in our disclosure of financial covenants. These metrics are calculated in accordance with the definitions contained in our credit agreements and the trust indenture governing our outstanding debentures and may be described using terms which differ from standardized meanings prescribed by GAAP. These metrics may not be comparable to similar metrics used by other issuers.

Specified financial measures are categorized as non-GAAP financial measures, non-GAAP ratios, supplementary financial measures and capital management measures as follows:

Non-GAAP Financial Measures

FFO, FFO for continuing operations, Total FFO, FFO from LTC Discontinued Operations, FFO for Equity-Accounted JVs, and Internal Funds from Operations, ("IFFO"), IFFO for continuing operations, Total IFFO, IFFO from LTC Discontinued Operations, Adjusted Funds from operations ("AFFO") including per unit amounts ("PU"), Earnings before interest, tax, depreciation and amortization ("consolidated EBITDA" or "EBITDA"), Adjusted Resident Revenue, Adjusted Direct Property Operating Expense, Adjusted Operating Margin, Consolidated Interest Expense, Adjusted Consolidated Gross Book Value of Assets, Book value of assets, Gross book value adjustment on IFRS transition, Adjustment for accumulated depreciation and amortization, Aggregate Adjusted Assets, Payment of cash distributions and Amortization of finance costs and fair value adjustments on assumed mortgages, Finance cost reserve, Proforma adjustments, and Total Units Outstanding.

Non-GAAP Ratios

Debt Service Coverage Ratio, Interest Coverage Ratio, Total Leverage Ratio, Adjusted Consolidated Unitholders' Equity Ratio, Secured Indebtedness Ratio, Unencumbered Property Asset Ratio, Consolidated EBITDA to Consolidated Interest Expense Ratio, Indebtedness Percentage, Net Debt to Adjusted EBITDA Ratio, Payment of Cash Distributions, Expected Unlevered Yield, and Coverage Ratio.

Supplementary Financial Measures

Net Operating Income ("NOI"), Adjusted NOI, Adjusted Development Costs, Lease-up-Losses, Estimated Stabilized NOI, Unencumbered Property Asset Value and Unencumbered Aggregate Adjusted Assets.

Capital Management Measures

Liquidity, Imputed Cost of Debt, Regularly Scheduled Debt Principal Payments, Consolidated Indebtedness, Secured Indebtedness, Unsecured Indebtedness, and Investment Restrictions.

Refer to the "Additional Information on Non-GAAP Measures", "Results of Operations – FFO", "Significant Events – Development – Expected Unlevered Yield, Development Lease-up-Losses and Imputed Cost of Debt", "Results of Operations – Adjusted Resident Revenue, Adjusted Property Operating Expense, Adjusted Operating Margin, and Adjusted NOI" and "Liquidity and Capital Resources – Financial Covenants" sections of this MD&A for details on these measures.

Risks and Uncertainties

Refer to the "Risks and Uncertainties" section of our 2023 MD&A, as well as our AIF dated March 7, 2024, for detailed discussions of risk factors and uncertainties facing Chartwell.

Forward-Looking Information

This document contains forward-looking information that reflects management's current expectations, estimates, forecasts and projections about the future results, performance, achievements, prospects or opportunities for Chartwell and the seniors housing industry as of the date of this MD&A. Refer to the "Forward-Looking Information" section on page 49 of this MD&A.

Business Overview

Chartwell is in the business of serving and caring for Canada's seniors. We are passionate about what we do because we know we are positively impacting the lives of many people.

<i>Our Vision</i>	Making People's Lives BETTER
<i>Our Mission</i>	To provide a happier, healthier and more fulfilled life experience for seniors To provide peace of mind for our residents' loved ones To attract and retain employees who care about making a difference in our residents' lives, and To provide an investment opportunity that benefits society with reasonable and growing returns to the unitholders.
<i>Our Values</i>	Respect – We honour and celebrate seniors Empathy – We believe compassion is contagious Service Excellence – We believe in providing excellence in customer service Performance – We believe in delivering and rewarding results Education – We believe in lifelong learning Commitment – We value commitment to the Chartwell family Trust – We believe in keeping our promises and doing the right thing
<i>Our Portfolio</i>	Chartwell is an open-ended real estate trust governed by the laws of the Province of Ontario. We indirectly own and operate a portfolio of seniors housing residences across the continuum of care, all of which are located in Canada.

We provide resident services and care in the following settings:

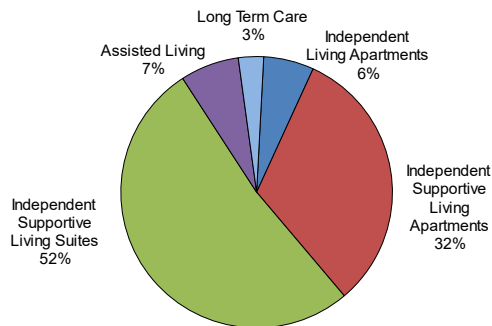
Independent Living Apartments ("IL")	Apartments / townhouses/ bungalows/ with full kitchens, availability of dining, life enrichment and housekeeping services.
Independent Supportive Living – Apartments ("ISLA")	Apartments/ townhouses/ bungalows/ with full kitchens, with availability of dining, life enrichment, housekeeping, personal assistance, and care services.
Independent Supportive Living – Suites ("ISLS")	Suites with availability of dining, life enrichment, housekeeping, personal assistance, and care services.
Assisted Living ("AL")	Suites with a base level of personal assistance services and/or personal care services for persons with Alzheimer's disease or other forms of dementia included in the base fee, located in a separate/secure wing, floor or building. Additional care services may be added on top of base fee.
Long Term Care ("LTC")	Access to 24-hour nursing care or supervision in a secure setting, assistance with daily living activities and high levels of personal care. Admission and funding are overseen by local government agencies in each province.

Composition of Our Portfolio

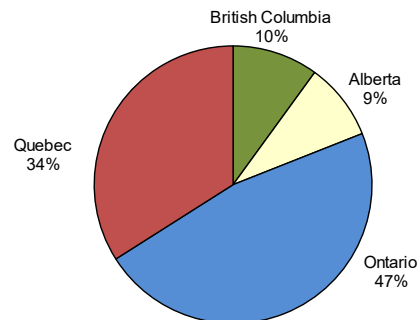
The following presents the composition of our owned and managed portfolio of residences in our Retirement Operations at March 31, 2024:

	Owned			Managed	Total
	100% Owned	Partially Owned ⁽¹⁾⁽²⁾	Total Owned	Total Managed ⁽³⁾	
Residences	110	49	159	9	168
Suites	14,426	9,497	23,923	2,471	26,394

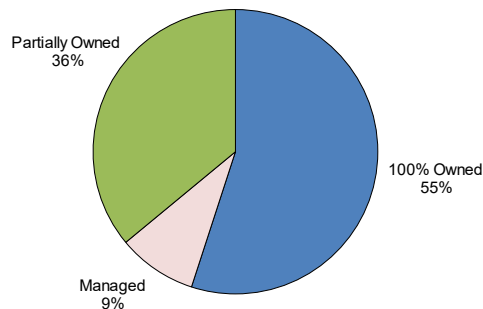
Level of Care ⁽⁴⁾⁽⁵⁾



Geographic Location ⁽⁵⁾



Ownership Interest ⁽²⁾



- (1) Includes 39 residences (8,075 suites) that are part of the Welltower Transaction agreement. Refer to the "Significant Events – Portfolio Optimization" section on page 10 of this MD&A.
- (2) We have a 42.5% ownership interest in three residences (909 suites), a 45% ownership interest in one residence (332 suites), a 50% ownership interest in 41 residences (7,670 suites), a 60% ownership interest in one residence (165 suites) and an 85% ownership interest in three residences (421 suites).
- (3) Includes two residences (314 suites) that are managed for Welltower. Refer to the "Significant Events – Portfolio Optimization" section on page 10 of this MD&A.
- (4) On September 6, 2023, we completed the sale of our Long Term Care Operations in Ontario. Refer to the "Significant Events – Portfolio Optimization" section on page 10 of this MD&A.
- (5) Based on suites at Chartwell's share of ownership interest at March 31, 2024.

Property Portfolio Groupings

We use groupings of our properties to evaluate and monitor our financial and operating performance. Our portfolio groupings are: same property, growth, and repositioning.

The supplemental disclosures of these portfolio groupings are Non-GAAP Measures that do not have standardized meanings prescribed by GAAP and, therefore, may not be comparable to similar measures used by other issuers. In addition to the definition for these portfolio groupings, the following includes the composition of each portfolio for the current reporting period.

Same Property Portfolio

Our same property portfolio includes properties that have been owned continuously since the beginning of the previous fiscal year. To improve comparability, our same property portfolio excludes development properties that have not yet achieved 90% occupancy by January 1 of the preceding fiscal year, properties that are expected to be sold in the current or next fiscal year, and properties that are undergoing a significant redevelopment or repositioning.

The following table summarizes the composition of our same property portfolio as at March 31, 2024:

	Properties	Composition of Suites					Total	Total at Chartwell's Share of Ownership
		IL	ISLA	ISLS	AL	LTC		
Same property								
100% Owned	97	604	2,843	7,969	1,018	201	12,635	12,635
Partially Owned ⁽¹⁾	7	17	421	487	-	-	925	610
Total same property	104	621	3,264	8,456	1,018	201	13,560	13,245

(1) We own an 85% interest in three properties and a 50% interest in four properties.

Growth Portfolio

Our growth portfolio includes properties that were acquired subsequent to January 1 of the preceding fiscal year and development properties that have not yet achieved 90% occupancy by January 1 of the preceding fiscal year. Consequently, the previous fiscal year's results are not fully comparable for these properties. Additionally, our growth portfolio includes properties for which we will acquire incremental ownership interest in the current or next fiscal year.

The following table summarizes the composition of our growth portfolio as at March 31, 2024:

	Properties	Composition of Suites					Total	Total at Chartwell's Share of Ownership
		IL	ISLA	ISLS	AL	LTC		
Growth								
100% Owned	7	285	122	375	30	-	812	812
Partially Owned ⁽¹⁾	17	279	1,930	1,358	214	-	3,781	1,890
Total growth	24	564	2,052	1,733	244	-	4,593	2,702

(1) We own a 60% interest in one property, a 50% interest in 15 properties, and a 45% interest in one property.

Repositioning Portfolio

Our repositioning portfolio includes properties that we expect to sell in the current or next fiscal year, and properties that are undergoing a significant redevelopment or repositioning, including in some cases changes in capacity or use.

The following table summarizes the composition of our repositioning portfolio as at March 31, 2024:

	Properties	Composition of Suites					Total	Total at Chartwell's Share of Ownership
		IL	ISLA	ISLS	AL	LTC		
Repositioning								
100% Owned ⁽¹⁾	6	-	472	104	45	358	979	979
Partially Owned ⁽²⁾	25	251	2,817	1,431	292	-	4,791	2,327
Total repositioning	31	251	3,289	1,535	337	358	5,770	3,306

(1) Includes three long term care homes (358 beds) which were previously reported in our Long Term Care Operations segment and are now monitored and reported with our Retirement Operations.

(2) We own a 50% interest in 22 properties and a 42.5% interest in three properties.

Business Strategy

Our Strategy Statement

"In 2025, we will achieve in our retirement residences, **Employee Engagement** of 55% (highly engaged), **Resident Satisfaction** of 67% (very satisfied) and Same Property **Occupancy** of 95% to drive strong **IFFOPU** growth by providing exceptional resident experiences through personalized services in our upscale and mid-market residences in urban and suburban locations."

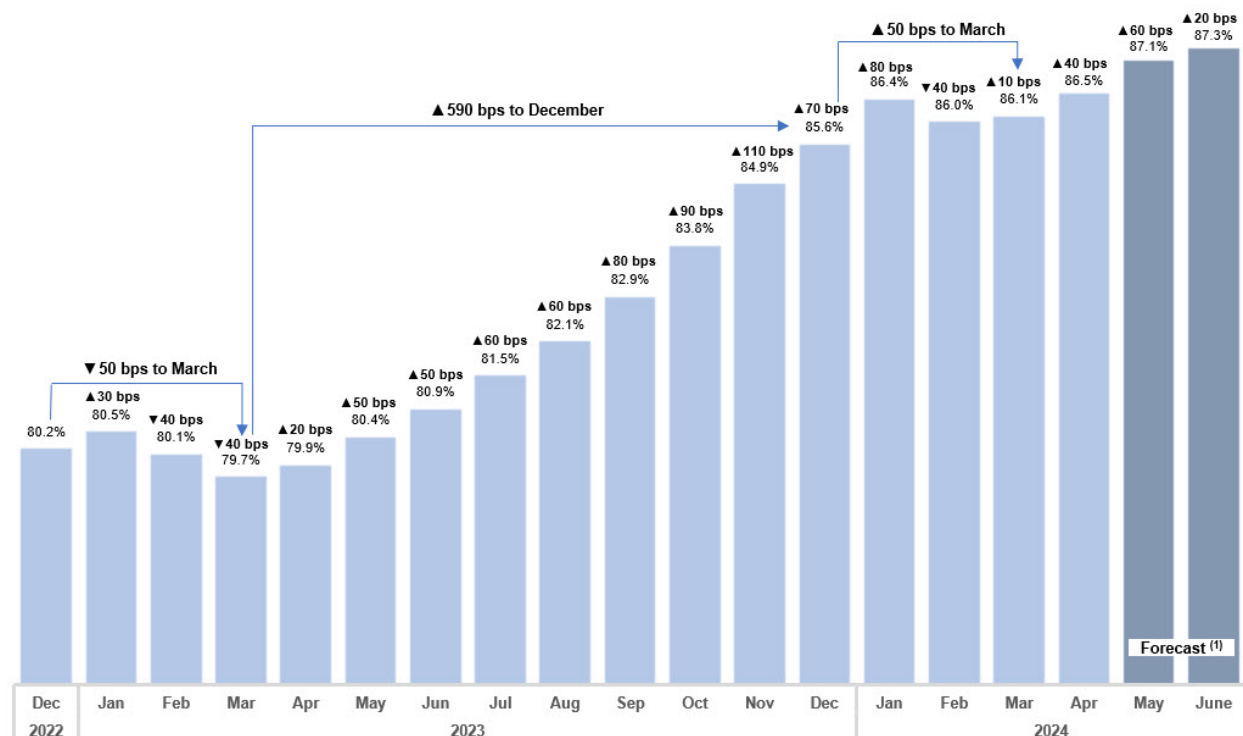
A detailed discussion of our business strategy can be found in our 2023 MD&A.

2024 Outlook

Our 2023 MD&A contains a detailed discussion of our 2024 Outlook; the following provides an update.

Operations

The following chart provides an update in respect of our same property occupancy:



(1) Forecast includes leases and notices as at April 30, 2024 and an estimate of mid-month move-ins of 20 basis points ("bps") for May and 40 bps for June, based on the preceding 12-month average of such activity.

We continue to experience strong demand fundamentals having achieved occupancy growth through the historically weaker winter season. Our same property portfolio occupancy increased from December to March by 50 bps compared to a 50 bps decline for the same period last year. We expect to reach 87.3% occupancy in our same property portfolio in June 2024, representing 640 bps growth over the prior year. Initial contacts and personalized tour activity remains robust, and we are experiencing strong conversion rates to permanent move-ins. We expect this positive momentum to continue throughout 2024. The growth in same property occupancy combined with our blended rental and service rate growth of 4.8%, resulted in a 12.1% increase in same property adjusted resident revenue in Q1 2024 compared to Q1 2023.

For our combined same property and growth portfolios, the annual revenue impact of a one percent change in rate and service fees is estimated at approximately \$6.7 million and a one percentage point change in occupied suites is estimated at \$8.3 million.

NOI in Q1 2024 grew to \$62.5 million from \$48.0 million in Q1 2023, an increase of \$14.5 million. Adjusted operating margin in Q1 2024 grew to 35% from 32% in Q1 2023 as growth in revenue exceeded inflationary and occupancy driven direct property operating expense increases. Adjusted operating margin is adjusted NOI divided by adjusted resident revenue.

Liquidity and Financing

As at May 9, 2024, liquidity amounted to \$279.5 million, which included \$37.5 million of cash and cash equivalents and \$242.0 million of available borrowing capacity on our Credit Facilities.

