MD&A

MANAGEMENT'S DISCUSSION & ANALYSIS

Q2

SECOND QUARTER REPORT
June 30, 2025

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

For the Three and Six Months Ended June 30, 2025

Contents

About this Management's Discussion and Analysis

Chartwell Retirement Residences ("Chartwell" or the "Trust") has prepared the following management's discussion and analysis (the "MD&A") to provide information to assist its current and prospective investors' understanding of the financial results of Chartwell for the three and six months ended June 30, 2025. This MD&A should be read in conjunction with Chartwell's unaudited, condensed consolidated interim financial statements for the three and six months ended June 30, 2025, and the notes thereto (the "Financial Statements"), the audited consolidated financial statements for the years ended December 31, 2024 and 2023, and the notes thereto (the "2024 Financial Statements"), and the annual MD&A for the year ended December 31, 2024 (the "2024 MD&A"). This material, as well as additional information about Chartwell, including our Annual Information Form for the year ended December 31, 2024, dated February 27, 2025 (the "AIF"), is available on Chartwell's website at www.investors.chartwell.com and on the SEDAR+ website at www.sedarplus.com.

The discussion and analysis in this MD&A is based on information available to management as of August 7, 2025.

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

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

In this document, "Q1" refers to the three-month period ended March 31; "Q2" refers to the three-month period ended June 30; "Q3" refers to the three-month period ended September 30; "Q4" refers to the three-month period ended December 31; "2025" refers to the calendar year 2025; "2024" refers to the calendar year 2024; "2023" refers to the calendar year 2023; "2022" refers to the calendar year 2022; "2025 YTD" refers to the six-month period ended June 30, 2025, and "2024 YTD" refers to the six-month period ended June 30, 2024.

Unless otherwise indicated, all comparisons of results for Q2 2025 and 2025 YTD are in comparison to results from Q2 2024 and 2024 YTD, respectively.

The results of operations of our Long Term Care Operations segment (the "LTC Portfolio"), which we disposed of in 2023, are reported as discontinued operations throughout this MD&A.

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

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

These Non-GAAP Measures do not have standardized meanings prescribed by GAAP and, therefore, may not be comparable to similar measures used by other issuers. The Real Property Association of Canada ("REALPAC") issued white papers with recommendation for calculation of Funds from Operations ("FFO") (the "REALPAC Guidance"). Our FFO definition is substantially consistent with the definition adopted in the REALPAC Guidance. Refer to the "Additional Information on Non-GAAP Measures" section of this MD&A for details.

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

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

Non-GAAP Financial Measures:

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

Non-GAAP Ratios:

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

Supplementary Financial Measures:

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

Capital Management Measures:

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

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

Risks and Uncertainties

Refer to the "Risks and Uncertainties" section of our 2024 MD&A, as well as our AIF dated February 27, 2025, for detailed discussions of risk factors and uncertainties facing Chartwell.

Forward-Looking Information

This document contains forward-looking information that reflects management's current expectations, estimates, forecasts and projections about the future results, performance, achievements, prospects or opportunities for Chartwell and the seniors housing industry as of the date of this MD&A. Refer to the "Forward-Looking Information" section on page 42 of this MD&A.

Highlights

The following highlights select metrics for Q2 2025. Refer to the "Results of Operations" section on page 14 of this MD&A for details.

- Resident revenue increased by $78.5 million or 41.4% in Q2 2025 compared to Q2 2024.
- Net loss was $5.7 million in Q2 2025 compared to $2.8 million in Q2 2024.
- FFO up 51.1% from Q2 2024.
- Same property adjusted NOI up 20.0% from Q2 2024.
- Same property adjusted operating margin up 360 basis points ("bps") to 42.5% from Q2 2024.
- Weighted average same property occupancy up 490 bps to 91.9% from Q2 2024.
- Same property NOIPOS up 13.4% on higher REVPOS and lower DOEPOS from Q2 2024.

The following table summarizes select financial and operating performance measures:

($000s, except per unit amounts and percentages)	**Q2 2025**	Q2 2024	Change	**2025 YTD**	2024 YTD	Change
Resident revenue	268,034	189,563	78,471	511,602	373,483	138,119
Direct property operating expense	159,683	120,709	38,974	309,739	242,083	67,656
Net income/(loss)	(5,737)	(2,798)	(2,939)	27,457	(4,769)	32,226
FFO (1)	67,553	44,698	22,855	123,722	83,937	39,785
FFO per unit (1)	0.24	0.18	0.06	0.44	0.34	0.10
G&A expenses (2)	14,126	12,924	1,202	31,209	27,395	3,814

(1) Non-GAAP; refer to the "Results of Operations/FFO" section on page 15 of this MD&A for details.
(2) Refer to the "Results of Operations/General, Administrative and Trust Expenses" section on page 20 of this MD&A for details.

The following table summarizes the results of our same property portfolio:

($000s, except per occupied suite)	**Q2 2025**	Q2 2024	Change	**2025 YTD**	2024 YTD	Change
Same property (1)						
Adjusted resident revenue (2)	174,056	158,690	15,366	345,706	315,346	30,360
Adjusted direct property operating expense (2)	100,098	97,033	3,065	201,958	196,174	5,784
Adjusted NOI (2)	73,958	61,657	12,301	143,748	119,172	24,576
Adjusted operating margin (2)	42.5%	38.9%	3.6pp	41.6%	37.8%	3.8pp
Weighted average occupancy rate	91.9%	87.0%	4.9pp	91.7%	86.6%	5.1pp
REVPOS (2)	5,021	4,841	180	4,997	4,831	166
DOEPOS (2)	2,888	2,960	(72)	2,919	3,005	(86)
NOIPOS (2)	2,133	1,881	252	2,078	1,826	252

(1) Non-GAAP; refer to the "Property Portfolio Groupings" section on page 5 of this MD&A for explanation of 'Same property' and the significance of this metric.
(2) Non-GAAP; refer to the "Results of Operations/Adjusted Resident Revenue, Adjusted Direct Property Operating Expense, Adjusted Operating Margin, and Adjusted NOI" section on page 16 of this MD&A for details.

The following table summarizes select metrics related to our liquidity and debt portfolio. Refer to the "Liquidity and Capital Resources" section on page 23 of this MD&A for details.

	June 30, 2025	December 31, 2024	December 31, 2023
Net Debt to Adjusted EBITDA	7.8	8.4	10.2
Interest Coverage Ratio	3.0	2.7	2.3
Available liquidity *($000)*	423,129	314,295	348,631
Weighted average interest rate *(consolidated)*	4.00%	4.30%	3.84%

Business Overview

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

Our Vision	Making People’s Lives BETTER
Our Mission	To provide a happier, healthier and more fulfilled life experience for seniors To provide peace of mind for our residents’ loved ones To attract and retain employees who care about making a difference in our residents’ lives, and To provide an investment opportunity that benefits society with reasonable and growing returns to the unitholders.
Our Values	**R**espect – We honour and celebrate seniors **E**mpathy – We believe compassion is contagious **S**ervice Excellence – We believe in providing excellence in customer service **P**erformance – We believe in delivering and rewarding results **E**ducation – We believe in lifelong learning **C**ommitment – We value commitment to the Chartwell family **T**rust – We believe in keeping our promises and doing the right thing
Our Portfolio	Chartwell is an open-ended real estate trust governed by the laws of the Province of Ontario. We indirectly own and operate a portfolio of seniors housing residences across the continuum of care, all of which are located in Canada.

We provide resident services and care in the following settings:

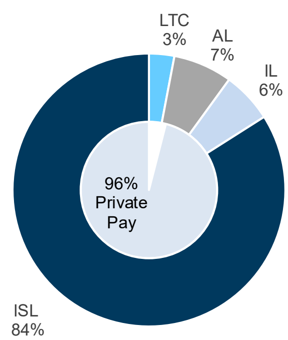
Independent Living (“IL”)	Apartments with availability of dining, life enrichment and housekeeping services.
Independent Supportive Living (“ISL”)	Apartments and suites with availability of dining, life enrichment, housekeeping, personal assistance, and care services.
Assisted Living (“AL”)	Suites with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

Composition of Our Portfolio

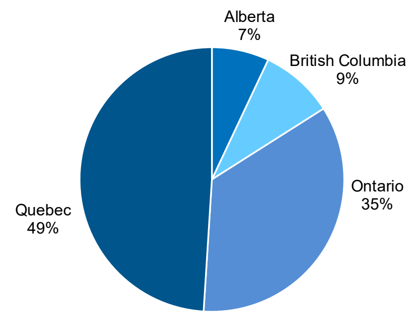
The following presents the composition of our owned and managed portfolio of residences in our Retirement Operations at June 30, 2025:

	100% Owned [1]	Partially Owned [2]	**Total Owned**	Total Managed	**Total**
Properties [3]	125	14	139	2	141
Suites	20,798	3,920	24,718	659	25,377

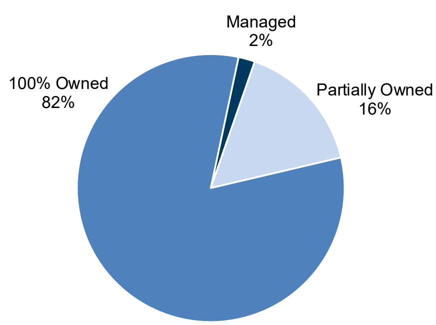
Level of Care [4]



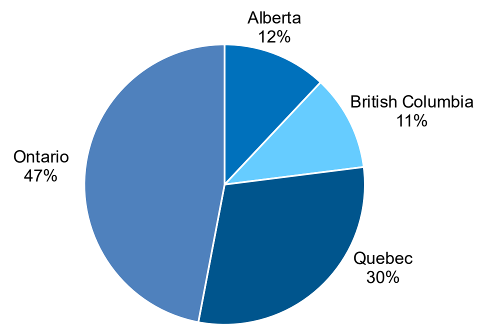
Geographic Location [5]



Ownership Interest [2]



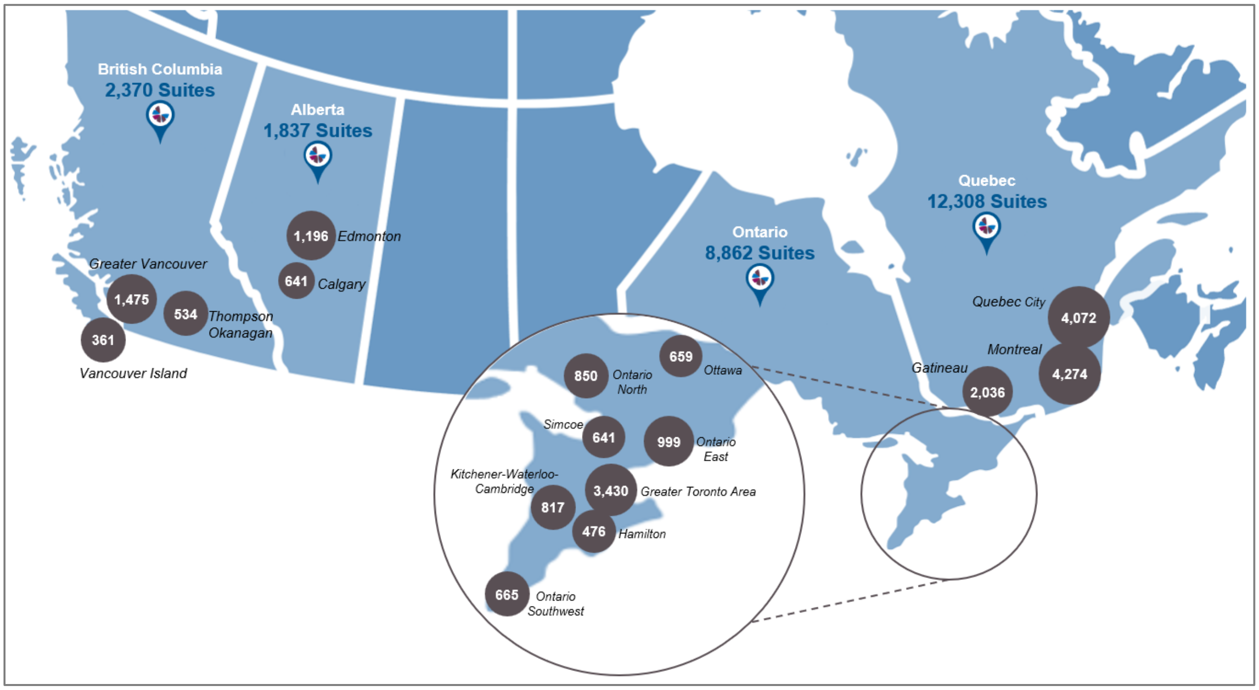
Adjusted NOI by Geographic Location [6]



(1) Includes one property for which operational closure has been completed, and on May 5, 2025, we entered into a 15-year lease agreement with the Ottawa Hospital.
(2) We have a 50% ownership interest in 10 residences (2,643 suites), a 60% ownership interest in one residence (165 suites) and an 85% ownership interest in three residences (1,112 suites).
(3) Effective Q1 2025, we changed our approach to the property count which resulted in a reduction of 12 properties. Where more than one residence is located on the same site or address, it is now counted as one property.
(4) Based on suites at Chartwell's share of ownership interest at June 30, 2025. 96% of our suites are private pay and 4% receive funding by local government agencies in their respective province.
(5) Based on suites at 100% ownership interest at June 30, 2025.
(6) Adjusted NOI % represents Chartwell's share of ownership interest for the six months ended June 30, 2025.

