

Condensed Consolidated Interim Financial Statements
(In Canadian dollars)

CHARTWELL RETIREMENT RESIDENCES

June 30, 2025
(Unaudited)

CHARTWELL RETIREMENT RESIDENCES

Condensed Consolidated Interim Balance Sheets

(In thousands of Canadian dollars)

(Unaudited)

	Note	June 30, 2025	December 31, 2024
Assets			
Current assets:			
Cash and cash equivalents		\$ 28,218	\$ 20,048
Trade and other receivables	7	9,858	17,672
Loans receivable	9	20,380	21,677
Assets held for sale	16	–	274,435
Other assets	8	55,717	54,191
Total current assets		114,173	388,023
Non-current assets:			
Other assets	8	435	3,771
Loans receivable	9	14,866	19,280
Investment in joint ventures	10	21,594	26,221
Intangible assets	5	20,800	21,744
Property, plant and equipment (“PP&E”)	4	4,294,330	3,628,030
Total non-current assets		4,352,025	3,699,046
Total assets		\$ 4,466,198	\$ 4,087,069
Liabilities and Unitholders' Equity			
Current liabilities:			
Lease obligations	6	\$ 1,007	\$ 925
Accounts payable and other liabilities	15	266,250	214,630
Distributions payable		14,828	14,071
Loans payable	13	–	148,972
Liabilities related to assets held for sale	16	–	149,290
Senior unsecured debentures	14	–	149,953
Mortgages payable	11	405,656	408,071
Total current liabilities		687,741	1,085,912
Non-current liabilities:			
Lease obligations	6	7,186	7,281
Other liabilities	15	8,671	3,583
Mortgages payable	11	1,646,516	1,386,908
Credit facilities	12	–	98,079
Senior unsecured debentures	14	796,645	398,358
Deferred tax liabilities		49,230	33,567
Total non-current liabilities		2,508,248	1,927,776
Total liabilities		3,195,989	3,013,688
Unitholders' equity	17	1,269,251	1,071,818
Non-controlling interest		958	1,563
Total equity		1,270,209	1,073,381
Total liabilities and unitholders' equity		\$ 4,466,198	\$ 4,087,069

See accompanying notes to condensed consolidated interim financial statements.

Approved by the Trustees:

“Ann Davis” Trustee “Jamie Scarlett” Trustee

CHARTWELL RETIREMENT RESIDENCES

Condensed Consolidated Interim Statements of Net Income (Loss) and Comprehensive Income
(Loss)

(In thousands of Canadian dollars)

(Unaudited)

	Note	Three months ended		Six months ended	
		June 30, 2025	2024	June 30, 2025	2024
Revenue:					
Resident		\$ 268,034	\$ 189,563	\$ 511,602	\$ 373,483
Management and other fees		1,063	3,279	3,043	6,355
Lease revenue from joint ventures	10	2,736	8,852	8,671	17,704
Interest income		1,325	707	2,740	1,442
		273,158	202,401	526,056	398,984
Income (expenses):					
Direct property operating		(159,683)	(120,709)	(309,739)	(242,083)
Depreciation of PP&E	4, 16	(59,694)	(38,795)	(112,386)	(74,137)
Amortization of intangible assets	5, 16	(439)	(574)	(905)	(1,189)
Share of net income (loss) from joint ventures	10	146	1,939	754	3,306
General, administrative and trust		(14,126)	(12,924)	(31,209)	(27,395)
Other income (expense)	21	173	(2,112)	55,987	(3,466)
Finance costs	22	(31,859)	(26,359)	(62,467)	(49,137)
Change in fair values of financial Instruments	23	(7,608)	(3,252)	(13,087)	(6,537)
		(273,090)	(202,786)	(473,052)	(400,638)
Income (loss) before income taxes		68	(385)	53,004	(1,654)
Current tax recovery (expense)	24	157	–	(7,968)	351
Deferred income tax (expense)	24	(5,962)	(2,413)	(17,579)	(3,466)
Net income (loss)		(5,737)	(2,798)	27,457	(4,769)
Net income (loss) and comprehensive income (loss) ⁽¹⁾		\$ (5,737)	\$ (2,798)	\$ 27,457	\$ (4,769)
Net income (loss) and comprehensive income attributable to:					
Unitholders		\$ (5,769)	\$ (2,798)	\$ 27,409	(4,769)
Non-controlling interest		32	–	48	–
Net income (loss) and comprehensive income		\$ (5,737)	\$ (2,798)	\$ 27,457	(4,769)

⁽¹⁾Referred to as "Net Income (Loss)" throughout the consolidated financial statements

See accompanying notes to condensed consolidated interim financial statements.

CHARTWELL RETIREMENT RESIDENCES

Condensed Consolidated Interim Statements of Unitholders' Equity
(In thousands of Canadian dollars, except per unit amounts)
(Unaudited)

Six months ended June 30, 2025	Trust Units issued in dollars, net	Trust Units issued under EUPP	EUPP receivable	Accumulated income (losses)	Distributions	Other equity components	Non- controlling Interest	Total
Total equity, December 31, 2024	\$ 3,040,063	\$ 21,112	\$ (14,855)	\$ 103,383	\$ (2,084,386)	\$ 6,501	\$ 1,563	\$ 1,073,381
Net income and comprehensive income	–	–	–	27,409	–	–	48	27,457
Distributions to unitholders	–	–	–	–	(85,741)	–	–	(85,741)
Issuance of Trust Units pursuant to public offering (note 17)	–	–	–	–	–	–	–	–
Issuance of Trust Units under the at-the-Market "ATM" (note 17)	228,808	–	–	–	–	–	–	228,808
Trust Units issued under the Distribution Reinvestment Program ("DRIP")	22,979	–	–	–	–	–	–	22,979
Trust Units issued on exchange of class B units	801	–	–	–	–	–	–	801
Trust Units issued under the Executive Unit Purchase Plan ("EUPP"), net of Units transferred to Treasury	2,096	1,196	(1,695)	–	–	–	–	1,597
Trust units issued on settlement of "DTUs"	1,201	–	–	–	–	–	–	1,201
Interest on EUPP receivable	–	–	(184)	–	–	–	–	(184)
Distributions applied against EUPP receivable	–	–	563	–	–	–	–	563
Non-controlling interest acquired (note 3)	–	–	–	–	–	–	(653)	(653)
Total equity, June 30, 2025	\$ 3,295,948	\$ 22,308	\$ (16,171)	\$ 130,792	\$ (2,170,127)	\$ 6,501	\$ 958	\$ 1,270,209

Distributions were declared and paid at \$0.051 per unit per month for the months of January 2025 to June 2025.

See accompanying notes to condensed consolidated interim financial statements.

CHARTWELL RETIREMENT RESIDENCES

Condensed Consolidated Interim Statements of Unitholders' Equity
(In thousands of Canadian dollars, except per unit amounts)
(Unaudited)

Six months ended June 30, 2024	Trust Units issued in dollars, net	Trust Units issued under EUPP	EUPP receivable	Accumulated income (losses)	Distributions	Other equity components	Total
Unitholders' equity, December 31, 2023	\$ 2,622,374	\$ 23,666	\$ (16,185)	\$ 80,975	\$ (1,925,870)	\$ 6,501	\$ 791,461
Net loss	-	-	-	(4,769)	-	-	(4,769)
Distributions to unitholders					(75,329)		(75,329)
Issuance of Trust Units pursuant to public offering (Note 17)	338,836	-	-	-	-	-	338,836
Trust Units issued under the Distribution Reinvestment Program ("DRIP")	19,099	-	-	-	-	-	19,099
Trust units issued on exchange of class B units	71	-	-	-	-	-	71
Trust Units issued under the Executive Unit Purchase Plan ("EUPP"), net of Units transferred to Treasury	3,389	415	(1,684)	-	-	(2)	2,118
Trust units issued on settlement of DTUs	1,519	-	-	-	-	-	1,519
Interest on EUPP receivable	-	-	(167)	-	-	-	(167)
Distributions applied against EUPP receivable	-	-	638	-	-	-	638
Unitholders' equity, June 30, 2024	\$ 2,985,288	\$ 24,081	\$ (17,398)	\$ 76,206	\$ (2,001,199)	\$ 6,499	\$ 1,073,477

Distributions were declared and paid at \$0.051 per unit per month for the months of January 2024 to June 2024.

See accompanying notes to condensed consolidated interim financial statements.

CHARTWELL RETIREMENT RESIDENCES

Condensed Consolidated Interim Statements of Cash Flows

(In thousands of Canadian dollars)

(Unaudited)

	Note	Three Months ended June 30,		Six months ended June 30,	
		2025	2024	2025	2024
Cash provided by (used in):					
Operating Activities:					
Net (loss) income		\$ (5,737)	\$ (2,798)	\$ 27,457	\$ (4,769)
Items not affecting cash:					
Depreciation and amortization	4, 5, 16	60,133	39,369	113,291	75,326
Unit based compensation		3,436	2,588	7,900	4,393
Finance costs	16, 22	31,859	26,359	62,467	49,137
Transaction costs arising from dispositions	21	1,674	528	6,131	2,521
Impairment expense (reversal) of assets	21	(1,963)	–	(1,963)	–
Other (income) expense	16, 21	116	1,584	(60,155)	945
Interest income	16, 20	(1,325)	(707)	(2,740)	(1,442)
Change in fair values of financial instruments	23	7,608	3,252	13,087	6,537
Current income (recovery) expense		(157)	–	7,968	(351)
Deferred income tax (benefit) expense	24	5,962	2,413	17,579	3,466
Share of net income (loss) from joint ventures	10	(146)	(1,939)	(754)	(3,306)
Other		217	1,647	1,597	2,118
Change in trade and other receivables		2,431	(4,116)	7,804	(1,950)
Change in other assets		2,831	(2,278)	991	2,652
Change in accounts payable and other liabilities		7,756	(515)	10,229	(12,867)
		114,695	65,387	210,889	122,410
Interest income and other income received		1,498	780	2,741	1,419
Interest paid		(35,025)	(30,442)	(60,917)	(47,261)
		81,168	35,725	152,713	76,568
Financing activities:					
Proceeds from public offering, net of issue costs	17	–	331,910	–	331,910
Proceeds from issuance of units from ATM, net of issue costs	17	136,075	–	227,951	–
Proceeds from mortgage financing		192,283	40,183	192,283	40,183
Mortgage repayments		(92,873)	(924)	(169,739)	(74,647)
Scheduled mortgage principal repayments		(19,548)	(18,436)	(38,949)	(36,735)
Mortgage repaid on dispositions		–	–	–	(3,006)
Proceeds (repayments) from debentures		(150,000)	–	250,000	–
Repayments of loans payable	13	–	(125,000)	(115,649)	(51,012)
Draws (repayments) on credit facilities	12	–	(92,000)	(100,000)	(34,000)
Net additions to finance costs		(15,394)	(3,101)	(17,512)	(5,220)
Distributions paid		(31,028)	(27,605)	(62,189)	(54,858)
		19,515	105,027	166,196	112,615
Investing activities:					
Acquisition of assets		(96,950)	(114,285)	(310,029)	(114,285)
Additions to PP&E and intangible assets		(36,939)	(25,862)	(76,465)	(47,979)
Proceeds from disposal of PP&E, net of cash assumed		–	(1,419)	71,249	(185)
Distributions received from joint ventures		–	–	2,330	–
Contribution to joint ventures		–	–	(590)	–
Payment (advance) of loans receivable		–	–	2,893	(858)
		(133,889)	(141,566)	(310,612)	(163,307)
Income taxes paid	16	(34)	(5,564)	(127)	(32,336)
		(133,923)	(147,130)	(310,739)	(195,643)
Increase (decrease) in cash and cash equivalents		(33,240)	(6,378)	8,170	(6,460)
Cash and cash equivalents, beginning of period		61,458	24,537	20,048	24,619
Cash and cash equivalents, end of period		\$ 28,218	\$ 18,159	\$ 28,218	\$ 18,159

See accompanying notes to condensed consolidated interim financial statements.