We finance our operations primarily through long-term fixed-rate mortgage debt and generally have access to low-cost mortgage financing insured by Canada Mortgage and Housing Corporation (“CMHC”). We intend to continue financing our properties through this program including accessing CMHC’s mortgage financing top-up programs and, for those properties operating at high occupancy levels, converting conventional mortgages to CMHC debt and placing mortgages on certain currently unencumbered properties. As of the date of this MD&A, for the remainder of 2024, we have \$141.1 million of mortgage debt maturing at the weighted average interest rate of 3.32%. As at May 9, 2024, 10-year CMHC-insured mortgage rates are estimated at approximately 4.57% and five-year conventional mortgage financing is available at approximately 5.75%.

We also have a \$125.0 million term loan maturing in May 2024. We expect to refinance or repay this loan with proceeds from CMHC financings on our unencumbered properties.

Significant Events

In addition to the items discussed in the “2024 Outlook” section of this MD&A, the following events have had a significant effect on our financial results in Q1 2024 and/or may be expected to affect our results in the future:

Development

Expected Unlevered Yield, Development Lease-up-Losses, and Imputed Cost of Debt

In addition to monitoring development costs measured on a GAAP basis which includes land, hard and soft development costs, furniture, fixtures and equipment, we assess our return on investment in development activities using the non-GAAP measure ‘Expected Unlevered Yield’. Expected Unlevered Yield should not be construed as an alternative to other GAAP metrics and may not be comparable to measures used by other entities.

Expected Unlevered Yield is defined as the ratio of:

- the estimated annual NOI of a development property in the first year it achieves an expected stabilized occupancy level (“Estimated Stabilized NOI”) which varies from project to project,
- divided by the estimated adjusted development costs (the “Adjusted Development Costs”) which is the sum of:
 - development costs on a GAAP basis, plus
 - operating results generated by the development property, including pre-opening costs (the “Lease-up-Losses”), plus
 - an imputed cost of debt calculated by applying our estimated weighted average cost of debt to our GAAP development costs plus Lease-up-Losses, compounded during the development of the property (the “Imputed Cost of Debt”).

We believe this is a useful measure as we believe it reflects our financial returns on the total economic cost of developing a new property.

Completed Developments

The following table summarizes development projects that were completed since January 1, 2023:

Project	Location	Suites / Beds	Suite Type	Chartwell Ownership Interest	Operations Start Date	Current Occupancy ⁽¹⁾	Estimated Adjusted Development Costs ⁽²⁾⁽³⁾ (\$millions)	NOI ⁽⁴⁾ (\$millions)	Expected Stabilized Occupancy Date	Expected Stabilized Occupancy	Estimated Stabilized NOI ⁽³⁾ (\$millions)	Expected Unlevered Yield ⁽³⁾
Chartwell Ridgepointe Retirement Residence	Kamloops, BC	90	IL	100%	Q4 2023	37.3%	33.0	0.03	Q2 2025	95%	2.3	7.0%

(1) As of April 30, 2024.

(2) As at March 31, 2024, includes actual Adjusted Development Costs incurred of \$31.1 million.

(3) Non-GAAP; please refer to the preamble to this section for the definition of this metric and discussion of its significance.

(4) For the 12 months ended March 31, 2024.

Developments in Construction

The following table summarizes development projects that are in construction:

Project	Location	Suites / Beds	Suite Type	Estimated Development Cost (\$ millions)	Estimated Lease-up-Losses and Imputed Cost of Debt ⁽¹⁾ (\$millions)	Estimated Adjusted Development Costs ⁽²⁾ (\$millions)	Adjusted Development Costs ⁽¹⁾ incurred as at March 31, 2024 (\$millions)	Estimated Adjusted Development Costs to Completion ⁽³⁾ (\$millions)	Expected Completion Date	Expected Stabilized Occupancy Date	Expected Stabilized Occupancy	Estimated Stabilized NOI ⁽¹⁾ (\$millions)	Expected Unlevered Yield ⁽¹⁾
Chartwell Ballycliffe LTC ⁽⁴⁾	Ajax, ON	224	LTC	55.5	5.4	60.9	59.4	1.5	Q3 2024	Q3 2024	N/A	N/A	N/A

(1) Non-GAAP; refer to the preamble to this section for the definition of this metric and the discussion of its significance.

(2) Non-GAAP; represents the total of estimated Development Costs and estimated Lease-up-Losses and Imputed Cost of Debt.

(3) Calculated as the Estimated Adjusted Development Costs less the Adjusted Development Costs incurred as at March 31, 2024.

(4) Redevelopment of the existing 100-bed Class C LTC to a 224-bed LTC home. The existing LTC operations are continuing during the redevelopment. The Ontario Ministry of Long-Term Care ("MLTC") will provide both capital funding to the project for 25 years post completion and a 17% grant toward land, hard and certain soft costs estimated at \$10.1 million, payable at substantial completion. Effective April 1, 2024, the forward sale contract of this property as part of the LTC Transactions was terminated; refer to the "Significant Events – Portfolio Optimization" section on page 10 of this MD&A.

Projects by Batimo

In addition to our own development activities, we have built an important pipeline of future acquisition opportunities by participating in certain development projects conducted by Batimo in the province of Quebec. Batimo carries out development activities and we provide certain operations management services to these projects and in some cases, provide mezzanine financing. Pursuant to our agreements with Batimo, we have certain call rights to acquire, and Batimo has certain put rights which may require us to acquire an 85% ownership interest in these properties upon achievement of occupancy threshold, defined as 90% occupancy for two consecutive months (the "Batimo Option"). The purchase price is based on Fair Market Value ("FMV"), determined by the appraisal mechanism described in such agreements. For Chartwell Le Montcalm and Chartwell L'Envol, the Batimo Option is for a five-year period commencing when the related property achieves the occupancy threshold. Upon expiry of the Batimo Option, we have a two-year option to require Batimo to sell an 85% interest in these properties at 99% of FMV.

We have revised the terms of our arrangement to provide for Batimo's put rights to be for a two-year period instead of five ("Batimo Option 2.0") for certain projects. Upon expiry of the Batimo Option 2.0, we have a one-year option instead of two to acquire an 85% interest in the property at 99% of FMV. Three projects, Le Florilège, L'Aubier, and Résidence Légende are subject to this arrangement.

The following table summarizes the status of projects by Batimo as of the date of this MD&A:

Project	Location	Suites	Suite Type	Current Project Status ⁽¹⁾	Actual / Expected Completion Date	Current Occupancy ⁽²⁾	Actual / Expected Stabilized Occupancy Date
Chartwell Le Montcalm	Candiac, QC	283	ISLA	O	September 2017	97.3%	Q4 2022
Résidence Légende	Greenfield Park, QC	368	ISLA / AL	O	June 2019	76.4%	Q4 2024
Chartwell L'Envol	Cap Rouge, QC	360	ISLA / AL	O	September 2019	94.9%	Q4 2023
Chartwell Trait-Carré	Quebec City, QC	361	ISLA / AL	O	February 2021	94.6%	Q3 2022
Le Florilège	Beauport, QC	345	ISLA / AL	O	December 2022	84.8%	Q3 2024
L'Aubier	Lévis, QC	376	ISLA / AL	C	Q2 2024	N/A	Q4 2025
2,093							

(1) Current project status is defined where 'O' means 'Operating' and 'C' means 'Construction'.

(2) As of April 30, 2024.

We expect to close on an 85% interest in the 361-suite Chartwell Trait-Carré residence located in Quebec City in Q2 2024 for a purchase price of \$85.8 million. The purchase price will be settled through the assumption of a \$58.3 million mortgage bearing an interest rate of 8.3%. Of the total purchase price, \$0.2 million will be held back to provide us with net operating income support for the period of six months. The remainder of the purchase price, subject to normal working capital and other closing adjustments, will be paid in cash utilizing our cash on hand and credit facilities.

Chartwell Le Montcalm and Chartwell L'Envol have achieved the occupancy threshold giving effect to the Batimo put rights. We estimate the current value of these two projects at approximately \$150.0 million at 100% ownership interest.

Acquisitions

On May 3 2024, we acquired an 85% interest in Chartwell Le Prescott in Vaudreuil, Quebec from Batimo. The contractual purchase price at our share was \$80.2 million and was partially settled through the assumption of a \$41.8 million mortgage bearing interest at the rate of 8.5% maturing on December 1, 2024. Of the total purchase price, \$1.7 million is held in escrow for contingent liabilities. The remainder of the purchase price, subject to normal working capital and other closing adjustments, will be paid in cash utilizing our cash on hand and credit facilities.

Portfolio Optimization

On September 6, 2023, we completed the sale of our Long Term Care Operations in Ontario which was then reclassified as "LTC Discontinued Operations" as previously described in our 2023 MD&A. This sale, the "LTC Transactions", included a forward sale contract for \$64.5 million related to one owned long term care home (100 beds) currently being redeveloped to have 224 beds ("Ballycliffe LTC"). With the announced LTC funding increases in Ontario, we expect the value of the completed property to be higher than the forward sale contract price. We exercised our option to terminate the forward sale contract effective April 1, 2024, as the agreement allowed for this if the development was not completed by this date. We intend to commence a sale process for Ballycliffe LTC once the construction is completed.

On November 9, 2023, we entered into a definitive agreement with Welltower to wind-up our existing joint arrangements (the "Welltower Transaction"). Under the terms of the agreement, Chartwell will convey its ownership interest in 23 assets (the "Welltower Assets") to Welltower for consideration of: (i) Welltower's ownership interest in 16 assets (the "Chartwell Assets") and (ii) \$97.2 million in cash. Net proceeds to Chartwell after estimated transaction costs of \$12.2 million and taxes of \$6.8 million are expected to be approximately \$78.2 million (the "Cash Consideration"). Closing of the transaction, subject to the required regulatory and lender approvals, is expected in Q3 2024. Chartwell will assume approximately \$136.7

million in debt on the Chartwell Assets, bearing a weighted average interest rate of 2.8% and having a weighted average term to maturity of 4.1 years. The net change to total debt for Chartwell's balance sheet will be a reduction of approximately \$51.6 million including the impact of the settlement of the Welltower loan of \$33.3 million which will also be settled upon closing of the transaction, as discussed in the "Joint Arrangements" section on page 12 of this MD&A. This net change is before any impact of the cash consideration.

On February 1, 2024, we completed the sale of Chartwell Bridlewood Retirement Residence (61 suites) located in Ontario for a sale price of \$3.8 million. A vendor take-back mortgage was extended to the purchaser in the amount of \$2.8 million, maturing in February 2027, and bearing an interest rate of 8% per annum for the first two years and 10% per annum for the third year.

On March 19, 2024, we commenced the operational closure of Chartwell Heritage Glen Retirement Residence (323 suites).

Joint Arrangements

'IFRS 11 – Joint Arrangements' classifies joint arrangements either as a joint operation or as a joint venture. Joint operations are joint arrangements in which the parties that have joint control have rights to the assets and obligations for the liabilities relating to the arrangement. Joint operations are accounted for using proportionate consolidation. Joint ventures are joint arrangements in which the parties have rights to the net assets relating to the arrangement. Generally, where the party holds its interest in the joint arrangement through a separate legal entity, the joint arrangement will be classified as a joint venture. Joint ventures are accounted for using the equity method of consolidation. Chartwell does not independently control its joint arrangements which are accounted for using the equity method, and Chartwell's proportionate share of the financial position and results of operations of its investment in such joint arrangements, where presented and discussed in this MD&A using the proportionate consolidation method, does not necessarily represent Chartwell's legal claim to such items.

The following table summarizes the classification of properties which are owned through our joint arrangements, or which are partially owned as at March 31, 2024:

Joint Arrangements	# of Properties	Suites/Beds	Chartwell Ownership	Joint Arrangement Type	Consolidation Method
Held directly:					
Chartwell-Welltower Landlord ("CWL")	37	7,166	50%	Joint operation	Proportionate
Chartwell Le St-Gabriel Landlord ("CSGL")	1	345	42.5%	Joint operation	Proportionate
Chartwell Le Teasdale I	1	343	42.5%	Joint operation	Proportionate
Chartwell Le Teasdale II	1	221	42.5%	Joint operation	Proportionate
The Sumach by Chartwell	1	332	45%	Joint operation	Proportionate
Batimo	3	421	85%	Joint operation	Proportionate
Chartwell Riverside Retirement Residence	1	138	50%	Joint operation	Proportionate
Chartwell Churchill House Retirement Residence	1	98	50%	Joint operation	Proportionate
Pickering Project	1	415	90%	Joint operation	Proportionate
Held through separate legal entities:					
Chartwell-Welltower Operator	Same as CWL	Same as CWL	Same as CWL	Joint venture	Equity
Chartwell Le St-Gabriel Operator	Same as CSGL	Same as CSGL	Same as CSGL	Joint venture	Equity
Chartwell Oakville Retirement Residence	1	147	50%	Joint venture	Equity
Chartwell Constantia Retirement Residence	1	121	50%	Joint venture	Equity
Kingsbridge Retirement Community	1	165	60%	Joint venture	Equity

Please refer to the "Joint Arrangements" section of our 2023 MD&A for a detailed discussion on our joint operations and our joint ventures.

On November 9, 2023, we entered into a definitive agreement with Welltower to wind-up our existing joint arrangements as outlined in the "Significant Events – Portfolio Optimization" section on page 10 of this MD&A.

During Q1 2024, Welltower extended two loans to us for \$33.3 million ("Welltower Loan 1") and \$40.7 million ("Welltower Loan 2"), at interest rates of 6.71% and 6.85%, respectively, as bridge financing for two properties with mortgages that matured in Q1 2024. One of these properties will be sold to Welltower and the associated Welltower Loan 1 will be settled upon the earlier of February 14, 2025, or the completion of the Welltower Transactions wind-up. Welltower Loan 2 matures on February 15, 2025.

Results of Operations

Net Income/(Loss)

The following table summarizes select financial measures:

(\$000s)	Q1 2024	Q1 2023	Change
Resident revenue	183,920	165,824	18,096
Direct property operating expense	121,374	117,874	3,500
Net loss	(1,971)	(9,253)	7,282

For Q1 2024, resident revenue increased \$18.1 million or 10.9%, and direct property operating expense increased \$3.5 million or 3.0%. Refer to the “Adjusted Resident Revenue, Adjusted Direct Property Operating Expense, Adjusted Operating Margin, and Adjusted NOI” section on page 14 of this MD&A for details.

For Q1 2024, net loss was \$2.0 million compared to \$9.3 million in Q1 2023 primarily due to:

- higher resident revenue,
- lower depreciation of property, plant and equipment (“PP&E”),
- higher net income from joint ventures, and
- lower G&A expenses,

partially offset by:

- deferred tax expense in Q1 2024 as compared to a deferred tax benefit in Q1 2023,
- higher direct property operating expenses,
- absence of income from discontinued operations due to the completed LTC Transactions,
- lower gain on asset sales, and
- higher negative changes in fair value of financial instruments, primarily due to increases in trading prices of our Trust Units.

FFO

FFO, a non-GAAP financial measure, should not be construed as an alternative to net earnings or cash flow from operating activities as determined by GAAP. FFO as presented may not be comparable to similar measures used by other issuers. We present FFO substantially consistent with the definition adopted in the REALPAC Guidance. This definition is included in the “Additional Information on Non-GAAP Measures” section on page 38 of this MD&A.

We believe that the use of FFO, combined with the required primary GAAP presentations, is beneficial to the users of the financial information, improving their understanding of our operating results. We generally consider FFO to be a meaningful measure for reviewing our operating and financial performance because, by excluding real estate asset depreciation and amortization of intangible assets (which can vary among owners of identical assets in similar condition based on historical cost accounting and useful life estimates), transaction costs arising on business acquisitions and dispositions, impairment of PP&E, distributions on Class B Units of Chartwell Master Care LP (“Class B Units”) recorded as interest expense, change in fair value of financial instruments, deferred income tax expense/(benefit), remeasurement gain, gain/(loss) on disposal of assets, and adjustments for Equity-Accounted JVs, FFO can assist the user of the financial information in comparing the financial and operating performance of our real estate portfolio between financial reporting periods.

Refer to the “Additional Information on Non-GAAP Measures” section on page 38 of this MD&A for the reconciliation of net income/(loss), the most closely comparable GAAP measure, to FFO and FFO per unit (“FFOPU”) amounts.

The following table presents FFO, FFOPU and Weighted average number of units:

(\$000s, except per unit amounts and number of units)	Q1 2024	Q1 2023	Change
FFO ⁽¹⁾			
Continuing operations	39,239	20,918	18,321
Total	39,239	24,338	14,901
FFOPU ⁽²⁾			
Continuing operations	0.16	0.09	0.07
Total	0.16	0.10	0.06
Weighted average number of units (000) ⁽³⁾	244,216	239,948	4,268

(1) Non-GAAP; refer to the “Additional Information on Non-GAAP Measures – FFO” section on page 38 of this MD&A for a discussion of the nature of various adjustments made in FFO calculations.