Property Geographic Locations

Our properties are concentrated in Canada's four largest seniors housing markets—British Columbia; Alberta, Ontario, and Quebec. The following chart maps out our property portfolio as at June 30, 2025:



Property Portfolio Groupings

We use groupings of our properties to evaluate and monitor our financial and operating performance including:

Same property	Effective January 1, 2025, the composition of our same property portfolio includes properties that have been owned continuously since the beginning of the previous fiscal year.
Growth	Our growth portfolio includes properties that were acquired subsequent to January 1 of the preceding fiscal year and development properties that have not been operating for the full prior fiscal year. Additionally, our growth portfolio includes properties for which we acquired incremental ownership interest in the current fiscal year. Consequently, the previous fiscal year's results are not fully comparable for these properties.
Repositioning	Our repositioning portfolio includes properties that we expect to sell in the current or next fiscal year, and properties that are undergoing significant redevelopment or repositioning, including in some cases changes in capacity or use.

The supplemental disclosures of these portfolio groupings are Non-GAAP Measures that do not have standardized meanings prescribed by GAAP and, therefore, may not be comparable to similar measures used by other issuers.

The following table summarizes the composition of each portfolio grouping as at June 30, 2025**:**

		Composition of Suites					
	Properties	**IL**	**ISL**	**AL**	**LTC**	**Total**	**Total at Chartwell's Share of Ownership**
Same property							
100% Owned	81	849	9,946	965	201	11,961	11,961
Partially Owned (1)	5	17	908	-	-	925	610
Total same property	86	866	10,854	965	201	12,886	12,571
Growth							
100% Owned	27	384	5,790	463	125	6,762	6,762
Partially Owned (2)	9	181	2,618	196	-	2,995	1,756
Total growth	36	565	8,408	659	125	9,757	8,518
Repositioning							
100% Owned	17	40	1,621	112	302	2,075	2,075
Total repositioning	17	40	1,621	112	302	2,075	2,075
Total portfolio	139	1,471	20,883	1,736	628	24,718	23,164

(1) We own an 85% interest in one property, a 50% interest in four properties.
(2) We own an 85% interest in two properties, a 60% interest in one property, and a 50% interest in six properties.

Business Strategy

Our Strategy Statement

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

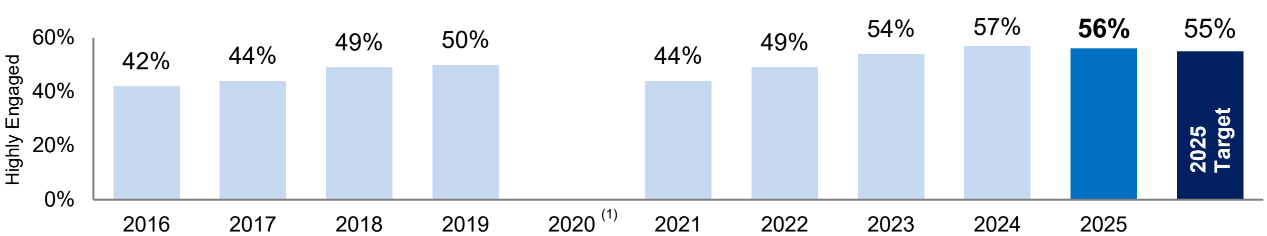
A detailed discussion of our business strategy can be found in our 2024 MD&A. The following provides an update as of 2025 YTD.

Employee Engagement

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

In 2025, in our retirement residences we achieved a score of 56% of employees indicating high engagement ('Strongly Agree' responses). Our combined 'Agree' and 'Strongly Agree' score was 85% in 2025 compared to 86% in 2024.

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



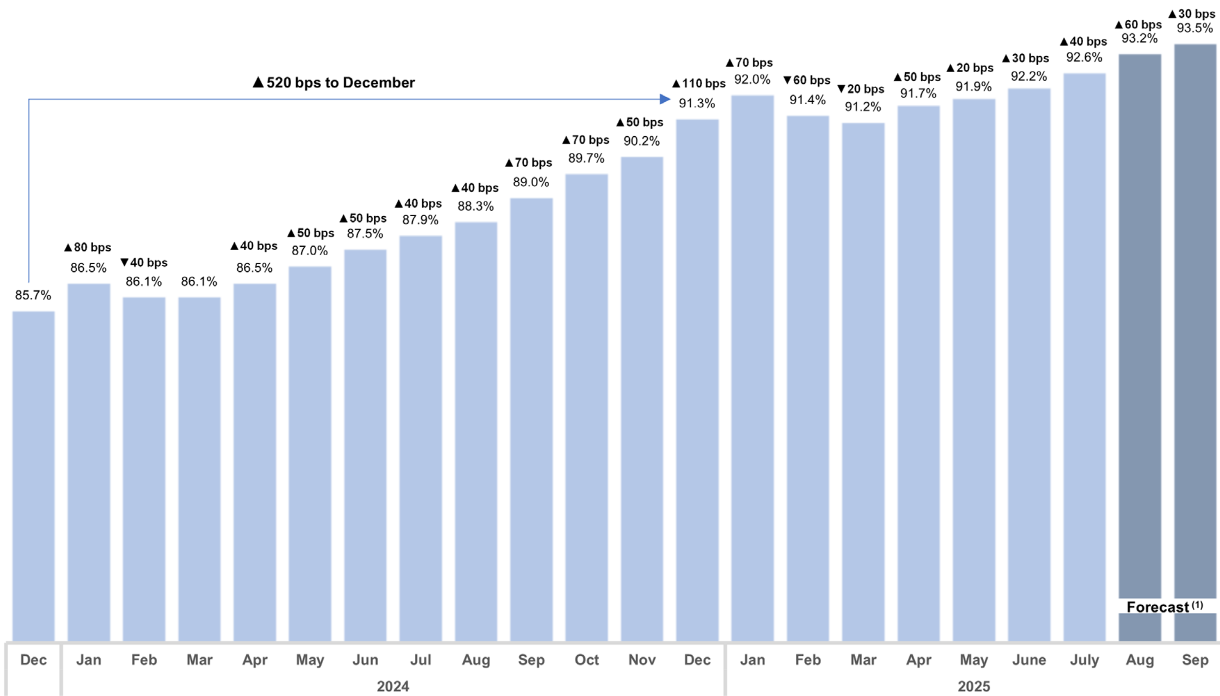
(1) In 2020, a modified survey was conducted; therefore, the 2020 result is not comparable to prior periods and it has not been presented.

2025 Outlook

Our 2024 MD&A contains a detailed discussion of our 2025 Outlook; the following provides an update.

Operations

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



(1) Forecast includes leases and notices as at July 31, 2025 and an estimate of mid-month move-ins of 30 basis points ("bps") for August and 50 bps for September, based on the preceding 12-month average of such activity.

Our well positioned property portfolio, strong management platform and the robust industry supply and demand fundamentals continue to drive strong initial contact volume, personalized tour activity and conversion to permanent move-ins. We expect to grow occupancy to 93.5% by September 2025 and are on track toward our 95% occupancy target by December 2025.

Liquidity and Financing

As at August 7, 2025, liquidity amounted to $502.9 million, which included $108.0 million of cash and cash equivalents and $394.9 million of available borrowing capacity on our Credit Facilities.

We finance our operations primarily through long-term fixed-rate mortgage debt, the majority of which are insured by Canada Mortgage and Housing Corporation (“CMHC”). We maintain an investment grade credit rating which allows us to issue unsecured debentures and obtain unsecured bank financing at attractive cost. We will continue to utilize these financing tools to balance cost, flexibility, and tenure of our debt portfolio. As of the date of this MD&A, for the remainder of 2025, our debt maturities include $182.6 million of mortgages with a weighted average interest rate of 3.19%. As at August 7, 2025, we estimate the 10-year CMHC-insured mortgage rate to be approximately 4.17% and the five-year unsecured debenture rate to be approximately 4.25%.

Significant Events

In addition to the items discussed in the “2025 Outlook” section of this MD&A, the following events have had a significant effect on our financial results in Q2 2025 and/or may be expected to affect our results in the future:

Portfolio Optimization

We continue to pursue a portfolio optimization strategy to high grade our portfolio into newer, larger, and operationally efficient seniors communities across Canada's top retirement markets to best position Chartwell for long-term sustainable NOI growth. We have invested significant financial and management capital pursuing acquisitions in line with this strategy and more recently have initiated new development projects to support a strong pipeline of future property growth. We have also identified properties within our portfolio that no longer fit this core strategic focus due to their location, size, age and/or service offering. These non-core properties represent approximately 3,500 suites and less than 10% of our NOI and are geographically diverse, primarily in Ontario and Quebec. We intend to pursue dispositions of some or all of these properties, as market conditions allow, with proceeds expected to be used to support future development and acquisition activity that is in line with Chartwell’s current strategy.

Development

In support of our growth strategy we maintain a robust internal development program. We also selectively partner with reputable developers in order to gain access to attractive sites in strong markets.

Expected Unlevered Yield and Imputed Cost of Debt

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

Expected Unlevered Yield is defined as the ratio of:

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

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

Developments in Construction

The following table summarizes development projects that are in construction as of the date of this MD&A:

Project	Location	Suites / Beds	Suite Type	Chartwell Ownership	Estimated Development Cost [1] ($ millions)	Estimated Imputed Cost of Debt [1][2] ($millions)	Estimated Adjusted Development Costs [1][3] ($millions)	Adjusted Development Costs [1][2] incurred as at June 30, 2025 ($millions)	Expected Completion Date	Expected Stabilized Occupancy Date	Expected Stabilized Occupancy	Estimated Stabilized NOI [1][2] ($millions)	Expected Unlevered Yield [2]
Chartwell Ballycliffe LTC [4]	Ajax, ON	224	LTC	100%	70.4	-	70.4	74.4	Q3 2025	Q3 2025	99.0%	3.1	7.1%
Chartwell Le Prescott II	Vaudreuil-Dorion, QC	247	IL/ AL	50%	47.1	1.0	48.1	7.9	Q4 2026	Q4 2029	96.5%	3.6	7.5%
Lib Vaudreuil-Dorion	Vaudreuil-Dorion, QC	187	IL/ AL	50%	37.9	0.7	38.6	-	Q4 2026	Q1 2028	97.0%	1.9	4.8%
		658			**155.4**	**1.7**	**157.1**	**82.3**					

(1) Calculated at Chartwell's ownership interest in the project.
(2) Non-GAAP; refer to the preamble to this section for the definition of this metric and the discussion of its significance.
(3) Non-GAAP; represents the total of estimated Development Costs and estimated Imputed Cost of Debt.
(4) Redevelopment of the existing 100-bed Class C LTC to a 224-bed LTC home. The existing LTC operations are continuing during the redevelopment. The Ontario Ministry of Long-Term Care ("MLTC") will provide capital funding to the project for 25 years post completion, and a 17% grant toward land, hard and certain soft costs estimated at $11.4 million, payable at substantial completion. The capital funding has been included in the Expected Unlevered Yield, and the grant has been netted within the Estimated Development Cost.

In 2025, we acquired ownership interests in two expansion projects in Vaudreuil-Dorion with Batimo as follows:

- On June 11, 2025, we acquired a 50% interest in a 247-suite addition to the existing Chartwell Le Prescott residence—Chartwell Le Prescott II—comprised of 223 independent living suites and 24 assisted living suites for a purchase price of $7.8 million.
- On July 3, 2025, we acquired a 50% interest in the development of Lib Vaudreuil-Dorion, a 187-suite seniors' apartment building tailored to active, independent 55+ adults for a purchase price of $6.3 million.

Projects by Batimo

We have built an important pipeline of acquisition opportunities by participating in certain development projects conducted by Batimo in the province of Quebec. Batimo carries out development activities and we provide certain operations management services to these projects and in some cases, provide mezzanine financing. Pursuant to our agreements with Batimo, we have certain call rights to acquire, and Batimo has certain put rights which may require us to acquire an 85% ownership interest in these properties upon achievement of the occupancy threshold, defined as 90% occupancy for two consecutive months (the "Batimo Option"). The purchase price is based on Fair Market Value ("FMV") minus 1%, determined by the appraisal mechanism described in such agreements. For Chartwell Le Montcalm, the Batimo Option is for a five-year period commencing when the related property achieves the occupancy threshold. Upon expiry of the Batimo Option, we have a two-year option to require Batimo to sell us an 85% interest in these properties at 99% of FMV.

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

Since the inception of our partnership with Batimo, we have acquired interests in 10 properties (3,189 suites) from Batimo including interests in three projects in 2025, as discussed in the Acquisitions section following.

The following table summarizes the status of current projects by Batimo:

Project	Location	Suites	Suite Type	Current Project Status (1)	Actual Completion Date	Current Occupancy (2)	Actual / Expected Stabilized Occupancy Date
Chartwell Le Montcalm	Candiac, QC	283	ISLA	O	September 2017	99.3%	Q4 2022
L'Aubier	Lévis, QC	376	ISLA / ISLS / AL	O	June 2024	74.2%	Q4 2026
		659					

(1) Current project status is defined where 'O' means Operating.
(2) As of July 31, 2025.

Chartwell Le Montcalm has achieved the occupancy threshold giving effect to the Batimo put rights. We estimate the current value of this project at approximately $71.0 million at 100% ownership interest.

Acquisitions

On January 17, 2025, we acquired a 131-suite ISL retirement residence in Victoria, British Columbia for a purchase price of $75.0 million. The residence was rebranded Chartwell Victoria Harbour.

On March 1, 2025, we acquired a 632-suite retirement residence in Montreal, Quebec for a purchase price of $136.0 million. The residence was rebranded Chartwell Rosemont Les Quartiers.

On March 10, 2025, we acquired the remaining 15% ownership interest in Chartwell Trait-Carré, a 361-suite retirement residence in Charlesbourg, Quebec from Batimo for $17.2 million before working capital adjustments and closing costs. The purchase price included the proportionate assumption of the $66.5 million mortgage in place at closing, with the balance settled in cash. We now have 100% ownership interest in this residence. In addition, we repaid the mortgage following closing of the transaction.

