



**MANAGEMENT'S
DISCUSSION & ANALYSIS**

THIRD QUARTER REPORT
September 30, 2024

Q3



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

For the Three and Nine Months Ended September 30, 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 and nine months ended September 30, 2024. This MD&A should be read in conjunction with Chartwell's unaudited, condensed consolidated interim financial statements for the three and nine months ended September 30, 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 November 14, 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; "2024 YTD" refers to the nine-month period ended September 30, 2024; and "2023 YTD" refers to the nine-month period ended September 30, 2023.

Unless otherwise indicated, all comparisons of results for Q3 2024 and 2024 YTD are in comparison to results from Q3 2023 and 2023 YTD, respectively.

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 recommendation for calculation of Funds from Operations ("FFO") 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.

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, Internal Funds from Operations, ("IFFO"), IFFO for continuing operations, Total IFFO, and IFFO from LTC Discontinued Operations, 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 – Debt 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 46 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:

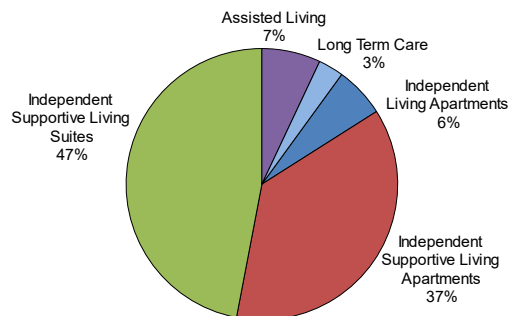
Independent Living Apartments ("IL")	Apartments / townhouses/ bungalows/ with full kitchens, availability of dining, life enrichment and housekeeping services.
Independent Supportive Living – Apartments ("ISLA")	Apartments/ townhouses/ bungalows/ with full kitchens, with availability of dining, life 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

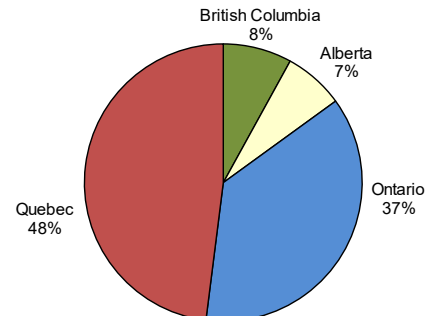
The following presents the composition of our owned and managed portfolio of residences in our Retirement Operations at September 30, 2024:

	Owned			Managed	Total
	100% Owned ⁽¹⁾	Partially Owned ⁽²⁾⁽³⁾	Total Owned	Total Managed ⁽⁴⁾	
Residences	112	52	164	7	171
Suites	15,479	10,504	25,983	1,794	27,777

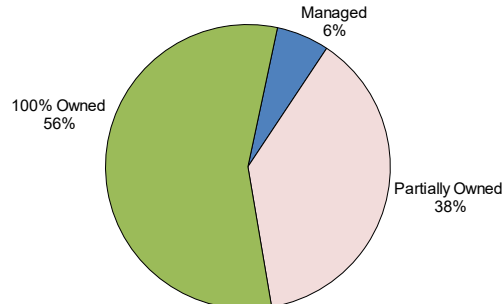
Level of Care ⁽⁵⁾⁽⁶⁾



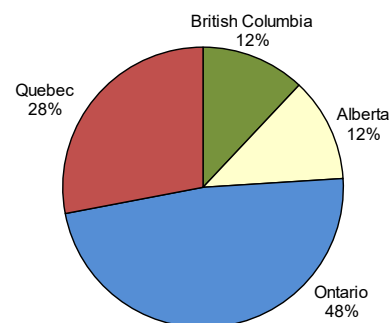
Geographic Location ⁽⁷⁾



Ownership Interest ⁽³⁾



Adjusted NOI by Geographic Location ⁽⁸⁾



- (1) Includes 56 beds related to a leaseback agreement on one long term care home sold on August 30, 2024. Refer to the "Significant Events – Portfolio Optimization" section on page 12 of this MD&A.
- (2) Includes 39 residences (8,030 suites) that are part of the Welltower Transaction agreement. Refer to the "Significant Events – Portfolio Optimization" section on page 12 of this MD&A.
- (3) 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 (7,625 suites), a 60% ownership interest in one residence (165 suites) and an 85% ownership interest in six residences (1,473 suites).
- (4) Includes two residences (314 suites) that are managed for Welltower. Refer to the "Significant Events – Portfolio Optimization" section on page 12 of this MD&A.
- (5) 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 12 of this MD&A.
- (6) Based on suites at Chartwell's share of ownership interest at September 30, 2024.
- (7) Based on total suites (at full) at September 30, 2024.
- (8) Adjusted NOI % represents Chartwell's share of ownership interest for the nine months ended September 30, 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 September 30, 2024:

	Composition of Suites						Total at Chartwell's Share of Ownership
	Properties	IL	ISLA	ISLS	AL	LTC	
Same property							
100% Owned	94	604	2,862	7,627	1,031	201	12,325
Partially Owned ⁽¹⁾	7	17	421	487	-	-	925
Total same property	101	621	3,283	8,114	1,031	201	13,250

(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 expect to acquire incremental ownership interest in the current or next fiscal year.

The following table summarizes the composition of our growth portfolio as at September 30, 2024:

	Composition of Suites						Total at Chartwell's Share of Ownership
	Properties	IL	ISLA	ISLS	AL	LTC	
Growth							
100% Owned	12	390	1,321	375	154	-	2,240
Partially Owned ⁽¹⁾	20	279	2,909	1,359	284	-	4,831
Total growth	32	669	4,230	1,734	438	-	5,024

(1) We own an 85% interest in three properties, 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 September 30, 2024:

	Composition of Suites						Total at Chartwell's Share of Ownership
	Properties	IL	ISLA	ISLS	AL	LTC	
Repositioning							
100% Owned ⁽¹⁾	6	-	149	362	45	358	914
Partially Owned ⁽²⁾	25	251	2,817	1,429	251	-	4,748
Total repositioning	31	251	2,966	1,791	296	358	5,662

(1) Includes two long term care homes (302 beds) that were previously reported in our Long Term Care Operations segment and are now monitored and reported with our Retirement Operations, and 56 beds related to a leaseback agreement on one long term care home sold on August 30, 2024.

(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."

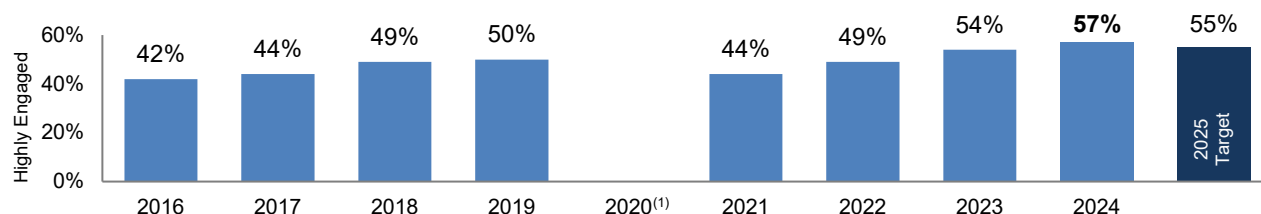
A detailed discussion of our business strategy can be found in our 2023 MD&A. The following provides an update as of 2024 YTD.

Employee Engagement

Our annual employee engagement survey includes 25 core engagement statements. In addition, for the third year we added specific statements with respect to diversity of our employees and their perception of inclusivity at Chartwell.

In 2024, in our retirement residences we achieved a score of 57% of employees indicating high engagement ('Strongly Agree' responses). Our combined 'Agree' and 'Strongly Agree' score was 86% in 2024 compared to 84% in 2023.

The following chart summarizes historical employee engagement survey results for our retirement residences:



(1) In 2020, a modified survey was conducted; therefore, the 2020 result is not comparable to prior periods and it has not been presented.

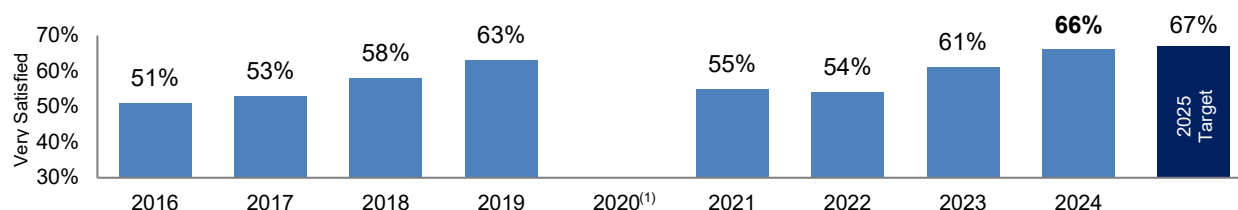
Resident Satisfaction

Our annual resident satisfaction survey includes 39 statements covering various aspects of our resident's experience at Chartwell with the overall score determined by the average of 'Strongly Agree' responses to the following three statements:

- I am satisfied with Chartwell as a place to live.
- It rarely crosses my mind to leave Chartwell for another retirement residence.
- When asked, I would recommend Chartwell as a place to live.

In 2024, 66% of the survey respondents indicated their high satisfaction ('Strongly Agree' responses), surpassing our 2023 results by five percentage points. Our combined score of residents who 'Agree' and 'Strongly Agree' with the survey statements was 89% in 2024 compared to 87% in 2023.

The following chart summarizes historical resident satisfaction survey results for our retirement residences:



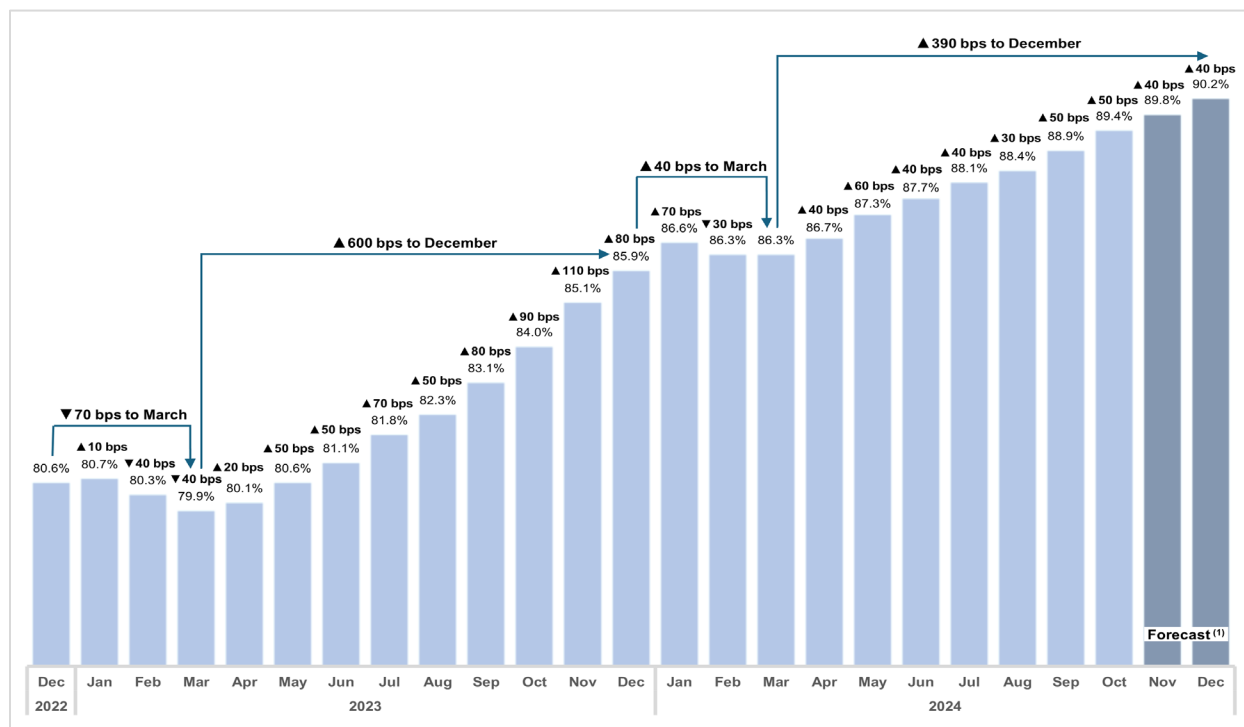
(1) In 2020, a modified survey was conducted; therefore, the 2020 result is not comparable to prior periods and it has not been presented.