(2) Non-GAAP; refer to the “Additional Information on Non-GAAP Measures – Per Unit Amounts” section on page 44 of this MD&A for a discussion of the calculation of the per unit amounts.

(3) Non-GAAP; refer to “Weighted Average Number of Units” section on page 44 of this MD&A.

For Q1 2024, FFO from continuing operations was \$39.2 million or \$0.16 per unit, compared to \$20.9 million or \$0.09 per unit for Q1 2023. The change in FFO from continuing operations was primarily due to:

- higher adjusted NOI from continuing operations of \$16.9 million,
- lower G&A expenses of \$1.0 million, and
- higher interest income of \$0.4 million.

For Q1 2024, FFO from continuing operations includes \$0.4 million of Lease-up-Losses and Imputed Cost of Debt related to our development projects (Q1 2023 – \$0.8 million).

Total FFO for Q1 2023 includes results of LTC Discontinued Operations of \$3.4 million or \$0.01 per unit.

Adjusted Resident Revenue, Adjusted Direct Property Operating Expense, Adjusted Operating Margin, and Adjusted NOI

The tables on the following pages of this section summarize our adjusted resident revenue, adjusted direct property operating expense, adjusted operating margin and adjusted NOI, which are each non-GAAP measures, and also includes supplemental disclosure of our same property portfolio, our growth portfolio, and our repositioning portfolio. The supplemental disclosure of our same property portfolio, our growth portfolio, and our repositioning portfolio are non-GAAP measures and should not be construed as an alternative to GAAP measures. We use these groupings of properties to evaluate and monitor our financial and operating performance and we believe that this additional disclosure enhances the ability to understand and assess our results of operations and particularly to compare such results from period to period. Definitions for each of these portfolio groupings as well as the composition of the portfolio included in the respective grouping for the current reporting period are provided in the “Business Overview” section on page 5 of this MD&A.

The measure of profit or loss is adjusted NOI which is adjusted resident revenue less adjusted direct property operating expense. Adjusted resident revenue is resident revenue plus Chartwell’s proportionate share of its joint ventures’ resident revenue. Adjusted direct property operating expense is direct property operating expense plus Chartwell’s proportionate share of its joint ventures’ direct property operating expense.

The following table reconciles resident revenue and direct property operating expense from our financial statements to adjusted resident revenue and adjusted direct property operating expense, and NOI to adjusted NOI from continuing operations and adjusted NOI, and identifies contributions from our same property portfolio, our growth portfolio, and our repositioning portfolio:

(\$000s, except occupancy rates)	Q1 2024	Q1 2023	Change
Resident revenue	183,920	165,824	18,096
Add:			
Share of resident revenue from joint ventures ⁽¹⁾	33,616	30,428	3,188
Resident revenue from LTC Discontinued Operations ⁽²⁾	-	61,815	(61,815)
Adjusted resident revenue ⁽³⁾	217,536	258,067	(40,531)
Comprised of:			
Same property ⁽³⁾	161,193	143,819	17,374
Growth ⁽³⁾	24,687	21,519	3,168
Repositioning ⁽³⁾	31,656	92,729	(61,073)
Adjusted resident revenue ⁽³⁾	217,536	258,067	(40,531)
Direct property operating expense	121,374	117,874	3,500
Add:			
Share of direct property operating expense from joint ventures ⁽⁴⁾	22,572	21,723	849
Direct property operating expense from LTC Discontinued Operations ⁽²⁾	-	56,653	(56,653)
Adjusted direct property operating expense ⁽³⁾	143,946	196,250	(52,304)
Comprised of:			
Same property ⁽³⁾	104,395	98,280	6,115
Growth ⁽³⁾	15,654	14,815	839
Repositioning ⁽³⁾	23,897	83,155	(59,258)
Adjusted direct property operating expense ⁽³⁾	143,946	196,250	(52,304)
NOI	62,546	47,950	14,596
Add:			
Share of NOI from joint ventures	11,044	8,705	2,339
Adjusted NOI from continuing operations	73,590	56,655	16,935
Add:			
NOI from LTC Discontinued Operations	-	5,162	(5,162)
Adjusted NOI ⁽³⁾	73,590	61,817	11,773
Comprised of:			
Same property ⁽³⁾	56,798	45,539	11,259
Growth ⁽³⁾	9,033	6,704	2,329
Repositioning ⁽³⁾	7,759	9,574	(1,815)
Adjusted NOI ⁽³⁾	73,590	61,817	11,773
Weighted average occupancy rate:			
Same property portfolio	86.2%	80.1%	6.1pp
Growth portfolio	79.6%	73.5%	6.1pp
Repositioning portfolio	82.0%	82.9%	(0.9pp)
Total portfolio	84.5%	80.1%	4.4pp

(1) Non-GAAP; represents Chartwell's proportionate share of the resident revenue of our Equity-Accounted JVs as referenced in the notes to our Financial Statements and as described in the "Joint Arrangements" section on page 12 of this MD&A.

(2) Refer to the "LTC Discontinued Operations" section on page 45 of this MD&A.

(3) Non-GAAP; refer to the preamble to this table for explanations and discussion of the significance of these metrics.

(4) Non-GAAP; represents Chartwell's proportionate share of the direct property operating expense of our Equity-Accounted JVs as referenced in the notes to our Financial Statements and as described in the "Joint Arrangements" section on page 12 of this MD&A.

For Q1 2024, adjusted resident revenue decreased 15.7% primarily due to:

- lower revenue from our repositioning portfolio, primarily due to the completed LTC Transactions, partially offset by:
- higher same property adjusted resident revenue of 12.1%, and
- higher revenue from our growth portfolio.

For Q1 2024, adjusted direct property operating expense decreased 26.7% primarily due to:

- lower direct property operating expense from our repositioning portfolio, primarily due to the completed LTC Transactions,
- partially offset by:
- higher same property adjusted direct operating expense of 6.2%, and
- additional expenses in our growth portfolio.

As a result, for Q1 2024, adjusted NOI increased \$11.8 million or 19.0%.

Same Property Performance

The following table summarizes the results of our same property portfolio as at March 31, 2024:

(\$000s, except operating margin and occupancy rate)	Q1 2024	Q1 2023	Change
Same property ⁽¹⁾			
Adjusted resident revenue ⁽²⁾	161,193	143,819	17,374
Adjusted direct property operating expense ⁽²⁾	104,395	98,280	6,115
Adjusted NOI ⁽²⁾	56,798	45,539	11,259
Adjusted operating margin ⁽²⁾	35.2%	31.7%	3.5pp
Weighted average occupancy rate	86.2%	80.1%	6.1pp

(1) Non-GAAP; refer to the "Property Portfolio Groupings" section on page 5 of this MD&A for explanations of 'Same property' and the significance of this metric.

(2) Non-GAAP; refer to the preamble in this section for explanations of 'adjusted resident revenue', 'adjusted direct property operating expense', 'adjusted NOI', and 'adjusted operating margin' for the significance of these metrics.

For Q1 2024, same property adjusted resident revenue increased 12.1% primarily due to higher occupancy as well as rental and service rate increases.

For Q1 2024, same property adjusted direct property operating expense increased 6.2% primarily due to higher staffing costs, management costs, office and general expenses, and food costs, partially offset by lower utility costs.

As a result, for Q1 2024, same property adjusted NOI increased \$11.3 million or 24.7%. Same property adjusted operating margin also increased to 35% in Q1 2024 from 32% in Q1 2023.

The following identifies same property adjusted NOI trends by platform for Q1 2024:

- Our Western Canada platform same property adjusted NOI increased \$3.1 million or 20.1%.
- Our Ontario platform same property adjusted NOI increased \$6.5 million or 25.8%.
- Our Quebec platform same property adjusted NOI increased \$1.7 million or 33.3%.

The following table summarizes our quarterly weighted average occupancy rates in our same property portfolio:

	Q1 2024	Q1 2023	Change	Q4 2023	Change
Western Canada	92.8%	85.4%	7.4pp	90.9%	1.9pp
Ontario	83.5%	78.2%	5.3pp	82.0%	1.5pp
Quebec	85.0%	78.8%	6.2pp	84.1%	0.9pp
Same property portfolio	86.2%	80.1%	6.1pp	84.7%	1.5pp

In Q1 2024, weighted average occupancy in our same property portfolio was 86.2%, compared to 80.1% in Q1 2023, an increase of 6.1 percentage points. All platforms experienced occupancy gains in Q1 2024 compared to Q1 2023 and compared to Q4 2023. Q1 2024 same property portfolio occupancy increased 1.5 percentage points from Q4 2023.

Management and Other Fees

(\$000s)	Q1 2024	Q1 2023	Change
Welltower	1,896	1,923	(27)
Long Term Care Homes	-	400	(400)
Batimo	904	649	255
Other	276	230	46
Total management and other fees	3,076	3,202	(126)

Management and other fees decreased \$0.1 million in Q1 2024, primarily due to the LTC transactions completed in Q3 2023, partially offset by higher performance-based fees.

Interest Income

(\$000s)	Q1 2024	Q1 2023	Change
Interest income on loans receivable	438	198	240
Other interest income	297	211	86
Total interest income	735	409	326

Interest income on loans receivables increased \$0.2 million in Q1 2024, primarily due to higher loan balances outstanding.

Other interest income fluctuates period-to-period based on cash balances. Other interest income increased in Q1 2024 primarily due to higher cash balances and higher interest rates.

General, Administrative and Trust Expenses

(\$000s)	Q1 2024	Q1 2023	Change
G&A expenses	14,471	15,429	(958)

For Q1 2024, G&A expenses decreased \$1.0 million primarily due to lower compensation costs as we continue to execute on our plan to achieve efficiency improvements, partially offset by higher unit-based compensation costs due to the increase in value of our Trust Units. Q1 2024 G&A included \$0.6 million of severance related to our efficiency initiatives.

Finance Costs

The following table applies to continuing operations:

(\$000s)	Q1 2024	Q1 2023	Change
Contractual interest expense on mortgages	13,081	13,611	(530)
Comprised of:			
Same property ⁽¹⁾	9,379	9,511	(132)
Growth ⁽¹⁾	2,034	2,043	(9)
Repositioning ⁽¹⁾	1,668	2,057	(389)
Interest expense on Debentures ⁽²⁾	5,287	3,425	1,862
Interest expense on Credit Facilities	1,822	3,566	(1,744)
Interest expense on Loans Payable ⁽³⁾	2,009	1,322	687
	22,199	21,924	275
Amortization of finance costs and mark-to-market adjustments on assumed mortgages	956	1,265	(309)
	23,155	23,189	(34)
Interest capitalized to properties under development	(609)	(617)	8
Distributions on Class B Units recorded as interest expense	232	234	(2)
Total finance costs – continuing operations	22,778	22,806	(28)

(1) Non-GAAP; refer to the “Property Portfolio Groupings” section on page 5 of this MD&A for explanations of ‘Same property’, ‘Growth’, and ‘Repositioning’ and the significance of these metrics.

(2) “Debentures” refers collectively to the “Series A Debentures”, the “Series B Debentures”, and the “Series C Debentures”. Refer to the “Liquidity and Capital Resources – Debt – Debentures” section on page 24 of the Q1 2024 MD&A for details.

(3) “Loans Payable” refers collectively to the ‘unsecured term loan’, the ‘Welltower Loan 1’, and the ‘Welltower Loan 2’. Refer to the “Liquidity and Capital Resources – Debt – Loans Payable” section on page 24 of the Q1 2024 MD&A for details.

Contractual interest expense on mortgages decreased \$0.5 million in Q1 2024 primarily due to lower balances outstanding.

Interest expense on Debentures in Q1 2024 increased due to higher interest rate and higher balances outstanding.

Interest expenses on our Credit Facilities in Q1 2024 decreased due to lower balances outstanding.

Interest expense on Loans Payable increased in Q1 2024 due to the new Welltower loans. Refer to the “Liquidity and Capital Resources – Debt – Loans Payable” section on page 24 of the Q1 2024 MD&A for details.

Interest capitalized to properties under development decreased in Q1 2024 due to construction completion and transfer of one property to operations in Q4 2023.

The following table provides supplemental information related to finance costs for our Equity-Accounted JVs:

(\$000s)	Q1 2024	Q1 2023	Change
Contractual interest expense on mortgages	429	429	-
Comprised of:			
Same property ⁽¹⁾	238	238	-
Growth ⁽¹⁾	191	191	-
Amortization of finance costs	14	14	-
Total finance costs	443	443	-

(1) Non-GAAP; refer to the “Property Portfolio Groupings” section on page 5 of this MD&A for explanations of ‘Same property’ and ‘Growth’ and the significance of these metrics.

Other Income/(Expense)

The following table applies to our continuing operations:

(\$000s)	Q1 2024	Q1 2023	Change
Transaction costs arising on dispositions	(1,992)	(402)	(1,590)
Gain on sale of assets	638	2,712	(2,074)
Total other income/(expense)	(1,354)	2,310	(3,664)

Transaction costs arising on dispositions are expensed as incurred and fluctuate from period to period based on the timing and volume of transactions.

In Q1 2024, gain on sale of assets decreased \$2.1 million in Q1 2024 primarily related to lower gains on sales of non-core properties.

Other Items

(\$000s)	Q1 2024	Q1 2023	Change
Depreciation of PP&E and amortization of intangible assets	(35,957)	(39,976)	4,019
Change in fair value of financial instruments	(3,285)	(2,509)	(776)
Current income tax benefit/(expense)	351	-	351
Deferred income tax benefit/(expense)	(1,053)	7,477	(8,530)

Depreciation of PP&E and amortization of intangible assets decreased \$4.0 million in Q1 2024 primarily due to transfer to assets held for sale and property portfolio dispositions partially offset by increase in PP&E additions.

In Q1 2024, change in fair value of financial instruments is primarily resulting from changes in the market value of the underlying financial instruments. These amounts are expected to fluctuate from period to period due to changes in financial markets.

Current income tax benefit of \$0.4 million in Q1 2024 primarily relates to the LTC Transactions.

Deferred income tax changed by \$8.5 million in Q1 2024 primarily due to the reversal of temporary differences between the accounting carrying amount and tax cost base of the PP&E and fair value adjustments.

Cash Flow Analysis

The following table summarizes the significant changes in our operating, financing, and investing cash flows between Q1 2024 and Q1 2023 using our consolidated statements of cash flows:

Cash Provided by (Used in):	Increase (Decrease) (\$millions)	Explanation
Operating activities	21.5	Change in cash flows from operating activities is primarily due to: • higher NOI from continuing operations, • changes in working capital, and • lower interest paid.
Financing activities	11.9	Change in cash flows from financing activities is primarily due to: • proceeds from Loans Payable, • higher draws on our Credit Facilities, and • lower additions to finance costs, partially offset by: • higher mortgage repayments, and • lower proceeds from mortgage financing activities.
Investing activities	(18.9)	Change in cash flows from investing activities is primarily due to: • higher income taxes paid, • lower proceeds from capital funding receivable partially offset by: • lower additions to PP&E and intangible assets.

Liquidity and Capital Resources

Liquidity

Our liquidity and capital resources are used to fund capital investments in our properties, development and acquisition activities, servicing of our debt obligations, and distributions to our unitholders. Our principal source of liquidity is net operating income generated from our property operations. We also finance our business, subject to market conditions, through the use of property-specific mortgages, secured and unsecured credit facilities, secured and unsecured term loans, senior unsecured debentures and equity financing.

At March 31, 2024, our liquidity was \$290.5 million as presented in the following table:

(\$000s)	March 31, 2024	December 31, 2023
Cash and cash equivalents	24,537	24,619
Available under Credit Facilities ⁽¹⁾	266,012	324,012
Total	290,549	348,631

(1) Refer to the "Credit Facilities" section on page 23 of this MD&A for the determination and calculation of this amount.

In addition, at March 31, 2024, our share of cash and cash equivalents held in our Equity-Accounted JVs was \$8.7 million.

As at March 31, 2024, our current liabilities were \$763.6 million, exceeding our current assets of \$337.7 million, resulting in a working capital deficiency of \$425.9 million. Current liabilities include \$219.4 million of current mortgages payable, \$199.0 million of Loans Payable, and \$155.3 million of liabilities related to assets held for sale.