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
(In thousands of Canadian dollars, except per unit amounts)

As at and for the three months and six months ended June 30, 2025 and 2024
(Unaudited)

1. Organization:

Chartwell Retirement Residences ("Chartwell") is an unincorporated open-ended real estate trust governed by the laws of the Province of Ontario and created as of July 7, 2003 and subsisting under the Declaration of Trust. Chartwell's head office is located at 7070 Derrycrest Drive, Mississauga, ON L5W 0G5. Chartwell's main business is ownership, operations and management of retirement residences in Canada.

2. Basis of preparation:

Statement of compliance:

These condensed consolidated interim financial statements for the three and six months ended June 30, 2025 have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). The condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements for the year ended December 31, 2024, which have been prepared in accordance with IFRS Accounting Standards, as issued by the IASB.

The condensed consolidated interim financial statements were authorized for issue by the Board of Trustees on August 7, 2025. These condensed consolidated interim financial statements follow the same accounting policies and methods of application as the consolidated financial statements as at and for the year ended December 31, 2024

a) IFRS standards and amendments issued but not yet effective:

(i) IFRS 9: Financial Instruments ("IFRS 9") and IFRS 7: Financial Instruments: Disclosures

In May 2024, the IASB issued amendments to IFRS 9: Financial Instruments ("IFRS 9") and IFRS 7: Financial Instruments: Disclosures. These amendments relate to classification of financial assets and accounting for settlement by electronic payments in the context of the classification and measurement requirements in IFRS 9. The potential impact may include, but is not limited to, a change in timing of recognition and derecognition of financial instruments in situations where settlement of a financial instrument with another takes more than a day. Similarly, a change may be required for entities that derecognize both trade payable and cash on the payment initiation date even if the creditor has not yet received the cash. However, an accounting policy choice is available for derecognizing certain financial liabilities that are settled using an electronic payment system, subject to certain criteria being met. The amendments will be effective from January 1, 2026. Management is currently assessing the impact of the new standard, but it is not expected to have a material impact on Chartwell's consolidated financial statements.

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
(In thousands of Canadian dollars, except per unit amounts)

As at and for the three months and six months ended June 30, 2025 and 2024
(Unaudited)

3. Acquisitions and dispositions

The following table outlines the total acquisitions, excluding the Welltower transaction discussed further below, during 2025:

	Victoria Harbour January 15, 2025	Rosemont March 1, 2025	Batimo Transactions Q1 and Q2, 2025	Sumach June 1, 2025	Total
Date of acquisition	January 15, 2025	March 1, 2025	Q1 and Q2, 2025	June 1, 2025	
Location	British Columbia	Quebec	Quebec	Ontario	
	(131 suites)	(632 suites)	(1,066 suites)	(332 suites)	
Ownership acquired %	100%	100%	See below	5%	
PP&E	\$ 78,496	\$ 141,602	\$ 261,964	\$ 6,831	\$ 488,893
Working capital adjustments	(524)	(1,757)	(259)	124	(2,416)
Non-controlling interest acquired	–	–	653	–	653
Total	\$ 77,972	\$ 139,845	\$ 262,358	\$ 6,955	\$ 487,130
Cash consideration	\$ 74,476	\$ 127,775	\$ 97,434	\$ 6,662	\$ 306,347
Mortgages assumed	–	–	153,852	–	153,852
Deferred payment	–	6,000	–	–	6,000
Settlement of mezzanine loan	–	–	4,221	–	4,221
Acquisition related costs incurred	3,496	6,070	7,701	293	17,560
Less: NOI Guarantee Receivable	–	–	(850)	–	(850)
Total consideration transferred	\$ 77,972	\$ 139,845	\$ 262,358	\$ 6,955	\$ 487,130

Victoria Harbour Acquisition:

On January 15, 2025, Chartwell acquired a 100% interest in Chartwell Victoria Harbour Retirement Community (“Victoria Harbour”). Victoria Harbour is a 131-suite residence built in 2021 in Victoria, British Columbia. Total consideration transferred was \$77,972 and was fully satisfied utilizing cash on hand and credit facilities. Chartwell applied the optional concentration test in accordance with IFRS 3 and accounted for the acquisition as an asset acquisition. Acquisition related costs of \$3,496 have been capitalized to PP&E in the consolidated balance sheet.

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
(In thousands of Canadian dollars, except per unit amounts)

As at and for the three months and six months ended June 30, 2025 and 2024
(Unaudited)

3. Acquisitions and dispositions (continued):

Rosemont Acquisition:

On March 1, 2025, Chartwell acquired 100% interest in Chartwell Rosemont Les Quartiers (“Rosemont”). Total consideration was \$139,845, of which \$6,000 is to be paid at the third year anniversary of the closing date. The remaining purchase price, net of working capital adjustments and closing costs was paid in cash. Chartwell applied the optional concentration test in accordance with IFRS 3 and accounted for the acquisition as an asset acquisition. Acquisition related costs of \$6,070 have been capitalized to PP&E in the consolidated balance sheet.

Batimo Acquisitions:

The following table outlines the Batimo acquisitions during 2025:

	Trait Carré	Le Florilège	L'Envol	Le Prescott II	Total Batimo transactions
Date of acquisition	March 10, 2025	April 1, 2025	April 1, 2025	June 11, 2025	
Location	Quebec (361 suites)	Quebec (345 suites)	Quebec (360 suites)	Quebec n/a	Quebec (1,066 suites)
Ownership acquired %	15%	100%	100%	50%	
PP&E	\$ 17,171	\$ 115,997	\$ 120,825	\$ 7,971	\$ 261,964
Working capital adjustments	(128)	(61)	(70)	–	(259)
Non-controlling interest acquired	653	–	–	–	653
Total	\$ 17,696	\$ 115,936	\$ 120,755	\$ 7,971	\$ 262,358
Cash consideration	\$ 7,084	\$ 34,885	\$ 47,616	\$ 7,849	\$ 97,434
Mortgages assumed	9,981	77,955	65,916	–	153,852
Settlement of mezzanine loan	–	–	4,221	–	4,221
Acquisition related costs incurred	631	3,393	3,555	122	7,701
Less: NOI Guarantee Receivable	–	(297)	(553)	–	(850)
Total consideration transferred	\$ 17,696	\$ 115,936	\$ 120,755	\$ 7,971	\$ 262,358

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
(In thousands of Canadian dollars, except per unit amounts)

As at and for the three months and six months ended June 30, 2025 and 2024
(Unaudited)

3. Acquisitions and dispositions (continued):

On March 10, 2025, Chartwell acquired the remaining 15% ownership in Chartwell Trait-Carré residence ("Trait-Carré") from Batimo, with total consideration of \$17,696. The purchase price included the proportionate assumption of the demand variable rate mortgage in place at closing, with the balance settled in cash. The mortgage was repaid in full by Chartwell following closing of the transaction. Upon completion of this transaction, Chartwell owns 100% of the property. Acquisition related costs of \$631 have been capitalized to PP&E in the consolidated balance sheet.

On April 1, 2025, Chartwell acquired 100% interest in Résidence Le Florilège, a 345-suite retirement residence located in Quebec City. The total consideration was \$115,936 and was partially settled through the assumption of a \$77,955 variable rate mortgage maturing in 6 months and carrying an interest rate of Canadian Overnight Repo Rate Average ("CORRA") plus 1.95%. Batimo provided Chartwell NOI support of \$297 which is being held in escrow. Subsequent to the acquisition, Chartwell repaid \$25,000 of this mortgage. Chartwell applied the optional concentration test in accordance with IFRS 3 and accounted for the acquisition as an asset acquisition. The remainder of the purchase price, subject to normal working capital and other closing adjustments was paid in cash. Acquisition related costs of \$3,393 have been capitalized to PP&E in the consolidated balance sheet.

On April 1, 2025, Chartwell acquired 100% interest in Chartwell L'Envol, a 360-suite retirement residence located in Quebec City. The total consideration was \$120,755 and was partially settled through the assumption of a \$65,916 variable rate mortgage maturing in 6 months and carrying an interest rate of Canadian Overnight Repo Rate Average ("CORRA") plus 1.95%. Subsequent to acquisition, Chartwell fully repaid this mortgage. Batimo provided Chartwell NOI support of \$553 which is being held in escrow. Chartwell applied the optional concentration test in accordance with IFRS 3 and accounted for the acquisition as an asset acquisition. The remainder of the purchase price, subject to normal working capital and other closing adjustments was paid in cash. Acquisition related costs of \$3,555 have been capitalized to PP&E in the consolidated balance sheet. A mezzanine loan of \$4,221 previously extended by Chartwell to the vendor of the property was also settled at closing.

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
(In thousands of Canadian dollars, except per unit amounts)

As at and for the three months and six months ended June 30, 2025 and 2024
(Unaudited)

3. Acquisitions and dispositions (continued):

Other Acquisitions:

On June 1, 2025, Chartwell acquired an additional 5% ownership in Chartwell Sumach residence (“Sumach”), for total consideration of \$6,955, subject to normal working capital and other closing adjustments. The purchase price was settled in cash. Upon completion of this transaction, Chartwell owns 50% in the property. Acquisition related costs of \$293 have been capitalized to PP&E in the consolidated balance sheet.

On June 11, 2025, Chartwell acquired a 50% interest in Le Prescott II development (“Le Prescott II”) from Batimo, for total consideration transferred of \$7,971. The purchase price was settled in cash. Acquisition related costs of \$122 have been capitalized to PP&E in the consolidated balance sheet. Le Prescott II will complete the development of a 247-suite addition to the existing residence Chartwell Le Prescott which was acquired in 2024. Batimo will provide Chartwell with 3-year occupancy support relating to the existing Le Prescott residence.