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 October 31, 2024 and an estimate of mid-month move-ins of 10 basis points ("bps") for November and 50 bps for December, 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 40 bps compared to a 70 bps decline for the same period last year. Initial contacts and personalized tour activity remains robust. We have experienced strong conversion rates to permanent move-ins and expect this positive momentum to continue through to the end of 2024. As such, we expect to reach 90.2% occupancy in our same property portfolio in December 2024, representing 430 bps growth over the prior year. The growth in same property occupancy, combined with our blended rental and service rate growth of 3.9%, resulted in an 11.0% increase in same property adjusted resident revenue in Q3 2024 compared to Q3 2023. 2024 YTD same property adjusted resident revenue grew 11.6% as compared to 2023 YTD from blended rental and service rate growth of 4.3% and 630 bps of occupancy growth.

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 \$7.5 million and a one percentage point change in occupied suites is estimated at \$8.4 million.

Adjusted NOI from continuing operations in Q3 2024 grew to \$91.8 million from \$71.1 million in Q3 2023, an increase of \$20.7 million. Same property adjusted operating margin in Q3 2024 grew to 38% from 36% in Q3 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. 2024 YTD adjusted NOI from continuing operations grew by \$54.4 million compared to 2023 YTD and same property adjusted operating margin grew to 37% from 35% in 2023 YTD.

Liquidity and Financing

As at November 14, 2024, liquidity amounted to \$401.3 million, which included \$54.1 million of cash and cash equivalents and \$347.2 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 \$98.8 million of mortgage debt maturing at the weighted average interest rate of 7.08%. As at November 14, 2024, 10-year CMHC-insured mortgage rates are estimated at approximately 4.08% and five-year conventional mortgage financing is available at approximately 5.01%.

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 to date in 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	53.4%	32.0	0.2	Q2 2025	95%	2.3	7.2%

(1) As of October 31, 2024.

(2) As at September 30, 2024, includes actual Adjusted Development Costs incurred of \$31.5 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 nine months ended September 30, 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 September 30, 2024 (\$millions)	Expected Completion Date	Expected Stabilized Occupancy Date	Expected Stabilized Occupancy	Estimated Stabilized NOI ⁽¹⁾ (\$millions)	Expected Unlevered Yield ⁽¹⁾
Chartwell Ballycliffe LTC ⁽³⁾	Ajax, ON	224	LTC	64.9	-	64.9	65.5	Q1 2025	Q1 2025	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) 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 \$10.7 million, payable at substantial completion and have been netted within the Estimated Development Cost. 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 12 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 that 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. Two projects, Le Florilège and L'Aubier, 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 Completion Date	Current Occupancy ⁽²⁾	Actual / Expected Stabilized Occupancy Date
Chartwell Le Montcalm	Candiac, QC	283	ISLA	O	September 2017	98.4%	Q4 2022
Chartwell L'Envol	Cap Rouge, QC	360	ISLA / AL	O	September 2019	98.3%	Q4 2023
Le Florilège	Beauport, QC	345	ISLA / AL	O	December 2022	95.7%	Q3 2024
L'Aubier	Lévis, QC	376	ISLA / AL	O	June 2024	40.5%	Q4 2025
		1,364					

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

(2) As of October 31, 2024.

Chartwell Le Montcalm, Chartwell L'Envol and Le Florilège have achieved the occupancy threshold giving effect to the Batimo put rights. We estimate the current value of these three projects at approximately \$298.0 million at 100% ownership interest. In June 2024, we entered into a standstill agreement with Batimo that will defer the existing put rights until January 1, 2025.

Acquisitions

On May 3, 2024, we acquired an 85% interest in Chartwell Le Prescott ("Le Prescott") from Batimo. Le Prescott is a 324-suite retirement residence built in 2017 and is located in the Montreal suburb of Vaudreuil, Quebec. The purchase price was \$80.3 million and was partially settled through the assumption of a \$42.1 million variable rate mortgage bearing interest at the banks' prime rate ("Prime") plus 55 bps maturing on December 1, 2024. Acquisition-related costs of \$0.7 million and mark-to-market adjustments of \$0.4 million have been capitalized. The remainder of the purchase price, subject to normal working capital and other closing adjustments, was settled utilizing our cash on hand and credit facilities.

On May 15, 2024, we acquired an 85% interest in Chartwell Trait-Carré ("Trait-Carré") from Batimo. Trait-Carré is a 361-suite retirement residence built in 2021 and is located in Quebec City, Quebec. The purchase price was \$85.7 million and was settled through the assumption of a \$58.4 million demand variable rate mortgage bearing interest at the Canadian Overnight Repo Rate Average ("CORRA") plus credit spread adjustment plus 260 bps. Batimo provided NOI support for six months and \$0.2 million of the purchase price was held back for this obligation. Acquisition-related costs of \$0.2 million have been capitalized. The remainder of the purchase price, subject to normal working capital and other closing adjustments, was settled utilizing our cash on hand and credit facilities.

On June 21, 2024, we acquired an 85% interest in Résidence Légende ("Légende") from Batimo. Légende is a 368-suite retirement residence built in 2019 and is located in Greenfield Park, Quebec. The purchase price was \$87.1 million and was settled through the assumption of a \$59.1 million variable rate mortgage bearing interest at Prime plus 85 bps maturing on January 1, 2025, as well as settlement of an outstanding mezzanine loan. Batimo provided NOI support until the property achieves stabilization and \$1.6 million of the purchase price is being held in escrow for this obligation. Acquisition-related costs of \$0.2 million and mark-to-market adjustments of \$1.0 million have been capitalized. The remainder of the purchase price, subject to normal working capital and other closing adjustments, was settled utilizing our cash on hand and credit facilities.

On June 27, 2024, we entered into a definitive agreement for the acquisition of a 50% ownership interest in a portfolio of five high quality, modern retirement residences with 1,805 suites located in the Quebec City area and Shawinigan (the "Quebec City Portfolio"). The purchase price at our share is \$214.0 million and will be partially satisfied by the assumption of approximately \$154.0 million of mortgages. The vendor has agreed to provide us with a two-year NOI guarantee on two properties in lease-up, with \$4.7 million of the purchase price to be held in escrow to support the vendor's obligation. The remainder of the purchase price,

subject to normal working capital and other closing adjustments will be paid in cash utilizing cash on hand and credit facilities. We expect the closing of this transaction in Q4 2024. In addition, beginning on August 28, 2028, subject to a one-year extension at the vendor's option, the vendor will have an option to sell and we will have an option to purchase the remaining 50% ownership interest in the Quebec City Portfolio at the then fair market value.

On July 22, 2024, we completed the previously announced acquisition of a 100% interest in a portfolio of five retirement residences (1,428 suites) located in Quebec. The purchase price was \$297.0 million, subject to normal working capital and other closing adjustments, and was paid in cash. Acquisition related costs of \$3.4 million have been capitalized.

On July 31, 2024, we acquired the remaining 10% ownership interest in land located in Pickering, Ontario, which was previously accounted for as a joint operation. The purchase price of \$1.2 million was settled in cash.

On August 29, 2024, we entered into definitive agreements to acquire three modern retirement residences on Vancouver Island totalling 384 suites for an aggregate purchase price of \$226.9 million and paid an \$11.0 million deposit. Details of these acquisitions are as follows:

- On October 31, 2024, we acquired the 152-suite Vista Retirement Residence, located in Victoria. The purchase price was \$103.9 million, subject to normal working capital and other closing adjustments and was paid in cash. The vendor provided us with a 24-month NOI guarantee, with \$9.2 million of the purchase price held in escrow to support the vendor's obligation.
- On October 31, 2024, we acquired the 77-suite Nanaimo Memory Care, located in Nanaimo. The purchase price was \$20.3 million, subject to normal working capital and other closing adjustments and was paid in cash.
- The Edgewater Retirement Residence, located adjacent to Nanaimo Memory Care, is currently under construction and will be comprised of 155 suites. The purchase price is \$102.7 million, subject to normal working capital and other closing adjustments, and is expected to be paid in cash utilizing a combination of net proceeds from the sales of our non-core assets, cash on hand, and credit facilities. The vendor has agreed to provide us with a 36-month NOI guarantee, with \$8.7 million of the purchase price to be held in escrow to support the vendor's obligation. We will acquire the residence upon construction completion, which is expected in Q2 2025.

On November 14, 2024, we entered into a definitive agreement to acquire an upscale, 131-suite ISL retirement residence located in Victoria, British Columbia for a purchase price of \$75.0 million. This acquisition will be our fourth property on Vancouver Island adding critical mass in the region and is expected to close in Q1 2025.

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 related to one owned long term care home (100 beds) currently being redeveloped to have 224 beds ("Ballycliffe LTC"). The forward sale contract was terminated effective April 1, 2024.

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 Q1 2025. Chartwell will assume approximately \$132.5 million in debt on the Chartwell Assets, bearing a weighted average interest rate of 3.1% and having a weighted average term to maturity of 5.6 years. The net change to total debt for Chartwell's balance sheet will be a reduction of approximately \$52.1 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 14 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 \$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 August 15, 2024, we completed the sale of Chartwell Van Horne Retirement Residences (60 suites) located in Ontario for \$10.8 million, settled in cash.

On August 30, 2024, we completed the sale of Chartwell White Eagle Long Term Care Residence (56 suites) in Ontario for \$4.6 million, settled in cash. We entered into a sale and leaseback agreement with the purchaser until the property is vacated.

On September 18, 2024, we completed the sale of Chartwell Heritage Glen Retirement Residence (323 suites) located in Ontario for \$79.5 million, settled in cash.