We expect to refinance or repay this maturing debt and meet all of our other obligations as they become due. We may utilize some or all of the following sources of liquidity, subject to market conditions:

- (i) cash flow generated from our operations,
- (ii) proceeds from non-core asset sales,
- (iii) property-specific mortgages,
- (iv) secured and unsecured credit facilities,
- (v) secured and unsecured loans,
- (vi) debentures, and
- (vii) new equity financing.

Debt

Our debt portfolio currently consists of property-specific mortgages, Credit Facilities, Loans Payable, and Debentures. Our debt management objective is to maximize financial flexibility and to maintain a strong balance sheet by:

- accessing low-cost, long term, fixed-rate debt and short-term, variable-rate financing,
- managing interest rate risk by spreading debt maturities over time,
- proactively managing our short-term maturities and where appropriate, refinancing maturing mortgages with long term debt, and
- growing our unencumbered asset pool.

The following table summarizes the components of the principal balance of our debt at March 31, 2024 and December 31, 2023:

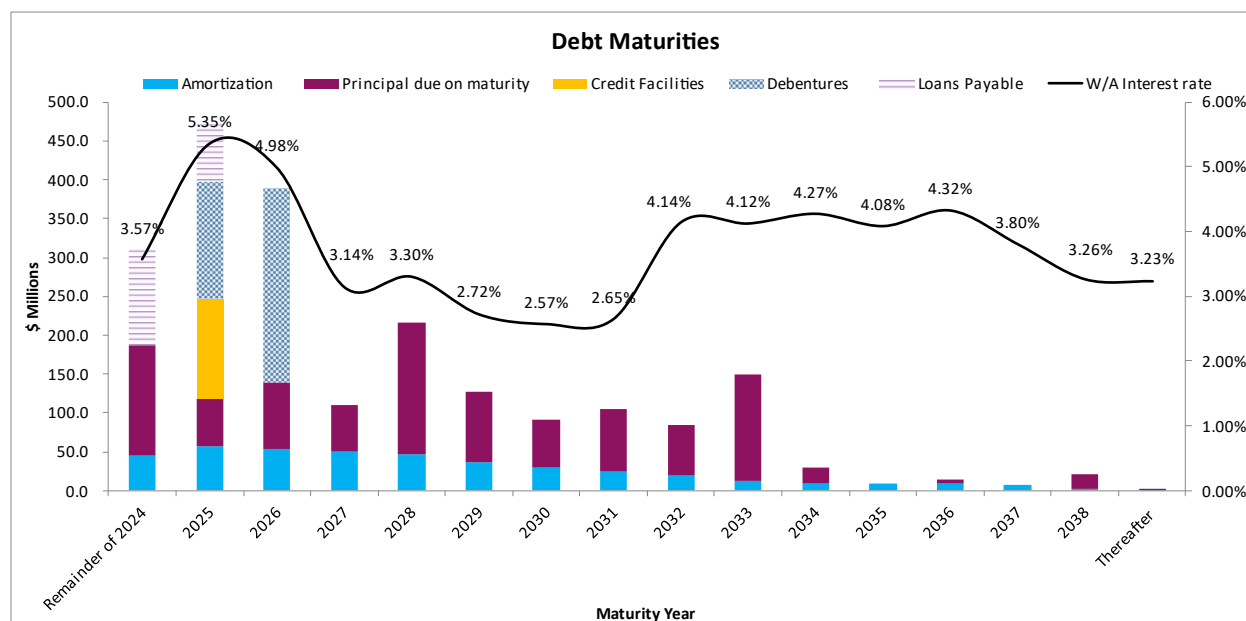
(\$000s)	March 31, 2024	December 31, 2023
Mortgages payable	1,412,556	1,469,304
Credit Facilities	128,000	70,000
Loans Payable		
Unsecured term loan	125,000	125,000
Welltower Loan 1	33,323	-
Welltower Loan 2	40,665	-
Debentures		
Series B Debentures	150,000	150,000
Series C Debentures	250,000	250,000
Total	2,139,544	2,064,304

The following table summarizes the scheduled principal maturity and weighted average interest rates for our debt portfolio at March 31, 2024:

(\$000s)	Amortizing Principal Payments	Principal Due at Maturity	Total Mortgages	Weighted Average Interest Rate ⁽¹⁾	Credit Facilities	Weighted Average Interest Rate	Loans Payable	Weighted Average Interest Rate ⁽¹⁾	Debentures	Weighted Average Interest Rate	Total	Consolidated Weighted Average Interest Rate
Remainder of 2024	45,945	141,138	187,083	3.32%	-	-	125,000	3.95%	-	-	312,083	3.57%
2025	56,818	61,849	118,667	3.03%	128,000	8.02%	73,998	6.79%	150,000	4.21%	470,655	5.35%
2026	53,977	84,713	138,690	3.15%	-	-	-	-	250,000	6.00%	388,690	4.98%
2027	50,380	59,468	109,848	3.14%	-	-	-	-	-	-	109,848	3.14%
2028	46,226	169,463	215,689	3.30%	-	-	-	-	-	-	215,689	3.30%
2029	36,810	90,583	127,393	2.72%	-	-	-	-	-	-	127,393	2.72%
2030	30,374	61,206	91,580	2.57%	-	-	-	-	-	-	91,580	2.57%
2031	24,760	80,334	105,094	2.65%	-	-	-	-	-	-	105,094	2.65%
2032	18,930	65,133	84,063	4.14%	-	-	-	-	-	-	84,063	4.14%
2033	13,543	135,482	149,025	4.12%	-	-	-	-	-	-	149,025	4.12%
2034	9,536	20,984	30,520	4.27%	-	-	-	-	-	-	30,520	4.27%
2035	9,755	-	9,755	4.08%	-	-	-	-	-	-	9,755	4.08%
2036	9,044	6,173	15,217	4.32%	-	-	-	-	-	-	15,217	4.32%
2037	7,744	-	7,744	3.80%	-	-	-	-	-	-	7,744	3.80%
2038	2,586	18,806	21,392	3.26%	-	-	-	-	-	-	21,392	3.26%
Thereafter	793	3	796	3.23%	-	-	-	-	-	-	796	3.23%
Total	417,221	995,335	1,412,556	3.28%	128,000	8.02%	198,988	5.00%	400,000	5.33%	2,139,544	4.11%

(1) For variable rate instruments, the weighted average interest rate in 2024 is based on the 2024 weighted average interest rate.

The following chart provides a breakdown of our debt maturities at March 31, 2024:



Mortgage Debt

We generally have access to low-cost mortgage financing insured by CMHC. As of March 31, 2024, approximately 95% of our mortgage debt was CMHC insured. We intend to continue financing our properties through this program including, for those properties operating at high occupancy levels, converting conventional mortgages to CMHC debt and placing mortgages on certain currently unencumbered properties.

The following table summarizes the changes in the principal balance of our mortgage debt portfolio in Q1 2024:

	Balance (\$000s)	Weighted Average Term to Maturity (Years)	Weighted Average Interest Rate	% CMHC Insured
Principal balance at December 31, 2023	1,469,304	6.2	3.26%	93%
Payouts and matured in the period	(40,498)	-	2.27%	0%
Amortizing principal repayments	(16,250)	6.0	3.28%	97%
Principal balance at March 31, 2024	1,412,556	6.1	3.28%	95%
Mark-to-market adjustments on assumed mortgages	1,031			
Finance costs	(45,602)			
Mortgages payable at March 31, 2024	1,367,985			

The following table provides select financial statistics for our mortgage debt portfolio:

	At March 31, 2024		At December 31, 2023	
	Fixed Rate	Variable Rate	Total	Total
Principal amount (\$000s)	1,412,556	-	1,412,556	1,469,304
Weighted average interest rate	3.28%	-	3.28%	3.26%
Average term to maturity (years)	6.09	-	6.09	6.2

The following tables are supplemental information and summarize the components of our mortgage debt portfolio for our Equity-Accounted JVs:

(\$000s)	March 31, 2024	December 31, 2023
Principal balance of mortgages payable	51,919	51,990
Finance costs	(84)	(96)
Mortgages payable	51,835	51,894

(\$000s)	Amortizing Principal Payments	Principal Due at Maturity	Total Principal Balance of Mortgages Payable	Weighted Average Interest Rate
2024	224	26,430	26,654	2.95 %
2025	309	-	309	3.98 %
2026	266	24,690	24,956	3.71 %
Total	798	51,120	51,919	3.32%

Credit Facilities

The following table summarizes the available borrowing capacity and borrowings on our Credit Facilities at March 31, 2024:

(\$000s)	Maximum Capacity	Available Capacity	Utilized for Letters of Credit	Net Available Capacity	Borrowed	Available Borrowing Capacity	Maturity Date
Secured credit facility ⁽¹⁾	300,000	300,000	5,988	294,012	128,000	166,012	May 29, 2025
Unsecured credit facility ⁽²⁾	100,000	100,000	-	100,000	-	100,000	May 29, 2025
Total Credit Facilities	400,000	400,000	5,988	394,012	128,000	266,012	

(1) Available capacity is determined based on a formula that considers the lending value of the properties included in the secured asset pool. The factors impacting the lending value formula include property valuations, the mortgageability amount determined on the basis of NOI for the previous four quarters, and the secured collateral.

(2) An option to increase borrowing capacity by an additional \$50.0 million is available, subject to certain conditions.

The cost of our Credit Facilities is based on our credit rating and covenant amendment premiums. At the current BBB(low) rating by DBRS, last confirmed by DBRS on November 28, 2023, with the current covenants in place amounts borrowed under the secured credit facility bear interest at the banks' prime rate ("Prime") plus 115 bps or the Banker' Acceptance rate ("BA") plus 215 bps, and amounts borrowed under the unsecured credit facility bear interest at Prime plus 120 bps or BA plus 220 bps. When the covenant amendment extensions are no longer applicable, the interest rate for the Credit Facilities would be reduced by 50 bps. The secured credit facility is secured by first and second-ranked charges on specific properties.

Loans Payable

The following tables summarize the Loans Payable as at March 31, 2024 and December 31, 2023:

March 31, 2024	Outstanding Principal (\$000s)	Financing Costs, Net (\$000s)	Carrying Value (\$000s)	Interest rate	Maturity date
Unsecured term loan	125,000	(34)	124,966	3.95%	May 31, 2024
Welltower Loan 1 ⁽¹⁾	33,323	-	33,323	6.71%	February 14, 2025
Welltower Loan 2	40,665	-	40,665	6.85%	February 15, 2025
Total	198,988	(34)	198,954		

(1) Maturity is the earlier of February 14, 2025, or the completion of the Welltower Transaction wind-up.

December 31, 2023	Outstanding Principal (\$000s)	Financing Costs, Net (\$000s)	Carrying Value (\$000s)	Interest rate	Maturity date
Unsecured term loan	125,000	(76)	124,924	3.95%	May 31, 2024
Total	125,000	(76)	124,924		

Interest rates on the outstanding unsecured term loan is fixed through interest rate swaps.

Debentures

The following tables summarize our Debentures outstanding as at March 31, 2024 and December 31, 2023:

March 31, 2024	Outstanding Principal (\$000s)	Financing Costs, Net (\$000s)	Carrying Value (\$000s)	Interest rate	Maturity date
Series B Debentures	150,000	(144)	149,856	4.211%	April 28, 2025
Series C Debentures	250,000	(1,004)	248,996	6.000%	December 8, 2026
Total	400,000	(1,148)	398,852		

December 31, 2023	Outstanding Principal (\$000s)	Financing Costs, Net (\$000s)	Carrying Value (\$000s)	Interest rate	Maturity date
Series B Debentures	150,000	(192)	149,808	4.211%	April 28, 2025
Series C Debentures	250,000	(827)	249,173	6.000%	December 8, 2026
Total	400,000	(1,019)	398,981		

On December 8, 2023, we issued \$250.0 million of 6.000% Series C senior unsecured debentures due on December 8, 2026, with semi-annual interest payments due on June 8 and December 8 of each year. Debt financing costs of \$1.1 million were incurred and are being amortized.

On December 11, 2023, we repaid our maturing \$200.0 million of 3.786% Series A senior unsecured debentures.

Financial Covenants

Our Credit Facilities, Loans Payable, and Debentures contain numerous financial covenants. Failure to comply with the covenants could result in a default, which, if not waived or cured, could result in adverse financial consequences. The following discussion provides the status of our various financial covenants related to our Credit Facilities, Loans Payable, and Debentures. All covenant calculations in this section are based on the definitions of various financial metrics as negotiated with the lenders and agents and as reflected in our Amended and Restated Credit Agreements for the Secured and Unsecured Facilities and our credit agreements for the Loans Payable (together, the "Credit Agreements"), and in the trust indentures for the Debentures. These covenants are calculated in accordance with the respective agreement and may not be comparable to similar metrics used by other entities or to any GAAP measure.

As of March 31, 2024, we were in compliance with all our debt covenants.

Amendments to Covenants

Due to the uncertainty caused by the pandemic we amended our debt service coverage and AFFO payout covenants in various credit agreements.

Credit Facilities and Loans Payable

During 2021, the debt service coverage ratio covenant was reduced from 1.4 to 1.2 until May 29, 2024. During 2023, with the extension of Credit Facilities to May 29, 2025, these amendments were further extended for the periods ending on or before June 29, 2024. Refer to the “Credit Facilities” section on page 23 of this MD&A.

During 2022, we also entered into additional amending agreements to exclude incremental direct operating expenses related to the COVID-19 pandemic from January 1, 2022 to March 31, 2023 and net reimbursement of such expenses (if any) from the definition of EBITDA or AFFO for the purpose of the calculation of our debt service coverage and AFFO payout ratios for the periods ending on or before December 31, 2023.

In addition, in 2022, we entered into agreements amending the AFFO payout ratio covenants for the periods January 1, 2023, to December 31, 2023 to temporarily allow for the payment of cash distributions up to 115% of AFFO plus \$20.0 million.

Mortgages

During 2021, the debt service coverage ratio covenant was reduced from 1.4 to 1.2 for the period ending at the earlier of December 31, 2023, and the maturity date of the applicable mortgages. During 2022, these amendments were extended for one property level mortgage until January 31, 2024 and our head office mortgage until December 31, 2024.

During 2022, we entered into additional amending agreements for the one property level mortgage and our head office mortgage to exclude incremental direct operating expenses related to the COVID-19 pandemic from January 1, 2022 to March 31, 2023 and net reimbursement of such expenses (if any) from the definition of EBITDA or AFFO for the purpose of the calculation of our debt service coverage and AFFO payout ratios for the periods ending on or before December 31, 2023.

In 2022, we also entered into agreements amending the AFFO payout ratios for the periods January 1, 2023, to December 31, 2023 to allow the payment of cash distributions up to 115% of AFFO plus \$20.0 million.

Large Borrower Agreement (“LBA”) with CMHC

The debt service coverage ratio was reduced from 1.37 to 1.2 for the period ending at the earlier of June 30, 2024 and the maturity date of the applicable credit agreement.

During 2022, we entered into additional amending agreements to exclude incremental direct operating expenses related to the COVID-19 pandemic from January 1, 2022 to March 31, 2023 and net reimbursement of such expenses (if any) from the definition of EBITDA or AFFO for the purpose of the calculation of our debt service coverage and AFFO payout ratios for the periods ending on or before December 31, 2023.

In Q1 2023, we also entered into agreements amending the AFFO payout ratios for the periods January 1, 2023 to December 31, 2023, to allow the payment of cash distributions up to 115% of AFFO plus \$20.0 million. This amendment is effective for periods ending on or before June 30, 2024.

Credit Facilities and Loans Payable

1. Debt Service Coverage Ratio for Credit Facilities and Loans Payable

We are required to maintain a minimum debt service coverage ratio of 1.20 on a rolling 12-month basis. Refer to the “Amendments to Covenants” section on page 25 of this MD&A.

