



**MANAGEMENT'S
DISCUSSION & ANALYSIS**

FOR THE YEAR ENDED

December 31

2024



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

For the Year Ended December 31, 2024

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About this Management's Discussion and Analysis

Chartwell Retirement Residences ("Chartwell" or the "Trust") has prepared the following management's discussion and analysis (the "MD&A") to provide information to assist its current and prospective investors' understanding of the financial results of Chartwell for the year ended December 31, 2024. This MD&A should be read in conjunction with Chartwell's audited, consolidated financial statements for the years ended December 31, 2024, and 2023, and the notes thereto (the "Financial Statements"). This material as well as additional information about Chartwell, including our Annual Information Form for the year ended December 31, 2024, dated February 27, 2025 (the "AIF"), is available on Chartwell's website at www.investors.chartwell.com and on the SEDAR+ website at www.sedarplus.com.

The discussion and analysis in this MD&A is based on information available to management as of February 27, 2025.

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; and "2021" refers to the calendar year 2021.

Unless otherwise indicated, all comparisons of results for 2024 and Q4 2024 are in comparison to results from 2023 and Q4 2023, 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 in the REALPAC Guidance. 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 that differ from standardized meanings prescribed by GAAP. These metrics may not be comparable to similar metrics used by other issuers.

The Non-GAAP 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 on page 53 of this MD&A, as well as our AIF dated February 27, 2025, 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 64 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:

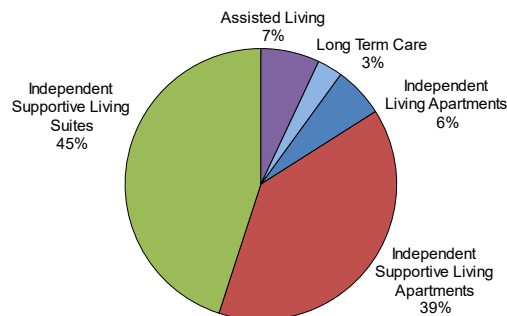
Independent Living Apartments ("IL")	Apartments / townhouses/ bungalows/ with full kitchens, availability of dining, life enrichment and housekeeping services.
Independent Supportive Living – Apartments ("ISLA")	Apartments/ townhouses/ bungalows/ with full kitchens, with availability of dining, life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

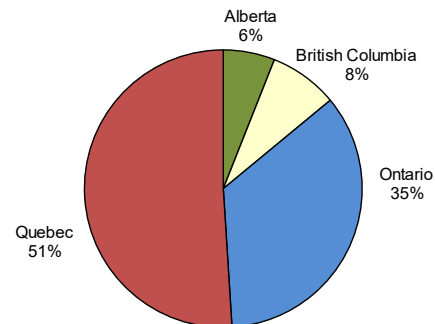
The following presents the composition of our owned and managed portfolio of residences in our Retirement Operations at December 31, 2024:

	Owned			Managed	Total
	100% Owned	Partially Owned ⁽¹⁾⁽²⁾	Total Owned	Total Managed ⁽³⁾	
Residences	114	57	171	7	178
Suites	15,643	12,310	27,953	1,794	29,747

Level of Care ⁽⁴⁾⁽⁵⁾



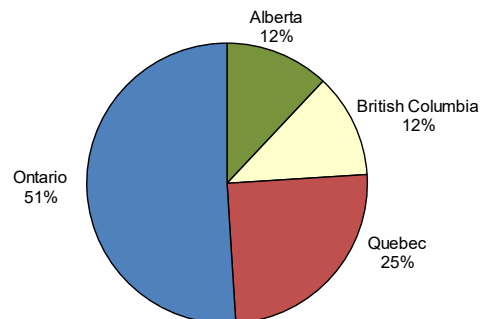
Geographic Location ⁽⁶⁾



Ownership Interest ⁽²⁾



Adjusted NOI by Geographic Location ⁽⁷⁾



- (1) Includes 39 residences (8,029 suites) that are part of the Welltower Transaction agreement. Refer to the "Significant Events – Portfolio Optimization" section on page 12 of this MD&A.
- (2) We have a 42.5% ownership interest in three residences (909 suites), a 45% ownership interest in one residence (332 suites), a 50% ownership interest in 46 residences (9,431 suites), a 60% ownership interest in one residence (165 suites) and an 85% ownership interest in six residences (1,473 suites).
- (3) 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.
- (4) On September 6, 2023, we completed the sale of our Long Term Care Operations in Ontario. Refer to the "Significant Events – Portfolio Optimization" section on page 12 of this MD&A.
- (5) Based on suites at Chartwell's share of ownership interest at December 31, 2024.
- (6) Based on total suites (at full) at December 31, 2024.
- (7) Adjusted NOI % represents Chartwell's share of ownership interest for the year ended December 31, 2024.

Property Portfolio Groupings

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

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

Same Property Portfolio

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

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

	Properties	Composition of Suites					Total	Total at Chartwell's Share of Ownership
		IL	ISLA	ISLS	AL	LTC		
Same property								
100% Owned	94	604	2,863	7,617	1,031	201	12,316	12,316
Partially Owned ⁽¹⁾	7	17	421	487	-	-	925	610
Total same property	101	621	3,284	8,104	1,031	201	13,241	12,926

(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 December 31, 2024:

	Properties	Composition of Suites					Total	Total at Chartwell's Share of Ownership
		IL	ISLA	ISLS	AL	LTC		
Growth								
100% Owned	14	399	1,321	470	154	125	2,469	2,469
Partially Owned ⁽¹⁾	25	460	4,404	1,359	414	-	6,637	3,687
Total growth	39	859	5,725	1,829	568	125	9,106	6,156

(1) We own an 85% interest in three properties, a 60% interest in one property, a 50% interest in 20 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 December 31, 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	302	858
Partially Owned ⁽²⁾	25	251	2,817	1,429	251	-	2,306
Total repositioning	31	251	2,966	1,791	296	302	3,164

(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.

(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."

Objectives:

We believe that only **highly engaged employees** will deliver the exceptional resident experiences fulfilling our vision of Making People's Lives Better and driving high resident satisfaction scores. We know that **very satisfied residents** are much more likely to recommend their residence to their friends and be Chartwell ambassadors in their local communities. We know that the majority of our new resident move-ins are based on such recommendations. Therefore, by focusing our efforts and investments in the areas of employee engagement and resident satisfaction, we expect to generate **high occupancy rates** which, in turn, should drive strong growth in earnings. We elected to measure this earnings growth by utilizing an Internal Funds from Operations ("IFFO") metric on a per unit basis ("**IFFOPU**"). IFFO is calculated by adding to FFO the following: (a) lease-up-losses and imputed financing costs related to our development properties, (b) current income taxes, and (c) income guarantees due from vendors of certain acquired properties. IFFO is a non-GAAP measure. The reconciliation of IFFO to net income/(loss) and FFO, explanations and rationale for adjustments can be found in the "Additional Information on Non-GAAP Measures" section on page 39 of this MD&A.

Scope and Competitive Advantage:

Exceptional resident experience – Our customer is our resident. Our unique value proposition is an exceptional resident experience, and we achieve it by providing **personalized services**. Our service standards are 'Safety, Respect, Efficiency and WOW'.

Personalized services – We treat each resident as a unique individual. We get to know them well before they come to reside with us and we tailor our service offering to their individual preferences and needs.

Our residences – We own, operate and develop our residences. With a few specific exceptions we do not manage residences for third parties, nor do we invest in residences managed by others.

Upscale to mid-market – We target the upscale and mid retirement market. We do not operate residences with base-level services and a limited staff complement due to high operating risks. We do not operate residences with premium upscale services due to the small size and narrow focus of this niche market.

Urban and suburban – We target residences in urban and suburban areas and will not operate in markets with populations of less than 25,000 within a 10 km radius of our residences. In addition, to achieve management efficiencies we will not operate residences that generate less than \$1 million of NOI at stabilized occupancy. We expect to continue to operate in the four most populous provinces of Canada (Ontario, Quebec, British Columbia, and Alberta) where we strive to be market leaders.

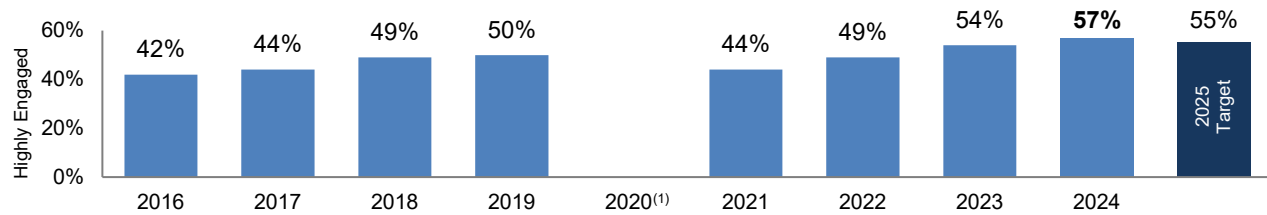
The following highlights the progress made in 2024 on the key components of our business strategy:

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.

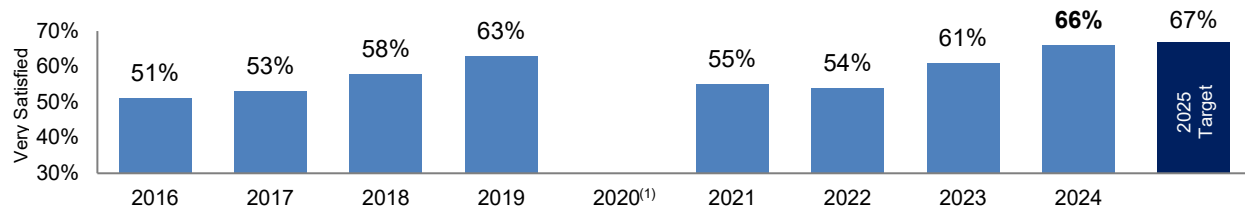
Resident Satisfaction

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.

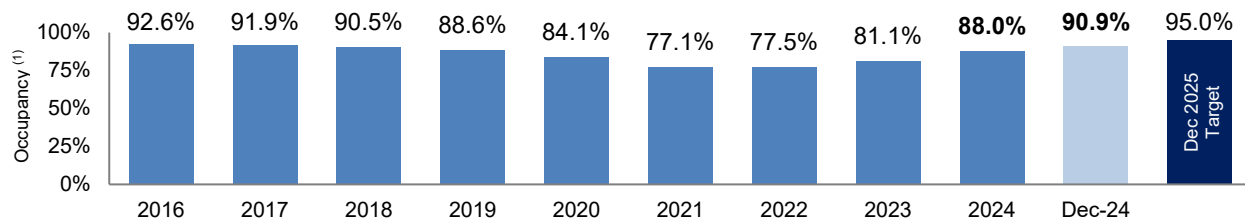
The following chart summarizes historical resident satisfaction survey results for our retirement residences:



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

Occupancy

The following chart summarizes historical weighted average same property occupancy for our Retirement Operations:



(1) The same property occupancy numbers are as reported, and the composition of the same property portfolio is not the same year-over-year.

In 2024, we achieved strong occupancy growth from 85.9% in December 2023 to 90.9% in December 2024.

2025 Outlook

We expect the seniors housing sector to experience another strong year in 2025 from strong supply demand market dynamics as limited growth in retirement residence inventory is not keeping pace with the strong demographic growth of the senior population. We are well positioned, within our sector, to achieve another significant year of FFO growth in 2025 supported by our investments to optimize our portfolio through acquisitions and re-investment in our properties and through our continued investments in our market leading management platform. The significant drivers of our expected growth include our intention to achieve our target of 95% same property occupancy by December 2025 and expected continued market-rate increases, improved operating margins as revenue growth outpaces cost increases, and reduced interest costs.

2025 Same Property Composition

Effective January 1, 2025, the composition of our same property portfolio changed to include properties that have been owned continuously since the beginning of the previous fiscal year and exclude properties that are expected to be undergoing a significant redevelopment, repositioning or to be sold in the current or next fiscal year.

The following table summarizes the changes in composition of our same property portfolio reported in 2024 financial results compared to the composition that will be reported in our 2025 financial results:

	Properties	Suites	At Chartwell's Share of Ownership	
			Suites	Occupancy ⁽¹⁾
Same property as reported in 2024	101	13,241	12,926	90.9%
Add: moved from growth portfolio	8	1,144	961	86.5%
Less: moved to repositioning portfolio	11	1,167	1,167	83.5%
Same property for 2025 reporting	98	13,218	12,720	91.3%

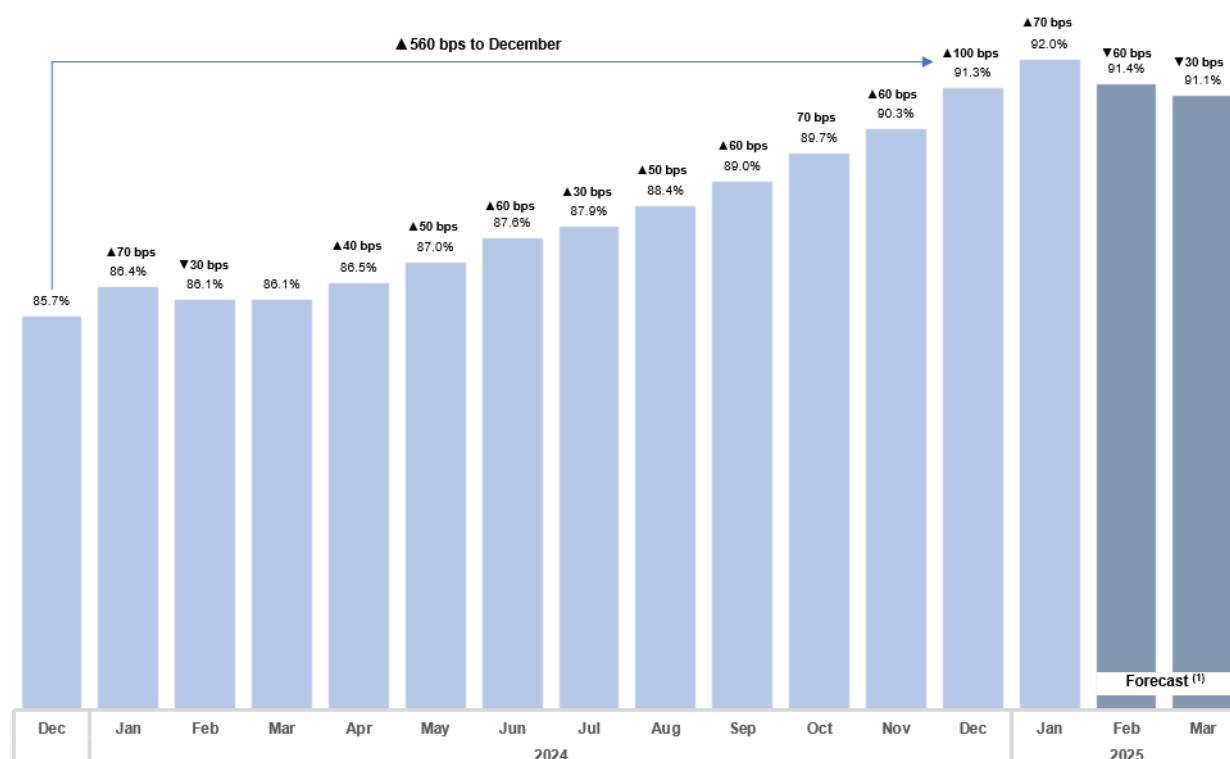
(1) As at December 31, 2024.

Same property for the purpose of this Outlook is in accordance with our 2025 definition. Same property references elsewhere in this document reflect the 2024 composition of our same property portfolio.

Operations

In our same property portfolio, we achieved another year of significant occupancy growth adding 560 basis points ("bps") of occupancy in 2024. This has been accomplished through a well-positioned portfolio and ongoing investment in our management platform including our sales and marketing strategies, technology capabilities and empowerment of our front-line leaders. We anticipate another significant occupancy increase in 2025 as we expect to achieve our 95.0% occupancy target by December 2025. Occupancy growth will be supported by continued increases in rental and service rates which we expect to grow by approximately 4% in 2025. Rate increases to our existing residents will take place throughout the year based on individual lease anniversary dates. Market rates are being assessed on an ongoing basis considering local dynamics. We expect to continue to use targeted incentives in select markets to support sustainable occupancy growth. We expect the use of these incentives to decline and growth of market rates to accelerate once properties achieve stabilized occupancy levels in line with our 2025 target of 95%. As a result of the expected continued growth in occupancy and rate, we expect our same property adjusted operating margin to increase to approximately 40% in 2025 from 37% in 2024. Adjusted operating margin is adjusted NOI divided by adjusted resident revenue.

The following chart provides an update in respect of our same property occupancy in accordance with our 2025 same property definition:



(1) Forecast includes leases and notices as at January 31, 2024 and an estimate of mid-month move-ins of 10 basis points ("bps") for February and 30 bps for March, based on the preceding 12-month average of such activity.

We continue to experience strong demand fundamentals having achieved a smaller seasonal dip than historical periods during the weaker and unpredictable winter season. Our same property portfolio occupancy for March 2025 is expected to be 91.1%, 20 bps lower than December 2024 occupancy of 91.3%. Our initial contacts, personalized tours, and lease signing activity remains strong and we expect this positive momentum to continue in 2025.

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 \$8.7 million and a one percentage point change in occupied suites is estimated at \$9.6 million.

General, Administrative and Trust ("G&A") Expenses

In 2024, we achieved a significant reduction in our G&A expenses of \$11.0 million compared to 2023, as the result of the implementation of various efficiency initiatives, including new technology solutions. These new efficiencies allowed us to streamline the support we provide to our operating teams, as we exited the long term care business. We are now able to support a larger base of properties without a corresponding increase in overhead costs. The reduction in G&A expenses more than offset the expected reduction in management fees associated with the wind-up of our joint arrangements with Welltower. We will continue to invest in and deploy new technology solutions and corporate support processes in 2025 to further realize operating efficiencies in our platform and expect G&A cost year-over-year increases to be below inflation.

Portfolio Optimization

Development

Our development activities slowed down in the last several years as the rapid increases in construction and financing costs have made most new developments economically unfeasible. We are in the process of evaluating expansion opportunities at our existing properties where economics support the capital investment. We expect to initiate one or more expansion projects in 2025. We expect that development on new sites including on the lands we already own will only commence once economic conditions improve.

Acquisitions

In 2024, we acquired interests in 15 properties (4,517 suites), announced an acquisition of one property (131 suites) which closed in January 2025, and entered a forward purchase agreement to acquire one additional property upon completion of its development which is expected to in Q2 2025. As of the date of this MD&A, we have announced an acquisition of one property (632 suites) which is expected to close in Q1 2025.

