



## Chartwell Announces Fourth Quarter and Year End 2023 Results

**MISSISSAUGA, ONTARIO** – March 7, 2024 – Chartwell Retirement Residences (“Chartwell”) (TSX: CSH.UN) announced today its results for the fourth quarter and year ended December 31, 2023.

### Highlights

- Resident revenue increased by \$9.5 million in Q4 2023 compared to Q4 2022.
- Net loss was \$13.2 million in Q4 2023 compared to net income of \$47.5 million in Q4 2022.
- Funds from Operations (“FFO”)<sup>(1)</sup> for continuing operations up 41.4% and Total FFO up 17.2% in Q4 2023 from Q4 2022.
- Same property adjusted net operating income (“NOI”)<sup>(1)</sup> up 21.5% in Q4 2023 from Q4 2022.
- Weighted average same property occupancy was 84.1% in Q4 2023, compared to 79.5% in Q4 2022, and expected to grow to 85.7% by April 2024.

“Our teams continued building the strong momentum of occupancy growth in Q4 2023, finishing the year at 84.9% in our same property portfolio. Importantly, we expect to reverse the historical seasonal trends of occupancy declines in the winter months with a projected occupancy of 85.7% in April 2024. As we build on execution of our innovative operating, sales and marketing strategies, we expect continuing occupancy and cash flow growth in 2024 and beyond,” commented Vlad Volodarski, Chartwell’s CEO. “We continue to reimagine our corporate support processes and implementing technology solutions to help us transition to an even more agile and scalable organization. The completion of the sale of our Ontario Long Term Care Platform, and the announcement of the wind-up of our joint ventures with Welltower, combined with other asset management projects underway, will reposition our property portfolio toward high growth, well-located, and highly competitive properties. These initiatives will help to set a solid foundation for future profitable growth of our portfolio.”

### Operating Performance Trends

- In Q4 2023 compared to Q4 2022, same property adjusted NOI increased \$9.0 million or 21.5%, primarily due to higher revenue from rental and service rate increases and higher occupancy.
- In Q4 2023, weighted average occupancy in our same property portfolio was 84.1% compared to 79.5% in Q4 2022. All platforms achieved occupancy gains in Q4 2023 compared to Q4 2022.
- Same property adjusted operating margin<sup>(1)</sup> was 35% in Q4 2023 compared to 31% in Q4 2022.

### Financial Results

The following table summarizes select financial and operating performance measures:

	Three Months Ended December 31			Year Ended December 31		
(\$000s, except per unit amounts, number of units, and occupancy)	2023	2022	Change	2023	2022	Change
Resident revenue	179,946	170,467	9,479	687,324	661,029	26,295
Direct property operating expense	118,853	120,672	(1,819)	463,361	464,704	(1,343)
Net income/(loss)	(13,173)	47,463	(60,636)	128,273	49,531	78,742
FFO <sup>(1)</sup>						
Continuing operations	39,246	27,744	11,502	122,151	102,013	20,138
Total	39,099	33,357	5,742	133,190	126,917	6,273
FFO per unit <sup>(1)</sup>						
Continuing operations	0.16	0.12	0.04	0.51	0.43	0.08
Total	0.16	0.14	0.02	0.55	0.53	0.02
Weighted average number of units outstanding (000s) <sup>(2)</sup>	243,262	238,831	4,431	241,688	237,402	4,286
Weighted average occupancy rate - same property portfolio <sup>(3)</sup>	84.1%	79.5%	4.6pp	81.1%	78.6%	2.5pp
Same property adjusted NOI <sup>(1)</sup>	50,864	41,880	8,984	189,012	165,384	23,628
G&A expenses	13,455	9,334	4,121	60,450	49,641	10,809

## Fourth Quarter Results

For Q4 2023, net loss was \$13.2 million compared to net income of \$47.5 million in Q4 2022 primarily due to:

- lower gain on asset sales,
- negative changes in fair values of financial instruments, primarily due to increases in trading prices of Chartwell Trust Units,
- higher impairment losses,
- lower income from discontinued operations due to the sale of the Ontario Long Term Care platform (“OLTC Platform”)<sup>(4)</sup> completed on September 6, 2023, and
- higher general, administrative and Trust (“G&A”) expenses,

partially offset by:

- higher deferred tax benefit,
- higher resident revenue, and
- lower direct operating expenses.