Welltower Transaction:

On February 1, 2025, Chartwell closed on its previously announced transaction with Welltower to windup its joint arrangements (“Welltower Transaction”). Under the terms of the agreement, Chartwell conveyed its ownership interest in 23 retirement residences (the “Welltower Assets”) to Welltower for consideration of: (i) Welltower’s ownership interest in 16 retirement residences (the “Chartwell Assets”) and (ii) \$93,117 net of debt and working capital adjustments. Chartwell has incurred total transaction costs of \$12,863 in relation to this transaction and estimate SIFT taxes payable of \$7,968. Chartwell acquired \$219,590 in PP&E on the Chartwell Assets. Chartwell assumed \$131,742 in debt on the Chartwell Assets, bearing a weighted average interest at 3.09% and having a weighted average term to maturity of 5.29 years. The net change to total debt for Chartwell’s balance sheet was a reduction of approximately \$52,093, including the impact of the settlement of the Welltower loan 1 (note 13) of \$33,323 which was settled upon closing of the transaction. Chartwell applied the optional concentration test in accordance with IFRS 3 and accounted for the acquisition as an asset acquisition. Transaction costs of \$9,242 and mark to market adjustments of \$(1,101) have been capitalized to PP&E in the consolidated balance sheet. Chartwell recognized a gain on sale of assets totaling \$60,300 (note 21).

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
(In thousands of Canadian dollars, except per unit amounts)

As at and for the three months and six months ended June 30, 2025 and 2024
(Unaudited)

3. Acquisitions and dispositions (continued):

Acquisitions subsequent to June 30, 2025:

On July 3, 2025, Chartwell acquired 50% interest in Le Prescott LIB development from Batimo for a purchase price of \$6,300. The purchase price was settled in cash.

On July 10, 2025, Chartwell has entered into a definitive agreement to acquire 100% ownership interest in Les Tours Angrignon (449 suites) for \$88,500. A \$1,770 purchase deposit was paid by Chartwell (note 8). Chartwell will assume a \$68,667 fixed rate CMHC-insured mortgage maturing September 2026 and carrying an interest rate of 3.50%. Chartwell expects to close this acquisition in Q3 2025.

On July 21, 2025, Chartwell entered into a definitive agreement to acquire a portfolio of six senior housing communities comprising 1,024 suites located in London, Waterloo, and Mississauga, for a total purchase price of \$432,000. The purchase price at closing will be partially settled by assuming mortgages of \$232,700, majority CMHC-insured. The assumed mortgages have a weighted average interest rate of 4.50% and weighted average maturity date of 19.7 years. The transaction is expected to close in Q4 2025 including a forward purchase of 29 additional town homes currently under development, with completion anticipated in Q4 2026.

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
(In thousands of Canadian dollars, except per unit amounts)

As at and for the three months and six months ended June 30, 2025 and 2024
(Unaudited)

3. Acquisitions and dispositions (continued):

The following table outlines the total acquisitions during 2024:

	Total Batimo	Quebec Portfolio-1	Pickering Land	Vista & Edgewater Care	Quebec Portfolio-2	Total
Date of acquisition	Q2 2024	July 22, 2024	July 31, 2024	October 31, 2024	November 18, 2024	
Location	Quebec (1,053 suites)	Quebec (1428 suites)	Ontario (Vacant land)	British Columbia (229 suites)	Quebec (1,807 suites)	
Ownership acquired %	See below	100%	10%	100%	50%	
PP&E	\$ 263,843	\$ 301,138	\$ 1,166	\$ 115,192	\$ 209,453	\$ 890,792
Investment in joint ventures ⁽¹⁾	-	-	-	-	7,189	7,189
Working capital adjustments	(909)	(1,508)	-	(831)	(93)	(3,341)
Less: Non-controlling interest	(1,593)	-	-	-	-	(1,593)
Total	\$ 261,341	\$ 299,630	\$ 1,166	\$ 114,361	\$ 216,549	\$ 893,047
Cash consideration	\$ 89,535	\$ 295,749	\$ 1,147	\$ 123,371	\$ 61,363	\$ 571,165
Mortgages assumed	159,681	-	-	-	152,050	311,731
Settlement of mezzanine loan	3,826	-	-	-	-	3,826
Acquisition transaction costs	9,948	3,881	19	190	7,786	21,824
Less: income guarantee receivable	(1,649)	-	-	(9,200)	(4,650)	(15,499)
Total consideration transferred	\$ 261,341	\$ 299,630	\$ 1,166	\$ 114,361	\$ 216,549	\$ 893,047

⁽¹⁾Includes investment in joint ventures primarily related to PP&E and working capital adjustments.

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
(In thousands of Canadian dollars, except per unit amounts)

As at and for the three months and six months ended June 30, 2025 and 2024
(Unaudited)

3. Acquisitions and dispositions (continued):

Batimo Acquisitions:

On May 3, 2024, Chartwell acquired an 85% interest in Chartwell Le Prescott (“Le Prescott”) from Batimo. Le Prescott is a 324-suite residence built in 2017 in the Montreal suburb of Vaudreuil. Total consideration of \$83,579 was partially settled through the assumption of a \$42,129 variable rate mortgage bearing interest of prime plus 55 basis points. The remainder of the purchase price, subject to normal working capital and other closing adjustments was paid in cash utilizing cash on hand and credit facilities. Chartwell applied the optional concentration test in accordance with IFRS 3 and accounted for this transaction as an asset acquisition. Acquisition related costs of \$3,294 and mark-to-market adjustments of \$378 have been capitalized to PP&E in the consolidated balance sheet.

On May 15, 2024, Chartwell acquired an 85% interest in Chartwell Trait-Carré Residence (“Trait-Carré”) from Batimo. Trait-Carré is a 361-suite residence built in 2021 in Quebec City. Total consideration of \$88,968 was partially settled through the assumption of a \$58,403 demand variable rate mortgage bearing interest of CORRA plus credit spread adjustment plus 260 basis points. The remainder of the purchase price, subject to normal working capital and other closing adjustments was paid in cash utilizing cash on hand and credit facilities. Batimo provided Chartwell with \$21 related to Net Operating Income (“NOI”) support for six months. Chartwell applied the optional concentration test in accordance with IFRS 3 and accounted for this transaction as an asset acquisition. Acquisition related costs of \$3,321 have been capitalized to PP&E in the consolidated balance sheet. On March 10, 2025, Chartwell acquired the remaining 15% interest of this property.

On June 21, 2024, Chartwell acquired an 85% interest in Résidence Légende (“Légende”) from Batimo. Légende is a 368-suite residence built in 2019 in the Montreal suburb of Greenfield Park. Total consideration of \$88,794 was partially settled through the assumption of a \$59,149 variable rate mortgage bearing interest of prime plus 85 basis points maturing on January 1, 2025, as well as settlement of Chartwell’s mezzanine loan of \$3,826. The remainder of the purchase price, subject to normal working capital, other closing adjustments, was paid in cash utilizing cash on hand and credit facilities. Batimo provided Chartwell with NOI support until the property achieves stabilization and \$1,628 of the purchase price is being held in escrow for this obligation. Chartwell applied the optional concentration test in accordance with IFRS 3 and accounted for this transaction as an asset acquisition. Acquisition related costs of \$3,333 and mark-to-market adjustments of \$964 have been capitalized to PP&E in the consolidated balance sheet.

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
(In thousands of Canadian dollars, except per unit amounts)

As at and for the three months and six months ended June 30, 2025 and 2024
(Unaudited)

3. Acquisitions and dispositions (continued):

The following table summarizes the Batimo acquisitions:

Date of acquisition	Chartwell Le Prescott May 3, 2024	Chartwell Trait-Carré May 15, 2024	Résidence Légende June 21, 2024	
Location	Quebec (324 Suites)	Quebec (361 Suites)	Quebec (368 Suites)	Total
Ownership acquired %	85%	85%	85%	
PP&E	\$ 84,353	\$ 89,902	\$ 89,588	\$ 263,843
Working capital adjustments	(345)	(267)	(297)	(909)
Less: Non-controlling interest	(429)	(667)	(497)	(1,593)
Total	\$ 83,579	\$ 88,968	\$ 88,794	\$ 261,341
Cash consideration	\$ 38,156	\$ 27,265	\$ 24,114	\$ 89,535
Mortgages assumed	42,129	58,403	59,149	159,681
Settlement of mezzanine loan	-	-	3,826	3,826
Acquisition related costs	3,294	3,321	3,333	9,948
Less: income guarantee receivable	-	(21)	(1,628)	(1,649)
Total consideration transferred	\$ 83,579	\$ 88,968	\$ 88,794	\$ 261,341

Quebec Portfolio-1 Acquisitions:

On July 22, 2024, Chartwell acquired a 100% interest in a portfolio of five retirement residences with 1,428 suites, the "Quebec Portfolio-1", three of which are located in the Greater Montreal area; and one in each of Gatineau, and Sherbrooke. Total consideration of \$299,630, subject to normal working capital and other closing adjustments, and was fully satisfied utilizing cash on hand, credit facilities and term loans. Chartwell applied the optional concentration test in accordance with IFRS 3 and accounted for the acquisition as an asset acquisition. Acquisition related costs of \$3,881 have been capitalized to PP&E in the consolidated balance sheet.

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
(In thousands of Canadian dollars, except per unit amounts)

As at and for the three months and six months ended June 30, 2025 and 2024
(Unaudited)

3. Acquisitions and dispositions (continued):

Pickering Land Acquisition:

On July 31, 2024, Chartwell acquired the remaining 10% ownership in land located in Pickering, Ontario, the "Pickering Land" for total consideration of \$1,166, which was previously accounted for as a joint operation. Upon completion of this transaction, Chartwell owns 100% in the property. Acquisition related costs of \$19 have been capitalized to PP&E in the consolidated balance sheet.

Vista and Edgewater Acquisitions:

On August 29, 2024, Chartwell entered into definitive agreements for acquisitions of three retirement residences on Vancouver Island totaling 384 suites for an aggregate purchase price of \$226,900. Two of the three acquisitions were completed on October 31, 2024. Details of these acquisitions are as follows:

- 1) On October 31, 2024, Chartwell acquired a 100% interest in the 152 suite Chartwell Vista Retirement Community ("Vista"), located in Victoria, British Columbia. The purchase price was \$103,900 subject to normal working capital and other closing adjustments and was paid in cash. The vendor provided Chartwell with a 24-month NOI guarantee, with \$9,200 of the purchase price to be held in escrow to support the vendor's obligation. Chartwell applied the optional concentration test in accordance with IFRS 3 and accounted for the acquisition as an asset acquisition. Acquisition related costs of \$160 have been capitalized to PP&E in the consolidated balance sheet.
- 2) On October 31, 2024, Chartwell acquired a 100% interest in the 77 suite Chartwell Edgewater Care Residence ("Edgewater Care"), located in Nanaimo, British Columbia. The purchase price was \$20,300 and subject to normal working capital and other closing adjustments and was paid in cash. Chartwell applied the optional concentration test in accordance with IFRS 3 and accounted for the acquisition as an asset acquisition. Acquisition related costs of \$30 have been capitalized to PP&E in the consolidated balance sheet.