We have built an important pipeline of future acquisition opportunities with Batimo. Through this relationship, over time we expect to acquire ownership interests in 1,364 suites currently in various stages of lease-up and construction in the province of Quebec. We also continue to evaluate new development opportunities with Batimo. Refer to the “Projects by Batimo” section on page 13 of this MD&A for details.

We expect continued acquisition activity in 2025 as we pursue opportunities to high grade our portfolio through acquiring newer, high-quality properties in core markets. In 2024 we grew our investment team to enhance our capabilities in sourcing new acquisition, development and partnership opportunities.

Dispositions

As part of ongoing reviews of our properties, we may identify additional assets to sell that no longer fit with our strategic direction due to their location, earnings potential, age, or other attributes.

A detailed discussion on transactions undertaken as part our portfolio optimization strategy is provided in the “Significant Events – Portfolio Optimization” section on page 12 of this MD&A.

Taxation

In 2024, 100% of our distributions were classified as return of capital.

Based on our current expectations, the Welltower Transaction (as described in the “Significant Events – Portfolio Optimization” section on page 12 of this MD&A) will result in specified investment flow through (“SIFT”) taxes payable of approximately \$3.7 million in 2025. Based on current forecasts, we do not expect any other SIFT taxes payable in 2025.

Liquidity and Financing

As at February 27, 2025, liquidity amounted to \$282.9 million, which included \$43.7 million of cash and cash equivalents and \$239.2 million of available borrowing capacity on our Credit Facilities.

We finance our operations primarily through long-term fixed-rate mortgage debt, the majority of which are insured by Canada Mortgage and Housing Corporation (“CMHC”). We maintain an investment grade credit rating which allows us to issue unsecured debentures and obtain unsecured bank financing at attractive cost. We will continue to utilize these financing tools to balance cost, flexibility and tenure of our debt portfolio. In 2025, our debt maturities include \$343.8 million of mortgages with a weighted average interest rate of 5.29%, \$150.0 million of 4.211% unsecured debentures, and a \$75.0 million term loan. As at the date of this MD&A, we estimate the 10-year CMHC-insured mortgage rate to be approximately 3.84% and the five-year unsecured debenture rate to be approximately 4.31%.

Significant Events

In addition to the items discussed in the “2025 Outlook” section of this MD&A, the following events have had a significant effect on our financial results in 2024 and/or may be expected to affect our results in the future:

Portfolio Optimization

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	71.1%	32.3	0.4	Q1 2026	95%	2.3	7.1%

(1) As of January 31, 2025.

(2) As at December 31, 2024, includes actual Adjusted Development Costs incurred of \$31.9 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 year ended December 31, 2024.

Developments in Construction

The following table summarizes development projects that are in construction:

Project	Location	Suites / Beds	Suite Type	Estimated Development Cost (\$ millions)	Estimated Lease-up-Losses and Imputed Cost of Debt ⁽¹⁾ (\$millions)	Estimated Adjusted Development Costs ⁽²⁾ (\$millions)	Adjusted Development Costs ⁽¹⁾ incurred as at December 31, 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	70.4	-	70.4	68.5	Q1 2025	Q2 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 \$11.4 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

We have built an important pipeline of future acquisition opportunities by participating in certain development projects conducted by Batimo in the province of Quebec. Batimo carries out development activities and we provide certain operations management services to these projects and in some cases, provide mezzanine financing. Pursuant to our agreements with Batimo, we have certain call rights to acquire, and Batimo has certain put rights which may require us to acquire an 85% ownership interest in these properties upon achievement of the occupancy threshold, defined as 90% occupancy for two consecutive months (the "Batimo Option"). The purchase price is based on Fair Market Value ("FMV") minus 1%, 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 us 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	98.9%	Q4 2022
Chartwell L'Envol	Cap Rouge, QC	360	ISLA / AL	O	September 2019	97.2%	Q4 2023
Le Florilège	Beauport, QC	345	ISLA / AL	O	December 2022	96.4%	Q3 2024
L'Aubier	Lévis, QC	376	ISLA / ISLS / AL	O	June 2024	55.3%	Q4 2026
1,364							

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

(2) As of January 31, 2025.

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 \$300.0 million at 100% ownership interest.

Potential Developments on Owned Lands

The following table summarizes additional development opportunities on our owned lands. While a number of these development projects are in advanced stages of pre-construction or feasibility assessments, others have a longer-term development time horizon and, in some cases, may be subject to extensive municipal approval requirements. The land values are recorded in land held for development and properties under development.

Location	Ownership %	Vacant Land Size (acres)	Estimated Potential Number of Suites ⁽¹⁾	Book Value of Land (\$millions)
Bowmanville, ON	100%	1.8	124	4.3
Brockville, ON	100%	0.5	54	0.6
Calgary, AB	100%	1.4	384	5.8
Edmonton, AB	100%	2.1	202	3.5
Gatineau, QC	100%	3.4	600	8.6
Gatineau, QC	100%	2.2	209	6.5
Gatineau, QC ⁽²⁾	50%	1.5	159	1.3
Morrisburg, ON	100%	1.8	24	-
Nepean, ON	100%	0.5	32	0.6
Oshawa, ON	100%	2.0	201	6.0
Pickering, ON	100%	1.3	415	6.3
Saint-Hyacinthe, QC	100%	0.8	70	0.7
Saint-Jérôme, QC ⁽²⁾	50%	6.0	410	0.5
Saint-Jérôme, QC	100%	0.6	108	-
St-Jean-sur-Richelieu, QC	100%	1.3	170	-
Surrey, BC	100%	2.6	184	4.9
Terrebonne, QC	100%	1.3	91	-
Victoriaville, QC ⁽²⁾	50%	1.1	66	0.1
Total ⁽³⁾		32.2	3,503	49.7

(1) Numbers of potential suites to be developed are estimates and subject to change based on market conditions and municipal approval processes.

(2) Chartwell's ownership is 100% following closing of the Welltower Transaction effective February 1, 2025.

(3) Includes \$28.1 million in land held for development and \$21.6 million in properties under development.

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 \$3.3 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 paid in cash.

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. Acquisition-related costs of \$3.3 million have been capitalized. The remainder of the purchase price, subject to normal working capital and other closing adjustments, was paid in cash.

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 of \$3.8 million. 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 \$3.3 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 paid in cash.

On July 22, 2024, we completed the 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 \$3.9 million have been capitalized.

On July 31, 2024, we acquired the remaining 10% interest not already owned by us in land located in Pickering, Ontario which was previously accounted for as a joint operation. The purchase price of \$1.1 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, two of which have closed and the third is expected to close in Q2 2025. 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. 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 18, 2024, we completed the acquisition of a 50% ownership interest in a portfolio of five retirement residences (1,807 suites) in Quebec, four of which are located in the Quebec City area and one in Shawinigan. The purchase price at our share was \$213.5 million and was partially settled through the assumption of \$150.4 million of mortgages. The remainder of the purchase price, subject to normal working capital and other closing adjustments was paid in cash. The vendor provided us with a two-year NOI guarantee on two properties, with \$4.7 million of the purchase price to be held in escrow to support the vendor's obligation. 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 this portfolio at the then fair market value.

On January 15, 2025, we acquired an upscale, 131-suite ISL retirement residence located in Victoria, British Columbia for a purchase price of \$75.0 million. This acquisition is our fourth property on Vancouver Island adding critical mass in the region.

On January 30, 2025, we entered into a definitive agreement to acquire a 632-suite retirement residence located in Montreal, Quebec for \$136.0 million, which is expected to close in Q1 2025.

Dispositions

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 with them (the "Welltower Transaction"). This transaction closed February 1, 2025. Under the terms of the agreement, Chartwell conveyed 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) \$93.1 million in cash net of debt and working capital adjustments. Net proceeds to Chartwell after estimated transaction costs of \$12.2 million and taxes of \$3.7 million are expected to be approximately \$77.2 million (the "Cash Consideration"). Chartwell assumed \$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 5.3 years. The net change to total debt for Chartwell's balance sheet was a reduction of approximately \$52.1 million including the impact of the settlement of the Welltower loan of \$33.3 million that was settled upon closing of the transaction, as discussed in the "Joint Arrangements" section on page 17 of this MD&A. This net change is before any impact of the Cash Consideration.

On February 1, 2024, we completed the sale of one 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 one retirement residence (60 suites) located in Ontario for \$10.8 million, settled in cash.

On August 30, 2024, we completed the sale of one 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 one 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 our secured and unsecured credit facilities from May 29, 2025 to May 29, 2027, with substantially the same terms with a change in pricing to update 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 January 22, 2025, this loan was extended to July 22, 2025.

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 were 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 that closed in the fourth quarter of 2024. Refer to the "Liquidity and Capital Resources – Debt – Debentures" section on page 32 of this MD&A for details.

On November 14, 2024, we filed a prospectus supplement to establish an at-the-market equity distribution program (the "ATM Program"). The ATM Program allows Chartwell to issue up to \$250.0 million of Trust Units from treasury to the public from time to time during the term of the ATM Program at its discretion. The ATM program is expected to remain in place until the earlier of May 30, 2026 or the issuance and sale of the Trust Units qualified for distribution under the ATM program. During the year ended December 31, 2024, Chartwell issued 1,228,500 units under the ATM program at an average price of \$15.90 per Trust Unit for total gross proceeds of \$19.5 million. Commission and other costs amounted to \$0.4 million.

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 which are accounted for using the equity method, and Chartwell's proportionate share of the financial position and results of operations of its investment in such joint arrangements, where presented and discussed in this MD&A using the proportionate consolidation method, does not necessarily represent Chartwell's legal claim to such items.

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

Joint Arrangements	# of Properties	Suites/Beds	Chartwell Ownership	Joint Arrangement Type	Consolidation Method
Held directly:					
Chartwell-Welltower Landlord ("CWL")	37	7,120	50%	Joint operation	Proportionate
Chartwell Le St-Gabriel Landlord ("CSGL")	1	345	42.5%	Joint operation	Proportionate
Chartwell-Champlain Landlord ("CCL")	5	1,807	50%	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-Champlain Operator	1	Same as CCL	Same as CCL	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

On May 1, 2012, Chartwell and Welltower acquired undivided interests in a portfolio of 39 properties (of which two were subsequently sold) where each of Chartwell's and Welltower's interests in the real estate are held directly and where each of our interests in the operations are held through separate legal entities. Chartwell is the property manager for this portfolio. As the real estate is held directly by each of Chartwell and Welltower, it is classified as a joint operation and accounted for on a proportionate consolidation basis. The operations of the related properties, for which Chartwell is the manager, are held through a separate legal entity and as a result are classified as a joint venture and are accounted for using the equity method of consolidation.

On March 2, 2020, Chartwell and Welltower each acquired a 42.5% interest in Chartwell Le St-Gabriel from Batimo, with Batimo retaining the remaining 15% interest. In Q4 2023, Welltower purchased Batimo's share. As the real estate is held directly by each of Chartwell and Welltower, it is classified as a joint operation and accounted for on a proportionate consolidation basis. The operation of the property, for which Chartwell is the manager, is held through a separate legal entity and as a result is classified as a joint venture and is accounted for using the equity method of consolidation.

On April 14, 2021, Chartwell and Welltower each acquired a 42.5% interest in Chartwell Le Teasdale II from Batimo, with Batimo retaining the remaining 15% interest in the property. Simultaneously, Chartwell completed the sale of 50% of its 85% interest in Chartwell Le Teasdale I to Welltower. In Q4 2023, Welltower purchased Batimo's share. The real estate and the operations for both properties are directly held by Chartwell and Welltower and are classified as joint operations and are accounted for on a proportionate consolidation basis.

On November 9, 2023, we entered into a definitive agreement with Welltower to wind-up our existing joint arrangements with them as outlined in the "Significant Events – Portfolio Optimization" section on page 12 of this MD&A. This transaction closed February 1, 2025.

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. Welltower Loan 1 was settled on February 1, 2025 upon closing of the Welltower Transaction. Welltower Loan 2 was repaid on February 14, 2025.

On November 18, 2024, we acquired a 50% interest in five properties (refer to the "Significant Events – Portfolio Optimization" section on page 12 of this MD&A) in a joint arrangement with another partner ("Champlain"). As the real estate is held directly by each of Chartwell and Champlain, it is classified as a joint operation and accounted for on a proportionate consolidation basis. The operations of the related properties, for which Chartwell is the manager, is held through a separate legal entity and as a result is classified as a joint venture and is accounted for using the equity method of consolidation.

Results of Operations

Net Income/(Loss)

The following table summarizes select financial measures:

(\$000s)	Q4 2024	Q4 2023	Change	2024	2023	Change
Resident revenue	218,445	179,946	38,499	799,923	687,324	112,599
Direct property operating expense	138,707	118,853	19,854	509,179	463,361	45,818
Net income/(loss)	3,544	(13,173)	16,717	22,378	128,273	(105,895)

For 2024, resident revenue increased \$112.6 million or 16.4%, and direct property operating expense increased \$45.8 million or 9.9%. Refer to the “Adjusted Resident Revenue, Adjusted Direct Property Operating Expense, Adjusted Operating Margin, and Adjusted NOI” section on page 21 of this MD&A for details.

For 2024, net income was \$22.4 million compared to \$128.3 million in 2023 that included the gain on sale of \$178.7 million due to the completed LTC Transactions. The remaining differences are due to:

- deferred tax expense in 2024 as compared to a deferred tax benefit in 2023,
- higher direct property operating expense,
- higher finance costs,
- higher depreciation of property, plant and equipment (“PP&E”), and
- higher transaction costs related to dispositions,

partially offset by:

- higher resident revenue,
- higher gain on disposal of assets,
- current income tax benefit as compared to income tax expense due to the completed LTC Transactions,
- higher net income from joint ventures,
- lower general, administrative, and Trust (“G&A”) expenses, and
- lower negative changes in fair value of financial instruments.

Fourth Quarter

For Q4 2024, resident revenue increased \$38.5 million or 21.4%, and direct property operating expense increased \$19.8 million or 16.7%. Refer to the “Adjusted Resident Revenue, Adjusted Direct Property Operating Expense, Adjusted Operating Margin, and Adjusted NOI” section on page 21 of this MD&A for details.

For Q4 2024, net income was \$3.5 million compared to net loss of \$13.2 million in Q4 2023 primarily due to:

- higher resident revenue,
- lower negative changes in fair value of financial instruments,
- impairment losses in Q4 2023,
- higher net income from joint ventures,
- lower G&A expenses, and
- higher current income tax benefit,

partially offset by:

- higher direct property operating expense,
- deferred tax expense in Q4 2024 as compared to a deferred tax benefit in Q4 2023,
- higher depreciation of PP&E, and
- higher finance costs.

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 39 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. FFO is considered a meaningful measure for reviewing our operating and financial performance because it excludes several items that can vary among owners of identical assets in similar condition based on historical cost accounting and useful life estimates. These items include real estate asset depreciation, amortization of intangible assets, transaction costs from business acquisitions and dispositions, impairment of PP&E, distributions on Class B Units of Chartwell Master Care LP recorded as interest expense, changes in the fair value of financial instruments, deferred income tax expense/benefit, remeasurement gains, gains/losses on asset disposals, and adjustments for Equity-Accounted JVs. By excluding these items, FFO helps users compare the financial and operating performance of our real estate portfolio across different financial reporting periods.

Refer to the “Additional Information on Non-GAAP Measures” section on page 39 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:

<i>(\$000s, except per unit amounts and number of units)</i>	Q4 2024	Q4 2023	Change	2024	2023	Change
FFO ⁽¹⁾						
Continuing operations	57,663	39,246	18,417	197,462	122,151	75,311
Total	57,663	39,099	18,564	197,462	133,190	64,272
FFOPU ⁽²⁾						
Continuing operations	0.21	0.16	0.05	0.76	0.51	0.25
Total	0.21	0.16	0.05	0.76	0.55	0.21
Weighted average number of units (000) ⁽³⁾	275,494	243,262	32,232	260,119	241,688	18,431

(1) Non-GAAP; refer to the “Additional Information on Non-GAAP Measures – FFO” section on page 39 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 45 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 45 of this MD&A.

For 2024, FFO from continuing operations was \$197.5 million or \$0.76 per unit, compared to \$122.2 million or \$0.51 per unit for 2023. The change in FFO from continuing operations was primarily due to:

- higher adjusted NOI from continuing operations of \$76.2 million,
- lower G&A expenses of \$11.0 million,
- one-time retroactive government funding related to LTC Discontinued Operations of \$1.4 million,
- higher adjusted interest income of \$1.4 million, and
- lower depreciation of PP&E and amortization of intangibles assets used for administrative purposes of \$0.4 million,

partially offset by:

- higher adjusted finance costs of \$14.2 million, and
- lower management fees of \$0.9 million.

For 2024, FFO from continuing operations includes \$1.1 million of Lease-up-Losses and Imputed Cost of Debt related to our development projects (2023 – \$2.3 million).

Total FFO for 2023 includes results of LTC Discontinued Operations of \$11.1 million or \$0.04 per unit.

Fourth Quarter

For Q4 2024, FFO from continuing operations was \$57.7 million or \$0.21 per unit, compared to \$39.2 million or \$0.16 per unit for Q4 2023. The change in FFO from continuing operations was primarily due to:

- higher adjusted NOI from continuing operations of \$21.7 million,
- lower G&A expenses of \$3.1 million, and
- higher adjusted interest income of \$0.5 million,

partially offset by:

- higher adjusted finance costs of \$6.4 million, and
- lower management fees of \$0.5 million.

For Q4 2024, FFO from continuing operations includes \$0.2 million of Lease-up-Losses and Imputed Cost of Debt related to our development projects (Q4 2023 – \$0.6 million).

Total FFO for Q4 2023 includes results of LTC Discontinued Operations of \$0.2 million.