For Q4 2023, FFO from continuing operations was \$39.2 million or \$0.16 per unit, compared to \$27.7 million or \$0.12 per unit for Q4 2022. The change in FFO from continuing operations was primarily due to:

- higher adjusted NOI from continuing operations of \$13.0 million,
- higher management fee revenue of \$1.7 million,
- higher interest income of \$0.6 million,
- lower finance costs of \$0.3 million, and
- lower depreciation of PP&E and amortization of intangibles assets used for administrative purposes of \$0.1 million,

partially offset by:

- higher G&A expenses of \$4.1 million, and
- other items combined of \$0.1 million.

FFO from continuing operations for Q4 2023 included \$0.6 million of Lease-up-Losses<sup>(1)</sup> and Imputed Cost of Debt<sup>(1)</sup> related to our development projects (Q4 2022 – \$1.1 million).

## Annual/Year End Results

For 2023, net income was \$128.3 million compared to \$49.5 million in 2022 primarily due to

- higher gains of \$178.7 million on asset sales from discontinued operations,
- higher deferred tax benefit, and
- higher resident revenue,

partially offset by:

- lower gain on disposal of assets included in continuing operations,
- negative changes in fair values of financial instruments, primarily due to increases in trading prices of Chartwell Trust Units,
- current income tax expense of \$27.2 million primarily due to the sale of the OLTC Platform,
- higher impairment losses,
- higher G&A expenses, and
- higher finance costs.

For 2023, FFO from continuing operations was \$122.2 million or \$0.51 per unit, compared to \$102.0 million or \$0.43 per unit for 2022. The change in FFO from continuing operations was primarily due to:

- higher adjusted NOI from continuing operations of \$33.9 million,
- higher management fee revenue of \$3.1 million,
- higher interest income of \$1.0 million,
- lower depreciation of PP&E and amortization of intangibles assets used for administrative purposes of \$0.3 million, and
- other items combined of \$0.1 million,

partially offset by:

- higher G&A expenses of \$10.8 million, and
- higher finance costs of \$7.4 million.

FFO from continuing operations for 2023 included recoveries of pandemic expenses for preceding years of \$0.2 million (2022 - \$2.4 million).

FFO from continuing operations for 2023 includes \$2.3 million of Lease-up-Losses and Imputed Cost of Debt related to our development projects (2022 – \$4.4 million).

For 2023, Total FFO which includes results of LTC Discontinued Operations was \$133.2 million or \$0.55 per unit, compared to \$126.9 million or \$0.53 per unit in 2022. LTC Discontinued Operations results for 2022 included recoveries of pandemic and other expenses for preceding years of \$6.2 million or \$0.03 per unit for which there was not a comparable amount in 2023.

## Financial Position

As at December 31, 2023 liquidity<sup>(1)</sup> amounted to \$348.6 million, which included \$24.6 million of cash and cash equivalents and \$324.0 million of available borrowing capacity on our credit facilities.