On April 1, 2025, we acquired Chartwell Le Florilège, a 345-suite retirement residence in Quebec City, Quebec from Batimo. The purchase price of $112.9 million was partially settled through the assumption of a $77.6 million variable rate mortgage bearing interest at the Canadian Overnight Repo Rate Average ("CORRA") plus 1.95% and maturing in six months. This mortgage was partially repaid during Q2 2025, and the balance was fully repaid subsequent to the quarter end. The remainder of the purchase price, subject to normal working capital and other closing adjustments, was paid in cash.

On April 1, 2025, we acquired Chartwell L'Envol, a 360-suite retirement residence in Quebec City, Quebec from Batimo. The purchase price of $117.8 million was partially settled through a $65.4 million variable rate mortgage bearing interest at CORRA plus 1.95% and maturing in six months as well as the settlement of a mezzanine loan. This mortgage was fully repaid during Q2 2025. The remainder of the purchase price, subject to normal working capital and other closing adjustments, was paid in cash. In addition, a loan of $4.2 million extended by Chartwell to Batimo was settled at closing.

On June 1, 2025, we acquired an additional 5% ownership interest in The Sumach by Chartwell residence in Toronto, Ontario for a purchase price of $6.7 million. The purchase price, subject to normal working capital and other closing adjustments, was paid in cash. We now have 50% ownership interest in the property.

On July 10, 2025, we entered into a definitive agreement to acquire 100% ownership interest in Les Tours Angrignon (449 suites) in Montreal, Quebec for $88.5 million. The three-tower complex offers a mix of independent and assisted living accommodations. We expect to close this acquisition in Q3 2025.

On July 21, 2025, we entered into a definitive agreement to acquire a portfolio of six senior housing communities comprising 1,024 suites located in London, Waterloo, and Mississauga, Ontario for a total purchase price of $432.0 million, including a forward purchase agreement to acquire 29 townhomes at one of the communities upon completion of their development expected in Q4 2026. The transaction is expected to close in Q4 2025.

Dispositions

On February 1, 2025, we completed the wind-up our joint arrangements with Welltower (the "Welltower Transaction"). Under the terms of the agreement, Chartwell conveyed its ownership interest in 23 assets (the "Welltower Assets") to Welltower for consideration of: (i) Welltower's ownership interest in 16 assets (the "Chartwell Assets") and (ii) $93.1 million in cash net of debt and working capital adjustments. Net proceeds to Chartwell after estimated transaction costs of $12.2 million and taxes of $8.0 million are expected to be approximately $72.9 million (the "Cash Consideration"). Chartwell assumed $132.5 million in debt on the Chartwell Assets, bearing a weighted average interest rate of 3.1% and having a weighted average term to maturity of 5.3 years. The net change to total debt for Chartwell's balance sheet was a reduction of approximately $52.1 million including the impact of the settlement of the Welltower loan of $33.3 million that was settled upon closing of the transaction, as discussed in the "Liquidity and Capital Resources/Debt/Loans Payable" section on page 26 of this MD&A. This net change is before any impact of the Cash Consideration.

Repositioning

On May 5, 2025, we entered into a 15-year lease agreement with the Ottawa Hospital for one of our residences in Ottawa, Ontario. Under the terms of the lease, we will receive annual lease payments of $2.3 million, subject to escalators. We expect to incur one-time leasing costs of approximately $2.7 million.

Financing

On March 6, 2025, we issued $200.0 million of 3.650% Series E senior unsecured debentures (the "Series E Debentures") due on May 6, 2028, and $200.0 million of 4.500% Series F senior unsecured debentures (the "Series F Debentures") due on March 6, 2032. The net proceeds of the Series E Debentures and the Series F Debentures were used to repay indebtedness under our secured credit facility, to repay the remaining $75.0 million outstanding on our unsecured term loan and to partially finance acquisitions. Refer to the "Liquidity and Capital Resources/Debt/Debentures" section on page 26 of this MD&A for details.

On June 3, 2025, we entered into amending agreements to extend the maturity date of the secured and unsecured credit facility from May 29, 2027, to May 29, 2029. Terms of the facility were amended to reduce the interest on the secured facility. The factors impacting the lending formula were also updated as a result of the amendment. Refer to the "Liquidity and Capital Resources/Debt/Credit Facilities" section on page 26 of this MD&A for details.

At-the-Market Program

On November 14, 2024, we filed a prospectus supplement to establish an at-the-market equity distribution program (the "ATM Program"). The ATM Program allows Chartwell to issue up to $250.0 million of Trust Units from treasury to the public from time to time during the term of the ATM Program at its discretion. The ATM Program is expected to remain in place until the earlier of May 30, 2026, or the achievement of the ATM Program limit.

As of June 19, 2025, approximately $250.0 million of 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 under the ATM Program at an average price of $17.45 per Trust Unit for total gross proceeds of $230.5 million. Commission and other costs amounted to $3.6 million.

On August 7, 2025, we amended the prospectus supplement establishing the ATM Program to allow us to issue up to an additional $250.0 million of Trust Units.

Joint Arrangements

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

The following table summarizes the classification of properties which are owned through our joint arrangements, or which are partially owned as at June 30, 2025:

Joint Arrangements	# of Properties	Suites/Beds	Chartwell Ownership	Joint Arrangement Type	Consolidation Method
Held directly:					
Chartwell-Champlain Landlord ("CCL")	5	1,807	50%	Joint operation	Proportionate
The Sumach by Chartwell	1	332	50%	Joint operation	Proportionate
Batimo	3	1,112	85%	Joint operation	Proportionate
Chartwell Riverside Retirement Residence	1	138	50%	Joint operation	Proportionate
Chartwell Churchill House Retirement Residence	1	98	50%	Joint operation	Proportionate
Chartwell Le Prescott II	1	-	50%	Joint operation	Proportionate
Held through separate legal entities:					
Chartwell-Champlain Operator	1	Same as CCL	Same as CCL	Joint venture	Equity
Chartwell Oakville Retirement Residence	1	147	50%	Joint venture	Equity
Chartwell Thornhill Retirement Residence	1	121	50%	Joint venture	Equity
Kingsbridge Retirement Community	1	165	60%	Joint venture	Equity

Please refer to the "Joint Arrangements" section of our 2024 MD&A for a detailed discussion on our joint operations and our joint ventures.

On February 1, 2025, we completed the wind-up of our joint arrangements with Welltower as outlined in the "Significant Events/Portfolio Optimization/Dispositions" section on page 12 of this MD&A.

Results of Operations

Net Income/(Loss)

The following table summarizes select financial measures:

($000s)	**Q2 2025**	Q2 2024	Change	**2025 YTD**	2024 YTD	Change
Resident revenue	268,034	189,563	78,471	511,602	373,483	138,119
Direct property operating expense	159,683	120,709	38,974	309,739	242,083	67,656
Net income/(loss)	(5,737)	(2,798)	(2,939)	27,457	(4,769)	32,226

For Q2 2025, resident revenue increased $78.4 million or 41.4%, and direct property operating expense increased $39.0 million or 32.3%. Refer to the “Adjusted Resident Revenue, Adjusted Direct Property Operating Expense, Adjusted Operating Margin, and Adjusted NOI” section on page 16 of this MD&A for details.

For Q2 2025, net loss was $5.7 million compared to $2.8 million in Q2 2024 primarily due to:

- higher direct property operating expense,
- higher depreciation of property, plant, and equipment (“PP&E”),
- higher finance costs,
- higher negative changes in fair value of financial instruments, primarily due to increases in trading prices of our Trust Units,
- higher deferred tax expense,
- lower net income from joint ventures,
- higher general, administrative, and Trust (“G&A”) expenses, and
- higher transaction costs,

partially offset by:

- higher resident revenue,
- partial reversal of impairment expense of one non-core property in Ontario due to a change in use, offset by a new impairment charge on another non-core property in Quebec in Q2 2025, as compared to no impairment losses in Q2 2024, and
- higher gain on disposal of assets.

For 2025 YTD, resident revenue increased $138.1 million or 37.0%, and direct property operating expense increased $67.7 million or 27.9%. Refer to the “Adjusted Resident Revenue, Adjusted Direct Property Operating Expense, Adjusted Operating Margin, and Adjusted NOI” section on page 16 of this MD&A for details.

For 2025 YTD, net income was $27.5 million compared to net loss of $4.8 million in 2024 YTD primarily due to:

- higher resident revenue,
- higher gain on disposal of assets, and
- partial reversal of impairment expense of one non-core property in Ontario due to a change in use, offset by a new impairment charge on another non-core property in Quebec in 2025 YTD, as compared to no impairment losses in 2024 YTD.

partially offset by:

- higher direct property operating expense,
- higher depreciation of PP&E,
- higher deferred tax expense,
- higher finance costs,
- current income tax expense in 2025 YTD as compared to income tax benefit in 2024 YTD,

- higher negative changes in fair value of financial instruments, primarily due to increases in trading prices of our Trust Units,
- higher G&A expenses,
- lower net income from joint ventures, and
- higher transaction costs related to dispositions.

FFO

FFO, a non-GAAP financial measure, should not be construed as an alternative to net earnings or cash flow from operating activities as determined by GAAP. FFO as presented may not be comparable to similar measures used by other issuers. We present FFO substantially consistent with the definition adopted in the REALPAC Guidance. This definition is included in the "Additional Information on Non-GAAP Measures" section on page 33 of this MD&A.

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

Refer to the "Additional Information on Non-GAAP Measures" section on page 33 of this MD&A for the reconciliation of net income/(loss), the most closely comparable GAAP measure, to FFO and FFO per unit ("FFOPU") amounts.

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

($000s, except per unit amounts and number of units)	**Q2 2025**	Q2 2024	Change	**2025 YTD**	2024 YTD	Change
FFO (1)	67,553	44,698	22,855	123,722	83,937	39,785
FFOPU (2)	0.24	0.18	0.06	0.44	0.34	0.10
Weighted average number of units (000) (3)	285,514	246,121	39,393	281,749	245,169	36,580

(1) Non-GAAP; refer to the "Additional Information on Non-GAAP Measures/FFO" section on page 33 of this MD&A for a discussion of the nature of various adjustments made in FFO calculations.
(2) Non-GAAP; refer to the "Additional Information on Non-GAAP Measures/Per Unit Amounts" section on page 37 of this MD&A for a discussion of the calculation of the per unit amounts.
(3) Non-GAAP; refer to "Weighted Average Number of Units" section on page 37 of this MD&A.

For Q2 2025, FFO was $67.6 million or $0.24 per unit, compared to $44.7 million or $0.18 per unit for Q2 2024. The change in FFO was primarily due to:

- higher adjusted NOI of $31.4 million, and
- higher adjusted interest income of $0.5 million,

partially offset by:

- higher adjusted finance costs of $5.7 million,
- lower management fees of $2.2 million, and
- higher G&A expenses of $1.2 million.

For Q2 2025, FFO includes no Imputed Cost of Debt related to our development projects (Q2 2024 – $0.3 million).

For 2025 YTD, FFO was $123.7 million or $0.44 per unit, compared to $83.9 million or $0.34 per unit for 2024 YTD. The change in FFO was primarily due to:

- higher adjusted NOI of $58.9 million,
- higher adjusted interest income of $0.9 million, and
- higher other income of $0.5 million,

partially offset by:

- higher adjusted finance costs of $13.7 million,
- higher G&A expenses of $3.8 million, and
- lower management fees of $3.3 million.

For 2025 YTD, FFO includes no Imputed Cost of Debt related to our development projects (2024 YTD – $0.7 million).

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

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

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

REVPOS is adjusted resident revenue divided by the weighted average number of occupied suites for the applicable period. DOEPOS is adjusted direct property operating expense divided by the weighted average number of occupied suites for the applicable period. NOIPOS is adjusted NOI divided by the weighted average number of occupied suites for the applicable period. Such measures are used by management and are useful to investors for the same purposes as adjusted resident revenue, adjusted NOI and adjusted direct property operating expense. Information regarding occupied suites is found in the “Per Occupied Suite” section on page 37 of this MD&A.

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

($000s, except occupancy rates)	**Q2 2025**	Q2 2024	Change	**2025 YTD**	2024 YTD	Change
Resident revenue	**268,034**	**189,563**	**78,471**	**511,602**	**373,483**	**138,119**
Add (Subtract):						
Share of resident revenue from joint ventures (1)	10,622	34,258	(23,636)	32,251	67,874	(35,623)
Share of resident revenue from non-controlling interest (2)	(900)	-	(900)	(2,144)	-	(2,144)
Adjusted resident revenue (3)	**277,756**	**223,821**	**53,935**	**541,709**	**441,357**	**100,352**
Comprised of:						
Same property (3)	*174,056*	*158,690*	*15,366*	*345,706*	*315,346*	*30,360*
Growth (3)	*79,352*	*19,916*	*59,436*	*140,324*	*36,365*	*103,959*
Repositioning (3)	*24,348*	*45,215*	*(20,867)*	*55,679*	*89,646*	*(33,967)*
Adjusted resident revenue (3)	*277,756*	*223,821*	*53,935*	*541,709*	*441,357*	*100,352*
Direct property operating expense	**159,683**	**120,709**	**38,974**	**309,739**	**242,083**	**67,656**
Add (Subtract):						
Share of direct property operating expense from joint ventures (4)	6,259	22,281	(16,022)	19,768	44,852	(25,084)
Share of direct property operating expense from non-controlling interest (5)	(446)	-	(446)	(1,072)	-	(1,072)
Adjusted direct property operating expense (3)	**165,496**	**142,990**	**22,506**	**328,435**	**286,935**	**41,500**
Comprised of:						
Same property (3)	*100,098*	*97,033*	*3,065*	*201,958*	*196,174*	*5,784*
Growth (3)	*45,585*	*12,337*	*33,248*	*82,696*	*23,185*	*59,511*
Repositioning (3)	*19,813*	*33,620*	*(13,807)*	*43,781*	*67,576*	*(23,795)*
Adjusted direct property operating expense (3)	*165,496*	*142,990*	*22,506*	*328,435*	*286,935*	*41,500*
NOI	**108,351**	**68,854**	**39,497**	**201,863**	**131,400**	**70,463**
Add (Subtract):						
Share of NOI from joint ventures	4,363	11,977	(7,614)	12,483	23,022	(10,539)
Share of NOI from non-controlling interest	(454)	-	(454)	(1,072)	-	(1,072)
Adjusted NOI (3)	**112,260**	**80,831**	**31,429**	**213,274**	**154,422**	**58,852**
Comprised of:						
Same property (3)	*73,958*	*61,657*	*12,301*	*143,748*	*119,172*	*24,576*
Growth (3)	*33,767*	*7,579*	*26,188*	*57,628*	*13,180*	*44,448*
Repositioning (3)	*4,535*	*11,595*	*(7,060)*	*11,898*	*22,070*	*(10,172)*
Adjusted NOI (3)	*112,260*	*80,831*	*31,429*	*213,274*	*154,422*	*58,852*
Weighted average occupancy rate:						
Same property portfolio	91.9%	87.0%	4.9pp	91.7%	86.6%	5.1pp
Growth portfolio	90.4%	85.9%	4.5pp	89.9%	85.4%	4.5pp
Repositioning portfolio	84.7%	83.9%	0.8pp	86.4%	83.2%	3.2pp
Total portfolio	90.7%	86.2%	4.5pp	90.2%	85.7%	4.5pp

(1) Non-GAAP; represents Chartwell's proportionate share of the resident revenue of our Equity-Accounted JVs as referenced in the notes to our Financial Statements and as described in the "Joint Arrangements" section on page 13 of this MD&A.