Financing

On May 22, 2024, we entered into amending agreements to extend the maturity date of the secured and unsecured credit facility from May 29, 2025 to May 29, 2027, with substantially the same terms with a change in pricing being the update of the benchmark from the Bankers’ Acceptance rate (“BA”) to CORRA.

On June 27, 2024, we completed a public offering of 28,290,000 Trust Units inclusive of 3,690,000 Trust Units issued pursuant to the exercise in full of the over-allotment option at a price of \$12.20 per Trust Unit for total gross proceeds of \$345.1 million (the “Public Offering”). Underwriting commission and other offering related costs amounted to \$13.5 million.

On June 28, 2024, we repaid the \$125.0 million unsecured term loan.

On July 22, 2024, we entered into a \$150.0 million unsecured term loan agreement with a Canadian chartered bank. The terms of the loan include borrowings based on either the bank’s Prime rate or CORRA, with an initial term of six months and an optional extension for an additional six months. On October 31, 2024, we repaid \$75.0 million of this loan.

On October 24, 2024, CMHC confirmed the termination of our Large Borrower Agreement and the transition to a CMHC Large Borrower Risk Management Framework (the “LBRMF”). The LBRMF provides a more flexible financing environment and improved liquidity, and removes previous financial covenant and cross collateralization requirements.

On October 28, 2024, we issued \$150.0 million of 4.400% Series D senior unsecured debentures (the “Series D Debentures”) due on November 5, 2029. The net proceeds of the Series D Debentures was used to repay existing indebtedness, including indebtedness under our secured credit facility and term loan, and to partially finance certain previously announced acquisitions of retirement residences expected to close in the fourth quarter of 2024. Refer to the “Liquidity and Capital Resources – Debt – Debentures” section on page 28 of this MD&A for details.

Credit Rating

On October 18, 2024, DBRS confirmed the BBB (low) with stable trends rating of our Issuer Rating and Senior Unsecured Debentures, as described in their report. (Details are available on their website at www.dbrsmorningstar.com)

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 that 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 that are owned through our joint arrangements, or that are partially owned as at September 30, 2024:

Joint Arrangements	# of Properties	Suites/Beds	Chartwell Ownership	Joint Arrangement Type	Consolidation Method
Held directly:					
Chartwell-Welltower Landlord ("CWL")	37	7,121	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	6	1,473	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
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 12 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 transferred 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)	Q3 2024	Q3 2023	Change	2024 YTD	2023 YTD	Change
Resident revenue	207,995	173,383	34,612	581,478	507,378	74,100
Direct property operating expense	128,389	113,344	15,045	370,472	344,508	25,964
Net income	23,603	158,156	(134,553)	18,834	141,446	(122,612)

For Q3 2024, resident revenue increased \$34.6 million or 20.0%, and direct property operating expense increased \$15.0 million or 13.3%. Refer to the “Adjusted Resident Revenue, Adjusted Direct Property Operating Expense, Adjusted Operating Margin, and Adjusted NOI” section on page 17 of this MD&A for details.

For Q3 2024, net income was \$23.6 million compared to \$158.2 million in Q3 2023 that included the gain on sale of \$178.9 million due to the completed LTC Transactions. The remaining differences are due to:

- deferred tax expense in Q3 2024 as compared to a deferred tax benefit in Q3 2023,
- higher direct property operating expense,
- higher negative changes in fair value of financial instruments, primarily due to increases in trading prices of our Trust Units,
- higher finance costs, and
- higher depreciation of property, plant and equipment (“PP&E”).

partially offset by:

- higher gain on disposal of assets,
- higher resident revenue,
- lower current income tax expense due to the completed LTC Transactions,
- lower general, administrative, and Trust (“G&A”) expenses, and
- higher net income from joint ventures.

For 2024 YTD, resident revenue increased \$74.1 million or 14.6%, and direct property operating expense increased \$26.0 million or 7.5%. Refer to the “Adjusted Resident Revenue, Adjusted Direct Property Operating Expense, Adjusted Operating Margin, and Adjusted NOI” section on page 17 of this MD&A for details.

For 2024 YTD, net income was \$18.8 million compared to \$141.4 million in 2023 YTD that included the gain on sale of \$178.9 million due to the completed LTC Transactions. The remaining differences are due to:

- deferred tax expense in 2024 YTD as compared to a deferred tax benefit in 2023 YTD,
- higher direct property operating expense,
- higher negative changes in fair value of financial instruments, primarily due to increases in trading prices of our Trust Units,
- higher finance costs,
- higher transaction costs related to dispositions, and
- higher depreciation of PP&E.

partially offset by:

- higher resident revenue,
- higher gain on disposal of assets,
- lower current income tax expense due to the completed LTC Transactions,
- lower G&A expenses, and
- higher net income from joint ventures.

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 34 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 34 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)	Q3 2024	Q3 2023	Change	2024 YTD	2023 YTD	Change
FFO ⁽¹⁾						
Continuing operations	55,861	36,087	19,774	139,798	82,905	56,893
Total	55,861	39,002	16,859	139,798	94,091	45,707
FFOPU ⁽²⁾						
Continuing operations	0.20	0.15	0.05	0.55	0.34	0.21
Total	0.20	0.16	0.04	0.55	0.39	0.16
Weighted average number of units (000) ⁽³⁾	274,318	242,258	32,060	254,956	241,157	13,799

(1) Non-GAAP; refer to the “Additional Information on Non-GAAP Measures – FFO” section on page 34 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 39 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 39 of this MD&A.

For Q3 2024, FFO from continuing operations was \$55.9 million or \$0.20 per unit, compared to \$36.1 million or \$0.15 per unit for Q3 2023. The change in FFO from continuing operations was primarily due to:

- higher adjusted NOI from continuing operations of \$20.7 million,
- lower G&A expenses of \$2.7 million,
- one-time retroactive government funding related to LTC Discontinued Operations of \$1.4 million,
- higher interest income of \$0.3 million, and
- lower depreciation of PP&E and amortization of intangibles assets used for administrative purposes of \$0.1 million,

partially offset by:

- higher finance costs of \$5.1 million, and
- lower management fees of \$0.3 million.

For Q3 2024, FFO from continuing operations includes \$0.2 million of Lease-up-Losses and Imputed Cost of Debt related to our development projects (Q3 2023 – \$0.5 million).

Total FFO for Q3 2023 includes results of LTC Discontinued Operations of \$2.9 million or \$0.01 per unit.

For 2024 YTD, FFO from continuing operations was \$139.8 million or \$0.55 per unit, compared to \$82.9 million or \$0.34 per unit for 2023 YTD. The change in FFO from continuing operations was primarily due to:

- higher adjusted NOI from continuing operations of \$54.4 million,
- lower G&A expenses of \$7.9 million,
- one-time retroactive government funding related to LTC Discontinued Operations of \$1.4 million,
- higher interest income of \$1.1 million, and
- lower depreciation of PP&E and amortization of intangibles assets used for administrative purposes of \$0.4 million,

partially offset by:

- higher finance costs of \$7.8 million, and
- lower management fees of \$0.5 million.

For 2024 YTD, FFO from continuing operations includes \$0.9 million of Lease-up-Losses and Imputed Cost of Debt related to our development projects (2023 YTD – \$1.6 million).

Total FFO for 2023 YTD includes results of LTC Discontinued Operations of \$11.2 million or \$0.05 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 less resident revenue from non-controlling interest. Adjusted direct property operating expense is direct property operating expense plus Chartwell’s proportionate share of its joint ventures’ direct property operating expense less direct operating expense from non-controlling interest.

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)	Q3 2024	Q3 2023	Change	2024 YTD	2023 YTD	Change
Resident revenue	207,995	173,383	34,612	581,478	507,378	74,100
<i>Add (Subtract):</i>						
Share of resident revenue from joint ventures ⁽¹⁾	35,071	32,103	2,968	102,945	93,605	9,340
Resident revenue from LTC Discontinued Operations ⁽²⁾	-	45,521	(45,521)	-	167,068	(167,068)
Share of resident revenue from non-controlling interest ⁽³⁾	(1,328)	-	(1,328)	(1,328)	-	(1,328)
Adjusted resident revenue ⁽⁴⁾	241,738	251,007	(9,269)	683,095	768,051	(84,956)
<i>Comprised of:</i>						
Same property ⁽⁴⁾	165,615	149,138	16,477	485,511	434,942	50,569
Growth ⁽⁴⁾	42,459	22,870	19,589	95,582	66,567	29,015
Repositioning ⁽⁴⁾	33,664	78,999	(45,335)	102,002	266,542	(164,540)
Adjusted resident revenue ⁽⁴⁾	241,738	251,007	(9,269)	683,095	768,051	(84,956)
Direct property operating expense	128,389	113,344	15,045	370,472	344,508	25,964
<i>Add (Subtract):</i>						
Share of direct property operating expense from joint ventures ⁽⁵⁾	22,187	21,036	1,151	67,040	64,655	2,385
Direct property operating expense from LTC Discontinued Operations ⁽²⁾	-	41,330	(41,330)	-	151,266	(151,266)
Share of direct property operating expense from non-controlling interest ⁽⁶⁾	(677)	-	(677)	(677)	-	(677)
Adjusted direct property operating expense ⁽⁴⁾	149,899	175,710	(25,811)	436,835	560,429	(123,594)
<i>Comprised of:</i>						
Same property ⁽⁴⁾	101,972	94,781	7,191	304,444	284,723	19,721
Growth ⁽⁴⁾	23,554	14,599	8,955	56,377	44,131	12,246
Repositioning ⁽⁴⁾	24,373	66,330	(41,957)	76,014	231,575	(155,561)
Adjusted direct property operating expense ⁽⁴⁾	149,899	175,710	(25,811)	436,835	560,429	(123,594)
NOI	79,606	60,039	19,567	211,006	162,870	48,136
<i>Add (Subtract):</i>						
Share of NOI from joint ventures	12,884	11,067	1,817	35,905	28,950	6,955
Share of NOI from non-controlling interest	(651)	-	(651)	(651)	-	(651)
Adjusted NOI from continuing operations	91,839	71,106	20,733	246,260	191,820	54,440
<i>Add (Subtract):</i>						
NOI from LTC Discontinued Operations	-	4,191	(4,191)	-	15,802	(15,802)
Adjusted NOI ⁽⁴⁾	91,839	75,297	16,542	246,260	207,622	38,638
<i>Comprised of:</i>						
Same property ⁽⁴⁾	63,643	54,357	9,286	181,067	150,219	30,848
Growth ⁽⁴⁾	18,905	8,271	10,634	39,205	22,436	16,769
Repositioning ⁽⁴⁾	9,291	12,669	(3,378)	25,988	34,967	(8,979)
Adjusted NOI ⁽⁴⁾	91,839	75,297	16,542	246,260	207,622	38,638
Weighted average occupancy rate:						
Same property portfolio	88.5%	82.4%	6.1pp	87.4%	81.1%	6.3pp
Growth portfolio	88.4%	76.9%	11.5pp	87.2%	75.1%	12.1pp
Repositioning portfolio	84.9%	85.2%	(0.3pp)	84.3%	84.2%	0.1pp
Total portfolio	87.9%	82.5%	5.4pp	86.9%	81.2%	5.7pp

(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 14 of this MD&A.

