

# ANNUAL REPORT 2025

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# Message from the CEO

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Dear fellow unitholders,

Two thousand twenty-five was a record year for Chartwell and a powerful reflection of our people, our strategy, and the trust our residents and families place in us every day. Our teams delivered strong operating and financial results, achieved all of our strategic targets, and continued to strengthen Chartwell's position as a leading seniors housing operator in Canada.

Our performance in the year was broad-based and disciplined. Same property occupancy increased meaningfully throughout the year, ending above our target at year-end, driven by continued demand for high-quality seniors housing and the relentless focus of our residence teams. **We delivered strong growth in same property adjusted net operating income and expanded operating margins through higher resident revenue and continued progress on cost management, all while maintaining a strong resident experience.**

These results start and end with our people. Across our residences and support teams, Chartwell employees showed extraordinary professionalism, care, and resilience. They supported residents and their families with compassion and consistency, and they executed our operating strategy with discipline and pride. I am deeply grateful for their commitment to our purpose of ***Making People's Lives Better.***

In addition to strong operating execution, **we continued to actively optimize and grow our portfolio.** During the year, we completed and announced acquisitions that accelerate our shift toward newer, higher-quality residences that are better aligned with the evolving needs and expectations of today's seniors. This portfolio evolution strengthens the durability of our cash flows and positions Chartwell for long-term growth.



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“  
Chartwell enters  
two thousand  
twenty-six  
with **strong**  
momentum.”

We also made important progress in strengthening our platform. Building on the operating model we have been developing over the past several years, **we continued to empower our residence teams with better tools, data, and technology, enabling faster decision-making and more local accountability.** This combination of disciplined central support and entrepreneurial operations remains a core competitive advantage for Chartwell.

Chartwell enters two thousand twenty-six with strong momentum. Demographic trends, limited new supply, and the quality of our portfolio provide a supportive backdrop for continued growth. Our balance sheet remains strong, our operations are performing at a high level, and our teams are focused on execution, resident experience, and long-term value creation.

On behalf of our Trustees, management team, and employees across the organization, thank you for your continued confidence and support.

Sincerely,

**Vlad Volodarski**, Chief Executive Officer

*\* This message from the CEO contains forward-looking information. Please see the “Risks and Uncertainties and Forward-Looking Information” section of the MD&A contained in the “Financial Report” section of this Annual Report.*

# Chartwell's ESG Report - 2025

## Taking Care of Our Communities

At Chartwell, we believe strong communities are built through meaningful partnerships, shared experiences, and active participation in cultural and social life. By supporting local initiatives, arts and cultural organizations, as well as community-based causes, Chartwell seeks to contribute positively to the communities we are part of.



## Chartwell Wish of a Lifetime

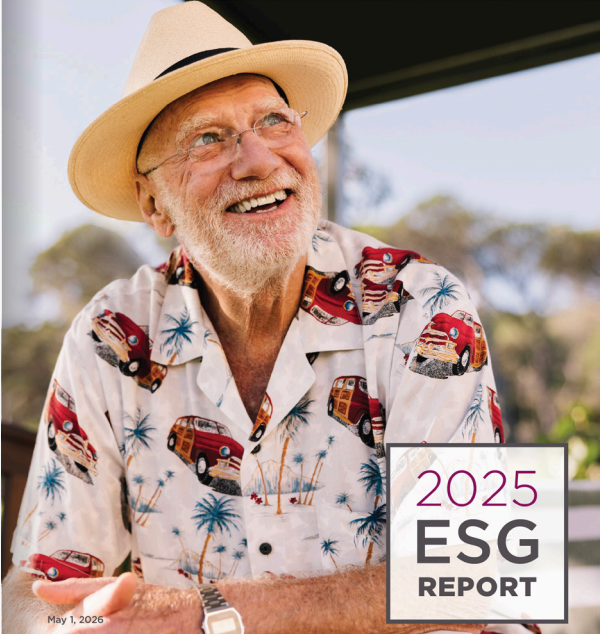
After an exciting relaunch, Chartwell Wish of a Lifetime (CWOL) continues to grant meaningful wishes that inspire joy, connection, and purpose for Canadian seniors. With every wish, we highlight the experiences and vitality of older adults - inspiring others to reach for their goals, dream big, and live a life well-lived. In 2025, our charity granted 33 wishes, an increase from 22 in the previous year, reflecting growing engagement and impact among seniors.

During our national summer fundraiser, residences nationwide participated through creative and community-driven fundraising efforts, raising more than \$160,000. Activities ranged from local events to province-wide initiatives, including Quebec's poutine fundraiser which raised an impressive \$70,000.

At Chartwell Allandale Station, General Manager Kyla Krawczyk exemplified this commitment by swimming 1.5 kilometres across Kempenfelt Bay. Inspired by a resident who completed the same swim at age 60, Kyla exceeded her \$4,000 fundraising goal, raising more than \$8,000.



ENVIRONMENTAL SOCIAL GOVERNANCE



View our full ESG Report at:  
[INVESTORS.CHARTWELL.COM/  
COMPANY-PROFILE](https://investors.chartwell.com/company-profile)

# FINANCIAL REPORT

For the Year Ended December 31, 2025

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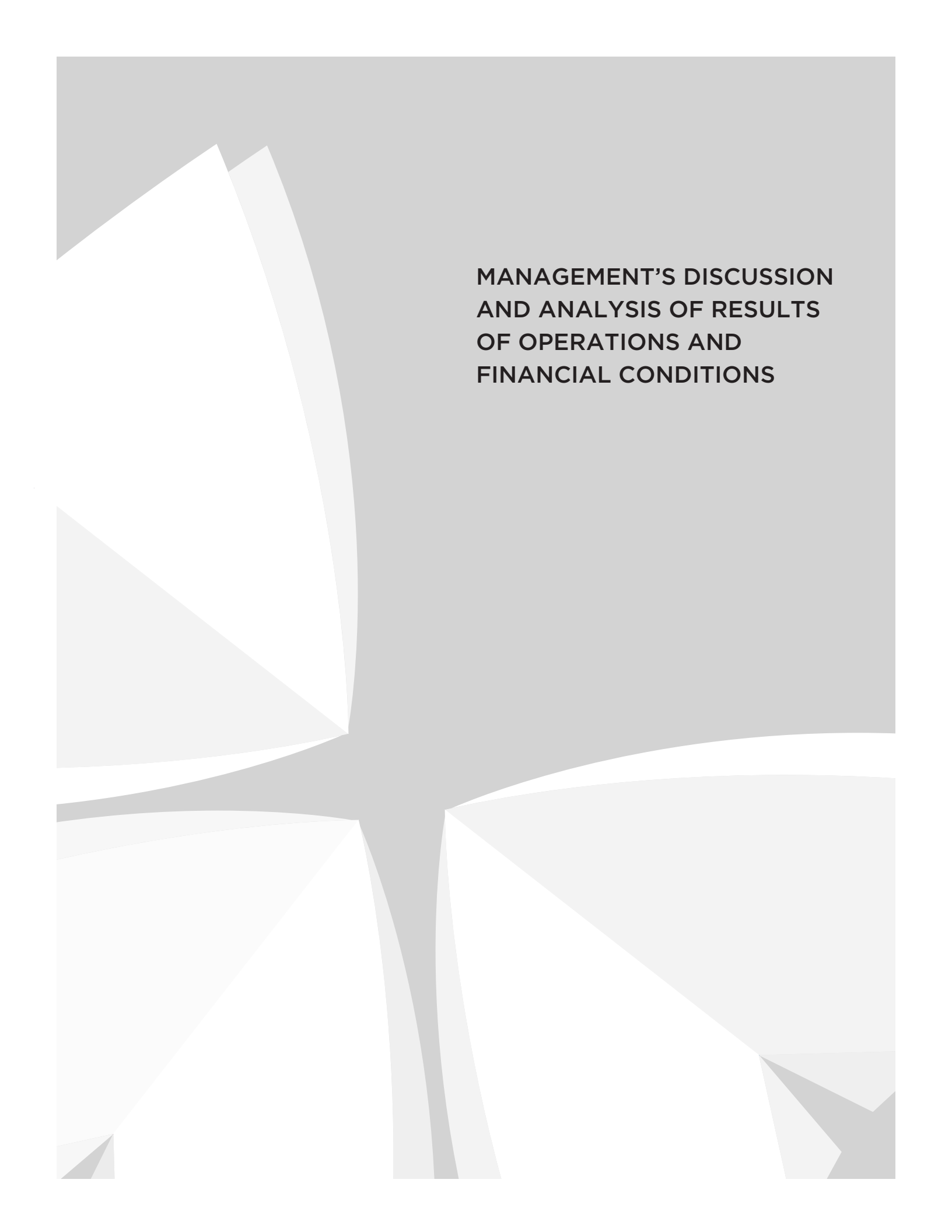
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**MANAGEMENT'S DISCUSSION  
AND ANALYSIS OF RESULTS  
OF OPERATIONS AND  
FINANCIAL CONDITIONS**

## ***About this Management's Discussion and Analysis***

Chartwell Retirement Residences (“Chartwell” or the “Trust”) has prepared the following management’s discussion and analysis (the “MD&A”) to provide information to assist its current and prospective investors’ understanding of the financial results of Chartwell for the year ended December 31, 2025. This MD&A should be read in conjunction with Chartwell’s audited, consolidated financial statements for the years ended December 31, 2025, and 2024, and the notes thereto (the “Financial Statements”). This material as well as additional information about Chartwell, including our Annual Information Form for the year ended December 31, 2025, dated February 26, 2026 (the “AIF”), is available on Chartwell’s website at [www.investors.chartwell.com](http://www.investors.chartwell.com) and on the SEDAR+ website at [www.sedarplus.com](http://www.sedarplus.com).

The discussion and analysis in this MD&A is based on information available to management as of February 26, 2026.

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; and “2022” refers to the calendar year 2022.

Unless otherwise indicated, all comparisons of results for 2025 and Q4 2025 are in comparison to results from 2024 and Q4 2024, respectively.

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

In this document we use a number of performance measures that are not defined in generally accepted accounting principles (“GAAP”) which follow the disclosure requirements established by National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosures (collectively, 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 Equity-Accounted JVs, Internal Funds from Operations (“IFFO”), including per unit amounts (“PU”), Earnings before interest, tax, depreciation and amortization (“consolidated EBITDA” or “EBITDA”), Adjusted Property Revenue, Adjusted Resident Revenue, Adjusted Other Property 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”), FFO Payout Ratio, 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 Property Revenue, Adjusted Resident Revenue, Adjusted Direct Property Operating Expense, Adjusted Operating Margin, and Adjusted NOI” and “Liquidity and Capital Resources/Debt Covenants” sections of this MD&A for details on these measures.

**Risks and Uncertainties**

Refer to the “Risks and Uncertainties” section on page 50 of this MD&A, as well as our AIF dated February 26, 2026, 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 50 of this MD&A.

## Highlights

The following highlights select metrics for 2025 compared to 2024 and Q4 2025 compared to Q4 2024. Refer to the “Results of Operations” section on page 19 of this MD&A for details.

### 2025

- Property revenue increased \$279.1 million or 34.9%.
- Net income increased \$7.1 million.
- FFO increased \$80.6 million or 40.8%.
- Same property adjusted NOI increased 18.4%.
- Same property adjusted operating margin increased 330 basis points (“bps”) to 41.7%.
- Weighted average same property occupancy increased 480 bps to 92.8%, ending at 95.2%
- Same property NOIPOS increased 12.2% on higher REVPOS and lower DOEPOS.

### Q4 2025

- Property revenue increased \$73.8 million or 33.8%.
- Net income increased \$3.7 million.
- FFO increased \$23.6 million or 40.9%.
- Same property adjusted NOI increased 16.9%.
- Same property adjusted operating margin increased 310 bps to 41.6%.
- Weighted average same property occupancy increased 430 bps to 94.7%.
- Same property NOIPOS increased 11.6% on higher REVPOS and lower DOEPOS.

Distributions increase 2.0% as of March 31, 2026.

The following table summarizes select financial and operating performance measures:

<i>(\$000s, except per unit amounts)</i>	Q4 2025	Q4 2024	Change	2025	2024	Change
Property revenue	292,258	218,445	73,813	1,079,035	799,923	279,112
Direct property operating expense	174,944	138,707	36,237	650,076	509,179	140,897
Net income	7,244	3,544	3,700	29,495	22,378	7,117
FFO <sup>(1)</sup>	81,241	57,663	23,578	278,020	197,462	80,558
FFO per unit <sup>(1)</sup>	0.26	0.21	0.05	0.95	0.76	0.19
G&A expenses <sup>(2)</sup>	12,714	10,334	2,380	56,601	49,460	7,141

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

(2) Refer to the “Results of Operations/General, Administrative and Trust Expenses” section on page 25 of this MD&A for details.