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

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

(4) Non-GAAP; represents Chartwell's proportionate share of the direct property operating expense of our Equity-Accounted JVs as referenced in the notes to our Financial Statements and as described in the "Joint Arrangements" section on page 13 of this MD&A.

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

For Q2 2025, adjusted resident revenue increased 24.1% primarily due to:

- higher same property adjusted resident revenue of 9.7%, and
- higher revenue from our growth portfolio

partially offset by:

- lower revenue from our repositioning portfolio.

For Q2 2025, adjusted direct property operating expense increased 15.7% primarily due to:
- higher same property adjusted direct operating expense of 3.2%, and
- additional expenses in our growth portfolio

partially offset by:
- lower direct property operating expense from our repositioning portfolio.

As a result, for Q2 2025, adjusted NOI increased $31.4 million or 38.9%.

For 2025 YTD, adjusted resident revenue increased 22.7% primarily due to:
- higher same property adjusted resident revenue of 9.6%, and
- higher revenue from our growth portfolio

partially offset by:
- lower revenue from our repositioning portfolio.

For 2025 YTD, adjusted direct property operating expense increased 14.5% primarily due to:
- higher same property adjusted direct operating expense of 2.9%, and
- additional expenses in our growth portfolio

partially offset by:
- lower direct property operating expense from our repositioning portfolio.

As a result, for 2025 YTD, adjusted NOI increased $58.9 million or 38.1%.

Same Property Performance

The following table summarizes the results of our same property portfolio as at June 30, 2025:

($000s, except percentages)	**Q2 2025**	Q2 2024	Change	**2025 YTD**	2024 YTD	Change
Same property (1)						
Adjusted resident revenue (2)	174,056	158,690	15,366	345,706	315,346	30,360
Adjusted direct property operating expense (2)	100,098	97,033	3,065	201,958	196,174	5,784
Adjusted NOI (2)	73,958	61,657	12,301	143,748	119,172	24,576
Adjusted operating margin (2)	42.5%	38.9%	3.6pp	41.6%	37.8%	3.8pp
Weighted average occupancy rate	91.9%	87.0%	4.9pp	91.7%	86.6%	5.1pp

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

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

For Q2 2025, same property adjusted resident revenue increased 9.7% primarily due to higher occupancy as well as a 3.7% increase in REVPOS. Excluding a reduction in certain provincial funding, blended rental and service rate increased 4.1%.

For Q2 2025, same property adjusted direct property operating expense increased 3.2% primarily due to higher staffing costs, food costs, and management fees, partially offset by lower marketing and repairs and maintenance expenses.

As a result, for Q2 2025, same property adjusted NOI increased $12.3 million or 20.0%. Same property adjusted operating margin also increased to 42.5% in Q2 2025 from 38.9% in Q2 2024.

The following identifies same property adjusted NOI trends by platform for Q2 2025:
- Our Western Canada platform same property adjusted NOI increased $3.2 million or 15.9%.
- Our Ontario platform same property adjusted NOI increased $7.3 million or 21.2%.
- Our Quebec platform same property adjusted NOI increased $1.8 million or 25.2%.

For 2025 YTD, same property adjusted resident revenue increased 9.6% primarily due to higher occupancy as well as a 3.4% increase in REVPOS. Excluding a reduction in certain provincial funding, blended rental and service rate increased 3.9%.

For 2025 YTD, same property adjusted direct property operating expense increased 2.9% primarily due to higher staffing costs, food costs, and management fees, partially offset by lower marketing expenses.

As a result, for 2025 YTD, same property adjusted NOI increased $24.6 million or 20.6%. Same property adjusted operating margin also increased to 41.6% in 2025 YTD from 37.8% in 2024 YTD.

The following identifies same property adjusted NOI trends by platform for 2025 YTD:
- Our Western Canada platform same property adjusted NOI increased $6.0 million or 15.2%.
- Our Ontario platform same property adjusted NOI increased $14.8 million or 22.3%.
- Our Quebec platform same property adjusted NOI increased $3.8 million or 28.4%.

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

	Q2 2025	Q2 2024	Change	Q1 2025	Change
Western Canada	96.0%	91.8%	4.2pp	95.4%	0.6pp
Ontario	89.7%	83.9%	5.8pp	89.3%	0.4pp
Quebec	91.6%	87.6%	4.0pp	91.4%	0.2pp
Same property portfolio	91.9%	87.0%	4.9pp	91.5%	0.4pp

In Q2 2025, weighted average occupancy in our same property portfolio was 91.9%, compared to 87.0% in Q2 2024, an increase of 4.9 percentage points. All platforms experienced occupancy gains in Q2 2025 compared to Q2 2024 and compared to Q1 2025. Q2 2025 same property portfolio occupancy increased 0.4 percentage points from Q1 2025.

Management and Other Fees

($000s)	**Q2 2025**	Q2 2024	Change	**2025 YTD**	2024 YTD	Change
Welltower	-	2,061	(2,061)	611	3,957	(3,346)
Batimo and other	1,063	1,218	(155)	2,432	2,398	34
Total management and other fees	1,063	3,279	(2,216)	3,043	6,355	(3,312)

Management and other fees decreased $2.0 million in Q2 2025 and $3.3 million in 2025 YTD, primarily due to the Welltower Transaction completed in Q1 2025, partially offset by higher performance-based fees.

Interest Income

($000s)	**Q2 2025**	Q2 2024	Change	**2025 YTD**	2024 YTD	Change
Interest income on loans receivable	1,055	456	599	2,217	894	1,323
Other interest income	270	251	19	523	548	(25)
Total interest income	1,325	707	618	2,740	1,442	1,298

Interest income on loans receivable increased $0.6 million and $1.3 million in Q2 2025 and 2025 YTD, respectively, compared to the prior year, primarily due to higher interest rates and higher loan balances outstanding. This includes income from mezzanine loans to Batimo and Edgewater, which bear interest rates of 13% and 14%, respectively, as well as vendor take-back loans earning 6% - 10%.

Subsequent to the quarter, a $4.5 million mezzanine loan was advanced for a development project in Calgary, Alberta.

Other interest income fluctuates period-to-period based on cash balances.

General, Administrative and Trust Expenses

($000s)	Q2 2025	Q2 2024	Change	2025 YTD	2024 YTD	Change
G&A expenses	14,126	12,924	1,202	31,209	27,395	3,814

For Q2 2025, G&A expenses increased $1.2 million compared to the prior year. Q2 2025 includes a $1.3 million increase over Q2 2024 of unit-based compensation costs due to the increase in value of our Trust Units. This increase was partially offset by timing of other unit-based compensation expense of $0.5 million which occurred in Q1 2025 compared to Q2 2024. We also continue to invest in our technology platforms which resulted in an increase of $0.3 million in Q2 2025 compared to the prior year.

For 2025 YTD, G&A expenses increased $3.8 million compared to the prior year. 2025 YTD includes a $3.5 million increase over 2024 YTD of unit-based compensation costs due to the increase in value of our Trust Units. 2025 YTD expenses also include $0.5 million of increased spending on technology projects compared to the prior year.

Finance Costs

($000s)	Q2 2025	Q2 2024	Change	2025 YTD	2024 YTD	Change
Contractual interest expense on mortgages	20,427	13,949	6,478	38,859	27,030	11,829
Comprised of:						
Same property (1)	*11,154*	*9,452*	*1,702*	*22,459*	*19,504*	*2,955*
Growth (1)	*8,532*	*2,394*	*6,138*	*14,612*	*2,998*	*11,616*
Repositioning (1)	*741*	*2,103*	*(1,362)*	*1,788*	*4,530*	*(2,742)*
Interest expense on Debentures (2)	9,882	5,301	4,581	17,926	10,588	7,338
Interest expense on Credit Facilities	686	3,443	(2,757)	2,356	5,265	(2,909)
Interest expense on Loans Payable (3)	-	2,822	(2,822)	1,374	4,831	(3,457)
	30,995	25,515	5,480	60,515	47,714	12,801
Amortization of finance costs and mark-to-market adjustments on assumed mortgages	1,441	1,297	144	3,117	2,252	865
	32,436	26,812	5,624	63,632	49,966	13,666
Interest capitalized to properties under development	(801)	(685)	(116)	(1,617)	(1,294)	(323)
Distributions on Class B Units recorded as interest expense	224	232	(8)	452	465	(13)
Total finance costs	31,859	26,359	5,500	62,467	49,137	13,330

(1) Non-GAAP; refer to the "Property Portfolio Groupings" section on page 5 of this MD&A for explanations of 'Same property', 'Growth', and 'Repositioning' and the significance of these metrics.
(2) "Debentures" refers collectively to the "Series B Debentures", the "Series C Debentures", the "Series D Debentures", the "Series E Debentures", and the "Series F Debentures". Refer to the "Liquidity and Capital Resources/Debt/Debentures" section on page 26 of this MD&A for details.
(3) "Loans Payable" refers collectively to the 'unsecured term loan', the 'Welltower Loan 1', and the 'Welltower Loan 2'. Refer to the "Liquidity and Capital Resources/Debt/Loans Payable" section on page 26 of this MD&A for details.

Contractual interest expense on mortgages increased $6.5 million and $11.8 million in Q2 2025 and 2025 YTD, respectively, primarily due to higher balances outstanding during the period. Refer to the "Liquidity and Capital Resources/Debt/Mortgage Debt" section on page 25 of this MD&A for details.

Interest expense on Debentures increased $4.6 million and $7.3 million in Q2 2025 and 2025 YTD, respectively, primarily due to higher balances outstanding with the new instruments issued. Refer to the "Liquidity and Capital Resources/Debt/Debentures" section on page 26 of this MD&A for details.

Interest expenses on Credit Facilities decreased $2.7 million and $2.9 million in Q2 2025 and 2025 YTD, respectively, primarily due to lower balances outstanding and lower interest rates. Refer to the "Liquidity and Capital Resources/Debt/Credit Facilities" section on page 26 of this MD&A for details.

Interest expense on Loans Payable decreased in Q2 2025 and 2025 YTD, primarily due to the repayment of the outstanding term loan and Welltower loans. Refer to the "Liquidity and Capital Resources/Debt/Loans Payable" section on page 26 of this MD&A for details.

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

($000s)	**Q2 2025**	Q2 2024	Change	**2025 YTD**	2024 YTD	Change
Contractual interest expense on mortgages	635	439	196	1,242	866	376
Comprised of:						
Same property (1)	*233*	*237*	*(4)*	*465*	*473*	*(8)*
Growth (1)	*402*	*202*	*200*	*777*	*393*	*384*
Amortization of finance costs	8	14	(6)	16	30	(14)
Total finance costs	643	453	190	1,258	896	362

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

Other Income/(Expense)

($000s)	**Q2 2025**	Q2 2024	Change	**2025 YTD**	2024 YTD	Change
Transaction costs arising on dispositions	(1,674)	(528)	(1,146)	(6,131)	(2,521)	(3,610)
Impairment (expense) reversal	1,963	-	1,963	1,963	-	1,963
Gain/(loss) on sale of assets	249	(1,584)	1,833	60,501	(945)	61,446
Other expense	(365)	-	(365)	(346)	-	(346)
Total other income/(expense)	173	(2,112)	2,285	55,987	(3,466)	59,453

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

Impairment reversal of $2.0 in Q2 2025 and 2025 YTD, relates to a partial reversal of previously recognized impairment expense on one non-core property in Ontario due to a change in use, partially offset by a new impairment charge on another non-core property in Quebec.

Gain/(loss) on sale of assets in Q2 2024 included a charge for a retained obligation for land remediation at one long term care home sold in 2020. Gain on sale of assets increased $61.4 million in 2025 YTD primarily due to the Welltower Transaction in Q1 2025.

Other Items

($000s)	**Q2 2025**	Q2 2024	Change	**2025 YTD**	2024 YTD	Change
Depreciation of PP&E and amortization of intangible assets	(60,133)	(39,369)	(20,764)	(113,291)	(75,326)	(37,965)
Change in fair value of financial instruments	(7,608)	(3,252)	(4,356)	(13,087)	(6,537)	(6,550)
Current income tax benefit/(expense)	157	-	157	(7,968)	351	(8,319)
Deferred income tax benefit/(expense)	(5,962)	(2,413)	(3,549)	(17,579)	(3,466)	(14,113)

Depreciation of PP&E and amortization of intangible assets increased $20.7 million in Q2 2025 and $38.0 million respectively, primarily due to acquisitions.