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)	Q4 2024	Q4 2023	Change	2024	2023	Change
Resident revenue	218,445	179,946	38,499	799,923	687,324	112,599
<i>Add (Subtract):</i>						
Share of resident revenue from joint ventures ⁽¹⁾	39,485	33,159	6,326	142,430	126,765	15,665
Resident revenue from LTC Discontinued Operations ⁽²⁾	-	258	(258)	-	167,326	(167,326)
Share of resident revenue from non-controlling interest ⁽³⁾	(1,382)	-	(1,382)	(2,710)	-	(2,710)
Adjusted resident revenue ⁽⁴⁾	256,548	213,363	43,185	939,643	981,415	(41,772)
<i>Comprised of:</i>						
Same property ⁽⁴⁾	170,141	155,196	14,945	655,652	590,138	65,514
Growth ⁽⁴⁾	51,750	23,627	28,123	147,332	90,194	57,138
Repositioning ⁽⁴⁾	34,657	34,540	117	136,659	301,083	(164,424)
Adjusted resident revenue ⁽⁴⁾	256,548	213,363	43,185	939,643	981,415	(41,772)
Direct property operating expense	138,707	118,853	19,854	509,179	463,361	45,818
<i>Add (Subtract):</i>						
Share of direct property operating expense from joint ventures ⁽⁵⁾	25,137	22,566	2,571	92,177	87,219	4,958
Direct property operating expense from LTC Discontinued Operations ⁽²⁾	-	405	(405)	-	151,671	(151,671)
Share of direct property operating expense from non-controlling interest ⁽⁶⁾	(697)	-	(697)	(1,374)	-	(1,374)
Adjusted direct property operating expense ⁽⁴⁾	163,147	141,824	21,323	599,982	702,251	(102,269)
<i>Comprised of:</i>						
Same property ⁽⁴⁾	106,785	99,815	6,970	411,229	384,537	26,692
Growth ⁽⁴⁾	30,854	15,462	15,392	87,231	59,592	27,639
Repositioning ⁽⁴⁾	25,508	26,547	(1,039)	101,522	258,122	(156,600)
Adjusted direct property operating expense ⁽⁴⁾	163,147	141,824	21,323	599,982	702,251	(102,269)
NOI	79,738	61,093	18,645	290,744	223,963	66,781
<i>Add (Subtract):</i>						
Share of NOI from joint ventures	14,348	10,593	3,755	50,253	39,546	10,707
Share of NOI from non-controlling interest	(685)	-	(685)	(1,336)	-	(1,336)
Adjusted NOI from continuing operations	93,401	71,686	21,715	339,661	263,509	76,152
<i>Add (Subtract):</i>						
NOI from LTC Discontinued Operations	-	(147)	147	-	15,655	(15,655)
Adjusted NOI ⁽⁴⁾	93,401	71,539	21,862	339,661	279,164	60,497
<i>Comprised of:</i>						
Same property ⁽⁴⁾	63,356	55,381	7,975	244,423	205,601	38,822
Growth ⁽⁴⁾	20,896	8,165	12,731	60,101	30,602	29,499
Repositioning ⁽⁴⁾	9,149	7,993	1,156	35,137	42,961	(7,824)
Adjusted NOI ⁽⁴⁾	93,401	71,539	21,862	339,661	279,164	60,497
Weighted average occupancy rate:						
Same property portfolio	90.1%	85.0%	5.1pp	88.0%	82.1%	5.9pp
Growth portfolio	87.9%	77.2%	10.7pp	86.4%	74.1%	12.3pp
Repositioning portfolio	84.5%	81.7%	2.8pp	84.4%	85.1%	(0.7pp)
Total portfolio	88.7%	83.3%	5.4pp	87.1%	81.9%	5.2pp

(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 17 of this MD&A.

(2) Refer to the "LTC Discontinued Operations" section on page 49 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 17 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 2024, adjusted resident revenue decreased 4.3% 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 11.1%, and
- higher revenue from our growth portfolio.

For 2024, adjusted direct property operating expense decreased 14.6% 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, adjusted NOI increased \$60.5 million or 21.7%.

Fourth Quarter

For Q4 2024, adjusted resident revenue increased 20.2% primarily due to:

- higher same property adjusted resident revenue of 9.6%, and
- higher revenue from our growth portfolio.

For Q4 2024, adjusted direct property operating expense increased 15.0% primarily due to:

- higher same property adjusted direct operating expense of 7.0%, and
 - additional expenses in our growth portfolio
- partially offset by:
- lower direct property operating expense from our repositioning portfolio.

As a result, for Q4 2024, adjusted NOI increased \$21.9 million or 30.6%.

Same Property Performance

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

<i>(\$000s, except operating margin and occupancy rate)</i>	Q4 2024	Q4 2023	Change	2024	2023	Change
Same property ⁽¹⁾						
Adjusted resident revenue ⁽²⁾	170,141	155,196	14,945	655,652	590,138	65,514
Adjusted direct property operating expense ⁽²⁾	106,785	99,815	6,970	411,229	384,537	26,692
Adjusted NOI ⁽²⁾	63,356	55,381	7,975	244,423	205,601	38,822
Adjusted operating margin ⁽²⁾	37.2%	35.7%	1.5pp	37.3%	34.8%	2.5pp
Weighted average occupancy rate	90.1%	85.0%	5.1pp	88.0%	82.1%	5.9pp

(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 2024, same property adjusted resident revenue increased 11.1% primarily due to higher occupancy and a blended rental and service rate increase of 4.4%.

For 2024, 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, same property adjusted NOI increased \$38.8 million or 18.9%. Same property adjusted operating margin also increased to 37.3% in 2024 from 34.8% in 2023.

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

- Our Western Canada platform same property adjusted NOI increased \$9.5 million or 14.2%.
- Our Ontario platform same property adjusted NOI increased \$21.1 million or 18.4%.
- Our Quebec platform same property adjusted NOI increased \$8.2 million or 34.2%.

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

	2024	2023	Change
Western Canada	94.5%	87.6%	6.9pp
Ontario	84.6%	79.3%	5.3pp
Quebec	88.3%	81.9%	6.4pp
Same property portfolio	88.0%	82.1%	5.9pp

In 2024, weighted average occupancy in our retirement same property portfolio was 88.0%, a 5.9 percentage point increase from 2023. All platforms experienced occupancy gains in 2024 compared to 2023.

Fourth Quarter

For Q4 2024, same property adjusted resident revenue increased 9.6% primarily due to higher occupancy as well as a blended rental and service rate increase of 3.7%.

For Q4 2024, same property adjusted direct property operating expense increased 7.0% primarily due to higher staffing costs, management fees, office and general expenses and food costs.

As a result, for Q4 2024, same property adjusted NOI increased \$8.0 million or 14.4%. Same property adjusted operating margin also increased to 37.2% in Q4 2024 from 35.7% in Q4 2023.

The following identifies same property adjusted NOI trends by platform for Q4 2024:

- Our Western Canada platform same property adjusted NOI increased \$1.7 million or 9.3%.
- Our Ontario platform same property adjusted NOI increased \$4.3 million or 13.7%.
- Our Quebec platform same property adjusted NOI increased \$2.0 million or 31.5%.

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

	Q4 2024	Q4 2023	Change	Q3 2024	Change
Western Canada	96.2%	90.9%	5.3pp	95.4%	0.8pp
Ontario	86.6%	82.1%	4.5pp	84.7%	1.9pp
Quebec	90.8%	84.8%	6.0pp	89.0%	1.8pp
Same property portfolio	90.1%	85.0%	5.1pp	88.5%	1.6pp

In Q4 2024, weighted average occupancy in our same property portfolio was 90.1%, compared to 85.0% in Q4 2023, an increase of 5.1 percentage points. All platforms experienced occupancy gains in Q4 2024 compared to Q4 2023 and compared to Q3 2024. Q4 2024 same property portfolio occupancy increased 1.6 percentage points from Q3 2024.

Management and Other Fees

(\$000s)	Q4 2024	Q4 2023	Change	2024	2023	Change
Welltower	1,894	1,907	(13)	7,842	7,637	205
Long Term Care Homes	-	478	(478)	-	1,860	(1,860)
Batimo	872	994	(122)	3,253	2,813	440
Other	487	344	143	1,465	1,193	272
Total management and other fees	3,253	3,723	(470)	12,560	13,503	(943)

Management and other fees decreased \$0.9 million in 2024 and \$0.5 million in Q4 2024, respectively, compared to the prior year, primarily due to the LTC Transactions completed in Q3 2023, partially offset by higher performance-based fees.

Interest Income

(\$000s)	Q4 2024	Q4 2023	Change	2024	2023	Change
Interest income on loans receivable	746	569	177	2,013	1,402	611
Other interest income	626	365	261	1,592	917	675
Total interest income	1,372	934	438	3,605	2,319	1,286

Interest income on loans receivable increased \$0.6 million and \$0.2 million in 2024 and Q4 2024, respectively, compared to the prior year, primarily due to higher loan balances outstanding partially offset by lower interest rates.

Other interest income fluctuates period-to-period based on cash balances. Other interest income increased in 2024 and Q4 2024 primarily due to higher cash balances.

General, Administrative and Trust Expenses

(\$000s)	Q4 2024	Q4 2023	Change	2024	2023	Change
G&A expenses	10,334	13,455	(3,121)	49,460	60,450	(10,990)

For 2024, G&A expenses decreased \$11.0 million compared to 2023, 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 G&A included \$2.4 million of severance related to our efficiency initiatives.

For Q4 2024, G&A expenses decreased \$3.1 million compared to Q3 2023, primarily due to lower compensation costs as we continue to execute on our plan to achieve efficiency improvements and lower unit-based compensation costs. This was partially offset by higher performance-based compensation. Q4 2024 G&A included \$0.2 million of severance related to our efficiency initiatives.

Finance Costs

The following table applies to continuing operations:

(\$000s)	Q4 2024	Q4 2023	Change	2024	2023	Change
Contractual interest expense on mortgages	18,192	13,823	4,369	62,631	55,873	6,758
Comprised of:						
Same property ⁽¹⁾	11,232	9,773	1,459	41,205	39,501	1,704
Growth ⁽¹⁾	5,634	2,037	3,597	15,632	8,136	7,496
Repositioning ⁽¹⁾	1,326	2,013	(687)	5,794	8,236	(2,442)
Interest expense on Debentures ⁽²⁾	6,589	4,004	2,585	22,539	14,392	8,147
Interest expense on Credit Facilities	1,243	1,862	(619)	8,710	12,023	(3,313)
Interest expense on Loans Payable ⁽³⁾	2,840	1,399	1,441	10,818	5,524	5,294
	28,864	21,088	7,776	104,698	87,812	16,886
Amortization of finance costs and mark-to-market adjustments on assumed mortgages	536	1,926	(1,390)	3,545	6,488	(2,943)
	29,400	23,014	6,386	108,243	94,300	13,943
Interest capitalized to properties under development	(811)	(657)	(154)	(2,862)	(2,735)	(127)
Distributions on Class B Units recorded as interest expense	231	234	(3)	927	936	(9)
Total finance costs – continuing operations	28,820	22,591	6,229	106,308	92,501	13,807

(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”, the “Series C Debentures” and the “Series D Debentures”. Refer to the “Liquidity and Capital Resources – Debt – Debentures” section on page 32 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 31 of this MD&A for details.

Contractual interest expense on mortgages increased \$6.7 million and \$4.4 million in 2024 and Q4 2024, respectively, primarily due to higher interest rates and higher balances outstanding for most of the period.

Interest expense on Debentures increased \$8.1 million and \$2.6 million in 2024 and Q4 2024 due to higher interest rates and higher balances outstanding.

Interest expenses on Credit Facilities decreased \$3.3 million in 2024 and \$0.6 million in Q4 2024 due to lower balances outstanding and lower interest rates.

Interest expense on Loans Payable increased in 2024 and Q4 2024 due to the new \$150 million term loan and Welltower loans. Refer to the “Liquidity and Capital Resources – Debt – Loans Payable” section on page 31 of this MD&A for details.

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

(\$000s)	Q4 2024	Q4 2023	Change	2024	2023	Change
Contractual interest expense on mortgages	618	435	183	2,084	1,729	355
Comprised of:						
Same property ⁽¹⁾	238	240	(2)	954	958	(4)
Growth ⁽¹⁾	380	195	185	1,130	771	359
Amortization of finance costs	8	15	(7)	49	59	(10)
Total finance costs	626	450	176	2,133	1,788	345

(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)	Q4 2024	Q4 2023	Change	2024	2023	Change
Transaction costs arising on dispositions	(491)	(192)	(299)	(5,518)	(1,167)	(4,351)
Impairment losses	-	(10,273)	10,273	-	(10,898)	10,898
Other expense	(604)	-	(604)	(1,207)	-	(1,207)
Gain/(loss) on sale of assets	(941)	5,770	(6,711)	53,963	12,074	41,889
Other income	-	-	-	1,412	-	1,412
Total other income/(expense)	(2,036)	(4,695)	2,659	48,650	9	48,641

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 increased \$41.9 million in 2024 primarily due to the sale of four non-core properties located in Ontario, partially offset for a retained obligation for remediation of lands on a long term care home that was sold in 2020. Gain/(loss) on sale of assets decreased by \$6.7 million in Q4 2024 primarily due to the absence of sales in Q4 2024. In comparison, Q4 2023 included gain from the sale of two non-core properties in Ontario of \$5.8 million.

Other income increased \$1.4 million in 2024 due to retroactive funding related to the completed LTC Transactions.

Other Items

(\$000s)	Q4 2024	Q4 2023	Change	2024	2023	Change
Depreciation of PP&E and amortization of intangible assets	(49,710)	(39,587)	(10,123)	(168,566)	(156,695)	(11,871)
Change in fair value of financial instruments	1,660	(10,752)	12,412	(19,875)	(21,964)	2,089
Current income tax benefit/(expense)	2,744	869	1,875	255	(27,231)	27,486
Deferred income tax benefit/(expense)	(7,166)	3,419	(10,585)	(34,752)	24,510	(59,262)

For 2024, depreciation of PP&E and amortization of intangible assets increased \$12.2 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. Depreciation of PP&E and amortization of intangible assets increased \$10.4 million in Q4 2024 primarily due to acquisitions and completed developments partially offset by 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 \$27.5 million in 2024 and \$1.9 million in Q4 2024. The 2024 and Q4 2024 changes to current tax benefit/(expense) is primarily due to adjustments to the SIFT tax payable estimated on the disposition of non-core properties. The 2023 and Q4 2023 current tax expense is primarily due to adjustments to the estimated gain on the completed LTC Transactions in 2023 and sale of non-core properties.

Deferred income tax benefit/(expense) changed by \$59.3 million in 2024 and \$10.6 million in Q4 2024, primarily due to the reversal of temporary differences associated with the sale of non-core properties and the completed LTC Transactions in 2023.

Cash Flow Analysis

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

Cash Provided by (Used in):	Increase (Decrease) (\$millions)	Explanation
Operating activities	43.4	Change in cash flows from operating activities is primarily due to: • higher NOI from continuing operations, - partially offset by: • changes in working capital, and • higher interest paid.
Financing activities	687.8	Change in cash flows from financing activities is primarily due to: • proceeds from the Public Offering and the ATM Program for our Trust Units, • higher proceeds from mortgage financing activities, • higher proceeds from loans payable financing, • higher draws on our Credit Facilities, and • lower repayments of senior unsecured debentures, - partially offset by: • higher mortgage repayments, • higher loans payable repayments, • lower proceeds from senior unsecured debentures, • higher additions to finance costs, and • higher distributions due to additional Trust Units issued.
Investing activities	(731.9)	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, • higher advances on loans receivables, • lower proceeds from capital funding receivable, and • lower restricted cash, - partially offset by: • lower additions to PP&E and intangible assets.

The following table summarizes the significant changes in our operating, financing, and investing cash flows between Q4 2024 and Q4 2023 using our consolidated statements of cash flows:

Cash Provided by (Used in):	Increase (Decrease) (\$millions)	Explanation
Operating activities	(2.2)	Change in cash flows from operating activities is primarily due to: • changes in working capital, and • higher interest paid, partially offset by: • higher NOI from continuing operations.
Financing activities	165.5	Change in cash flows from financing activities is primarily due to: • higher proceeds from senior unsecured debentures, • higher proceeds from mortgage financing activities, • lower mortgage repayments, • proceeds from the ATM program for our Trust Units, and • higher net draws on our Credit facilities, partially offset by: • repayment of loans payable, • higher distributions due to additional Trust Units issued, and • higher additions to finance costs.
Investing activities	(180.1)	Change in cash flows from investing activities is primarily due to: • acquisitions of assets, • higher advances on loans receivables, • lower proceeds from disposition of PP&E, and • higher income taxes paid, partially offset by: • higher restricted cash, and • 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 December 31, 2024, our liquidity was \$314.3 million as presented in the following table:

(\$000s)	December 31, 2024	December 31, 2023
Cash and cash equivalents	20,048	24,619
Available under Credit Facilities ⁽¹⁾	294,247	324,012
Total	314,295	348,631

(1) Refer to the "Credit Facilities" section on page 31 of this MD&A for the determination and calculation of this amount.

In addition, at December 31, 2024, our share of cash and cash equivalents held in our Equity-Accounted JVs was \$15.3 million.

As at December 31, 2024, our current liabilities were \$1,085 million, exceeding our current assets of \$388.0 million, resulting in a working capital deficiency of \$697.9 million. Current liabilities include \$408.1 million of current mortgages payable, \$149.0 million of Loans Payable, \$150.0 million of senior unsecured debentures, and \$149.3 million of liabilities related to assets held for sale.