The following table summarizes the results of our same property portfolio as at December 31, 2025:

<i>(\$000s, except percentages and per occupied suite amounts)</i>	Q4 2025	Q4 2024	Change	2025	2024	Change
<b>Same property <sup>(1)</sup></b>						
Adjusted property revenue <sup>(2)</sup>	182,391	168,452	13,939	705,927	647,327	58,600
Adjusted resident revenue <sup>(2)</sup>	179,526	165,273	14,253	694,304	634,103	60,201
Adjusted other property revenue <sup>(2)</sup>	2,865	3,179	(314)	11,623	13,224	(1,601)
Adjusted direct property operating expense <sup>(2)</sup>	106,567	103,586	2,981	411,629	398,774	12,855
Adjusted NOI <sup>(2)</sup>	75,824	64,866	10,958	294,298	248,553	45,745
Adjusted operating margin <sup>(2)</sup>	41.6%	38.5%	3.1pp	41.7%	38.4%	3.3pp
Weighted average occupancy rate	94.7%	90.4%	4.3pp	92.8%	88.0%	4.8pp
REVPOS <sup>(2)</sup>	5,026	4,848	178	4,959	4,778	181
DOEPOS <sup>(2)</sup>	2,984	3,039	(55)	2,940	3,005	(65)
NOIPOS <sup>(2)</sup>	2,123	1,903	220	2,102	1,873	229

(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 Property Revenue, Adjusted Resident Revenue, Adjusted Direct Property Operating Expense, Adjusted Operating Margin, and Adjusted NOI” section on page 21 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 28 of this MD&A for details.

	December 31, 2025	December 31, 2024	December 31, 2023
Net Debt to Adjusted EBITDA	6.9x	8.4x	10.2x
Interest Coverage Ratio	3.5x	2.7x	2.3x
Available liquidity (\$000)	504,043	314,295	348,631
Weighted average interest rate (consolidated)	3.92%	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—is the core foundation of how we run our business.

Our **Mission** describes our promise to our **residents**: to create happy, healthy, meaningful lives; to their **families**: to create peace of mind; to our **employees**: to create rewarding careers; and to our **investors**: to create growing returns.

Our **Guiding Principles** direct our decisions in how we deliver on our vision and mission. **Residents First**: Serve with kindness, respect and empathy. Bring Joy through WOW moments. **Own It**: Take personal accountability. Fix what is broken. **Be Curious**: Ask questions and seek feedback. Share knowledge. **Simplify & Innovate**: Fear inaction, not failure. Experiment, learn, repeat. **Stronger Together**: Team up. Welcome differences.



## 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.

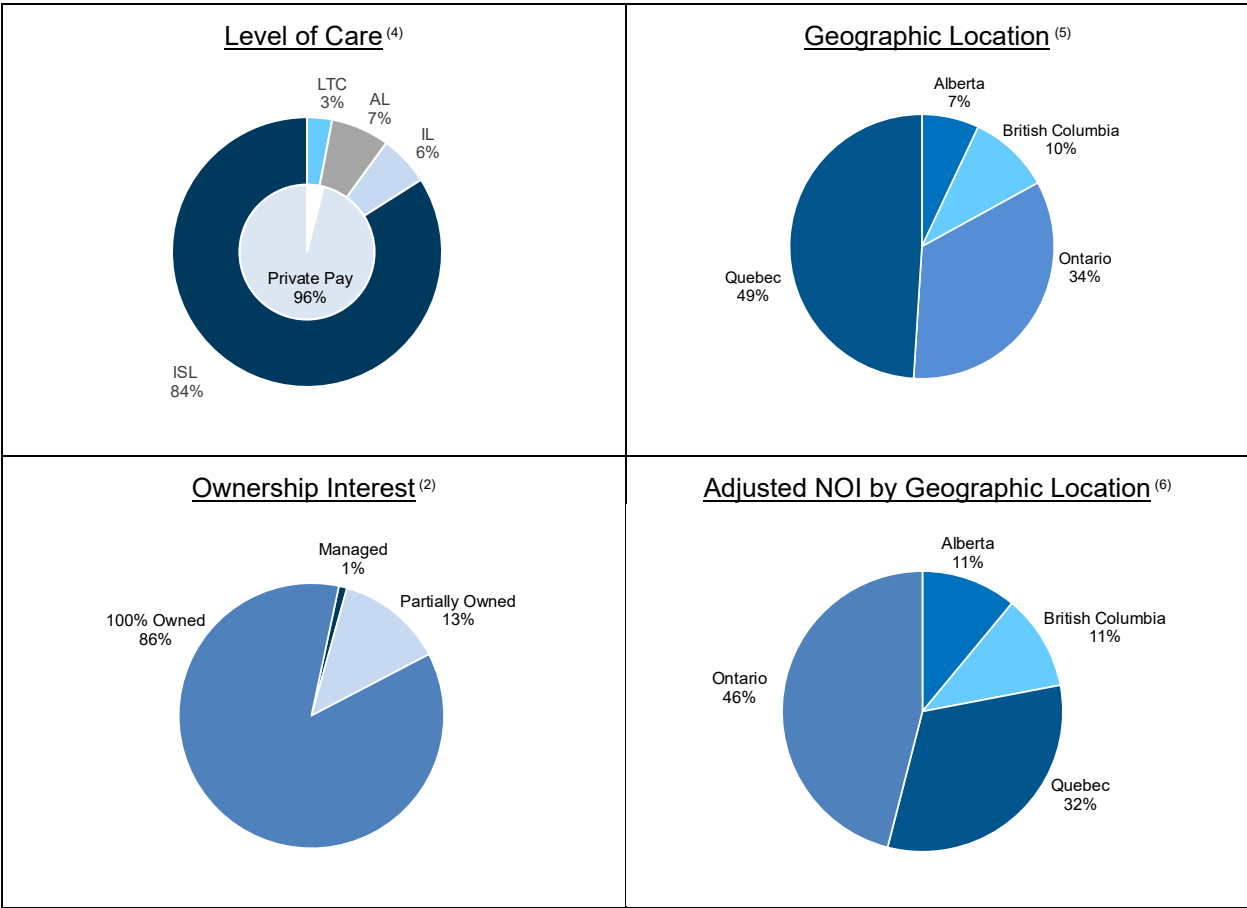
We provide resident services and care in the following settings:

<b>Independent Living (“IL”)</b>	Apartments with availability of dining, life enrichment and housekeeping services.
<b>Independent Supportive Living (“ISL”)</b>	Apartments and suites with availability of dining, life enrichment, housekeeping, personal assistance, and care services.

<b>Assisted Living (“AL”)</b>	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.
<b>Long Term Care (“LTC”)</b>	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.

The following table and pie charts present the composition of our owned and managed portfolio of residences at December 31, 2025:

	100% Owned <sup>(1)</sup>	Partially Owned <sup>(2)</sup>	Total Owned	Total Managed	Total
Properties <sup>(3)</sup>	130	13	143	1	144
Suites	22,729	3,552	26,281	283	26,564



(1) Includes one non-core property for which operational closure was completed, and on May 5, 2025, we entered into a 15-year lease agreement with the Ottawa Hospital. On February 19, 2026, we entered into a definitive agreement to sell this property for \$49.0 million with closing expected in Q1 2026.

(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 two residences (744 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.

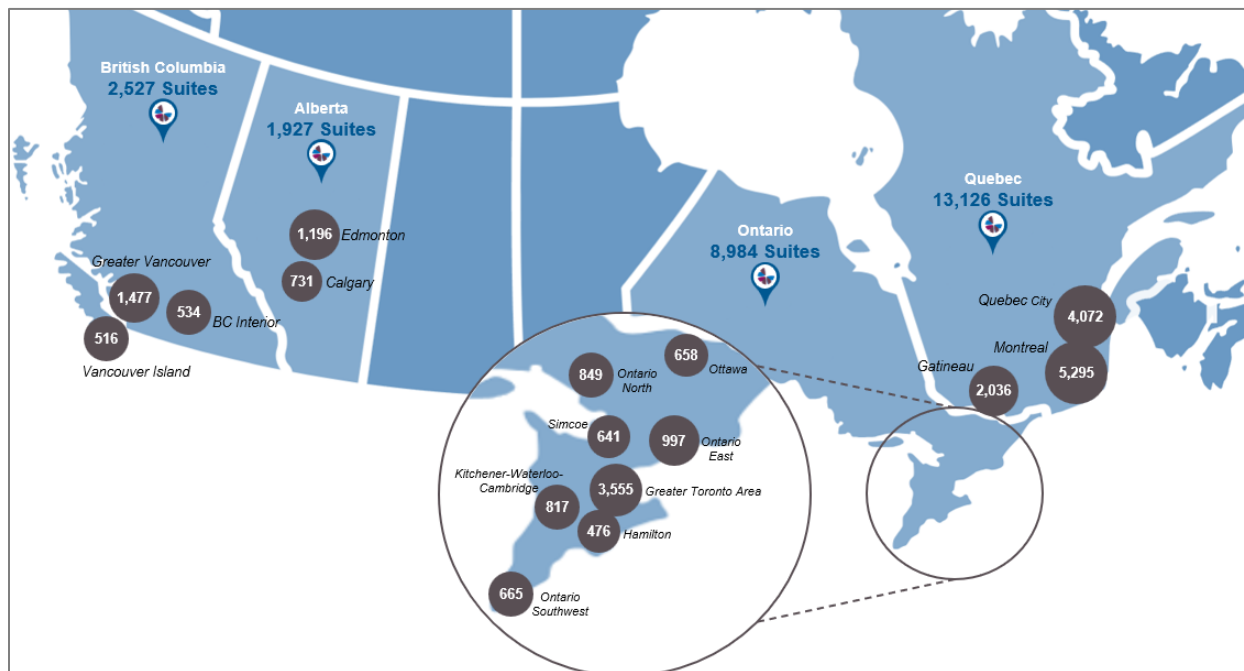
(4) Based on suites at Chartwell’s share of ownership interest at December 31, 2025. 96% of our suites are private pay and 4% receive funding by local government agencies in their respective province.

(5) Based on suites at 100% ownership interest at December 31, 2025.

(6) Adjusted NOI % represents Chartwell’s share of ownership interest for the year ended December 31, 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 December 31, 2025:



## Property Portfolio Groupings

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

<b>Same property</b>	Effective January 1, 2025, the composition of our same property portfolio includes properties that have been owned continuously and at the same ownership percentage since the beginning of the previous fiscal year.
<b>Growth</b>	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.
<b>Repositioning</b>	Our repositioning portfolio includes properties that we expect to sell in the current 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 December 31, 2025:

	Composition of Suites					Total	Total at Chartwell's Share of Ownership
	Properties	IL	ISL	AL	LTC		
<b>Same property</b>							
100% Owned	81	849	9,947	966	201	11,963	11,963
Partially Owned <sup>(1)</sup>	5	17	908	-	-	925	610
Total same property	86	866	10,855	966	201	12,888	12,573
<b>Growth</b>							
100% Owned	33	384	7,644	619	125	8,772	8,772
Partially Owned <sup>(2)</sup>	8	181	2,285	161	-	2,627	1,443
Total growth	41	565	9,929	780	125	11,399	10,215
<b>Repositioning</b>							
100% Owned <sup>(3)</sup>	16	40	1,418	110	426	1,994	1,994
Total repositioning	16	40	1,418	110	426	1,994	1,994
Total portfolio	143	1,471	22,202	1,856	752	26,281	24,782

(1) We own an 85% interest in one property and a 50% interest in four properties.

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

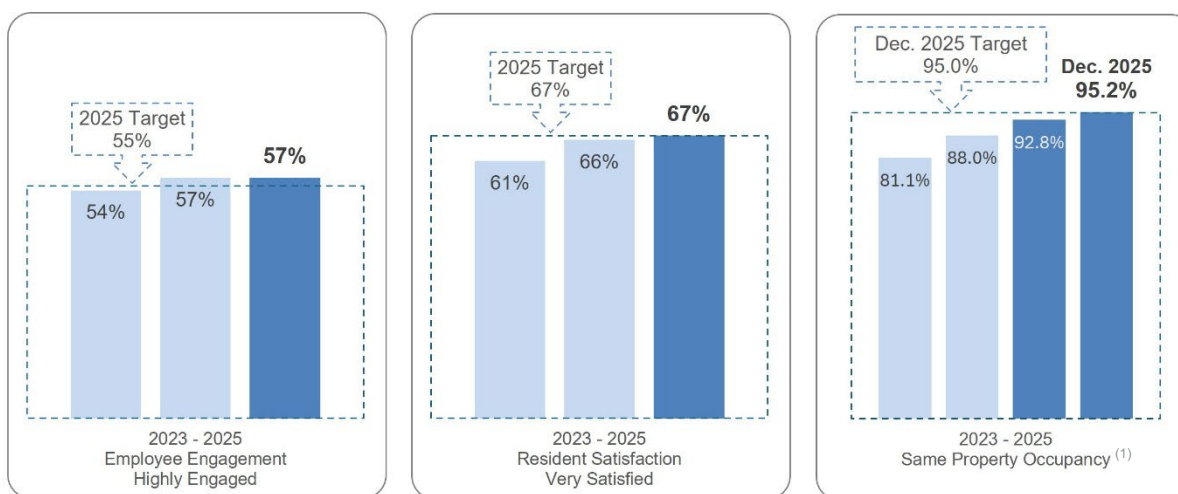
(3) Includes one non-core property that was operationally closed and in May 2025, leased to the Ottawa Hospital.

## Business Strategy

### 2025 Strategy

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.

2025 marked the final year of our strategic plan which culminated in Chartwell meeting or exceeding our strategic goals. The following charts summarize Employee Engagement, Resident Satisfaction and Same Property Occupancy results for the past three years:



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

## 2028 Strategy

In 2026-2028, we will generate robust **FFO per unit growth** through **exceptional resident experiences, empowered teams, a well-established agile management platform, and prominent Chartwell brand** driving **market-leading occupancies** in a **growing and renewing portfolio** of **community-tailored residences**.