(\$000s, except ratio)	12 months March 31, 2024	12 months December 31, 2023
Consolidated EBITDA for Credit Facilities and Loans Payable ⁽¹⁾	251,212	243,403
Consolidated interest expense for Credit Facilities and Loans Payable ⁽²⁾	93,067	94,727
Consolidated regularly scheduled debt principal payments for Credit Facilities and Loans Payable ⁽³⁾	79,163	82,252
Consolidated debt service payments for Credit Facilities and Loans Payable	172,230	176,979
Debt service coverage ratio for Credit Facilities and Loans Payable	1.46	1.38

- (1) Refer to the “Supporting Covenant Calculations – 1. Consolidated EBITDA for Credit Facilities, Loans Payable, and Debentures” section on page 30 of this MD&A for the calculation of consolidated EBITDA for Credit Facilities and Loans Payable.
- (2) Refer to the “Supporting Covenant Calculations – 2. Consolidated Interest Expense for Credit Facilities, Loans Payable, and Debentures” section on page 30 of this MD&A for the calculation of consolidated interest expense for Credit Facilities and Loans Payable.
- (3) Refer to the “Supporting Covenant Calculations – 3. Regularly Scheduled Debt Principal Payments for Credit Facilities” section on page 31 of this MD&A for the calculation of consolidated regularly scheduled debt principal payments for Credit Facilities and Loans Payable.

2. Total Leverage Ratio for Credit Facilities and Loans Payable

We are required to maintain a total leverage ratio below 65%.

(\$000s, except ratio)	As at March 31, 2024	As at December 31, 2023
Consolidated indebtedness for Credit Facilities and Loans Payable ⁽¹⁾	2,364,251	2,327,306
Adjusted consolidated gross book value of assets for Credit Facilities and Loans Payable ⁽²⁾	4,853,737	4,754,053
Total leverage ratio for Credit Facilities and Loans Payable	48.7%	49.0%

- (1) Refer to the “Supporting Covenant Calculations – 4. Consolidated Indebtedness for Credit Facilities, Loans Payable, and Debentures” section on page 31 of this MD&A for the calculation of consolidated indebtedness for Credit Facilities and Loans Payable.
- (2) Refer to the “Supporting Covenant Calculations – 5. Adjusted Consolidated Gross Book Value of Assets for Credit Facilities and Loans Payable and Aggregate Adjusted Assets for Debentures” section on page 32 of this MD&A for the calculation of adjusted consolidated gross book value of assets for Credit Facilities and Loans Payable.

3. Adjusted Consolidated Unitholders’ Equity Ratio for Credit Facilities and Loans Payable

We are required to maintain an adjusted consolidated unitholders’ equity of at least \$1.0 billion plus 75% of the net proceeds raised by further issuance of units after June 30, 2016.

At March 31, 2024, the minimum adjusted consolidated unitholders’ equity requirement was \$1,338 million.

(\$000s)	As at March 31, 2024	As at December 31, 2023
Unitholders’ equity per Financial Statements	763,343	791,461
Adjustment for accumulated depreciation and amortization for Credit Facilities and Loans Payable ⁽¹⁾	1,439,768	1,317,674
Class B Units	18,779	17,877
Deferred Trust Units (“DTUs”)	16,865	15,858
Adjusted consolidated unitholders’ equity for Credit Facilities and Loans Payable	2,238,755	2,142,870

- (1) Includes accumulated depreciation of PP&E and amortization of intangible assets for Equity-Accounted JVs of \$25.4 million at March 31, 2024 (\$24.7 million at December 31, 2023) and fully amortized assets of \$277.7 million at March 31, 2024 (\$278.4 million at December 31, 2023).

4. Payment of Cash Distributions for Credit Facilities and Loans Payable

For the period ended March 31, 2024, our Credit Facilities require that our cash distributions do not exceed 100%.

(\$000s, except percentage of AFFO)	12 Months March 31, 2024	12 Months December 31, 2023
Distributions declared on Trust Units ⁽¹⁾	146,633	146,037
Distributions on Class B Units	934	936
Distributions on DTUs	825	810
Total distributions for Credit Facilities and Loans Payable	148,392	147,783
Less:		
Non-cash distributions settled by DRIP	36,792	36,086
Non-cash distributions applied to Executive Unit Purchase Plan ("EUPP")	1,270	1,241
Non-cash distributions applied to DTUs	825	810
Cash distributions for Credit Facilities and Loans Payable	109,505	109,646
AFFO for Credit Facilities and Loans Payable ⁽²⁾	133,057	122,235
Add:		
Adjustment based on covenant amendment ⁽³⁾	-	20,000
AFFO adjusted for covenant amendment	133,057	142,235
Cash distributions as a percentage of AFFO for Credit Facilities	82.3%	77.1%

(1) "Trust Units" are the units of Chartwell, other than the special voting units of Chartwell.

(2) Refer to the "Supporting Covenant Calculations – 6. Adjusted Funds from Operations for Credit Facilities and Loans Payable" section on page 32 of this MD&A for the calculation of AFFO for Credit Facilities and Loans Payable.

(3) The AFFO payout ratios for the periods January 1, 2023 to December 31, 2023, were amended to allow the payment of cash distributions up to 115% of AFFO plus \$20.0 million from 100% of AFFO previously.

5. Investment Restrictions for Credit Facilities and Loans Payable

Our Credit Agreements include certain restrictions on investments in certain joint ventures, loans receivable and properties held for development as follows:

(\$000s)	Threshold as of March 31, 2024	As at March 31, 2024	As at December 31, 2023
Non-qualifying joint ventures and investments ⁽¹⁾	242,687	-	-
Loans receivable ⁽²⁾	728,061	19,481	15,305
Investments in property held for development/construction as defined in the Credit Facilities and Loans Payable ⁽²⁾	728,061	122,558	120,009
Combined ⁽³⁾	1,213,434	142,039	135,314

(1) Limit of 5% of adjusted consolidated gross book value of assets for Credit Facilities and Loans Payable.

(2) Limit of 15% of adjusted consolidated gross book value of assets for Credit Facilities and Loans Payable.

(3) Limit of 25% of adjusted consolidated gross book value of assets for Credit Facilities and Loans Payable.

The following financial covenants are only applicable to the unsecured credit facility and Loans Payable:

6. Secured Indebtedness Ratio for the unsecured credit facility and Loans Payable

We are required to maintain a secured indebtedness to adjusted consolidated gross book value of assets ratio of below 55%.

(\$000s, except ratio)	As at March 31, 2024	As at December 31, 2023
Secured indebtedness for the unsecured credit facility and Loans Payable ⁽¹⁾	1,824,571	1,787,682
Adjusted consolidated gross book value of assets for Credit Facilities and Loans Payable ⁽²⁾	4,853,737	4,754,053
Secured indebtedness ratio for the unsecured credit facility and Loans Payable	37.6%	37.6%

(1) Refer to the “Supporting Covenant Calculations – 4. Consolidated Indebtedness for Credit Facilities, Loans Payable, and Debentures” section on page 31 of this MD&A for the calculation of secured indebtedness for Credit Facilities and Loans Payable.

(2) Refer to the “Supporting Covenant Calculations – 5. Adjusted Consolidated Gross Book Value of Assets for Credit Facilities and Loans Payable and Aggregate Adjusted Assets for Debentures” section on page 32 of this MD&A for the calculation of adjusted consolidated gross book value of assets for Credit Facilities and Loans Payable.

7. Unencumbered Property Asset Ratio for the unsecured credit facility and Loans Payable

We are required to maintain the unencumbered property asset value at more than 1.3 times our consolidated unsecured indebtedness.

(\$000s, except ratio)	As at March 31, 2024	As at December 31, 2023
Unencumbered property asset value for the unsecured credit facility and Loans Payable ⁽¹⁾	867,050	881,250
Unsecured indebtedness for the unsecured credit facility and Loans Payable ⁽²⁾	539,680	539,624
Unencumbered property asset ratio for the unsecured credit facility and Loans Payable	1.6	1.6

(1) Includes 27 properties valued at \$867.1 million as of March 31, 2024 (28 properties valued at \$881.3 million as of December 31, 2023). The property values are based on third-party appraisals that are dated no longer than two years from the applicable determination date. On closing of the Welltower Transaction, our unencumbered asset pool will decline by approximately \$12.6 million.

(2) Refer to the “Supporting Covenant Calculations – 4. Consolidated Indebtedness for Credit Facilities, Loans Payable, and Debentures” section on page 31 of this MD&A for the calculation of unsecured indebtedness for the Credit Facilities and Loans Payable.

Debentures

1. Consolidated EBITDA to Consolidated Interest Expense Ratio for Debentures (“Interest Coverage Ratio for Debentures”)

We are required at all times to maintain an Interest Coverage Ratio for Debentures of not less than 1.65 on a proforma basis and calculated based on the definitions for the Debentures.

(\$000s, except ratio)	12 months March 31, 2024	12 months December 31, 2023
Consolidated EBITDA for Debentures ⁽¹⁾	240,131	223,009
Consolidated interest expense for Debentures ⁽²⁾	97,615	95,153
Interest Coverage Ratio for Debentures	2.5	2.3

(1) Refer to the “Supporting Covenant Calculations – 1. Consolidated EBITDA for Credit Facilities, Loans Payable, and Debentures” section on page 30 of this MD&A for the calculation of consolidated EBITDA for Debentures.

(2) Refer to the “Supporting Covenant Calculations – 2. Consolidated Interest Expense for Credit Facilities, Loans Payable, and Debentures” section on page 30 of this MD&A for the calculation of consolidated interest expense for Debentures.

2. Indebtedness Percentage for Debentures

We are required to maintain a ratio of consolidated indebtedness to aggregate adjusted assets of less than or equal to 65%.

<i>(\$000s, except indebtedness percentage)</i>	March 31, 2024	December 31, 2023
Consolidated indebtedness for Debentures ⁽¹⁾	2,324,586	2,283,580
Aggregate adjusted assets for Debentures ⁽²⁾	4,820,541	4,716,878
Indebtedness percentage for Debentures	48.2%	48.4%

(1) Refer to the “Supporting Covenant Calculations – 4. Consolidated Indebtedness for Credit Facilities, Loans Payable, and Debentures” section on page 31 of this MD&A for the calculation of consolidated indebtedness for Debentures.

(2) Refer to the “Supporting Covenant Calculations – 5. Adjusted Consolidated Gross Book Value of Assets for Credit Facilities and Loans Payable and Aggregate Adjusted Assets for Debentures” section on page 32 of this MD&A for the calculation of aggregate adjusted assets for Debentures.

3. Coverage Ratio for Debentures

We are required to maintain a ratio of unencumbered aggregate adjusted assets to the aggregate principal amount of outstanding consolidated unsecured indebtedness of not less than 1.3 on a proforma basis giving effect to the transactions completed to the date of this MD&A and calculated based on the definition in the Supplemental Trust Indentures.

<i>(\$000s, except ratio)</i>	March 31, 2024	December 31, 2023
Unencumbered aggregate adjusted assets for Debentures ⁽¹⁾	867,050	881,250
Unsecured indebtedness for Debentures ⁽²⁾	533,211	533,073
Coverage ratio for Debentures	1.6	1.7

(1) Includes 27 properties valued at \$867.1 million as of March 31, 2024 (28 properties valued at \$881.3 million as of December 31, 2023). The property values are based on third-party appraisals that are dated no longer than two years from the applicable determination date.

(2) Refer to the “Supporting Covenant Calculations – 4. Consolidated Indebtedness for Credit Facilities, Loans Payable, and Debentures” section on page 31 of this MD&A for the calculation of unsecured indebtedness for the Debentures.

Supporting Covenant Calculations

1. Consolidated EBITDA for Credit Facilities, Loans Payable, and Debentures

The following table provides the calculation of consolidated EBITDA for the Credit Facilities, Loans Payable, and Debentures.

(\$000s)	12 months December 31, 2023	Subtract: 2023 YTD	Add: 2024 YTD	12 months March 31, 2024
Net income	128,273	(9,253)	(1,971)	135,555
Gain on disposal of assets ⁽¹⁾	(190,748)	(2,701)	(638)	(188,685)
Transaction costs ⁽¹⁾	1,665	473	1,992	3,184
Impairment losses	10,980	-	-	10,980
Non-cash change in fair value of financial instruments ⁽¹⁾	23,212	3,126	3,393	23,479
Consolidated net income/(loss) for Credit Facilities and Loans Payable	(26,618)	(8,355)	2,776	(15,487)
Consolidated finance costs ⁽¹⁾	99,493	25,188	23,221	97,526
Consolidated depreciation of PP&E and amortization of intangible assets ⁽¹⁾	160,611	41,079	36,582	156,114
Consolidated income tax expense/(benefit)	2,721	(7,477)	702	10,900
Principal portion of capital funding	3,764	1,605	-	2,159
Net pandemic expenses ⁽²⁾	3,432	3,432	-	-
Consolidated EBITDA for Credit Facilities and Loans Payable	243,403	55,472	63,281	251,212
Proforma adjustments ⁽³⁾	(16,962)			(11,081)
Less: Net pandemic expenses ⁽²⁾	(3,432)	(3,432)	-	-
Consolidated EBITDA for Debentures	223,009			240,131

(1) Non-GAAP; includes Chartwell's proportionate share of Equity-Accounted JVs and LTC Discontinued Operations.

(2) Amended to exclude incremental direct operating expenses from January 1, 2023 to March 31, 2023 and net reimbursement of such expenses (if any) from the definition of EBITDA for the purpose of the calculation of our debt service coverage for the periods ending at the earlier of December 31, 2023 and the maturity of the applicable credit agreement and as such excludes \$0.1 million of prior-period reimbursement recognized in 2023.

(3) Adjusted to reflect a full-year impact of acquisitions and dispositions completed during the reporting period, on a proforma basis.

2. Consolidated Interest Expense for Credit Facilities, Loans Payable, and Debentures

The following table provides the calculation of consolidated interest expense for Credit Facilities, Loans Payable, and Debentures.

(\$000s)	12 months December 31, 2023	Subtract: 2023 YTD	Add: 2024 YTD	12 months March 31, 2024
Interest on mortgages ⁽¹⁾	62,788	15,975	13,510	60,323
Interest on Debentures	14,392	3,425	5,287	16,254
Interest on Credit Facilities	12,023	3,566	1,822	10,279
Interest on Loans Payable	5,524	1,322	2,009	6,211
Consolidated interest expense for Credit Facilities and Loans Payable	94,727	24,288	22,628	93,067
Proforma adjustments ⁽²⁾	426			4,548
Consolidated interest expense for Debentures	95,153			97,615

(1) Non-GAAP; includes Chartwell's proportionate share of Equity-Accounted JVs and LTC Discontinued Operations.

(2) Adjusted to reflect a full-year impact of acquisitions, dispositions and financings completed during the reporting period, on a proforma basis.

3. Regularly Scheduled Debt Principal Payments for Credit Facilities and Loans Payable

The following table summarizes regularly scheduled principal debt payments for the Credit Facilities and Loans Payable.

(\$000s)	12 months December 31, 2023	Subtract: 2023 YTD	Add: 2024 YTD	12 months March 31, 2024
Regularly scheduled debt principal payments per Financial Statements	81,967	21,391	18,299	78,875
Regularly scheduled debt principal payments for equity-accounted entities	285	70	73	288
Regularly scheduled debt principal payments for Credit Facilities and Loans Payable	82,252	21,461	18,372	79,163

4. Consolidated Indebtedness for Credit Facilities, Loans Payable, and Debentures

The following table provides the calculation of consolidated indebtedness for Credit Facilities, Loans Payable, and Debentures.

(\$000s)	March 31, 2024	December 31, 2023
Principal balance of mortgages payable	1,412,556	1,469,304
Principal balance of mortgages payable related to assets held for sale	144,508	182,788
Principal balance of mortgages payable related to Equity-Accounted JVs	51,919	51,990
Welltower loan 1	33,323	-
Welltower loan 2	40,665	-
Outstanding amount on secured credit facility	128,000	70,000
Outstanding amount on secured term loan related to assets held for sale	13,600	13,600
Secured indebtedness for the unsecured credit facility and Loans Payable	1,824,571	1,787,682
Principal balance of Debentures	400,000	400,000
Unsecured term loans	125,000	125,000
Capital lease obligations ⁽¹⁾	8,211	8,073
Unsecured indebtedness for Debentures	533,211	533,073
Outstanding letters of credit	5,988	5,988
Third-party guarantees	481	563
Unsecured indebtedness for Credit Facilities and Loans Payable	539,680	539,624
Consolidated indebtedness for Credit Facilities and Loans Payable	2,364,251	2,327,306
<i>Add (Subtract):</i>		
Outstanding letters of credit	(5,988)	(5,988)
Third-party guarantees	(481)	(563)
Cash and cash equivalents	(24,537)	(24,619)
Cash and cash equivalents of Equity-Accounted JVs	(8,659)	(12,556)
Consolidated indebtedness for Debentures	2,324,586	2,283,580

(1) Includes capital lease obligations related to joint ventures of \$0.1 million at March 31, 2024 (\$0.1 million at December 31, 2023).