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
(In thousands of Canadian dollars, except per unit amounts)

As at and for the three months and six months ended June 30, 2025 and 2024
(Unaudited)

3. Acquisitions and dispositions (continued):

- 3) The Edgewater Retirement Residence, located adjacent to Chartwell Edgewater Care Residence ("Edgewater Care"), is currently under construction and will be comprised of 155 suites. The purchase price is \$102,700 and subject to normal working capital and other closing adjustments, is expected to be paid in cash utilizing a combination of net proceeds from the sales of Chartwell's non-core assets, cash on hand, and credit facilities. The vendor has agreed to provide Chartwell with a 36-month NOI guarantee, with \$8,700 of the purchase price to be held in escrow to support the vendor's obligation. A \$5,000 purchase deposit was made by Chartwell (note 8). Chartwell will acquire a 100% interest in the residence upon construction completion, which is expected in Q4 2025.

Quebec Portfolio-2 Acquisitions:

On November 18, 2024, Chartwell acquired a 50% ownership interest in a portfolio of five retirement residences with 1,807 suites, four of which are located in the Quebec City area and one in Shawinigan (the "Quebec Portfolio-2"). Total consideration for the 50% interest was \$216,549 was partially settled through the assumption of \$152,050 of mortgages. The remainder of the purchase price, subject to normal working capital and other closing adjustments was paid utilizing cash on hand and credit facilities. The vendor provided Chartwell with a 2-year NOI guarantee, with \$4,650 of the purchase price to be held in escrow to support the vendor's obligation. Beginning on August 28, 2028, subject to a one-year extension at the vendor's option, Chartwell will have an option to purchase the remaining 50% ownership interest in the Quebec Portfolio-2 and the vendor will have an option to sell its remaining 50% ownership interest of the Quebec Portfolio-2 to Chartwell at the then fair market value. Chartwell applied the optional concentration test in accordance with IFRS 3 and accounted for this transaction as an asset acquisition. Acquisition related costs of \$7,786 have been capitalized to PP&E in the consolidated balance sheet.

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
(In thousands of Canadian dollars, except per unit amounts)

As at and for the three months and six months ended June 30, 2025 and 2024
(Unaudited)

3. Acquisitions and dispositions (continued):

Dispositions during the year ended December 31, 2024:

On September 18, 2024, Chartwell completed the sale of one residence in Ontario for a sale price of \$79,500. The purchase price was paid in cash. Chartwell recognized a gain on sale of assets totaling \$46,896 (note 21).

On August 30, 2024, Chartwell completed the sale of one retirement residence in Ontario for a sale price of \$4,600. The purchase price was paid in cash. Chartwell entered into a sale and leaseback transaction of the land and building until the property is vacated. As of June 30, 2025, the lease has ended. Chartwell recognized a gain on sale of assets totaling \$2,619 (note 21).

On August 15, 2024, Chartwell completed the sale of one retirement residence in Ontario for a sale price of \$10,750. The purchase price was paid in cash. Chartwell recognized a gain on sale of assets totaling \$4,907 (note 21).

On February 1, 2024, Chartwell completed the sale of one property in Ontario for a sale price \$3,750. A vendor take-back mortgage was extended to the purchaser in the amount of \$2,800, 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. Chartwell recognized a gain on sale of assets totaling \$27 (note 21).

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
(In thousands of Canadian dollars, except per unit amounts)

As at and for the three months and six months ended June 30, 2025 and 2024
(Unaudited)

4. Property, plant and equipment:

	Land	Buildings	Furniture, fixtures and equipment	Properties under development	Land held for development	Total
Cost						
Balance, December 31, 2023	\$ 298,119	\$ 3,249,314	\$ 166,894	\$ 98,391	\$ 21,618	\$ 3,834,336
Acquisitions (note 3)	104,592	758,748	20,952	–	6,500	890,792
Additions	–	77,843	14,682	8,652	–	101,177
Disposals	(8,981)	(53,008)	(3,667)	–	–	(65,656)
Derecognition	–	(35,411)	–	–	–	(35,411)
Balance, December 31, 2024	393,730	3,997,486	198,861	107,043	28,118	4,725,238
Acquisitions (note 3)	80,735	592,644	25,324	7,972	1,818	708,493
Additions	–	52,349	7,931	7,873	–	68,153
Disposals	–	–	–	–	–	–
Derecognition	–	(33,307)	–	–	–	(33,307)
Balance, June 30, 2025	\$ 474,465	\$ 4,609,172	\$ 232,116	\$ 122,888	\$ 29,936	\$ 5,468,577
Accumulated depreciation and impairment losses						
Balance, December 31, 2023	\$ 1,019	\$ 855,979	\$ 136,327	\$ –	\$ –	\$ 993,325
Depreciation	99	150,936	15,336	–	–	166,371
Disposal	–	(23,818)	(3,259)	–	–	(27,077)
Derecognition	–	(35,411)	–	–	–	(35,411)
Balance, December 31, 2024	1,118	947,686	148,404	–	–	1,097,208
Depreciation	49	101,798	10,539	–	–	112,386
Disposals	–	–	–	–	–	–
Derecognition	–	(33,307)	–	–	–	(33,307)
Impairment expense (reversal)	1,446	(3,509)	23	–	–	(2,040)
Balance, June 30, 2025	\$ 2,613	\$ 1,012,668	\$ 158,966	\$ –	\$ –	\$ 1,174,247
Carrying amounts						
Balance, December 31, 2024	\$ 392,612	\$ 3,049,800	\$ 50,457	\$ 107,043	\$ 28,118	\$ 3,628,030
Balance, June 30, 2025	471,852	3,596,504	73,150	122,888	29,936	4,294,330

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
(In thousands of Canadian dollars, except per unit amounts)

As at and for the three months and six months ended June 30, 2025 and 2024
(Unaudited)

4. Property, plant and equipment (continued):

The following table summarizes the balance of Chartwell's right-of-use assets included in the table above as at December 31, 2024 and June 30, 2025:

Right-of-use assets	Land ⁽¹⁾	Buildings	Furniture, fixtures and equipment	Total
Balance, December 31, 2023	\$ 5,479	\$ 3,404	\$ 1,257	\$ 10,140
Additions	–	–	910	910
Depreciation	(99)	(209)	(645)	(953)
Disposal	–	–	(161)	(161)
Balance, December 31, 2024	5,380	3,195	1,361	9,936
Additions	–	–	406	406
Depreciation	(49)	(106)	(345)	(500)
Disposal	–	–	(22)	(22)
Balance, June 30, 2025	\$ 5,331	\$ 3,089	\$ 1,400	\$ 9,820

⁽¹⁾ Relates to land leases

Other PP&E information:

Since January 1, 2010, \$256,244 of fully amortized resident contracts have been removed from the cost and accumulated depreciation of PP&E related to residences held by Chartwell as at June 30, 2025 (December 31, 2024 – \$240,608 related to residences held by Chartwell as at December 31, 2024).

During the three months and six months ended June 30, 2025, Chartwell capitalized \$801 and \$1,617 (June 30, 2024 – \$609 and \$1,294) of borrowing costs related to development projects under construction at an average capitalization rate of 4.02% and 4.16%, respectively (June 30, 2024 – 3.84% and 4.11%).

During the three and six months ended June 30, 2025, an impairment reversal of \$3,041 was recorded on one property located in Ontario and an impairment expense of \$1,078 was recorded on one property in Quebec.

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
(In thousands of Canadian dollars, except per unit amounts)

As at and for the three months and six months ended June 30, 2025 and 2024
(Unaudited)

5. Intangibles:

	Goodwill	Licenses	Software	Total
Cost				
Balance, December 31, 2023	\$ 9,233	\$ 4,840	\$ 35,299	\$ 49,372
Additions	–	–	84	84
Disposals	–	(560)	(1,072)	(1,632)
Balance, December 31, 2024	9,233	4,280	34,311	47,824
Additions	–	–	38	38
Disposals	–	–	(50)	(50)
Balance, June 30, 2025	\$ 9,233	\$ 4,280	\$ 34,299	\$ 47,812
Accumulated amortization				
Balance, December 31, 2023	\$ –	\$ –	\$ 24,354	\$ 24,354
Disposals	–	–	(469)	(469)
Amortization	–	–	2,195	2,195
Balance, December 31, 2024	–	–	26,080	26,080
Disposals	–	–	(50)	(50)
Amortization	–	–	905	905
Impairment expense	–	–	77	77
Balance, June 30, 2025	\$ –	\$ –	\$ 27,012	\$ 27,012
Carrying amounts				
Balance, December 31, 2024	\$ 9,233	\$ 4,280	\$ 8,231	\$ 21,744
Balance, June 30, 2025	9,233	4,280	7,287	20,800

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
(In thousands of Canadian dollars, except per unit amounts)

As at and for the three months and six months ended June 30, 2025 and 2024
(Unaudited)

6. Leases:

As at June 30, 2025, Chartwell has right-of-use assets in respect of land, office space and equipment leases totaling \$9,820 (December 31, 2024 - \$9,936) with remaining lease terms ranging from less than 1 year to 54 years (note 4). Lease obligations related to these right-of-use assets totaled \$8,193 (December 31, 2024 - \$8,206) of which \$1,007 (December 31, 2024 - \$925) was classified current and \$7,186 (December 31, 2024 - \$7,281) was classified non-current as at June 30, 2025. Chartwell generally does not include purchase, extension or termination options in its leases, other than extension options for land leases that support properties with lengthy useful lives.

7. Trade and other receivables:

	June 30, 2025	December 31, 2024
Residents	\$ 1,746	\$ 1,168
Related party	–	5,019
Insurance recoverables	606	350
Government grants receivable	1,308	712
Other receivables	6,198	10,423
	<u>\$ 9,858</u>	<u>\$ 17,672</u>

Resident receivables balance at June 30, 2025 is net of an allowance for expected credit losses of \$1,691 (December 31, 2024 - \$1,492).

Related party receivables are management fees and other receivables outstanding from joint ventures and properties managed by Chartwell. Related party payables are presented in Accounts payable and other liabilities for the period ended June 30, 2025.