(2) Refer to the "LTC Discontinued Operations" section on page 43 of this MD&A.

(3) Non-GAAP; represents Chartwell's proportionate share of the resident revenue of our non-controlling interest as referenced in the notes to our Financial Statements.

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

(5) 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 14 of this MD&A.

(6) Non-GAAP; represents Chartwell's proportionate share of the direct property operating expense of our non-controlling interest as referenced in the notes to our Financial Statements.

For Q3 2024, adjusted resident revenue decreased 3.7% 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 11.0%, and
- higher revenue from our growth portfolio.

For Q3 2024, adjusted direct property operating expense decreased 14.7% 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 7.6%, and
- additional expenses in our growth portfolio.

As a result, for Q3 2024, adjusted NOI increased \$16.5 million or 22.0%.

For 2024 YTD, adjusted resident revenue decreased 11.1% 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 11.6%, and
- higher revenue from our growth portfolio.

For 2024 YTD, adjusted direct property operating expense decreased 22.1% 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 6.9%, and
- additional expenses in our growth portfolio.

As a result, for 2024 YTD, adjusted NOI increased \$38.6 million or 18.6%.

Same Property Performance

The following table summarizes the results of our same property portfolio as at September 30, 2024:

<i>(\$000s, except operating margin and occupancy rate)</i>	Q3 2024	Q3 2023	Change	2024 YTD	2023 YTD	Change
Same property ⁽¹⁾						
Adjusted resident revenue ⁽²⁾	165,615	149,138	16,477	485,511	434,942	50,569
Adjusted direct property operating expense ⁽²⁾	101,972	94,781	7,191	304,444	284,723	19,721
Adjusted NOI ⁽²⁾	63,643	54,357	9,286	181,067	150,219	30,848
Adjusted operating margin ⁽²⁾	38.4%	36.4%	2.0pp	37.3%	34.5%	2.8pp
Weighted average occupancy rate	88.5%	82.4%	6.1pp	87.4%	81.1%	6.3pp

(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 Q3 2024, same property adjusted resident revenue increased 11.0% primarily due to higher occupancy and rental and service rate increases.

For Q3 2024, same property adjusted direct property operating expense increased 7.6% primarily due to higher staffing costs, management fees, office and general expenses, and food costs partially offset by lower utility costs.

As a result, for Q3 2024, same property adjusted NOI increased \$9.3 million or 17.1%. Same property adjusted operating margin also increased to 38.4% in Q3 2024 from 36.4% in Q3 2023.

The following identifies same property adjusted NOI trends by platform for Q3 2024:

- Our Western Canada platform same property adjusted NOI increased \$2.9 million or 16.8%.
- Our Ontario platform same property adjusted NOI increased \$4.3 million or 14.0%.
- Our Quebec platform same property adjusted NOI increased \$2.1 million or 32.4%.

For 2024 YTD, same property adjusted resident revenue increased 11.6% primarily due to higher occupancy as well as rental and service rate increases.

For 2024 YTD, same property adjusted direct property operating expense increased 6.9% primarily due to higher staffing costs, management fees, office and general expenses and food costs, partially offset by lower utility costs.

As a result, for 2024 YTD, same property adjusted NOI increased \$30.8 million or 20.5%. Same property adjusted operating margin also increased to 37.3% in 2024 YTD from 34.5% in 2023 YTD.

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

- Our Western Canada platform same property adjusted NOI increased \$7.9 million or 16.0%.
- Our Ontario platform same property adjusted NOI increased \$16.8 million or 20.1%.
- Our Quebec platform same property adjusted NOI increased \$6.2 million or 35.3%.

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

	Q3 2024	Q3 2023	Change	Q2 2024	Change
Western Canada	95.4%	88.1%	7.3pp	93.9%	1.5pp
Ontario	84.7%	79.5%	5.2pp	83.6%	1.1pp
Quebec	89.0%	82.5%	6.5pp	87.9%	1.1pp
Same property portfolio	88.5%	82.4%	6.1pp	87.2%	1.3pp

In Q3 2024, weighted average occupancy in our same property portfolio was 88.5%, compared to 82.4% in Q3 2023, an increase of 6.1 percentage points. All platforms experienced occupancy gains in Q3 2024 compared to Q3 2023 and compared to Q2 2024. Q3 2024 same property portfolio occupancy increased 1.3 percentage points from Q2 2024.

Management and Other Fees

(\$000s)	Q3 2024	Q3 2023	Change	2024 YTD	2023 YTD	Change
Welltower	1,991	1,847	144	5,948	5,730	218
Long Term Care Homes	-	596	(596)	-	1,380	(1,380)
Batimo	608	525	83	2,381	1,870	511
Other	353	313	40	978	800	178
Total management and other fees	2,952	3,281	(329)	9,307	9,780	(473)

Management and other fees decreased \$0.3 million in Q3 2024 and \$0.5 million in 2024 YTD, respectively, primarily due to the LTC transactions completed in Q3 2023, partially offset by higher performance-based fees.

Interest Income

(\$000s)	Q3 2024	Q3 2023	Change	2024 YTD	2023 YTD	Change
Interest income on loans receivable	374	332	42	1,267	833	434
Other interest income	417	193	224	966	552	414
Total interest income	791	525	266	2,233	1,385	848

Interest income on loans receivable increased \$0.1 million and \$0.4 million in Q3 2024 and 2024 YTD, respectively, primarily due to higher loan balances outstanding.

Other interest income fluctuates period-to-period based on cash balances. Other interest income increased in Q3 2024 primarily due to higher cash balances, which was offset by lower interest rates. Other interest income increased 2024 YTD primarily due to higher cash balances and higher interest rates.

General, Administrative and Trust Expenses

(\$000s)	Q3 2024	Q3 2023	Change	2024 YTD	2023 YTD	Change
G&A expenses	11,731	14,403	(2,672)	39,126	46,995	(7,869)

For Q3 2024, G&A expenses decreased \$2.7 million primarily due to the 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. Q3 2024 G&A included \$1.5 million of severance related to our efficiency initiatives.

For 2024 YTD, G&A expenses decreased \$7.9 million primarily due to lower compensation costs as we continue to execute on our plan to achieve efficiency improvements and CFO transition costs that were incurred in 2023, partially offset by higher unit-based compensation costs due to the increase in value of our Trust Units. 2024 YTD G&A included \$2.2 million of severance related to our efficiency initiatives.

Finance Costs

The following table applies to continuing operations:

(\$000s)	Q3 2024	Q3 2023	Change	2024 YTD	2023 YTD	Change
Contractual interest expense on mortgages	17,409	14,335	3,074	44,439	42,050	2,389
Comprised of:						
Same property ⁽¹⁾	11,171	10,275	896	29,973	29,728	245
Growth ⁽¹⁾	4,857	2,029	2,828	9,997	6,099	3,898
Repositioning ⁽¹⁾	1,381	2,031	(650)	4,469	6,223	(1,754)
Interest expense on Debentures ⁽²⁾	5,361	3,501	1,860	15,949	10,388	5,561
Interest expense on Credit Facilities	2,201	3,105	(904)	7,466	10,161	(2,695)
Interest expense on Loans Payable ⁽³⁾	3,148	1,388	1,760	7,979	4,125	3,854
	28,119	22,329	5,790	75,833	66,724	9,109
Amortization of finance costs and mark-to-market adjustments on assumed mortgages	757	1,603	(846)	3,009	4,562	(1,553)
	28,876	23,932	4,944	78,842	71,286	7,556
Interest capitalized to properties under development	(756)	(771)	15	(2,050)	(2,078)	28
Distributions on Class B Units recorded as interest expense	231	234	(3)	696	702	(6)
Total finance costs – continuing operations	28,351	23,395	4,956	77,488	69,910	7,578

(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 28 of this 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 27 of this MD&A for details.

Contractual interest expense on mortgages increased \$3.1 million and \$2.4 million in Q3 2024 and 2024 YTD, respectively, primarily due to higher interest rates and higher balances outstanding for most of the period.

Interest expense on Debentures increased \$1.9 million and \$5.6 million in Q3 2024 and 2024 YTD due to higher interest rates and higher balances outstanding.

Interest expenses on Credit Facilities decreased \$0.9 million in Q3 2024 and \$2.7 million in 2024 YTD due to lower balances outstanding.

Interest expense on Loans Payable increased in Q3 2024 and 2024 YTD due to the new \$150 million term loan and Welltower loans. Refer to the “Liquidity and Capital Resources – Debt – Loans Payable” section on page 27 of this MD&A for details.

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

(\$000s)	Q3 2024	Q3 2023	Change	2024 YTD	2023 YTD	Change
Contractual interest expense on mortgages	599	434	165	1,466	1,293	173
Comprised of:						
Same property ⁽¹⁾	240	240	-	716	718	(2)
Growth ⁽¹⁾	359	194	165	750	575	175
Amortization of finance costs	11	15	(4)	41	44	(3)
Total finance costs	610	449	161	1,507	1,337	170

(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)	Q3 2024	Q3 2023	Change	2024 YTD	2023 YTD	Change
Transaction costs arising on dispositions	(2,507)	(469)	(2,038)	(5,028)	(975)	(4,053)
Impairment losses	-	(625)	625	-	(625)	625
Other expense	(603)	-	(603)	(603)	-	(603)
Gain/(loss) on sale of assets	55,850	2,883	52,967	54,905	6,304	48,601
Other income	1,412	-	1,412	1,412	-	1,412
Total other income/(expense)	54,152	1,789	52,363	50,686	4,704	45,982

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

Gain/(loss) on sale of assets changed by \$53.0 million in Q3 2024 primarily due to the sale of three non-core properties located in Ontario. Gain/(loss) on sale of assets increased \$48.6 million in 2024 YTD primarily due to the sale of four non-core properties located in Ontario, partially offset by loss for a retained obligation for remediation of lands on a long term care home that was sold in 2020.

Other income increased \$1.4 million in Q3 2024 due to retroactive funding related to the previously disposed long-term care segment.

Other Items :

(\$000s)	Q3 2024	Q3 2023	Change	2024 YTD	2023 YTD	Change
Depreciation of PP&E and amortization of intangible assets	(43,530)	(38,593)	(4,937)	(118,856)	(117,108)	(1,748)
Change in fair value of financial instruments	(14,998)	(5,622)	(9,376)	(21,535)	(11,212)	(10,323)
Current income tax benefit/(expense)	(2,840)	(28,100)	25,260	(2,489)	(28,100)	25,611
Deferred income tax benefit/(expense)	(24,120)	11,274	(35,394)	(27,586)	21,091	(48,677)

Depreciation of PP&E and amortization of intangible assets increased \$4.9 million in Q3 2024 primarily due to acquisitions and completed developments partially offset by transfer of assets to assets held for sale and decrease in the property portfolio due to dispositions. For 2024 YTD, depreciation of PP&E and amortization of intangible assets increased \$1.7 million primarily due to acquisitions and completed developments partially offset by transfer to assets held for sale and decrease in the property portfolio due to dispositions.