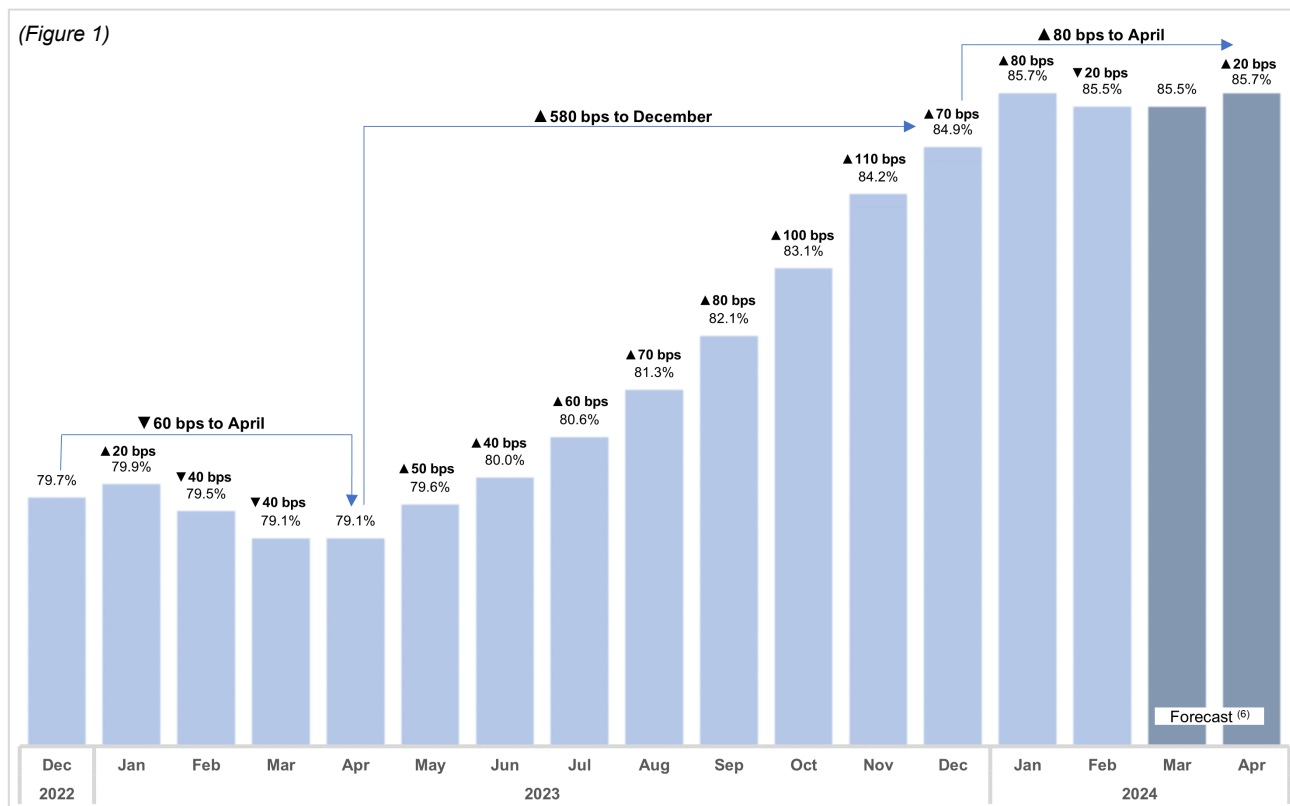
The interest coverage ratio<sup>(5)</sup> for the year ended was 2.3 at December 31, 2023, compared to 2.5 at December 31, 2022. The net debt to adjusted EBITDA ratio<sup>(5)</sup> at December 31, 2023 was 10.2 compared to 11.1 at December 31, 2022.

## 2024 Outlook

A discussion of our business outlook can be found in the “2024 Outlook” section of our Management’s Discussion and Analysis for the year ended December 31, 2023 (the “2023 MD&A”).

## Retirement Operations

The chart included (Figure 1) provides an update in respect of our same property retirement occupancy.



Due to seasonally lower move-in activity, we have historically experienced declines in occupancy from December to April. The three-year average for 2017, 2018, 2019 (the “pre-pandemic average”) decline in our same property occupancy from December to April was 180 basis points (“bps”) compared to a 60 bps decline in 2023.

February 2024 same property occupancy was 85.5% and we expect April 2024 occupancy to be 85.7%, an increase of 80 bps from December 2023.

We increased our same property occupancy by 520 basis points in 2023. We anticipate continuing occupancy growth in 2024 supported by the favourable market conditions and execution of our proven sales and marketing strategies. We expect to achieve rent and services rate increases of approximately 5% in 2024. As a result of this expected occupancy and rate growth we expect our same property operating margins to increase to approximately 38% in 2024 from 34% in 2023.

## **Taxation**

In 2023, 27.9% of our distributions were classified as return of capital and 72.1% of our distributions were classified as eligible dividends. The eligible dividends are primarily due to the taxable capital gains on the sale of our OLTC Platform which resulted in specified investment flow through ("SIFT") tax payable of \$27.2 million for the 2023 taxation year.

Based on our current expectations, the Welltower Transaction (as described below) will result in SIFT taxes payable of approximately \$6.8 million in 2024. Based on current forecasts, Chartwell does not expect any other tax to be payable under the SIFT Rules in 2024.

## **Portfolio Optimization and Repositioning Activities**

During Q4 2023, two properties that were previously operationally closed were sold. One property was sold on November 1, 2023 for a sale price of \$2.3 million. A vendor take-back mortgage was extended to the purchaser in the amount of \$1.8 million, bearing an interest rate of 6.0% per annum with a three-year term. The second property was sold on December 11, 2023 for a sale price of \$13.9 million.