5. Adjusted Consolidated Gross Book Value of Assets for Credit Facilities and Loans Payable and Aggregate Adjusted Assets for Debentures

The following table provides the calculations of both the adjusted consolidated gross book value of assets for Credit Facilities and Loans Payable and the aggregate adjusted assets for Debentures.

(\$000s)	March 31, 2024	December 31, 2023
Book value of assets ⁽¹⁾	3,267,615	3,288,280
Gross book value adjustment on IFRS transition	146,354	148,099
Adjustment for accumulated depreciation and amortization for Credit Facilities and Loans Payable ⁽²⁾	1,439,768	1,317,674
Adjusted consolidated gross book value of assets for Credit Facilities and Loans Payable	4,853,737	4,754,053
Add (Subtract):		
Cash and cash equivalents	(24,537)	(24,619)
Cash and cash equivalents of Equity-Accounted JVs	(8,659)	(12,556)
Aggregate adjusted assets for Debentures	4,820,541	4,716,878

(1) Non-GAAP; includes Chartwell's proportionate share of Equity-Accounted JVs.

(2) Includes accumulated depreciation of PP&E and amortization of intangible assets for Equity-Accounted JVs of \$25.4 million at March 31, 2024 (\$24.7 million at December 31, 2023) and fully amortized assets of \$277.7 million at March 31, 2024 (\$278.4 million at December 31, 2023).

6. Adjusted Funds from Operations for Credit Facilities and Loans Payable

AFFO for Credit Facilities and Loans Payable is calculated based on the definition used in our Credit Agreements and is likely not comparable to similar measures used by other entities. In accordance with the Credit Agreements, AFFO is calculated by adding or subtracting certain items measured to or from FFO as follows where, as required by the agreement, all such items are adjusted to account for our Equity-Accounted JVs using the proportionate consolidation method:

Principal portion of capital funding receivable: This item represents the principal portion of the cash flow stream provided in the respective period by the Ontario Ministry of Long Term Care to long term care homes which meet certain design criteria.

Income guarantees: This item represents amounts due from vendors of acquired residences under the applicable purchase and sale agreement. It is generally applicable to residences in lease-up.

Amortization of finance costs and fair value adjustments on assumed mortgages: Adjustments for non-cash interest expense items and to account for interest expense based on the contractual terms of the underlying debt.

Finance cost reserve: This reserve represents normalized costs of refinancing our mortgages, estimated at 60 bps, applied to the debt balances outstanding at the end of the reporting period and taking into account weighted average term to maturity of our mortgage portfolio.

Net pandemic expense: Amendment to exclude incremental direct operating expenses directly related to the COVID-19 pandemic for the period from January 1, 2022 to March 31, 2023 and net reimbursement of such expenses (if any) for the periods ending at the earlier of December 31, 2023 and the maturity of the applicable credit agreement.

Capital maintenance reserve: Capital maintenance reserve is estimated at 2% of property revenue.

The following table provides the calculation of AFFO for Credit Facilities and Loans Payable for the purposes of the covenant calculations in the Credit Agreements:

	12 months March 31, 2024	12 months December 31, 2023
(\$000s)		
FFO ⁽¹⁾	148,091	133,190
Add (Subtract) amounts as defined in the Credit Agreements:		
Principal portion of capital funding receivable	2,159	3,764
Income guarantees ⁽²⁾	-	-
Amortization of finance costs and fair value adjustments on assumed mortgages ⁽³⁾	3,446	3,198
Finance cost reserve	(1,821)	(1,721)
Net pandemic expense ⁽⁴⁾	-	3,432
AFFO for Credit Facilities and Loans Payable before capital maintenance reserve	151,875	141,863
Capital maintenance reserve - 2% of property revenue	(18,818)	(19,628)
AFFO for Credit Facilities and Loans Payable	133,057	122,235

- (1) Non-GAAP; refer to the "Additional Information on Non-GAAP Financial Measures – Funds from Operations" section on page 38 of this MD&A for a discussion of the nature of various adjustments made in FFO calculations.
- (2) Non-GAAP; refer to the preamble to this table. Includes Chartwell's proportionate share of Equity-Accounted JVs.
- (3) Non-GAAP; Q1 2024 excludes \$2.8 million of amortization of finance costs incurred in respect of renewal of our Credit Facilities and Debentures (2022 - \$3.4 million).
- (4) Incremental direct operating expenses directly related to the COVID-19 pandemic for the period from January 1, 2023 to March 31, 2023 and net reimbursement of such expenses (if any) and as such excludes \$0.1 million of prior-period reimbursements recognized in 2023.

Total Units Outstanding and Distributions

The following table summarizes changes in the number of outstanding units during Q1 2024:

	Trust Units	Trust Units under EUPP	Class B Units	DTUs	Total Units Outstanding ⁽¹⁾
Balance December 31, 2023	238,837,656	2,076,419	1,525,360	1,353,281	243,792,716
Trust Units issued pursuant to DRIP	825,473	-	-	-	825,473
Trust Units issued under EUPP	-	-	-	-	-
Trust Units released on settlement of EUPP receivable	37,794	(37,794)	-	-	-
Exchange of Class B Units into Trust Units	6,000	-	(6,000)	-	-
DTUs issued	-	-	-	18,181	18,181
Distributions on DTUs	-	-	-	17,205	17,205
Exchange of DTUs into Trust Units	24,000	-	-	(24,000)	-
Balance March 31, 2024	239,730,923	2,038,625	1,519,360	1,364,667	244,653,575

- (1) Non-GAAP; includes Class B Units and DTUs which are classified as liabilities in our Financial Statements.

As of May 9, 2024, the Trust has 242,270,118 Trust Units outstanding and Chartwell Master Care LP has 1,519,360 Class B Units outstanding which are exchangeable for 1,519,360 Trust Units.

Distributions

The following table summarizes distributions declared on Trust Units in Q1 2024, 2023 and 2022 in relation to cash flows from operating activities and net income/(loss):

(\$000s)	Q1 2024	2023	2022
Cash flows from operating activities	40,843	157,425	137,709
Net income/(loss)	(1,971)	128,273	49,531
Finance costs included in cash flow from financing activities	(2,119)	(9,212)	(8,944)
Distributions declared on Trust Units	36,876	146,037	143,548
Excess/(deficit) of cash flows from operating activities over distributions declared on Trust Units	3,967	11,388	(5,839)
Excess/(deficit) of cash flows from operating activities less finance costs included in cash flow from financing activities over distributions declared on Trust Units	1,848	2,176	(14,783)
Excess/(deficit) of net income over distributions declared on Trust Units	(38,847)	(17,764)	(94,017)

The declaration and payment of future distributions is at the discretion of the Board of Trustees of Chartwell (the “Trustees”). The Trustees rely upon forward-looking cash flow information including forecasts and budgets, results of operations, requirements for capital expenditures and working capital, future financial prospects of the Trust, debt covenants and obligations, and any other factors considered relevant by them in setting the distribution rate. The Trustees do not use net income/(loss) as determined in accordance with GAAP as the basis for establishing the level of distributions to unitholders as it includes items that we do not believe are informative or reflective of the factors described above that are used in and considered relevant in setting the distribution rate. The items that are included in net income/(loss) and are not used or considered relevant include, among other items, distributions on Class B Units which are recorded as interest expense, non-cash depreciation and amortization, changes in fair values of certain liabilities and impairment losses. We believe that, with the appropriate level of capital reinvestment in our properties, their income-generating potential does not generally diminish over time.

In Q1 2024 we achieved positive operating cash flows over distributions along with an excess of cash flows from operating activities (net of finance costs in cash flows from financing activities) over distributions.

Our operational, sales, marketing, and portfolio optimization strategies have produced improvements in our occupancies and reductions in agency staffing and pandemic expenses. We believe that these trends will continue in 2024 and our distributions are sustainable.

Unitholders who are Canadian residents are eligible to participate in our DRIP, which allows reinvestment of their distributions into new units of Chartwell, including a 3% bonus distribution with no commissions. This facilitates unitholders' ability to realize the benefits of compound growth in their investment. Unitholders can enroll in our DRIP by contacting their investment advisor. In Q1 2024, our average DRIP participation was 25.8% compared to 23.5% participation in Q1 2023.

Capital Investments

In normal circumstances, we regularly reinvest capital in our owned property portfolio with the goal of growing our property NOI and protecting and maintaining our properties.

The following table summarizes our capital investments in Q1 2024 and Q1 2023:

(\$000s)	Q1 2024	Q1 2023
Building improvements	7,140	7,088
Mechanical and electrical (“M&E”)	3,460	3,487
Suite improvements and upgrades	6,279	6,381
Interior improvements and upgrades	1,975	1,799
Furniture, fixtures and equipment	2,015	3,074
Communications and information systems	454	49
Properties under development	21,323	21,878
Land under development	2,549	7,990
	-	2
Total capital investments ⁽¹⁾	23,872	29,870

(1) Includes 135 properties (17,025 suites) at Chartwell's share of ownership in Q1 2024, and 157 properties (19,031 suites) at Chartwell's share of ownership in Q1 2023.

The following table is supplemental information and summarizes capital investments in our Equity-Accounted JVs in Q1 2024 and Q1 2023 not included in the table above:

(\$000s)	Q1 2024	Q1 2023
Capital investments in Equity-Accounted JVs	411	164

Building Improvements

This category primarily includes investments in facades, balconies, garages, elevators and parking lots. In addition to preserving the existing revenue generating capacity and value of our properties, these investments support occupancy growth due to improved physical appearance of the property, growth in ancillary property revenues (e.g., parking rates) and operating cost savings (e.g., energy efficient windows and doors, improved building insulation).

In Q1 2024, we completed 27 major building improvement projects valued over \$50,000 each, totalling \$6.1 million (Q1 2023 – 21 projects totalling \$4.7 million). In addition, included in this category are the acquisitions of two condominium suites at two of our properties in British Columbia totalling \$0.7 million in Q1 2023.

Mechanical and Electrical

This category primarily includes investments in heating, air conditioning and ventilation systems, fire safety systems, including sprinklers and lighting systems. These investments are generally expected to result in energy cost savings and lower equipment maintenance costs over time.

In Q1 2024, we completed 14 major M&E projects valued over \$50,000 each, totalling \$1.7 million (Q1 2023 – 17 projects totalling \$1.9 million).

Suite Improvements and Upgrades

This category includes capital investments in resident suites. We have developed and implemented a program of strategic capital allocation to resident suite upgrades. These discretionary investments are made to improve the competitive position of our properties in the market and to allow for higher rental rate increases on suite turnover. In most cases, in addition to regular painting, resident suite upgrades include flooring upgrades and/or, full renovations of bathrooms and kitchens.

In Q1 2024, we invested in strategic suite upgrade programs in 28 properties (Q1 2023 – 21 properties).

Interior Improvements and Upgrades

This category includes investments in common areas of our properties that are made primarily to improve their marketability and improved functionality for our residents. These investments include upgrades to property resident amenity areas, such as hallways, dining rooms, lounges, theatres, etc.

In Q1 2024, we invested in strategic common area upgrade programs in two properties (Q1 2023 – two properties).

Furniture, Fixtures and Equipment

This category primarily includes investments in resident common area and model suite furnishings and equipment, including upgrades to commercial kitchens and investments in resident transportation programs. These investments are primarily made to improve competitiveness of our properties and to provide enhanced services to our residents.

Communication and Information Services

This category includes investments in telecommunication systems, including emergency call systems and computer hardware.

Balance Sheet Analysis

The following table summarizes the significant changes in assets, liabilities and equity for March 31, 2024 compared to December 31, 2023.

	Increase (Decrease) <i>(\$millions)</i>	Explanation
Total assets	(16.0)	Total assets decreased primarily due to decreases in PP&E, other assets, trade and other receivables, intangible assets and cash, partially offset by increases in loans receivables and investment in joint ventures.
Total liabilities	12.2	Total liabilities increased primarily due to increases in Loans Payable, higher draws on our Credit Facilities, increases in accounts payable and deferred tax liabilities, partially offset by decreases in mortgages payable, income tax payable and other liabilities.
Equity	(28.1)	The decrease in equity is primarily due to distributions and net loss for the period partially offset by issuance of Trust Units under DRIP.

Commitments and Contingencies

Contractual Obligations and Guarantees

Details of our contractual obligations and guarantees are outlined in our 2023 MD&A. There were no significant changes in our contractual obligations and guarantees in Q1 2024 which are outside the ordinary course of business.

Litigation, Claims and Contingencies

In 2020, Chartwell was named in three proposed class action lawsuits related to our handling of the COVID-19 pandemic in our Ontario Long Term Care homes which were subsequently consolidated into one proceeding (the "Consolidated Claim"). On November 20, 2020, the Ontario government enacted the *Supporting Ontario's Recovery Act* (the "Recovery Act"). Under the Recovery Act, which is retroactive to March 17, 2020, proceedings are barred and dismissed without costs if they allege injury by COVID-19 if the defendant made good faith efforts to follow public health guidance and COVID-19 related laws and did not act with gross negligence.

Our insurer has assigned defense counsel and is responding to the Consolidated Claim through the appropriate court process. On March 7, 2024, the Consolidated Claim was certified, but pursuant to the Recovery Act, only claims of negligence rising to the level of gross negligence survived the cause of action test. The class is confined to residents and visitors in the long term care homes who contracted COVID-19 between January 25, 2020 to May 5, 2023. The common issues are restricted to the duty and breach of standard of care with respect to Infection Prevention and Control measures and excludes causation and damages, except if the issues of duty and standard of care are determined against Chartwell. If the duty and breach of standard of care issues are found against Chartwell, then causation and damages are to be determined through home-by-home mini-trials to consider Infection Prevention and Control implementation at each long term care home. A request for leave to appeal on the issues of the inclusion of a visitor class and the use of mini-trials to determine causation and damages has been filed by assigned counsel. The plaintiffs have not appealed the decision. We did not record a provision with respect to the Consolidated Claims as at March 31, 2024. The contingencies associated with these long term care homes remain with Chartwell upon sale.

On October 14, 2021, the application for leave to appeal from the judgment of the Court of Appeal for Ontario in Attorney General of Ontario et al. v. Ontario Nurses' Association, et al. was dismissed by the Supreme Court of Canada, thus upholding the appellate decision. The Court of Appeal decision held that LTC homes that used proxy comparators to develop pay equity plans have not met their maintenance requirements. Notwithstanding the closing of the sale of the long-term segment in 2023, we continue to

work with the unions, the other participating LTC homes, and the Ontario Government to reach a pay equity maintenance framework appropriate for the sector.

There are a significant number of uncertainties related to how the appellate court decision regarding pay equity maintenance should be implemented. Discussions between the affected parties regarding the development of an appropriate framework and resolution to this matter have not meaningfully progressed, thereby creating additional uncertainty related to potential outcomes, as well as uncertainty relating to the timing of when more information on the outcomes will be known and when the matter may be settled. As a result of the significant number of judgments that would be required, a reliable estimate of our liability for any pay equity adjustments cannot currently be made. We expect that any adjustments will be fully funded by the Ontario government. No liability for potential pay equity adjustments or expected recovery from the Ontario Government has been recognized in our financial statements. An increase in labour costs as a result of any unfunded adjustments could adversely affect our financial condition.

