Condensed Consolidated Interim Financial Statements
(In Canadian dollars)

CHARTWELL RETIREMENT RESIDENCES

September 30, 2026
(Unaudited)

CHARTWELL RETIREMENT RESIDENCES

Condensed Consolidated Interim Balance Sheets
(In thousands of Canadian dollars)
(Unaudited)

	Note	September 30, 2026	December 31, 2025
Assets			
Current assets:			
Cash and cash equivalents		$ 72,252	$ 109,132
Trade and other receivables	9	17,040	19,929
Capital funding receivable	7	–	783
Loans receivable	11	1,654	6,369
Assets held for sale	17	94,450	–
Other assets	10	37,913	35,449
Total current assets		223,309	171,662
Non-current assets:			
Other assets	10	–	2,134
Loans receivable	11	7,500	10,037
Capital funding receivable	7	–	30,370
Investment in joint ventures	12	191,852	20,184
Intangible assets	6	17,738	20,271
Property, plant and equipment (“PP&E”)	5	5,212,624	4,790,319
Total non-current assets		5,429,714	4,873,315
Total assets		$ 5,653,023	$ 5,044,977
Liabilities and Unitholders' Equity			
Current liabilities:			
Lease obligations	8	$ 881	$ 984
Accounts payable and other liabilities	16	301,696	265,184
Distributions payable		17,174	16,213
Liabilities related to assets held for sale	17	6,289	–
Senior unsecured debentures	15	249,951	249,689
Mortgages payable	13	330,398	330,276
Total current liabilities		906,389	862,346
Non-current liabilities:			
Lease obligations	8	7,751	7,055
Other liabilities	16	9,477	11,566
Mortgages payable	13	2,172,263	1,851,885
Senior unsecured debentures	15	548,008	547,479
Deferred tax liabilities	25	82,626	71,062
Total non-current liabilities		2,820,125	2,489,047
Total liabilities		3,726,514	3,351,393
Unitholders’ equity		1,926,509	1,693,584
Total equity		1,926,509	1,693,584
Total liabilities and unitholders’ equity		$ 5,653,023	$ 5,044,977

See accompanying notes to condensed consolidated interim financial statements.

Approved by the Trustees:

“Alka Gautam” Trustee “Gary Whitelaw” Trustee

CHARTWELL RETIREMENT RESIDENCES

Condensed Consolidated Interim Statements of Net Income (Loss) and Comprehensive Income (Loss)
(In thousands of Canadian dollars)
(Unaudited)

	Note	Three months ended September 30, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Revenue:					
Property	21	$ 321,073	$ 275,175	$ 944,379	$ 786,777
Management and other fees	21	(123)	1,813	3,031	4,856
Lease revenue from joint ventures	12	2,737	2,736	8,209	11,407
Interest income	21	1,295	2,450	4,853	5,190
		324,982	282,174	960,472	808,230
Income (expenses):					
Direct property operating		(183,230)	(165,393)	(549,670)	(475,132)
Depreciation of PP&E	5	(79,871)	(61,430)	(221,702)	(173,816)
Amortization of intangible assets	6	(339)	(435)	(1,058)	(1,340)
Share of net income (loss) from joint ventures	12	2,725	294	3,023	1,048
General, administrative and trust		(11,520)	(12,678)	(42,010)	(43,887)
Other income (expense)	22	109,338	571	114,122	56,558
Finance costs	23	(35,769)	(31,339)	(101,714)	(93,806)
Change in fair values of financial Instruments	24	4,791	(6,733)	(2,520)	(19,820)
		(193,875)	(277,143)	(801,529)	(750,195)
Income (loss) before income taxes		131,107	5,031	158,943	58,035
Current tax recovery (expense)	25	(23,831)	4,367	(23,831)	(3,601)
Deferred income tax recovery (expense)	25	7,684	(14,604)	(13,499)	(32,183)
Net income (loss)		114,960	(5,206)	121,613	22,251
Net income (loss) and comprehensive income (loss)[1]		$ 114,960	$ (5,206)	$ 121,613	$ 22,251
Net income (loss) and comprehensive income attributable to:					
Unitholders		$ 114,960	$ (5,240)	$ 121,613	$ 22,169
Non-controlling interest		–	34	–	82
Net income (loss) and comprehensive income		$ 114,960	$ (5,206)	$ 121,613	$ 22,251

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

See accompanying notes to condensed consolidated interim financial statements.

CHARTWELL RETIREMENT RESIDENCES

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

Nine months ended September 30, 2026	Trust Units issued in dollars, net	Trust Units issued under EUPP	EUPP receivable	Accumulated income (losses)	Distributions	Other equity components	Total
Total equity, December 31, 2025	$ 3,811,431	$ 21,572	$ (15,533)	$ 132,796	$ (2,263,183)	$ 6,501	$ 1,693,584
Net income and comprehensive income	–	–	–	121,613	–	–	121,613
Distributions to unitholders	–	–	–	–	(150,978)	–	(150,978)
Issuance of Trust Units under the at-the-Market “ATM” (note 18)	213,385	–	–	–	–	–	213,385
Trust Units issued under the Distribution Reinvestment Program ("DRIP")	43,825	–	–	–	–	–	43,825
Trust Units issued on exchange of class B units	339	–	–	–	–	–	339
Trust Units issued under the Executive Unit Purchase Plan ("EUPP"), net of Units transferred to Treasury	5,304	257	(1,655)	–	–	–	3,906
Trust units issued on settlement of “DTUs”	256	–	–	–	–	–	256
Interest on EUPP receivable	–	–	(263)	–	–	–	(263)
Distributions applied against EUPP receivable	–	–	842	–	–	–	842
Total equity, September 30, 2026	$ 4,074,540	$ 21,829	$ (16,609)	$ 254,409	$ (2,414,161)	$ 6,501	$ 1,926,509

Distributions were declared and paid at $0.051 per unit per month for the months of January and February 2026 and $0.052 per unit per month from March 2026 to September 2026.

See accompanying notes to condensed consolidated interim financial statements.

CHARTWELL RETIREMENT RESIDENCES

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

Nine months ended September 30, 2025	Trust Units issued in dollars, net	Trust Units issued under EUPP	EUPP receivable	Accumulated income (losses)	Distributions	Other equity components	Non-controlling Interest	Total
Total equity, December 31, 2024	$ 3,040,063	$ 21,112	$ (14,855)	$ 103,383	$ (2,084,386)	$ 6,501	$ 1,563	$ 1,073,381
Net income and comprehensive income	–	–	–	22,169	–	–	82	22,251
Distributions to unitholders	–	–	–	–	(131,402)	–	–	(131,402)
Issuance of Trust Units under the at-the-Market “ATM” (note 18)	477,036	–	–	–	–	–	–	477,036
Trust Units issued under the Distribution Reinvestment Program ("DRIP")	35,886	–	–	–	–	–	–	35,886
Trust Units issued on exchange of class B units	931	–	–	–	–	–	–	931
Trust Units issued under the Executive Unit Purchase Plan ("EUPP"), net of Units transferred to Treasury	2,826	832	(1,570)	–	–	–	–	2,088
Trust units issued on settlement of “DTUs”	1,849	–	–	–	–	–	–	1,849
Interest on EUPP receivable	–	–	(251)	–	–	–	–	(251)
Distributions applied against EUPP receivable	–	–	847	–	–	–	–	847
Non-controlling interest acquired (note 3)	–	–	–	–	–	–	(724)	(724)
Total equity, September 30, 2025	$ 3,558,591	$ 21,944	$ (15,829)	$ 125,552	$ (2,215,788)	$ 6,501	$ 921	$ 1,481,892

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

See accompanying notes to condensed consolidated interim financial statements.