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

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

Debt

Our debt portfolio currently consists of property-specific mortgages, Credit Facilities, Loans Payable, and Debentures. Our debt management objective is to maximize financial flexibility, maintain a strong balance sheet and stagger our maturities 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 December 31, 2024 and December 31, 2023:

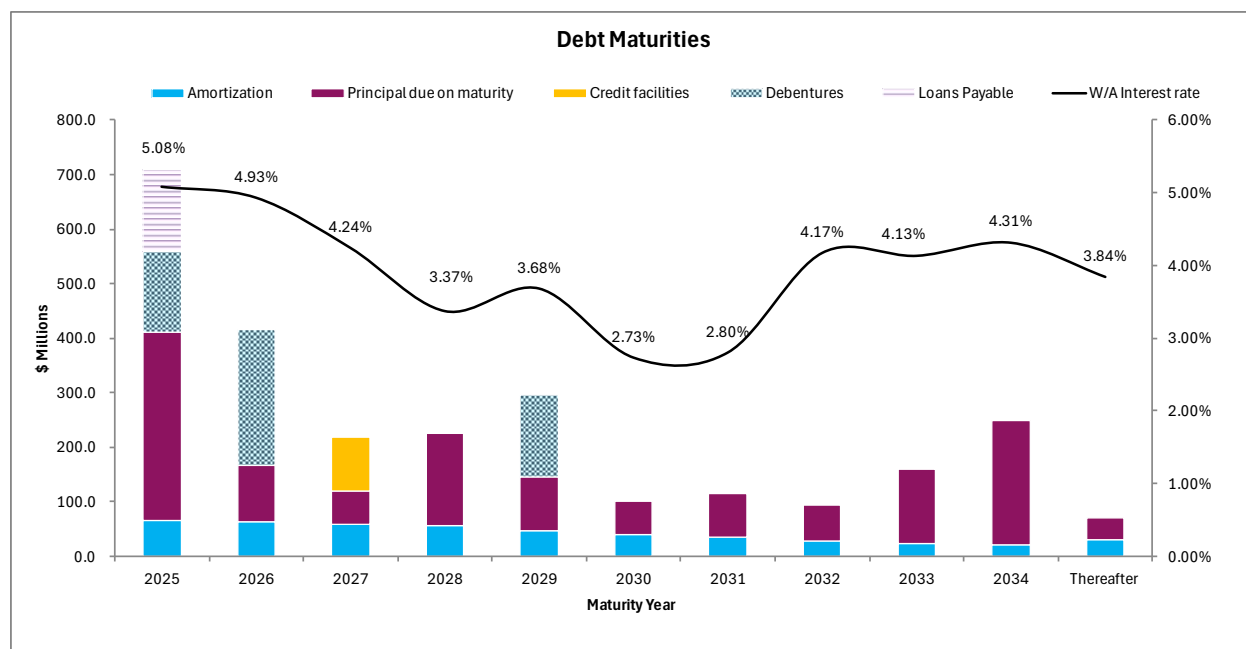
(\$000s)	December 31, 2024	December 31, 2023
Mortgages payable	1,852,274	1,469,304
Credit Facilities	100,000	70,000
Loans Payable		
Unsecured term loan	75,000	125,000
Welltower Loan 1	33,323	-
Welltower Loan 2	40,665	-
Debentures		
Series B Debentures	150,000	150,000
Series C Debentures	250,000	250,000
Series D Debentures	150,000	
Total	2,651,262	2,064,304

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

(\$000s)	Amortizing Principal Payments	Principal Due at Maturity	Total Mortgages	Weighted Average Interest Rate ⁽¹⁾	Credit Facilities	Weighted Average Interest Rate	Loans Payable	Weighted Average Interest Rate ⁽¹⁾	Debentures	Weighted Average Interest Rate	Total	Consolidated Weighted Average Interest Rate
2025	66,183	343,866	410,049	4.99%	-	-	148,988	6.20%	150,000	4.21%	709,037	5.08%
2026	62,514	102,936	165,450	3.31%	-	-	-	-	250,000	6.00%	415,450	4.93%
2027	58,929	59,468	118,397	3.23%	100,000	5.43%	-	-	-	-	218,397	4.24%
2028	55,157	169,463	224,620	3.37%	-	-	-	-	-	-	224,620	3.37%
2029	45,910	99,985	145,895	2.94%	-	-	-	-	150,000	4.40%	295,895	3.68%
2030	39,284	61,206	100,490	2.73%	-	-	-	-	-	-	100,490	2.73%
2031	34,067	80,334	114,401	2.80%	-	-	-	-	-	-	114,401	2.80%
2032	28,651	65,133	93,784	4.17%	-	-	-	-	-	-	93,784	4.17%
2033	23,696	135,482	159,178	4.13%	-	-	-	-	-	-	159,178	4.13%
2034	19,712	229,019	248,731	4.31%	-	-	-	-	-	-	248,731	4.31%
Thereafter	30,157	41,225	71,279	3.84%	-	-	-	-	-	-	71,279	3.84%
Total	464,157	1,388,117	1,852,274	3.86%	100,000	5.43%	148,988	6.20%	550,000	5.08%	2,651,262	4.30%

(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 December 31, 2024:



Mortgage Debt

We generally have access to low-cost mortgage financing insured by CMHC. As of December 31, 2024, approximately 82% 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:

	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	(151,406)	N/A	5.20%	18%
Assumed mortgages	308,564	0.6	6.65%	12%
New mortgage financing	297,277	8.3	4.36%	80%
Amortizing principal repayments	(65,860)	N/A	N/A	N/A
Repayments related to dispositions	(5,605)	0.5	2.75%	100%
Principal balance at December 31, 2024	1,852,274	5.8	3.86%	82%
Mark-to-market adjustments on assumed mortgages	2,376			
Finance costs	(59,671)			
Mortgages payable at December 31, 2024	1,794,979			

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

	At December 31, 2024			At December 31, 2023
	Fixed Rate	Variable Rate	Total	Total
Principal amount (\$000s)	1,581,468	270,806	1,852,274	1,469,304
Weighted average interest rate	3.50%	5.94%	3.86%	3.26%
Average term to maturity (years)	6.7	0.6	5.8	6.2

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

(\$000s)	December 31, 2024	December 31, 2023
Principal balance of mortgages payable	49,594	51,990
Finance costs	(98)	(96)
Mortgages payable	49,496	51,894

(\$000s)	Amortizing Principal Payments	Principal Due at Maturity	Total Principal Balance of Mortgages Payable	Weighted Average Interest Rate
2025	309	-	309	3.98%
2026	267	49,018	49,285	4.96%
Total	576	49,018	49,594	4.95%

Credit Facilities

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

(\$000s)	Maximum Capacity	Available Capacity	Utilized for Letters of Credit	Net Available Capacity	Borrowed	Available Borrowing Capacity	Maturity Date
Secured credit facility ⁽¹⁾	300,000	300,000	5,753	294,247	100,000	194,247	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	5,753	394,247	100,000	294,247	

(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 December 31, 2024 and December 31, 2023:

December 31, 2024	Outstanding Principal (\$000s)	Financing Costs, Net (\$000s)	Carrying Value (\$000s)	Interest rate	Maturity date
Unsecured term loan	75,000	(16)	74,984	5.62%	January 22, 2025
Welltower Loan 1 ⁽¹⁾	33,323	-	33,323	6.71%	February 14, 2025
Welltower Loan 2 ⁽²⁾	40,665	-	40,665	6.85%	February 15, 2025
Total	148,988	(16)	148,972		

(1) Repaid on the closing of the Welltower Transaction on February 1, 2025.

(2) Repaid on maturity.

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. On January 22, 2025, the remaining loan was extended with a maturity date of July 22, 2025.

Debentures

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

December 31, 2024	Outstanding Principal (\$000s)	Financing Costs, Net (\$000s)	Carrying Value (\$000s)	Interest rate	Maturity date
Series B Debentures	150,000	(47)	149,953	4.211%	April 28, 2025
Series C Debentures	250,000	(652)	249,348	6.000%	December 8, 2026
Series D Debentures	150,000	(990)	149,010	4.400%	November 5, 2029
Total	550,000	(1,689)	548,311		

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 \$1.0 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 December 31, 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	December 31, 2024	December 31, 2023
Interest Coverage Ratio ⁽¹⁾	minimum of 1.65	2.7	2.3
Indebtedness Percentage ⁽²⁾	less than or equal to 65%	49.3%	48.4%
Coverage Ratio ⁽³⁾	not less than 1.3	1.7	1.7
Debt Service Coverage Ratio ⁽⁴⁾	minimum of 1.40	1.71	1.38
Net Debt to Adjusted EBITDA ⁽⁵⁾	n/a	8.4	10.2

(1) Calculated based on 12 months ended December 31, 2024; and 12 months ended 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 45 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 45 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 46 of this MD&A for the calculation of Coverage Ratio.

(4) Calculated based on 12 months ended December 31, 2024; and 12 months ended December 31, 2023. Refer to the “Debt Covenant Calculations - Debt Service Coverage Ratio for Credit Facilities and Loans Payable” section on page 46 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 46 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:

	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	3,162,401	-	-	-	3,162,401
Trust Units issued pursuant to the Public Offering	28,290,000	-	-	-	28,290,000
Trust Units issued under the ATM program	1,228,500	-	-	-	1,228,500
Trust Units issued under EUPP	-	162,195	-	-	1,62,195
Trust Units released on settlement of EUPP receivable	421,426	(421,426)	-	-	-
Exchange of Class B Units into Trust Units	16,000	-	(16,000)	-	-
DTUs issued	-	-	-	64,454	64,454
Distributions on DTUs	-	-	-	58,021	58,021
Exchange of DTUs into Trust Units	612,541	-	-	(612,541)	-
Balance December 31, 2024	272,568,524	1,817,188	1,509,360	863,215	276,758,287

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

As of February 27, 2025, the Trust has 274,902,014 Trust Units outstanding, and Chartwell Master Care LP has 1,488,110 Class B Units outstanding which are exchangeable for 1,488,110 Trust Units.

Distributions

The following table summarizes distributions declared on Trust Units in Q4 2024, 2024, 2023 and 2022 in relation to cash flows from operating activities and net income/(loss):

(\$000s)	Q4 2024	2024	2023	2022
Cash flows from operating activities	54,482	200,850	157,425	137,709
Net income attributable to Unitholders	3,539	22,408	128,273	49,531
Finance costs included in cash flow from financing activities	(4,397)	(19,491)	(9,212)	(8,944)
Distributions declared on Trust Units	41,716	158,516	146,037	143,548
Excess/(deficit) of cash flows from operating activities over distributions declared on Trust Units	12,766	42,334	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	8,369	22,843	2,176	(14,783)
Deficit of net income attributable to unitholders over distributions declared on Trust Units	(38,177)	(136,108)	(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.

We achieved positive operating cash flows in both 2024 and 2023, reflecting the success of our operational sales, marketing and portfolio optimization strategies. With continued improvements in occupancy, we believe our distributions remain 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 2024, our average DRIP participation was 26.3% compared to 24.7% participation in 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 and 2023:

(\$000s)	2024	2023
Building improvements	29,436	34,007
Mechanical and electrical	14,706	13,083
Suite improvements and upgrades	25,767	25,147
Interior improvements and upgrades	7,934	7,093
Furniture, fixtures and equipment	14,327	6,779
Communications and information systems	355	6,049
Properties under development	92,525	92,158
	8,652	31,164
Total capital investments ⁽¹⁾	101,177	123,322

(1) Includes 171 properties (22,301 suites) at Chartwell's share of ownership for 2024, and 160 properties (19,261 suites) at Chartwell's share of ownership for 2023.

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

(\$000s)	2024	2023
Capital investments in Equity-Accounted JVs	2,365	1,190

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, we completed 94 major building improvement projects valued over \$50,000 each, totalling \$28.2 million (2023 – 119 projects totalling \$30.0 million). In addition, included in this category is the acquisition of one condominium suite at one of our properties in British Columbia totalling \$0.3 million (2023 – eight condominium suites totalling \$3.1 million).

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, we completed 94 major mechanical and electrical projects valued over \$50,000 each, totalling \$14.2 million (2023 – 93 projects totalling \$11.3 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, we invested in strategic suite upgrade programs in 53 properties (2023 – 56 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, we invested in strategic common area upgrade programs in 51 properties (2023 – 39 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 December 31, 2024 compared to December 31, 2023.

	Increase (Decrease) <i>(\$millions)</i>	Explanation
Total assets	853.0	Total assets increased primarily due to increases in PP&E from acquisitions, other assets, loans receivables, investment in joint ventures and trade and other receivables, partially offset by decreases in intangible assets and cash.
Total liabilities	571.1	Total liabilities increased primarily due to increases in mortgages payable, senior unsecured debentures, higher draws on credit facilities, accounts payable, deferred tax liabilities, loans payable, and distribution payables, partially offset by lower liabilities related to assets held for sale, and decreases in income tax payable.
Equity	281.9	The increase in equity is primarily due to the issuance of Trust Units under the Public Offering, DRIP, and under the ATM program, and net income for the period, partially offset by underwriters' fees and issuance costs, net of tax and distributions.

Commitments and Contingencies

Contractual Obligations and Guarantees

The following table summarizes the maturities on major financial liabilities as at December 31, 2024, excluding future interest payments and put option commitments:

(\$000s)	Contractual Value	2025	2026	2027	2028	2029	Thereafter
Mortgages payable	1,852,274	410,049	165,449	118,397	224,620	145,895	787,864
Senior unsecured debentures	550,000	150,000	250,000	-	-	150,000	-
Accounts payable and accrued liabilities	152,150	152,150	-	-	-	-	-
Loans payable	148,988	148,988	-	-	-	-	-
Credit facilities	100,000	-	-	100,000	-	-	-
Distributions payable	14,071	14,071	-	-	-	-	-
Lease obligations	8,206	925	504	188	63	5	6,521
Residents deposits	5,859	5,859	-	-	-	-	-
Total maturities	2,831,548	882,042	415,953	218,585	224,683	295,900	794,385

The following table summarizes the maturities on major financial liabilities as at December 31, 2024 excluding future interest payments for our liabilities held for sale:

(\$000s)	Contractual Value	2025	2026	2027	2028	2029	Thereafter
Mortgages payable	138,391	18,350	8,963	46,755	15,755	14,093	34,475
Secured term loans	13,600	-	-	13,600	-	-	-
Total maturities	151,991	18,350	8,963	60,355	15,755	14,093	34,475

We have recorded lease obligations with respect to leases of land, office space and equipment.

We have entered into various construction contracts related to our development projects. As at December 31, 2024, the remaining commitments under these contracts amounted to approximately \$2.6 million (2023 - \$3.4 million).

Guarantees

We remain a guarantor of the mortgage on one property sold in 2014 with the outstanding balance as of December 31, 2024, of \$0.2 million. The purchasers of this property have indemnified us with respect to this guarantee.

As of December 31, 2024, together with our partners we have jointly and severally guaranteed loans on certain joint arrangements to an aggregate maximum amount of \$888.1 million. As at December 31, 2024, outstanding balances on these loans were \$767.8 million, of which \$122.3 million relate to properties sold as part of the windup of the joint arrangements with Welltower.

Other Contracts

Upon achievement of certain conditions, Batimo may require us to acquire an 85% interest in their development properties which we manage and for which, in some cases, have provided mezzanine loans.

As of December 31, 2024, there were four projects with 1,364 suites that were subject to these arrangements. Three of the Batimo projects, Chartwell Le Montcalm, Chartwell L'Envol, and Le Florilège achieved the occupancy threshold giving effect to the Batimo put rights. A summary and status of Batimo projects is provided under the "Significant Events – Projects by Batimo" section on page 13 of this MD&A.

Letters of Credit

As at December 31, 2024, we were contingently liable for letters of credit in the amount of \$5.8 million.

Litigation, Claims and Contingencies

Class Action

On June 1, August 14, and October 5, 2020, Chartwell was served with three different statements of claims (the "Claims") that were filed in the Ontario Superior Court of Justice, all seeking an order certifying the Claims as class actions pursuant to the *Class Proceedings Act (Ontario)*. In January 2022, the Court consolidated the Claims into one proceeding (the "Consolidated Claim"). The Consolidated Claim alleges, among other things, gross negligence, breach of the Canadian Charter of Rights and Freedom, breach of contract and breach of fiduciary duty in respect of Chartwell's response to the pandemic. The plaintiffs are seeking \$100.0 million in general damages and \$10.0 million in aggravated, punitive and/or exemplary damages. We do not believe that the Claims or the damages sought have merit.

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. On March 7, 2024, the Consolidated Claim was certified, but pursuant to the Recovery Act, only gross negligence claims survive the cause of action test. On December 19, 2024, the court issued a decision on a notice motion brought by the plaintiffs, refusing an order for direct notice to class members and granting an order for indirect notice instead. The litigation is currently in the documentary discovery process. We do not believe the outcome will have a material adverse impact on our business, results of operations or financial condition and believe that any potential liability would be resolved within the limits of our insurance coverage.

Pay Equity

In 1995, certain participating Ontario LTC homes and their respective unions agreed to a framework using the proxy method for a new pay equity plan that resulted in pay equity being achieved by 2005 under the Pay Equity Act. The Ontario Government directly funded these pay equity obligations. Litigation commenced in 2010, when two unions asserted that the participating LTC homes were required to make further pay equity adjustments. The Ontario Pay Equity Tribunal (the "Tribunal") found generally in favour of the participating LTC homes and also confirmed that there is an on-going obligation to maintain pay equity. The appellate courts, on the appeal of the Tribunal decision, found in favour of the unions and referred the matter back to the Tribunal to determine the procedure to be used to provide bargaining unit members access to male comparators in order to maintain pay equity. The Ontario government and the participating LTC homes appealed the appellate court decision.

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

Annual Financial Information

The following table summarizes selected annual financial information for each of the past three years ended December 31:

(\$000s, except per unit amounts)	2024	2023	2022
Resident revenue	799,923	687,324	661,029
Total revenues	852,147	738,554	707,992
Direct property operating expense	509,179	463,361	464,704
Net income	22,378	128,273	49,531
Total assets	4,087,069	3,234,076	3,510,342
Total non-current liabilities	1,927,776	1,681,845	1,995,906
Total liabilities	3,013,688	2,442,615	2,740,540
Distributions declared per unit	0.6120	0.6120	0.6120

Our annual results for the past three years have been primarily affected by acquisitions, developments, and dispositions. Our 2022 and 2023 results have been impacted by the pandemic. Refer to the “2025 Outlook” section on page 9 of this MD&A.

Quarterly Financial Information

The following table summarizes our quarterly unaudited financial information for:

(\$000s, except per unit amounts and number of units)	2024				2023			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	232,699	220,464	202,401	196,583	193,455	186,041	180,771	178,287
Direct property operating expense	(138,707)	(128,389)	(120,709)	(121,374)	(118,853)	(113,344)	(113,290)	(117,874)
Depreciation and amortization	(49,710)	(43,530)	(39,369)	(35,957)	(39,587)	(38,593)	(38,539)	(39,976)
Share of net income/(loss) from joint ventures	3,214	2,946	1,939	1,367	(568)	1,023	(197)	(2,070)
G&A expenses	(10,334)	(11,731)	(12,924)	(14,471)	(13,455)	(14,403)	(17,163)	(15,429)
Other income/(expense)	(2,036)	54,152	(2,112)	(1,354)	(4,695)	1,789	605	2,310
Finance costs	(28,820)	(28,351)	(26,359)	(22,778)	(22,591)	(23,395)	(23,709)	(22,806)
Changes in fair value of financial instruments	1,660	(14,998)	(3,252)	(3,285)	(10,752)	(5,622)	(3,081)	(2,509)
Current income tax benefit/(expense)	2,744	(2,840)	-	351	869	(28,100)	-	-
Deferred income tax benefit/(expense)	(7,166)	(24,120)	(2,413)	(1,053)	3,419	11,274	2,340	7,477
Net income/(loss) from continuing operations	3,544	23,603	(2,798)	(1,971)	(12,758)	(23,330)	(12,263)	(12,590)
Net income/(loss) from LTC Discontinued Operations	-	-	-	-	(415)	181,486	4,806	3,337
Net income/(loss) for the period	3,544	23,603	(2,798)	(1,971)	(13,173)	158,156	(7,457)	(9,253)
Comprised of:								
Unitholders	3,539	23,638	(2,798)	(1,971)	(13,173)	158,156	(7,457)	(9,253)
Non-controlling interest	5	(35)	-	-	-	-	-	-
Net income/(loss) for the period	3,544	23,603	(2,798)	(1,971)	(13,173)	158,156	(7,457)	(9,253)
FFO ⁽¹⁾								
Continuing operations	57,663	55,861	44,698	39,239	39,246	36,087	25,900	20,918
Total	57,663	55,861	44,698	39,239	39,099	39,002	30,751	24,338
FFOPU ⁽¹⁾								
Continuing operations	0.21	0.20	0.18	0.16	0.16	0.15	0.11	0.09
Total	0.21	0.20	0.18	0.16	0.16	0.16	0.13	0.10
IFFO ⁽¹⁾								
Continuing operations	59,407	56,703	44,979	39,632	39,878	36,602	26,255	21,676
Total	59,407	56,703	44,979	39,632	39,731	39,518	31,106	25,096
IFFOPU ⁽¹⁾								
Continuing operations	0.22	0.21	0.18	0.16	0.16	0.15	0.11	0.09
Total	0.22	0.21	0.18	0.16	0.16	0.16	0.13	0.10
Weighted average number of units (000) ⁽²⁾	275,494	274,318	246,121	244,216	243,262	242,258	241,240	239,948

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

(2) Non-GAAP; refer to the “Weighted Average Number of Units” section on page 45 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 12 and the “2024 Outlook” section on page 9 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 in the REALPAC Guidance.