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
(In thousands of Canadian dollars, except per unit amounts)

As at and for the three months and six months ended June 30, 2025 and 2024
(Unaudited)

8. Other assets:

	June 30, 2025	December 31, 2024
Prepaid expenses and deposits	\$ 24,239	\$ 25,747
Income guarantees ⁽¹⁾ (note 3)	13,009	15,478
Investments ⁽²⁾	7,464	3,759
Related party lease receivable	1,858	514
Deposits for future acquisitions (note 3)	6,770	9,000
Inventory	1,361	1,139
Restricted cash	1,004	1,519
Interest rate swaps ⁽³⁾ (note 11)	447	806
	\$ 56,152	\$ 57,962
Current	\$ 55,717	\$ 54,191
Non-current	435	3,771
Total	\$ 56,152	\$ 57,962

⁽¹⁾ Income guarantees are carried at fair value and considered Level 3 in the fair value hierarchy. Fair value is determined by discounting the applicable expected future income from these properties.

⁽²⁾ Investments are listed shares held for trading and carried at fair value.

⁽³⁾ This represents fair value of interest rate swaps related to mortgages payable of \$447 (December 31, 2024 - \$806).

9. Loans receivable:

The following table summarizes Chartwell's loan receivables at June 30, 2025:

	June 30, 2025	December 31 2024
Mezzanine loans – Batimo	\$ 10,000	\$ 14,183
Mezzanine loans – other	15,691	17,494
Vendor take-back loans	9,555	9,280
	\$ 35,246	\$ 40,957
Current	\$ 20,380	\$ 21,677
Non-current	14,866	19,280
Total	\$ 35,246	\$ 40,957

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
(In thousands of Canadian dollars, except per unit amounts)

As at and for the three months and six months ended June 30, 2025 and 2024
(Unaudited)

9. Loans receivable (continued):

Mezzanine Loans - Batimo

Loans due from Batimo, mature in 2027, bear interest at a rate 13%, and are secured by first and second charges on Batimo's interests in certain operating and development seniors' housing projects, as well as by Batimo's corporate guarantee and contain certain cross-collateralization and cross-default provisions.

On April 1, 2025, Batimo repaid the mezzanine loan of \$4,183 plus accrued interest to Chartwell which was associated with an acquired property (note 3).

Mezzanine loans – Other

Chartwell advanced a mezzanine loan of \$14,600 on December 24, 2024, for Edgewater Retirement Residence (note 3). This loan bears interest at a rate of 14% and matures on December 31, 2025. On February 19, 2025, \$2,893 included in Mezzanine loans – other was repaid in full to Chartwell.

Vendor take-back Loans

These mature in 2026-2027, bear interest at a rate of 6% - 10%, secured by subordinate charges on the sold properties.

Loans receivable – mezzanine loans are measured at FVTPL and are considered Level 3 in the fair value hierarchy.

Mezzanine loan subsequent to June 30, 2025:

On July 11, 2025, Chartwell advanced \$4,500 mezzanine loan for the development of a retirement residence located in Calgary, Alberta. This loan bears interest at the rate of 12%-13% and matures on July 11, 2028.

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
(In thousands of Canadian dollars, except per unit amounts)

As at and for the three months and six months ended June 30, 2025 and 2024
(Unaudited)

10. Joint arrangements:

A joint venture is a joint arrangement, whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. A joint operation is a joint arrangement, whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The following are Chartwell's joint arrangements as at June 30, 2025:

Joint arrangements	Number of properties	Chartwell ownership	Joint arrangement type	Consolidation method
Batimo	3	85%	Joint operation	Proportionate
Chartwell Oakville Retirement Residence ⁽¹⁾	1	50%	Joint venture	Equity
Chartwell Thornhill Retirement Residence ⁽¹⁾	1	50%	Joint venture	Equity
Chartwell Riverside Retirement Residence	1	50%	Joint operation	Proportionate
Chartwell Churchill House Retirement Residence	1	50%	Joint operation	Proportionate
The Sumach by Chartwell ⁽³⁾	1	50%	Joint operation	Proportionate
Kingsbridge Retirement Community ⁽¹⁾	1	60%	Joint venture	Equity
Chartwell – Champlain Landlord ⁽²⁾	5	50%	Joint operation	Proportionate
Chartwell – Champlain Operator ⁽¹⁾⁽²⁾	1	50%	Joint venture	Equity
Le Prescott Phase II	1	50%	Joint operation	Proportionate

⁽¹⁾These joint arrangements have been structured through separate legal vehicles.

⁽²⁾Chartwell directly holds its interest in real estate while its interest in operations is held through separate legal entities.

⁽³⁾Includes acquisition of incremental 5% in Sumach in Q2 2025 (note 3).

On February 1, 2025, Chartwell completed the wind up of its joint arrangements with Welltower (note 3).

(a) Joint operations:

At June 30, 2025, Chartwell has an interest in a number of joint operations, which have been accounted for under the proportionate consolidation method. The following is the summarized financial information in respect of the interests in these joint operations, which is included line by line in the consolidated financial statements at Chartwell's share:

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
(In thousands of Canadian dollars, except per unit amounts)

As at and for the three months and six months ended June 30, 2025 and 2024
(Unaudited)

10. Joint arrangements (continued):

	June 30, 2025	December 31, 2024
Current assets	\$ 26,264	\$ 44,725
Assets held for sale	–	274,435
Non-current assets	472,642	705,492
Total assets	\$ 498,906	\$ 1,024,652
Current liabilities	\$ 240,229	\$ 274,996
Liabilities related to assets held for sale	–	149,290
Non-current liabilities	63,297	244,949
Total liabilities	\$ 303,526	\$ 669,235

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Total revenue	\$ 11,262	\$ 31,699	\$ 26,046	\$ 47,899
Total expenses	\$ (12,871)	\$ (22,886)	\$ (27,972)	\$ (33,918)

(b) Joint ventures:

The following tables summarize the information about Chartwell's investment in joint ventures, which have been accounted for under the equity method, excluding lease assets and related lease obligations.

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Disposals of joint ventures	\$ –	\$ –	\$ (9,739)	\$ –
Contributions to joint ventures including upon acquisition	\$ –	\$ –	\$ 590	\$ –
Distributions received from joint ventures	\$ –	\$ –	\$ (2,330)	\$ –

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
(In thousands of Canadian dollars, except per unit amounts)

As at and for the three months and six months ended June 30, 2025 and 2024
(Unaudited)

10. Joint arrangements (continued):

	June 30, 2025	December 31, 2024
Cash and cash equivalents	\$ 4,250	\$ 15,667
Trade and other receivables	12,830	12,032
Other assets	1,418	2,666
Assets held for sale	–	5,517
Current assets	18,498	35,882
PP&E and intangible assets	55,450	59,297
Total assets	\$ 73,948	\$ 95,179
Accounts payable and other liabilities	\$ 3,901	\$ 9,085
Mortgages payable - current	282	280
Liabilities held for sale	–	4,531
Current liabilities	4,183	13,896
Mortgages payable - non-current	48,171	49,216
Total liabilities	\$ 52,354	\$ 63,112
Net investment in joint ventures held for sale	\$ –	\$ 5,846
Net investment in joint ventures	21,594	26,221

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Revenue	\$ 10,757	\$ 34,584	\$ 32,555	\$ 68,548
Direct property operating expense	(6,259)	(22,281)	(19,768)	(44,852)
Lease expense	(2,736)	(8,852)	(8,671)	(17,704)
Finance costs	(643)	(453)	(1,258)	(896)
Depreciation and amortization	(914)	(677)	(1,872)	(1,302)
Change in fair value of financial instruments	(141)	(380)	(314)	(488)
Other income	82	(2)	82	–
Chartwell's share of net income from joint ventures	\$ 146	\$ 1,939	\$ 754	\$ 3,306

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
(In thousands of Canadian dollars, except per unit amounts)

As at and for the three months and six months ended June 30, 2025 and 2024
(Unaudited)

10. Joint arrangements (continued):

Related party transactions occur between Chartwell and its joint ventures. These related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to between the related parties. Except as disclosed elsewhere in these condensed consolidated interim financial statements, the related party balances are included in accounts receivable and payable, lease revenue from joint ventures, lease expense and in management fee revenue, as applicable. As of June 30, 2025, \$Nil (December 31, 2024 - \$2,819) of Chartwell's accounts receivable and \$14,199 (December 31, 2024 - \$12,335) of Chartwell's accounts payable relate to its investments in joint ventures. For the three months and six months ended June 30, 2025, nil and \$570 (June 30, 2024 - \$2,065 and \$3,972) of Chartwell's management fees related to its investment in joint ventures.

Prior to completion of the Welltower transaction on February 1, 2025, Chartwell and Welltower Inc. ("Welltower") each owned a 50% direct beneficial interest in the real estate assets (referred to as the "landlords") and are obligated for the related mortgages for a portfolio of 37 properties. Chartwell owned a 42.5% beneficial interest and Welltower a 57.5% beneficial interest in the real estate and are each were obligated for the related mortgages for Chartwell Le St-Gabriel Landlord. Chartwell's interests in these properties were accounted for as joint operations under IFRS 11. Chartwell's 50% interest in the operations of the 37 properties (collectively referred to as "Chartwell-Welltower Operator") and Chartwell's 42.5% interest in Chartwell Le St-Gabriel Operator were held through separate legal entities, which were accounted for as joint ventures using the equity method under IFRS 11.

Chartwell and Champlain each owns a 50% direct beneficial interest in the real estate assets (referred to as the "Chartwell-Champlain Landlord") and are each obligated for the related mortgages for a portfolio of 5 properties, all acquired in Q4 2024 (note 3). Chartwell's interests in these properties are accounted for as joint operations under IFRS 11. Chartwell's 50% interest in the operations of the 5 properties (collectively referred to as "Chartwell-Champlain Operator") are held through separate legal entities, which are accounted for as joint ventures using the equity method under IFRS 11.

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
(In thousands of Canadian dollars, except per unit amounts)

As at and for the three months and six months ended June 30, 2025 and 2024
(Unaudited)

10. Joint arrangements (continued):

Chartwell-Welltower Operator, Chartwell Le St-Gabriel Operator, and Chartwell-Champlain Operator have leased the real estate from Chartwell-Welltower Landlord, Chartwell Le St-Gabriel Landlord, and Chartwell-Champlain Landlord, respectively. The terms of these leases are for three-year periods, with automatic renewal terms as long as the joint arrangement between respective parties is still in effect. As a result, Chartwell's share of the landlords' lease receipts, \$2,736 and \$8,671 for the three months and six months ended June 30, 2025 (three months and six months ended June 30, 2024 - \$8,852 and \$17,704) is reported as lease revenue and is included in lease revenue from joint ventures. The lease expenses for Chartwell-Welltower Operator, Chartwell Le St-Gabriel Operator and Chartwell-Champlain Operator are included in the share of net income (loss) from joint ventures.