Change in fair value of financial instruments is primarily a result of 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 tax benefit/(expense) changed by \$25.3 million in Q3 2024 and \$25.6 million in 2024 YTD. The Q3 2024 and 2024 YTD current tax expense is primarily due to SIFT tax payable on the disposition of non-core

properties. The Q3 2023 and 2023 YTD current tax expense is primarily due to the completed LTC Transactions.

Deferred income tax benefit/(expense) changed by \$35.4 million in Q3 2024 and \$48.7 million in 2024 YTD, primarily due to the reversal of temporary differences associated with the sale of non-core properties in Q3 2024 and 2024 YTD and the completed LTC Transactions in Q3 2023 and 2023 YTD.

Cash Flow Analysis

The following table summarizes the significant changes in our operating, financing, and investing cash flows between Q3 2024 and Q3 2023 using our consolidated statements of cash flows:

Cash Provided by (Used in):	Increase (Decrease) <i>(\$millions)</i>	Explanation
Operating activities	17.3	Change in cash flows from operating activities is primarily due to: • higher NOI from continuing operations, - partially offset by: • changes in working capital.
Financing activities	398.8	Change in cash flows from financing activities is primarily due to: • lower draws on our Credit Facilities, • proceeds from loans payable, and • higher proceeds from mortgage financing activities, - partially offset by: • higher mortgage repayments, • higher additions to finance costs, and • higher distributions due to additional Trust units issued in Q2 2024.
Investing activities	(414.6)	Change in cash flows from investing activities is primarily due to: • acquisitions of assets, • lower proceeds from disposition of PP&E, • lower restricted cash, • higher additions to PP&E and intangible assets, • higher income taxes paid, and • lower proceeds from capital funding receivable, - partially offset by: • lower advances on loans receivable.

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

Cash Provided by (Used in):	Increase (Decrease) (\$millions)	Explanation
Operating activities	45.7	Change in cash flows from operating activities is primarily due to: • higher NOI from continuing operations, and • lower interest paid, partially offset by: • changes in working capital.
Financing activities	522.3	Change in cash flows from financing activities is primarily due to: • proceeds from the offerings of our Trust units, • lower draws on our Credit facilities, • increase in loans payable, and • higher proceeds from mortgage financing activities, partially offset by: • higher mortgage repayments, • higher additions to finance costs, and • higher distributions due to additional Trust units issued in Q2 2024.
Investing activities	(551.9)	Change in cash flows from investing activities is primarily due to: • acquisitions of assets, • lower proceeds from disposition of PP&E, • higher income taxes paid, • lower restricted cash, and • 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 September 30, 2024, our liquidity was \$385.3 million as presented in the following table:

(\$000s)	September 30, 2024	December 31, 2023
Cash and cash equivalents	26,048	24,619
Available under Credit Facilities ⁽¹⁾	359,213	324,012
Total	385,261	348,631

(1) Refer to the "Credit Facilities" section on page 27 of this MD&A for the determination and calculation of this amount.

In addition, at September 30, 2024, our share of cash and cash equivalents held in our Equity-Accounted JVs was \$13.1 million.

As at September 30, 2024, our current liabilities were \$975.3 million, exceeding our current assets of \$373.8 million, resulting in a working capital deficiency of \$601.5 million. Current liabilities include \$235.1 million of current mortgages payable, \$224.0 million of Loans Payable, \$149.9 million of senior unsecured debentures, and \$151.2 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 September 30, 2024 and December 31, 2023:

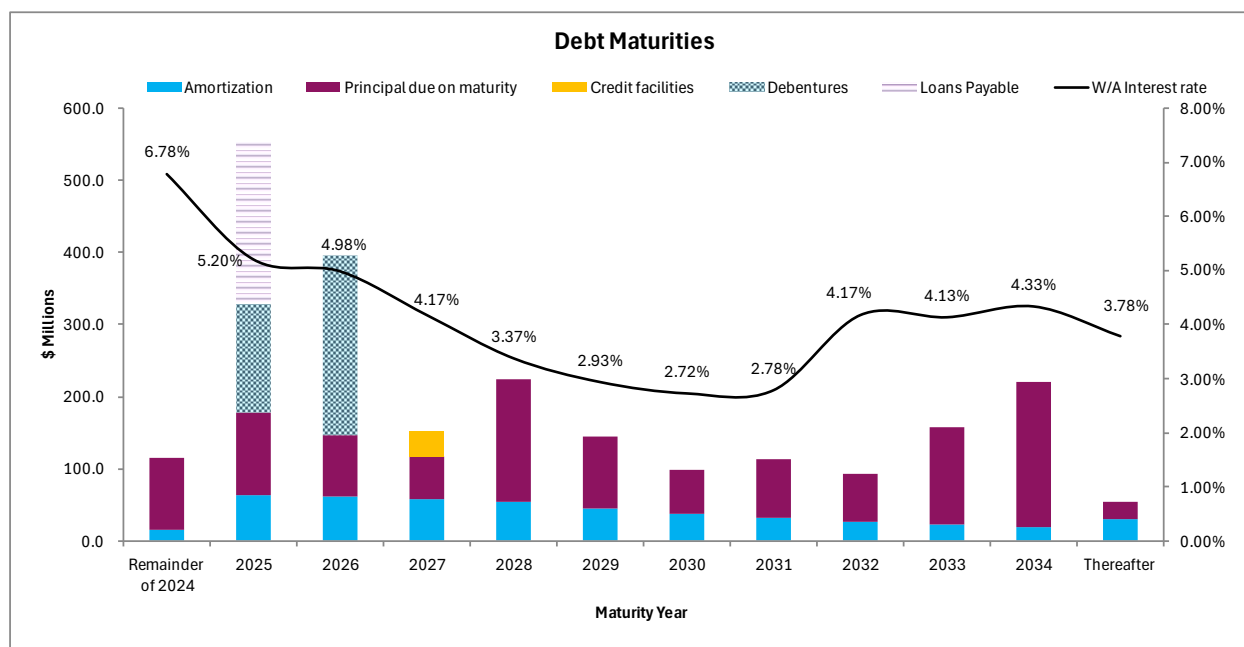
(\$000s)	September 30, 2024	December 31, 2023
Mortgages payable	1,662,915	1,469,304
Credit Facilities	35,000	70,000
Loans Payable		
Unsecured term loan	150,000	125,000
Welltower Loan 1	33,323	-
Welltower Loan 2	40,665	-
Debentures		
Series B Debentures	150,000	150,000
Series C Debentures	250,000	250,000
Total	2,321,903	2,064,304

The following table summarizes the scheduled principal maturity and weighted average interest rates for our debt portfolio at September 30, 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	16,213	98,768	114,981	6.78%	-	-	-	-	-	-	114,981	6.78%
2025	63,433	115,231	178,664	4.56%	-	-	223,988	6.37%	150,000	4.21%	552,652	5.20%
2026	61,158	84,713	145,871	3.22%	-	-	-	-	250,000	6.00%	395,871	4.98%
2027	57,885	59,468	117,353	3.22%	35,000	7.35%	-	-	-	-	152,353	4.17%
2028	54,069	169,463	223,532	3.37%	-	-	-	-	-	-	223,532	3.37%
2029	44,777	99,985	144,762	2.93%	-	-	-	-	-	-	144,762	2.93%
2030	38,103	61,206	99,309	2.72%	-	-	-	-	-	-	99,309	2.72%
2031	32,838	80,334	113,172	2.78%	-	-	-	-	-	-	113,172	2.78%
2032	27,371	65,133	92,504	4.17%	-	-	-	-	-	-	92,504	4.17%
2033	22,363	135,482	157,845	4.13%	-	-	-	-	-	-	157,845	4.13%
2034	18,324	201,697	220,021	4.33%	-	-	-	-	-	-	220,021	4.33%
Thereafter	29,919	24,982	54,901	3.78%	-	-	-	-	-	-	54,901	3.78%
Total	466,453	1,196,462	1,662,915	3.86%	35,000	7.35%	223,988	6.37%	400,000	5.33%	2,321,903	4.40%

(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 September 30, 2024:



Mortgage Debt

We generally have access to low-cost mortgage financing insured by CMHC. As of September 30, 2024, approximately 88% 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 2024 YTD:

	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	(93,221)	N/A	N/A	N/A
Assumed mortgages	158,140	0.5	7.97%	0%
New mortgage financing	183,730	10.0	4.21%	100%
Amortizing principal repayments	(49,433)	N/A	N/A	N/A
Repayments related to dispositions	(5,605)	N/A	N/A	N/A
Principal balance at September 30, 2024	1,662,915	6.3	3.86%	88%
Mark-to-market adjustments on assumed mortgages	1,644			
Finance costs	(56,732)			
Mortgages payable at September 30, 2024	1,607,827			

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

	At September 30, 2024		At December 31, 2023	
	Fixed Rate	Variable Rate	Total	Total
Principal amount (\$000s)	1,505,467	157,448	1,662,915	1,469,304
Weighted average interest rate	3.48%	7.48%	3.86%	3.26%
Average term to maturity (years)	6.9	0.3	6.3	6.2

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

(\$000s)	September 30, 2024	December 31, 2023
Principal balance of mortgages payable	49,669	51,990
Finance costs	(109)	(96)
Mortgages payable	49,560	51,894

(\$000s)	Amortizing Principal Payments	Principal Due at Maturity	Total Principal Balance of Mortgages Payable	Weighted Average Interest Rate
Remainder of 2024	75	-	75	3.98%
2025	309	-	309	3.98%
2026	266	49,019	49,285	4.96%
Total	650	49,019	49,669	4.95%

Credit Facilities

The following table summarizes the available borrowing capacity and borrowings on our Credit Facilities at September 30, 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	5,787	294,213	35,000	259,213	May 29, 2027
Unsecured credit facility ⁽²⁾	100,000	100,000	-	100,000	-	100,000	May 29, 2027
Total Credit Facilities	400,000	400,000	5,787	394,213	35,000	359,213	

(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 was amended on May 22, 2024. At the current BBB(low) rating by DBRS, last confirmed by DBRS on October 18, 2024, amounts borrowed under the secured credit facility bear interest at Prime plus 65 bps or CORRA plus 165 bps, and amounts borrowed under the unsecured credit facility bear interest at Prime plus 70 bps or CORRA plus 170 bps. The secured credit facility is secured by first and second ranked charges on specific properties. The cost of our Credit Facilities is based on our credit rating.

Loans Payable

The following tables summarize the Loans Payable as at September 30, 2024 and December 31, 2023:

September 30, 2024	Outstanding Principal (\$000s)	Financing Costs, Net (\$000s)	Carrying Value (\$000s)	Interest rate	Maturity date
Unsecured term loan	150,000	(36)	149,964	6.16%	January 22, 2025
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	223,988	(36)	223,952		

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

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		

On June 28, 2024, we repaid the \$125.0 million unsecured term loan.