CHARTWELL RETIREMENT RESIDENCES

Condensed Consolidated Interim Statements of Cash Flows
(In thousands of Canadian dollars)
(Unaudited)

	Note	Three Months ended September 30, 2026	Three Months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Cash provided by (used in):					
Operating Activities:					
Net income (loss)		$ 114,960	$ (5,206)	$ 121,613	$ 22,251
Items not affecting cash:					
Depreciation and amortization	5, 6	80,210	61,865	222,760	175,156
Unit based compensation		1,294	4,756	9,301	12,656
Finance costs	23	35,769	31,339	101,714	93,806
Transaction costs arising from dispositions	22	4,058	322	5,557	6,453
Net impairment (reversal) expense	22	2,399	–	(1,150)	(1,963)
Other (income) expense		(115,795)	(893)	(118,529)	(61,048)
Interest income	21	(1,295)	(2,450)	(4,853)	(5,190)
Change in fair values of financial instruments	24	(4,791)	6,733	2,520	19,820
Current income tax (recovery) expense	25	23,831	(4,367)	23,831	3,601
Deferred income tax (benefit) expense	25	(7,684)	14,604	13,499	32,183
Share of net income (loss) from joint ventures	12	(2,725)	(294)	(3,023)	(1,048)
Other		1,639	491	3,906	2,088
Change in trade and other receivables		879	(9,679)	5,672	(1,875)
Change in other assets		1,200	12,601	(2,438)	13,592
Change in accounts payable and other liabilities		3,622	(652)	(12,196)	9,578
		137,571	109,170	368,184	320,060
Interest income and other income received		1,295	2,449	4,853	5,190
Interest paid		(29,214)	(25,785)	(91,914)	(86,702)
		109,652	85,834	281,123	238,548
Financing activities:					
Proceeds from issuance of units from ATM, net of issue costs	18	(144)	245,128	211,449	473,079
Proceeds from mortgage financing		107,666	87,049	217,264	279,332
Mortgage repayments		(72,399)	(52,440)	(73,607)	(222,179)
Scheduled mortgage principal repayments		(23,151)	(20,031)	(66,871)	(58,980)
Proceeds (repayments) from debentures	15	–	–	–	250,000
Repayments of loans payable		–	–	–	(115,649)
Draws (repayments) on credit facilities	14	(25,000)	–	–	(100,000)
Net additions to finance costs		(9,740)	(7,003)	(20,538)	(24,515)
Distributions paid		(36,027)	(32,085)	(106,455)	(94,274)
		(58,795)	220,618	161,242	386,814
Investing activities:					
Acquisition of assets, net of cash acquired[1]	4	(160,081)	(19,159)	(426,922)	(329,188)
Additions to PP&E and intangible assets	5, 6	(65,464)	(19,732)	(150,955)	(96,197)
Proceeds from disposal of PP&E, net of cash assumed[2]	5	207,098	423	256,368	71,672
Payment (advance) of loans receivable	11	–	(11,800)	7,935	(8,907)
Distributions received from joint ventures	12	1,737	28	3,537	2,358
Contribution to joint ventures	12	–	–	(172,182)	(590)
		(16,710)	(50,240)	(482,219)	(360,852)
Income taxes paid		–	(34)	–	(161)
		(16,710)	(50,274)	(482,219)	(361,013)
Increase (decrease) in cash and cash equivalents		34,147	256,178	(39,854)	264,349
Opening balance prior to IFRS 9 amendments		–	–	109,132	–
Adjustment on initial application of amendments of IFRS 9 (note 3a)		–	–	2,974	–
Restated cash and cash equivalents, beginning of period		38,105	28,219	112,106	20,048
Cash and cash equivalents, end of period		$ 72,252	$ 284,397	$ 72,252	$ 284,397

[1] Includes net settlement of working capital and other assets and liabilities related to acquired properties (note 4).
[2] Includes net settlement of working capital and other assets and liabilities related to disposed properties (note 4).

See accompanying notes to condensed consolidated interim financial statements.

1. Organization:

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

2. Basis of preparation:

Statement of compliance:

These condensed consolidated interim financial statements for the three and nine months ended September 30, 2026, have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). The condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements for the year ended December 31, 2025, which have been prepared in accordance with IFRS Accounting Standards, as issued by the IASB.

The condensed consolidated interim financial statements were authorized for issue by the Board of Trustees on November 5, 2026. These condensed consolidated interim financial statements follow the same accounting policies and methods of application as the consolidated financial statements as at and for the year ended December 31, 2025, except as noted below.

3. Material accounting policies:

(a) Use of estimates and judgments:

Significant judgments have been applied under IFRS 10 as to whether Chartwell controls an underlying entity which requires assessments of power, exposure to variability of returns and a linkage between the two. Specifically, judgment is applied when assessing substantive rights, relevant activities and which party has the ability to direct those activities. Management evaluates the Company’s rights and obligations in the arrangement based on factors such as the structure, legal form and contractual decision-making rights and whether rights held by other parties are substantive or protective. Chartwell reassesses its control conclusions whenever facts and circumstances indicate that one or more elements of control have changed.

3. Material accounting policies (continued):

(b) IFRS standards and amendments adopted in Q1 2026:

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

Chartwell adopted IFRS 9 effective January 1, 2026 along with the related amendments to IFRS 7. The amendments to the application guidance of IFRS 9 permit an entity to deem a financial liability (or part of it) that will be settled in cash using an electronic payment system to be discharged before the settlement date if specified criteria are met. Chartwell has adopted the amendments retrospectively and elected to not restate comparatives under IFRS 9 transition provisions. The adoption resulted in adjustments with an increase in accounts payable and cash of $2,974 on January 1, 2026.

(c) IFRS standards and amendments issued but not yet effective:

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure in Financial Statements, which replaces IAS 1, Presentation of Financial Statements. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. Chartwell is currently evaluating the impact of the standard on its consolidated financial statements. Areas of focus include new defined subtotals to be presented in the Consolidated Statements of Net Income (Loss) and Comprehensive Income (Loss), disclosure of management-defined performance measures and requirements for grouping of information. In addition, when presenting cash flows under the indirect method the starting point is operating profit subtotal instead of net income.

4. Acquisitions and dispositions:

(a) Acquisitions and Disposition during the period ended September 30, 2026

The following table outlines the acquisitions completed during the period ended September 30, 2026:

	Chartwell L'Unique[1]	**Ontario Portfolio[2]**	**Chartwell Fengate JV**	**Palermo Village**	**Chartwell Le Montcalm**	**Chartwell Greenway**	**Total**
Date of acquisition	March 2	April 2	June 1	June 3	July 16	September 1	
Location	Quebec	Ontario	Various	Ontario	Quebec	Ontario	
	(421 suites)	(1,024 suites)	(2,943 suites)	(116 suites)	(283 suites)	(237 suites)	
Ownership acquired %	15%	100%	30%	100%	50%	100%	
PP&E	$ 19,886	$ 424,712	$ 10,222	$ 43,938	$ 44,667	$ 138,755	$ 682,180
Investment in Joint Ventures	–	–	172,182	–			172,182
Working capital adjustments	241	(3,486)	–	(702)	(59)	(1,213)	(5,219)
Total	$ 20,127	$ 421,226	$ 182,404	$ 43,236	$ 44,608	$ 137,542	$ 849,143
Cash consideration	$ 12,582	$ 183,532	$ 172,182	$ 42,298	$ 20,902	$ 134,787	$ 566,283
Mortgages assumed	6,477	229,182	–	–	22,289	–	257,948
Acquisition related costs incurred	1,068	8,512	10,222	938	1,417	2,755	24,912
Total consideration transferred	$ 20,127	$ 421,226	$ 182,404	$ 43,236	$ 44,608	$ 137,542	$ 849,143

[1] This property was previously a joint operation. After the acquisition, Chartwell owns 100%.

[2] Acquisition related costs included transaction costs related to prior year acquisitions incurred in 2026

4. Acquisitions and dispositions (continued):

Chartwell makes certain judgments to determine whether a transaction should be accounted for as a business combination or an asset acquisition in accordance with IFRS 3. These judgments include the assessment of the inputs, processes, and outputs associated with an acquired set of activities and whether the fair value of total assets acquired is concentrated to a single identifiable asset or group of similar assets. All transactions as of September 30, 2026 were accounted as asset acquisitions.

On April 2, 2026, Chartwell completed the acquisition of six communities ("Ontario Portfolio") comprising of 1,024 suites located in London, Waterloo, and Mississauga, for a total consideration of $421,226. In addition, Chartwell has entered into a forward purchase agreement to acquire 29 town homes currently under development in London, Ontario for a purchase price of $15,800 subject to normal working capital and other closing adjustments. The acquisition is expected to close upon construction completion which is anticipated in Q4 2026. Chartwell has paid a deposit of $4,800 in connection with the acquisition (note 10).

On June 1, 2026, Chartwell completed the acquisition of 30% ownership interest in a portfolio of 23 seniors housing communities with 2,943 suites ("JV Portfolio"), through a joint arrangement (note 12) with Fengate Capital Management, located in Ontario, British Columbia and Alberta. The net contribution for Chartwell's interest is $172,182. The equity investment acquired includes the assumption of approximately $208,750 of in place mortgage debt. The assumed mortgage debt bears a weighted average interest of 4.46% and has a weighted average term to maturity of 5.0 years. Under the joint arrangement, Chartwell and its partner each have contractual rights that upon the achievement of specified milestones, are expected to result in Chartwell acquiring an additional 20% ownership interest in the joint venture.