Change in fair value of financial instruments is primarily a result of changes in the market value of the underlying financial instruments. These amounts are expected to fluctuate from period to period due to changes in financial markets.

Current tax benefit/(expense) in 2025 YTD primarily related to $8.3 million in 2025 YTD specified investment flow through ("SIFT") tax payable estimated on the disposition of our ownership interest in the Welltower Assets.

Deferred income tax benefit/(expense) changed by $3.5 million in Q2 2025 primarily due to fair value adjustments. The 2025 YTD change of $14.1 million, is primarily due to fair value adjustments, and the reversal of temporary differences associated with the sale of Welltower Assets.

Cash Flow Analysis

The following table summarizes the significant changes in our operating, financing, and investing cash flows between Q2 2025 and Q2 2024 using our consolidated statements of cash flows:

Cash Provided by (Used in):	Increase (Decrease) *($millions)*	Explanation
Operating activities	45.4	Change in cash flows from operating activities is primarily due to: • higher NOI, and • changes in working capital, partially offset by: • higher interest paid.
Financing activities	(85.5)	Change in cash flows from financing activities is primarily due to: • no proceeds from the offerings of Trust units in Q2 2025 as compared to Q2 2024, • repayments of senior unsecured debentures, • higher mortgage repayments, • higher additions to finance costs, and • higher distributions due to additional Trust Units issued, partially offset by: • higher proceeds from mortgage financing activities, • proceeds from the ATM Program for our Trust Units, • no loans payable repayments in Q2 2025 compared to repayments of loans payable in Q2 2024, and • no repayment of our Credit Facilities in Q2 2025 as compared to repayments of our credit facilities in Q2 2024.
Investing activities	13.2	Change in cash flows from investing activities is primarily due to: • lower acquisitions of assets, and • lower income taxes paid, partially offset by: • higher additions to PP&E and intangible assets.

The following table summarizes the significant changes in our operating, financing, and investing cash flows between 2025 YTD and 2024 YTD using our consolidated statements of cash flows:

Cash Provided by (Used in):	Increase (Decrease) *($millions)*	Explanation
Operating activities	76.1	Change in cash flows from operating activities is primarily due to: • higher NOI from continuing operations, and • changes in working capital, partially offset by: • higher interest paid.
Financing activities	53.6	Change in cash flows from financing activities is primarily due to: • proceeds from the senior unsecured debentures, • proceeds from the ATM Program for our Trust Units, and • higher proceeds from mortgage financing activities, partially offset by: • no proceeds from the offerings of Trust units in YTD 2025 as compared to offerings of Trust units in YTD 2024, • higher mortgage repayments, • higher repayments on our credit facilities, • higher repayments of loans payable, • higher additions to finance costs, and • higher distributions due to additional Trust Units issued.
Investing activities	(115.1)	Change in cash flows from investing activities is primarily due to: • higher acquisitions of assets, and • higher additions to PP&E and intangible assets, partially offset by: • higher proceeds from disposition of PP&E, • lower income taxes paid, and • repayment of loans.

Liquidity and Capital Resources

Liquidity

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

At June 30, 2025, our liquidity was $423.1 million as presented in the following table:

($000s)	**June 30, 2025**	December 31, 2024
Cash and cash equivalents	28,218	20,048
Available under Credit Facilities (1)	394,911	294,247
Total	423,129	314,295

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

In addition, at June 30, 2025, our share of cash and cash equivalents held in our Equity-Accounted JVs was $4.3 million.

As at June 30, 2025, our current liabilities were $687.7 million, exceeding our current assets of $114.2 million, resulting in a working capital deficiency of $573.5 million. Current liabilities include $405.7 million of current mortgages payable.

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

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

Debt

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

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

The following table summarizes the components of the principal balance of our debt at June 30, 2025 and December 31, 2024:

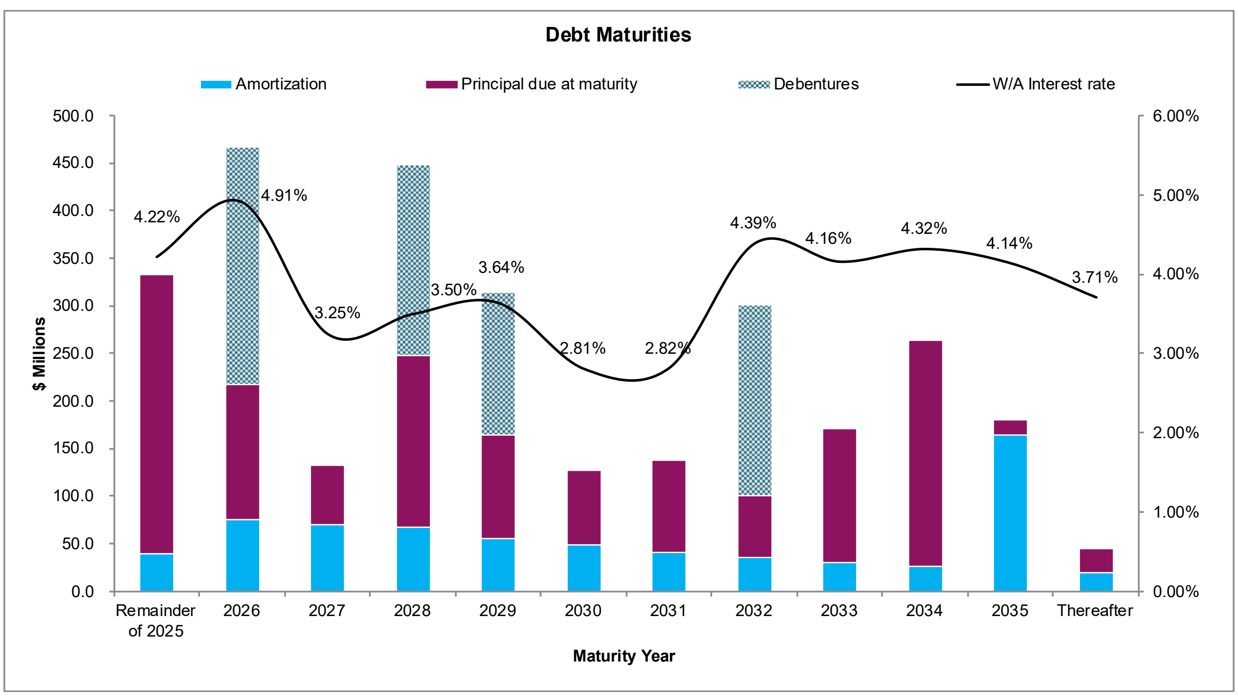
($000s)	**June 30, 2025**	December 31, 2024
Mortgages payable	2,121,906	1,852,274
Credit Facilities	-	100,000
Loans Payable	-	
Unsecured term loan	-	75,000
Welltower Loan 1	-	33,323
Welltower Loan 2	-	40,665
Debentures		
Series B Debentures	-	150,000
Series C Debentures	250,000	250,000
Series D Debentures	150,000	150,000
Series E Debentures	200,000	-
Series F Debentures	200,000	-
Total	2,921,906	2,651,262

The following table summarizes the scheduled principal maturity and weighted average interest rates for our debt portfolio at June 30, 2025:

($000s)	Amortizing Principal Payments	Principal Due at Maturity	Total Mortgages	Weighted Average Interest Rate (1)	Credit Facilities	Weighted Average Interest Rate	Loans Payable	Weighted Average Interest Rate (1)	Debentures	Weighted Average Interest Rate	**Total**	Consolidated Weighted Average Interest Rate
Remainder of 2025	39,844	293,288	333,132	4.22%	-	-	-	-	-	-	333,132	4.22%
2026	75,064	142,375	217,439	3.65%	-	-	-	-	250,000	6.00%	467,439	4.91%
2027	70,621	62,036	132,657	3.25%	-	-	-	-	-	-	132,657	3.25%
2028	66,890	180,890	247,780	3.38%	-	-	-	-	200,000	3.65%	447,780	3.50%
2029	55,799	108,924	164,723	2.94%	-	-	-	-	150,000	4.40%	314,723	6.34%
2030	48,424	79,195	127,619	2.81%	-	-	-	-	-	-	127,619	2.81%
2031	40,941	97,519	138,460	2.82%	-	-	-	-	-	-	138,460	2.82%
2032	35,315	65,133	100,448	4.18%	-	-	-	-	200,000	4.50%	300,448	4.39%
2033	30,454	139,948	170,402	4.16%	-	-	-	-	-	-	170,402	4.16%
2034	26,153	237,696	263,849	4.32%	-	-	-	-	-	-	263,849	4.32%
2035	164,006	16,243	180,249	4.14%	-	-	-	-	-	-	180,249	4.14%
Thereafter	20,165	24,983	45,148	3.71%	-	-	-	-	-	-	45,148	3.71%
Total	673,676	1,448,230	2,121,906	3.70%	-	-	-	-	800,000	4.74%	2,921,906	4.00%

(1) For variable rate instruments, the weighted average interest rate in 2025 is based on the 2025 weighted average interest rate.

The following chart provides a breakdown of our debt maturities at June 30, 2025:



Mortgage Debt

We generally have access to low-cost mortgage financing insured by CMHC. As of June 30, 2025, approximately 85% of our mortgage debt was CMHC insured. We intend to continue financing our properties through this program including, for those properties operating at high occupancy levels, converting conventional mortgages to CMHC debt and placing mortgages on certain currently unencumbered properties.

The following table summarizes the changes in the principal balance of our mortgage debt portfolio in 2025 YTD:

	Balance *($000s)*	Weighted Average Term to Maturity *(Years)*	Weighted Average Interest Rate	% CMHC Insured
Principal balance at December 31, 2024	1,852,274	5.8	3.86%	82%
Repaid in the period	(169,824)	N/A	4.86%	8%
Assumed mortgages	142,509	4.9	3.27%	93%
New mortgage financing	335,295	5.9	4.31%	57%
Amortizing principal payments	(38,348)	N/A	N/A	N/A
Principal balance at June 30, 2025	2,121,906	5.8	3.70%	85%
Mark-to-market adjustments on assumed mortgages	1,104			
Finance costs	(70,838)			
Mortgages payable at June 30, 2025	2,052,172			

Assumed mortgages include $132.2 million of CMHC-insured mortgages related to the acquisition of properties in the Welltower transaction completed on February 1, 2025, as well as a construction loan for Chartwell Trait-Carré bearing interest at 6.16%. The Chartwell Trait-Carré loan was repaid in Q2 2025 and refinanced with a CMHC-insured mortgage at an interest rate of 4.19%.

New mortgage financing includes two six-month bridge mortgages related to the acquisition of Chartwell L'Envol and Chartwell Le Florilège. Additionally, four new CMHC-insured mortgages were entered into, maturing in 2035 with a weighted average interest rate of 4.15%. These include the refinanced mortgage for Chartwell Trait-Carré noted above.

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

	At June 30, 2025			At December 31, 2024
	Fixed Rate	Variable Rate	Total	Total
Principal amount *($000s)*	1,947,183	174,723	2,121,906	1,852,274
Weighted average interest rate	3.58%	5.17%	3.71%	3.86%
Average term to maturity *(years)*	6.32	0.34	5.8	5.8

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

($000s)	**June 30, 2025**	December 31, 2024
Principal balance of mortgages payable	48,541	49,594
Finance costs	(88)	(98)
Mortgages payable	48,453	49,496

($000s)	Amortizing Principal Payments	Principal Due at Maturity	Total Principal Balance of Mortgages Payable	Weighted Average Interest Rate
2025	156	-	156	3.98%
2026	267	48,118	48,385	4.93%
Total	423	48,118	48,541	4.93%

Credit Facilities

The following table summarizes the available borrowing capacity and borrowings on our Credit Facilities at June 30, 2025:

($000s)	Maximum Capacity	Available Capacity	Utilized for Letters of Credit	Net Available Capacity	Borrowed	Available Borrowing Capacity	Maturity Date
Secured credit facility (1)	300,000	300,000	(5,089)	294,911	-	294,911	May 29, 2029
Unsecured credit facility (2)	100,000	100,000	-	100,000	-	100,000	May 29, 2029
Total Credit Facilities	400,000	400,000	(5,089)	394,911	-	394,911	

(1) Available capacity is determined based on a formula that considers the lending value of the properties included in the secured asset pool. The factors impacting the lending value formula include property valuations, the mortgageability amount determined on the basis of NOI for the previous four quarters, and the secured collateral.
(2) An option to increase borrowing capacity by an additional $50.0 million is available, subject to certain conditions.

On June 3, 2025, we 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 amending agreement included a 10 bps reduction of interest applicable to the secured credit facility. At the current BBB(low) rating by DBRS, last confirmed by DBRS on October 18, 2024, amounts borrowed under the secured credit facility bear interest at the banks' prime rate ("Prime") plus 55 bps or CORRA plus 155 bps plus credit spread adjustment, and amounts borrowed under the unsecured credit facility bear interest at Prime plus 70 bps or CORRA plus 170 bps plus credit spread adjustment. The secured credit facility is secured by first and second ranked charges on specific properties. The cost of our Credit Facilities is based on our credit rating.

Loans Payable

During Q1 2025, all loans payable were fully repaid.

The following table summarizes our Loans Payable as at December 31, 2024:

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

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

Debentures

The following tables summarize our Debentures outstanding as at June 30, 2025 and December 31, 2024:

June 30, 2025	Outstanding Principal *($000s)*	Financing Costs, Net *($000s)*	Carrying Value *($000s)*	Interest rate	Maturity date
Series C Debentures	250,000	(481)	249,519	6.000%	December 8, 2026
Series D Debentures	150,000	(993)	149,007	4.400%	November 5, 2029
Series E Debentures	200,000	(937)	199,063	3.650%	May 6, 2028
Series F Debentures	200,000	(944)	199,056	4.500%	March 6, 2032
Total	800,000	(3,355)	796,645		

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

On March 6, 2025, we issued $200.0 million of 3.650% Series E senior unsecured debentures due on May 6, 2028.