On July 22, 2024, we entered into a \$150.0 million unsecured term loan facility agreement with a Canadian chartered bank. The loan bears interest based on either the bank's prime rate or CORRA, with an initial

term of six months and an optional extension for an additional six months. On October 31, 2024, we repaid \$75.0 million of this unsecured loan.

Debentures

The following tables summarize our Debentures outstanding as at September 30, 2024 and December 31, 2023:

September 30, 2024	Outstanding Principal (\$000s)	Financing Costs, Net (\$000s)	Carrying Value (\$000s)	Interest rate	Maturity date
Series B Debentures	150,000	(94)	149,906	4.211%	April 28, 2025
Series C Debentures	250,000	(737)	249,263	6.000%	December 8, 2026
Total	400,000	(831)	399,169		

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.

On October 28, 2024, we issued \$150.0 million of 4.400% Series D senior unsecured debentures due on November 5, 2029, with semi-annual interest payments due on May 5 and November 5 of each year. Debt financing costs of \$0.8 million were incurred and are being amortized.

Debt Covenants

Our Credit Facilities, Loans Payable, and Debentures contain numerous financial covenants that include maintaining certain leverage and debt service ratios (collectively, our “Debt Covenants”). Management monitors these ratios on an ongoing basis to ensure compliance. As of September 30, 2024, we were in compliance with all of our Debt Covenants.

The following table summarizes our compliance with the leverage and coverage ratios as they relate to our Debentures, and other key debt metrics:

	Covenant	September 30, 2024	December 31, 2023
Interest Coverage Ratio ⁽¹⁾	minimum of 1.65	2.6	2.3
Indebtedness Percentage ⁽²⁾	less than or equal to 65%	46.7%	48.4%
Coverage Ratio ⁽³⁾	not less than 1.3	1.8	1.7
Debt Service Coverage Ratio ⁽⁴⁾	minimum of 1.40	1.64	1.38
Net Debt to Adjusted EBITDA ⁽⁵⁾	n/a	8.3	10.2

- (1) Calculated based on 12 months ending September 30, 2024; and 12 months ending December 31, 2023. Refer to the “Debt Covenant Calculations - Consolidated EBITDA to Consolidated Interest Expense Ratio for Debentures (“Interest Coverage Ratio for Debentures”)” section on page 39 of this MD&A for the calculation of Interest Coverage Ratio.
- (2) Refer to the “Debt Covenant Calculations - Indebtedness Percentage for Debentures” section on page 39 of this MD&A for the calculation of Indebtedness Percentage.
- (3) Refer to the “Debt Covenant Calculations - Unsecured Debt Coverage Ratio for Debentures” section on page 40 of this MD&A for the calculation of Coverage Ratio.
- (4) Calculated based on 12 months ending September 30, 2024; and 12 months ending December 31, 2023. Refer to the “Debt Covenant Calculations - Debt Service Coverage Ratio for Credit Facilities and Loans Payable” section on page 40 of this MD&A for the calculation of Debt Service Coverage Ratio.
- (5) Refer to the “Debt Covenant Calculations - Net Debt to Adjusted EBITDA” section on page 40 of this MD&A for the calculation of Net Debt to Adjusted EBITDA.

Total Units Outstanding and Distributions

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

	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	2,412,083	-	-	-	2,412,083
Trust Units issued pursuant to the Public Offering	28,290,000	-	-	-	28,290,000
Trust Units issued under EUPP	-	162,195	-	-	162,195
Trust Units released on settlement of EUPP receivable	186,658	(186,658)	-	-	-
Exchange of Class B Units into Trust Units	16,000	-	(16,000)	-	-
DTUs issued	-	-	-	50,143	50,143
Distributions on DTUs	-	-	-	46,715	46,715
Exchange of DTUs into Trust Units	157,534	-	-	(157,534)	-
Balance September 30, 2024	269,899,931	2,051,956	1,509,360	1,292,605	274,753,852

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

As of November 14, 2024, the Trust has 272,232,909 Trust Units outstanding and Chartwell Master Care LP has 1,509,360 Class B Units outstanding, which are exchangeable for 1,509,360 Trust Units.

Distributions

The following table summarizes distributions declared on Trust Units in Q3 2024, 2024 YTD, 2023 and 2022 in relation to cash flows from operating activities and net income/(loss):

(\$000s)	Q3 2024	2024 YTD	2023	2022
Cash flows from operating activities	69,800	146,368	157,425	137,709
Net income attributable to Unitholders	23,638	18,869	128,273	49,531
Finance costs included in cash flow from financing activities	(9,874)	(15,094)	(9,212)	(8,944)
Distributions declared on Trust Units	41,471	116,800	146,037	143,548
Excess/(deficit) of cash flows from operating activities over distributions declared on Trust Units	28,329	29,568	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	18,455	14,474	2,176	(14,783)
Excess/(deficit) of net income attributable to unitholders over distributions declared on Trust Units	(17,833)	(97,931)	(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 Q3 2024 and 2024 YTD, we achieved positive operating cash flows over distributions. Our operational, sales, marketing, and portfolio optimization strategies have produced improvements in our occupancies and reductions in agency staffing. We believe that these trends will continue, 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 Q3 2024, our average DRIP participation was 28.2% compared to 25.2% participation in Q3 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 2024 YTD and 2023 YTD:

(\$000s)	2024 YTD	2023 YTD
Building improvements	19,541	26,311
Mechanical and electrical ("M&E")	11,264	11,194
Suite improvements and upgrades	19,069	19,049
Interior improvements and upgrades	5,378	5,373
Furniture, fixtures and equipment	10,094	6,201
Communications and information systems	172	4,767
Properties under development	65,518	72,895
Total capital investments ⁽¹⁾	73,505	94,911

(1) Includes 164 properties (21,122 suites) at Chartwell's share of ownership for 2024 YTD, and 161 properties (19,244 suites) at Chartwell's share of ownership for 2023 YTD.

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

(\$000s)	2024 YTD	2023 YTD
Capital investments in Equity-Accounted JVs	1,871	857

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).

For 2024 YTD, we completed 83 major building improvement projects valued over \$50,000 each, totalling \$19.5 million (2023 YTD – 103 projects totalling \$23.2 million). In addition, included in this category are the acquisitions of four condominium suites at two of our properties in British Columbia totalling \$1.6 million in 2023 YTD.

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.

For 2024 YTD, we completed 85 major M&E projects valued over \$50,000 each, totalling \$10.0 million (2023 YTD – 79 projects totalling \$9.2 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.

For 2024 YTD, we invested in strategic suite upgrade programs in 51 properties (2023 YTD – 50 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.

For 2024 YTD, we invested in strategic common area upgrade programs in 42 properties (2023 YTD – 30 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 September 30, 2024 compared to December 31, 2023.

	Increase (Decrease) <i>(\$millions)</i>	Explanation
Total assets	505.7	Total assets increased primarily due to increases in PP&E from acquisitions, other assets, investment in joint ventures, trade and other receivables, cash and loans receivables, partially offset by decreases in intangible assets.
Total liabilities	227.3	Total liabilities increased primarily due to increases in mortgages payable, loans payable, accounts payable, deferred tax liabilities, other liabilities and distribution payables, partially offset by repayment of term loan, lower draws on our Credit Facilities, lower liabilities related to assets held for sale, and decreases in income tax payable
Equity	278.3	The increase in equity is primarily due to the issuance of Trust Units under the Public Offering and under DRIP, and net income for the period, partially offset by underwriters' fees and issuance costs, net of tax related to the issuance of Trust Units under the Public Offering, and distributions.

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 Q3 2024 which are outside the ordinary course of business.

Litigation, Claims and Contingencies

Class Action

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 was denied in August 2024. We did not record a provision with respect to the Consolidated Claims as at September 30, 2024. The contingencies associated with these long term care homes remain with Chartwell upon sale.

Pay Equity

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
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenues	220,464	202,401	196,583	193,455	186,041	180,771	178,287	181,699
Direct property operating expense	(128,389)	(120,709)	(121,374)	(118,853)	(113,344)	(113,290)	(117,874)	(120,672)
Depreciation and amortization	(43,530)	(39,369)	(35,957)	(39,587)	(38,593)	(38,539)	(39,976)	(40,255)
Share of net income/(loss) from joint ventures	2,946	1,939	1,367	(568)	1,023	(197)	(2,070)	(1,200)
G&A expenses	(11,731)	(12,924)	(14,471)	(13,455)	(14,403)	(17,163)	(15,429)	(9,334)
Other income/(expense)	54,152	(2,112)	(1,354)	(4,695)	1,789	605	2,310	68,456
Finance costs	(28,351)	(26,359)	(22,778)	(22,591)	(23,395)	(23,709)	(22,806)	(22,870)
Changes in fair value of financial instruments	(14,998)	(3,252)	(3,285)	(10,752)	(5,622)	(3,081)	(2,509)	2,929
Current income tax benefit/(expense)	(2,840)	-	351	869	(28,100)	-	-	-
Deferred income tax benefit/(expense)	(24,120)	(2,413)	(1,053)	3,419	11,274	2,340	7,477	(16,849)
Net income/(loss) from continuing operations	23,603	(2,798)	(1,971)	(12,758)	(23,330)	(12,263)	(12,590)	41,904
Net income/(loss) from LTC Discontinued Operations	-	-	-	(415)	181,486	4,806	3,337	5,559
Net income/(loss) for the period	23,603	(2,798)	(1,971)	(13,173)	158,156	(7,457)	(9,253)	47,463
Comprised of:								
Unitholders	23,638	(2,798)	(1,971)	(13,173)	158,156	(7,457)	(9,253)	47,463
Non-controlling interest	(35)	-	-	-	-	-	-	-
Net income/(loss) for the period	23,603	(2,798)	(1,971)	(13,173)	158,156	(7,457)	(9,253)	47,463
FFO ⁽¹⁾								
Continuing operations	55,861	44,698	39,239	39,246	36,087	25,900	20,918	27,744
Total	55,861	44,698	39,239	39,099	39,002	30,751	24,338	33,357
FFOPU ⁽¹⁾								
Continuing operations	0.20	0.18	0.16	0.16	0.15	0.11	0.09	0.12
Total	0.20	0.18	0.16	0.16	0.16	0.13	0.10	0.14
IFFO ⁽¹⁾								
Continuing operations	56,703	44,979	39,632	39,878	36,602	26,255	21,676	28,877
Total	56,703	44,979	39,632	39,731	39,518	31,106	25,096	34,490
IFFOPU ⁽¹⁾								
Continuing operations	0.21	0.18	0.16	0.16	0.15	0.11	0.09	0.12
Total	0.21	0.18	0.16	0.16	0.16	0.13	0.10	0.14
Weighted average number of units (000) ⁽²⁾	274,318	246,121	244,216	243,262	242,258	241,240	239,948	238,831

(1) Non-GAAP; refer to the "Additional Information on Non-GAAP Measures" section on page 34 of this MD&A.

(2) Non-GAAP; refer to the "Weighted Average Number of Units" section on page 39 of this MD&A.