4. Acquisitions and dispositions (continued):

Dispositions during the period ended September 30, 2026:

On March 24, 2026, Chartwell completed the sale of one non-core property in Ottawa, Ontario for a sale price of $49,000. Chartwell recognized a gain on sale of assets totaling $1,699 (note 22).

On July 2, 2026, Chartwell completed the sale of nine non-core properties in Ontario for $117,908. Chartwell repaid $33,571 in mortgages with weighted average interest at 3.30% and a weighted average term to maturity of 4.31 years. Further, Chartwell incurred $2,122 in transaction costs. Chartwell recognized a gain on sale of assets totaling $64,432 (note 22).

On September 1, 2026, Chartwell completed the sale of one property for $91,000. Chartwell repaid the in-place CMHC-insured mortgage of $21,078, bearing interest at 3.13% and maturing in 2028. Chartwell recognized a gain on sale of assets totaling $48,853 (note 22).

b) Acquisitions subsequent to September 30, 2026:

On October 1, 2026, Chartwell acquired 35% interest in R**é**sidence L**é**gende II development from Batimo for a purchase price of $5,137, which was was settled in cash. R**é**sidence L**é**gende II development is comprised of a 218-suite addition to the existing R**é**sidence L**é**gende which was acquired in 2024. Batimo will provide Chartwell with 3-year occupancy support relating to the existing R**é**sidence L**é**gende property.

Dispositions subsequent to September 30, 2026:

Dispositions related to definitive agreements that existed prior to September 30, 2026, are outlined in assets held for sale (note 17). In addition, the following agreements were entered into following September 30, 2026.

4. Acquisitions and dispositions (continued):

The following table outlines the total acquisitions, excluding the Welltower transaction discussed further below, during the year ended December 31, 2025:

	Victoria Harbour by Chartwell	Chartwell Rosemont Les Quartiers	The Sumach by Chartwell	Chartwell Les Tours Angrignon	Chartwell Panorama	Chartwell Azalis	Chartwell Edgewater	The Edward Boutique Living by Chartwell	Batimo Transactions	Total
Date of acquisition	January 15	March 1	June 1	October 1	November 3	December 1	December 2	December 15	**See below**	
Location	British Columbia	Quebec	Ontario	Quebec	Quebec	Quebec	British Columbia	Alberta	Quebec	
	(131 suites)	(632 suites)	(332 suites)	(449 suites)	(238 suites)	(334 suites)	(155 suites)	(90 suites)		
Ownership acquired %	100%	100%	5%	100%	100%	100%	100%	100%	**See below**	
PP&E	$ 78,502	$ 141,630	$ 7,231	$ 90,930	$ 78,437	$ 114,211	$ 94,059	$ 53,212	$ 419,095	$ 1,077,307
Working capital adjustments	(524)	(1,757)	62	(570)	(207)	(430)	(519)	(642)	(433)	(5,020)
Non-controlling interest	–	–	–	–	–	–	–	–	724	724
Total	$ 77,978	$ 139,873	$ 7,293	$ 90,360	$ 78,230	$ 113,781	$ 93,540	$ 52,570	$ 419,386	$ 1,073,011
Cash consideration	$ 74,476	$ 127,775	$ 6,662	$ 19,284	$ 75,793	$ 110,570	$ 75,595	$ 52,358	$ 229,532	$ 772,045
Mortgages assumed	–	–	–	67,975	–	–	–	–	164,002	231,977
Deferred payment	–	6,000	400	–	–	–	2,568	–	–	8,968
Settlement of mezzanine loan	–	–	–	–	–	–	24,018	–	14,221	38,239
Acquisition related costs	3,502	6,098	231	3,101	2,437	3,211	59	212	12,281	31,132
Net operating Income ("NOI") Guarantee receivable	–	–	–	–	–	–	(8,700)	–	(650)	(9,350)
Total consideration	$ 77,978	$ 139,873	$ 7,293	$ 90,360	$ 78,230	$ 113,781	$ 93,540	$ 52,570	$ 419,386	$ 1,073,011

4. Acquisitions and dispositions (continued):

Batimo Acquisitions:

The following table outlines the Batimo acquisitions during the year ended December 31, 2025:

	Chartwell Trait-Carré	Chartwell Le Florilège	Chartwell L'Envol	Le Prescott II development	Le Prescott LIB development	Résidence L'Aubier	Résidence Légende	Total Batimo Transactions
Date of acquisition	March 10	April 1	April 1	June 11	July 3	November 1	December 18	
Location	Quebec (361 suites)	Quebec (345 suites)	Quebec (360 suites)	Quebec n/a	Quebec n/a	Quebec (376 suites)	Quebec (368 suites)	Quebec
Ownership acquired %	15%	100%	100%	50%	50%	100%	15%	
PP&E	$ 17,100	$ 116,302	$ 121,389	$ 7,971	$ 6,282	$ 131,525	$ 18,526	$ 419,095
Working capital adjustments	(128)	(61)	(70)	–	–	(366)	192	(433)
Non-controlling interest	724	–	–	–	–		–	724
Total	$ 17,696	$ 116,241	$ 121,319	$ 7,971	$ 6,282	$ 131,159	$ 18,718	$ 419,386
Cash consideration	$ 7,084	$ 34,885	$ 47,616	$ 7,849	$ 6,282	$ 117,834	$ 7,982	$ 229,532
Mortgages assumed	9,981	77,955	65,917	–	–		10,149	164,002
Settlement of mezzanine loan	–	–	4,221	–	–	10,000	–	14,221
Acquisition related costs	631	3,401	3,565	122	–	3,975	587	12,281
NOI guarantee receivable	–	–	–	–	–	(650)	–	(650)
Total consideration	$ 17,696	$ 116,241	$ 121,319	$ 7,971	$ 6,282	$ 131,159	$ 18,718	$ 419,386

4. Acquisitions and dispositions (continued):

Welltower Transaction:

On February 1, 2025, Chartwell closed on its transaction with Welltower to windup its joint arrangements ("Welltower Transaction"). Under the terms of the agreement, Chartwell conveyed its ownership interest in 23 retirement residences (the "Welltower Assets") to Welltower for consideration of: (i) Welltower's ownership interest in 16 retirement residences (the "Chartwell Assets") and (ii) $93,117 net of debt and working capital adjustments. Chartwell has incurred total transaction costs of $12,863 in relation to this transaction and estimate SIFT taxes payable of $1,756. Chartwell acquired $210,454 in PP&E on the Chartwell Assets. Chartwell assumed $131,742 in debt on the Chartwell Assets, bearing a weighted average interest at 3.09% and having a weighted average term to maturity of 5.29 years. The net change to total debt for Chartwell's balance sheet was a reduction of approximately $52,093, including the impact of the settlement of the Welltower loan 1 of $33,323 which was settled upon closing of the transaction. Chartwell applied the optional concentration test in accordance with IFRS 3 and accounted for the acquisition as an asset acquisition. Transaction costs of $9,242 and mark to market adjustments of $(1,101) have been capitalized to PP&E in the consolidated balance sheet. Chartwell recognized a gain on sale of assets totaling $60,300.

5. Property, plant and equipment:

	Land	Buildings	Furniture, fixtures and equipment	Properties under development	Land held for development	Total
Cost						
Balance, December 31, 2024	$ 393,730	$ 3,997,486	$ 198,861	$ 107,043	$ 28,118	$ 4,725,238
Acquisitions (note 4)	154,026	1,078,754	38,889	14,274	1,818	1,287,761
Additions	–	93,962	17,134	26,987	–	138,083
Disposals	(1,446)	(10,130)	(2,608)	–	–	(14,184)
Derecognition	–	(56,030)	–	–	–	(56,030)
Transfers In/Out (note 7)	–	34,372	1,844	(84,064)	16,403	(31,445)
Balance, December 31, 2025	546,310	5,138,414	254,120	64,240	46,339	6,049,423
Acquisitions (note 4)	59,790	602,773	13,117	–	6,500	682,180
Additions	–	84,460	13,651	64,797	2,297	165,205
Disposals	(12,705)	(200,895)	(10,315)	–	–	(223,915)
Derecognition	–	(29,686)	–	–	–	(29,686)
Transfers to assets held for sale (note 17)	(5,042)	(71,278)	(5,470)	(472)	(200)	(82,462)
Balance, September 30, 2026	$ 588,353	$ 5,523,788	$ 265,103	$ 128,565	$ 54,936	$ 6,560,745
Accumulated depreciation and impairment losses						
Balance, December 31, 2024	$ 1,118	$ 947,686	$ 148,404	$ –	$ –	$ 1,097,208
Depreciation	99	223,001	22,409	–	–	245,509
Disposal	(1,446)	(11,462)	(1,635)	–	–	(14,543)
Derecognition	–	(56,030)	–	–	–	(56,030)
Impairment expense (reversal)	1,446	(14,509)	23	–	–	(13,040)
Balance, December 31, 2025	1,217	1,088,686	169,201	–	–	1,259,104
Depreciation	74	200,091	21,537	–	–	221,702
Disposals	–	(70,797)	(8,747)	–	–	(79,544)
Derecognition	–	(29,686)	–	–	–	(29,686)
Impairment expense (reversal)	–	(3,037)	(21)	–	1,908	(1,150)
Transfers to assets held for sale (note 17)	–	(18,583)	(3,722)	–	–	(22,305)
Balance, September 30, 2026	$ 1,291	$ 1,166,674	$ 178,248	$ –	$ 1,908	$ 1,348,121
Carrying amounts						
Balance, December 31, 2025	$ 545,093	$ 4,049,728	$ 84,919	$ 64,240	$ 46,339	$ 4,790,319
Balance, September 30, 2026	587,062	4,357,114	86,855	128,565	53,028	5,212,624