Summary of Select Financial Information

Quarterly Financial Information

The following table summarizes our quarterly unaudited financial information for:

(\$000s, except per unit amounts and number of units)	2024		2023		2022			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenues	196,583	193,455	186,041	180,771	178,287	181,699	180,516	175,873
Direct property operating expense	(121,374)	(118,853)	(113,344)	(113,290)	(117,874)	(120,672)	(117,811)	(112,434)
Depreciation and amortization	(35,957)	(39,587)	(38,593)	(38,539)	(39,976)	(40,255)	(39,767)	(38,749)
Share of net income/(loss) from joint ventures	1,367	(568)	1,023	(197)	(2,070)	(1,200)	(1,015)	(933)
G&A expenses	(14,471)	(13,455)	(14,403)	(17,163)	(15,429)	(9,334)	(11,215)	(15,264)
Other income/(expense)	(1,354)	(4,695)	1,789	605	2,310	68,456	718	774
Finance costs	(22,778)	(22,591)	(23,395)	(23,709)	(22,806)	(22,870)	(21,978)	(20,943)
Changes in fair value of financial instruments	(3,285)	(10,752)	(5,622)	(3,081)	(2,509)	2,929	9,054	7,161
Current income tax benefit/(expense)	351	869	(28,100)	-	-	-	-	-
Deferred income tax benefit/(expense)	(1,053)	3,419	11,274	2,340	7,477	(16,849)	2,248	1,111
Net income/(loss) from continuing operations	(1,971)	(12,758)	(23,330)	(12,263)	(12,590)	41,904	750	(3,404)
Net income/(loss) from LTC Discontinued Operations	-	(415)	181,486	4,806	3,337	5,559	3,528	4,510
Net income/(loss) for the period	(1,971)	(13,173)	158,156	(7,457)	(9,253)	47,463	4,278	1,106
FFO ⁽¹⁾								
Continuing operations	39,239	39,246	36,087	25,900	20,918	27,744	28,290	25,719
Total	39,239	39,099	39,002	30,751	24,338	33,357	31,880	30,355
FFOPU ⁽¹⁾								
Continuing operations	0.16	0.16	0.15	0.11	0.09	0.12	0.12	0.11
Total	0.16	0.16	0.16	0.13	0.10	0.14	0.13	0.13
IFFO ⁽¹⁾								
Continuing operations	39,632	39,878	36,602	26,255	21,676	28,877	29,535	26,785
Total	39,632	39,731	39,518	31,106	25,096	34,490	33,125	31,421
IFFOPU ⁽¹⁾								
Continuing operations	0.16	0.16	0.15	0.11	0.09	0.12	0.13	0.11
Total	0.16	0.16	0.16	0.13	0.10	0.14	0.14	0.13
Weighted average number of units (000) ⁽²⁾	244,216	243,262	242,258	241,240	239,948	238,831	237,837	236,859

(1) Non-GAAP; refer to the "Additional Information on Non-GAAP Measures" section on page 38 of this MD&A.

(2) Non-GAAP; refer to the "Weighted Average Number of Units" section on page 44 of this MD&A.

Our results for the past eight quarters have primarily been affected by:

- developments, acquisitions, and dispositions of properties as described in the “Significant Events” section on page 8 and the “2024 Outlook” section on page 7 of this MD&A and in our 2023 MD&A,
- pandemic impacts,
- changes in fair value of financial instruments,
- deferred income taxes,
- current income taxes,
- gain on the LTC Transactions, and
- impairment charges.

The effect of seasonal factors on our quarterly results is primarily related to outbreaks and weather patterns which affect both direct operating expenses, primarily utilities, staffing and maintenance cost trends, and also revenue due to changes in occupancy based on new resident move-in trends.

Additional Information on Non-GAAP Measures

Throughout this MD&A, there are references to certain Non-GAAP Measures. As described in the relevant sections of this MD&A, where a Non-GAAP Measure is discussed for the first time, we have described why we believe it is useful to investors and how management uses the Non-GAAP Measure. Non-GAAP Measures do not have any standardized meaning prescribed by GAAP and therefore, are unlikely to be comparable to similar financial measures used by other issuers. The following provides detailed definitions and reconciliations to the most closely comparable GAAP measure for any Non-GAAP Measure that has not been provided elsewhere in this MD&A. We present FFO substantially consistent with the definition adopted by REALPAC.

Funds from Operations and Internal Funds from Operations

FFO

According to the REALPAC Guidance, FFO is defined as follows:

Profit or loss per GAAP Statement of Comprehensive Income adjusted for:

- A. Unrealized changes in the fair value of investment properties.
- B. Depreciation of depreciable real estate assets including depreciation for components relating to capitalized leasing costs, capitalized tenant allowances treated as capital improvements and lease-related items ascribed in a business combination.
- C. Amortization of tenant allowances and landlord’s work spent for the fit-out of tenant improvements and amortized as a reduction to revenue.
- D. Amortization of tenant/customer relationship intangibles or other intangibles arising from a business combination.
- E. Gains or losses from sales of investment properties and owner-occupied properties, including the gain or loss included within discontinued operations (if applicable).
- F. Tax on profits or losses on disposals of properties.
- G. Deferred taxes.
- H. Impairment losses or reversals recognized on land and depreciable real estate properties, excluding those relating to properties used exclusively for administrative purposes.
- I. Revaluation gains or losses recognized in profit or loss on owner-occupied properties, excluding those relating to properties used exclusively for administrative purposes.

- J. Transaction costs expensed as a result of the purchase of a property being accounted for as a business combination.
- K. Foreign exchange gains or losses on monetary items not forming part of a net investment in a foreign operation.
- L. Gain or loss on the sale of an investment in a foreign operation.
- M. Changes in the fair value of financial instruments which are economically effective hedges but do not qualify for hedge accounting.
- N. Negative goodwill or goodwill impairment.
- O. Effects of puttable instruments classified as financial liabilities.
- P. Results of discontinued operations.
- Q. Adjustments for equity-accounted entities.
- R. Incremental leasing costs.
- S. Property taxes accounted for under IFRIC 21.
- T. Operational revenue and expenses from Right of Use assets.
- U. Non-controlling interests.

IFFO

IFFO is a Non-GAAP Financial Measure used to evaluate management performance and does not have a standardized meaning prescribed by IFRS; therefore, it is not comparable to similar measures presented by other income trusts or other companies. IFFO should not be construed as an alternative to net earnings or cash flow from operating activities as determined by IFRS. Chartwell calculates IFFO by adding or subtracting the following items to or from its FFO: (a) Lease-up-Losses and Imputed Cost of Debt on development properties; (b) income guarantees due from vendors of certain acquired properties; and (c) current income tax. These adjustments to FFO are made to ensure management is not incented to make short-term decisions for Chartwell by not developing new properties or acquiring properties with long term value creation potential.

The following table provides a reconciliation of net income/(loss) to FFO for continuing operations and IFFO for continuing operations:

(\$000s, except per unit amounts and number of units)		Q1 2024	Q1 2023	Change
	Net income/(loss)	(1,971)	(12,590)	10,619
	Add (Subtract):			
B	Depreciation of PP&E	35,342	39,237	(3,895)
D	Amortization of limited life intangible assets	615	739	(124)
B	Depreciation of PP&E and amortization of intangible assets used for administrative purposes included in depreciation of PP&E and amortization of intangible assets above	(1,055)	(1,144)	89
E	Loss/(gain) on disposal of assets	(638)	(2,712)	2,074
J	Transaction costs arising on dispositions	1,992	402	1,590
H	Impairment losses	-	-	-
F	Tax on gains or losses on disposal of properties	(351)	-	(351)
G	Deferred income tax	1,053	(7,477)	8,530
O	Distributions on Class B Units recorded as interest expense	232	234	(2)
M	Changes in fair value of financial instruments	3,285	2,509	776
Q	FFO adjustments for Equity-Accounted JVs ⁽¹⁾	735	1,720	(985)
	FFO ⁽²⁾	39,239	20,918	18,321
	Add (Subtract):			
	Lease-up-Losses and Imputed Cost of Debt ⁽³⁾	393	758	(365)
	IFFO ⁽⁵⁾	39,632	21,676	17,956
	Weighted average number of units (000) ⁽⁶⁾	244,216	239,948	4,268
	FFOPU ⁽⁷⁾	0.16	0.09	0.07
	IFFOPU ⁽⁷⁾	0.16	0.09	0.07

(1) Non-GAAP; see reconciliation table following for the calculation of these amounts.

(2) Non-GAAP; refer to the preamble to this table and to the "Results of Operations – FFO" section on page 13 of this MD&A for a discussion of the significance of this metric.

(3) Non-GAAP; refer to the "Significant Events – Unlevered Yield, Development Lease-up-Losses and Imputed Cost of Debt" section on page 8 of this MD&A. Includes Chartwell's proportionate share of Equity-Accounted JVs.

(4) Non-GAAP; refer to the preamble to this table. Includes Chartwell's proportionate share of Equity-Accounted JVs.

(5) Non-GAAP; refer to the preamble to this table.

(6) Non-GAAP; refer to the "Weighted Average Number of Units" section on page 44 of this MD&A.

(7) Non-GAAP; refer to the "Per Unit Amounts" section on page 44 of this MD&A for a discussion of the calculation of the per unit amounts.

The following table provides supplemental information in respect of the adjustment to FFO for Equity-Accounted JVs:

(\$000s)		Q1 2024	Q1 2023	Change
B	Depreciation of PP&E and amortization of intangible assets	625	1,103	(478)
E	Loss/(gain) on disposal of assets	-	-	-
H	Impairment losses	-	-	-
M	Change in fair value of financial instruments	110	617	(507)
Q	FFO adjustments for Equity-Accounted JVs ⁽¹⁾	735	1,720	(985)

(1) Non-GAAP; refer to the preamble to this section.

The following table provides a reconciliation of net income/(loss) to Total FFO for total operations and Total IFFO for total operations:

(\$000s, except per unit amounts and number of units)		Q1 2024	Q1 2023	Change
	Net income/(loss)	(1,971)	(9,253)	7,282
	Add (Subtract):			
B	Depreciation of PP&E	35,342	39,237	(3,895)
D	Amortization of limited life intangible assets	615	739	(124)
B	Depreciation of PP&E and amortization of intangible assets used for administrative purposes included in depreciation of PP&E and amortization of intangible assets above	(1,055)	(1,144)	89
E	Loss/(gain) on disposal of assets	(638)	(2,701)	2,063
J	Transaction costs arising on dispositions	1,992	474	1,518
H	Impairment losses	-	-	-
F	Tax on gains or losses on disposal of properties	(351)	-	(351)
G	Deferred income tax	1,053	(7,477)	8,530
O	Distributions on Class B Units recorded as interest expense	232	234	(2)
M	Changes in fair value of financial instruments	3,285	2,509	776
Q	FFO adjustments for Equity-Accounted JVs ⁽¹⁾	735	1,720	(985)
	FFO ⁽²⁾	39,239	24,338	14,901
	Add (Subtract):			
	Lease-up-Losses and Imputed Cost of Debt ⁽³⁾	393	758	(365)
	IFFO ⁽⁵⁾	39,632	25,096	14,536
	Weighted average number of units (000) ⁽⁶⁾	244,216	239,948	4,268
	FFOPU ⁽⁷⁾	0.16	0.10	0.06
	IFFOPU ⁽⁷⁾	0.16	0.10	0.06

(1) Non-GAAP; see reconciliation table following for the calculation of these amounts.

(2) Non-GAAP; refer to the preamble to this table and to the "Results of Operations – FFO" section on page 13 of this MD&A for a discussion of the significance of this metric.

(3) Non-GAAP; refer to the "Significant Events – Unlevered Yield, Development Lease-up-Losses and Imputed Cost of Debt" section on page 8 of this MD&A. Includes Chartwell's proportionate share of Equity-Accounted JVs.

(4) Non-GAAP; refer to the preamble to this table. Includes Chartwell's proportionate share of Equity-Accounted JVs.

(5) Non-GAAP; refer to the preamble to this table.

(6) Non-GAAP; refer to the "Weighted Average Number of Units" section on page 44 of this MD&A.

(7) Non-GAAP; refer to the "Per Unit Amounts" section on page 44 of this MD&A for a discussion of the calculation of the per unit amounts.

The following table provides a quarterly reconciliation of net income/(loss) to FFO for continuing operations and IFFO for continuing operations:

(\$000s, except per unit amounts and number of units)	2024		2023		2022			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Net income/(loss)	(1,971)	(12,758)	(23,330)	(12,263)	(12,590)	41,904	750	(3,404)
Add (Subtract):								
B Depreciation of PP&E	35,342	38,955	38,027	37,786	39,237	39,482	38,958	37,927
D Amortization of limited life intangible assets	615	632	566	753	739	773	809	822
B Depreciation of PP&E and amortization of intangible assets used for administrative purposes included in depreciation of PP&E and amortization of intangible assets above	(1,055)	(1,127)	(1,093)	(1,094)	(1,144)	(1,181)	(1,186)	(1,203)
E Loss/(gain) on disposal of assets	(638)	(5,770)	(2,883)	(709)	(2,712)	(70,125)	(656)	(425)
J Transaction costs arising on dispositions	1,992	192	469	104	402	1,792	122	23
H Impairment losses	-	10,273	625	-	-	-	-	-
F Tax on gains or losses on disposal of properties	(351)	(869)	28,100	-	-	-	-	-
G Deferred income tax	1,053	(3,419)	(11,274)	(2,340)	(7,477)	16,849	(2,248)	(1,111)
O Distributions on Class B Units recorded as interest expense	232	234	234	234	234	234	234	234
M Changes in fair value of financial instruments	3,285	10,752	5,622	3,081	2,509	(2,929)	(9,054)	(7,161)
Q FFO adjustments for Equity-Accounted JVs ⁽¹⁾	735	2,151	1,024	348	1,720	945	561	17
FFO ⁽²⁾	39,239	39,246	36,087	25,900	20,918	27,744	28,290	25,719
Add (Subtract):								
Lease-up-Losses and Imputed Cost of Debt ⁽³⁾	393	632	515	355	758	1,133	1,245	1,066
IFFO ⁽⁵⁾	39,632	39,878	36,602	26,255	21,676	28,877	29,535	26,785
Weighted average number of units (000) ⁽⁶⁾	244,216	243,262	242,258	241,240	239,948	238,831	237,837	236,859
FFOPU ⁽⁷⁾	0.16	0.16	0.15	0.11	0.09	0.12	0.12	0.11
IFFOPU ⁽⁷⁾	0.16	0.16	0.15	0.11	0.09	0.12	0.13	0.11

(1) Non-GAAP; see reconciliation table following for the calculation of these amounts.

(2) Non-GAAP; refer to the preamble to this table and to the "Results of Operations – FFO" section on page 13 of this MD&A for a discussion of the significance of this metric.

(3) Non-GAAP; refer to the "Significant Events – Unlevered Yield, Development Lease-up-Losses and Imputed Cost of Debt" section on page 8 of this MD&A. Includes Chartwell's proportionate share of Equity-Accounted JVs.

(4) Non-GAAP; refer to the preamble to this table. Includes Chartwell's proportionate share of Equity-Accounted JVs.

(5) Non-GAAP; refer to the preamble to this table.

(6) Non-GAAP; refer to the "Weighted Average Number of Units" section on page 44 of this MD&A.

(7) Non-GAAP; refer to the "Per Unit Amounts" section on page 44 of this MD&A for a discussion of the calculation of the per unit amounts.

The following table provides a quarterly reconciliation of net income/(loss) to Total FFO for total operations and Total IFFO for total operations:

(\$000s, except per unit amounts and number of units)	2024		2023				2022	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Net income/(loss)	(1,971)	(13,173)	158,156	(7,457)	(9,253)	47,463	4,278	1,106
Add (Subtract):								
B Depreciation of PP&E	35,342	38,955	38,027	37,786	39,237	39,482	38,958	37,927
D Amortization of limited life intangible assets	615	632	566	753	739	773	809	822
B Depreciation of PP&E and amortization of intangible assets used for administrative purposes included in depreciation of PP&E and amortization of intangible assets above	(1,055)	(1,127)	(1,093)	(1,094)	(1,144)	(1,181)	(1,186)	(1,203)
E Loss/(gain) on disposal of assets	(638)	(5,539)	(181,794)	(714)	(2,701)	(70,122)	(655)	(423)
J Transaction costs arising on dispositions	1,992	229	809	154	474	1,843	183	147
H Impairment losses	-	10,273	625	-	-	-	-	-
F Tax on gains or losses on disposal of properties	(351)	(869)	28,100	-	-	-	-	-
G Deferred income tax	1,053	(3,419)	(11,274)	(2,340)	(7,477)	16,849	(2,248)	(1,111)
O Distributions on Class B Units recorded as interest expense	232	234	234	234	234	234	234	234
M Changes in fair value of financial instruments	3,285	10,752	5,622	3,081	2,509	(2,929)	(9,054)	(7,161)
Q FFO adjustments for Equity-Accounted JVs ⁽¹⁾	735	2,151	1,024	348	1,720	945	561	17
FFO ⁽²⁾	39,239	39,099	39,002	30,751	24,338	33,357	31,880	30,355
Add (Subtract):								
Lease-up-Losses and Imputed Cost of Debt ⁽³⁾	393	632	515	355	758	1,133	1,245	1,066
IFFO ⁽⁵⁾	39,632	39,731	39,517	31,106	25,096	34,490	33,125	31,421
Weighted average number of units (000) ⁽⁶⁾	244,216	243,262	242,258	241,240	239,948	238,831	237,837	236,859
FFOPU ⁽⁷⁾	0.16	0.16	0.16	0.13	0.10	0.14	0.13	0.13
IFFOPU ⁽⁷⁾	0.16	0.16	0.16	0.13	0.10	0.14	0.14	0.13

(1) Non-GAAP; see reconciliation table following for the calculation of these amounts.