In addition, Chartwell and Welltower each own a 50% interest each in The Sumach by Chartwell. Chartwell directly holds its interest in the real estate and related mortgage, and operations for this residence which are accounted for as joint operation (proportionately consolidated).

Chartwell owns a 85% beneficial interest and Batimo owns a 15% beneficial interest in three properties, including two acquired in Q2 2024 (note 3). Chartwell directly holds its interest in the real estate and related mortgage for these residences which are accounted for as joint operations (proportionately consolidated). In addition, the operations for the two Batimo acquired properties (note 3) are held through a separate legal entity and are consolidated with non-controlling interest for the 15% portion owned by Batimo entity.

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
(In thousands of Canadian dollars, except per unit amounts)

As at and for the three months and six months ended June 30, 2025 and 2024
(Unaudited)

11. Mortgages payable:

	June 30, 2025	December 31, 2024
Mortgages principal balance	\$ 2,121,906	\$ 1,852,274
Mark-to-market adjustments on assumed mortgages	1,104	2,376
Financing costs	(70,838)	(59,671)
	<u>\$ 2,052,172</u>	<u>\$ 1,794,979</u>
Current	\$ 405,656	\$ 408,071
Non-current	1,646,516	1,386,908
	<u>\$ 2,052,172</u>	<u>\$ 1,794,979</u>

Mortgages payable are secured by first and second charges on specific properties and are measured at amortized cost. The mortgages payable as at June 30, 2025 are as follows:

	Regular Principal payments	Principal due on maturity	Total debt
Remainder 2025	\$ 39,844	\$ 293,288	\$ 333,132
2026	75,064	142,375	217,439
2027	70,621	62,036	132,657
2028	66,890	180,890	247,780
2029	55,799	108,924	164,723
2030	48,424	79,195	127,619
2031	40,941	97,519	138,460
2032	35,315	65,133	100,448
2033	30,454	139,948	170,402
2034	26,153	237,696	263,849
2035	164,006	16,243	180,249
Thereafter	20,165	24,983	45,148
Total	<u>\$ 673,676</u>	<u>\$ 1,448,230</u>	<u>\$ 2,121,906</u>

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
(In thousands of Canadian dollars, except per unit amounts)

As at and for the three months and six months ended June 30, 2025 and 2024
(Unaudited)

11. Mortgages payable (continued):

	June 30, 2025	December 31, 2024
Mortgages at fixed rates:		
Mortgages (principal)	\$ 1,947,183	\$ 1,581,468
Interest rates	1.31% to 5.75%	1.31% to 5.75%
Weighted average interest rate	3.58%	3.50%
Mortgages at variable rates:		
Mortgages (principal)	\$ 174,723	\$ 270,806
Interest rates	4.51% to 5.96%	5.07% to 6.70%
Weighted average interest rate	5.17%	5.94%
Blended weighted average rate	3.71%	3.86%

Included in mortgages at fixed rates above, are mortgages totaling \$130,667 (December 31, 2024 - \$40,433) with interest rates fixed through interest rate swap contracts with an equivalent notional value, maturing in 2025 and 2026. The swaps have a fair value asset of \$447 (December 31, 2024- \$806) included in other assets (note 8). The swaps are considered level 2 in the fair value hierarchy.

Under the terms of the mortgages payable, Chartwell is required to meet certain financial covenants. These covenants among others include debt service coverage ratios and in certain cases limitations on the amounts of unitholder distributions that can be paid. Chartwell was in compliance with these financial covenants as at June 30, 2025.

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
(In thousands of Canadian dollars, except per unit amounts)

As at and for the three months and six months ended June 30, 2025 and 2024
(Unaudited)

12. Credit facilities:

The following tables summarize certain details of Chartwell's credit facilities as at June 30, 2025 and December 31, 2024:

June 30, 2025	Maximum capacity	Available capacity	Principal amounts outstanding	Utilized for letters of credit	Available to be drawn	Maturity date
Secured credit facility	\$ 300,000	\$ 300,000	\$ –	\$ (5,089)	\$ 294,911	May 29, 2029
Unsecured credit facility	100,000	100,000	–	–	100,000	May 29, 2029
Total	\$ 400,000	\$ 400,000	\$ –	\$ (5,089)	\$ 394,911	

December 31, 2024	Maximum capacity	Available capacity	Principal amounts outstanding	Utilized for letters of credit	Available to be drawn	Maturity date
Secured credit facility	\$ 300,000	\$ 300,000	\$ (100,000)	\$ (5,753)	\$ 194,247	May 29, 2027
Unsecured credit facility	100,000	100,000	–	–	100,000	May 29, 2027
Total	\$ 400,000	\$ 400,000	\$ (100,000)	\$ (5,753)	\$ 294,247	

On June 3, 2025, Chartwell entered into amending agreements to extend the maturity date of the secured and unsecured credit facility from May 29, 2027 to May 29, 2029. The terms of the secured facility were amended to reduce the applicable interest rate by 10 basis points. In addition, changes were made to the lending formula impacting the calculation of the facility's available borrowing capacity.

Available capacity for the secured credit facility 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 the secured collateral, the associated occupancy rates of the property, property valuations and mortgageability amounts determined on the basis of net operating income (as defined in the amending credit agreement) for the previous four quarters.

Available capacity for the unsecured credit facility is determined by a minimum ratio of the unencumbered property asset value to unsecured indebtedness (as defined in the credit agreement) of 1.3:1. The value of the unencumbered assets is based on third party appraisals that are dated no longer than two years from the applicable determination date.

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
(In thousands of Canadian dollars, except per unit amounts)

As at and for the three months and six months ended June 30, 2025 and 2024
(Unaudited)

12. Credit facilities (continued):

Financing costs, which have been recorded as a reduction of the amounts outstanding under the credit facilities, as at June 30, 2025 were \$2,136 included in Accounts payable and other liabilities as there is no outstanding credit facility balance (December 31, 2024 - \$1,921).

The amounts outstanding on the secured credit facility bear interest at the bank's prime rate plus 0.55% or CORRA plus 1.55% plus credit spread adjustment based on Chartwell's current credit rating. The secured credit facility is secured by certain unencumbered properties and by second-ranked charges on specific properties. The amounts outstanding on the unsecured credit facility bear interest at the bank's prime rate plus 0.70% or CORRA plus 1.70% plus credit spread adjustment based on Chartwell's current credit rating.

The secured and unsecured credit facilities are subject to various financial covenants including among others, debt service coverage ratio, secured indebtedness percentage ratio, minimum equity requirements and limitations on entering into certain investments and on the amount of cash distributions that can be paid to unitholders. In addition, the unsecured credit facility is subject to the minimum unencumbered asset ratio covenant. Chartwell was in compliance with these financial covenants as at June 30, 2025.

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
(In thousands of Canadian dollars, except per unit amounts)

As at and for the three months and six months ended June 30, 2025 and 2024
(Unaudited)

13. Loans payable:

As at June 30, 2025, there were no loans payable outstanding.

On July 22, 2024, Chartwell entered into a \$150,000 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, Chartwell repaid \$75,000 of this unsecured loan. On March 6, 2025, Chartwell repaid the remaining \$75,000 of this unsecured loan.

Welltower extended two loans for \$33,323 and \$40,665 respectively to Chartwell as bridge financing for two properties with mortgages that matured in Q1 2024. On February 1, 2025, Chartwell sold its interest in one of these properties to Welltower (note 16) and the associated loan of \$33,323 was repaid on February 1, 2025 with the completion of the windup. The second loan balance of \$40,665 was repaid on February 14, 2025.

The following tables detail the outstanding principal amounts and the carrying value of Chartwell's secured and unsecured term loans at December 31, 2024:

December 31, 2024	Outstanding principal	Financing costs, net	Carrying value	Interest rate	Maturity date
Unsecured term loan	\$ 75,000	\$ (16)	\$ 74,984	5.62%	January 22, 2025
Welltower loan 1	33,323	–	33,323	6.71%	February 14, 2025
Welltower loan 2	40,665	–	40,665	6.85%	February 15, 2025
Total	\$ 148,988	\$ (16)	\$ 148,972		
					Carrying Value
Current					\$ 148,972
Non-current					\$ –
					\$ 148,972

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
(In thousands of Canadian dollars, except per unit amounts)

As at and for the three months and six months ended June 30, 2025 and 2024
(Unaudited)

14. Senior unsecured debentures:

The following tables detail the outstanding principal amounts and the carrying value of Chartwell's senior unsecured debentures at June 30, 2025 and at December 31, 2024:

June 30, 2025	Date issued	Outstanding principal	Financing costs, net	Carrying value	Due date
6.000% Series C	December 8, 2023	\$ 250,000	\$ (481)	\$ 249,519	December 8, 2026
4.400% Series D	October 28, 2024	150,000	(993)	149,007	November 5, 2029
3.650% Series E	March 6, 2025	200,000	(937)	199,063	May 6, 2028
4.500% Series F	March 6, 2025	200,000	(944)	199,056	March 6, 2032
Total		\$ 800,000	\$ (3,355)	\$ 796,645	

	Carrying value
Current	\$ –
Non-current	796,645
	\$ 796,645

December 31, 2024	Date issued	Outstanding principal	Financing costs, net	Carrying value	Redemption date ⁽¹⁾	Due date
4.211% Series B	April 27, 2018	\$ 150,000	\$ (47)	\$ 149,953	February 25, 2025	April 28, 2025
6.000% Series C	December 8, 2023	250,000	(652)	249,348	-	December 8, 2026
4.400% Series D	October 28, 2024	150,000	(990)	149,010	-	November 5, 2029
Total		\$ 550,000	\$ (1,689)	\$ 548,311		

	Carrying value
Current	\$ 149,953
Non-current	398,358
	\$ 548,311

⁽¹⁾The debentures are redeemable at the option of Chartwell, at any time, subject to a yield maintenance payment if such redemption is prior to the redemption date.

On October 28, 2024, Chartwell issued \$150,000 of 4.40% Series D 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 \$1,154 were incurred and are being amortized using the effective interest method.

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
(In thousands of Canadian dollars, except per unit amounts)

As at and for the three months and six months ended June 30, 2025 and 2024
(Unaudited)

14. Senior unsecured debentures (continued):

On March 6, 2025, Chartwell issued \$400,000 aggregate principal amount of senior unsecured debentures, including:

- 1) \$200,000 of 3.65% Series E senior unsecured debentures due on May 6, 2028, with semi-annual interest payments due on May 6 and November 6 of each year. Debt financing costs of \$1,022 were incurred and are being amortized using the effective interest method.
- 2) \$200,000 of 4.50% Series F senior unsecured debentures due on March 6, 2032, with semi-annual interest payments due on March 6 and September 6 of each year. Debt financing costs of \$980 were incurred and are being amortized using the effective interest method.

On April 28, 2025, Chartwell repaid the \$150,000 Series B debenture in full.