On March 6, 2025, we issued $200.0 million of 4.500% Series F senior unsecured debentures due on March 6, 2032.

On April 28, 2025, we repaid $150.0 million Series B senior unsecured debentures.

Debt Covenants

Our Credit Facilities, Loans Payable, and Debentures contain numerous financial covenants that include maintaining certain leverage and debt service ratios (collectively, our "Debt Covenants"). Management monitors these ratios on an ongoing basis to ensure compliance. As of June 30, 2025, we were in compliance with all of our Debt Covenants.

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

	Covenant	June 30, 2025	December 31, 2024
Interest Coverage Ratio (1)	minimum of 1.65	3.0	2.7
Indebtedness Percentage (2)	less than or equal to 65%	48.5%	49.3%
Coverage Ratio (3)	not less than 1.3	1.7	1.7
Debt Service Coverage Ratio (4)	minimum of 1.40	1.9	1.7
Net Debt to Adjusted EBITDA (5)	n/a	7.8	8.4

(1) Calculated based on 12 months ended June 30, 2025; and 12 months ended December 31, 2024. Refer to the "Debt Covenant Calculations/Consolidated EBITDA to Consolidated Interest Expense Ratio for Debentures ("Interest Coverage Ratio for Debentures")" section on page 37 of this MD&A for the calculation of Interest Coverage Ratio.

(2) Refer to the "Debt Covenant Calculations/Indebtedness Percentage for Debentures" section on page 37 of this MD&A for the calculation of Indebtedness Percentage.

(3) Refer to the "Debt Covenant Calculations/Unsecured Debt Coverage Ratio for Debentures" section on page 38 of this MD&A for the calculation of Coverage Ratio.

(4) Calculated based on 12 months ended June 30, 2025; and 12 months ended December 31, 2024. Refer to the "Debt Covenant Calculations/Debt Service Coverage Ratio for Credit Facilities and Loans Payable" section on page 38 of this MD&A for the calculation of Debt Service Coverage Ratio.

(5) Refer to the "Debt Covenant Calculations/Net Debt to Adjusted EBITDA" section on page 38 of this MD&A for the calculation of Net Debt to Adjusted EBITDA.

Total Units Outstanding and Distributions

The following table summarizes changes in the number of outstanding units during 2025 YTD:

	Trust Units	Trust Units under EUPP	Class B Units	DTUs	Total Units Outstanding (1)
Balance December 31, 2024	272,568,524	1,817,188	1,509,360	863,215	276,758,287
Trust Units issued pursuant to Distribution Reinvestment Program ("DRIP")	1,425,858	-	-	-	1,425,858
Trust Units issued under the ATM program	13,205,036	-	-	-	13,205,036
Trust Units issued under EUPP	-	139,085	-	-	139,085
Trust Units released on settlement of EUPP receivable	97,118	(97,118)	-	-	-
Exchange of Class B Units into Trust Units	48,250	-	(48,250)	-	-
DTUs issued	-	-	-	27,851	27,851
Distributions on DTUs	-	-	-	15,675	15,675
Exchange of DTUs into Trust Units	72,000	-	-	(72,000)	-
Balance June 30, 2025	287,416,786	1,859,155	1,461,110	834,741	291,571,792

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

As of August 7, 2025, the Trust has 289,499,374 Trust Units outstanding, and Chartwell Master Care LP has 1,461,110 Class B Units outstanding which are exchangeable for 1,461,110 Trust Units.

Distributions

The following table summarizes distributions declared on Trust Units in Q2 2025, 2025 YTD, 2024, and 2023 in relation to cash flows from operating activities and net income/(loss):

($000s)	**Q2 2025**	**2025 YTD**	2024	2023
Cash flows from operating activities	81,168	152,713	200,850	157,425
Net income attributable to Unitholders	(5,769)	27,409	22,408	128,273
Finance costs included in cash flow from financing activities	(15,394)	(17,512)	(19,491)	(9,212)
Distributions declared on Trust Units	43,473	85,741	158,516	146,037
Excess/(deficit) of cash flows from operating activities over distributions declared on Trust Units	37,695	66,972	42,334	11,388
Excess/(deficit) of cash flows from operating activities less finance costs included in cash flow from financing activities over distributions declared on Trust Units	22,301	49,460	22,843	2,176
Deficit of net income attributable to unitholders over distributions declared on Trust Units	(49,242)	(58,332)	(136,108)	(17,764)

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

We achieved positive operating cash flows after distributions and finance costs in both 2025 and 2024, reflecting the success of our operational sales, marketing, and portfolio optimization strategies. With continued improvements in occupancy, we believe our distributions remain sustainable.

Unitholders who are Canadian residents are eligible to participate in our DRIP, which allows reinvestment of their distributions into new units of Chartwell, including a 3% bonus distribution with no commissions. This facilitates unitholders’ ability to realize the benefits of compound growth in their investment. Unitholders can enroll in our DRIP by contacting their investment advisor. In Q2 2025, our average DRIP participation was 26.8% compared to 25.4% participation in Q2 2024.

Capital Investments

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

The following table summarizes our capital investments in 2025 YTD and 2024 YTD:

($000s)	**2025 YTD**	2024 YTD
Building improvements	21,268	15,475
Mechanical and electrical	13,811	6,885
Suite improvements and upgrades	13,471	12,477
Interior improvements and upgrades	3,799	3,671
Furniture, fixtures and equipment	5,810	5,955
Communications and information systems	2,121	49
	60,280	44,512
Properties under development	7,873	4,290
Total capital investments (1)	68,153	48,802

(1) Includes 139 properties (23,164 suites) at Chartwell's share of ownership for 2025 YTD, and 162 properties (20,120 suites) at Chartwell's share of ownership for 2024 YTD.

The following table is supplemental information and summarizes capital investments in our Equity-Accounted JVs in 2025 YTD and 2024 YTD not included in the table above:

($000s)	**2025 YTD**	2024 YTD
Capital investments in Equity-Accounted JVs	527	1,267

Building Improvements

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

For 2025 YTD, we completed 69 major building improvement projects valued over $50,000 each, totalling $20.5 million (2024 YTD – 61 projects totalling $13.8 million). In addition, included in this category are the acquisitions of three condominium suites at two of our properties in British Columbia totalling $1.5 million.

Mechanical and Electrical

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

For 2025 YTD, we completed 54 major mechanical and electrical projects valued over $50,000 each, totalling $13.0 million (2024 YTD – 50 projects totalling $5.4 million).

Suite Improvements and Upgrades

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

For 2025 YTD, we invested in strategic suite upgrade programs in 35 properties (2024 YTD – 43 properties).

Interior Improvements and Upgrades

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

For 2025 YTD, we invested in strategic common area upgrade programs in 13 properties (2024 YTD – 23 properties).

Furniture, Fixtures and Equipment

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

Communication and Information Services

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

Balance Sheet Analysis

The following table summarizes the significant changes in assets, liabilities, and equity for June 30, 2025 compared to December 31, 2024.

	Increase (Decrease) *($millions)*	**Explanation**
Total assets	379.1	Total assets increased primarily due to increases in PP&E from acquisitions and cash partially offset by decreases in assets held for sale, trade and other receivables, loans receivables, other assets and intangible assets.
Total liabilities	182.3	Total liabilities increased primarily due to increases in mortgages payable, senior unsecured debentures, accounts payable, deferred tax liabilities, other liabilities, and distribution payable partially offset by lower liabilities related to assets held for sale, loans payable and credit facilities.
Equity	196.8	The increase in equity is primarily due to the issuance of Trust Units under the ATM program, net income for the period and DRIP, partially offset by distributions and issuance costs, net of tax.

Commitments and Contingencies

Contractual Obligations and Guarantees

Details of our contractual obligations and guarantees are outlined in our 2024 MD&A. There were no significant changes in our contractual obligations and guarantees in Q2 2025 which are outside the ordinary course of business.

Litigation, Claims and Contingencies

Class Action

On June 1, August 14, and October 5, 2020, Chartwell was served with three different statements of claims (the “Claims”) that were filed in the Ontario Superior Court of Justice, all seeking an order certifying the

Claims as class actions pursuant to the *Class Proceedings Act (Ontario)*. In January 2022, the Court consolidated the Claims into one proceeding (the "Consolidated Claim"). The Consolidated Claim alleges, among other things, gross negligence, breach of the Canadian Charter of Rights and Freedom, breach of contract and breach of fiduciary duty in respect of Chartwell's response to the pandemic. The plaintiffs are seeking $100.0 million in general damages and $10.0 million in aggravated, punitive and/or exemplary damages. We do not believe that the Claims or the damages sought have merit.

On November 20, 2020, the Ontario government enacted the *Supporting Ontario's Recovery Act* (the "Recovery Act"). Under the Recovery Act, which is retroactive to March 17, 2020, proceedings are barred and dismissed without costs if they allege injury by COVID-19 if the defendant made good faith efforts to follow public health guidance and COVID-19 related laws and did not act with gross negligence. On March 7, 2024, the Consolidated Claim was certified, but pursuant to the Recovery Act, only gross negligence claims survive the cause of action test. On December 19, 2024, the court issued a decision on a notice motion brought by the plaintiffs, refusing an order for direct notice to class members and granting an order for indirect notice instead. The litigation is currently in the documentary discovery process. We do not believe the outcome will have a material adverse impact on our business, results of operations or financial condition and believe that any potential liability would be resolved within the limits of our insurance coverage.

Pay Equity

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

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

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

Summary of Select Financial Information

Quarterly Financial Information

The following table summarizes our quarterly unaudited financial information:

($000s, except per unit amounts and number of units)	2025		2024				2023	
	Q2	**Q1**	Q4	Q3	Q2	Q1	Q4	Q3
Revenues	273,158	252,898	232,699	220,464	202,401	196,583	193,455	186,041
Direct property operating expense	(159,683)	(150,056)	(138,707)	(128,389)	(120,709)	(121,374)	(118,853)	(113,344)
Depreciation and amortization	(60,133)	(53,158)	(49,710)	(43,530)	(39,369)	(35,957)	(39,587)	(38,593)
Share of net income/(loss) from joint ventures	146	608	3,214	2,946	1,939	1,367	(568)	1,023
G&A expenses	(14,126)	(17,083)	(10,334)	(11,731)	(12,924)	(14,471)	(13,455)	(14,403)
Other income/(expense)	173	55,814	(2,036)	54,152	(2,112)	(1,354)	(4,695)	1,789
Finance costs	(31,859)	(30,608)	(28,820)	(28,351)	(26,359)	(22,778)	(22,591)	(23,395)
Changes in fair value of financial instruments	(7,608)	(5,479)	1,660	(14,998)	(3,252)	(3,285)	(10,752)	(5,622)
Current income tax benefit/(expense)	157	(8,125)	2,744	(2,840)	-	351	869	(28,100)
Deferred income tax benefit/(expense)	(5,962)	(11,617)	(7,166)	(24,120)	(2,413)	(1,053)	3,419	11,274
Net income/(loss) from continuing operations	(5,737)	33,194	3,544	23,603	(2,798)	(1,971)	(12,758)	(23,330)
Net income/(loss) from LTC Discontinued Operations	-	-	-	-	-	-	(415)	181,486
Net income/(loss) for the period	(5,737)	33,194	3,544	23,603	(2,798)	(1.971)	(13,173)	158,156
Comprised of:								
Unitholders	*(5,769)*	*33,178*	*3,539*	*23,638*	*(2,798)*	*(1.971)*	*(13,173)*	*158,156*
Non-controlling interest	*32*	*16*	*5*	*(35)*	*-*	*-*	*-*	*-*
Net income/(loss) for the period	*(5,737)*	*33,194*	*3,544*	*23,603*	*(2,798)*	*(1.971)*	*(13,173)*	*158,156*
FFO (1)								
Continuing operations	67,553	56,169	57,663	55,861	44,698	39,239	39,246	36,087
Total	67,553	56,169	57,663	55,861	44,698	39,239	39,099	39,002
FFOPU (1)								
Continuing operations	0.24	0.20	0.21	0.20	0.18	0.16	0.16	0.15
Total	0.24	0.20	0.21	0.20	0.18	0.16	0.16	0.16
IFFO (1)								
Continuing operations	69,438	58,292	59,407	56,703	44,979	39,632	39,878	36,602
Total	69,438	56,292	59,407	56,703	44,979	39.632	39,731	39,518
IFFOPU (1)								
Continuing operations	0.24	0.21	0.22	0.21	0.18	0.16	0.16	0.15
Total	0.24	0.21	0.22	0.21	0.18	0.16	0.16	0.16
Weighted average number of units (000) (2)	285,514	277,943	275,494	274,318	246,121	244,216	243,262	242,258

(1) Non-GAAP; refer to the "Additional Information on Non-GAAP Measures" section on page 33 of this MD&A.
(2) Non-GAAP; refer to the "Weighted Average Number of Units" section on page 37 of this MD&A.

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

- acquisitions, dispositions, and developments of properties as described in the "Significant Events" section on page 9 and the "2025 Outlook" section on page 8 of this MD&A and in our 2024 MD&A,
- pandemic impacts,
- changes in fair value of financial instruments,
- deferred income taxes,
- current income taxes,
- gain on the sale of non-core properties and the LTC Transactions, and
- impairment charges and reversal of impairment charges.