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)		Q4 2024	Q4 2023	Change	2024	2023	Change
	Net income/(loss)	3,544	(12,758)	16,302	22,378	(60,941)	83,319
	Add (Subtract):						
B	Depreciation of PP&E	49,225	38,955	10,270	166,371	154,005	12,366
D	Amortization of limited life intangible assets	485	632	(147)	2,195	2,690	(495)
B	Depreciation of PP&E and amortization of intangible assets used for administrative purposes included in depreciation of PP&E and amortization of intangible assets above	(1,125)	(1,127)	2	(4,092)	(4,461)	369
E	Loss/(gain) on disposal of assets	941	(5,770)	6,711	(53,963)	(12,074)	(41,889)
J	Transaction costs arising on dispositions	491	192	299	5,518	1,167	4,351
H	Impairment losses	-	10,273	(10,273)	-	10,898	(10,898)
F	Tax on gains or losses on disposal of properties	(2,744)	(869)	(1,875)	(255)	27,231	(27,486)
G	Deferred income tax	7,166	(3,419)	10,585	34,752	(24,510)	59,262
O	Distributions on Class B Units recorded as interest expense	231	234	(3)	927	936	(9)
M	Changes in fair value of financial instruments	(1,660)	10,752	(12,412)	19,875	21,964	(2,089)
Q	FFO adjustments for Equity-Accounted JVs ⁽¹⁾	1,196	2,151	(955)	3,887	5,246	(1,359)
U	Non-controlling interest ⁽¹⁾	(87)	-	(87)	(131)	-	(131)
	FFO ⁽²⁾	57,663	39,246	18,417	197,462	122,151	75,311
	Add (Subtract):						
	Lease-up-Losses and Imputed Cost of Debt ⁽³⁾	182	632	(450)	1,112	2,260	(1,148)
	Income guarantees ⁽⁴⁾	1,562	-	1,562	2,148	-	2,148
	IFFO ⁽⁵⁾	59,407	39,878	19,529	200,722	124,411	76,311
	Weighted average number of units (000) ⁽⁶⁾	275,494	243,262	32,232	260,119	241,688	18,431
	FFOPU ⁽⁷⁾	0.21	0.16	0.05	0.76	0.51	0.25
	IFFOPU ⁽⁷⁾	0.22	0.16	0.06	0.77	0.51	0.26

(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 20 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 12 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 45 of this MD&A.

(7) Non-GAAP; refer to the "Per Unit Amounts" section on page 45 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)		Q4 2024	Q4 2023	Change	2024	2023	Change
B	Depreciation of PP&E and amortization of intangible assets	1,041	813	228	3,013	3,916	(903)
E	Loss/(gain) on disposal of assets	1	(1)	2	2	-	2
H	Impairment losses	-	82	(82)	-	82	(82)
M	Change in fair value of financial instruments	154	1,257	(1,103)	872	1,248	(376)
Q	FFO adjustments for Equity-Accounted JVs ⁽¹⁾	1,196	2,151	(955)	3,887	5,246	(1,359)

(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)		Q4 2024	Q4 2023	Change	2024	2023	Change
	Net loss	(5)	-	(5)	30	-	30
B	Depreciation of PP&E and amortization of intangible assets	(84)	-	(84)	(165)	-	(165)
E	Gain on disposal of assets	2	-	2	4	-	4
U	Non-controlling interest ⁽¹⁾	(87)	-	(87)	(131)	-	(131)

(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)		Q4 2024	Q4 2023	Change	2024	2023	Change
	Net income/(loss)	3,544	(13,173)	16,717	22,378	128,273	(105,895)
	<i>Add (Subtract):</i>						
B	Depreciation of PP&E	49,225	38,955	10,270	166,371	154,005	12,366
D	Amortization of limited life intangible assets	485	632	(147)	2,195	2,690	(495)
B	Depreciation of PP&E and amortization of intangible assets used for administrative purposes included in depreciation of PP&E and amortization of intangible assets above	(1,125)	(1,127)	2	(4,092)	(4,461)	369
E	Loss/(gain) on disposal of assets	941	(5,539)	6,480	(53,963)	(190,747)	136,784
J	Transaction costs arising on dispositions	491	229	262	5,518	1,665	3,853
H	Impairment losses	-	10,273	(10,723)	-	10,898	(10,898)
F	Tax on gains or losses on disposal of properties	(2,744)	(869)	(1,875)	(255)	27,231	(27,486)
G	Deferred income tax	7,166	(3,419)	10,585	34,752	(24,510)	59,262
O	Distributions on Class B Units recorded as interest expense	231	234	(3)	927	936	(9)
M	Changes in fair value of financial instruments	(1,660)	10,752	(12,412)	19,875	21,964	(2,089)
Q	FFO adjustments for Equity-Accounted JVs ⁽¹⁾	1,196	2,151	(955)	3,887	5,246	(1,359)
U	Non-controlling interest ⁽¹⁾	(87)	-	(87)	(131)	-	(131)
	FFO ⁽²⁾	57,663	39,099	18,564	197,462	133,190	64,272
	<i>Add (Subtract):</i>						
	Lease-up-Losses and Imputed Cost of Debt ⁽³⁾	182	632	(450)	1,112	2,260	(1,148)
	Income guarantees ⁽⁴⁾	1,562	-	1,562	2,148	-	2,148
	IFFO ⁽⁵⁾	59,407	39,731	19,676	200,722	135,450	65,272
	Weighted average number of units (000) ⁽⁶⁾	275,494	243,262	32,232	260,119	241,688	18,431
	FFOPU ⁽⁷⁾	0.21	0.16	0.05	0.76	0.55	0.21
	IFFOPU ⁽⁷⁾	0.22	0.16	0.06	0.77	0.56	0.21

(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 20 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 12 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 45 of this MD&A.

(7) Non-GAAP; refer to the "Per Unit Amounts" section on page 45 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			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net income/(loss)	3,544	23,603	(2,798)	(1,971)	(12,758)	(23,330)	(12,263)	(12,590)
Add (Subtract):								
B Depreciation of PP&E	49,225	43,009	38,795	35,342	38,955	38,027	37,786	39,237
D Amortization of limited life intangible assets	485	521	574	615	632	566	753	739
B Depreciation of PP&E and amortization of intangible assets used for administrative purposes included in depreciation of PP&E and amortization of intangible assets above	(1,125)	(974)	(941)	(1,055)	(1,127)	(1,093)	(1,094)	(1,144)
E Loss/(gain) on disposal of assets	941	(55,850)	1,584	(638)	(5,770)	(2,883)	(709)	(2,712)
J Transaction costs arising on dispositions	491	2,507	528	1,992	192	469	104	402
H Impairment losses	-	-	-	-	10,273	625	-	-
F Tax on gains or losses on disposal of properties	(2,744)	2,840	-	(351)	(869)	28,100	-	-
G Deferred income tax	7,166	24,120	2,413	1,053	(3,419)	(11,274)	(2,340)	(7,477)
O Distributions on Class B Units recorded as interest expense	231	231	232	232	234	234	234	234
M Changes in fair value of financial instruments	(1,660)	14,998	3,252	3,285	10,752	5,622	3,081	2,509
Q FFO adjustments for Equity-Accounted JVs ⁽¹⁾	1,196	900	1,059	735	2,151	1,024	348	1,720
U Non-controlling interest ⁽¹⁾	(87)	(44)	-	-	-	-	-	-
FFO ⁽²⁾	57,663	55,861	44,698	39,239	39,246	36,087	25,900	20,918
Add (Subtract):								
Lease-up-Losses and Imputed Cost of Debt ⁽³⁾	182	256	281	393	632	515	355	758
Income guarantees ⁽⁴⁾	1,562	586	-	-	-	-	-	-
IFFO ⁽⁵⁾	59,407	56,703	44,979	39,632	39,878	36,602	26,255	21,676
Weighted average number of units (000) ⁽⁶⁾	275,494	274,318	246,121	244,216	243,262	242,258	241,240	239,948
FFOPU ⁽⁷⁾	0.21	0.20	0.18	0.16	0.16	0.15	0.11	0.09
IFFOPU ⁽⁷⁾	0.22	0.21	0.18	0.16	0.16	0.15	0.11	0.09

(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 20 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 12 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 45 of this MD&A.

(7) Non-GAAP; refer to the "Per Unit Amounts" section on page 45 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			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net income/(loss)	3,544	23,603	(2,798)	(1,971)	(13,173)	158,156	(7,457)	(9,253)
<i>Add (Subtract):</i>								
B Depreciation of PP&E	49,225	43,009	38,795	35,342	38,955	38,027	37,786	39,237
D Amortization of limited life intangible assets	485	521	574	615	632	566	753	739
B Depreciation of PP&E and amortization of intangible assets used for administrative purposes included in depreciation of PP&E and amortization of intangible assets above	(1,125)	(974)	(941)	(1,055)	(1,127)	(1,093)	(1,094)	(1,144)
E Loss/(gain) on disposal of assets	941	(55,850)	1,584	(638)	(5,539)	(181,794)	(714)	(2,701)
J Transaction costs arising on dispositions	491	2,507	528	1,992	229	809	154	474
H Impairment losses	-	-	-	-	10,273	625	-	-
F Tax on gains or losses on disposal of properties	(2,744)	2,840	-	(351)	(869)	28,100	-	-
G Deferred income tax	7,166	24,120	2,413	1,053	(3,419)	(11,274)	(2,340)	(7,477)
O Distributions on Class B Units recorded as interest expense	231	231	232	232	234	234	234	234
M Changes in fair value of financial instruments	(1,660)	14,998	3,252	3,285	10,752	5,622	3,081	2,509
Q FFO adjustments for Equity-Accounted JVs ⁽¹⁾	1,196	900	1,059	735	2,151	1,024	348	1,720
U Non-controlling interest ⁽¹⁾	(87)	(44)	-	-	-	-	-	-
FFO ⁽²⁾	57,663	55,861	44,698	39,239	39,099	39,002	30,751	24,338
<i>Add (Subtract):</i>								
Lease-up-Losses and Imputed Cost of Debt ⁽³⁾	182	256	281	393	632	515	355	758
Income guarantees ⁽⁴⁾	1,562	586	-	-	-	-	-	-
IFFO ⁽⁵⁾	59,407	56,703	44,979	39,632	39,731	39,517	31,106	25,096
Weighted average number of units ⁽⁶⁾ (000)	275,494	274,318	246,121	244,216	243,262	242,258	241,240	239,948
FFOPU ⁽⁷⁾	0.21	0.20	0.18	0.16	0.16	0.16	0.13	0.10
IFFOPU ⁽⁷⁾	0.22	0.21	0.18	0.16	0.16	0.16	0.13	0.10

(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 20 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 12 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 45 of this MD&A.

(7) Non-GAAP; refer to the "Per Unit Amounts" section on page 45 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)	Q4 2024	Q4 2023	Change	2024	2023	Change
Weighted average number of units ⁽¹⁾	275,494	243,262	32,232	260,119	241,688	18,431

(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 December 31, 2024	12 months December 31, 2023
Consolidated EBITDA for Debentures ⁽¹⁾	334,521	223,009
Consolidated interest expense for Debentures ⁽²⁾	124,712	95,153
Interest Coverage Ratio for Debentures	2.7	2.3

(1) Refer to the "Supporting Covenant Calculations – 1. Consolidated EBITDA for Credit Facilities, Loans Payable, and Debentures" section on page 47 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 47 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))	December 31, 2024	December 31, 2023
Consolidated indebtedness for Debentures ⁽¹⁾	2,825,784	2,283,580
Aggregate adjusted assets for Debentures ⁽²⁾	5,733,608	4,716,878
Indebtedness percentage for Debentures	49.3%	48.4%

(1) Refer to the "Supporting Covenant Calculations – 4. Consolidated Indebtedness for Credit Facilities, Loans Payable, and Debentures" section on page 48 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 49 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)	December 31, 2024	December 31, 2023
Unencumbered aggregate adjusted assets for Debentures ⁽¹⁾	1,088,350	881,250
Unsecured indebtedness for Debentures ⁽²⁾	633,310	533,073
Coverage ratio for Debentures	1.7	1.7

(1) Includes 30 properties valued at \$1,088.4 million as of December 31, 2024 (28 properties valued at \$881.3 million as of December 31, 2023). The property values are based on third-party appraisals that are dated no longer than two years from the applicable determination date.

(2) Refer to the "Supporting Covenant Calculations – 4. Consolidated Indebtedness for Credit Facilities, Loans Payable, and Debentures" section on page 48 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 December 31, 2024	12 months December 31, 2023
Consolidated EBITDA for Credit Facilities and Loans Payable ⁽¹⁾	309,067	243,403
Consolidated interest expense for Credit Facilities and Loans Payable ⁽²⁾	106,782	94,727
Consolidated regularly scheduled debt principal payments for Credit Facilities and Loans Payable ⁽³⁾	74,325	82,252
Consolidated debt service payments for Credit Facilities and Loans Payable	181,107	176,979
Debt service coverage ratio for Credit Facilities and Loans Payable	1.71	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)	December 31, 2024	December 31, 2023
Consolidated Indebtedness for Debentures ⁽¹⁾	2,825,784	2,283,580
Consolidated EBITDA for Debentures ⁽²⁾	334,521	223,009
Net Debt to Adjusted EBITDA ratio	8.4	10.2

(1) Refer to the "Supporting Covenant Calculations – 4. Consolidated Indebtedness for Credit Facilities, Loans Payable, and Debentures" section on page 48 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 47 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, 2024	12 months December 31, 2023
Net income	22,408	128,273
Gain on disposal of assets ⁽¹⁾	(53,960)	(190,748)
Transaction costs ⁽¹⁾	5,518	1,665
Impairment losses	-	10,980
Non-cash change in fair value of financial instruments ⁽¹⁾	20,747	23,212
Consolidated net income/(loss) for Credit Facilities and Loans Payable	(5,287)	(26,618)
Consolidated finance costs ⁽¹⁾	108,441	99,493
Consolidated depreciation of PP&E and amortization of intangible assets ⁽¹⁾	171,416	160,611
Consolidated income tax expense/(benefit)	34,497	2,721
Principal portion of capital funding	-	3,764
Net pandemic expenses ⁽²⁾	-	3,432
Consolidated EBITDA for Credit Facilities and Loans Payable	309,067	243,403
Proforma adjustments ⁽³⁾	25,454	(16,962)
Less: Net pandemic expenses ⁽²⁾	-	(3,432)
Consolidated EBITDA for Debentures	334,521	223,009

(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, 2024	12 months December 31, 2023
Interest on mortgages ⁽¹⁾	64,715	62,788
Interest on Debentures	22,539	14,392
Interest on Credit Facilities	8,710	12,023
Interest on Loans Payable	10,818	5,524
Consolidated interest expense for Credit Facilities and Loans Payable	106,782	94,727
Proforma adjustments ⁽²⁾	17,930	426
Consolidated interest expense for Debentures	124,712	95,153

(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.

	12 months December 31, 2024	12 months December 31, 2023
<i>(\$000s)</i>		
Regularly scheduled debt principal payments per Financial Statements	74,028	81,967
Regularly scheduled debt principal payments for equity-accounted entities	297	285
Regularly scheduled debt principal payments for Credit Facilities and Loans Payable	74,325	82,252

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.

	December 31, 2024	December 31, 2023
<i>(\$000s)</i>		
Principal balance of mortgages payable	1,852,274	1,469,304
Principal balance of mortgages payable related to assets held for sale	138,391	182,788
Principal balance of mortgages payable related to Equity-Accounted JVs	49,594	51,990
Welltower loan 1	33,323	-
Welltower loan 2	40,665	-
Outstanding amount on secured credit facility	100,000	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	2,227,847	1,787,682
Principal balance of Debentures	550,000	400,000
Unsecured term loans	75,000	125,000
Capital lease obligations ⁽¹⁾	8,310	8,073
Unsecured indebtedness for Debentures	633,310	533,073
Outstanding letters of credit	5,753	5,988
Third-party guarantees	230	563
Unsecured indebtedness for Credit Facilities and Loans Payable	639,293	539,624
Consolidated indebtedness for Credit Facilities and Loans Payable	2,867,140	2,327,306
<i>Add (Subtract):</i>		
Outstanding letters of credit	(5,753)	(5,988)
Third-party guarantees	(230)	(563)
Cash and cash equivalents	(20,048)	(24,619)
Cash and cash equivalents of Equity-Accounted JVs	(15,325)	(12,556)
Consolidated indebtedness for Debentures	2,825,784	2,283,580

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

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

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

(\$000s)	December 31, 2024	December 31, 2023
Book value of assets ⁽¹⁾	4,133,163	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⁾	1,514,279	1,317,674
Adjusted consolidated gross book value of assets for Credit Facilities and Loans Payable	5,768,981	4,754,053
Add (Subtract):		
Cash and cash equivalents	(20,048)	(24,619)
Cash and cash equivalents of Equity-Accounted JVs	(15,325)	(12,556)
Aggregate adjusted assets for Debentures	5,733,608	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 \$27.6 million at December 31, 2024 (\$24.7 million at December 31, 2023) and fully amortized assets of \$272.9 million at December 31, 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 December 31, 2024:

(\$000s)	Q4 2024	Q4 2023	2024	2023
Adjusted resident revenue ⁽¹⁾	-	258	-	167,326
Comprised of:				
Repositioning ⁽²⁾	-	258	-	167,326
Adjusted direct property operating expense ⁽¹⁾	-	405	-	151,671
Comprised of:				
Repositioning ⁽²⁾	-	405	-	151,671
Adjusted NOI ⁽¹⁾	-	(147)	-	15,655
Comprised of:				
Repositioning ⁽²⁾	-	(147)	-	15,655

(1) Non-GAAP, refer to the "Results of Operations" section on page 19 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)	Q4 2024	Q4 2023	2024	2023
Contractual interest expense on mortgages	-	-	-	5,186
Amortization of finance costs and mark-to-market adjustments on assumed mortgages	-	-	-	18
Total finance costs – LTC Discontinued Operations	-	-	-	5,204

Other Items

(\$000s)	Q4 2024	Q4 2023	2024	2023
Other income/(expense)	-	(268)	-	178,175

Cash Flow Analysis (between 2024 and 2023)

Cash Provided by (Used in):	Increase (Decrease) (\$millions)	Explanation
Operating activities	(29.1)	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.