Under the terms of the debentures, Chartwell is required to meet certain financial covenants. These covenants include required interest coverage ratio, indebtedness percentage ratio and unencumbered asset ratio. Chartwell was in compliance with these financial covenants as at June 30, 2025.

15. Accounts payable and other liabilities:

	Note	June 30, 2025	December 31, 2024
Accounts payable and accrued liabilities		\$ 191,954	\$ 152,150
Resident deposits		7,647	5,859
Related party ⁽¹⁾		777	–
Deferred Trust Units ("DTU")	(a)	15,515	13,015
Restricted Trust Units ("RTU")	(b)	11,810	10,166
EUPP option component	(c)	20,056	14,262
Class B Units of Chartwell Master Care LP ("Class B Units")	(d)	27,162	22,761
		<u>\$ 274,921</u>	<u>\$ 218,213</u>
Current		\$ 266,250	\$ 214,630
Non-current		8,671	3,583
		<u>\$ 274,921</u>	<u>\$ 218,213</u>

⁽¹⁾Related party payables are payables due to joint ventures and properties managed by Chartwell.

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
(In thousands of Canadian dollars, except per unit amounts)

As at and for the three months and six months ended June 30, 2025 and 2024
(Unaudited)

15. Accounts payable and other liabilities (continued):

(a) DTU Plan:

The DTU fair value is determined using the market price for listed Trust Units since there is a one-for-one conversion feature. The market price of Trust Units as at June 30, 2025 was \$18.59 (December 31, 2024 - \$15.08). DTU plan is considered Level 2 in the fair value hierarchy. The non-cash compensation expense attributable to DTUs granted is included in general, administrative and trust expense and subsequent fair value changes are included in fair value of financial instruments.

The following table summarizes the DTU activity:

	Units outstanding	Amount
Balance, December 31, 2023	1,353,281	\$ 15,858
Units granted	64,454	887
Change in fair value and distributions	58,021	5,595
DTU settled by the issuance of Trust units	(612,541)	(9,325)
Balance, December 31, 2024	863,215	13,015
Units granted	27,851	485
Change in fair value and distributions	15,675	3,216
DTU settled by the issuance of Trust units	(72,000)	(1,201)
Balance, June 30, 2025	834,741	\$ 15,515

(b) RTU Plan:

During the six months ended June 30, 2025, 319,644 notional Trust Units were granted (December 31, 2024 - 439,403), 9,779 notional Trust units were cancelled (December 31, 2024 - 44,043), 23,281 notional Trust units were issued in regard to distributions (December 31, 2024 - 58,979), and 288,603 notional Trust units vested and were paid out (December 31, 2024 - 413,653). At June 30, 2025, the closing weighted average fair value per unit was \$18.59 (2024 - \$15.08) and weighted average fair value per unit for notional trust units granted during the year was \$16.36 (2024 - \$12.08). At June 30, 2025, 1,237,662 notional Trust Units remained outstanding (December 31, 2024 - 1,193,119). The liability is measured to fair value based on the market price for Trust Units at each reporting period until settlement.

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
(In thousands of Canadian dollars, except per unit amounts)

As at and for the three months and six months ended June 30, 2025 and 2024
(Unaudited)

15. Accounts payable and other liabilities (continued):

(c) EUPP option component:

The fair value of the EUPP option component is recognized as an expense with a corresponding increase in liability over the employee service period. The liability is remeasured at each reporting date and at settlement date and is considered Level 3 in the fair value hierarchy. Upon initial recognition the expense is recognized in general, administrative and trust expenses and subsequent changes in fair values are recognized in change in fair values of financial instruments.

Fair value is measured using the Monte Carlo simulation method. The following table summarizes the assumptions used to determine the fair value of the EUPP option component:

	June 30, 2025	December 31, 2024
Expected volatility	21.91% - 26.91%	22.97% - 27.97%
Risk-free rate	2.45% - 2.87%	2.67% - 3.12%
Distribution yield	3.26% - 3.40%	4.08% - 4.35%

(d) Class B Units

Class B Units are exchangeable, at the option of the holder, into Trust Units. Such exchangeable instruments are presented as a current liability and are measured at fair value. Holders of the Class B Units are entitled to receive distributions equal to those provided to holders of Trust Units. Distributions on Class B Units are reported as a finance cost on the statement of comprehensive income. Fair value is determined by using the market price for listed Trust Units since there is a one-for-one exchange feature for each Class B Unit into a Trust Unit. Class B Units are considered Level 2 in the fair value hierarchy. The market price of Trust Units at June 30, 2025 was \$18.59 per unit (2024 - \$15.08 per unit). At June 30, 2025, 1,461,110 Class B Units were outstanding (2024 - 1,509,360).

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
(In thousands of Canadian dollars, except per unit amounts)

As at and for the three months and six months ended June 30, 2025 and 2024
(Unaudited)

15. Accounts payable and other liabilities (continued):

	Units outstanding	Amount
Balance, December 31, 2023	1,525,360	\$ 17,877
Exchange of Class B units into Trust units	(16,000)	(219)
Change in fair value	–	5,103
Balance, December 31, 2024	1,509,360	22,761
Exchange of Class B units into Trust Units	(48,250)	(801)
Change in fair value	–	5,202
Balance, June 30, 2025	1,461,110	\$ 27,162

16. Assets and liabilities held for sale:

On February 1, 2024, Chartwell closed on its previously announced transaction with Welltower to windup its existing joint arrangements (note 3).

The assets and liabilities held for sale as at June 30, 2025 and at December 31, 2024 are as follows:

	June 30, 2025	December 31, 2024
Investments in joint venture	\$ –	\$ 5,846
PP&E	–	268,589
Total assets held for sale	\$ –	\$ 274,435
Other liabilities related to assets held for sale	\$ –	\$ 1,309
Term loan	–	13,600
Current mortgages payable related to assets held for sale	–	134,381
Total liabilities and mortgages related to assets held for sale	\$ –	\$ 149,290

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
(In thousands of Canadian dollars, except per unit amounts)

As at and for the three months and six months ended June 30, 2025 and 2024
(Unaudited)

17. Trust Units and EUPP:

The following Trust Units are issued and outstanding:

	Number of Trust Units	Amount
Balance, December 31, 2023	238,837,656	\$ 2,622,374
Trust Units issued under DRIP	3,162,401	41,777
Trust Units issued on vesting of DTU	612,541	9,325
Trust Units issued in exchange of Class B units	16,000	219
Trust Units released on settlement of EUPP receivable	421,426	8,393
Trust Units pursuant to public offering	28,290,000	338,879
Trust Units issued under ATM Program	1,228,500	19,096
Balance, December 31, 2024	272,568,524	3,040,063
Trust Units issued under DRIP	1,425,858	22,979
Trust Units issued on vesting of DTU	72,000	1,201
Trust Units issued in exchange of Class B units	48,250	801
Trust Units released on settlement of EUPP receivable	97,118	2,096
Trust Units issued under ATM Program	13,205,036	228,808
Balance, June 30, 2025	287,416,786	\$ 3,295,948

On June 27, 2024, Chartwell completed a public offering of 28,290,000 Trust Units at a price of \$12.20 per Trust Unit for total gross proceeds of \$345,138.

On November 14, 2024, Chartwell 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 \$250,000 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. The Trust will have the discretion, subject to market demand, to set the timing, price and number of Units to be offered for sale, and there is no minimum or maximum sales price. The equity distribution agreement with respect to the ATM Program terminates upon the earlier of (i) the sale of all Trust Units qualified for distribution pursuant to the ATM Program or (ii) termination of the agreement in accordance with its terms. As of June 19, 2025, approximately \$250,000 Trust Units qualified for distribution under the ATM Program have been issued and sold. During the six months ended June 30, 2025, Chartwell issued 13,205,036 Trust Units (December 31, 2024 – 1,228,500) under the ATM Program at an average price of \$17.45 (December 31, 2024 – \$15.90) per Trust Unit based on market prices for total gross proceeds of \$230,471 (December 31, 2024 – \$19,528). On August 7, 2025, we amended the prospectus supplement establishing the ATM Program to allow us to issue up to an additional \$250,000 of Trust Units.

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
(In thousands of Canadian dollars, except per unit amounts)

As at and for the three months and six months ended June 30, 2025 and 2024
(Unaudited)

17. Trust Units and EUPP (continued):

During the six months ending June 30, 2025, underwriting commission and other offering related costs amounted to \$3,580 (December 31, 2024 – \$14,399) offset by a deferred tax asset of \$1,917 (December 31, 2024 – \$7,708).

The following table summarizes Trust Units issued under the EUPP:

	Number of Trust Units issued under EUPP		Amount
Balance, December 31, 2023	2,076,419	\$	23,666
Trust Units issued under EUPP	162,195		1,990
Trust Units released on settlement of EUPP receivable	(421,426)		(4,544)
Balance, December 31, 2024	1,817,188		21,112
Trust Units issued under EUPP	139,085		2,337
Trust Units released on settlement of EUPP receivable	(97,118)		(1,141)
Balance, June 30, 2025	1,859,155	\$	22,308

Chartwell has established a DRIP for its unitholders, which allows participants to reinvest their monthly cash distributions in additional Trust Units at an effective discount of 3%.

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
(In thousands of Canadian dollars, except per unit amounts)

As at and for the three months and six months ended June 30, 2025 and 2024
(Unaudited)

18. Segmented information:

Chartwell has one reportable operating segment, Retirement Operations. The accounting policies of the segment are the same as those for Chartwell, except that it includes Chartwell's proportionate share of its joint ventures and Chartwell's proportionate share of its subsidiaries with non-controlling interest. The "Reconciliation" column shows the adjustments to account for these joint ventures using the equity method, and non-controlling interest as applied in these condensed consolidated interim financial statements. The measure of segment profit or loss is adjusted net operating income which is resident revenue less direct property operating expenses, including Chartwell's proportionate share of its subsidiaries and joint ventures' revenue and direct property operating expenses, respectively. Certain general, administrative and trust expenses are managed centrally by Chartwell and are not allocable to the reportable Retirement Operations segment. Chartwell has no material inter-segment revenue, transfers or expenses.