During 2023, closure costs related to these repositioning activities were \$1.6 million of which \$1.1 million was included in NOI.

Chartwell Trait-Carré, Chartwell Le Montcalm, Chartwell Le Prescott, and Chartwell L'Envol achieved the occupancy threshold giving effect to the Batimo put rights. During Q2 2023, Batimo exercised its put right to require Chartwell to acquire an 85% interest in the 361-suite Chartwell Trait-Carré residence located in Quebec City, currently at 96.0% occupancy. Based on negotiations and appraisals completed to date, Chartwell expects to pay approximately \$85 million for an 85% interest in the property and expects to close on the acquisition in Q2 2024. During Q4 2023, Batimo exercised its put right to require Chartwell to acquire an 85% interest in the 324-suite Chartwell Le Prescott residence located in Vaudreuil, currently at 95.8% occupancy. We estimate the current value of this residence at 100% ownership interest to be approximately \$85.0 million. Batimo has not exercised its put rights with respect to the two other properties. We estimate the current value of Chartwell Le Montcalm and Chartwell L'Envol at approximately \$150.0 million at 100% ownership interest.

On November 9, 2023, we announced that we have entered into a definitive agreement with Welltower Inc. ("Welltower") to wind-up our existing joint ventures (the "Welltower Transaction"). Under the terms of the agreement, Chartwell will convey its ownership interest in 23 assets (the "Welltower Assets") to Welltower for consideration of: (i) Welltower's ownership interest in 16 assets (the "Chartwell Assets") and (ii) \$97.2 million in cash. Net proceeds to Chartwell after estimated transaction costs of \$12.2 million and taxes of \$6.8 million are expected to be approximately \$78.2 million (the "Cash Consideration"). Closing of the transaction, subject to the required regulatory and lender approvals, is expected in Q2 2024 (the "Closing"). On Closing, Chartwell will assume approximately \$140.3 million in debt on the Chartwell Assets, bearing a weighted average interest rate of 2.8% and a weighted average term to maturity of 4.4 years. The net change to total debt on Chartwell's balance sheet will be a reduction of approximately \$51.0 million, before any impact of the Cash Consideration. In addition, two properties (314 suites) 100% owned by Welltower will no longer be managed by Chartwell, and one remaining co-owned property (332 suites) will continue to be operated by Chartwell. (See <https://investors.chartwell.com/november2023-transaction-with-welltower>)

On February 1, 2024, we completed the sale of Chartwell Bridlewood Retirement Residence (61 suites) located in Ontario which was under a definitive sale contract as of November 27, 2023, for a sale price of \$3.8 million. A vendor take-back mortgage was extended to the purchaser in the amount of \$2.8 million, maturing in February 2027, and bearing an interest rate of 8% per annum for the first two years and 10% per annum for the third year.

## **Liquidity and Financing**

As at March 7, 2024, liquidity amounted to \$368.4 million, which included \$32.4 million of cash and cash equivalents and \$336.0 million of available borrowing capacity on our Credit Facilities.

For 2024, we have \$181.6 million of mortgage debt maturing at the weighted average rate of 3.14%. At March 7, 2024, 10-year CMHC-insured mortgage rates are estimated at approximately 4.3% and five-year conventional mortgage financing is available at 5.4%.

In May 2024, our \$125.0 million unsecured term loan will be maturing. We expect to refinance or repay this term loan using proceeds of our non-core asset sales.

We expect to complete the sale of Ballycliffe LTC under the forward sale contract upon completion of its redevelopment in the first half of 2024. The contracted sale price is \$64.5 million with net proceeds, after transaction costs and taxes, and excluding working capital adjustments to be determined on closing, estimated at \$62.9 million. Either party may terminate the forward purchase agreement if the development is not completed by April 1, 2024. We do not expect to complete construction by that date and as such, may sell on different terms. We expect to use the proceeds, subject to market conditions, to pay down debt.