5. Property, plant and equipment (continued):

The following table summarizes the balance of Chartwell's right-of-use assets included in the table above as at December 31, 2025 and September 30, 2026:

Right-of-use assets	Land[(1)]	Buildings	Furniture, fixtures and equipment	Total
Balance, December 31, 2024	$ 5,380	$ 3,195	$ 1,361	$ 9,936
Additions	–	–	710	710
Depreciation	(99)	(211)	(695)	(1,005)
Disposal	–	–	(42)	(42)
Balance, December 31, 2025	5,281	2,984	1,334	9,599
Acquisition	–	–	–	–
Additions	–	840	451	1,291
Depreciation	(74)	(152)	(549)	(775)
Transfers to assets held for sale	–	–	(16)	(16)
Balance, September 30, 2026	$ 5,207	$ 3,672	$ 1,220	$ 10,099

[(1)] Relates to land leases

Other PP&E information:

During the year ended December 31, 2025, one property under development was transferred to other components of PP&E upon becoming available for use.

On March 10, 2026, a property in Mission, British Columbia experienced a fire affecting one portion of the building. The unaffected portion continues to operate, while the impacted area has been vacated and is expected to be repaired. Chartwell has insurance coverage for the anticipated reconstruction costs and business losses.

Since January 1, 2010, $234,010 of fully amortized resident contracts have been removed from the cost and accumulated depreciation of PP&E related to residences held by Chartwell as at September 30, 2026 (December 31, 2025 – $254,706 related to residences held by Chartwell as at December 31, 2025).

5. Property, plant and equipment (continued):

During the three months and nine months ended September 30, 2026, Chartwell capitalized $662 and $1,601 (September 30, 2025 – $640 and $2,257) of borrowing costs related to development projects under construction at an average capitalization rate of 3.99% and 3.95%, respectively (September 30, 2025 – 4.00% and 4.11%).

During the three and nine months ended September 30, 2026, an impairment reversal of $nil and $4,229 (September 30, 2025 – $nil and $3,041) was recorded for two properties, one in Ontario and one in Quebec. During the three and nine months ended September 30, 2026, an impairment expense of $2,399 and $3,079 respectively (September 30, 2025 - $nil and $1,078) was recorded on one property in Ontario and a development in Alberta.

6. Intangibles:

	Goodwill	Licenses	Software	Total
Cost				
Balance, December 31, 2024	$ 9,233	$ 4,280	$ 34,311	$ 47,824
Additions	–	–	343	343
Disposals	–	–	(249)	(249)
Balance, December 31, 2025	9,233	4,280	34,405	47,918
Additions	–	–	260	260
Disposals	–	–	(2,160)	(2,160)
Transfer to assets held for sale (note 17)	–	–	(1,705)	(1,705)
Balance, September 30, 2026	$ 9,233	$ 4,280	$ 30,800	$ 44,313
Accumulated amortization				
Balance, December 31, 2024	$ –	$ –	$ 26,080	$ 26,080
Disposals	–	–	(249)	(249)
Amortization	–	–	1,739	1,739
Impairment expense	–	–	77	77
Balance, December 31, 2025	–	–	27,647	27,647
Disposals	–	–	(1,481)	(1,481)
Amortization	–	–	1,058	1,058
Transfers to assets held for sale	–	–	(649)	(649)
Balance, September 30, 2026	$ –	$ –	$ 26,575	$ 26,575
Carrying amounts				
Balance, December 31, 2025	$ 9,233	$ 4,280	$ 6,758	$ 20,271
Balance, September 30, 2026	9,233	4,280	4,225	17,738

7. Capital funding receivable:

The following table summarizes the capital funding receivable activity:

	September 30, 2026	December 31, 2025
Opening Balance	$ 31,153	$ –
Capital funding increase	–	31,445
Reduction of capital funding receivable	(584)	(292)
Amount transferred to assets held for sale (note 17)	(30,569)	–
Closing Balance	$ –	$ 31,153
Current	$ –	$ 783
Non-current	–	30,370
	$ –	$ 31,153

The capital funding receivable, which had a carrying value of $31,153 as at December 31, 2025 relates to funding receivable from the Government of Ontario for one long-term care home and is included in assets held for sale as of September 30, 2026 (note 17). The weighted average remaining term of this funding is approximately 23.9 years. The discount rate used in the present value calculation was 3.80% based on long-term government bond rates. The receipt of funding for the remaining term of the agreement is subject to the condition that the home continues to operate as a long-term care home for the remaining period. During the period ended September 30, 2026, capital funding receipts amounted to $1,458 (September 30, 2025 - $258) of which $874 (September 30, 2025 - $182) was recorded as interest income and $584 (September 30, 2025 - $76) as a reduction of capital funding receivable included in assets held for sale (note 17).

8. Leases:

As at September 30, 2026, Chartwell has right-of-use assets in respect of land, office space and equipment leases totaling $10,099 (December 31, 2025 - $9,599) with remaining lease terms ranging from less than 1 year to 52 years (note 5). At September 30, 2026, lease obligations related to these right-of-use assets totaled $8,632 (December 31, 2025 - $8,039) of which $881 (December 31, 2025 - $984) was classified current and $7,751 (December 31, 2025 - $7,055) was classified non-current. Chartwell generally does not include purchase, extension or termination options in its leases, other than extension options for land leases that support properties with lengthy useful lives.

9. Trade and other receivables:

	September 30, 2026	December 31, 2025
Government grants receivable	$ 707	$ 11,059
Residents	1,524	1,709
Related party	3,885	1,192
Insurance recoverables	569	148
Other receivables	10,355	5,821
	$ 17,040	$ 19,929

Government grants receivable includes $nil (December 31, 2025 – $10,100) of development funding grants recognized upon substantial completion of construction for a LTC development.

Resident receivables balance at September 30, 2026 is net of an allowance for expected credit losses of $1,299 (December 31, 2025 - $1,396).

Related party receivables are management fees and other receivables outstanding from joint ventures and partially owned properties managed by Chartwell.

10. Other Assets:

	September 30, 2026	December 31, 2025
Prepaid expenses and deposits	$ 22,477	$ 19,127
NOI guarantee receivables[(1)]	5,410	12,247
Deposits for future acquisitions (note 4)	4,800	–
Related party lease receivable	2,160	3,404
Inventory	1,280	1,418
Restricted cash	1,189	1,167
Interest rate swaps (note 13)	40	220
Other	557	–
	$ 37,913	$ 37,583
Current	$ 37,913	$ 35,449
Non-current	–	2,134
	$ 37,913	$ 37,583

(1) NOI guarantee receivables relate to prior property acquisitions and represent amounts held back to support the vendor's NOI guarantee obligations to Chartwell. These balances are carried at fair value and considered Level 3 in the fair value hierarchy. The fair value is determined by discounting the expected future cash flows from these properties.

11. Loans receivable:

The following table summarizes Chartwell's loan receivables at September 30, 2026:

	September 30, 2026	December 31 2025
Mezzanine loans	$ 7,500	$ 6,808
Vendor take-back loans	1,654	9,598
	$ 9,154	$ 16,406
Current	$ 1,654	$ 6,369
Non-current	7,500	10,037
Total	$ 9,154	$ 16,406

In 2025, Chartwell advanced a $6,500 mezzanine loan for the development of a retirement residence located in Calgary, Alberta. This loan bears interest at the rate of 13% and matures on July 11, 2028. Interest is accrued until the property is cash flow positive. Accrued interest of $1,000 was added to the principal of the loan.