The adjusted net operating income of the Retirement Operations is also reviewed by management at the geographic region level:

Three months ended June 30, 2025						
	Ontario	Western Canada	Quebec	Total Retirement Operations	Reconciliation	Total
Resident revenue	\$ 128,386	\$ 62,845	\$ 86,525	\$ 277,756	\$ (9,722)	\$ 268,034
Direct property operating expenses	(76,831)	(38,471)	(50,194)	(165,496)	5,813	(159,683)
Adjusted net operating income	\$ 51,555	\$ 24,374	\$ 36,331	\$ 112,260	\$ (3,909)	\$ 108,351

Three months ended June 30, 2024						
	Ontario	Western Canada	Quebec	Total Retirement Operations	Reconciliation	Total
Resident revenue	\$ 119,640	\$ 53,520	\$ 50,661	\$ 223,821	\$ (34,258)	\$ 189,563
Direct property operating expenses	(76,764)	(32,803)	(33,423)	(142,990)	22,281	(120,709)
Adjusted net operating income	\$ 42,876	\$ 20,717	\$ 17,238	\$ 80,831	\$ (11,977)	\$ 68,854

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
(In thousands of Canadian dollars, except per unit amounts)

As at and for the three months and six months ended June 30, 2025 and 2024
(Unaudited)

18. Segmented information (continued):

Six months ended June 30, 2025						
	Ontario	Western Canada	Quebec	Total Retirement Operations	Reconciliation	Total
Resident revenue	\$ 254,878	\$ 124,513	\$ 162,318	\$ 541,709	\$ (30,107)	\$ 511,602
Direct property operating expenses	(154,800)	(77,000)	(96,635)	(328,435)	18,696	(309,739)
Adjusted net operating income	\$ 100,078	\$ 47,513	\$ 65,683	\$ 213,274	\$ (11,411)	\$ 201,863

Six months ended June 30, 2024						
	Ontario	Western Canada	Quebec	Total Retirement Operations	Reconciliation	Total
Resident revenue	\$ 237,616	\$ 107,034	\$ 96,707	\$ 441,357	\$ (67,874)	\$ 373,483
Direct property operating expenses	(155,165)	(66,118)	(65,652)	(286,935)	44,852	(242,083)
Adjusted net operating income	\$ 82,451	\$ 40,916	\$ 31,055	\$ 154,422	\$ (23,022)	\$ 131,400

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
(In thousands of Canadian dollars, except per unit amounts)

As at and for the three months and six months ended June 30, 2025 and 2024
(Unaudited)

19. Financial instruments:

The carrying amounts and fair values of financial instruments, excluding loans receivable, interest rate swaps, liabilities related to Class B Units and income guarantees which are carried at fair value, are shown in the table below. The table below excludes cash and cash equivalents, restricted cash, trade and other receivables, capital funding receivable, accounts payable and other liabilities, and distributions payable, as the carrying amounts of these assets and liabilities are a reasonable approximation of fair value.

	June 30, 2025		December 31, 2024	
	Carrying value	Fair value	Carrying value	Fair value
Financial liabilities:				
Financial liabilities recorded at amortized cost:				
Mortgages payable	\$ 2,052,172	\$ 1,993,362	\$ 1,794,168	\$ 1,827,411
Credit facilities	–	–	98,079	100,000
Loans payable	–	–	148,972	149,434
Senior unsecured debentures	796,645	789,539	548,311	546,485

Fair value represents management's estimate of the fair market value at a given point in time, which may not reflect fair value in the future. These calculations are subjective, involve uncertainties and are a matter of significant judgment, and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The following summarizes the significant methods and assumptions used in estimating the fair values of financial instruments reflected in the table above.

The fair value of mortgages payable is estimated by discounting the expected future cash outflows using the rates currently prevailing for similar instruments of similar maturities. At June 30, 2025, the mortgages payable were discounted using rates between 3.39% and 4.79% (December 31, 2024 - 3.57% and 5.18%).

The fair value of loans payable are estimated by discounting the expected future cash flows using the rates currently prevailing for similar instruments of similar maturities. At December 31, 2024 the outstanding loans payable were discounted using a weighted average rate of 5.18%.

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
(In thousands of Canadian dollars, except per unit amounts)

As at and for the three months and six months ended June 30, 2025 and 2024
(Unaudited)

19. Financial instruments (continued):

The fair value of senior unsecured debentures is estimated by discounting the expected future cash outflows using the rates currently prevailing for similar instruments of similar maturities. At June 30, 2025, senior unsecured debentures were discounted using a rate of 4.86% (December 31, 2024 - 5.26%).

The fair value of the credit facility is estimated to be the amount drawn at June 30, 2025 as Chartwell has the ability to repay the outstanding balance any time.

As inputs are observable for the liability, either directly or indirectly through prevailing rates of similar items, the fair values of mortgages payable, term loans, senior unsecured debentures and credit facility are Level 2 in the fair value hierarchy.

20. Revenue:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Lease revenue ⁽¹⁾	\$ 131,820	\$ 98,220	\$ 259,796	\$ 189,770
Services revenue ⁽²⁾	138,950	100,195	260,477	201,417
Management and other fees	1,063	3,279	3,043	6,355
Interest income	1,325	707	2,740	1,442
Total revenue	\$ 273,158	\$ 202,401	\$ 526,056	\$ 398,984

⁽¹⁾Includes resident lease revenue from retirement residence residents and lease revenue from the joint venture partners.

⁽²⁾Includes property services element from retirement residence residents in accordance with IFRS 15.

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
(In thousands of Canadian dollars, except per unit amounts)

As at and for the three months and six months ended June 30, 2025 and 2024
(Unaudited)

21. Other income (expense):

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Transaction costs arising on dispositions	\$ (1,674)	\$ (528)	\$ (6,131)	\$ (2,521)
Other	(365)	–	(346)	–
Other expense	(2,039)	(528)	(6,477)	(2,521)
Impairment (expense) reversal ⁽¹⁾	1,963	–	1,963	–
Net gain/(loss) on disposal of assets ⁽²⁾	249	(1,584)	60,501	(945)
	2,212	(1,584)	62,464	(945)
Other income (expense)	\$ 173	\$ (2,112)	\$ 55,987	\$ (3,466)

⁽¹⁾ Impairment (expense) reversal relates to a partial reversal of impairment expense for one non-core property in Ontario - \$3,041 related to a change in use, which is offset by impairment of one non-core property in Quebec - \$1,078.

⁽²⁾ Net gain on disposal of assets relates primarily to sale of properties (note 3 and note 16).

22. Finance costs:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Contractual interest expense on mortgages	\$ (20,427)	\$ (13,949)	\$ (38,859)	\$ (27,030)
Interest expense on senior unsecured debentures	(9,882)	(5,301)	(17,926)	(10,588)
Interest expense on credit facility	(686)	(3,443)	(2,356)	(5,265)
Contractual interest expense on loans payable	–	(2,822)	(1,374)	(4,831)
	(30,995)	(25,515)	(60,515)	(47,714)
Interest capitalized to properties under development	801	685	1,617	1,294
Amortization of financing costs and mark-to-market adjustment on assumed mortgages, credit facilities and senior unsecured debentures	(1,441)	(1,297)	(3,117)	(2,252)
Distributions on Class B Units recorded as interest expense	(224)	(232)	(452)	(465)
Total finance costs	\$ (31,859)	\$ (26,359)	\$ (62,467)	\$ (49,137)

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
(In thousands of Canadian dollars, except per unit amounts)

As at and for the three months and six months ended June 30, 2025 and 2024
(Unaudited)

23. Change in fair values of financial instruments (expense) income:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Change in fair value of interest rate swaps	\$ (35)	\$ (1,035)	\$ (286)	\$ (1,720)
Change in fair value of EUPP option component	(3,708)	(987)	(6,103)	(2,393)
Change in fair value of Class B Units	(2,647)	(744)	(5,202)	(1,717)
Change in fair value of DTUs	(1,640)	(845)	(3,216)	(1,920)
Change in fair value - other	422	359	1,720	1,213
Change in fair values of financial instruments	\$ (7,608)	\$ (3,252)	\$ (13,087)	\$ (6,537)

24. Income taxes:

Chartwell recorded a current tax recovery of \$157 and a current tax expense of \$7,968 in the three and six months ended June 30, 2025 respectively (three and six months ended June 30, 2024 – \$nil and recovery of \$351 respectively). The current tax expense in 2025 is primarily attributable to SIFT taxes payable on the disposition of Chartwell's ownership interest in 23 retirement residences ("Welltower Assets"). The current tax benefit in 2024 is primarily attributable to adjustments related to the capital gain on the disposition of the long-term care segment in the year ended December 31, 2023.

For the three and six months ended June 30, 2025, Chartwell recorded deferred tax expense of \$5,962 and \$17,579 respectively (three and six months ended June 30, 2024 – \$2,413 and \$3,466 respectively). The 2025 deferred tax expense was primarily with respect to fair value adjustments, and the reversal of temporary differences associated with the sale of Welltower Assets. The 2024 deferred tax expense for the three and six months ending June 30, 2024 was primarily with respect to fair value adjustments.

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
(In thousands of Canadian dollars, except per unit amounts)

As at and for the three months and six months ended June 30, 2025 and 2024
(Unaudited)

25. Commitments and contingencies:

(a) Litigation and claims:

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

Chartwell's insurer has assigned defense counsel and is responding to the Consolidated Claim through the appropriate court process. On March 7, 2024, the Consolidated Claim was certified, but pursuant to the Recovery Act, only claims of negligence rising to the level of gross negligence survived the cause of action test. The litigation is currently in the documentary discovery process. Chartwell is vigorously defending against these claims and does not believe the outcome will have a material adverse impact on its business, results of operations or financial condition. Chartwell did not record a provision with respect to the Consolidated Claim as at June 30, 2025. The contingencies associated with these long term care homes remain with Chartwell.

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.

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
(In thousands of Canadian dollars, except per unit amounts)

As at and for the three months and six months ended June 30, 2025 and 2024
(Unaudited)

25. Commitments and contingencies (continued):

There are significant uncertainties related to how the appellate court decision 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 Chartwell's liability for any pay equity adjustments cannot currently be made. Chartwell expects that any adjustments will be fully funded by the government. No liability for potential pay equity adjustments or expected recovery from the Ontario 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.

(b) Other:

Under Chartwell's agreements with Batimo Inc. ("Batimo"), Batimo can require Chartwell to acquire an 85% interest in their development properties in which Chartwell participates as the operations manager and, in some cases, as the mezzanine lender, at 99% of Fair Market Value ("FMV"), as defined in the agreements ("Batimo Option"). Batimo's Option for certain properties is for a five-year period commencing when the related property achieves a minimum 90% occupancy level for two consecutive months, subject to certain conditions, at purchase prices determined based on the appraisal mechanism described in such agreements. Upon expiry of the Batimo Option, Chartwell has a two-year option to require Batimo to sell an 85% interest in some of the properties at FMV and others at 99% of FMV, as defined in the agreements. Chartwell and Batimo have revised the terms of their relationship for new projects starting with developments in Q3 2021 ("Batimo Option 2.0") to provide for the Batimo Option to be for a two-year period instead of five. Upon expiry of the Batimo Option 2.0, Chartwell will have a one-year option instead of two to acquire an 85% interest in the property at 99% of FMV.

As at June 30, 2025, one property has achieved the occupancy threshold giving effect to the Batimo put rights. This property is estimated to be valued at \$71,000.