We expect to deliver robust **FFOPU growth** through the achievement of the following targets to be measured and reported each quarter:

Same Property Performance	
Weighted average occupancy	> 95%
REVPOS growth <sup>(1)</sup>	> 4%
DOEPOS growth <sup>(1)</sup>	< 4%
Balance Sheet	
Net Debt to Adjusted EBITDA <sup>(2)</sup>	< 7.5x
Interest Coverage Ratio <sup>(2)</sup>	> 3.0x
FFO Payout Ratio <sup>(1)</sup>	< 60%
Capital	
Acquisitions and Developments <sup>(3)</sup>	\$2 billion
Dispositions <sup>(4)</sup>	\$1 billion

(1) Measured quarterly.

(2) Measured quarterly for the trailing 12 months.

(3) Refers to aggregate purchase price of acquisitions at Chartwell's share of ownership plus adjusted development costs for the three-year period ending December 31, 2028. Measured quarterly on a cumulative basis.

(4) Refers to the aggregate gross sale price of dispositions for the three-year period ending December 31, 2028. Measured quarterly on a cumulative basis.

Scope and Competitive Advantage:

**Exceptional resident experiences.** We create resident experiences that are personalized, memorable, feel like home, and where friends and families feel welcome and respected. Resident satisfaction will be measured annually by Net Promoter Score ("NPS"). 2025 NPS was 43; 2026 NPS target is 45.

**Empowered teams.** Our residence managers take ownership of strategies, execution, and results while leveraging expert corporate support. They innovate, experiment and lead highly engaged teams to exceed residents' expectations and achieve market-leading occupancies. Employee engagement will be measured annually by employee NPS ("eNPS"). 2025 eNPS was 39; 2026 eNPS target is 40.

**Agile management platform.** Culture, experience, standards and processes are optimized to enable smooth operations, innovation, learning and efficiency in scaling growth. Our leading management platform will continue to evolve through technology-enabled tools, transparent pricing strategies, a regionally focused corporate sales team and localized marketing. These tools also foster organizational learning and support our ability to scale effectively as we grow our footprint and deepen our presence in key markets.

**Prominent Chartwell brand.** We are strengthening the Chartwell brand as a differentiating asset. Our brand promise, **Joy is Ageless**, enhances our ability to attract residents, talent and partners. Brand consistency across our residences, paired with meaningful community partnerships, deepens trust and reinforces our market leadership positioning.

**Market-leading occupancies.** Aspiring to be the occupancy leader in each market through a strong brand presence, local market knowledge and deep community connections.

**Growing and renewing portfolio.** Responsibly and sustainably expanding market reach through investments in our core property portfolio, acquisitions and strategic developments. Optimizing and future-proofing our property portfolio through divestitures of non-core assets.

**Community-tailored residences.** Delivering services and care tailored to the unique demographic composition, preferences, and identity of local communities. Partnering with communities to bring positive change and improve lives.

## 2026 Outlook

The fundamentals supporting seniors housing have never been stronger. Canada's 80 plus population is projected to grow at approximately 4.0% annually over the next 20 years, creating sustained, long-term demand for retirement living. At the same time, new construction has slowed significantly, construction starts have been less than 1% of inventory in our core markets for the past three years, and many older residences are facing capital or economic obsolescence. This imbalance between accelerating demand and constrained supply underpins a continued favourable operating environment in 2026 for quality operators with scale, brand, and financial capacity. It also reinforces Chartwell's strategic focus on optimizing and renewing our existing portfolio, selectively pursuing development and acquisition opportunities in core markets, and responsibly recycling capital from non-core assets.

## Operations

2025 represented another year of significant occupancy growth for Chartwell. We added 480 basis points ("bps") of occupancy in our same property portfolio, and we realized our strategic objective of 95% occupancy. We also strengthened our portfolio through acquisitions, reinvestment, new developments, and divestitures. In addition, we mirrored these improvements with ongoing investments in our management platform. The enhancements in our technology, sales and marketing strategies, and corporate support functions are efficiently delivering the tools that empower our front-line leaders to deliver exceptional results. We expect the strength of our portfolio and management platform to enable us to maintain a **95% average occupancy** in our same property portfolio and achieve occupancy gains in our growth portfolio. Occupancy growth will be supported by continued increases in rental and service rates which we expect to grow by approximately 4% in 2026. Rate increases for our existing residents will take place throughout the year based on individual lease anniversary dates. Market rates are being assessed on an ongoing basis considering local dynamics. We expect to continue to reduce the use of targeted incentives during 2026 which will support rate growth. As a result of the expected growth in average occupancy and rate, we expect to see further growth in our same property adjusted operating margin beyond the 41.7% achieved in 2025. Adjusted operating margin is adjusted NOI divided by adjusted resident revenue.

## 2026 Same Property Composition

Effective January 1, 2026, the composition of our same property portfolio changed to include properties that have been owned continuously and at the same ownership percentage since January 1, 2025. Same property excludes development properties that have not been operating for the full prior fiscal year and properties that are expected to undergo significant redevelopment, repositioning or are to be sold in the current year.

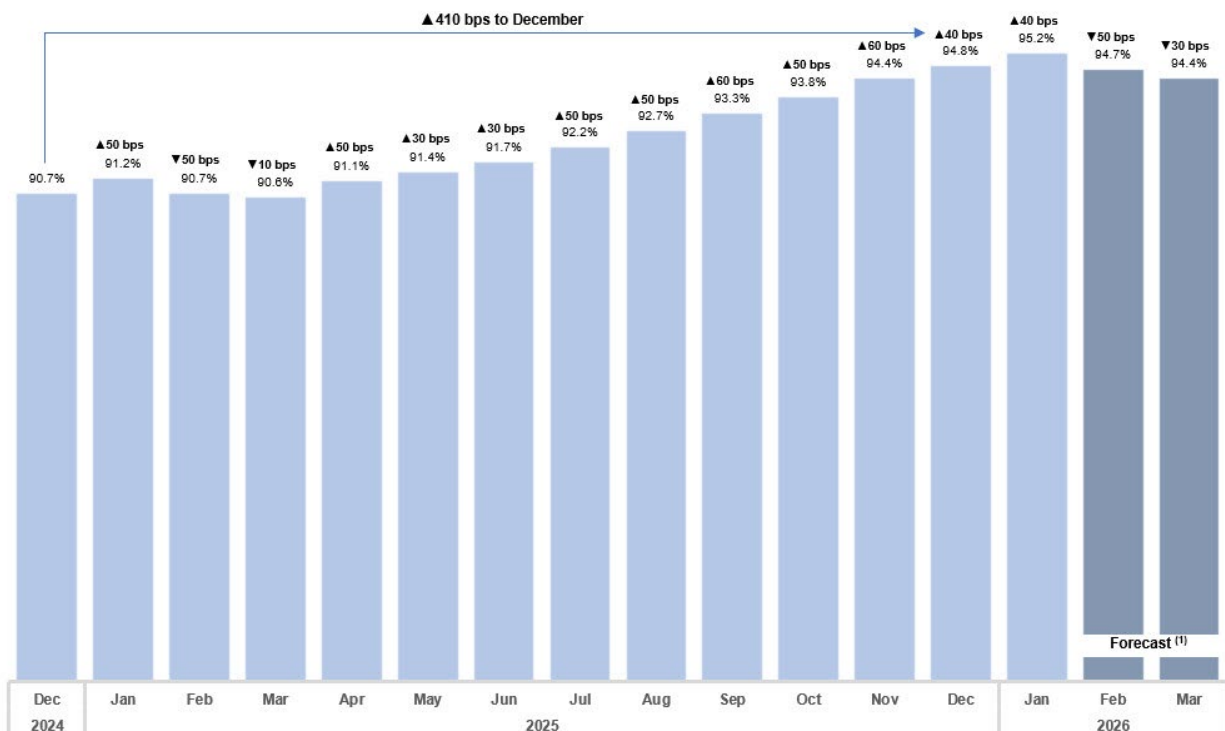
The following table summarizes the changes in composition of our same property portfolio reported in our 2025 financial results compared to the composition that will be reported in our 2026 financial results:

	Properties	Suites	At Chartwell's Share of Ownership	
			Suites	Occupancy <sup>(1)</sup>
Same property as reported in 2025	86	12,888	12,573	95.2%
Add: moved from growth portfolio	11	3,239	2,336	92.2%
Add: moved from repositioning portfolio	2	439	439	97.1%
Same property for 2026 reporting	99	16,566	15,347	94.8%

(1) As at December 31, 2025.

Same property for the purpose of this Outlook is in accordance with our 2026 definition. Same property references elsewhere in this document reflect the 2025 composition of our same property portfolio.

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



(1) Forecast includes leases and notices as at January 31, 2026, and an estimate of mid-month move-ins of 20 bps for February and 50 bps for March, based on the preceding 12-month average of such activity.

We experienced a seasonal occupancy dip during the 2026 winter that was more in-line with historical periods given severe weather conditions and a more pronounced flu season. We expect to see strong spring permanent move-in activity given the robust industry supply and demand fundamentals and expect to achieve our full year average occupancy target of 95%.

For our combined same property and growth portfolios, the annual revenue impact of a one percent change in REVPOS is estimated at approximately \$11.2 million and a one percentage point change in occupancy is estimated at \$11.9 million.

## General, Administrative and Trust (“G&A”) Expenses

Excluding the impact of unit based and performance based compensation, G&A expenses increased in-line with inflation in 2025 with continued investment in technology solutions and corporate support processes being offset by efficiencies achieved as we grow the portfolio. We expect this trend to continue in 2026 as we identify and implement further efficiencies that will allow us to support the growing portfolio, without significant increases in G&A expenses.

## Portfolio Optimization

### Development

Following a period of limited activity that was driven by elevated construction and financing costs, we have recommenced our development program to create a pipeline of new projects that will form a core pillar of our growth strategy. We will partner with reputable developers on attractive new sites and on lands we already own. We expect these partnerships to include both projects where we will contribute equity to the development, and projects structured with forward purchase arrangements that provide the ability to acquire properties either on construction completion or at stabilization. In total, we have identified projects representing 6,348 suites in our targeted core markets.

During 2025, we commenced construction of three development projects in Quebec representing 527 suites. These projects, which are expected to be delivered in Q4 2026 and Q1 2027 include expansions to two existing properties and a new project on a site adjacent to a residence co-owned by Chartwell and Batimo. We also announced a mezzanine loan for a new development in Alberta where we have a call option to acquire the property on stabilization, which we expect to occur in 2029. We also expect to finalize several new development projects in 2026 that will support our growth pipeline for 2028 and 2029.

## **Acquisitions**

2025 was a record year of acquisitions for Chartwell with over \$1.7 billion in completed and announced investments during the year. We acquired interests in properties in core markets across British Columbia, Ontario, Quebec, and Alberta. These transactions included the acquisition of several newer, high-quality properties, as well as the consolidation of our ownership interests in a number of existing residences.

We expect the strong pace of acquisitions to continue in 2026 as we pursue opportunities to high grade our portfolio by acquiring newer, high-quality properties in core markets. We remain focused on leveraging our operating platform, maintaining financial flexibility, and advancing acquisitions that support long-term portfolio optimization.

## **Dispositions**

We have identified properties within our portfolio that no longer fit our core strategic focus due to their location, size, age and/or service offering. These non-core properties represent approximately 5,500 suites. We intend to pursue dispositions of these properties in the next three years, 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.

## **Taxation**

In 2025, 96.3% of our distributions were classified as return of capital and 3.7% were classified as eligible dividends. Based on current forecasts, we do not expect any other SIFT taxes payable in 2026.

## **Liquidity and Financing**

As at February 26, 2026, liquidity amounted to \$483.8 million, which included \$88.9 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. In 2026, our debt maturities include \$209.6 million of mortgages with a weighted average interest rate of 2.99%. As at February 26, 2026, we estimate the 10-year CMHC-insured mortgage rate to be approximately 3.85% and the five-year unsecured debenture rate to be approximately 3.88%.

## **Distributions**

On February 26, 2026, the Trustees approved an increase in our monthly distributions from \$0.051 per unit (\$0.612 annualized) to \$0.052 per unit (\$0.624 annualized). The increase will be effective for the March 31, 2026 distribution payable on April 15, 2026.

## Significant Events

In addition to the items discussed in the “2026 Outlook” section of this MD&A, the following events have had a significant effect on our financial results to date in 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.. 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

#### Expected Unlevered Yield

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

### Completed Developments

During Q3 2025, we completed the redevelopment of Chartwell Ballycliffe LTC, located in Ajax, Ontario, expanding the home from 100 to 224 beds and became eligible for a \$10.1 million grant from the Ontario Ministry of Long Term Care (the “MLTC”). As at December 31, 2025, we incurred total adjusted development costs of \$80.1 million, resulting in a \$70.0 million net investment in the project. In addition, we expect to receive an annual capital funding subsidy from the MLTC of \$1.9 million over the next 25 years. Present value of this cash flow stream of \$31.4 million was recorded as a receivable in our financial statements.

## 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 <sup>(1)</sup> (\$ millions)	Estimated Imputed Cost of Debt <sup>(1)(2)</sup> (\$millions)	Estimated Adjusted Development Costs <sup>(1)(3)</sup> (\$millions)	Adjusted Development Costs <sup>(1)(2)</sup> incurred as at December 31, 2025 (\$millions)	Expected Completion Date	Expected Stabilized Occupancy Date	Expected Stabilized Occupancy	Estimated Stabilized NOI <sup>(1)(2)</sup> (\$millions)	Expected Unlevered Yield <sup>(2)</sup>
Chartwell Le Prescott II	Vaudreuil-Dorion, QC	247	IL/ AL	50%	47.1	1.0	48.1	13.9	Q1 2027	Q1 2030	96.5%	3.6	7.5%
Lib Vaudreuil-Dorion	Vaudreuil-Dorion, QC	187	IL	50%	37.9	0.7	38.6	12.4	Q1 2027	Q2 2029	97.0%	1.9	4.9%
Chartwell des Mille-Îles	Terrebonne, QC	93	IL	100%	32.0	1.9	33.9	7.2	Q4 2026	Q1 2028	97.5%	2.5	7.4%
		<b>527</b>			<b>117.0</b>	<b>3.6</b>	<b>120.6</b>	<b>33.5</b>					

(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.