## **Quarterly Investor Materials and Conference Call**

We invite you to review our Q4 and Year End 2023 investor materials on our website at [investors.chartwell.com](https://investors.chartwell.com)

### **2023 Financial Statements**

### **2023 Management's Discussion and Analysis**

### **Q4 2023 Investor Presentation**

A conference call hosted by Chartwell's senior management will be held **Friday March 8, 2024, at 10:00 AM ET**. The telephone numbers to participate in the conference call are: **Local: (416) 340-2217** or **Toll Free: 1-800-806-5484**. **The passcode for the conference call is: 8931311#**. Please log on at least 15 minutes before the call commences to register for the Q&A. A slide presentation to accompany management's comments during the conference call will be available on the website. A live **webcast** of the call will be available at <https://events.q4inc.com/attendee/547438182>. Joining via webcast is recommended for those who will not be participating in the Q&A.

The telephone numbers to listen to the call after it is completed (Instant Replay) are: Local (905) 694-9451 or Toll-Free: 1-800-408-3053. The Passcode for the Instant Replay is 1404410#. These numbers will be available for 30 days following the call. An audio file recording of the call, along with the accompanying slides, will also be archived on Chartwell's website at [investors.chartwell.com](https://investors.chartwell.com).

## Footnotes

- (1) FFO, FFO for continuing operations, Total FFO, including per unit amounts, adjusted resident revenue, adjusted direct property operating expense, adjusted NOI, adjusted operating margin, liquidity, interest coverage ratio, Lease-up Losses, Imputed Cost of Debt, and net debt to adjusted EBITDA ratio are non-GAAP measures. These measures do not have standardized meanings prescribed by GAAP and, therefore, may not be comparable to similar measures used by other issuers. These measures are used by management in evaluating operating and financial performance. Please refer to the heading "Non-GAAP Financial Measures" on page 7 of this press release. Certain information about non-GAAP financial measures, non-GAAP ratios, capital management measures and supplementary measures found in Chartwell's 2023 MD&A, is incorporated by reference. Full definitions of FFO & FFO per unit can be found on page 19, same property adjusted NOI on page 20, adjusted NOI on page 20, adjusted operating margin on page 10, liquidity on page 30, interest coverage ratio on page 38, and net debt to adjusted EBITDA ratio on page 55 of the 2023 MD&A available on Chartwell's website and under Chartwell's profile on the System for Electronic Document and Analysis Retrieval ("SEDAR+") website at [sedarplus.com](http://sedarplus.com). The definition of these measures have been incorporated by reference.
- (2) Includes Trust Units, Class B Units of Chartwell Master Care LP, and Trust Units issued under Executive Unit Purchase Plan and Deferred Trust Unit Plan.
- (3) 'pp' means percentage points.
- (4) Refer to the "Significant Events – Portfolio Optimization" section on page 15 of the 2023 MD&A.
- (5) Non-GAAP; calculated in accordance with the Trust indentures for Chartwell's 4.211% Series B senior unsecured debentures and 6.000% Series C senior unsecured debentures and may not be comparable to similar metrics used by other issuers or to any GAAP measures.
- (6) Forecast includes leases and notices as at February 29, 2024 and an estimate of mid-month move-ins of 30 bps for March and 50 bps for April, based on the preceding 12-month average of such activity.

## Forward-Looking Information

This press release 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. 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. Examples of forward-looking information in this document include, but are not limited to, statements regarding our business strategies, operational sales, marketing and optimization strategies including targets, and the expected results of such strategies, predictions and expectations with respect to industry trends including growth in the senior population, a deficit of long term care beds and the slow down of new construction starts, expectations with respect to taxes that are expected to be payable in the current and future years and statements regarding the tax classification of distributions, and occupancy rate forecasts. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those expected or estimated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. These factors are more fully described in the "Risks and Uncertainties and Forward-Looking Information" section in Chartwell's 2023 MD&A, and in materials filed with the securities regulatory authorities in Canada from time to time, including but not limited to our most recent Annual Information Form the ("AIF"). A copy of the 2023 MD&A, the AIF, and Chartwell's other publicly filed documents can be accessed under Chartwell's profile on the SEDAR+ website at [sedarplus.com](http://sedarplus.com).

## About Chartwell

Chartwell is in the business of serving and caring for Canada's seniors, committed to its vision of Making People's Lives BETTER and to providing a happier, healthier, and more fulfilling life experience for its residents. Chartwell is an unincorporated, open-ended real estate trust which indirectly owns and operates a complete range of seniors housing communities, from independent living through to assisted living and long term care. Chartwell is one of the largest operators in Canada, serving over 25,000 residents in four provinces across the country. For more information visit [www.chartwell.com](http://www.chartwell.com).