(2) Non-GAAP; refer to the preamble to this table and to the "Results of Operations – FFO" section on page 13 of this MD&A for a discussion of the significance of this metric.

(3) Non-GAAP; refer to the "Significant Events – Unlevered Yield, Development Lease-up-Losses and Imputed Cost of Debt" section on page 8 of this MD&A. Includes Chartwell's proportionate share of Equity-Accounted JVs.

(4) Non-GAAP; refer to the preamble to this table. Includes Chartwell's proportionate share of Equity-Accounted JVs.

(5) Non-GAAP; refer to the preamble to this table.

(6) Non-GAAP; refer to the "Weighted Average Number of Units" section on page 44 of this MD&A.

(7) Non-GAAP; refer to the "Per Unit Amounts" section on page 44 of this MD&A for a discussion of the calculation of the per unit amounts.

Per Unit Amounts

In our calculations of FFOPU and IFFOPU, we add the weighted average Class B Units to the weighted average Trust Units as the Class B Units are exchangeable into Trust Units at any time at the option of the unitholder. In addition, we add Trust Units issued under EUPP and DTUs.

Weighted Average Number of Units

The following table provides details of the weighted average number of units outstanding:

(000s)	Q1 2024	Q1 2023	Change
Weighted average number of units ⁽¹⁾	244,216	239,948	4,268

(1) Includes Trust Units, Class B Units, Trust Units issued under EUPP and DTUs.

Net Debt to Adjusted EBITDA

In addition to the financial covenants related to our Credit Facilities and Debentures, we internally monitor the Net Debt to Adjusted EBITDA ratio as calculated based on the definitions of Consolidated Indebtedness and Consolidated EBITDA contained in the trust indentures for our Debentures.

The following table summarizes our Net Debt to Adjusted EBITDA ratio at March 31, 2024, and December 31, 2023:

(\$000s, except ratio)	March 31, 2024	December 31, 2023
Consolidated Indebtedness for Debentures ⁽¹⁾	2,324,586	2,283,580
Consolidated EBITDA for Debentures ⁽²⁾	240,131	223,009
Net Debt to Adjusted EBITDA ratio	9.7	10.2

(1) Refer to the "Supporting Covenant Calculations – 4. Consolidated Indebtedness for Credit Facilities, Loans Payable, and Debentures" section on page 31 of this MD&A for the calculation of this amount.

(2) Refer to the "Supporting Covenant Calculations – 1. Consolidated EBITDA for Credit Facilities, Loans Payable, and Debentures" section on page 30 of this MD&A for the calculation of this amount.

The Net Debt to Adjusted EBITDA ratio has increased primarily due to higher NOI. Further, 2023 was impacted by lower EBITDA as a result of reduced occupancy and higher direct property operating expense primarily as a result of the pandemic, which started to rebound in the latter half of 2023. Additionally, financing of certain acquisitions and development projects in lease-up which have not yet achieved their expected stabilized EBITDA contribution also impacted this ratio.

LTC Discontinued Operations

On September 6, 2023, we completed the sale of our long term care operations as described in the “Significant Events – Portfolio Optimization” section on page 10 of this MD&A.

The results of the LTC Discontinued Operations are included in the repositioning portfolio grouping. We continue to own two long term care homes which were included in the LTC Discontinued Operations reportable segment prior to the sale. Upon completion of the sale, these two homes are reported with our retirement residences as part of our Retirement Operations segment in the repositioning portfolio.

The following table summarizes the composition of the Long Term Care Operations as at September 6, 2023:

	Composition of Suites/Beds			Total at Chartwell's Share of Ownership
	Properties	ISLS	LTC	
Repositioning ⁽¹⁾	20	75	2,701	2,776
Total	20	75	2,701	2,776

(1) Includes one retirement residence (64 suites) connected to an LTC home and 11 retirement suites at another LTC home.

The following table presents the results of the Long Term Care Operations as at March 31, 2024:

(\$000s, except occupancy rates)	Q1 2024	Q1 2023
Adjusted resident revenue⁽¹⁾	-	61,815
Comprised of:		
Repositioning ⁽²⁾	-	61,815
Adjusted direct property operating expense⁽¹⁾	-	56,653
Comprised of:		
Repositioning ⁽²⁾	-	56,653
Adjusted NOI⁽¹⁾	-	5,162
Comprised of:		
Repositioning ⁽²⁾	-	5,162
Weighted average occupancy rate	-	-

(1) Non-GAAP, refer to the “Results of Operations” section on page 13 of this MD&A for explanations of the significance of these metrics.

(2) Non-GAAP; refer to the “Property Portfolio Groupings” section on page 5 of this MD&A for explanations of ‘Repositioning’ and the significance of this metric.

The following tables provide supplemental information related to LTC Discontinued Operations:

Finance Costs

(\$000s)	Q1 2024	Q1 2023
Contractual interest expense on mortgages	-	1,935
Amortization of finance costs and mark-to-market adjustments on assumed mortgages	-	4
Total finance costs – LTC Discontinued Operations	-	1,939

Other Items

(\$000s)	Q1 2024	Q1 2023
Other income/(expense)	-	83
Depreciation of PP&E	-	-
Amortization of intangible assets	-	-

Cash Flow Analysis (between Q1 2024 and Q1 2023)

Cash Provided by (Used in):	Increase (Decrease) (\$millions)	Explanation
Operating activities	(5.9)	Change in cash flows from operating activities is primarily due to sale of long term care operations in 2023 as compared to no activity in Q1 2024.
Financing activities	2.2	Change in cash flows from financing activities is primarily due to sale of long term care operations in 2023 as compared to no activity in Q1 2024.
Investing activities	-	Change in cash flows from investing activities is primarily due to sale of long term operations in 2023 as compared to no activity in Q1 2024.

Capital Investments

(\$000s)	Q1 2024	Q1 2023
Capital Investments	-	1,717
Properties under development	-	-
Total capital investments ⁽¹⁾	-	1,717

(1) Includes 17 properties (2,418 suites) at Chartwell's share of ownership in Q1 2023.

The following table provides the reconciliation net income/(loss) of FFO from LTC Discontinued Operations and IFFO from LTC Discontinued Operations:

(\$000s, except per unit amounts and number of units)	Q1 2024	Q1 2023
Net income/(loss)	-	3,337
Add (Subtract):		
Depreciation of PP&E	-	-
Amortization of limited life intangible assets	-	-
Loss/(gain) on disposal of assets	-	11
Transaction costs arising on dispositions	-	72
FFO ⁽¹⁾	-	3,420
IFFO ⁽²⁾	-	3,420
Weighted average number of units (000) ⁽³⁾	-	239,948
FFOPU ⁽⁴⁾	-	0.01
IFFOPU ⁽⁴⁾	-	0.01

(1) Non-GAAP; refer to the "Results of Operations – FFO" section on page 13 of this MD&A for a discussion of the significance of this metric.

(2) Non-GAAP; refer to the "Additional Information on Non-GAAP Measures – IFFO" section on page 39 of this MD&A for a discussion of the significance of this metric.

(3) Non-GAAP; refer to the "Weighted Average Number of Units" section on page 44 of this MD&A.

(4) Non-GAAP; refer to the "Per Unit Amounts" section on page 44 of this MD&A for a discussion of the calculation of the per unit amounts.

The following table provides the quarterly reconciliation of net income/(loss) to FFO from LTC Discontinued Operations and IFFO from LTC Discontinued Operations:

(\$000s, except per unit amounts and number of units)	2024		2023		2022			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Net income/(loss)	-	(415)	181,486	4,806	3,337	5,559	3,528	4,510
Add (Subtract):								
Depreciation of PP&E	-	-	-	-	-	-	-	-
Amortization of limited life intangible assets	-	-	-	-	-	-	-	-
Loss/(gain) on disposal of assets	-	231	(178,911)	(5)	11	3	1	2
Transaction costs arising on dispositions	-	37	340	50	72	51	61	124
FFO ⁽¹⁾	-	(147)	2,915	4,851	3,420	5,613	3,590	4,636
IFFO ⁽²⁾	-	(147)	2,915	4,851	3,420	5,613	3,590	4,636
Weighted average number of units (000) ⁽³⁾	-	243,262	242,258	241,240	239,948	238,831	237,837	236,859
FFOPU ⁽⁴⁾	-	-	0.01	0.02	0.01	0.02	0.01	0.02
IFFOPU ⁽⁴⁾	-	-	0.01	0.02	0.01	0.02	0.01	0.02

- (1) Non-GAAP; refer to the "Results of Operations – FFO" section on page 13 of this MD&A for a discussion of the significance of this metric.
- (2) Non-GAAP; refer to the "Additional Information on Non-GAAP Measures – IFFO" section on page 39 of this MD&A for a discussion of the significance of this metric.
- (3) Non-GAAP; refer to the "Weighted Average Number of Units" section on page 44 of this MD&A.
- (4) Non-GAAP; refer to the "Per Unit Amounts" section on page 44 of this MD&A for a discussion of the calculation of the per unit amounts.

Critical Accounting Policies and Estimates

Critical Accounting Judgments, Estimates and Assumptions in Applying Accounting Policies

In our 2023 MD&A as well as in our 2023 Financial Statements, we identified the material accounting policies and estimates that are critical to the understanding of our business operations and our results of operations. There were no significant changes to our critical accounting judgments, estimates and assumptions in Q1 2024 or following the date of our 2023 Financial Statements.

Changes in Accounting Estimates and Changes in Accounting Policies

Our material accounting policies are described in Note 3 of our 2023 Financial Statements. Note 3(n) outlines future accounting policy changes. There were no significant changes to our accounting policies in Q1 2024 or following the date of our 2023 Financial Statements, except for the adoption of amendments to IAS 1 Presentation of Financial Statements, effective January 1, 2024, which resulted in the current classification of Class B units which were previously classified as non-current liabilities. This change was adopted retrospectively.

Related Party Transactions

In the normal course of operations, Chartwell enters into various transactions with related parties. A summary of related party transactions can be found in Note 9 of our Financial Statements.

Controls and Procedures

We are committed to maintaining effective disclosure controls and procedures and internal controls over financial reporting. We continue to invest in improvements to our information systems and financial processes to further strengthen our internal controls. A control system, no matter how well conceived and operated, can provide only reasonable, and not absolute, assurance that its objectives are met. As a result of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, including instances of fraud, if any, have been detected. These inherent limitations include, among other items: (i) that management's assumptions and judgments could ultimately prove to be incorrect under varying conditions and circumstances; and (ii) the impact of isolated errors. Additionally, controls may be circumvented by the unauthorized acts of individuals, by the collusion of two or more people or by management override. The design of any system of controls is also based, in part, upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential conditions.

Evaluation of Disclosure Controls and Procedures and Internal Control over Financial Reporting

The Chief Executive Officer and the Chief Financial Officer have evaluated, or caused an evaluation under their direct supervision of, the design of disclosure controls and procedures and internal controls over financial reporting (as defined in National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings) as at March 31, 2024. Based on this evaluation, we have concluded that we have a) designed disclosure controls and procedures to provide reasonable assurance that (i) material information relating to Chartwell is made known to the Chief Executive Officer and the Chief Financial Officer by others, particularly during the period in which the interim filings are being prepared and (ii) information required to be disclosed by Chartwell in its various reports filed or submitted under securities legislation is recorded, processed, summarized and reported within time periods specified in securities legislation; and b) designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

There were no material changes in our internal controls over financial reporting that occurred during the quarter ended March 31, 2024, that have significantly affected or are reasonably likely to significantly affect our internal control over financial reporting.

Risks and Uncertainties and Forward-Looking Information

Risk and Uncertainties

Our AIF, dated March 7, 2024, and our 2023 MD&A contain detailed discussions of risk factors and uncertainties facing Chartwell.

Forward-Looking Information

This MD&A contains forward-looking information that reflects the current expectations, estimates and projections of management about the future results, performance, achievements, prospects or opportunities for Chartwell and the seniors housing industry. The words “plans”, “expects”, “scheduled”, “estimates”, “intends”, “anticipates”, “projects”, “believes” or variations of such words and phrases or statements to the effect that certain actions, events or results “may”, “will”, “could”, “would”, “might” occur and other similar expressions, identify forward-looking statements.

Forward-looking statements are based upon a number of assumptions and are subject to a number of known and unknown risks and uncertainties, many of which are beyond our control, and that could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking statements. These assumptions include, but are not limited to, expected growth, results of operations, performance and business prospects and opportunities. In addition, certain specific assumptions were made in preparing forward-looking information including growth in revenue and service fees, growth in occupancy rates due to industry demand, continued growth in labour costs as a result of labour shortages and market conditions, continued access to CMHC mortgages at competitive rates; continued access to capital markets which will continue to provide Chartwell with access to equity and/or debt at reasonable rates to meet financial and operating needs, no unforeseen changes to tax laws and our ability to maintain status as a mutual fund trust.

Examples of such forward-looking information in this document include but are not limited to the following, each of which is subject to significant risks and uncertainties and is based on a number of assumptions which may prove to be incorrect:

- statements regarding our business strategies, operational sales, marketing and portfolio optimization strategies, including targets, and the expected results of such strategies,
- statements and forecasts regarding occupancy trends and growth,
- statements regarding our ability to achieve improvements in our cash flows,
- our predictions and expectations with respect to industry trends including growth in the senior population, a deficit of long-term care beds and the slowdown of new construction starts, including statements regarding recovery of occupancy levels, growth and achievement of occupancy targets,
- our continued focus on differentiating Chartwell as a competitive employer within the industry through the implementation of various recruitment, retention and engagement focused initiatives,
- our expectations with respect to reducing our reliance on agency workers, agency staffing cost trends and cost reduction targets,
- our expectations regarding the decline and discontinuation of government funding and related impacts on our financial performance,
- our expectations with respect to provincial government directives,
- our expectations regarding our ability to meet our obligations as they become due utilizing our sources of liquidity,
- our expectations regarding achievement of certain occupancy levels and projected earnings generated therefrom,
- our expectations of adjusted operating margin,
- our expectations regarding achievement of certain employee engagement and resident satisfaction,
- our expectations with respect to potential development projects on our owned lands,

- information related to the expected completion and expected stabilized occupancy dates of properties under development,
- the expected closings and closing dates of, taxes, proceeds and expected use of proceeds from, acquisitions and dispositions,
- our expectations with respect to the balance and associated interest rates of certain mortgage debt,
- our ability to realize expected unlevered yields, occupancy rates and net operating income on our development projects,
- our expectations with respect to refinancing activities, including our ability to renew maturing debt and to obtain new financings in due course,
- our expectations regarding repayment of debt and the impact of such repayment on our unencumbered asset pool,
- our intention and ability to access low-cost mortgage financing insured by CMHC,
- the sustainability of our current distributions and plans to maintain the current level of distributions,
- our expectations regarding future development and acquisition opportunities, including but not limited to those with Batimo,
- our expectations with respect to the use of properties closed to new admissions and future disposition and asset repositioning opportunities,
- statements regarding the impact of certain litigation,
- expectations with respect to the funding of pay equity adjustments,
- statements regarding the income-generating potential of our properties,
- our expectations regarding the tax classification of future distributions,
- our expectations with respect to the fluctuation in the market and fair value of our financial instruments,
- our expectations regarding taxes that are expected to be payable in the current and future years under the SIFT rules, including our expectations with respect to deductions and losses which we expect to carry forward to offset taxes under the SIFT rules, and
- our expectations regarding future demand for retirement suites and services in the provinces in which we operate.

While we anticipate that subsequent events and developments may cause our views to change, we do not intend to update this forward-looking information, except as required by applicable securities laws. This forward-looking information represents our views as of the date of this MD&A and such information should not be relied upon as representing our views as of any date subsequent to the date of this document. We have attempted to identify important factors that could cause actual results, performance or achievements to vary from those current expectations or estimated expressed or implied by the forward-looking information. However, there may be other factors that cause results, performance or achievements not to be as expected or estimated and that could cause actual results, performance or achievements to differ materially from current expectations. **There can be no assurance that forward-looking information will prove to be accurate. Accordingly, readers should not place undue reliance on forward-looking information.** These factors are not intended to represent a complete list of the factors that could affect us. See risk factors highlighted in materials filed with the securities regulatory authorities in Canada from time to time, including but not limited to our most recent AIF.