In 2025, we acquired ownership interests in two development 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.

## Development Arrangements with Third-Party Developers

In addition to development projects where we make direct equity investments, we may participate in selected development projects through arrangements with third-party developers. These arrangements are structured on a project specific basis and may include mezzanine financing, operational involvement and future acquisition rights, without initial equity ownership in the underlying development.

During the year, we advanced mezzanine financing in connection with the development of a 111-suite retirement residence in Calgary, Alberta. The financing is secured by the project and includes customary credit protection. We will act as the operations manager of the residence and have the option to acquire the property upon stabilization. The project is not consolidated and is not included in our development costs as reported in the table above.

## 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.

We have entered into various development arrangements with Batimo under which we participate in the development and lease-up of certain retirement residence projects. Under legacy arrangements, Batimo has the right, upon a property achieving specified stabilized occupancy levels, to require us to acquire an 85% 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.

We have adopted a revised ownership structure for the Chartwell Le Prescott II project under construction. Under this framework, Chartwell and Batimo each hold a 50% interest during construction and lease-up. Upon achievement of stabilized occupancy, the parties will negotiate the terms under which our ownership interest would increase to 85%. If the parties are unable to reach an agreement, either party may require Chartwell's purchase of an additional 35% interest 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.

Since the inception of our partnership in 2014, we have acquired interests in 11 properties (3,565 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 <sup>(1)</sup>	Actual Completion Date	Current Occupancy <sup>(2)</sup>	Actual / Expected Stabilized Occupancy Date
Chartwell Le Montcalm	Candiac, QC	283	ISLA	O	September 2017	98.8%	Q4 2022

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

(2) As of January 16, 2026.

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 \$86.5 million at 100% ownership interest.

## Potential Developments on Owned Lands

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

Location	Ownership %	Vacant Land Size (acres)	Estimated Potential Number of Suites <sup>(1)</sup>	Book Value of Land (\$millions)
Bowmanville, ON	100%	1.8	223	4.3
Brockville, ON	100%	0.5	54	0.6
Calgary, AB	100%	1.4	384	10.9
Edmonton, AB	100%	2.1	202	5.5
Gatineau, QC	100%	3.4	600	8.6
Gatineau, QC	100%	2.2	419	6.5
Gatineau, QC	100%	1.5	159	2.6
Morrisburg, ON	100%	1.8	24	-
Nepean, ON	100%	0.5	32	0.6
Oshawa, ON	100%	2.0	201	6.0
Pickering, ON	100%	1.3	415	6.3
Saint-Hyacinthe, QC	100%	0.8	70	0.7
Saint-Jérôme, QC	100%	6.0	410	0.9
Saint-Jérôme, QC	100%	0.6	126	-
St-Jean-sur-Richelieu, QC	100%	1.3	163	-
Surrey, BC	100%	2.6	184	4.9
Victoriaville, QC	100%	1.1	66	0.2
Total <sup>(2)</sup>		30.9	3,732	58.6

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

(2) Includes \$46.3 million in land held for development and \$12.3 million in properties under development.

## **Acquisitions**

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

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. The purchase price was settled in cash.

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 subsequently repaid. 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 the assumption of 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 \$4.2 million mezzanine loan. This mortgage was subsequently repaid. The remainder of the purchase price, subject to normal working capital and other closing adjustments, was paid in cash.

On June 1, 2025, we acquired an additional 5% ownership interest in The Sumach by Chartwell, a 332-suite retirement residence in Toronto, Ontario for \$6.7 million before normal working capital and other closing adjustments. We now have 50% ownership interest in the property.

On July 21, 2025, we entered into a definitive agreement to acquire a portfolio of six seniors 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 purchase price will be partially settled by assuming mortgages of approximately \$229.6 million. The assumed mortgages, the majority of which are CMHC insured, have a weighted average interest rate of 4.5% and weighted average term to maturity of 19 years. Closing of the transaction is subject to third-party approvals.

On October 1, 2025, we acquired a 449-suite retirement residence (rebranded Chartwell Les Tours Angrignon) in Montreal, Quebec. The purchase price of \$88.5 million was partially settled through the assumption of a CMHC-insured mortgage of \$68.7 million bearing interest at 2.22% maturing in December 2026. The remainder of the purchase price, subject to normal working capital and other adjustments, was paid in cash.

On November 1, 2025, we acquired Résidence L'Aubier, a 376-suite retirement residence in Lévis, Quebec from Batimo. The purchase price of \$128.2 million was settled in cash and the repayment of a \$10.0 million loan extended by Chartwell to Batimo. A portion of the purchase price of \$0.65 million is held back to support the vendor NOI guarantee obligations to Chartwell.

On November 3, 2025, we acquired a 238-suite retirement residence (rebranded Chartwell Panorama) in Laval, Quebec for \$76.0 million. The purchase price was settled in cash.

On December 1, 2025, we acquired a 334-suite retirement residence (rebranded Chartwell Azalis) in Repentigny, Quebec for \$111.0 million. The purchase price was settled in cash.

On December 2, 2025, we acquired a newly developed 155-suite retirement residence (rebranded Chartwell Edgewater) in Nanaimo, British Columbia for \$102.7 million. The purchase price was settled in cash.

On December 15, 2025, we acquired The Edward, a 90-suite retirement residence in Calgary, Alberta for \$53.0 million. The purchase price was settled in cash.

On December 18, 2025, we acquired the remaining 15% ownership interest in Résidence Légende, a 368-suite retirement residence in Longueuil, Quebec from Batimo for \$17.9 million before working capital adjustments and closing costs. The purchase price included the proportionate assumption of the \$10.1 million mortgage in place at closing, with the balance settled in cash. We now have 100% ownership interest in this residence.

## ***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 \$12.9 million and taxes of \$1.8 million are expected to be approximately \$78.4 million (the “Cash Consideration”). Chartwell acquired \$210.4 million in PP&E and assumed \$131.7 million in debt on the Chartwell Assets. The assumed debt has a weighted average interest rate of 3.1% and a weighted average term to maturity of 5.3 years. The net change to total debt for Chartwell 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 31 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. On February 19, 2026, we entered into a definitive agreement to sell this residence for \$49.0 million with closing expected in Q1 2026.

## **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 32 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 and to change the lending formula impacting the calculation of the facility’s available borrowing capacity. Refer to the “Liquidity and Capital Resources/Debt/Credit Facilities” section on page 31 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 “2024 ATM Program”). The 2024 ATM Program allowed us to issue up to \$250.0 million of Trust Units from treasury to the public from time to time during the term of the 2024 ATM Program at its discretion.

As of June 30, 2025, approximately \$250.0 million of Trust Units qualified for distribution under the 2024 ATM Program had been issued and sold.

On August 7, 2025, we amended the prospectus supplement for the 2024 ATM Program to increase the aggregate amount of Trust Units that could be issued under the 2024 ATM program by an additional \$250.0 million. As of September 30, 2025, we had issued and sold a further approximate \$250.0 million of Trust Units under the amended 2024 ATM Program.

On November 6, 2025, we filed a new prospectus supplement to renew our at-the-market equity distribution program (the “2025 ATM Program” and together with the 2024 ATM Program, the “ATM Programs”) to allow us to issue up to \$500.0 million of Trust Units from treasury to the public from time to time during the term of the 2025 ATM Program. The 2025 ATM Program is effective until May 30, 2026, unless terminated prior to such date by Chartwell or otherwise in accordance with the terms of the Equity Distribution Agreement which sets out the terms of the sale of Trust Units under the 2025 ATM Program. As of December 31, 2025, we had issued and sold approximately \$240.0 million of the Trust Units under the 2025 ATM program.

During the year ended December 31, 2025, we issued an aggregate 38,894,442 Trust Units under the ATM Programs at an average price of \$18.52 per Trust Unit for total gross proceeds of \$720.5 million. Commission and other costs amounted to \$11.5 million, offset by a deferred tax asset of \$6.1 million.

## **Credit Rating**

On September 30, 2025, DBRS confirmed our Issuer Rating and Senior Unsecured Debentures credit rating at BBB (low) and changed the trends to Positive from Stable, as described in their report. Details are available on the DBRS website at [www.dbrsmorningstar.com](http://www.dbrsmorningstar.com).

## Joint Arrangements

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

The following table summarizes the classification of properties which are owned through our joint arrangements, or which are partially owned as at December 31, 2025:

Joint Arrangements	# of Properties	Suites/Beds	Chartwell Ownership	Joint Arrangement Type	Consolidation Method
<b>Held directly:</b>					
Chartwell-Champlain Landlord ("CCL")	5	1,807	50%	Joint operation	Proportionate
The Sumach by Chartwell	1	332	50%	Joint operation	Proportionate
Batimo	2	744	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
Lib Vaudreuil-Dorion	1	-	50%	Joint operation	Proportionate
<b>Held through separate legal entities:</b>					
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

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 16 of this MD&A.

# Results of Operations

## Net Income/(Loss)

The following table summarizes select financial measures:

<i>(\$000s)</i>	<b>Q4 2025</b>	Q4 2024	Change	<b>2025</b>	2024	Change
Property revenue	292,258	218,445	73,813	1,079,035	799,923	279,112
Direct property operating expense	174,944	138,707	36,237	650,076	509,179	140,897
Net income	7,244	3,544	3,700	29,495	22,378	7,117

For 2025, property revenue increased \$279.1 million or 34.9%, and direct property operating expense increased \$140.9 million or 27.7%. Refer to the “Adjusted Property Revenue, Adjusted Direct Property Operating Expense, Adjusted Operating Margin, and Adjusted NOI” section on page 21 of this MD&A for details.

For 2025, net income was \$29.5 million compared to \$22.4 million in 2024 primarily due to:

- higher property revenue,
  - reversal of impairment expense, and
  - higher gain on disposal of assets,
- partially offset by:
- higher direct property operating expense,
  - higher depreciation of property, plant and equipment (“PP&E”),
  - higher finance costs,
  - higher deferred tax expense,
  - lower net income from joint ventures,
  - higher general, administrative, and Trust (“G&A”) expenses, and
  - higher negative changes in fair value of financial instruments.

### ***Fourth Quarter***

For Q4 2025, property revenue increased \$73.8 million or 33.8%, and direct property operating expense increased \$36.2 million or 26.1%. Refer to the “Adjusted Property Revenue, Adjusted Direct Property Operating Expense, Adjusted Operating Margin, and Adjusted NOI” section on page 21 of this MD&A for details.

For Q4 2025, net income was \$7.2 million compared to \$3.5 million in Q4 2024 primarily due to:

- higher property revenue, and
  - reversal of impairment expense,
- partially offset by:
- higher direct property operating expense,
  - higher depreciation of PP&E,
  - negative changes in fair value of financial instruments in Q4 2025 as compared to positive changes in fair value of financial instruments in Q4 2024,
  - higher deferred tax expense,
  - higher finance costs,
  - lower net income from joint ventures, and
  - higher G&A expenses.

## FFO

FFO, a non-GAAP financial measure, should not be construed as an alternative to net earnings or cash flow from operating activities as determined by GAAP. FFO as presented may not be comparable to similar measures used by other issuers. We present FFO substantially consistent with the definition adopted in the REALPAC Guidance. This definition is included in the “Additional Information on Non-GAAP Measures” section on page 39 of this MD&A.

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

Refer to the “Additional Information on Non-GAAP Measures” section on page 39 of this MD&A for the reconciliation of net income/(loss), the most closely comparable GAAP measure, to FFO and FFO per unit (“FFOPU”) amounts.

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

<i>(\$000s, except per unit amounts and number of units)</i>	<b>Q4 2025</b>	Q4 2024	Change	<b>2025</b>	2024	Change
FFO <sup>(1)</sup>	81,241	57,663	23,578	278,020	197,462	80,558
FFOPU <sup>(2)</sup>	0.26	0.21	0.05	0.95	0.76	0.19
Weighted average number of units (000) <sup>(3)</sup>	310,769	275,494	35,275	293,288	260,119	33,169

(1) Non-GAAP; refer to the “Additional Information on Non-GAAP Measures/FFO” section on page 39 of this MD&A for a discussion of the nature of various adjustments made in FFO calculations.

(2) Non-GAAP; refer to the “Additional Information on Non-GAAP Measures/Per Unit Amounts” section on page 43 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 43 of this MD&A.

For 2025, FFO was \$278.0 million or \$0.95 per unit, compared to \$197.5 million or \$0.76 per unit for 2024. The change in FFO was primarily due to:

- higher adjusted NOI of \$109.8 million,
- higher adjusted interest income of \$3.7 million,
- higher other lease revenue of \$2.2 million, and
- lower depreciation of PP&E and amortization of intangibles assets used for administrative purposes of \$0.5 million,

partially offset by:

- higher adjusted finance costs of \$20.0 million,
- lower management fees of \$7.6 million,
- higher G&A expenses of \$7.1 million, and
- lower other income of \$0.9 million.