Cash Flow Analysis (between Q4 2024 and Q4 2023)

Cash Provided by (Used in):	Increase (Decrease) (\$millions)	Explanation
Operating activities	0.4	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 Q4 2024.
Financing activities	-	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 Q4 2024.
Investing activities	-	Change in cash flows from investing activities is primarily due to sale of long term operations in 2023 as compared to no activity in Q4 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)	Q4 2024	Q4 2023	2024	2023
Net income/(loss)	-	(415)	-	189,214
Add (Subtract):				
Loss/(gain) on disposal of assets	-	231	-	(178,673)
Transaction costs arising on dispositions	-	37	-	498
FFO ⁽¹⁾	-	(147)	-	11,039
IFFO ⁽²⁾	-	(147)	-	11,039
Weighted average number of units (000) ⁽³⁾	-	243,262	-	241,688
FFOPU ⁽⁴⁾	-	-	-	0.04
IFFOPU ⁽⁴⁾	-	-	-	0.05

(1) Non-GAAP; refer to the “Results of Operations – FFO” section on page 20 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 40 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 45 of this MD&A.

(4) Non-GAAP; refer to the “Per Unit Amounts” section on page 45 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			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net income/(loss)	-	-	-	-	(415)	181,486	4,806	3,337
Add (Subtract):								
Loss/(gain) on disposal of assets	-	-	-	-	231	(178,911)	(5)	11
Transaction costs arising on dispositions	-	-	-	-	37	340	50	72
FFO ⁽¹⁾	-	-	-	-	(147)	2,915	4,851	3,420
IFFO ⁽²⁾	-	-	-	-	(147)	2,915	4,851	3,420
Weighted average number of units (000) ⁽³⁾	-	-	-	-	243,262	242,258	241,240	239,948
FFOPU ⁽⁴⁾	-	-	-	-	-	0.01	0.02	0.01
IFFOPU ⁽⁴⁾	-	-	-	-	-	0.01	0.02	0.01

(1) Non-GAAP; refer to the "Results of Operations – FFO" section on page 20 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 40 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 45 of this MD&A.

(4) Non-GAAP; refer to the "Per Unit Amounts" section on page 45 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

Our material accounting policies for the year ended December 31, 2024 are referred to in Note 3 of our Financial Statements. Under IFRS, it is necessary to make estimates when preparing the financial statements and then to re-evaluate the original estimates used on an ongoing basis. Our estimates are based on past experience and other factors that we believe are reasonable under the circumstances. As this involves varying degrees of judgement and uncertainty, the amounts currently reported in the financial statements could, in the future, prove to be inaccurate.

Valuation of PP&E and Intangibles

Fair value is the price that would be received when selling an asset or paid when transferring a liability in an orderly transaction (that is, other than in a forced or liquidation sale) between market participants. Quoted market prices in active markets are the best evidence of fair value and are used as the basis for fair value measurement, when available. When quoted market prices are not available, estimates of fair value are based on the best information available, including prices for similar items and the results of other valuation techniques. Valuation techniques used would be consistent with the objective of measuring fair value.

Our Financial Statements are affected by fair value measures. The most significant areas affected are as follows:

- An impairment loss is recognized when the carrying amount of an asset is not recoverable. The impairment loss is determined as the excess of carrying value over its recoverable amount.
- Intangible assets with indefinite lives are also required to be assessed at a minimum annually, comparing the recoverable amount to carrying value to determine if an impairment loss is required to be recognized.

PP&E and intangible assets represent more than 90% of our assets.

At each reporting date we assess whether there is an indication, based on internal or external sources of information, that an asset or a Cash Generating Unit ("CGU") in PP&E may be impaired. When indicators of impairment exist, we evaluate whether the recoverable amount of a CGU exceeds its carrying amount. Factors which could indicate that impairment exists include significant underperformance relative to historical or projected operating results, significant changes in the manner or use of the assets, significant negative industry or economic trends, or a change in the strategy for our overall business.

Our business, markets and business environment are continually monitored, and judgments and assessments are made to determine whether an event has occurred that indicates possible impairment. If such an indication exists, then the asset's recoverable amount is estimated, and an impairment loss is recognized immediately in profit and loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of a) fair value less costs of disposal, and b) the value in use calculated on a discounted cash flow basis. Both the identification of events that may trigger impairment and the estimates of future cash flows and the fair value of the asset require considerable judgement.

The assessment of asset impairment requires us to make significant assumptions about the selection of discount rates, capitalization rates and terminal capitalization rates used to determine the fair value of a CGU. Significant assumptions are also required to estimate future stabilized cash flows, which include assumptions about rental rates and occupancy rates. Such assumptions can be significantly impacted by current and future economic conditions in the geographical markets of each CGU, and management's strategic plans within each of its markets. Management also applies adjustments to reflect the expectations of market participants. Estimates and assumptions used in the determination of the recoverable amounts were based upon information that was known at the time, along with the future outlook. Actual results can, and often do, differ from these estimates, and can have either a positive or negative impact on the estimate and whether an impairment situation exists. In addition, when impairment tests are performed, the estimated useful lives of the properties are reassessed, with any change accounted for prospectively. Intangible assets that have indefinite useful lives are tested for impairment annually, or more frequently, if events or circumstances indicate that the assets might be impaired. Goodwill is tested for impairment at least annually or whenever indicators of impairment of the CGU to which the goodwill relates have occurred. Intangible assets with finite useful lives are tested for impairment if events or changes in circumstances, assessed at each reporting date, indicate the carrying amount may not be recoverable.

Subsequent changes in the fair value of contingent consideration arrangements are recognized in net income. The excess of the purchase price over the fair value of the acquired identifiable net assets and liabilities is goodwill. On the date of acquisition goodwill is recorded as an asset.

When an acquisition does not meet the criteria for business combination accounting treatment, it is accounted for as an acquisition of a group of assets and liabilities, the cost of which includes transaction costs that are allocated upon initial recognition to the assets and liabilities acquired based upon their relative fair values.

Changes in Accounting Estimates and Changes in Accounting Policies

Our material accounting policies are described in Note 3 of our 2024 Financial Statements. Note 3(n) outlines future accounting policy changes. There were no significant changes to our accounting policies in 2024 or following the date of our 2024 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 11 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.

Disclosure Controls and Procedures

Our disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified under Canadian securities laws, and include controls and procedures that are designed to ensure that information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

An evaluation was carried out, under the supervision of and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of Chartwell's disclosure controls and procedures as defined under National Instrument 52-109. In making this assessment, the Chief Executive Officer and the Chief Financial Officer used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in the Internal Control – Integrated Framework – 2013 (COSO Internal Control Framework – 2013). Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the design and operation of Chartwell's disclosure controls and procedures were effective as at December 31, 2024.

Internal Control over Financial Reporting

We are responsible for establishing and maintaining adequate 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. The Chief Executive Officer and the Chief Financial Officer assessed, or caused an assessment under their direct supervision of the design and operating effectiveness of our internal controls over financial reporting as at December 31, 2024, and based on that assessment determined that our internal controls over financial reporting were appropriately designed and were operating effectively in accordance with the COSO Internal Control Framework – 2013.

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

Risks and Uncertainties and Forward-Looking Information

Risks and Uncertainties

- **General Business Risks:** We are subject to general business risks and to risks inherent in the seniors housing industry and in the ownership of real property. These risks include general economic conditions, health-related risks, disease outbreaks (for example, COVID-19) and control risks, fluctuations in occupancy levels, the inability to achieve economic residency fees (including anticipated increases in such fees), rent control regulations, increases in labour costs, and other operating costs including the costs of utilities, possible future changes in labour relations, reduction in personnel below acceptable levels (e.g. due to events such as a pandemic or disease outbreak), competition from or the oversupply of other similar properties, changes in neighbourhood or location conditions and, the imposition of increased taxes or new taxes, capital expenditure requirements, changes in interest rates, and changes in the availability and cost of money for long term financing which may render refinancing of mortgages difficult or unattractive. Moreover, there is no assurance that expected demographic trends will continue or that the occupancy levels achieved to date at the Properties and expected in the future will continue or be achieved. Any one of, or a combination of, these factors may adversely affect our cash available to, or the financial position of Chartwell.

There are inherent legal, reputational and other risks involved in providing housing and health care services to seniors. The vulnerability and limited mobility of some seniors increases such risks. Such risks include disease outbreak, fires or other catastrophic events at a property which may result in injury or death, negligent or inappropriate acts by employees or others who come into contact with our residents, and unforeseen events at Chartwell or even non-Chartwell properties that result in damage to our brand or reputation or to the industry as a whole.

- **Occupancy, Business Volumes, and Competition:** Revenue and operating results depend significantly on the occupancy levels at our residences. Numerous other developers, managers and owners of seniors housing residences compete with us in seeking residents. The existence of competing developers, managers and owners and competition for our residents may adversely affect our ability to find residents for our seniors housing residences and on the level of rents or rental rate which may be charged, and could adversely affect our revenues and, consequently, our ability to meet debt obligations. An increased supply of suites in the regions in which we operate may have an impact on the demand for suites in such residences. Our ability to compete successfully depends on a number of factors, including the number of competitors in the local market, the types of services available, our reputation in the local area, cost of services and the location, physical condition and age of the residences.
- **Access to Capital, Interest Rate, Credit Rating and Other Debt and Financing Risk:** We have and will continue to have substantial outstanding consolidated indebtedness comprised primarily of the mortgages, term loans, debentures and indebtedness under our credit facilities. Our level of indebtedness could adversely affect its business and results of operations, including: limiting its ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions and general business purposes; restricting Chartwell's flexibility and discretion to operate its business; limiting our ability to make Distributions; having to dedicate a portion of cash flows from operations to the payment of interest on our existing indebtedness and not having such cash flows available for other purposes; exposing our business to increased debt capital market risks, including interest rate risk and refinancing risk at maturity; exposing us to increased interest expense on borrowings at variable rates; limiting our ability to adjust to changing market conditions; and making us vulnerable in a downturn in general economic conditions.

We intend to finance our growth strategy, including acquisitions and developments, through a combination of working capital and cash flow from operations, additional indebtedness and public or private sales of equity or debt securities. In the event that we require additional equity or debt financing for any reason, there can be no assurance that such financing will be available when required or on commercially favourable terms or on terms that are otherwise satisfactory to us. We are also subject to the risk that any of its existing indebtedness may not be able to be refinanced upon maturity or that the terms of such refinancing may not be as favourable as the terms of its existing indebtedness. This may

be due to factors including our financial condition, results of operations and cash flows, the terms of our existing indebtedness, general economic conditions and volatility, disruption and other unfavourable trends in the North American capital and credit markets. In particular, we currently have access to the government-backed mortgage insurance program through the National Housing Act, which is administered by CMHC. We entered into the LBA with CMHC in December 2015. In October 2024, CMHC terminated the LBA and replaced it with the LBRMF. There can be no guarantee that the provisions of the mortgage insurance program will not be changed in the future so as to make costs of obtaining mortgage insurance prohibitive or so as to restrict access to the insurance program in the future. To the extent that any financing requiring CMHC consent or approval is not obtained or that such consent or approval is only available on unfavourable terms, We may be required to use a conventional mortgage or other financing alternatives which may be less favourable to us than a CMHC-insured mortgage. No assurance can be given that we will be successful in obtaining additional financing, or refinancing existing indebtedness, on acceptable terms, at reasonable cost and at the required times, or at all. If we cannot obtain financing on acceptable terms, at reasonable cost and at the required times, our operations, liquidity and financial condition may be materially adversely affected and we may have to forgo, delay, or abandon some or all of its planned capital expenditures or any development, investment, or acquisition opportunities that we identify, which could adversely affect our revenues and results of operations.

Increases in market interest rates could significantly increase our debt servicing costs, which could have a material adverse effect on our business and results of operations. A portion of our cash flow is devoted to servicing its debt, and there can be no assurance that we will continue to generate sufficient cash flow from operations to meet required interest and principal payments. If we are unable to meet interest or principal payments, it could be required to seek renegotiation of such payments or obtain additional equity, debt or other financing.

If we fail to comply with the covenants, restrictions and requirements of any of its debt obligations, it could be in default under the relevant agreement which could have a material adverse effect on our liquidity, financial condition and results of operations. A default under one debt financing arrangement could cause cross-defaults under other financing arrangements, including our mortgages, term loans, debentures and our credit facilities. For example, because the terms of our debt contain cross-default provisions, a default by us related to one debt instrument could affect a significant number of our other properties and corresponding mortgages, term loans, debentures and credit facilities. In the event of any such default, if we failed to obtain replacement financing or amendments to or waivers under the applicable financing arrangement, its lenders could cease making further advances, declare our debt to be immediately due and payable, impose significant restrictions and requirements on our operations, institute foreclosure procedures against their collateral, or impose significant fees and transaction costs. If debt acceleration occurs, economic conditions may make it difficult or expensive to refinance the accelerated debt or we may have to issue equity, which would have dilutive effects on unitholders. Even if new financing is made available to us, credit may not be available to us on acceptable or reasonable terms. In addition, the terms of our indebtedness generally contain customary provisions that, upon an event of default, restrict the Distributions that may be made by us and our subsidiaries. Upon an event of default under such indebtedness, our ability to make Distributions will be adversely affected.

On October 18, 2024, DBRS confirmed the BBB (low) with stable trends rating of Chartwell's Issuer Rating and Senior Unsecured Debentures. There is no assurance that we will continue to receive such credit ratings. Accordingly real or anticipated changes in Chartwell's Issuer Rating and /or Senior Unsecured Debentures credit ratings may adversely affect our business, operating results and financial condition.

- **Human Capital:** We compete in local markets with other health care providers with respect to attracting and retaining qualified personnel. We are also dependent upon the available labour pool of employees. A shortage of qualified personnel may require us to enhance our wage and benefits packages in order to compete. No assurance can be given that labour costs will not increase, or if they do increase, they can be matched by corresponding increases in rental or management revenue. The health care industry continues to face shortages of qualified personnel, including but not limited to nurses and personal support workers, particularly in non-urban settings. Continuation of such shortages could impact the delivery of services to residents in increased competition for staff and increased labour costs. This shortage, along with general inflationary pressures, may require us to enhance our pay and benefits package to effectively compete for qualified personnel. We may not be able to recover such added costs

through increased rates charged to residents or increased government funding. The inability to retain and/or attract qualified personnel may result in: a reduction in occupancy levels or services provided; use of staffing agencies at added cost; and an increased risk of deficiencies in operations which could potentially result in fines or penalties. An increase in personnel costs or a failure to attract, train and retain qualified and skilled personnel could adversely affect our business, results of operations and financial condition.

- **Economic and Financial Conditions:** Adverse changes to the economic and financial conditions in Canada, the United States and globally could impact our ability to execute upon our operating, investing and financing strategies which, in turn, could have a material adverse impact on our business, sales, profitability and financial position. In addition to labour costs, supply expenses make up a substantial portion of our cost of services. Those expenses can be subject to increases in periods of rising inflation or trade wars (including the imposition of new tariffs, duties and other trade protection measures and any responses thereto). Although historically we have generally been able to implement cost control measures, proactive procurement practices and/or obtain increases in government funding sufficient to substantially offset increases in these expenses, there can be no assurance that we will be able to anticipate fully or otherwise respond to any cost pressures or receive such increased funding, which may have a material adverse effect on the business, results of operations and our financial condition.

We rely on key suppliers to provide us with certain equipment and supplies. A shortage of such equipment or suppliers, due to supply chain disruptions, could have a material adverse impact on our business, especially if we are unable to find reasonable alternatives or secure such equipment or suppliers at reasonable prices. Our ability to secure sufficient equipment and suppliers is affected by many factors beyond our control. A shortage or disruption of equipment and supplies that are critical to our operations may adversely affect our business, results of operations and financial condition.

- **Joint-Venture Interests:** We have entered into joint-venture arrangements in respect of certain of our seniors housing operations. These joint-venture arrangements have the benefit of sharing the risks associated with ownership and management of such seniors housing residences including those risks described above and provide us with access to properties and development sites we would otherwise have. However, we may be exposed to adverse developments, including a possible change in control, in the business and affairs of our joint-venture partners which could have a significant impact on, or termination of, our interests in our joint ventures and could affect the value of the joint ventures to us and/or cause us to incur additional costs if we were to solely undertake the operations of the joint venture. In addition, there are risks which arise from the joint-venture arrangements themselves, including: the risk that the other joint-venturer may exercise buy-sell, put or other sale or purchase rights which could obligate us to sell our interest or buy the other joint-venturer's interest at a price which may not be favourable to us or at a time which may not be advantageous to us, the effect of which could be materially adverse to our financial position or resources.
- **Labour Relations:** We, directly or indirectly employ 13,070 people in Canada. Excluding managers, approximately 80% of the employees working in the residences are represented by labour unions or employee associations. Labour relations with the unions are governed by collective bargaining agreements with many different unions. There can be no assurance that we will not at any time, whether in connection with the renegotiation process or otherwise, experience strikes, labour stoppages or any other type of conflict with unions or employees which could have a material adverse effect on our business, operating results and financial condition. However, most seniors housing residences in the Province of Ontario fall under the jurisdiction of the Hospital Labour Disputes Arbitration Act which prohibits strikes and lockouts in the seniors housing sector. Therefore, collective bargaining disputes are more likely to be resolved through compulsory third-party arbitration in Ontario.

In British Columbia, Alberta and Québec where strikes and lockouts may be permitted, certain essential services regulations apply which ensure the continuation of resident care and most services. Non-unionized seniors housing residences may become unionized in the event they are approached for certification by a trade union. There can be no assurance that the seniors housing residences we own that are currently unorganized will not, in the future, be subject to unionization efforts or that any such efforts will not result in the unionization of such a seniors housing facility's employees.

In 1995, certain participating Ontario LTC homes and their respective unions agreed to a framework using the proxy method for a new pay equity plan that resulted in pay equity being achieved by 2005 under the Pay Equity Act. The Ontario government directly funded these pay equity obligations. Litigation commenced in 2010, when two unions asserted that the participating LTC homes were required to make further pay equity adjustments. The Ontario Pay Equity Tribunal (“the Tribunal”) found generally in favour of the participating LTC homes and also confirmed that there is an on-going obligation to maintain pay equity. The appellate courts, on the appeal of the Tribunal decision, found in favour of the unions and referred the matter back to the Pay Equity Tribunal to determine the procedure to be used to provide bargaining unit members access to male comparators in order to maintain pay equity. The Ontario government and the participating LTC homes appealed the appellate court decision.