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

Additional Information on Non-GAAP Measures

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

Funds from Operations and Internal Funds from Operations

FFO

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

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

A. Unrealized changes in the fair value of investment properties.
B. Depreciation of depreciable real estate assets including depreciation for components relating to capitalized leasing costs, capitalized tenant allowances treated as capital improvements and lease-related items ascribed in a business combination.
C. Amortization of tenant allowances and landlord’s work spent for the fit-out of tenant improvements and amortized as a reduction to revenue.
D. Amortization of tenant/customer relationship intangibles or other intangibles arising from a business combination.
E. Gains or losses from sales of investment properties and owner-occupied properties, including the gain or loss included within discontinued operations (if applicable).
F. Tax on profits or losses on disposals of properties.
G. Deferred taxes.
H. Impairment losses or reversals recognized on land and depreciable real estate properties, excluding those relating to properties used exclusively for administrative purposes.
I. Revaluation gains or losses recognized in profit or loss on owner-occupied properties, excluding those relating to properties used exclusively for administrative purposes.
J. Transaction costs expensed as a result of the purchase of a property being accounted for as a business combination.
K. Foreign exchange gains or losses on monetary items not forming part of a net investment in a foreign operation.
L. Gain or loss on the sale of an investment in a foreign operation.
M. Changes in the fair value of financial instruments which are economically effective hedges but do not qualify for hedge accounting.
N. Negative goodwill or goodwill impairment.
O. Effects of puttable instruments classified as financial liabilities.
P. Results of discontinued operations.
Q. Adjustments for equity-accounted entities.
R. Incremental leasing costs.
S. Property taxes accounted for under IFRIC 21.
T. Operational revenue and expenses from Right of Use assets.
U. Non-controlling interest.

IFFO

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

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

	($000s, except per unit amounts and number of units)	**Q2 2025**	Q2 2024	Change	**2025 YTD**	2024 YTD	Change
	Net income/(loss)	(5,737)	(2,798)	(2,939)	27,457	(4,769)	32,226
	Add (Subtract):						
B	Depreciation of PP&E	59,694	38,795	20,899	112,386	74,137	38,249
D	Amortization of limited life intangible assets	439	574	(135)	905	1,189	(284)
B	Depreciation of PP&E and amortization of intangible assets used for administrative purposes included in depreciation of PP&E and amortization of intangible assets above	(833)	(941)	108	(1,713)	(1,993)	280
E	Loss/(gain) on disposal of assets	(249)	1,584	(1,833)	(60,501)	945	(61,446)
J	Transaction costs arising on dispositions	1,674	528	1,146	6,131	2,521	3,610
H	Impairment losses/(reversals)	(1,963)	-	(1,963)	(1,963)	-	(1,963)
F	Tax on gains or losses on disposal of properties	(157)	-	(157)	7,968	(351)	8,319
G	Deferred income tax	5,962	2,413	3,549	17,579	3,466	14,113
O	Distributions on Class B Units recorded as interest expense	224	232	(8)	452	465	(13)
M	Changes in fair value of financial instruments	7,608	3,252	4,356	13,087	6,537	6,550
Q	FFO adjustments for Equity-Accounted JVs (1)	973	1,059	(86)	2,104	1,790	314
U	Non-controlling interest (1)	(82)	-	(82)	(170)	-	(170)
	FFO (2)	67,553	44,698	22,855	123,722	83,937	39,785
	Add (Subtract):						
	Imputed Cost of Debt (3)	-	281	(281)	-	674	(674)
	Income guarantees(4)	1,885	-	1,885	4,008	-	4,008
	IFFO (5)	69,438	44,979	24.459	127,730	84,611	43,119
	Weighted average number of units (000) (6)	285,514	246,121	39,393	281,749	245,169	36,580
	FFOPU (7)	0.24	0.18	0.06	0.44	0.34	0.10
	IFFOPU (7)	0.24	0.18	0.06	0.44	0.34	0.10

(1) Non-GAAP; see reconciliation table following for the calculation of these amounts.
(2) Non-GAAP; refer to the preamble to this table and to the "Results of Operations/FFO" section on page 15 of this MD&A for a discussion of the significance of this metric.
(3) Non-GAAP; refer to the "Significant Events/Development/Expected Unlevered Yield and Imputed Cost of Debt" section on page 9 of this MD&A. Includes Chartwell's proportionate share of Equity-Accounted JVs.
(4) Non-GAAP; refer to the preamble to this table. Includes Chartwell's proportionate share of Equity-Accounted JVs.
(5) Non-GAAP; refer to the preamble to this table.
(6) Non-GAAP; refer to the "Weighted Average Number of Units" section on page 37 of this MD&A.
(7) Non-GAAP; refer to the "Per Unit Amounts" section on page 37 of this MD&A for a discussion of the calculation of the per unit amounts.

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

	($000s)	**Q2 2025**	Q2 2024	Change	**2025 YTD**	2024 YTD	Change
B	Depreciation of PP&E and amortization of intangible assets	914	677	237	1,872	1,302	570
E	Loss/(gain) on disposal of assets	(82)	-	(82)	(82)	-	(82)
M	Change in fair value of financial instruments	141	382	(241)	314	488	(174)
Q	FFO adjustments for Equity-Accounted JVs (1)	973	1,059	(86)	2,104	1,790	314

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

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

	($000s)	Q2 2025	Q2 2024	Change	2025 YTD	2024 YTD	Change
	Net loss	(32)	-	(32)	(48)	-	(48)
B	Depreciation of PP&E and amortization of intangible assets	(50)	-	(50)	(122)	-	(122)
U	Non-controlling interest (1)	(82)	-	(82)	(170)	-	(170)

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

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

	($000s, except per unit amounts and number of units)	2025		2024				2023	
		Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
	Net income/(loss)	(5,737)	33,194	3,544	23,603	(2,798)	(1,971)	(12,758)	(23,330)
	Add (Subtract):								
B	Depreciation of PP&E	59,694	52,692	49,225	43,009	38,795	35,342	38,955	38,027
D	Amortization of limited life intangible assets	439	466	485	521	574	615	632	566
B	Depreciation of PP&E and amortization of intangible assets used for administrative purposes included in depreciation of PP&E and amortization of intangible assets above	(833)	(879)	(1,125)	(974)	(941)	(1,055)	(1,127)	(1,093)
E	Loss/(gain) on disposal of assets	(249)	(60,253)	941	(55,850)	1,584	(638)	(5,770)	(2,883)
J	Transaction costs arising on dispositions	1,674	4,458	491	2,507	528	1,992	192	469
H	Impairment losses/(reversals)	(1,963)	-	-	-	-	-	10,273	625
F	Tax on gains or losses on disposal of properties	(157)	8,125	(2,744)	2,840	-	(351)	(869)	28,100
G	Deferred income tax	5,962	11,617	7,166	24,120	2,413	1,053	(3,419)	(11,274)
O	Distributions on Class B Units recorded as interest expense	224	228	231	231	232	232	234	234
M	Changes in fair value of financial instruments	7,608	5,479	(1,660)	14,998	3,252	3,285	10,752	5,622
Q	FFO adjustments for Equity-Accounted JVs (1)	973	1,130	1,196	900	1,059	735	2,151	1,024
U	Non-controlling interest (1)	(82)	(88)	(87)	(44)	-	-	-	-
	FFO (2)	67,553	56,169	57,663	55,861	44,698	39,239	39,246	36,087
	Add (Subtract):								
	Imputed Cost of Debt (3)	-	-	182	256	281	393	632	515
	Income guarantees (4)	1,885	2,123	1,562	586	-	-	-	-
	IFFO (5)	69,438	58,292	59,407	56,703	44,979	39,632	39,878	36.602
	Weighted average number of units (000) (6)	285,514	277,943	275,494	274,318	246,121	244,216	243,262	242,258
	FFOPU (7)	0.24	0.20	0.21	0.20	0.18	0.16	0.16	0.15
	IFFOPU (7)	0.24	0.21	0.22	0.21	0.18	0.16	0.16	0.15

(1) Non-GAAP; refer to the preceding reconciliation tables for the calculation of these amounts.
(2) Non-GAAP; refer to the preamble to this table and to the "Results of Operations/FFO" section on page 15 of this MD&A for a discussion of the significance of this metric.
(3) Non-GAAP; refer to the "Significant Events/Development/Expected Unlevered Yield and Imputed Cost of Debt" section on page 9 of this MD&A. Includes Chartwell's proportionate share of Equity-Accounted JVs.
(4) Non-GAAP; refer to the preamble to this table. Includes Chartwell's proportionate share of Equity-Accounted JVs.
(5) Non-GAAP; refer to the preamble to this table.
(6) Non-GAAP; refer to the "Weighted Average Number of Units" section on page 37 of this MD&A.
(7) Non-GAAP; refer to the "Per Unit Amounts" section on page 37 of this MD&A for a discussion of the calculation of the per unit amounts.

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

	($000s, except per unit amounts and number of units)	2025 Q2	2025 Q1	2024 Q4	2024 Q3	2024 Q2	2024 Q1	2023 Q4	2023 Q3
	Net income/(loss)	(5,737)	33,194	3,544	23,603	(2,798)	(1,971)	(13,173)	158,156
	Add (Subtract):								
B	Depreciation of PP&E	59,694	52,692	49,225	43,009	38,795	35,342	38,955	38,027
D	Amortization of limited life intangible assets	439	466	485	521	574	615	632	566
B	Depreciation of PP&E and amortization of intangible assets used for administrative purposes included in depreciation of PP&E and amortization of intangible assets above	(833)	(879)	(1,125)	(974)	(941)	(1,055)	(1,127)	(1,093)
E	Loss/(gain) on disposal of assets	(249)	(60,253)	941	(55,850)	1,584	(638)	(5,539)	(181,794)
J	Transaction costs arising on dispositions	1,674	4,458	491	2,507	528	1,992	229	809
H	Impairment losses/(reversals)	(1,963)	-	-	-	-	-	10,273	625
F	Tax on gains or losses on disposal of properties	(157)	8,125	(2,744)	2,840	-	(351)	(869)	28,100
G	Deferred income tax	5,962	11,617	7,166	24,120	2,413	1,053	(3,419)	(11,274)
O	Distributions on Class B Units recorded as interest expense	224	228	231	231	232	232	234	234
M	Changes in fair value of financial instruments	7,608	5,479	(1,660)	14,998	3,252	3,285	10,752	5,622
Q	FFO adjustments for Equity-Accounted JVs (1)	973	1,130	1,196	900	1,059	735	2,151	1,024
U	Non-controlling interest (1)	(82)	(88)	(87)	(44)	-	-	-	-
	FFO (2)	67,553	56,169	57,663	55,861	44,698	39,239	39,099	39,002
	Add (Subtract):								
	Imputed Cost of Debt (3)	-	-	182	256	281	393	632	515
	Income guarantees (4)	1,885	2,123	1,562	586	-	-	-	-
	IFFO (5)	69,438	58,292	59,407	56,703	44,979	39,632	39,731	39,517
	Weighted average number of units (6) (000)	285,514	277,943	275,494	274,318	246,121	244,216	243,262	242,258
	FFOPU (7)	0.24	0.20	0.21	0.20	0.18	0.16	0.16	0.16
	IFFOPU (7)	0.24	0.21	0.22	0.21	0.18	0.16	0.16	0.16

(1) Non-GAAP; refer to the preceding reconciliation tables for the calculation of these amounts.
(2) Non-GAAP; refer to the preamble to this table and to the "Results of Operations/FFO" section on page 15 of this MD&A for a discussion of the significance of this metric.
(3) Non-GAAP; refer to the "Significant Events/Development/Expected Unlevered Yield and Imputed Cost of Debt" section on page 9 of this MD&A. Includes Chartwell's proportionate share of Equity-Accounted JVs.
(4) Non-GAAP; refer to the preamble to this table. Includes Chartwell's proportionate share of Equity-Accounted JVs.
(5) Non-GAAP; refer to the preamble to this table.
(6) Non-GAAP; refer to the "Weighted Average Number of Units" section on page 37 of this MD&A.
(7) Non-GAAP; refer to the "Per Unit Amounts" section on page 37 of this MD&A for a discussion of the calculation of the per unit amounts.

Per Unit Amounts

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

Weighted Average Number of Units

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

(000s)	**Q2 2025**	Q2 2024	Change	**2025 YTD**	2024 YTD	Change
Weighted average number of units (1)	285,514	246,121	39,393	281,749	245,169	36,580

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

Per Occupied Suite

In our calculations of REVPOS, DOEPOS, and NOIPOS we use the same property weighted average number of occupied suites for the applicable period.

The following table provides details of the same property weighted average monthly number of occupied suites:

	Q2 2025	Q2 2024	Change	**2025 YTD**	2024 YTD	Change
Weighted average number of occupied suites	11,555	10,926	628	11,531	10,880	651

Debt Covenant Calculations

Consolidated EBITDA to Consolidated Interest Expense Ratio for Debentures ("Interest Coverage Ratio for Debentures")

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

($000s, except ratio)	**12 months June 30, 2025**	12 months December 31, 2024
Consolidated EBITDA for Debentures (1)	379,747	334,521
Consolidated interest expense for Debentures (2)	124,918	124,712
Interest Coverage Ratio for Debentures	3.0	2.7

(1) Refer to the "Supporting Covenant Calculations/1. Consolidated EBITDA for Credit Facilities, Loans Payable, and Debentures" section on page 39 of this MD&A for the calculation of consolidated EBITDA for Debentures.
(2) Refer to the "Supporting Covenant Calculations/2. Consolidated Interest Expense for Credit Facilities, Loans Payable, and Debentures" section on page 39 of this MD&A for the calculation of consolidated interest expense for Debentures.

Indebtedness Percentage for Debentures

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

($000s, except indebtedness percentage)	**June 30, 2025**	December 31, 2024
Consolidated indebtedness for Debentures (1)	2,946,709	2,825,784
Aggregate adjusted assets for Debentures (2)	6,073,394	5,733,608
Indebtedness percentage for Debentures	48.5%	49.3%

(1) Refer to the "Supporting Covenant Calculations/4. Consolidated Indebtedness for Credit Facilities, Loans Payable, and Debentures" section on page 40 of this MD&A for the calculation of consolidated indebtedness for Debentures.
(2) Refer to the "Supporting Covenant Calculations/5. Adjusted Consolidated Gross Book Value of Assets for Credit Facilities and Loans Payable and Aggregate Adjusted Assets for Debentures" section on page 41 of this MD&A for the calculation of aggregate adjusted assets for Debentures.