As at September 30, 2026, there is one Vendor take-back loan outstanding for $1,654, bearing interest at 6%, maturing in November 2026 secured by general assignments of rents and leases. During the nine months ended September 30, 2026, two loans in the amount of $7,935 were repaid.

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

12. Joint arrangements:

A joint venture is a joint arrangement, whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. A joint operation is a joint arrangement, whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The following are Chartwell's joint arrangements as at September 30, 2026:

Joint arrangements[1]	Number of properties	Chartwell ownership	Joint arrangement type	Consolidation method
Chartwell Le Prescott Résidence	1	85%	Joint operation	Proportionate
Chartwell Oakville Retirement Residence [2]	1	50%	Joint venture	Equity
Chartwell Thornhill Retirement Residence [2]	1	50%	Joint venture	Equity
Chartwell Riverside Retirement Residence [3]	1	50%	Joint operation	Proportionate
Chartwell Churchill House Retirement Residence [3]	1	50%	Joint operation	Proportionate
The Sumach by Chartwell [3]	1	50%	Joint operation	Proportionate
Kingsbridge Retirement Community [2]	1	60%	Joint venture	Equity
Chartwell – Champlain Landlord [4]	5	50%	Joint operation	Proportionate
Chartwell – Champlain Operator [2] [4]	1	50%	Joint venture	Equity
Chartwell Le Prescott Phase II [5]	1	50%	Joint operation	Proportionate
Lib Vaudreuil-Dorion [5]	1	50%	Joint operation	Proportionate
Chartwell – Fengate Partnership [2] [6]	23	30%	Joint venture	Equity
Chartwell Le Montcalm Résidence[5]	1	50%	Joint operation	Proportionate

[1] Due to the acquisition of the remaining 15% interest in L'Unique in Q1 2026, this is no longer a joint arrangement.

[2] These joint arrangements have been structured through separate legal vehicles.

[3] Chartwell directly holds its interest in these properties.

[4] Chartwell directly holds its interest in real estate while its interest in operations is held through separate legal entities.

[5] These properties under development were acquired in 2025 and Chartwell holds its interest in the underlying real estate and mortgages of these properties.

[6] Includes 23 properties acquired in Q2 2026 (note 4).

On February 1, 2025, Chartwell completed the wind up of its joint arrangements with Welltower (note 4).

12. Joint arrangements (continued):

(a) Joint operations:

At September 30, 2026, Chartwell has an interest in a number of joint operations, which have been accounted for under the proportionate consolidation method. The following is the summarized financial information in respect of the interests in these joint operations, which is included line by line in the consolidated financial statements at Chartwell's share:

	September 30, 2026	December 31, 2025
Current assets	$ 29,153	$ 31,747
Non-current assets	418,780	405,566
Total assets	$ 447,933	$ 437,313
Current liabilities	$ 94,417	$ 110,143
Non-current liabilities	173,319	145,788
Total liabilities	$ 267,736	$ 255,931

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Total revenue	$ 10,375	$ 11,897	$ 30,069	$ 37,943
Total expenses	$ (11,608)	$ (14,340)	$ (32,490)	$ (42,312)

(b) Joint ventures:

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

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Disposals of joint ventures	$ –	$ –	$ –	$ (9,487)
Contributions to joint ventures including upon acquisition	$ –	$ –	$ 172,182	$ 590
Distributions received from joint ventures	$ (1,737)	$ (28)	$ (3,537)	$ (2,358)

12. Joint arrangements (continued):

	September 30, 2026	December 31, 2025
Cash and cash equivalents	$ 6,717	$ 4,947
Trade and other receivables	12,076	12,725
Other assets	9,668	703
Assets held for sale	54,418	–
Current assets	82,879	18,375
PP&E and intangible assets	378,075	54,383
Total assets	$ 460,954	$ 72,758
Accounts payable and other liabilities	$ 13,047	$ 4,221
Mortgages payable - current	25,391	9,766
Liabilities held for sale	32,806	–
Current liabilities	71,244	13,987
Mortgages payable - non-current	197,858	38,587
Total liabilities	$ 269,102	$ 52,574
Net investment in joint ventures	$ 191,852	$ 20,184

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Revenue	$ 26,320	$ 11,102	$ 54,614	$ 43,657
Direct property operating expense	(15,109)	(6,332)	(31,436)	(26,100)
Lease expense	(2,737)	(2,736)	(8,209)	(11,407)
Finance costs	(2,646)	(610)	(4,941)	(1,868)
Depreciation and amortization	(5,312)	(911)	(8,737)	(2,783)
Change in fair value of financial instruments	2,209	(142)	1,732	(456)
Other income	–	(77)	–	5
Chartwell's share of net income from joint ventures	$ 2,725	$ 294	$ 3,023	$ 1,048

12. Joint arrangements (continued):

Related party transactions occur between Chartwell and its joint ventures. These related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to between the related parties. Except as disclosed elsewhere in these condensed consolidated interim financial statements, the related party balances are included in accounts receivable and payable, lease revenue from joint ventures, lease expense and in management fee revenue, as applicable. As of September 30, 2026, $15,423 (December 31, 2025 - $13,931) of Chartwell's accounts payable relate to its investments in joint ventures. For the three months and nine months ended September 30, 2026, $(289) and $1,425 (September 30, 2025 – $675 and $3,121) of Chartwell's management fees related to its investment in joint ventures.

Chartwell and Champlain each own a 50% direct beneficial interest in the real estate assets (referred to as the “Chartwell-Champlain Landlord”) and are each obligated for the related mortgages for a portfolio of 5 properties. Chartwell’s interests in these properties are accounted for as joint operations and are proportionately consolidated.

Chartwell’s 50% interest in the operations of the 5 properties (collectively referred to as “Chartwell-Champlain Operator”) are held through separate legal entities, which are accounted for as joint ventures using the equity method under IFRS 11.

As at September 30, 2026, the Chartwell-Champlain Operator continues to lease the underlying real estate from the Chartwell-Champlain Landlord. Lease terms are generally for three-year periods with automatic renewal provisions while the joint arrangement remains in effect. As a result, Chartwell’s share of the landlords’ lease receipts, $2,737 and $8,209 for the three months and nine months ended September 30, 2026 (three months and nine months ended September 30, 2025 - $2,736 and $11,407) is reported as lease revenue and is included in lease revenue from joint ventures. The lease expenses for Chartwell-Champlain Operator are included in the share of net income/(loss) from joint ventures.

12. Joint arrangements (continued):

As at September 30, 2026, Chartwell owns a 85% beneficial interest and Batimo a 15% beneficial interest in Chartwell Le Prescott Résidence. Additionally, Chartwell owns a 50% beneficial interest and Batimo a 50% beneficial interest in Chartwell Le Montcalm Résidence Chartwell directly holds its interest in the underlying real estate, related mortgage, and operations of these residences, which are accounted for as joint operations and proportionately consolidated.

As at September 30, 2026, Chartwell owns a 30% interest and Fengate Capital Management owns a 70% interest in 23 properties which are held through a jointly controlled separate legal entity, which is accounted for as a joint venture using the equity method under IFRS 11. At the time of acquisition, the joint venture committed to a plan to sell six of its jointly owned properties, resulting in the classification as assets held for sale. Management fees include payments to Fengate for transition services.

13. Mortgages payable:

	September 30, 2026	December 31, 2025
Mortgages principal balance	$ 2,607,054	$ 2,272,320
Mark-to-market adjustments on assumed mortgages	(406)	131
Financing costs	(103,987)	(90,290)
	$ 2,502,661	$ 2,182,161
Current	$ 330,398	$ 330,276
Non-current	2,172,263	1,851,885
	$ 2,502,661	$ 2,182,161

13. Mortgages payable (continued):

Mortgages payable are secured by first and second charges on specific properties and are measured at amortized cost. The mortgages payable as at September 30, 2026 are as follows:

	Regular Principal payments	Principal due on maturity	Total debt
Remainder 2026	$ 22,324	$ 196,436	$ 218,760
2027	86,055	77,749	163,804
2028	83,141	177,518	260,659
2029	73,810	117,148	190,958
2030	67,913	70,993	138,906
2031	60,285	145,730	206,015
2032	53,929	65,133	119,062
2033	50,362	136,124	186,486
2034	47,092	284,092	331,184
2035	32,878	284,095	316,973
Thereafter	96,950	377,297	474,247
Total	$ 674,739	$ 1,932,315	$ 2,607,054

	September 30, 2026	December 31, 2025
Mortgages at fixed rates:		
Mortgages (principal)	$ 2,499,294	$ 2,232,733
Interest rates	1.72% to 5.75%	1.48% to 5.75%
Weighted average interest rate	3.76%	3.61%
Mortgages at variable rates:		
Mortgages (principal)	$ 107,760	$ 39,587
Interest rates	4.04% to 5.50%	4.03% to 4.85%
Weighted average interest rate	4.83%	4.57%
Blended weighted average rate	3.81%	3.63%

Included in mortgages at fixed rates above, are mortgages totaling $37,927 (December 31, 2025 - $69,463) with interest rates fixed through interest rate swap contracts with an equivalent notional value, maturing in the remainder of 2026. The swaps have a fair value asset of $40 (December 31, 2025 - $220) included in other assets (note 10). The swaps are considered level 2 in the fair value hierarchy.