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

- acquisitions, dispositions, and developments of properties as described in the "Significant Events" section on page 9 and the "2024 Outlook" section on page 8 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 sale of non-core properties and 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 interest.

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)		Q3 2024	Q3 2023	Change	2024 YTD	2023 YTD	Change
	Net income/(loss)	23,603	(23,330)	46,933	18,834	(48,183)	67,017
	Add (Subtract):						
B	Depreciation of PP&E	43,009	38,027	4,982	117,146	115,050	2,096
D	Amortization of limited life intangible assets	521	566	(45)	1,710	2,058	(348)
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	(974)	(1,093)	119	(2,968)	(3,332)	364
E	Loss/(gain) on disposal of assets	(55,850)	(2,883)	(52,967)	(54,905)	(6,304)	(48,601)
J	Transaction costs arising on dispositions	2,507	469	2,038	5,028	975	4,053
H	Impairment losses	-	625	(625)	-	625	(625)
F	Tax on gains or losses on disposal of properties	2,840	28,100	(25,260)	2,489	28,100	(25,611)
G	Deferred income tax	24,120	(11,274)	35,394	27,586	(21,091)	48,677
O	Distributions on Class B Units recorded as interest expense	231	234	(3)	696	702	(6)
M	Changes in fair value of financial instruments	14,998	5,622	9,376	21,535	11,212	10,323
Q	FFO adjustments for Equity-Accounted JVs ⁽¹⁾	900	1,024	(124)	2,691	3,093	(402)
U	Non-controlling interest ⁽¹⁾	(44)	-	(44)	(44)	-	(44)
	FFO ⁽²⁾	55,861	36,087	19,774	139,798	82,905	56,893
	Add (Subtract):						
	Lease-up-Losses and Imputed Cost of Debt ⁽³⁾	256	515	(259)	930	1,628	(698)
	Income guarantees ⁽⁴⁾	586	-	586	586	-	586
	IFFO ⁽⁵⁾	56,703	36,602	20,101	141,314	84,533	56,781
	Weighted average number of units (000) ⁽⁶⁾	274,318	242,258	32,060	254,956	241,157	13,799
	FFOPU ⁽⁷⁾	0.20	0.15	0.05	0.55	0.34	0.21
	IFFOPU ⁽⁷⁾	0.21	0.15	0.06	0.55	0.35	0.20

(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 16 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 9 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 39 of this MD&A.

(7) Non-GAAP; refer to the "Per Unit Amounts" section on page 39 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)	Q3 2024	Q3 2023	Change	2024 YTD	2023 YTD	Change
B Depreciation of PP&E and amortization of intangible assets	672	1,021	(349)	1,973	3,101	(1,128)
E Loss/(gain) on disposal of assets	(1)	-	(1)	1	2	(1)
M Change in fair value of financial instruments	229	3	226	717	(10)	727
Q FFO adjustments for Equity-Accounted JVs ⁽¹⁾	900	1,024	(124)	2,691	3,093	(402)

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

The following table provides supplemental information in respect of the FFO for non-controlling interest:

(\$000s)	Q3 2024	Q3 2023	Change	2024 YTD	2023 YTD	Change
Net loss	35	-	35	35	-	35
B Depreciation of PP&E and amortization of intangible assets	(81)	-	(81)	(81)	-	(81)
E Gain on disposal of assets	2	-	2	2	-	2
U Non-controlling interest ⁽¹⁾	(44)	-	(44)	(44)	-	(44)

(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)	Q3 2024	Q3 2023	Change	2024 YTD	2023 YTD	Change
Net income/(loss)	23,603	158,156	(134,553)	18,834	141,446	(122,612)
<i>Add (Subtract):</i>						
B Depreciation of PP&E	43,009	38,027	4,982	117,146	115,050	2,096
D Amortization of limited life intangible assets	521	566	(45)	1,710	2,058	(348)
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	(974)	(1,093)	119	(2,968)	(3,332)	364
E Loss/(gain) on disposal of assets	(55,850)	(181,794)	125,944	(54,905)	(185,208)	130,303
J Transaction costs arising on dispositions	2,507	809	1,698	5,028	1,436	3,592
H Impairment losses	-	625	(625)	-	625	(625)
F Tax on gains or losses on disposal of properties	2,840	28,100	(25,260)	2,489	28,100	(25,611)
G Deferred income tax	24,120	(11,274)	35,394	27,586	(21,091)	48,677
O Distributions on Class B Units recorded as interest expense	231	234	(3)	696	702	(6)
M Changes in fair value of financial instruments	14,998	5,622	9,376	21,535	11,212	10,323
Q FFO adjustments for Equity-Accounted JVs ⁽¹⁾	900	1,024	(124)	2,691	3,093	(402)
U Non-controlling interest ⁽¹⁾	(44)	-	(44)	(44)	-	(44)
FFO ⁽²⁾	55,861	39,002	16,859	139,798	94,091	45,707
<i>Add (Subtract):</i>						
Lease-up-Losses and Imputed Cost of Debt ⁽³⁾	256	515	(259)	930	1,628	(698)
Income guarantees ⁽⁴⁾	586	-	586	586	-	586
IFFO ⁽⁵⁾	56,703	39,517	17,186	141,314	95,719	45,595
Weighted average number of units (000) ⁽⁶⁾	274,318	242,258	32,060	254,956	241,157	13,799
FFOPU ⁽⁷⁾	0.20	0.16	0.04	0.55	0.39	0.16
IFFOPU ⁽⁷⁾	0.21	0.16	0.05	0.55	0.40	0.15

(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 16 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 9 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 39 of this MD&A.

(7) Non-GAAP; refer to the "Per Unit Amounts" section on page 39 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
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Net income/(loss)	23,603	(2,798)	(1,971)	(12,758)	(23,330)	(12,263)	(12,590)	41,904
<i>Add (Subtract):</i>								
B Depreciation of PP&E	43,009	38,795	35,342	38,955	38,027	37,786	39,237	39,482
D Amortization of limited life intangible assets	521	574	615	632	566	753	739	773
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	(974)	(941)	(1,055)	(1,127)	(1,093)	(1,094)	(1,144)	(1,181)
E Loss/(gain) on disposal of assets	(55,850)	1,584	(638)	(5,770)	(2,883)	(709)	(2,712)	(70,125)
J Transaction costs arising on dispositions	2,507	528	1,992	192	469	104	402	1,792
H Impairment losses	-	-	-	10,273	625	-	-	-
F Tax on gains or losses on disposal of properties	2,840	-	(351)	(869)	28,100	-	-	-
G Deferred income tax	24,120	2,413	1,053	(3,419)	(11,274)	(2,340)	(7,477)	16,849
O Distributions on Class B Units recorded as interest expense	231	232	232	234	234	234	234	234
M Changes in fair value of financial instruments	14,998	3,252	3,285	10,752	5,622	3,081	2,509	(2,929)
Q FFO adjustments for Equity-Accounted JVs ⁽¹⁾	900	1,059	735	2,151	1,024	348	1,720	945
U Non-controlling interest ⁽¹⁾	(44)	-	-	-	-	-	-	-
FFO ⁽²⁾	55,861	44,698	39,239	39,246	36,087	25,900	20,918	27,744
<i>Add (Subtract):</i>								
Lease-up-Losses and Imputed Cost of Debt ⁽³⁾	256	281	393	632	515	355	758	1,133
Income guarantees ⁽⁴⁾	586	-	-	-	-	-	-	-
IFFO ⁽⁵⁾	56,703	44,979	39,632	39,878	36,602	26,255	21,676	28,877
Weighted average number of units (000) ⁽⁶⁾	274,318	246,121	244,216	243,262	242,258	241,240	239,948	238,831
FFOPU ⁽⁷⁾	0.20	0.18	0.16	0.16	0.15	0.11	0.09	0.12
IFFOPU ⁽⁷⁾	0.21	0.18	0.16	0.16	0.15	0.11	0.09	0.12

(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 16 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 9 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 39 of this MD&A.

(7) Non-GAAP; refer to the "Per Unit Amounts" section on page 39 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
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Net income/(loss)	23,603	(2,798)	(1,971)	(13,173)	158,156	(7,457)	(9,253)	47,463
Add (Subtract):								
B Depreciation of PP&E	43,009	38,795	35,342	38,955	38,027	37,786	39,237	39,482
D Amortization of limited life intangible assets	521	574	615	632	566	753	739	773
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	(974)	(941)	(1,055)	(1,127)	(1,093)	(1,094)	(1,144)	(1,181)
E Loss/(gain) on disposal of assets	(55,850)	1,584	(638)	(5,539)	(181,794)	(714)	(2,701)	(70,122)
J Transaction costs arising on dispositions	2,507	528	1,992	229	809	154	474	1,843
H Impairment losses	-	-	-	10,273	625	-	-	-
F Tax on gains or losses on disposal of properties	2,840	-	(351)	(869)	28,100	-	-	-
G Deferred income tax	24,120	2,413	1,053	(3,419)	(11,274)	(2,340)	(7,477)	16,849
O Distributions on Class B Units recorded as interest expense	231	232	232	234	234	234	234	234
M Changes in fair value of financial instruments	14,998	3,252	3,285	10,752	5,622	3,081	2,509	(2,929)
Q FFO adjustments for Equity-Accounted JVs ⁽¹⁾	900	1,059	735	2,151	1,024	348	1,720	945
U Non-controlling interest ⁽¹⁾	(44)	-	-	-	-	-	-	-
FFO ⁽²⁾	55,861	44,698	39,239	39,099	39,002	30,751	24,338	33,357
Add (Subtract):								
Lease-up-Losses and Imputed Cost of Debt ⁽³⁾	256	281	393	632	515	355	758	1,133
Income guarantees ⁽⁴⁾	586	-	-	-	-	-	-	-
IFFO ⁽⁵⁾	56,703	44,979	39,632	39,731	39,517	31,106	25,096	34,490
Weighted average number of units ⁽⁶⁾ (000)	274,318	246,121	244,216	243,262	242,258	241,240	239,948	238,831
FFOPU ⁽⁷⁾	0.20	0.18	0.16	0.16	0.16	0.13	0.10	0.14
IFFOPU ⁽⁷⁾	0.21	0.18	0.16	0.16	0.16	0.13	0.10	0.14

(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 16 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 9 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 39 of this MD&A.

(7) Non-GAAP; refer to the "Per Unit Amounts" section on page 39 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)	Q3 2024	Q3 2023	Change	2024 YTD	2023 YTD	Change
Weighted average number of units ⁽¹⁾	274,318	242,258	32,060	254,956	241,157	13,799

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

Debt Covenant Calculations

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 September 30, 2024	12 months December 31, 2023
Consolidated EBITDA for Debentures ⁽¹⁾	301,668	223,009
Consolidated interest expense for Debentures ⁽²⁾	116,361	95,153
Interest Coverage Ratio for Debentures	2.6	2.3

(1) Refer to the "Supporting Covenant Calculations – 1. Consolidated EBITDA for Credit Facilities, Loans Payable, and Debentures" section on page 41 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 41 of this MD&A for the calculation of consolidated interest expense for Debentures.