For more information, please contact:

### **Chartwell Retirement Residences**

Jeffrey Brown, Chief Financial Officer

Tel: (905) 501-6777

Email: [investorrelations@chartwell.com](mailto:investorrelations@chartwell.com)

## Non-GAAP Financial Measures

Chartwell's condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). Management uses certain financial measures to assess Chartwell's operating and financial performance, which are measures not defined in generally accepted accounting principles ("GAAP") under IFRS. The following measures: FFO, FFO per unit, same property adjusted NOI, adjusted NOI, adjusted operating margin, liquidity, interest coverage ratio and net debt to adjusted EBITDA ratio as well as other measures discussed elsewhere in this release, do not have a standardized definition prescribed by IFRS. They are presented because management believes these non-GAAP measures are relevant and meaningful measures of Chartwell's performance and as computed may differ from similar computations as reported by other issuers and may not be comparable to similarly titled measures reported by such issuers. For a full definition of these measures, please refer to the 2023 MD&A available on Chartwell's website and on SEDAR+.

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 2023	Q4 2022	Change	2023	2022	Change
<b>Resident revenue</b>	<b>179,946</b>	<b>170,467</b>	<b>9,479</b>	<b>687,324</b>	<b>661,029</b>	<b>26,295</b>
Add:						
Share of resident revenue from joint ventures <sup>(1)</sup>	33,159	30,008	3,151	126,765	115,864	10,901
Resident revenue from LTC Discontinued Operations <sup>(2)</sup>	258	64,165	(63,907)	167,326	252,614	(85,288)
<b>Adjusted resident revenue</b>	<b>213,363</b>	<b>264,640</b>	<b>(51,277)</b>	<b>981,415</b>	<b>1,029,507</b>	<b>(48,092)</b>
Comprised of:						
Same property	147,279	133,382	13,897	559,795	520,586	39,209
Growth	34,905	30,733	4,172	132,669	111,673	20,996
Repositioning	31,179	100,525	(69,346)	288,951	397,248	(108,297)
<b>Adjusted resident revenue</b>	<b>213,363</b>	<b>264,640</b>	<b>(51,277)</b>	<b>981,415</b>	<b>1,029,507</b>	<b>(48,092)</b>
<b>Direct property operating expense</b>	<b>118,853</b>	<b>120,672</b>	<b>(1,819)</b>	<b>463,361</b>	<b>464,704</b>	<b>(1,343)</b>
Add:						
Share of direct property operating expense from joint ventures <sup>(1)</sup>	22,566	21,138	1,428	87,219	82,533	4,686
Direct property operating expense from LTC Discontinued Operations <sup>(2)</sup>	405	56,884	(56,479)	151,671	220,729	(69,058)
<b>Adjusted direct property operating expense</b>	<b>141,824</b>	<b>198,694</b>	<b>(56,870)</b>	<b>702,251</b>	<b>767,966</b>	<b>(65,715)</b>
Comprised of:						
Same property	96,415	91,502	4,913	370,783	355,202	15,581
Growth	21,938	20,452	1,486	84,801	75,281	9,520
Repositioning	23,471	86,740	(63,269)	246,667	337,483	(90,816)
<b>Adjusted direct property operating expense</b>	<b>141,824</b>	<b>198,694</b>	<b>(56,870)</b>	<b>702,251</b>	<b>767,966</b>	<b>(65,715)</b>
<b>NOI</b>	<b>61,093</b>	<b>49,795</b>	<b>11,298</b>	<b>223,963</b>	<b>196,325</b>	<b>27,638</b>
Add:						
Share of NOI from joint ventures	10,593	8,870	1,723	39,546	33,331	6,215
<b>Adjusted NOI from continuing operations</b>	<b>71,686</b>	<b>58,665</b>	<b>13,021</b>	<b>263,509</b>	<b>229,656</b>	<b>33,853</b>
Add:						
NOI from LTC Discontinued Operations	(147)	7,281	(7,428)	15,655	31,885	(16,230)
<b>Adjusted NOI</b>	<b>71,539</b>	<b>65,946</b>	<b>5,593</b>	<b>279,164</b>	<b>261,541</b>	<b>17,623</b>
Comprised of:						
Same property	50,864	41,880	8,984	189,012	165,384	23,628
Growth	12,967	10,281	2,686	47,868	36,392	11,476
Repositioning	7,708	13,785	(6,077)	42,284	59,765	(17,481)
<b>Adjusted NOI</b>	<b>71,539</b>	<b>65,946</b>	<b>5,593</b>	<b>279,164</b>	<b>261,541</b>	<b>17,623</b>
Weighted average occupancy rate:						
Same property portfolio	84.1%	79.5%	4.6pp	81.1%	78.6%	2.5pp
Growth portfolio	79.8%	74.6%	5.2pp	76.5%	72.4%	4.1pp
Repositioning portfolio	83.7%	81.4%	2.3pp	87.1%	80.4%	6.7pp
Total portfolio	83.3%	79.3%	4.0pp	81.9%	78.2%	3.7pp