Under the terms of the mortgages payable, Chartwell is required to meet certain financial covenants. These covenants among others include debt service coverage ratios and in certain cases limitations on the amounts of unitholder distributions that can be paid. Chartwell was in compliance with these financial covenants as at September 30, 2026.

14. Credit facilities:

The following tables summarize certain details of Chartwell's credit facilities as at September 30, 2026 and December 31, 2025:

September 30, 2026	Maximum capacity	Available capacity	Principal amounts outstanding	Utilized for letters of credit	Available to be drawn	Maturity date
Credit facility	$ 400,000	$ 400,000	$ –	$ (4,884)	$ 395,116	May 29, 2031

December 31, 2025	Maximum capacity	Available capacity	Principal amounts outstanding	Utilized for letters of credit	Available to be drawn	Maturity date
Secured credit facility	$ 300,000	$ 300,000	$ –	$ (5,089)	$ 294,911	May 29, 2029
Unsecured credit facility	100,000	100,000	–	–	100,000	May 29, 2029
Total	$ 400,000	$ 400,000	$ –	$ (5,089)	$ 394,911	

On June 30, 2026, Chartwell entered into an amending agreement combining its secured and unsecured credit facilities into a single $400 million credit facility with separate secured and unsecured tranches. The amendment allows Chartwell, subject to availability of sufficient security, to maximize borrowing capacity of the credit facility at secured pricing. Any capacity in excess of the borrowing base can be accessed at unsecured pricing. The amendment also extends the maturity of the credit facility from May 29, 2029 to May 29, 2031.

Amounts outstanding under the secured tranche of the credit facility bear interest at the bank’s prime rate plus 0.30% or CORRA plus 1.30% plus credit spread adjustment. These borrowings are secured by the properties in the secured asset pool. The amounts outstanding under the unsecured tranche of the credit facility bear interest at the bank’s prime rate plus 0.45% or CORRA plus 1.45% plus credit spread adjustment. Chartwell’s borrowing costs are based on Chartwell’s current credit rating.

The portion of the credit facility available at secured pricing 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 for each property include existing first-lien mortgage balances, property valuations and mortgageability amounts determined on the basis of net operating income (as defined in the amending credit agreement) for the previous four quarters.

14. Credit facilities (continued):

The portion of the credit facility available at unsecured pricing may be limited by the ratio of the unencumbered property asset value to unsecured indebtedness (as defined in the credit agreement) which has to be greater than 1.3:1. The value of the unencumbered assets is based on third party appraisals that are dated no longer than two years from the applicable determination date.

Unamortized portion of financing costs of the credit facility of $2,092 (December 31, 2025 - $1,976) was recorded as Accounts payable and other liabilities as there is no outstanding credit facility balance.

The credit facility is subject to various financial covenants including among others, debt service coverage ratio, secured indebtedness percentage ratio, minimum equity requirements, and limitations on entering into certain investments and on the amount of cash distributions that can be paid to unitholders. In addition, the unsecured credit facility is subject to the minimum unencumbered asset ratio covenant. Chartwell was in compliance with these financial covenants as at September 30, 2026.

15. Senior unsecured debentures:

The following tables detail the outstanding principal amounts and the carrying value of Chartwell's senior unsecured debentures at September 30, 2026 and at December 31, 2025:

September 30, 2026	Date issued	Outstanding principal	Financing costs, net	Carrying value	Due date
6.000% Series C	December 8, 2023	250,000	(49)	249,951	December 8, 2026
4.400% Series D	October 28, 2024	150,000	(707)	149,293	November 5, 2029
3.650% Series E	March 6, 2025	200,000	(524)	199,476	May 6, 2028
4.500% Series F	March 6, 2025	200,000	(761)	199,239	March 6, 2032
Total		$ 800,000	$ (2,041)	$ 797,959	

	Carrying value
Current	$ 249,951
Non-current	548,008
	$ 797,959

December 31, 2025	Date issued	Outstanding principal	Financing costs, net	Carrying value	Due date
6.000% Series C	December 8, 2023	$ 250,000	$ (311)	$ 249,689	December 8, 2026
4.400% Series D	October 28, 2024	150,000	(879)	149,121	November 5, 2029
3.650% Series E	March 6, 2025	200,000	(772)	199,228	May 6, 2028
4.500% Series F	March 6, 2025	200,000	(870)	199,130	March 6, 2032
Total		$ 800,000	$ (2,832)	$ 797,168	

	Carrying value
Current	$ 249,689
Non-current	547,479
	$ 797,168

15. Senior unsecured debentures (continued):

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

1) $200,000 of 3.65% Series E senior unsecured debentures due on May 6, 2028, with semi-annual interest payments due on May 6 and November 6 of each year. Debt financing costs of $1,023 were incurred and are being amortized using the effective interest method.

2) $200,000 of 4.50% Series F senior unsecured debentures due on March 6, 2032, with semi-annual interest payments due on March 6 and September 6 of each year. Debt financing costs of $981 were incurred and are being amortized using the effective interest method.

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

Under the terms of the debentures, Chartwell is required to meet certain financial covenants. These covenants include required interest coverage ratio, indebtedness percentage ratio and unencumbered asset ratio. Chartwell was in compliance with these financial covenants as at September 30, 2026.

16. Accounts payable and other liabilities:

	Note	September 30, 2026	December 31, 2025
Accounts payable and accrued liabilities		$ 218,118	$ 183,185
Resident deposits		9,935	8,953
Related party[(1)]		335	1,253
Deferred Trust Units ("DTU")	(a)	17,320	16,232
Restricted Trust Units ("RTU")	(b)	14,617	15,821
EUPP option component	(c)	21,408	22,072
Class B Units of Chartwell Master Care LP ("Class B Units")	(d)	29,440	29,234
		$ 311,173	$ 276,750
Current		$ 301,696	$ 265,184
Non-current		9,477	11,566
		$ 311,173	$ 276,750

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

16. Accounts payable and other liabilities (continued):

(a) DTU Plan:

The DTU fair value is determined using the market price for listed Trust Units since there is a one-for-one conversion feature. The market price of Trust Units as at September 30, 2026, was $20.46 (December 31, 2025 - $20.10). DTU plan is considered Level 2 in the fair value hierarchy. The non-cash compensation expense attributable to DTUs granted is included in general, administrative and trust expense and subsequent fair value changes are included in fair value of financial instruments.

The following table summarizes the DTU activity:

	Units outstanding		Amount
Balance, December 31, 2024	863,215	$	13,015
Units granted	53,760		1,006
Change in fair value and distributions	28,664		4,667
DTU settled by the issuance of Trust units	(137,944)		(2,456)
Balance, December 31, 2025	807,695		16,232
Units granted	33,110		688
Change in fair value and distributions	17,862		656
DTU settled by the issuance of Trust units	(12,000)		(256)
Balance, September 30, 2026	846,667	$	17,320

(b) RTU Plan:

The following table summarizes the RTU activity:

	Units outstanding		Amount
Balance, December 31, 2024	1,193,119	$	10,166
Granted and vested	319,645		5,229
Distributions / Change in market value	43,029		9,159
Cancelled Units	(20,835)		(244)
Paid out / Vested	(464,439)		(8,489)
Balance, December 31, 2025	1,070,519		15,821
Granted and vested	299,037		3,873
Distributions / Change in market value	23,575		4,249
Cancelled Units	(22,411)		(166)
Paid out / Vested	(341,480)		(9,160)
Balance, September 30, 2026	1,029,240	$	14,617

16. Accounts payable and other liabilities (continued):

At September 30, 2026, the market price for listed Trust Units was $20.46 (December 31, 2025 - $20.10) and weighted average fair value per unit for notional trust units granted during the nine months ended September 30, 2026, was $20.78 (2025 - $ 16.36). The liability is measured to fair value based on the market price for Trust Units at each reporting period until settlement. RTU plan is considered Level 2 in the fair value hierarchy. The compensation expense attributable to the RTU plan is included in direct property operating expense and general, administrative and trust expenses.