## **Fourth Quarter**

For Q4 2025, FFO was \$81.2 million or \$0.26 per unit, compared to \$57.7 million or \$0.21 per unit for Q4 2024. The change in FFO was primarily due to:

- higher adjusted NOI of \$28.8 million, and
- higher adjusted interest income of \$1.5 million, and
- higher other lease revenue of \$1.2 million,

partially offset by:

- higher adjusted finance costs of \$3.3 million,
- higher G&A expenses of \$2.4 million, and
- lower management fees of \$2.2 million.

## **Adjusted Property Revenue, 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 property revenue, 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 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 property revenue less adjusted direct property operating expense. Adjusted property revenue is property revenue plus Chartwell’s proportionate share of its joint ventures’ property revenue less property revenue from non-controlling interest. Adjusted property revenue is comprised of adjusted resident revenue and adjusted other property revenue. 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. (Previously, REVPOS was reported as adjusted property 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 property revenue, 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 43 of this MD&A.

The following table reconciles property revenue and direct property operating expense from our financial statements to adjusted property 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)	Q4 2025	Q4 2024	Change	2025	2024	Change
<b>Property revenue</b>	<b>292,258</b>	<b>218,445</b>	<b>73,813</b>	<b>1,079,035</b>	<b>799,923</b>	<b>279,112</b>
<i>Add (Subtract):</i>						
Share from joint ventures <sup>(1)</sup>	11,468	39,485	(28,017)	54,726	142,430	(87,704)
Share from non-controlling interest <sup>(2)</sup>	-	(1,382)	1,382	(3,070)	(2,710)	(360)
<b>Adjusted property revenue <sup>(3)</sup></b>	<b>303,726</b>	<b>256,548</b>	<b>47,178</b>	<b>1,130,691</b>	<b>939,643</b>	<b>191,048</b>
<i>Comprised of:</i>						
Same property <sup>(3)</sup>	182,391	168,452	13,939	705,927	647,327	58,600
Growth <sup>(3)</sup>	93,614	42,290	51,324	315,971	112,200	203,771
Repositioning <sup>(3)</sup>	27,721	45,806	(18,085)	108,793	180,116	(71,323)
<b>Adjusted property revenue <sup>(3)</sup></b>	<b>303,726</b>	<b>256,548</b>	<b>47,178</b>	<b>1,130,691</b>	<b>939,643</b>	<b>191,048</b>
<b>Resident revenue</b>	<b>287,861</b>	<b>214,699</b>	<b>73,162</b>	<b>1,061,351</b>	<b>784,266</b>	<b>277,085</b>
<i>Add (Subtract):</i>						
Share from joint ventures <sup>(1)</sup>	11,355	39,136	(27,781)	54,139	141,050	(86,911)
Share from non-controlling interest <sup>(2)</sup>	-	(1,364)	1,364	(3,028)	(2,673)	(355)
<b>Adjusted resident revenue <sup>(3)</sup></b>	<b>299,216</b>	<b>252,471</b>	<b>46,745</b>	<b>1,112,462</b>	<b>922,643</b>	<b>189,819</b>
<i>Comprised of:</i>						
Same property <sup>(3)</sup>	179,526	165,273	14,253	694,304	634,103	60,201
Growth <sup>(3)</sup>	92,125	41,697	50,428	310,792	110,687	200,105
Repositioning <sup>(3)</sup>	27,565	45,501	(17,936)	107,366	177,853	(70,487)
<b>Adjusted resident revenue <sup>(3)</sup></b>	<b>299,216</b>	<b>252,471</b>	<b>46,745</b>	<b>1,112,462</b>	<b>922,643</b>	<b>189,819</b>
<b>Other property revenue</b>	<b>4,397</b>	<b>3,746</b>	<b>651</b>	<b>17,684</b>	<b>15,657</b>	<b>2,027</b>
<i>Add (Subtract):</i>						
Share from joint ventures <sup>(1)</sup>	113	349	(236)	587	1,380	(793)
Share from non-controlling interest <sup>(2)</sup>	-	(18)	18	(42)	(37)	(5)
<b>Adjusted other property revenue <sup>(3)</sup></b>	<b>4,510</b>	<b>4,077</b>	<b>433</b>	<b>18,229</b>	<b>17,000</b>	<b>1,229</b>
<i>Comprised of:</i>						
Same property <sup>(3)</sup>	2,865	3,179	(314)	11,623	13,224	(1,601)
Growth <sup>(3)</sup>	1,489	593	896	5,179	1,513	3,666
Repositioning <sup>(3)</sup>	156	305	(149)	1,427	2,263	(836)
<b>Adjusted other property revenue <sup>(3)</sup></b>	<b>4,510</b>	<b>4,077</b>	<b>433</b>	<b>18,229</b>	<b>17,000</b>	<b>1,229</b>
<b>Direct property operating expense</b>	<b>174,944</b>	<b>138,707</b>	<b>36,237</b>	<b>650,076</b>	<b>509,179</b>	<b>140,897</b>
<i>Add (Subtract):</i>						
Share from joint ventures <sup>(4)</sup>	6,594	25,137	(18,543)	32,694	92,177	(59,483)
Share from non-controlling interest <sup>(5)</sup>	-	(697)	697	(1,528)	(1,374)	(154)
<b>Adjusted direct property operating expense <sup>(3)</sup></b>	<b>181,538</b>	<b>163,147</b>	<b>18,391</b>	<b>681,242</b>	<b>599,982</b>	<b>81,260</b>
<i>Comprised of:</i>						
Same property <sup>(3)</sup>	106,567	103,586	2,981	411,629	398,774	12,855
Growth <sup>(3)</sup>	52,843	25,713	27,130	182,983	67,550	115,433
Repositioning <sup>(3)</sup>	22,128	33,848	(11,720)	86,630	133,658	(47,028)
<b>Adjusted direct property operating expense <sup>(3)</sup></b>	<b>181,538</b>	<b>163,147</b>	<b>18,391</b>	<b>681,242</b>	<b>599,982</b>	<b>81,260</b>
<b>NOI</b>	<b>117,314</b>	<b>79,738</b>	<b>37,576</b>	<b>428,959</b>	<b>290,744</b>	<b>138,215</b>
<i>Add (Subtract):</i>						
Share from joint ventures	4,874	14,348	(9,474)	22,032	50,253	(28,221)
Share from non-controlling interest	-	(685)	685	(1,542)	(1,336)	(206)
<b>Adjusted NOI <sup>(3)</sup></b>	<b>122,188</b>	<b>93,401</b>	<b>28,787</b>	<b>449,449</b>	<b>339,661</b>	<b>109,788</b>
<i>Comprised of:</i>						
Same property <sup>(3)</sup>	75,824	64,866	10,958	294,298	248,553	45,745
Growth <sup>(3)</sup>	40,771	16,577	24,194	132,988	44,650	88,338
Repositioning <sup>(3)</sup>	5,593	11,958	(6,365)	22,163	46,458	(24,295)
<b>Adjusted NOI <sup>(3)</sup></b>	<b>122,188</b>	<b>93,401</b>	<b>28,787</b>	<b>449,449</b>	<b>339,661</b>	<b>109,788</b>
Weighted average occupancy rate:						
Same property portfolio	94.7%	90.4%	4.3pp	92.8%	88.0%	4.8pp
Growth portfolio	91.8%	88.4%	3.4pp	90.1%	87.5%	2.6pp
Repositioning portfolio	88.7%	84.0%	4.7pp	86.1%	83.8%	2.3pp
Total portfolio	93.0%	88.7%	4.3pp	90.7%	87.1%	3.6pp

(1) Non-GAAP; represents Chartwell's proportionate share of the property 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 18 of this MD&A.

(2) Non-GAAP; represents Chartwell's proportionate share of the property 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 18 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 2025, adjusted property revenue increased 20.3% primarily due to:

- higher same property adjusted property revenue of 9.1%, and
  - higher revenue from our growth portfolio,
- partially offset by:

- lower revenue from our repositioning portfolio.

For 2025, adjusted direct property operating expense increased 13.5% primarily due to:

- higher same property adjusted direct property operating expense of 3.2%, and
  - additional direct property operating expenses in our growth portfolio,
- partially offset by:

- lower direct property operating expense from our repositioning portfolio.

As a result, for 2025, adjusted NOI increased \$109.8 million or 32.3%.

#### **Fourth Quarter**

For Q4 2025, adjusted property revenue increased 18.4% primarily due to:

- higher same property adjusted property revenue of 8.3%, and
  - higher revenue from our growth portfolio,
- partially offset by:

- lower revenue from our repositioning portfolio.

For Q4 2025, adjusted direct property operating expense increased 11.3% primarily due to:

- higher same property adjusted direct property operating expense of 2.9%, and
  - additional direct property operating expenses in our growth portfolio,
- partially offset by:

- lower direct property operating expense from our repositioning portfolio.

As a result, for Q4 2025, adjusted NOI increased \$28.8 million or 30.8%.

#### **Same Property Performance**

The following table summarizes the results of our same property portfolio as at December 31, 2025:

<i>(\$000s, except percentages)</i>	<b>Q4 2025</b>	Q4 2024	Change	<b>2025</b>	2024	Change
<b>Same property<sup>(1)</sup></b>						
Adjusted property revenue <sup>(2)</sup>	182,391	168,452	13,939	705,927	647,327	58,600
Adjusted resident revenue <sup>(2)</sup>	179,526	165,273	14,253	694,300	634,103	60,197
Adjusted other property revenue <sup>(2)</sup>	2,865	3,170	(305)	11,627	13,222	(1,595)
Adjusted direct property operating expense <sup>(2)</sup>	106,567	103,586	2,981	411,629	398,774	12,855
Adjusted NOI <sup>(2)</sup>	75,824	64,866	10,958	294,298	248,553	45,745
Adjusted operating margin <sup>(2)</sup>	41.6%	38.5%	3.1pp	41.7%	38.4%	3.3pp
Weighted average occupancy rate	94.7%	90.4%	4.3pp	92.8%	88.0%	4.8pp

(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 preamble in this section for explanations of 'adjusted property revenue', 'adjusted resident revenue', 'adjusted direct property operating expense', 'adjusted NOI', and 'adjusted operating margin' for the significance of these metrics.

For 2025, same property adjusted resident revenue increased 9.5% primarily due to higher occupancy as well as a 3.8% increase in REVPOS.

For 2025, same property adjusted direct property operating expense increased 3.2% primarily due to higher staffing costs, food costs, management costs, office and general expenses, marketing expenses and utility expenses, partially offset by lower insurance expenses.

As a result, for 2025, same property adjusted NOI increased \$45.7 million or 18.4%. Same property adjusted operating margin also increased to 41.7% in 2025 from 38.4% in 2024.

The following identifies same property adjusted NOI trends by platform for 2025:

- Our Western Canada platform same property adjusted NOI increased \$11.6 million or 14.4%.
- Our Ontario platform same property adjusted NOI increased \$26.3 million or 19.0%.
- Our Quebec platform same property adjusted NOI increased \$7.8 million or 26.8%.

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

	2025	2024	Change
Western Canada	96.3%	92.6%	3.7pp
Ontario	90.7%	85.2%	5.5pp
Quebec	92.8%	88.4%	4.4pp
Same property portfolio	92.8%	88.0%	4.8pp

In 2025, weighted average occupancy in our same property portfolio was 92.8%, compared to 88.0% in 2024, an increase of 4.8 percentage points. All platforms experienced occupancy gains in 2025 compared to 2024.

#### Fourth Quarter

For Q4 2025, same property adjusted resident revenue increased 8.6% primarily due to higher occupancy and a 3.7% increase in REVPOS.

For Q4 2025, same property adjusted direct property operating expense increased 2.9% primarily due to higher staffing costs, food costs, management costs and marketing expenses partly offset by lower office and general expenses.

As a result, for Q4 2025, same property adjusted NOI increased \$11.0 million or 16.9%. Same property adjusted operating margin also increased to 41.6% in Q4 2025 from 38.5% in Q4 2024.

The following identifies same property adjusted NOI trends by platform for Q4 2025:

- Our Western Canada platform same property adjusted NOI increased \$3.0 million or 14.4%.
- Our Ontario platform same property adjusted NOI increased \$6.2 million or 17.1%.
- Our Quebec platform same property adjusted NOI increased \$1.8 million or 22.8%.

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

	Q4 2025	Q4 2024	Change	Q3 2025	Change
Western Canada	97.3%	94.8%	2.5pp	96.6%	0.7pp
Ontario	92.9%	87.7%	5.2pp	91.0%	1.9pp
Quebec	95.2%	90.8%	4.4pp	93.1%	2.1pp
Same property portfolio	94.7%	90.4%	4.3pp	93.1%	1.6pp

In Q4 2025, weighted average occupancy in our same property portfolio was 94.7%, compared to 90.4% in Q4 2024, an increase of 4.3 percentage points. All platforms experienced occupancy gains in Q4 2025 compared to Q4 2024 and compared to Q3 2025. Q4 2025 same property portfolio occupancy increased 1.6 percentage points from Q3 2025.

## Management and Other Fees

(\$000s)	Q4 2025	Q4 2024	Change	2025	2024	Change
Welltower	-	1,894	(1,894)	611	7,842	(7,231)
Others	1,042	1,359	(317)	4,308	4,718	(410)
Total management and other fees	1,042	3,253	(2,211)	4,919	12,560	(7,641)

Management and other fees decreased \$7.6 million in 2025 and \$2.2 million in Q4 2025, primarily due to the Welltower Transaction completed in Q1 2025, partially offset by higher performance-based fees.