Unsecured Debt Coverage Ratio for Debentures

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

($000s, except ratio)	**June 30, 2025**	December 31, 2024
Unencumbered aggregate adjusted assets for Debentures (1)	1,389,300	1,088,350
Unsecured indebtedness for Debentures (2)	808,198	633,310
Coverage ratio for Debentures	1.7	1.7

(1) Includes 29 properties valued at $1,389.3 million as of June 30, 2025 (30 properties valued at $1,088.4 million as of December 31, 2024). The property values are based on third-party appraisals that are dated no longer than two years from the applicable determination date.
(2) Refer to the "Supporting Covenant Calculations/4. Consolidated Indebtedness for Credit Facilities, Loans Payable, and Debentures" section on page 40 of this MD&A for the calculation of unsecured indebtedness for the Debentures.

Debt Service Coverage Ratio for Credit Facilities and Loans Payable

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

($000s, except ratio)	**12 months June 30, 2025**	12 months December 31, 2024
Consolidated EBITDA for Credit Facilities and Loans Payable (1)	362,278	309,067
Consolidated interest expense for Credit Facilities and Loans Payable (2)	119,901	106,782
Consolidated regularly scheduled debt principal payments for Credit Facilities and Loans Payable (3)	75,859	74,325
Consolidated debt service payments for Credit Facilities and Loans Payable	195,760	181,107
Debt service coverage ratio for Credit Facilities and Loans Payable	1.9	1.7

(1) Refer to the "Supporting Covenant Calculations/1. Consolidated EBITDA for Credit Facilities, Loans Payable, and Debentures" section on page 39 of this MD&A for the calculation of consolidated EBITDA for Credit Facilities and Loans Payable.
(2) Refer to the "Supporting Covenant Calculations/2. Consolidated Interest Expense for Credit Facilities, Loans Payable, and Debentures" section on page 39 of this MD&A for the calculation of consolidated interest expense for Credit Facilities and Loans Payable.
(3) Refer to the "Supporting Covenant Calculations/3. Regularly Scheduled Debt Principal Payments for Credit Facilities" section on page 40 of this MD&A for the calculation of consolidated regularly scheduled debt principal payments for Credit Facilities and Loans Payable.

Net Debt to Adjusted EBITDA

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

($000s, except ratio)	**June 30, 2025**	December 31, 2024
Consolidated Indebtedness for Debentures (1)	2,946,709	2,825,784
Consolidated EBITDA for Debentures (2)	379,747	334,521
Net Debt to Adjusted EBITDA ratio	7.8	8.4

(1) Refer to the "Supporting Covenant Calculations/4. Consolidated Indebtedness for Credit Facilities, Loans Payable, and Debentures" section on page 40 of this MD&A for the calculation of this amount.
(2) Refer to the "Supporting Covenant Calculations/1. Consolidated EBITDA for Credit Facilities, Loans Payable, and Debentures" section on page 39 of this MD&A for the calculation of this amount.

The Net Debt to Adjusted EBITDA ratio has improved primarily due to higher NOI and continuous occupancy growth. Additionally, financing of certain acquisitions and development projects in lease-up which have not yet achieved their expected stabilized EBITDA contribution also impacted this ratio.

Supporting Covenant Calculations

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

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

($000s)	12 months December 31, 2024	*Subtract:* 2024 YTD	*Add:* 2025 YTD	**12 months June 30, 2025**
Net income	22,408	(4,769)	27,409	54,586
Gain on disposal of assets [(1)]	(53,960)	945	(60,583)	(115,488)
Transaction costs[(1)]	5,518	2,521	6,131	9,128
Impairment expense/(reversal)	-	-	(1,963)	(1,963)
Non-cash change in fair value of financial instruments [(1)]	20,747	7,025	13,401	27,123
Consolidated net income/(loss) for Credit Facilities and Loans Payable	(5,287)	5,722	(15,605)	(26,614)
Consolidated finance costs [(1)]	108,441	50,033	63,725	122,133
Consolidated depreciation of PP&E and amortization of intangible assets [(1)]	171,416	76,628	115,042	209,830
Consolidated income tax expense/(benefit)	34,497	3,115	25,547	56,929
Consolidated EBITDA for Credit Facilities and Loans Payable	**309,067**	**135,498**	**188,709**	**362,278**
Proforma adjustments [(2)]	25,454			17,469
Consolidated EBITDA for Debentures	**334,521**			**379,747**

(1) Non-GAAP; includes Chartwell's proportionate share of Equity-Accounted JVs.
(2) Adjusted to reflect a full-year impact of acquisitions and dispositions completed during the reporting period, on a proforma basis.

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

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

($000s)	12 months December 31, 2024	*Subtract:* 2024 YTD	*Add:* 2025 YTD	**12 months June 30, 2025**
Interest on mortgages [(1)]	64,715	27,896	40,043	76,862
Interest on Debentures	22,539	10,588	17,926	29,877
Interest on Credit Facilities	8,710	5,265	2,356	5,801
Interest on Loans Payable	10,818	4,831	1,374	7,361
Consolidated interest expense for Credit Facilities and Loans Payable	**106,782**	**48,580**	**61,699**	**119,901**
Proforma adjustments [(2)]	17,930			5,017
Consolidated interest expense for Debentures	**124,712**			**124,918**

(1) Non-GAAP; includes Chartwell's proportionate share of Equity-Accounted JVs.
(2) Adjusted to reflect a full-year impact of acquisitions, dispositions and financings completed during the reporting period, on a proforma basis.

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

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

($000s)	12 months December 31, 2024	*Subtract:* 2024 YTD	*Add:* 2025 YTD	**12 months June 30, 2025**
Regularly scheduled debt principal payments per Financial Statements	74,028	36,735	38,263	75,556
Regularly scheduled debt principal payments for equity-accounted entities	297	147	153	303
Regularly scheduled debt principal payments for Credit Facilities and Loans Payable	**74,325**	**36,882**	**38,416**	**75,859**

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

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

($000s)	**June 30, 2025**	December 31, 2024
Principal balance of mortgages payable	2,121,906	1,852,274
Principal balance of mortgages payable related to assets held for sale	-	138,391
Principal balance of mortgages payable related to Equity-Accounted JVs	48,541	49,594
Welltower loan 1	-	33,323
Welltower loan 2	-	40,665
Outstanding amount on secured credit facility	-	100,000
Outstanding amount on secured term loan related to assets held for sale	-	13,600
Secured indebtedness for the unsecured credit facility and Loans Payable	**2,170,447**	**2,227,847**
Principal balance of Debentures	800,000	550,000
Unsecured term loans	-	75,000
Capital lease obligations (1)	8,198	8,310
Unsecured indebtedness for Debentures	**808,198**	**633,310**
Outstanding letters of credit	5,089	5,753
Third-party guarantees	58	230
Unsecured indebtedness for Credit Facilities and Loans Payable	**813,345**	**639,293**
Consolidated indebtedness for Credit Facilities and Loans Payable	2,983,792	2,867,140
Add (Subtract):		
Outstanding letters of credit	(5,089)	(5,753)
Third-party guarantees	(58)	(230)
Cash and cash equivalents	(28,218)	(20,048)
Cash and cash equivalents of Equity-Accounted JVs	(4,250)	(15,325)
Cash and cash equivalents of non-controlling interest	532	-
Consolidated indebtedness for Debentures	2,946,709	2,825,784

(1) Includes capital lease obligations related to joint ventures of $0.01 million at June 30, 2025 ($0.1 million at December 31, 2024).

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

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

($000s)	**June 30, 2025**	December 31, 2024
Book value of assets [1]	4,505,066	4,133,163
Gross book value adjustment on IFRS transition	121,539	121,539
Adjustment for accumulated depreciation and amortization for Credit Facilities and Loans Payable [2]	1,478,725	1,514,279
Adjusted consolidated gross book value of assets for Credit Facilities and Loans Payable	**6,105,330**	**5,768,981**
Add (Subtract):		
Cash and cash equivalents	(28,218)	(20,048)
Cash and cash equivalents of Equity-Accounted JVs	(4,250)	(15,325)
Cash and cash equivalents of non-controlling interest	532	-
Aggregate adjusted assets for Debentures	**6,073,394**	**5,733,608**

(1) Non-GAAP; includes Chartwell's proportionate share of Equity-Accounted JVs.
(2) Includes accumulated depreciation of PP&E and amortization of intangible assets for Equity-Accounted JVs of $18.3 million at June 30, 2025 ($27.6 million at December 31, 2024) and fully amortized assets of $258.5 million at June 30, 2025 ($272.9 million at December 31, 2024).

Critical Accounting Policies and Estimates

Critical Accounting Judgments, Estimates and Assumptions in Applying Accounting Policies

In our 2024 MD&A as well as in our 2024 Financial Statements, we identified the material accounting policies and estimates that are critical to the understanding of our business operations and our results of operations. There were no significant changes to our critical accounting judgments, estimates and assumptions in 2025 YTD or following the date of our 2024 Financial Statements.

Changes in Accounting Estimates and Changes in Accounting Policies

Our material accounting policies are described in Note 3 of our 2024 Financial Statements. Note 3(n) outlines future accounting policy changes. There were no significant changes to our accounting policies in 2025 YTD or following the date of our 2024 Financial Statements.

Related Party Transactions

In the normal course of operations, Chartwell enters into various transactions with related parties. A summary of related party transactions can be found in Note 10 of our Financial Statements.

Controls and Procedures

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

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

The Chief Executive Officer and the Chief Financial Officer have evaluated, or caused an evaluation under their direct supervision of, the design of disclosure controls and procedures and internal controls over financial reporting (as defined in National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings) as at June 30, 2025. Based on this evaluation, we have concluded that we have a) designed disclosure controls and procedures to provide reasonable assurance that (i) material information relating to Chartwell is made known to the Chief Executive Officer and the Chief Financial Officer by others, particularly during the period in which the interim filings are being prepared and (ii) information required to be disclosed by Chartwell in its various reports filed or submitted under securities legislation is recorded, processed, summarized and reported within time periods specified in securities legislation; and b) designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

There were no material changes in our internal controls over financial reporting that occurred during the quarter ended June 30, 2025 that have significantly affected or are reasonably likely to significantly affect our internal control over financial reporting.

Risks and Uncertainties and Forward-Looking Information

Risks and Uncertainties

Our AIF dated February 27, 2025, and our 2024 MD&A contain detailed discussions of risk factors and uncertainties facing Chartwell.

Forward-Looking Information

This MD&A contains forward-looking information that reflects the current expectations, estimates and projections of management about the future results, performance, achievements, prospects or opportunities for Chartwell and the seniors housing industry. The words "plans", "expects", "is expected", "budget" "scheduled", "estimates", "intends", "anticipates", "projects", "believes", "timeline", "forecast", "outlook", "potential", "prospects", "strategy", "target" or positive or negative variations of such words and phrases or statements to the effect that certain actions, events or results "may", "will", "could", "should", "would", "might", "occur", "be achieved" or "continue" and similar expressions, identify forward-looking statements.

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

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

- statements regarding our business strategies, operational sales, marketing and portfolio optimization strategies, including targets, rental and service rate increases, and the expected results of such strategies,
- statements and forecasts regarding occupancy trends and growth including statements regarding recovery of occupancy levels, growth, and achievement of occupancy targets,
- statements regarding our ability to achieve improvements in our cash flows, improved operating margins, reduced interest costs, and operating efficiencies,
- our predictions and expectations with respect to industry trends including growth in the senior population, a deficit of long-term care beds and the slowdown of new construction starts, including statements regarding growth and achievement of occupancy targets,
- our continued focus on differentiating Chartwell as a competitive employer within the industry through the implementation of various recruitment, retention and engagement focused initiatives,
- our expectations with respect to reducing our reliance on agency workers, agency staffing cost trends and cost reduction targets,
- our expectations regarding our ability to meet our obligations as they become due utilizing our sources of liquidity,
- our expectations regarding achievement of certain occupancy levels and projected earnings generated therefrom,
- our expectations of adjusted operating margin,
- our expectations regarding achievement of certain employee engagement and resident satisfaction targets,
- our expectations with respect to potential expansion projects and development projects on our owned lands,
- information related to the expected completion and expected stabilized occupancy dates of properties under development,
- the expected closings and closing dates of, taxes, proceeds and expected use of proceeds from, acquisitions and dispositions,
- our expectations with respect to the balance and associated interest rates of certain mortgage debt,
- our ability to realize expected unlevered yields, occupancy rates and net operating income on our development projects,
- our expectations with respect to refinancing activities, including our ability to renew maturing debt and to obtain new financings in due course,
- our expectations regarding growing our unencumbered asset pool,
- our intention and ability to access low-cost mortgage financing insured by CMHC,
- the sustainability of our current distributions and plans to maintain the current level of distributions,
- our expectations regarding future development and acquisition opportunities, including but not limited to those with Batimo,
- our expectations with respect to future disposition and asset repositioning opportunities,
- statements regarding the impact of certain litigation,

- expectations with respect to the funding of pay equity adjustments,
- statements regarding the income-generating potential of our properties,
- our expectations regarding the tax classification of future distributions,
- our expectations with respect to the fluctuation in the market and fair value of our financial instruments,
- our expectations regarding taxes that are expected to be payable in the current and future years under the SIFT rules, including our expectations with respect to deductions and losses which we expect to carry forward to offset taxes under the SIFT rules, and
- our expectations regarding future demand for retirement suites and services in the provinces in which we operate.

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