(c) EUPP option component:

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

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

	September 30, 2026	December 31, 2025
Expected volatility	18.89% - 23.89%	18.43% - 23.43%
Risk-free rate	2.60% - 3.73%	2.25% - 3.09%
Distribution yield	2.96% - 3.06%	3.05% - 3.09%

16. Accounts payable and other liabilities (continued):

(d) Class B Units

Class B Units are exchangeable, at the option of the holder, into Trust Units. Such exchangeable instruments are presented as a current liability and are measured at fair value. Holders of the Class B Units are entitled to receive distributions equal to those provided to holders of Trust Units. Distributions on Class B Units are reported as a finance cost on the statement of comprehensive income. Fair value is determined by using the market price for listed Trust Units since there is a one-for-one exchange feature for each Class B Unit into a Trust Unit. Class B Units are considered Level 2 in the fair value hierarchy. The market price of Trust Units at September 30, 2026 was $20.46 per unit (2025 - $20.10 per unit).

	Units outstanding		Amount
Balance, December 31, 2024	1,509,360	$	22,761
Exchange of Class B units into Trust units	(54,950)		(931)
Change in fair value	–		7,404
Balance, December 31, 2025	1,454,410		29,234
Exchange of Class B units into Trust Units	(15,500)		(339)
Change in fair value	–		545
Balance, September 30, 2026	1,438,910	$	29,440

17. Assets and liabilities held for sale:

Chartwell has committed plans to sell three properties which have been moved to assets held for sale as described below.

On May 1, 2026, Chartwell entered into a definitive agreement to sell one non-core Long Term Care property located in Ajax, Ontario for $68,250. The transaction is subject to customary adjustments in accordance with the terms of the purchase and sale agreement and is subject to regulatory and other required approvals and is expected to close in Q1 2027.

On October 1, 2026, Chartwell completed the sale of one non-core property located in Victoriaville, Quebec for $8,000.

On October 1, 2026, Chartwell completed the sale of one non-core property located in Kitchener, Ontario for $41,750.

17. Assets and liabilities held for sale (continued):

The assets and liabilities held for sale as at September 30, 2026 and at December 31, 2025 are as follows:

	September 30, 2026	December 31, 2025
Trade and other receivables	$ 2,093	$ –
Capital funding receivable (note 7)	30,569	–
Other assets	575	–
PP&E (note 5)	60,157	–
Intangible assets (note 6)	1,056	–
Total assets held for sale	$ 94,450	$ –
Other liabilities related to assets held for sale	$ 6,289	$ –
Total liabilities related to assets held for sale	$ 6,289	$ –

18. Trust Units and EUPP:

The following Trust Units are issued and outstanding:

	Number of Trust Units	Amount
Balance, December 31, 2024	272,568,524	$ 3,040,063
Trust Units issued under DRIP	2,826,431	49,137
Trust Units issued on vesting of DTU	137,944	2,456
Trust Units issued in exchange of Class B units	54,950	931
Trust Units released on settlement of EUPP receivable	154,898	3,738
Trust Units issued under ATM Program	38,894,442	715,106
Balance, December 31, 2025	314,637,189	3,811,431
Trust Units issued under DRIP	2,133,097	43,825
Trust Units issued on vesting of DTU	12,000	256
Trust Units issued in exchange of Class B units	15,500	339
Trust Units released on settlement of EUPP receivable	183,466	5,304
Trust Units issued under ATM Program	10,099,311	213,385
Balance, September 30, 2026	327,080,563	$ 4,074,540

18. Trust Units and EUPP (continued):

On February 26, 2026, the Trustees approved an increase to Chartwell's monthly distributions from $0.051 per unit to $0.052 per unit. The increase was effective for the March 31, 2026 distribution payable on April 15, 2026.

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

On November 14, 2024, Chartwell filed a prospectus supplement to establish an at-the-market equity distribution program (the "ATM Program"). On November 6, 2025, Chartwell filed a new prospectus supplement for the ATM Program to allow Chartwell to issue up to an additional $500,000 of Trust Units. Prior to the termination of the ATM Program on May 7, 2026, Chartwell issued and sold $142,390 of Trust Units during 2026 under this program. $382,390 cumulative Trust Units were issued and sold under the program.

On May 7, 2026, Chartwell filed a new final base shelf prospectus and a new prospectus supplement for the ATM Program to allow Chartwell to issue up to an additional $500,000 of Trust Units. The ATM Program is expected to remain in place until the earlier of June 7, 2029, or the achievement of the revised ATM Program Limit. As at September 30, 2026, cumulative issuances under the program totaled $72,676 with $427,324 remaining available for future issuances.

The following table summarizes Trust Units issued under the ATM Program:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Number of units	–	13,689,739	10,099,311	26,894,775
Weighted Average Price	$ –	$ 18.26	$ 21.30	$ 17.86
Value of trust united issued under ATM	–	250,000	215,066	480,471
Offering costs	(144)	(4,872)	(3,617)	(7,392)
Net cash proceeds	(144)	245,128	211,449	473,079
Deferred tax asset	77	2,040	1,936	3,957
Issuance of Trust Units under ATM program, net	$ (67)	$ 247,168	$ 213,385	$ 477,036

18. Trust Units and EUPP (continued):

The following table summarizes Trust Units issued under the EUPP:

	Number of Trust Units issued under EUPP		Amount
Balance, December 31, 2024	1,817,188	$	21,112
Trust Units issued under EUPP	139,085		2,337
Trust Units released on settlement of EUPP receivable	(154,898)		(1,877)
Balance, December 31, 2025	1,801,375		21,572
Trust Units issued under EUPP	132,772		2,757
Trust Units released on settlement of EUPP receivable	(183,466)		(2,500)
Balance, September 30, 2026	1,750,681	$	21,829

19. Segmented information:

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

19. Segmented information (continued):

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

Three months ended September 30, 2026						
	Ontario	Western Canada	Quebec	Total Retirement Operations	Reconciliation	Total
Property revenue	$ 158,965	$ 79,126	$109,181	$ 347,272	$ (26,199)	$321,073
Direct property operating expenses	(92,660)	(46,769)	(58,910)	(198,339)	15,109	(183,230)
Adjusted net operating income	$ 66,305	$ 32,357	$ 50,271	$ 148,933	$ (11,090)	$137,843

Three months ended September 30, 2025						
	Ontario	Western Canada	Quebec	Total Retirement Operations	Reconciliation	Total
Property revenue	$ 132,082	$ 64,775	$ 88,399	$ 285,256	$ (10,081)	$275,175
Direct property operating expenses	(80,643)	(39,787)	(50,839)	(171,269)	5,876	(165,393)
Adjusted net operating income	$ 51,439	$ 24,988	$ 37,560	$ 113,987	$ (4,205)	$109,782

Nine months ended September 30, 2026						
	Ontario	Western Canada	Quebec	Total Retirement Operations	Reconciliation	Total
Property revenue	$ 454,899	$ 224,124	$319,634	$ 998,657	$ (54,278)	$944,379
Direct property operating expenses	(270,490)	(132,157)	(178,459)	(581,106)	31,436	(549,670)
Adjusted net operating income	$ 184,409	$ 91,967	$141,175	$ 417,551	$ (22,842)	$394,709

Nine months ended September 30, 2025						
	Ontario	Western Canada	Quebec	Total Retirement Operations	Reconciliation	Total
Property revenue	$ 386,960	$ 189,288	$250,717	$ 826,965	$ (40,188)	$786,777
Direct property operating expenses	(235,443)	(116,787)	(147,474)	(499,704)	24,572	(475,132)
Adjusted net operating income	$ 151,517	$ 72,501	$103,243	$ 327,261	$ (15,616)	$311,645

20. Financial instruments:

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

	September 30, 2026		December 31, 2025	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets:				
Financial assets recorded at amortized cost				
Capital funding receivable (note 7)	$ –	$ –	$ 31,153	$ 30,896
Financial liabilities:				
Financial liabilities recorded at amortized cost:				
Mortgages payable (note 13)	$ 2,502,661	$ 2,430,878	$ 2,182,161	$ 2,135,174
Senior unsecured debentures (note 15)	797,959	781,053	797,168	798,841

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

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

The fair value of capital funding receivable was estimated by discounting the expected future cash flows using the current long-term government bond rate of 3.85% as at December 31, 2025.

The fair value of mortgages payable is estimated by discounting the expected future cash outflows using the rates currently prevailing for similar instruments of similar maturities. At September 30, 2026, the mortgages payable were discounted using rates between 3.88% and 5.15% (December 31, 2025 - 3.61% and 4.57%).