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%.

((\$000s, except indebtedness percentage)	September 30, 2024	December 31, 2023
Consolidated indebtedness for Debentures ⁽¹⁾	2,494,873	2,283,580
Aggregate adjusted assets for Debentures ⁽²⁾	5,342,439	4,716,878
Indebtedness percentage for Debentures	46.7%	48.4%

(1) Refer to the "Supporting Covenant Calculations – 4. Consolidated Indebtedness for Credit Facilities, Loans Payable, and Debentures" section on page 42 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 43 of this MD&A for the calculation of aggregate adjusted assets for Debentures.

Unsecured Debt 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.

(\$000s, except ratio)	September 30, 2024	December 31, 2023
Unencumbered aggregate adjusted assets for Debentures ⁽¹⁾	990,150	881,250
Unsecured indebtedness for Debentures ⁽²⁾	558,449	533,073
Coverage ratio for Debentures	1.8	1.7

(1) Includes 30 properties valued at \$990.2 million as of September 30, 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 42 of this MD&A for the calculation of unsecured indebtedness for the Debentures.

Debt Service Coverage Ratio for Credit Facilities and Loans Payable

We are required to maintain a minimum debt service coverage ratio of 1.40 on a rolling 12-month basis.

(\$000s, except ratio)	12 months September 30, 2024	12 months December 31, 2023
Consolidated EBITDA for Credit Facilities and Loans Payable ⁽¹⁾	284,146	243,403
Consolidated interest expense for Credit Facilities and Loans Payable ⁽²⁾	98,823	94,727
Consolidated regularly scheduled debt principal payments for Credit Facilities and Loans Payable ⁽³⁾	74,208	82,252
Consolidated debt service payments for Credit Facilities and Loans Payable	173,031	176,979
Debt service coverage ratio for Credit Facilities and Loans Payable	1.64	1.38

(1) Refer to the "Supporting Covenant Calculations – 1. Consolidated EBITDA for Credit Facilities, Loans Payable, and Debentures" section on page 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 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 of this MD&A for the calculation of consolidated regularly scheduled debt principal payments for Credit Facilities and Loans Payable.

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.

(\$000s, except ratio)	September 30, 2024	December 31, 2023
Consolidated Indebtedness for Debentures ⁽¹⁾	2,494,873	2,283,580
Consolidated EBITDA for Debentures ⁽²⁾	301,668	223,009
Net Debt to Adjusted EBITDA ratio	8.3	10.2

(1) Refer to the "Supporting Covenant Calculations – 4. Consolidated Indebtedness for Credit Facilities, Loans Payable, and Debentures" section on page 42 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 41 of this MD&A for the calculation of this amount.

The Net Debt to Adjusted EBITDA ratio has improved primarily due to higher NOI and in part due to the Public Offering that was completed to fund portfolio acquisitions closing in 2024. 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.

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 September 30, 2024
Net income	128,273	141,446	18,834	5,661
Gain on disposal of assets ⁽¹⁾	(190,748)	(185,208)	(54,903)	(60,443)
Transaction costs ⁽¹⁾	1,665	1,436	5,028	5,257
Impairment losses	10,980	625	-	10,355
Non-cash change in fair value of financial instruments ⁽¹⁾	23,212	11,202	22,251	34,261
Consolidated net income/(loss) for Credit Facilities and Loans Payable	(26,618)	(30,499)	(8,790)	(4,909)
Consolidated finance costs ⁽¹⁾	99,493	76,451	78,995	102,037
Consolidated depreciation of PP&E and amortization of intangible assets ⁽¹⁾	160,611	120,209	120,829	161,231
Consolidated income tax expense/(benefit)	2,721	7,009	30,075	25,787
Principal portion of capital funding	3,764	3,764	-	-
Net pandemic expenses ⁽²⁾	3,432	3,432	-	-
Consolidated EBITDA for Credit Facilities and Loans Payable	243,403	180,366	221,109	284,146
Proforma adjustments ⁽³⁾	(16,962)			17,522
Less: Net pandemic expenses ⁽²⁾	(3,432)			-
Consolidated EBITDA for Debentures	223,009			301,668

(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 September 30, 2024
Interest on mortgages ⁽¹⁾	62,788	48,529	45,905	60,164
Interest on Debentures	14,392	10,388	15,949	19,953
Interest on Credit Facilities	12,023	10,161	7,466	9,328
Interest on Loans Payable	5,524	4,125	7,979	9,378
Consolidated interest expense for Credit Facilities and Loans Payable	94,727	73,203	77,299	98,823
Proforma adjustments ⁽²⁾	426			17,538
Consolidated interest expense for Debentures	95,153			116,361

(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 September 30, 2024
Regularly scheduled debt principal payments per Financial Statements	81,967	63,606	55,553	73,914
Regularly scheduled debt principal payments for equity-accounted entities	285	212	221	294
Regularly scheduled debt principal payments for Credit Facilities and Loans Payable	82,252	63,818	55,774	74,208

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)	September 30, 2024	December 31, 2023
Principal balance of mortgages payable	1,662,915	1,469,304
Principal balance of mortgages payable related to assets held for sale	140,439	182,788
Principal balance of mortgages payable related to Equity-Accounted JVs	49,669	51,990
Welltower loan 1	33,323	-
Welltower loan 2	40,665	-
Outstanding amount on secured credit facility	35,000	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	1,975,611	1,787,682
Principal balance of Debentures	400,000	400,000
Unsecured term loans	150,000	125,000
Capital lease obligations ⁽¹⁾	8,449	8,073
Unsecured indebtedness for Debentures	558,449	533,073
Outstanding letters of credit	5,787	5,988
Third-party guarantees	315	563
Unsecured indebtedness for Credit Facilities and Loans Payable	564,551	539,624
Consolidated indebtedness for Credit Facilities and Loans Payable	2,540,162	2,327,306
<i>Add (Subtract):</i>		
Outstanding letters of credit	(5,787)	(5,988)
Third-party guarantees	(315)	(563)
Cash and cash equivalents	(26,048)	(24,619)
Cash and cash equivalents of Equity-Accounted JVs	(13,139)	(12,556)
Consolidated indebtedness for Debentures	2,494,873	2,283,580

(1) Includes capital lease obligations related to joint ventures of \$0.1 million at September 30, 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.

	September 30, 2024	December 31, 2023
(\$000s)		
Book value of assets ⁽¹⁾	3,786,269	3,288,280
Gross book value adjustment on IFRS transition	121,539	148,099
Adjustment for accumulated depreciation and amortization for Credit Facilities and Loans Payable ⁽²⁾	1,473,818	1,317,674
Adjusted consolidated gross book value of assets for Credit Facilities and Loans Payable	5,381,626	4,754,053
Add (Subtract):		
Cash and cash equivalents	(26,048)	(24,619)
Cash and cash equivalents of Equity-Accounted JVs	(13,139)	(12,556)
Aggregate adjusted assets for Debentures	5,342,439	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 \$26.7 million at September 30, 2024 (\$24.7 million at December 31, 2023) and fully amortized assets of \$272.9 million at September 30, 2024 (\$278.4 million at December 31, 2023).

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 12 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:

	Properties	Composition of Suites/Beds		
		ISLS	LTC	Total at Chartwell's Share of Ownership
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 September 30, 2024:

(\$000s)	Q3 2024	Q3 2023	2024 YTD	2023 YTD
Adjusted resident revenue ⁽¹⁾	-	45,521	-	167,067
Comprised of:				
Repositioning ⁽²⁾	-	45,521	-	167,067
Adjusted direct property operating expense ⁽¹⁾	-	41,323	-	151,267
Comprised of:				
Repositioning ⁽²⁾	-	41,323	-	151,267
Adjusted NOI ⁽¹⁾	-	4,198	-	15,800
Comprised of:				
Repositioning ⁽²⁾	-	4,198	-	15,800

(1) Non-GAAP, refer to the "Results of Operations" section on page 15 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)	Q3 2024	Q3 2023	2024 YTD	2023 YTD
Contractual interest expense on mortgages	-	1,364	-	5,186
Amortization of finance costs and mark-to-market adjustments on assumed mortgages	-	14	-	18
Total finance costs – LTC Discontinued Operations	-	1,378	-	5,204

Other Items

(\$000s)	Q3 2024	Q3 2023	2024 YTD	2023 YTD
Other income/(expense)	-	178,571	-	178,443

Cash Flow Analysis (between Q3 2024 and Q3 2023)

Cash Provided by (Used in):	Increase (Decrease) (\$millions)	Explanation
Operating activities	(21.3)	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 Q3 2024.
Financing activities	1.9	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 Q3 2024.
Investing activities	(218.7)	Change in cash flows from investing activities is primarily due to sale of long term operations in 2023 as compared to no activity in Q3 2024.

Cash Flow Analysis (between 2024 YTD and 2023 YTD)

Cash Provided by (Used in):	Increase (Decrease) (\$millions)	Explanation
Operating activities	(29.5)	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 2024.
Financing activities	7.4	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 2024.
Investing activities	(218.4)	Change in cash flows from investing activities is primarily due to sale of long term operations in 2023 as compared to no activity in 2024.

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)	Q3 2024	Q3 2023	2024 YTD	2023 YTD
Net income/(loss)	-	181,486	-	189,629
Add (Subtract):				
Loss/(gain) on disposal of assets	-	(178,911)	-	(178,904)
Transaction costs arising on dispositions	-	340	-	461
FFO ⁽¹⁾	-	2,915	-	11,186
IFFO ⁽²⁾	-	2,915	-	11,186
Weighted average number of units (000) ⁽³⁾	-	242,258	-	241,157
FFOPU ⁽⁴⁾	-	0.01	-	0.05
IFFOPU ⁽⁴⁾	-	0.01	-	0.05

(1) Non-GAAP; refer to the “Results of Operations – FFO” section on page 16 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 35 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 39 of this MD&A.

(4) Non-GAAP; refer to the “Per Unit Amounts” section on page 39 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	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Net income/(loss)	-	-	-	(415)	181,486	4,806	3,337	5,559
Add (Subtract):								
Loss/(gain) on disposal of assets	-	-	-	231	(178,911)	(5)	11	3
Transaction costs arising on dispositions	-	-	-	37	340	50	72	51
FFO ⁽¹⁾	-	-	-	(147)	2,915	4,851	3,420	5,613
IFFO ⁽²⁾	-	-	-	(147)	2,915	4,851	3,420	5,613
Weighted average number of units (000) ⁽³⁾	-	-	-	243,262	242,258	241,240	239,948	238,831
FFOPU ⁽⁴⁾	-	-	-	-	0.01	0.02	0.01	0.02
IFFOPU ⁽⁴⁾	-	-	-	-	0.01	0.02	0.01	0.02

(1) Non-GAAP; refer to the “Results of Operations – FFO” section on page 16 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 35 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 39 of this MD&A.

(4) Non-GAAP; refer to the “Per Unit Amounts” section on page 39 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 2024 YTD 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 2024 YTD 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 10 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 September 30, 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 September 30, 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.