## Interest Income

(\$000s)	Q4 2025	Q4 2024	Change	2025	2024	Change
Interest income on loans receivable	1,016	746	270	4,389	2,013	2,376
Other interest income	1,990	626	1,364	3,807	1,592	2,215
Total interest income	3,006	1,372	1,634	8,196	3,605	4,591

Interest income on loans receivable increased \$2.4 million in 2025 compared to 2024, primarily due to higher interest rates and higher average loan balances during the year and increased \$0.3 million in Q4 2025 compared to Q4 2024 primarily due to higher interest rates. This includes income from two mezzanine loans bearing interest rates of 13% and 14% as well as vendor take-back loans earning 6% - 10%.

On July 11, 2025, we advanced \$4.5 million mezzanine loan for the development of a retirement residence located in Calgary, Alberta. On November 12, 2025, an additional \$2.0 million mezzanine loan was advanced increasing the total mezzanine loan balance on this project to \$6.5 million.

Other interest income increased due to higher average cash balances during the period.

## General, Administrative and Trust Expenses

(\$000s)	Q4 2025	Q4 2024	Change	2025	2024	Change
G&A expenses	12,714	10,334	2,380	56,601	49,460	7,141

For 2025, G&A expenses increased \$7.1 million compared to 2024, of which \$6.1 million relates to higher compensation expense from estimated performance-based payments and to the increase in value of our Trust Units. The increase was partially offset by a \$1.0 million reduction in severance costs. 2025 expenses also include \$1.1 million of increased investment in technology projects compared to the prior year.

G&A expenses increased \$2.4 million in Q4 2025 compared to Q4 2024. Expenses increased from \$0.5 million of higher compensation expense related to estimated performance-based payments and to the increase in value of our Trust Units and \$0.4 million of higher severance costs. We also continued to invest in our technology platforms which resulted in an increase of \$0.6 million in Q4 2025 compared to the prior year.

## Finance Costs

(\$000s)	Q4 2025	Q4 2024	Change	2025	2024	Change
Contractual interest expense on mortgages	20,651	18,192	2,459	79,902	62,631	17,271
Comprised of:						
Same property <sup>(1)</sup>	10,915	11,515	(600)	44,415	42,269	2,146
Growth <sup>(1)</sup>	9,074	4,901	4,173	32,422	12,028	20,394
Repositioning <sup>(1)</sup>	662	1,776	(1,114)	3,065	8,334	(5,269)
Interest expense on Debentures <sup>(2)</sup>	9,553	6,589	2,964	37,032	22,539	14,493
Interest expense on Credit Facilities	379	1,243	(864)	3,090	8,710	(5,620)
Interest expense on Loans Payable <sup>(3)</sup>	-	2,840	(2,840)	1,432	10,818	(9,386)
	30,583	28,864	1,719	121,456	104,698	16,758
Amortization of finance costs and mark-to-market adjustments on assumed mortgages	1,603	536	1,067	6,118	3,545	2,573
	32,186	29,400	2,786	127,574	108,243	19,331
Interest capitalized to properties under development	(259)	(811)	552	(2,516)	(2,862)	346
Distributions on Class B Units recorded as interest expense	223	231	(8)	898	927	(29)
Total finance costs	32,150	28,820	3,330	125,956	106,308	19,648

(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 32 of this MD&A for details.

(3) "Loans Payable" refers collectively to the 'unsecured term loan', the 'Welltower Loan 1', and the 'Welltower Loan 2'. Refer to the "Liquidity and Capital Resources/Debt/Loans Payable" section on page 31 of this MD&A for details.

Contractual interest expense on mortgages increased \$17.3 million and \$2.5 million in 2025 and Q4 2025, respectively, primarily due to higher balances outstanding during the period, partially offset by lower interest rates. Refer to the “Liquidity and Capital Resources/Debt/Mortgage Debt” section on page 30 of this MD&A for details.

Interest expense on Debentures increased \$14.5 million and \$3.0 million in 2025 and Q4 2025, respectively, primarily due to higher balances outstanding with the new instruments issued partially offset by lower interest rates. Refer to the “Liquidity and Capital Resources/Debt/Debentures” section on page 32 of this MD&A for details.

Interest expense on Credit Facilities decreased \$5.6 million and \$0.9 million in 2025 and Q4 2025, respectively, primarily due to lower balances outstanding and lower interest rates. Refer to the “Liquidity and Capital Resources/Debt/Credit Facilities” section on page 31 of this MD&A for details.

Interest expense on Loans Payable decreased in 2025 and Q4 2025, 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 31 of this MD&A for details.

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

(\$000s)	Q4 2025	Q4 2024	Change	2025	2024	Change
Contractual interest expense on mortgages	604	618	(14)	2,448	2,084	364
Comprised of:						
Same property <sup>(1)</sup>	235	238	(3)	933	954	(21)
Growth <sup>(1)</sup>	369	380	(11)	1,515	1,130	385
Amortization of finance costs	8	8	-	32	49	(17)
Total finance costs	612	626	(14)	2,480	2,133	347

(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)	Q4 2025	Q4 2024	Change	2025	2024	Change
Transaction costs arising on dispositions	(266)	(491)	225	(6,719)	(5,518)	(1,201)
Impairment reversal, net	11,000	-	11,000	12,963	-	12,963
Gain/(loss) on disposal of assets	1,128	(941)	2,069	62,918	53,963	8,955
Other income	-	-	-	-	1,412	(1,412)
Other expense	(45)	(604)	559	(787)	(1,207)	420
Total other income/(expense)	11,817	(2,036)	13,853	68,375	48,650	19,725

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 \$13.0 million and \$11.0 million in 2025 and Q4 2025, relates to a reversal of previously recognized impairment expense on one non-core property in Ontario, partially offset by an impairment charge on another non-core property in Quebec in Q3 2025.

Gain on disposal of assets increased \$8.9 million in 2025 and \$2.1 million in Q4 2025 primarily due to the completion of the Welltower Transaction in Q1 2025.

Other income of \$1.4 million in 2024 is due to one-time retroactive funding related to the previously disposed long term care segment.

## Other Items

(\$000s)	Q4 2025	Q4 2024	Change	2025	2024	Change
Depreciation of PP&E and amortization of intangible assets	(72,092)	(49,710)	(22,382)	(247,248)	(168,566)	(78,682)
Change in fair value of financial instruments	(4,528)	1,660	(6,188)	(24,348)	(19,875)	(4,473)
Current income tax benefit/expense	2,535	2,744	(209)	(1,066)	255	(1,321)
Deferred income tax benefit/(expense)	(11,492)	(7,166)	(4,326)	(43,675)	(34,752)	(8,923)

Depreciation of PP&E and amortization of intangible assets increased \$78.7 million in 2025 and \$22.4 million in Q4 2025, 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.

The 2025 current income tax expense primarily relates to estimated tax payable on the completed Welltower Transaction and the 2024 current income tax benefit primarily related to the recovery of SIFT tax associated with the disposition of non-core properties. Current tax benefit of \$2.5 million in Q4 2025 primarily relates to an adjustment to the estimated tax payable on the completed Welltower Transaction, whereas Q4 2024 reflects an adjustment to the SIFT tax payable on the disposition of non-core properties.

Deferred income tax expense increased by \$8.9 million and \$4.3 million in 2025 and Q4 2025, respectively, primarily due to the reversal of temporary differences on PP&E and fair value adjustments.

## Cash Flow Analysis

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

Cash Provided by (Used in):	Increase (Decrease) (\$millions)	Explanation
Operating activities	129.1	Change in cash flows from operating activities is primarily due to: <ul style="list-style-type: none"> <li>higher NOI, and</li> <li>changes in working capital, partially offset by: <ul style="list-style-type: none"> <li>higher interest paid.</li> </ul> </li> </ul>
Financing activities	183.9	Change in cash flows from financing activities is primarily due to: <ul style="list-style-type: none"> <li>higher proceeds from the ATM Programs,</li> <li>higher proceeds from mortgage financing activities, and</li> <li>higher proceeds from the senior unsecured debentures, partially offset by: <ul style="list-style-type: none"> <li>no proceeds from the offerings of Trust Units in 2025 as compared to offerings of Trust Units in 2024,</li> <li>higher mortgage repayments,</li> <li>repayments of loans payable in 2025 as compared to proceeds from loans payable in 2024,</li> <li>repayments on our Credit facilities in 2025 as compared to draws on our Credit facilities in 2024,</li> <li>higher additions to finance costs, and</li> <li>higher distributions due to additional Trust Units issued.</li> </ul> </li> </ul>
Investing activities	(219.4)	Change in cash flows from investing activities is primarily due to: <ul style="list-style-type: none"> <li>higher acquisitions of assets,</li> <li>higher additions to PP&amp;E and intangible assets,</li> <li>lower proceeds from disposition of PP&amp;E, and</li> <li>no restricted cash in 2025 as compared to restricted cash in 2024, and</li> <li>lower distributions received from joint ventures, partially offset by: <ul style="list-style-type: none"> <li>lower income tax paid,</li> <li>lower advances on loans receivables, and</li> <li>lower contributions to joint ventures.</li> </ul> </li> </ul>

The following table summarizes the significant changes in our operating, financing, and investing cash flows between Q4 2025 and Q4 2024 using our consolidated statements of cash flows:

Cash Provided by (Used in):	Increase (Decrease) <i>(\$millions)</i>	Explanation
Operating activities	36.9	Change in cash flows from operating activities is primarily due to: <ul style="list-style-type: none"> <li>• higher NOI, and</li> <li>• changes in working capital,</li> </ul> partially offset by: <ul style="list-style-type: none"> <li>• higher interest paid.</li> </ul>
Financing activities	85.6	Change in cash flows from financing activities is primarily due to: <ul style="list-style-type: none"> <li>• proceeds from the ATM Programs,</li> <li>• higher proceeds from mortgage financing activities, and</li> <li>• no repayments of loans payable in Q4 2025 as compared to repayments of loans payable in Q4 2024,</li> </ul> partially offset by: <ul style="list-style-type: none"> <li>• repayments of senior unsecured debentures,</li> <li>• higher mortgage repayments,</li> <li>• no draws from our Credit facilities in Q4 2025 as compared to draws from our Credit facilities in Q4 2024,</li> <li>• higher additions to finance costs, and</li> <li>• higher distributions due to additional Trust Units issued.</li> </ul>
Investing activities	(291.8)	Change in cash flows from investing activities is primarily due to: <ul style="list-style-type: none"> <li>• higher acquisitions of assets,</li> <li>• higher additions to PP&amp;E and intangible assets,</li> <li>• no restricted cash in Q4 2025 as compared to restricted cash in Q4 2024, and</li> <li>• lower distributions received from joint ventures,</li> </ul> partially offset by: <ul style="list-style-type: none"> <li>• lower advances on loans receivables,</li> <li>• lower contributions to joint ventures, and</li> <li>• lower income taxes paid.</li> </ul>

## Liquidity and Capital Resources

### Liquidity

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

At December 31, 2025, our liquidity was \$504.0 million as presented in the following table:

<i>(\$000s)</i>	December 31, 2025	December 31, 2024
Cash and cash equivalents	109,132	20,048
Available under Credit Facilities <sup>(1)</sup>	394,911	294,247
Total	504,043	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 December 31, 2025, our share of cash and cash equivalents held in our Equity-Accounted JVs was \$4.9 million.

As at December 31, 2025, our current liabilities were \$862.3 million, exceeding our current assets of \$171.7 million, resulting in a working capital deficiency of \$690.6 million. Current liabilities include \$330.3 million of mortgages payable and \$249.7 million of senior unsecured debentures. Excluding current mortgages payable and current senior unsecured debentures, Chartwell's working capital deficiency is \$110.6 million.

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

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

## Debt

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

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

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

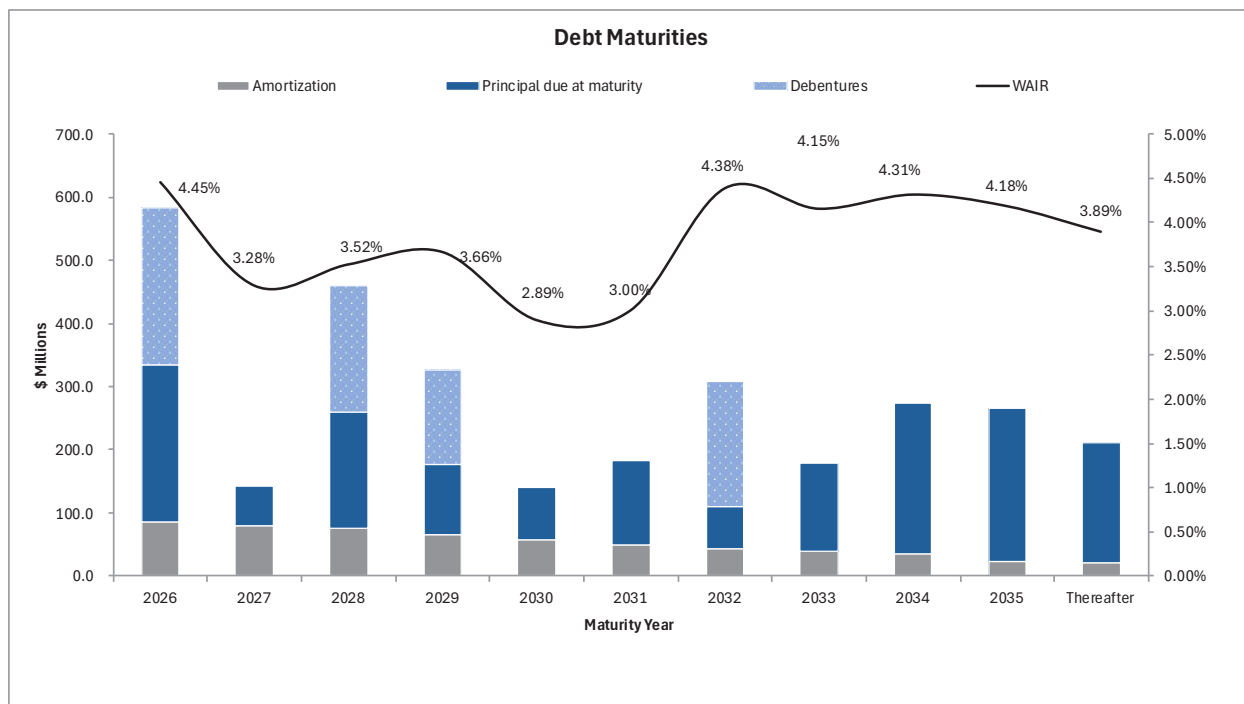
(\$000s)	December 31, 2025	December 31, 2024
Mortgages payable	2,272,320	1,852,274
Credit Facilities	-	100,000
Loans Payable		
Unsecured term loan	-	75,000
Welltower Loan 1	-	33,323
Welltower Loan 2	-	40,665
Debentures		
Series B Debentures	-	150,000
Series C Debentures	250,000	250,000
Series D Debentures	150,000	150,000
Series E Debentures	200,000	-
Series F Debentures	200,000	-
<b>Total</b>	<b>3,072,320</b>	<b>2,651,262</b>