On October 14, 2021, the application for leave to appeal from the judgment of the Court of Appeal 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 court decision. Chartwell owns or owned four LTC homes that are respondents to this decision. In addition, Chartwell owned seven LTC homes that also used the proxy method to achieve pay equity which could also be affected by this decision. Notwithstanding the closing of the LTC Transaction 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 should be implemented. The discussions between the affected parties regarding the development of an appropriate framework and resolution to this matter have not yet 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 government has been recognized in Chartwell’s financial statements. An increase in labour costs as a result of any unfunded adjustments could adversely affect the financial condition of Chartwell.

- **Workplace Health and Safety:** We recognize that ensuring a healthy and safe workplace reduces work-related injury, illness and disability, improves productivity, lowers absenteeism and helps minimize any liability or penalties which could be incurred in connection with workplace injuries or illness. Chartwell has occupational health and safety programs in place and has established policies, procedures and training aimed at ensuring compliance with applicable legislative requirements. Failure to comply with workplace health and safety policies and procedures or applicable legislative requirements could result in increased work-related injury or illness, fines and/or penalties and damage to our reputation and thus have a material adverse effect on the business, results of operations and financial condition of Chartwell.
- **Pandemic, Epidemic or Outbreak of Disease:** The occurrence of a pandemic, epidemic, or other outbreak of an infectious disease, such as COVID-19, or other public health crisis in areas in which we operate could have a material adverse effect on our business, results of operations, liquidity, borrowing capacity and financial condition. Federal, provincial or local health agencies may, or we may choose to, restrict, limit or suspend in-person tours by or on behalf of prospective residents and/or admissions to our residences as a precautionary measure in a crisis to avoid the spread of a contagious illness or other public health crisis, resulting in decreased occupancy. Even in the absence of any such restriction, limit or suspension, prospective residents may delay or defer moving into a residence due to negative perceptions of congregate living and/or in an attempt to avoid possible exposure to infectious diseases. Enhanced procedures, protocols and care put in place to assist in reducing the likelihood of exposure to infectious diseases or to address actual outbreaks in our residences (for example, enhanced screening, personal protective equipment, increased disinfection, mandatory vaccination policies, rapid testing and other health and safety measures) would result in increased costs. A pandemic, epidemic or other outbreak may also adversely affect operations by causing staffing and supply shortages. Although government funding or assistance may mitigate some of these impacts, there is no certainty of the extent to which that will be the case. There is uncertainty regarding the implementation and impact of any government funding, pandemic-related legislation and any other future COVID-19 relief measures. In addition, outbreaks, such as COVID-19, cause our staff and our management team to spend considerable

time planning for and addressing such events, which diverts their attention from other business concerns. Further, a pandemic, epidemic or contagious disease outbreak may impact the overall economy so that credit markets are adversely affected, which may make it more difficult for us to access the credit markets or, if able to do so, at a higher cost or less advantageous terms, potentially impacting, among other things refinancings and our development plans and timelines. A pandemic, epidemic, or other outbreak of an infectious disease may result in an increased risk that we may be subject to litigation related to our handling of the pandemic, epidemic or other outbreak of infectious disease at its residences, which, even if not meritorious, and even if covered by our insurance, could result in increased operating costs to defend.

- **Growth:** The ability to grow may require the issuance of additional Units and the ability to do so may not always be a viable capital-raising option. Furthermore, timing differences may occur between the issuance of additional units and the time the proceeds may be used to invest in acquiring or developing new properties. Depending on the duration of this timing difference, this may be dilutive. We expect that we will have opportunities to acquire properties which will be accretive and enable us to increase cash flow through improved management, but there can be no assurance that will be the case.
- **Maintenance of Assets:** We are committed to keeping our communities in a good state of repair. We fundamentally believe that investing back into communities increases resident and staff satisfaction, which ultimately makes the business more profitable. In 2024, we invested \$93.0 million of capital back into our property portfolio. In addition to recurring capital maintenance projects, these investments include large, often multi-phased, renovation projects and projects undertaken to comply with the requirements of various regulatory or government authorities, projects that improve the revenue-generating potential of our properties and projects identified during acquisition due diligence. The amount of these investments varies from time to time based on the volume of specific projects in progress. We take into account the capital maintenance requirements of our residences when determining future cash flows available for Distributions. A significant increase in capital maintenance requirements could adversely impact our cash availability.
- **Acquisitions, Disposition and Development:** Agreements to acquire or sell, as well as development agreements entered into with third parties may be subject to unknown, unexpected or undisclosed liabilities which could have a material adverse impact on our operations and financial results. Representations and warranties given by such third parties to us may not adequately protect against these liabilities and any recourse against third parties may be limited by the financial capacity of such third parties.

Moreover, the acquired properties may not meet expectations of operational or financial performance due to unexpected costs associated with operating an acquired property, as well as the general investment risks inherent in any real estate investment.

In addition, the letters of intent and purchase or sale agreements entered into with third parties with respect to such acquisitions or sales, as applicable, are generally subject to certain closing conditions, and in some cases, the granting of regulatory approvals. Such acquisitions or sales may not be completed due to the failure to satisfy closing conditions or the failure to receive required regulatory approvals and certain funds paid by us may not be recoverable.

We are pursuing several development activities. These activities create development-specific risks, including the risk of subcontractors placing liens on projects, constructions delays, increasing costs, labour disputes, delays in obtaining municipal and regional approvals and disputes with development partners.

- **Government Regulation:** Health care in general is an area subject to extensive regulation and frequent regulatory change. In Canada, a number of provinces are promoting regionally managed and regulated health care systems. These changes favour larger operators having the resources to provide more cost-effective management services and well-developed staff training programs on a regional basis. There can be no assurance that future regulatory changes in health care, particularly those changes affecting the seniors housing industry will not adversely affect us.

In all provinces, LTC homes are subject to government oversight, regulation and licensing requirements, which may change or become more onerous in the future. For example, in Ontario, LTC home licences are issued for a fixed term which shall not exceed 30 years, after which the operators of an LTC home may or may not be issued a new licence. Therefore, such licences do not represent any guarantee of continued operation beyond the term of the licence. While we endeavour to comply with all regulatory requirements in our LTC homes, it is not unusual for stringent inspection procedures to identify deficiencies in operations. In such circumstances, it is our intention to correct deficiencies which have been legitimately identified within the time frames allowed.

We no longer operate any LTC homes in Ontario, but currently retain ownership in two LTC homes managed by a third party. Upon completion of the Ballycliffe LTC Redevelopment expected in 2025, a new 25-year license will be issued to that home. The license for the remaining 202 bed Class B LTC home is set to expire on June 30, 2025. An application to renew the license for five years has been submitted pursuant to the Director of Long-Term Care's Policy for the End of License Term that was introduced in 2024.

- **Liability and Insurance:** The businesses, which are carried on, directly or indirectly, by us, entail an inherent risk of liability. We expect that from time to time we may be subject to such lawsuits as a result of the nature of our businesses. In addition, attempts to advance class action lawsuits have become more prevalent in senior care. There can be no assurance that we will not face risks of this nature. We maintain business and property insurance policies in amounts and with such coverage and deductibles as deemed appropriate, based on the nature and risks of the businesses, historical experience and industry standards. There can be no assurance, however, that claims in excess of the insurance coverage or claims not covered by the insurance coverage will not arise or that the liability coverage will continue to be available on acceptable terms or that coverage for certain risks such as infectious diseases will continue to be available at all. A successful claim against us not covered by, or in excess of, our insurance could have a material adverse effect on our business, operating results and financial condition. Claims against us, regardless of their merit or eventual outcome, also may have a material adverse effect on our ability to attract residents or expand our businesses and will require management to devote time to these matters rather than to the operation of the business.
- **Real Property Ownership and Lack of Diversity:** Real property equity investments are relatively illiquid. This illiquidity will tend to limit our ability to respond to changing economic or investment conditions. By specializing in a particular type of real estate, we are exposed to adverse effects on that segment of the real estate market and do not benefit from a diversification of our portfolio by property type.
- **Geographic Concentration:** Our business and operations are conducted within Canada primarily in Ontario and Quebec. A geographic concentration of our owned and leased suites, at our percentage share of ownership or leasehold interest, is described under the "Business Overview" section on page 3 of this MD&A. The market value of these properties and the income generated from them could be negatively affected by changes in local, regional or national economic conditions or legislative/regulatory changes in the respective jurisdictions.
- **Management Contracts:** We receive management fees from non-owned residences that we manage for others and earn management fees from co-owned properties. We will not receive this revenue if the management agreements with the residences' owners are terminated or not renewed upon their expiry. Such contracts are generally terminable upon 90 days' notice, with the exception of Management Agreements on properties with secured mezzanine loans advanced by us.
- **Conflicts of Interest:** The Chartwell Trustees, CSH Trustees and, Directors will, from time to time, in their individual capacities deal with parties with whom we may be dealing or may be seeking investments similar to those desired by us. The relevant constating documents of Chartwell, CSH Trust and Master LP contain conflict of interest provisions requiring our Chartwell Trustees, CSH Trustees and Directors to disclose material interests in material contracts and transactions and to refrain from voting thereon.

- **Loans Receivable:** Our loans receivable are generally secured by subordinated charges of the borrowers' interests in real estate and rank behind senior financing. Similarly, the vendor take back mortgages provided by Master LP are secured by subordinate charges on properties. If our borrowers face financial difficulty and are not able to meet their commitments to their lenders, including us, we could suffer a loss of either interest or principal or both on the loans we have advanced, since other lenders will rank ahead of us in any recovery. Additionally, we may not, at the applicable time, have the financial capacity to acquire all properties that we are entitled or required to acquire from borrowers. There is a risk, if property values deteriorate or the financial capacity of the borrowers deteriorates, that we could suffer losses on such loans.
- **Privacy, Cyber Security and Information Technology:** As a custodian of a large amount of personal information and personal health information relating to our employees and our residents, we are exposed to the legal and reputational risk of the loss, misuse or theft of any such information. We help mitigate this risk by deploying appropriate technology and training for preventing unauthorized access or theft for our employees relating to the safeguarding of such information and we maintain cybersecurity insurance in amounts and with such coverage as deemed appropriate based on the nature and risks of the business.

Cyber security has become an increasingly problematic issue for issuers and businesses in Canada and around the world, including for us and the seniors housing industry. Cyber-attacks against large organizations are increasing in sophistication and are often focused on financial fraud, compromising sensitive data for inappropriate use or disrupting business operations. Such an attack could compromise our confidential information as well as that of our residents, employees, and third parties with whom we interact and may result in negative consequences, including remediation costs, loss of revenue, additional regulatory scrutiny, litigation and reputational damage. In particular, in connection with our business we maintain a large amount of personal health information about our residents. If we were to experience a security breach resulting in unauthorized access to our use or disclosure of such information, we could be exposed to complaints, investigations or litigation and our reputation may be negatively affected. As a result, while we continually monitor for malicious threats and adapt accordingly in an effort to ensure we maintain high privacy and security standards, invest in cyber defense technologies to support our business model and to protect our systems, residents and employees, employing industry best practices, there can be no assurance that these measures will prevent loss, misuse or theft of any such information.

We are a party to agreements with third parties for hardware, software, network, telecommunications and other information technology ("IT") services in connection with our operations. The efficient operation of our business depends, in part, on computer hardware and software systems and on how well we and our suppliers protect networks, equipment, systems and software against damage from a number of threats (including cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, hacking, computer viruses, malware, vandalism, ransomware and theft). Our operations also depend on the timely maintenance, upgrade and replacement of systems and software, as well as pre-emptive expenses to help mitigate the risks of failures. Any of these and other events could result in IT system failures, delays and/or increase in capital expenses. The failure of IT systems could, depending on the nature of any such failure, adversely impact our reputation and may adversely affect our business, operating results and financial condition.

We have begun to introduce artificial intelligence ("AI") solutions into various aspects of our business and operation. Our competitors or other third parties may incorporate AI into their products and services quicker, which could impair our ability to compete effectively and adversely affect our operations. There may be significant risks involved in utilizing AI and no assurance can be provided that our use will enhance our business and operations or produce the intended results. Additionally, if the content, analyses, search results or recommendations that AI applications assist in producing are, or are alleged to be, deficient, inaccurate, or biased, our business, reputation, financial condition, and results of operations could be adversely affected.

The use of AI solutions may result in cybersecurity incidents which could adversely affect our reputation and results of operations. AI also presents emerging ethical issues, such as the proper use of copyrighted material with AI solutions, and if our use of AI becomes controversial, it may experience brand or reputational harm, competitive harm, or legal liability. The rapid evolution of AI, including potential government regulation of AI, may require significant resources to develop, test and maintain our IT

infrastructure and systems to help ensure that we implement AI ethically and minimize any unintended and harmful impacts.

- **Environmental Liabilities:** Environmental legislation and policies have become increasingly important in recent years. Under various environmental laws and regulations, we, as either owner or manager, could become liable for the costs of removal or remediation of certain hazardous, toxic or regulated substances released on or in our properties or disposed of at other locations in some cases regardless of whether or not we knew of or was responsible for their presence. The failure to remove, remediate or otherwise address such substances, if any, may adversely affect an owner's ability to sell such properties or to borrow using such properties as collateral and could potentially result in claims against the owner by private plaintiffs. It is our operating policy to obtain a Phase I environmental site assessment, conducted by an independent and experienced environmental consultant, prior to acquiring or financing any property. Where Phase I environmental site assessments identify sufficient environmental concerns or recommend further assessments, Phase II or Phase III environmental site assessments are conducted. They are intrusive investigations that involve soil, groundwater or other sampling to confirm the absence or presence and extent of an environmental concern.

Environmental laws and regulations may change, and we may become subject to more stringent environmental laws and regulations in the future. Compliance with more stringent environmental laws and regulations could have a material adverse effect on our business, financial condition or results of operation and distributions.

- **Climate Change Risk:** We are exposed to climate change risk from natural disasters and severe weather, such as floods, ice storms, windstorms, earthquakes, wildfires or other severe weather that may result in damage or loss to our investment properties. These adverse weather and natural events could cause substantial damage and/or revenue losses as well as cost increases. There can be no assurance that damages or losses caused by these adverse weather and natural events will not exceed ours or our residents' property insurance coverage. Climate change may also have indirect effects on our business by increasing the cost of (or making unavailable) property insurance on terms we find acceptable.

Over time, climate change may also affect our operational expenses, including utilities and preventative maintenance expenses, as temperatures fluctuate. In addition, changes in federal, provincial or local legislation and regulation on climate change could result in increased capital expenditures to improve the energy efficiency of our existing properties and could also require us to spend more on our new development properties without a corresponding increase in revenue. Chartwell management reports on climate change risks, regularly to our Board of Directors, including mitigation strategies with respect to this risk.

- **ESG Risks:** There are rapid and ongoing developments and changing expectations relating to ESG matters and factors such as the impact of operations on climate change, diversity and inclusion, corporate governance and other matters, which may result in increased regulatory, social or other scrutiny on Chartwell. This scrutiny may be intensified as a result of the varying pro-ESG and anti-ESG views held by certain stakeholders. If we are unable to adequately recognize and respond to such developments and governmental, societal, investor and consumer expectations relating to such ESG matters, we may miss corporate opportunities, become subject to additional scrutiny, incur unexpected costs or experience damage to our reputation. If any of these events were to occur, there may be a material adverse effect on our business, financial condition, cash flows and results of operations and the market value of our Trust Units and/or senior unsecured debentures may decline.
- **Distributions:** Our distributions are made at the discretion of the Trustees based on forward-looking cash flow information, including forecasts and budgets, results of operations, requirements for capital expenditures and working capital, future financial prospects, debt covenants and obligations, and any other factors considered relevant by them in setting the distribution rate. Items such as principal repayments, capital expenditures, variances in operating results and redemption of units, if any, or the failure of CSH Trust or Master LP to make distributions to Chartwell Retirement Residences may affect Distributions. We may be required to decrease our distributions in order to accommodate any such items.

- **Restrictions on Redemption Right:** It is anticipated that the redemption right will not be the primary mechanism for holders of Units to liquidate their investments. Cash redemptions are subject to limitations. Securities which may be distributed *in specie* to Unitholders in connection with a redemption will not be listed on any stock exchange and may not be qualified investments under the Tax Act for Plans. No established market is expected to develop in such notes and they may be subject to resale under applicable securities laws.
- **Dilution:** We may, in our sole discretion, issue additional Units from time to time, and the interests of the Unitholders may be diluted thereby.
- **Nature of Units:** The Units are not traditional equity investments. The Units represent an undivided ownership interest in Chartwell. Our primary assets are CSH Trust Units. The Units do not represent a direct investment in the business of Master LP and should not be viewed by investors as direct securities of Master LP or its subsidiaries. As holders of Units, Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring “oppression” or “derivative” actions or rights to dissent from fundamental transactions undertaken by a corporation and to apply to court to be paid “fair value” for their securities. As well, Chartwell may not be a recognized entity under certain existing insolvency legislation such as the *Bankruptcy and Insolvency Act* (Canada) and the *Companies Creditors’ Arrangement Act* (Canada) and thus the treatment of Unitholders upon an insolvency is uncertain.

The Units are not debt instruments and are dissimilar to debt instruments in that there is no principal amount owing to Unitholders. Further, cash Distributions are not guaranteed amounts and may fluctuate with the performance of the entities in which we invests. The trading price of the Units will be greatly affected by such performance and the anticipated Distributions of Chartwell. The market value of the Units may deteriorate if we are unable to maintain its cash Distribution levels in the future and that deterioration may be significant.

- **Unitholder Liability:** The Declaration of Trust provides that no Unitholder shall be subject to any liability whatsoever to any person in connection with a holding of Units. However, in jurisdictions outside the Provinces of Ontario, Québec, Alberta and British Columbia (and in those jurisdictions in certain circumstances), there remains a minimal risk, which is considered by us to be remote in the circumstances, that a Unitholder could be held personally liable, despite such statement in the Declaration of Trust, for our obligations to the extent that claims are not satisfied out of the our assets. Our affairs are conducted to seek to minimize such risk wherever possible.
- **Market for Units and Unit Price:** The Units are listed on the TSX. There can be no assurance that an active public market for Units will be sustained. One of the factors that may influence the market price of the Units is the annualized yield on the Unit price from Distributions. Accordingly, an increase in market interest rates may lead purchasers of Units to demand a higher annual yield, which could adversely affect the market price of the Units. The market price of the Units does not necessarily reflect our net asset value. In addition, the market price for the Units may be affected by changes in general market conditions, fluctuations in the markets for equity securities and numerous other factors outside of our control which may cause the market price of Units to change in a manner which is different from the change in value of the underlying real estate assets.
- **Taxation:**
The SIFT Rules
The SIFT Rules, which relate to the federal income taxation of certain publicly traded trusts and certain other publicly-traded flow-through entities, were enacted on June 22, 2007. Generally, under the SIFT Rules, certain distributions from a “SIFT trust” (as defined in the Tax Act) will not be deductible in computing the trust’s taxable income, and the trust will be subject to tax on such distributions at a rate that is comparable to the general tax rate applicable to a Canadian corporation. To the extent that a distribution attracts this tax, it will be taxed in the hands of the receiving Unitholder (whether received in cash, additional Units or otherwise) as a taxable dividend from a taxable Canadian corporation, which dividend will be eligible for the enhanced dividend tax credit (an “eligible dividend”).