20. Financial instruments (continued):

The fair value of senior unsecured debentures is estimated by discounting the expected future cash outflows using the rates currently prevailing for similar instruments of similar maturities. At September 30, 2026, senior unsecured debentures were discounted using a rate of 5.17% (December 31, 2025 – 4.27%).

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

21. Revenue:

Property revenue is comprised of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Resident revenue	$ 317,138	$ 270,797	$ 930,257	$ 773,490
Other property revenue[(1)]	3,935	4,378	14,122	13,287
Total property revenue	$ 321,073	$ 275,175	$ 944,379	$ 786,777

[(1)] Includes primarily government funding and commercial revenue

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Lease revenue[(1)]	$ 173,142	$ 137,975	$ 499,159	$ 397,771
Services revenue[(2)]	150,668	139,936	453,429	400,413
Management and other fees	(123)	1,813	3,031	4,856
Interest income	1,295	2,450	4,853	5,190
Total revenue	$ 324,982	$ 282,174	$ 960,472	$ 808,230

[(1)] Includes resident lease revenue from retirement residence residents and lease revenue from the joint venture partners.
[(2)] Includes property services element from retirement residence residents in accordance with IFRS 15.

22. Other income (expense):

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Net gain (loss) on disposal of assets[1]	$ 111,546	$ 1,288	$ 113,557	$ 61,790
Net impairment reversal (expense)	(2,399)	–	1,150	1,963
Other income[2]	6,785	–	9,000	–
Total other income	115,932	1,288	123,707	63,753
Transaction costs	(4,058)	(322)	(5,557)	(6,453)
Other expense[2]	(2,536)	(395)	(4,028)	(742)
	(6,594)	(717)	(9,585)	(7,195)
Other income (expense)	$ 109,338	$ 571	$ 114,122	$ 56,558

[1] Net gain (loss) on disposal of assets relates primarily to sale of properties (note 4).

[2] Other expense and other income relate primarily to activity related to the fire incident losses and recoveries (note 5).

23. Finance costs:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Contractual interest expense on mortgages	$ (24,428)	$ (20,450)	$ (68,059)	$ (59,250)
Interest expense on senior unsecured debentures	(9,553)	(9,553)	(28,348)	(27,479)
Interest expense on credit facility	(362)	(355)	(1,105)	(2,711)
Contractual interest expense on loans payable	–	–	–	(1,432)
	(34,343)	(30,358)	(97,512)	(90,872)
Interest capitalized to properties under development	662	640	1,601	2,257
Amortization of financing costs and mark-to-market adjustment on assumed mortgages, credit facilities and senior unsecured debentures	(1,864)	(1,398)	(5,130)	(4,515)
Distributions on Class B Units recorded as interest expense	(224)	(223)	(673)	(676)
Total finance costs	$ (35,769)	$ (31,339)	$ (101,714)	$ (93,806)

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

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Change in fair value of interest rate swaps	$ (62)	$ (188)	$ (180)	$ (474)
Change in fair value of EUPP option component	2,826	(2,813)	(1,442)	(8,916)
Change in fair value of Class B Units	2,716	(2,318)	(545)	(7,520)
Change in fair value of DTUs	1,440	(1,387)	(656)	(4,603)
Change in fair value - other	48	(27)	(44)	1,693
Change in fair value of income guarantees	(2,177)	–	347	–
Change in fair values of financial instruments	$ 4,791	$ (6,733)	$ (2,520)	$ (19,820)

25. Income taxes:

Chartwell recorded current tax expense of $23,831 in the three months and nine months ended September 30, 2026 respectively (three and nine months ended September 30, 2025 – current tax recovery of $4,367 and current tax expense of $3,601 respectively). This current tax expense was primarily attributable to SIFT taxes payable on the sale of non-core properties. The 2025 current tax expense was primarily attributable to SIFT taxes payable on the disposition of the Welltower Assets (note 4).

For the three and nine months ended September 30, 2026, Chartwell recorded deferred tax recovery of $7,684 and deferred tax expense of $13,499 respectively (three and nine months ended September 30, 2025 - $14,604 and $32,183 respectively). The 2026 deferred tax expense was primarily with respect to temporary difference between accounting carrying amount and tax cost base of PP&E and fair value adjustments. The 2025 deferred tax expense was primarily with respect to fair value adjustments, prior year adjustments, and the reversal of temporary differences associated with the Welltower Transaction (note 4).

26. Commitments and contingencies:

(a) Litigation and claims:

On June 1, August 14th 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 granted an order to consolidate the Claims into one proceeding (the "Consolidated Claim") seeking an order to be certified as a class action against Chartwell. The Consolidated Claim alleges, among other things, gross negligence, breach of the Canadian Charter of Rights and Freedoms, breach of contract and breach of fiduciary duty in respect of Chartwell's response to the pandemic. The plaintiffs are seeking $100,000 in general damages and $10,000 in aggravated, punitive and/or exemplary damages. 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. The litigation is currently in the discovery process. Chartwell is vigorously defending itself against these claims and does not believe the outcome will have a material adverse impact on its business, results of operations or financial condition and in any event expects that any resolution that may occur would be within the limits of its insurance coverage.

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.

Certain Ontario LTC homes achieved pay equity by 2005 under a sector framework that used the "proxy" method, with the Ontario government directly funding the related obligations. In subsequent litigation commenced in 2010, unions asserted that additional adjustments were required to maintain pay equity. Although the Ontario Pay Equity Tribunal (the "Tribunal") found generally in favour of the participating LTC homes, appellate courts later found in favour of unions and directed 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 Supreme Court of Canada denied leave to appeal on October 14, 2021, thereby upholding the appellate court decision.

26. Commitments and contingencies (continued):

Chartwell owns or previously owned four Ontario LTC homes that are respondents to this decision and previously owned seven additional Ontario LTC homes that also used the proxy method and could also be affected. Although Chartwell completed the sale of its LTC operations in 2023, it continues to participate in sector discussions with unions, other LTC homes and the Ontario government regarding an appropriate pay equity maintenance framework. There are significant uncertainties regarding how the decision will be implemented, including the scope of any required pay equity adjustments, the methodology and timing for implementation, and the ultimate financial impact on Chartwell. Discussions among the affected parties have not meaningfully progressed. As a result, at this time Chartwell cannot reliably estimate potential liability. No liability for potential pay equity adjustments, or related recovery from the Ontario government, has been recognized in Chartwell's financial statements. Any requirement to fund pay equity adjustments, in whole or in part, could increase Chartwell's labour costs and adversely affect its financial condition and results of operations.

(b) Other:

Chartwell has entered into various development arrangements with Batimo Inc. ("Batimo") under which Chartwell participates in the development and lease-up of certain retirement residence projects.

Under legacy arrangements, which have been subsequently amended, Batimo has the right, upon a property achieving a specified stabilized occupancy level, to require Chartwell to acquire a 100% ownership interest in the property at a price based on fair market value, as defined in the agreements. This right is exercisable for a defined period following stabilization. As at September 30, 2026, one property is subject to such arrangement. Chartwell acquired a 50% ownership interest in the property on July 16, 2026 (note 4). Batimo's put right on the remaining 50% ownership interest will be exercisable once the property's expansion achieves a specified stabilized occupancy level.

26. Commitments and contingencies (continued):

Chartwell and Batimo have adopted a revised ownership structure for two development projects under construction adjacent to a residence co-owned by Chartwell and Batimo. Under this framework, Chartwell holds 35-50% interest during construction and lease-up, while Batimo owns the remaining interest. Upon achievement of stabilized occupancy, the parties will negotiate the terms under which Chartwell's ownership interest would increase up to 100%. If the parties are unable to reach an agreement, either party may require the transfer of Batimo's interest to Chartwell at a price based on fair market value, as defined in the agreements. These rights are exercisable for a defined period following stabilization.

Certain other development projects with Batimo are subject to separate arrangements and are not governed by the terms described above.

In Alberta and British Columbia, Chartwell has entered into development arrangements with third-party developers under which Chartwell participates in the development and lease-up of four retirement residence projects. These properties are all currently in development or pre-development. Chartwell will manage operations of the properties and are subject to forward purchase arrangements that are expected to result in Chartwell acquiring a 100% ownership interest after completion of construction at a fixed price and/or at stabilization of occupancy at fair market value.

The forward purchase agreements are expected to be exercisable from 2028 through 2031. As at September 30, 2026, there are no projects that have met the conditions noted above at which Chartwell is entitled to acquire the related ownership.