The following table summarizes the scheduled principal maturity and weighted average interest rates for our debt portfolio at December 31, 2025:

(\$000s)	Amortizing Principal Payments	Principal Due at Maturity	Total Mortgages	Weighted Average Interest Rate <sup>(1)</sup>	Credit Facilities	Weighted Average Interest Rate	Loans Payable	Weighted Average Interest Rate <sup>(1)</sup>	Debentures	Weighted Average Interest Rate	Total	Consolidated Weighted Average Interest Rate
2026	84,681	249,162	333,843	3.29%	-	-	-	-	250,000	6.00%	583,843	4.45%
2027	79,347	62,036	141,383	3.28%	-	-	-	-	-	-	141,383	3.28%
2028	75,956	183,677	259,633	3.42%	-	-	-	-	200,000	3.65%	459,633	3.52%
2029	65,219	111,590	176,809	3.03%	-	-	-	-	150,000	4.40%	326,809	3.66%
2030	57,966	82,278	140,244	2.89%	-	-	-	-	-	-	140,244	2.89%
2031	49,631	133,360	182,991	3.00%	-	-	-	-	-	-	182,991	3.00%
2032	43,869	65,133	109,002	4.17%	-	-	-	-	200,000	4.50%	309,002	4.38%
2033	39,353	139,948	179,301	4.15%	-	-	-	-	-	-	179,301	4.15%
2034	35,413	237,696	273,109	4.31%	-	-	-	-	-	-	273,109	4.31%
2035	22,354	242,821	265,175	4.18%	-	-	-	-	-	-	265,175	4.18%
Thereafter	21,583	189,247	210,830	3.89%	-	-	-	-	-	-	210,830	3.89%
<b>Total</b>	<b>575,372</b>	<b>1,696,948</b>	<b>2,272,320</b>	<b>3.63%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>800,000</b>	<b>4.74%</b>	<b>3,072,320</b>	<b>3.92%</b>

(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 December 31, 2025:



### Mortgage Debt

We generally have access to low-cost mortgage financing insured by CMHC. As of December 31, 2025, approximately 95% 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:

	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	(347,580)	N/A	4.32%	9%
Assumed mortgages	220,566	3.2	2.95%	91%
New mortgage financing	626,101	8.2	4.04%	86%
Amortizing principal payments	(79,041)	N/A	N/A	N/A
Principal balance at December 31, 2025	2,272,320	6.5	3.63%	95%
Mark-to-market adjustments on assumed mortgages	131			
Finance costs	(90,290)			
Mortgages payable at December 31, 2025	2,182,161			

Assumed mortgages include \$201.2 million of CMHC-insured mortgages related to the acquisition of properties, as well as two construction loans bearing interest at 6.16% and 2.78% which were repaid in Q2 2025, and Q4 2025.

New mortgage financing includes refinancing on three properties and ten new CMHC-insured mortgages, maturing in 2031 to 2036 with a weighted average interest rate of 4.04%.

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

	At December 31, 2025			At December 31, 2024	
	Fixed Rate	Variable Rate	Total	Total	Total
Principal amount (\$000s)	2,232,733	39,587	2,272,320		1,852,274
Weighted average interest rate	3.61	4.57	3.63%		3.86%
Average term to maturity (years)	6.6	0.1	6.5		5.8

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

(\$000s)	December 31, 2025	December 31, 2024
Principal balance of mortgages payable	48,385	49,594
Finance costs	(71)	(98)
Mortgages payable	48,314	49,496

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

## Credit Facilities

The following table summarizes the available borrowing capacity and borrowings on our Credit Facilities at December 31, 2025:

(\$000s)	Maximum Capacity	Available Capacity	Utilized for Letters of Credit	Net Available Capacity	Borrowed	Available Borrowing Capacity	Maturity Date
Secured credit facility <sup>(1)</sup>	300,000	300,000	(5,089)	294,911	-	294,911	May 29, 2029
Unsecured credit facility <sup>(2)</sup>	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 September 30, 2025, 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 <sup>(1)</sup>	75,000	(16)	74,984	5.62%	January 22, 2025
Welltower Loan 1 <sup>(2)</sup>	33,323	-	33,323	6.71%	February 14, 2025
Welltower Loan 2 <sup>(1)</sup>	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 December 31, 2025 and December 31, 2024:

<b>December 31, 2025</b>	Outstanding Principal (\$000s)	Financing Costs, Net (\$000s)	Carrying Value (\$000s)	Interest rate	Maturity date
Series C Debentures	250,000	(311)	249,689	6.000%	December 8, 2026
Series D Debentures	150,000	(879)	149,121	4.400%	November 5, 2029
Series E Debentures	200,000	(772)	199,228	3.650%	May 6, 2028
Series F Debentures	200,000	(870)	199,130	4.500%	March 6, 2032
<b>Total</b>	<b>800,000</b>	<b>(2,832)</b>	<b>797,168</b>		

<b>December 31, 2024</b>	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
<b>Total</b>	<b>550,000</b>	<b>(1,689)</b>	<b>548,311</b>		

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

On March 6, 2025, we issued \$200.0 million of 4.500% Series F Debentures due on March 6, 2032.

On April 28, 2025, we repaid \$150.0 million of Series B 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 December 31, 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	December 31, 2025	December 31, 2024
Interest Coverage Ratio <sup>(1)</sup>	minimum of 1.65x	3.5x	2.7x
Indebtedness Percentage <sup>(2)</sup>	less than or equal to 65%	45.3%	49.3%
Coverage Ratio <sup>(3)</sup>	not less than 1.3x	2.6x	1.7x
Debt Service Coverage Ratio <sup>(4)</sup>	minimum of 1.40x	2.0x	1.7x
Net Debt to Adjusted EBITDA <sup>(5)</sup>	n/a	6.9x	8.4x

(1) Calculated based on 12 months ended December 31, 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 43 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 43 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 44 of this MD&A for the calculation of Coverage Ratio.

(4) Calculated based on 12 months ended December 31, 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 44 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 44 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:

	Trust Units	Trust Units under EUPP	Class B Units	DTUs	Total Units Outstanding <sup>(1)</sup>
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")	2,826,431	-	-	-	2,826,431
Trust Units issued under the ATM program	38,894,442	-	-	-	38,894,442
Trust Units issued under EUPP	-	139,085	-	-	139,085
Trust Units released on settlement of EUPP receivable	154,898	(154,898)	-	-	-
Exchange of Class B Units into Trust Units	54,950	-	(54,950)	-	-
DTUs issued	-	-	-	53,760	53,760
Distributions on DTUs	-	-	-	28,664	28,664
Exchange of DTUs into Trust Units	137,944	-	-	(137,944)	-
Balance December 31, 2025	314,637,189	1,801,375	1,454,410	807,695	318,700,669

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

As of February 26, 2026, the Trust has 316,879,421 Trust Units outstanding, and Chartwell Master Care LP has 1,447,910 Class B Units outstanding which are exchangeable for 1,447,910 Trust Units.

### Distributions

The following table summarizes distributions declared on Trust Units in Q4 2025, 2025, 2024, and 2023 in relation to cash flows from operating activities and net income/(loss):

(\$000s)	Q4 2025	2025	2024	2023
Cash flows from operating activities	91,383	329,931	200,850	157,425
Net income attributable to Unitholders	7,244	29,413	22,408	128,273
Finance costs included in cash flow from financing activities	(15,873)	(40,388)	(19,491)	(9,212)
Distributions declared on Trust Units	47,395	178,797	158,516	146,037
Excess/(deficit) of cash flows from operating activities over distributions declared on Trust Units	43,988	151,134	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	28,115	110,746	22,843	2,176
Deficit of net income attributable to unitholders over distributions declared on Trust Units	(40,151)	(149,384)	(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.

On February 26, 2026, the Trustees approved an increase in our monthly distributions from \$0.051 per unit (\$0.612 annualized) to \$0.052 per unit (\$0.624 annualized). The increase will be effective for the March 31, 2026 distribution payable on April 15, 2026.

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 2025, our average DRIP participation was 27.5% compared to 26.3% participation in 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 and 2024:

(\$000s)	2025	2024
Building improvements	33,327	29,436
Mechanical and electrical	22,694	14,706
Suite improvements and upgrades	29,594	25,767
Interior improvements and upgrades	8,347	7,934
Furniture, fixtures and equipment	10,205	14,327
Communications and information systems	6,929	355
Properties under development <sup>(1)</sup>	111,096	92,525
Total capital investments <sup>(2)</sup>	138,083	101,177

(1) Net of \$10.1 million development funding grant based on costs incurred to date on a completed development.

(2) Includes 144 properties (24,782 suites) at Chartwell's share of ownership for 2025, and 171 properties (22,301 suites) at Chartwell's share of ownership for 2024.

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

(\$000s)	2025	2024
Capital investments in Equity-Accounted JVs	1,025	2,365

### 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, we completed 114 major building improvement projects valued over \$50,000 each, totalling \$29.9 million (2024 – 94 projects totalling \$28.2 million). In addition, included in this category are the acquisitions of five condominium suites at two of our properties in British Columbia totalling \$2.4 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, we completed 104 major mechanical and electrical projects valued over \$50,000 each, totalling \$20.9 million (2024 – 94 projects totalling \$14.2 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, we invested in strategic suite upgrade programs in 52 properties (2024 – 53 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, we invested in strategic common area upgrade programs in 41 properties (2024 – 51 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 December 31, 2025 compared to December 31, 2024.

	<b>Increase (Decrease)</b> <i>(\$millions)</i>	<b>Explanation</b>
Total assets	957.9	Total assets increased primarily due to increases in PP&E from acquisitions, cash, capital funding receivable and trade and other receivables partially offset by decreases in assets held for sale, loans receivables, other assets, investment in joint ventures and intangible assets.
Total liabilities	337.7	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	620.2	The increase in equity is primarily due to the issuance of Trust Units under the ATM program, DRIP and net income for the period, partially offset by distributions and issuance costs, net of tax.

## Commitments and Contingencies

### Contractual Obligations and Guarantees

The following table summarizes the maturities on major financial liabilities as at December 31, 2025, excluding future interest payments and put option commitments:

(\$000s)	Contractual Value	2026	2027	2028	2029	2030	Thereafter
Mortgages payable	2,272,320	333,843	141,383	259,633	176,809	140,244	1,220,408
Senior unsecured debentures	800,000	250,000	-	200,000	150,000	-	200,000
Accounts payable and accrued liabilities	184,438	178,038	-	6,400	-	-	-
Distributions payable	16,213	16,213	-	-	-	-	-
Resident deposits	8,953	8,953	-	-	-	-	-
Lease obligations	8,039	984	373	116	25	-	6,541
Total maturities	3,289,963	788,031	141,756	466,149	326,834	140,244	1,426,949

Lease obligations relate to leases of land, office space and equipment.

We have entered into various construction contracts related to our development projects. As at December 31, 2025, the remaining commitments under these contracts amounted to approximately \$58.6 million (2024 - \$2.6 million).

### Guarantees

As of December 31, 2025, together with our partners we have jointly and severally guaranteed loans on certain joint arrangements to an aggregate maximum amount of \$588.2 million. As at December 31, 2025, outstanding balances on these loans were \$529.6 million.

### Other Contracts

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

As of December 31, 2025, there was one Batimo project that is subject to this arrangement as Chartwell Le Montcalm (283 suites) has achieved the occupancy threshold giving effect to the Batimo put rights. A summary and status of Batimo project is provided under the "Significant Events/Projects by Batimo" section on page 13 of this MD&A.

### Letters of Credit

As at December 31, 2025, we were contingently liable for letters of credit in the amount of \$5.1 million.

### Litigation, Claims and Contingencies

#### Class Action

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

On November 20, 2020, the Ontario government enacted the *Supporting Ontario's Recovery Act* (the "Recovery Act"). Under the Recovery Act, which is retroactive to March 17, 2020, proceedings are barred and dismissed without costs if they allege injury by COVID-19 if the defendant made good faith efforts to follow public health guidance and COVID-19 related laws and did not act with gross negligence. On March 7, 2024, the Consolidated Claim was certified, but pursuant to the Recovery Act, only gross negligence claims survive the cause of action test. 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***

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. The Supreme Court of Canada denied leave to appeal on October 14, 2021, thereby upholding the appellate court decision.