The SIFT Rules are not applicable to certain real estate investment trusts that meet certain conditions (as provided in the Tax Act) relating to the nature of their revenues and investments (the “REIT Conditions”). As currently structured, we do not meet the REIT Conditions. Chartwell has been a SIFT trust since 2007 and, unless we change our structure and the nature of our operations, we expect to be a SIFT trust for 2024 and future years.

In 2024, 100% of our distributions were classified as return of capital. The Welltower Transaction will result in taxes payable of approximately \$3.7 million in 2025. Based on our current forecasts, we do not expect any other tax to be payable by us under the SIFT Rules in 2025.

As a general matter, the amount of tax payable by Chartwell under the SIFT Rules, if any, in any given taxation year may be affected by acquisitions, dispositions and other events occurring in such taxation year or other relevant taxation years. Proposed amendments released by the Minister of Finance (Canada) on September 23, 2024 proposed very generally to, among other things, increase the proportion of the capital gain that would be included in income as a taxable capital gain, or the proportion of a capital loss that would constitute an allowable capital loss, from the existing one-half to two-thirds for capital gains or capital losses realized on or after June 25, 2024 (with special rules applying with respect to the two different inclusion rates in relation to taxation years that begin before and end after June 25, 2024). However, on January 31, 2025, the Minister of Finance (Canada) announced that the aforementioned proposed increase in the capital gains and capital losses inclusion rate would apply only to any capital gains or capital losses realized on or after January 1, 2026 (the “Proposed Inclusion Increases”). Assuming the Proposed Inclusion Increases are enacted as proposed, this may also affect, depending on the circumstances, the amount of tax payable by Chartwell under the SIFT Rules, if any, with respect to taxation years of Chartwell where the Proposed Inclusion Increases are applicable.

Tax Status

If we cease to qualify as a “mutual fund trust” for the purposes of the Tax Act or the Units ceased to be “qualified investments” under the Tax Act, the Canadian federal income tax considerations applicable to us and our Unitholders would be materially and adversely different in certain respects.

We will endeavour to ensure that we continue to qualify as a mutual fund trust and the Trust Units continue to be qualified investments under the Tax Act for Plans but there is no assurance that we will be able to do so. Generally, Trust Units will be qualified investments for Plans if, at the relevant time (a) the Trust Units are listed on the TSX (or other designated stock exchanges for the purposes of the Tax Act), (b) the Trust Units are registered investments under the Tax Act or (c) if we qualify as a mutual fund trust (as defined in the Tax Act). The Tax Act may impose penalties for the acquisition or holding of non-qualified investments by a Plan. Any property distributed to a Unitholder on an in-specie redemption of Trust Units may not be a qualified investment under the Tax Act for a Plan. There can be no assurance that Canadian federal income tax laws (or the judicial interpretation thereof), the administrative and/or assessing practices of the CRA and/or the treatment of mutual fund trusts will not be changed in a manner which adversely affects Unitholders.

Net income and net realized capital gains in excess of the cash distributions we make in a year may be distributed to Unitholders in the form of additional Units. Unitholders will generally be required to include an amount equal to the fair market value of those Trust Units in their taxable income, notwithstanding that they do not directly receive a cash Distribution.

Although we are of the view that all expenses to be claimed by us and our subsidiaries will be reasonable and deductible, that the tax filing positions taken by us are reasonable, and that the cost amount and capital cost allowance claims of such entities will have been correctly determined and that the allocation of Master LP’s income for tax purposes among its partners is reasonable, there can be no assurance that CRA will agree. If CRA successfully challenges us and/or our subsidiaries in any of these respects, the taxable income of Chartwell and the Unitholders, will increase or change.

Master LP has acquired many properties on a rollover basis with the result that the cost base for tax purposes in such properties was less than their fair market value at the time of acquisition. Master LP may acquire properties on a rollover basis in the future, with a similar result in their cost base. On a future sale of such properties for a sale price in excess of such cost base, income and capital gain will be realized which may result in tax being payable, under the SIFT Rules.

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”, “is expected”, “budget”, “scheduled”, “estimates”, “intends”, “anticipates”, “projects”, “believes”, “timeline”, “forecast”, “outlook”, “potential”, “prospects”, “strategy”, “target” or positive or negative variations of such words and phrases or statements to the effect that certain actions, events or results “may”, “will”, “could”, “should”, “would”, “might”, “occur”, “be achieved” or “continue” and 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 and ability to renew maturing debt in due course; 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, expected costs and completion dates of communities under development, no occurrence of a pandemic, epidemic or outbreak of a contagious disease, 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, rental and service rate increases, and the expected results of such strategies,
- statements and forecasts regarding occupancy trends and growth including statements regarding recovery of occupancy levels, growth, and achievement of occupancy targets,
- statements regarding our ability to achieve improvements in our cash flows, improved operating margins, reduced interest costs, and operating efficiencies,
- 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 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 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 targets,
- our expectations with respect to potential expansion projects and 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 growing 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 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.

Supplemental Information

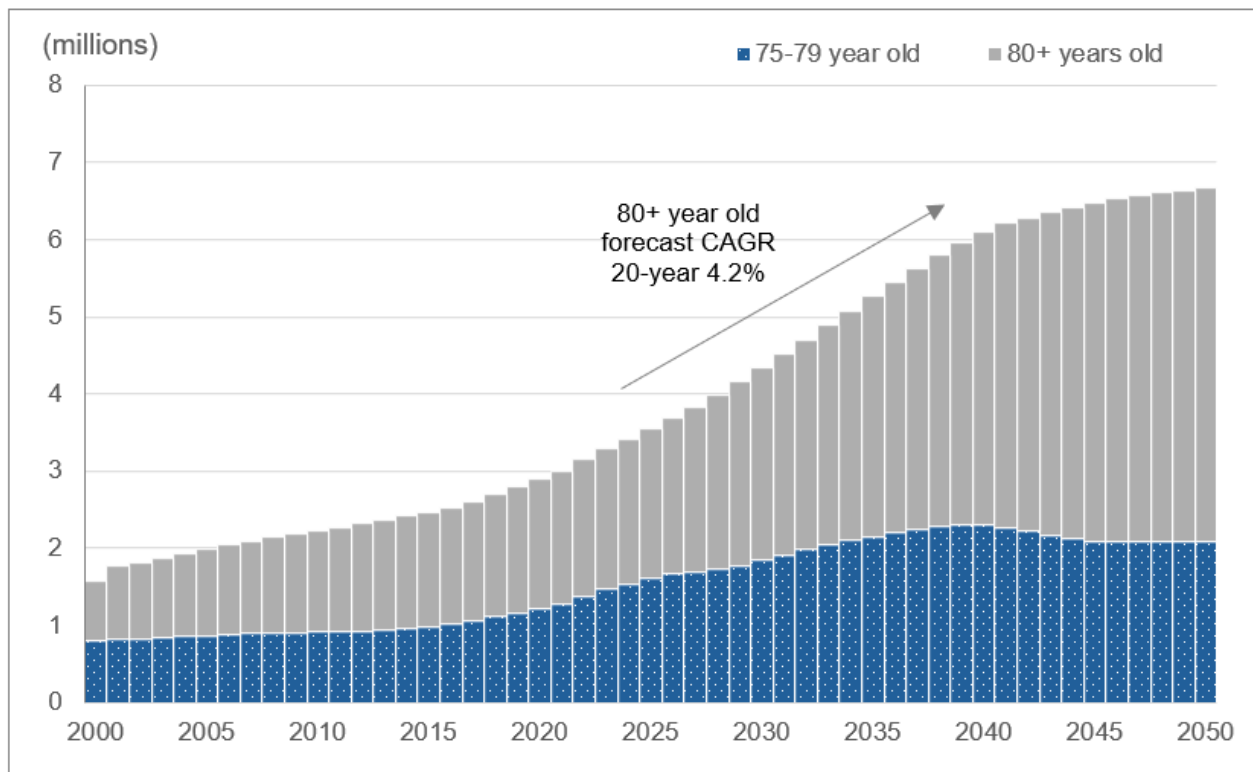
Significant Future Demand

Based on the forecasted ratios of retirement suites to the population of people over the age of 75, the demand for retirement suites is expected to accelerate over the next 20 years.

Demand for retirement suites will further benefit from the following:

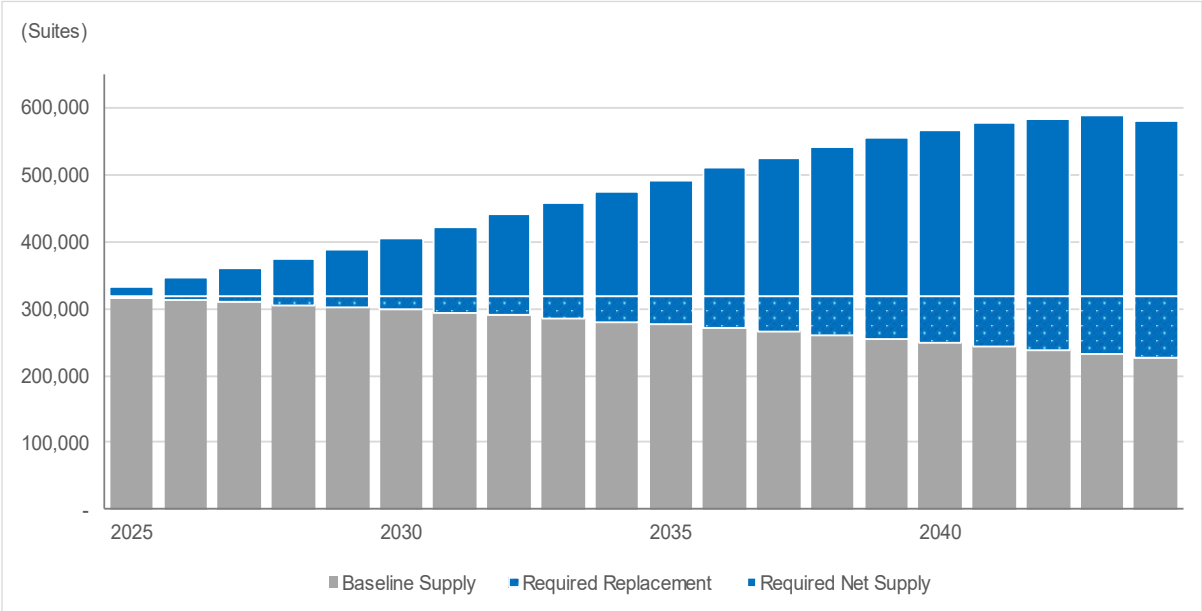
- If governments are unable to fully address demand growth for government-funded long term care spaces, there may be additional demand for retirement suites.
- The existing inventory of retirement suites includes a number of older properties which may become obsolete over time, further increasing demand for newer suites.
- We believe that there is pent-up demand for retirement accommodation and services, that built up through the pandemic, driven by the increased ageing population and disruptions of community-based support services for seniors during the pandemic.
- The acceptance of retirement living is significantly higher in Quebec. We believe the introduction of more flexible service offering and pricing options, including a-la-carte services, across the country, may further increase consumer interest in retirement living and drive higher demand.

Population of Age 75+ Year Olds



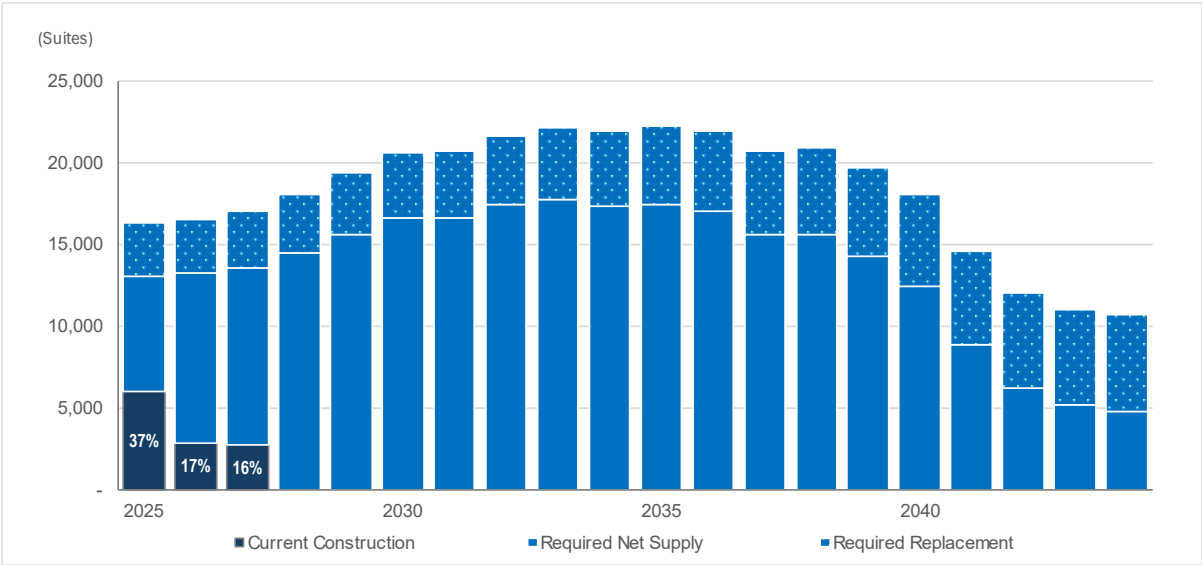
Sources: Statistics Canada and Cushman & Wakefield ULC.

New Supply Required to Maintain Market Equilibrium



Source: Cushman & Wakefield ULC.

Required Net-New Supply vs. Lifecycle Replacement of Existing Inventory



Source: Cushman & Wakefield ULC.

Chartwell Top 15 Markets – Supply and Demand Data

Supply

Location ⁽⁴⁾	Chartwell Portfolio ⁽¹⁾		Existing Inventory ⁽²⁾		Immediate Competition Impact ⁽³⁾			
	Total		Total		Chartwell Exposure		New Construction opening within 5km of a Chartwell Property	
	# of Properties	# of Suites	# of Properties	# of Suites	# of Properties	# of Suites	# of Properties	# of Suites
Greater Vancouver Area	13	1,600	156	14,393	1	180	1	82
Calgary	5	642	79	9,901	3	351	1	135
Edmonton	6	1,196	92	10,371	1	256	1	100
Durham	5	587	35	4,791	1	94	2	360
Windsor/Essex County	6	603	27	2,435	0	0	0	0
Halton	5	555	33	3,806	2	280	3	575
Ontario North	9	850	41	3,601	0	0	0	0
Greater Ottawa Area	8	1,038	93	11,288	5	560	4	1,008
Peel	2	194	29	3,870	0	0	0	0
Toronto	7	1,209	72	8,169	3	797	3	450
Kitchener/Waterloo/Cambridge/Guelph	10	1,014	61	5,601	0	0	0	0
York	8	859	42	5,011	1	125	1	148
Gatineau	10	2,038	24	4,176	0	0	0	0
Greater Montreal Area	21	5,251	361	63,823	0	0	0	0
Quebec City	10	3,374	149	19,550	0	0	0	0
Subtotal (Top 15 Markets)	125	21,010	1,294	170,786	17	2,643	16	2,858
Other	42	6,412						
Grand Total	167	27,422						

(1) Includes Retirement Operations only.

(2) Source: Cushman & Wakefield ULC.

(3) Summarizes Chartwell's existing properties impacted by competing properties in construction located within a five kilometer radius.

(4) Locations follow CMHC's region and naming convention except for Greater Vancouver Area (CMHC region "Lower Mainland"), Greater Montreal Area (CMHC region "Montreal"), Greater Ottawa Area (CMHC region "Ottawa"), and Kitchener/Waterloo/Cambridge/Guelph (CMHC region "Waterloo, Wellington & Dufferin").

Demand

Location ⁽³⁾	Demographic Information ⁽¹⁾				Demographic Data 75+ yrs ⁽¹⁾		
	2024				2024		
	Total Population	Median Household Income (\$)	Avg House Value (\$)	Unemployment Rate %	Total Population	10 yr Growth %	10 yr CAGR
Greater Vancouver Area	3,479,160	101,117	1,366,739	6.4%	263,210	56.8%	4.6%
Calgary	1,666,081	104,323	654,753	7.9%	93,325	89.5%	6.6%
Edmonton	1,586,314	99,884	442,965	7.7%	96,478	72.8%	5.6%
Durham	773,080	118,160	868,939	7.9%	53,621	63.5%	5.0%
Windsor/Essex County	473,162	89,732	510,451	8.9%	41,243	46.8%	3.9%
Halton	659,547	135,308	1,211,271	8.5%	52,234	55.9%	4.5%
Ontario North	854,454	85,105	384,991	8.5%	86,454	39.2%	3.4%
Greater Ottawa Area	1,157,810	116,946	661,008	6.0%	87,722	55.1%	4.5%
Peel	1,647,546	108,900	1,032,792	8.5%	102,475	62.5%	5.0%
Toronto	3,179,175	89,736	1,128,118	8.5%	239,849	36.0%	3.1%
Kitchener/Waterloo/Cambridge/Guelph	1,019,508	103,608	798,773	7.8%	70,933	53.3%	4.4%
York	1,280,866	121,132	1,338,157	8.5%	104,816	70.1%	5.5%
Gatineau	368,794	98,724	453,229	6.2%	26,426	58.4%	4.7%
Greater Montreal Area	4,499,507	85,714	555,152	6.8%	384,162	36.9%	3.2%
Quebec City	867,937	87,840	387,423	4.4%	91,889	45.9%	3.8%
Subtotal/Average (Top 15 Markets)	23,512,941	103,082⁽²⁾	786,317⁽²⁾	7.5%⁽²⁾	1,794,837	56.2%⁽²⁾	4.5%⁽²⁾

(1) Sources: Cushman & Wakefield provided by Environics Analytics 2024, and Statistics Canada. Table 14-10-0354-01 Regional unemployment rates used by the Employment Insurance program, three-month moving average, seasonally adjusted.

(2) Average.

(3) Locations follow CMHC's region and naming convention except for Greater Vancouver (CMHC region "Lower Mainland"), Greater Montreal Area (CMHC region "Montreal"), Greater Ottawa Area (CMHC region "Ottawa") and Kitchener/Waterloo/Cambridge/Guelph (CMHC region "Waterloo, Wellington & Dufferin").