(1) Non-GAAP; represents Chartwell's proportionate share of the resident revenue and direct property operating expense of our Equity-Accounted JVs, respectively.

(2) Represents the resident revenue and direct property operating expense related to LTC Discontinued Operations, respectively.

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

(\$000s, except per unit amounts and number of units)	Q4 2023	Q4 2022	Change	2023	2022	Change
Net income/(loss)	(12,758)	41,904	(54,662)	(60,941)	27,388	(88,329)
<i>Add (Subtract):</i>						
B Depreciation of PP&E	38,955	39,482	(527)	154,005	152,988	1,017
D Amortization of limited life intangible assets	632	773	(141)	2,690	3,148	(458)
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	(1,127)	(1,181)	54	(4,461)	(4,791)	330
E Loss/(gain) on disposal of assets	(5,770)	(70,125)	64,355	(12,074)	(71,751)	59,677
J Transaction costs arising on dispositions	192	1,792	(1,600)	1,167	1,992	(825)
H Impairment losses	10,273	-	10,273	10,898	-	10,898
F Tax on gains or losses on disposal of properties	(869)	-	(869)	27,231	-	27,231
G Deferred income tax	(3,419)	16,849	(20,268)	(24,510)	14,131	(38,641)
O Distributions on Class B Units recorded as interest expense	234	234	-	936	937	(1)
M Changes in fair value of financial instruments	10,752	(2,929)	13,681	21,964	(21,785)	43,749
Q FFO adjustments for Equity-Accounted JVs	2,151	945	1,206	5,246	(244)	5,490
FFO	39,246	27,744	11,502	122,151	102,013	20,138
Weighted average number of units (000)	243,262	238,831	4,431	241,688	237,402	4,286
FFOPU	0.16	0.12	0.04	0.51	0.43	0.08

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

(\$000s, except per unit amounts and number of units)	Q4 2023	Q4 2022	Change	2023	2022	Change
Net income/(loss)	(13,173)	47,463	(60,636)	128,273	49,531	78,742
<i>Add (Subtract):</i>						
B Depreciation of PP&E	38,955	39,482	(527)	154,005	154,804	(799)
D Amortization of limited life intangible assets	632	773	(141)	2,690	3,350	(660)
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	(1,127)	(1,181)	54	(4,461)	(4,791)	330
E Loss/(gain) on disposal of assets	(5,539)	(70,122)	64,583	(190,747)	(71,743)	(119,004)
J Transaction costs arising on dispositions	229	1,843	(1,614)	1,665	2,727	(1,062)
H Impairment losses	10,273	-	10,273	10,898	-	10,898
F Tax on gains or losses on disposal of properties	(869)	-	(869)	27,231	-	27,231
G Deferred income tax	(3,419)	16,849	(20,268)	(24,510)	14,131	(38,641)
O Distributions on Class B Units recorded as interest expense	234	234	-	936	937	(1)
M Changes in fair value of financial instruments	10,752	(2,929)	13,681	21,964	(21,785)	43,749
Q FFO adjustments for Equity-Accounted JVs	2,151	945	1,206	5,246	(244)	5,490
FFO	39,099	33,357	5,742	133,190	126,917	6,273
Weighted average number of units (000)	243,262	238,831	4,431	241,688	237,402	4,286
FFOPU	0.16	0.14	0.02	0.55	0.53	0.02