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, Chartwell cannot currently reliably estimate any potential liability. Chartwell expects that any required pay equity adjustments will be fully funded by the Ontario government; however there is no assurance that such funding will be provided in full or on a timely basis. 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.

## Summary of Select Financial Information

### Annual Financial Information

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

(\$000s, except per unit amounts)	2025	2024	2023
Property revenue	1,079,035	799,923	687,324
Total revenues	1,108,517	852,147	738,554
Direct property operating expense	650,076	509,179	463,361
Net income	29,495	22,378	128,273
Total assets	5,044,977	4,087,069	3,234,076
Total non-current liabilities	2,489,047	1,927,776	1,681,845
Total liabilities	3,351,393	3,013,688	2,442,615
Distributions declared per unit	0.6120	0.6120	0.6120

Our annual results for the past three years have been primarily affected by acquisitions, developments, and dispositions. Our 2023 results were impacted by the pandemic. Refer to the “2026 Outlook” section on page 9 of this MD&A.

### Quarterly Financial Information

The following table summarizes our quarterly unaudited financial information:

(\$000s, except per unit amounts and number of units)	2025				2024			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	300,287	282,174	273,158	252,898	232,699	220,464	202,401	196,583
Direct property operating expense	(174,944)	(165,393)	(159,683)	(150,056)	(138,707)	(128,389)	(120,709)	(121,374)
Depreciation and amortization	(72,092)	(61,865)	(60,133)	(53,158)	(49,710)	(43,530)	(39,369)	(35,957)
Share of net income/(loss) from joint ventures	525	294	146	608	3,214	2,946	1,939	1,367
G&A expenses	(12,714)	(12,678)	(14,126)	(17,083)	(10,334)	(11,731)	(12,924)	(14,471)
Other income/(expense)	11,817	571	173	55,814	(2,036)	54,152	(2,112)	(1,354)
Finance costs	(32,150)	(31,339)	(31,859)	(30,608)	(28,820)	(28,351)	(26,359)	(22,778)
Changes in fair value of financial instruments	(4,528)	(6,733)	(7,608)	(5,479)	1,660	(14,998)	(3,252)	(3,285)
Current income tax benefit/(expense)	2,535	4,367	157	(8,125)	2,744	(2,840)	-	351
Deferred income tax benefit/(expense)	(11,492)	(14,604)	(5,962)	(11,617)	(7,166)	(24,120)	(2,413)	(1,053)
Net income/(loss) for the period	7,244	(5,206)	(5,737)	33,194	3,544	23,603	(2,798)	(1,971)
<i>Comprised of:</i>								
Unitholders	7,244	(5,240)	(5,769)	33,178	3,539	23,638	(2,798)	(1,971)
Non-controlling interest	-	34	32	16	5	(35)	-	-
Net income/(loss) for the period	7,244	(5,206)	(5,737)	33,194	3,544	23,603	(2,798)	(1,971)
FFO <sup>(1)</sup>	81,241	73,058	67,553	56,169	57,663	55,861	44,698	39,239
FFOPU <sup>(1)</sup>	0.26	0.24	0.24	0.20	0.21	0.20	0.18	0.16
IFFO <sup>(1)</sup>	83,743	74,749	69,438	58,292	59,407	56,703	44,979	39,632
IFFOPU <sup>(1)</sup>	0.27	0.25	0.24	0.21	0.22	0.21	0.18	0.16
Weighted average number of units (000) <sup>(2)</sup>	310,769	298,507	285,514	277,943	275,494	274,318	246,121	244,216

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

(2) Non-GAAP; refer to the “Weighted Average Number of Units” section on page 43 of this MD&A.

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

- acquisitions, dispositions, and developments of properties as described in the “Significant Events” section on page 12 and the “2026 Outlook” section on page 9 of this MD&A and in our 2024 MD&A,
- changes in fair value of financial instruments,
- deferred income taxes,
- current income taxes, 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.

### ***FFO Payout Ratio***

FFO payout ratio 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. FFO payout ratio is calculated as the declared distributions to unitholders for the period as a percentage of FFO.

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

(\$000s, except per unit amounts, number of units, and payout ratio)	Q4 2025	Q4 2024	Change	2025	2024	Change
Net income/(loss)	7,244	3,544	3,700	29,495	22,378	7,117
<i>Add (Subtract):</i>						
B Depreciation of PP&E	71,693	49,225	22,468	245,509	166,371	79,138
D Amortization of limited life intangible assets	399	485	(86)	1,739	2,195	(456)
B Depreciation of PP&E and amortization of intangible assets used for administrative purposes included in depreciation of PP&E and amortization of intangible assets above	(1,039)	(1,125)	86	(3,626)	(4,092)	466
E Loss/(gain) on disposal of assets	(1,128)	941	(2,069)	(62,918)	(53,963)	(8,955)
J Transaction costs arising on dispositions	266	491	(225)	6,719	5,518	1,201
H Impairment losses/(reversals)	(11,000)	-	(11,000)	(12,963)	-	(12,963)
F Tax on gains or losses on disposal of properties	(2,535)	(2,744)	209	1,066	(255)	1,321
G Deferred income tax	11,492	7,166	4,326	43,675	34,752	8,923
O Distributions on Class B Units recorded as interest expense	223	231	(8)	898	927	(29)
M Changes in fair value of financial instruments	4,528	(1,660)	6,188	24,348	19,875	4,473
Q FFO adjustments for Equity-Accounted JVs <sup>(1)</sup>	1,098	1,196	(98)	4,332	3,887	445
U Non-controlling interest <sup>(1)</sup>	-	(87)	87	(254)	(131)	(123)
FFO <sup>(2)</sup>	81,241	57,663	23,578	278,020	197,462	80,558
<i>Add (Subtract):</i>						
Imputed Cost of Debt <sup>(3)</sup>	-	182	(182)	-	1,112	(1,112)
Income guarantees <sup>(4)</sup>	2,502	1,562	940	8,201	2,148	6,053
IFFO <sup>(5)</sup>	83,743	59,407	24,336	286,221	200,722	85,499
Weighted average number of units (000) <sup>(6)</sup>	310,769	275,494	35,275	293,288	260,119	33,169
FFOPU <sup>(7)</sup>	0.26	0.21	0.05	0.95	0.76	0.19
IFFOPU <sup>(7)</sup>	0.27	0.22	0.05	0.98	0.77	0.21
Distributions declared on Trust Units	47,395	41,716	5,679	178,516	158,516	20,281
FFO Payout Ratio <sup>(5)</sup>	58.3%	72.3%	(14.0pp)	64.3%	80.3%	(16.0pp)

(1) Non-GAAP; see reconciliation table following for the calculation of these amounts.

(2) Non-GAAP; refer to the preamble to this table and to the "Results of Operations/FFO" section on page 20 of this MD&A for a discussion of the significance of this metric.

(3) Non-GAAP; refer to the "Significant Events/Development/Expected Unlevered Yield and Imputed Cost of Debt" section on page 12 of this MD&A. Includes Chartwell's proportionate share of Equity-Accounted JVs.

(4) Non-GAAP; refer to the preamble to this table. Includes Chartwell's proportionate share of Equity-Accounted JVs.

(5) Non-GAAP; refer to the preamble to this table.

(6) Non-GAAP; refer to the "Weighted Average Number of Units" section on page 43 of this MD&A.

(7) Non-GAAP; refer to the "Per Unit Amounts" section on page 43 of this MD&A for a discussion of the calculation of the per unit amounts.

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

(\$000s)	Q4 2025	Q4 2024	Change	2025	2024	Change
B Depreciation of PP&E and amortization of intangible assets	952	1041	(89)	3,735	3,013	722
E Loss/(gain) on disposal of assets	-	1	(1)	(5)	2	(7)
M Change in fair value of financial instruments	146	154	(8)	602	872	(270)
Q FFO adjustments for Equity-Accounted JVs <sup>(1)</sup>	1,098	1,196	(98)	4,332	3,887	445

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

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

(\$000s)	Q4 2025	Q4 2024	Change	2025	2024	Change
Net income/(loss)	-	(5)	5	(82)	30	(112)
B Depreciation of PP&E and amortization of intangible assets	-	(84)	84	(172)	(165)	(7)
E Gain on disposal of assets	-	2	(2)	-	4	(4)
U Non-controlling interest <sup>(1)</sup>	-	(87)	87	(254)	(131)	(123)

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

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

(\$000s, except per unit amounts and number of units)	2025				2024			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net income/(loss)	7,244	(5,206)	(5,737)	33,194	3,544	23,603	(2,798)	(1,971)
<i>Add (Subtract):</i>								
B Depreciation of PP&E	71,693	61,430	59,694	52,692	49,225	43,009	38,795	35,342
D Amortization of limited life intangible assets	399	435	439	466	485	521	574	615
B Depreciation of PP&E and amortization of intangible assets used for administrative purposes included in depreciation of PP&E and amortization of intangible assets above	(1,039)	(874)	(833)	(879)	(1,125)	(974)	(941)	(1,055)
E Loss/(gain) on disposal of assets	(1,128)	(1,288)	(249)	(60,253)	941	(55,850)	1,584	(638)
J Transaction costs arising on dispositions	266	322	1,674	4,458	491	2,507	528	1,992
H Impairment losses/(reversals)	(11,000)	-	(1,963)	-	-	-	-	-
F Tax on gains or losses on disposal of properties	(2,535)	(4,367)	(157)	8,125	(2,744)	2,840	-	(351)
G Deferred income tax	11,492	14,604	5,962	11,617	7,166	24,120	2,413	1,053
O Distributions on Class B Units recorded as interest expense	223	223	224	228	231	231	232	232
M Changes in fair value of financial instruments	4,528	6,733	7,608	5,479	(1,660)	14,998	3,252	3,285
Q FFO adjustments for Equity-Accounted JVs <sup>(1)</sup>	1,098	1,130	973	1,130	1,196	900	1,059	735
U Non-controlling interest <sup>(1)</sup>	-	(84)	(82)	(88)	(87)	(44)	-	-
FFO <sup>(2)</sup>	81,241	73,058	67,553	56,169	57,663	55,861	44,698	39,239
<i>Add (Subtract):</i>								
Imputed Cost of Debt <sup>(3)</sup>	-	-	-	-	182	256	281	393
Income guarantees <sup>(4)</sup>	2,502	1,691	1,885	2,123	1,562	586	-	-
IFFO <sup>(5)</sup>	83,743	74,749	69,438	58,292	59,407	56,703	44,979	39,632
Weighted average number of units (000) <sup>(6)</sup>	310,769	298,507	285,514	277,943	275,494	274,318	246,121	244,216
FFOPU <sup>(7)</sup>	0.26	0.24	0.24	0.20	0.21	0.20	0.18	0.16
IFFOPU <sup>(7)</sup>	0.27	0.25	0.24	0.21	0.22	0.21	0.18	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 20 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 12 of this MD&A. Includes Chartwell's proportionate share of Equity-Accounted JVs.

(4) Non-GAAP; refer to the preamble to this table. Includes Chartwell's proportionate share of Equity-Accounted JVs.

(5) Non-GAAP; refer to the preamble to this table.

(6) Non-GAAP; refer to the "Weighted Average Number of Units" section on page 43 of this MD&A.

(7) Non-GAAP; refer to the "Per Unit Amounts" section on page 43 of this MD&A for a discussion of the calculation of the per unit amounts.

## Per Unit Amounts

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

### Weighted Average Number of Units

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

(000s)	Q4 2025	Q4 2024	Change	2025	2024	Change
Weighted average number of units <sup>(1)</sup>	310,769	275,494	35,275	293,288	260,119	33,169

(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.

	Q4 2025	Q4 2024	Change	2025	2024	Change
Weighted average number of occupied suites	11,906	11,363	543	11,667	11,059	608

## 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.

( <i>\$000s, except ratio</i> )	12 months December 31, 2025	12 months December 31, 2024
Consolidated EBITDA for Debentures <sup>(1)</sup>	437,807	334,521
Consolidated interest expense for Debentures <sup>(2)</sup>	125,812	124,712
Interest Coverage Ratio for Debentures	3.5x	2.7x

(1) Refer to the "Supporting Covenant Calculations/1. Consolidated EBITDA for Credit Facilities, Loans Payable, and Debentures" section on page 45 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 45 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%.

( <i>\$000s, except indebtedness percentage</i> )	December 31, 2025	December 31, 2024
Consolidated indebtedness for Debentures <sup>(1)</sup>	3,014,705	2,825,784
Aggregate adjusted assets for Debentures <sup>(2)</sup>	6,650,709	5,733,608
Indebtedness percentage for Debentures	45.3%	49.3%

(1) Refer to the "Supporting Covenant Calculations/4. Consolidated Indebtedness for Credit Facilities, Loans Payable, and Debentures" section on page 46 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 47 of this MD&A for the calculation of aggregate adjusted assets for Debentures.

## Unsecured Debt Coverage Ratio for Debentures

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

(\$000s, except ratio)	December 31, 2025	December 31, 2024
Unencumbered aggregate adjusted assets for Debentures <sup>(1)</sup>	2,062,550	1,088,350
Unsecured indebtedness for Debentures <sup>(2)</sup>	808,079	633,310
Coverage ratio for Debentures	2.6x	1.7x

(1) Includes 39 properties valued at \$2,062.6 million as of December 31, 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 46 of this MD&A for the calculation of unsecured indebtedness for the Debentures.

## Debt Service Coverage Ratio for Credit Facilities and Loans Payable

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

(\$000s, except ratio)	12 months December 31, 2025	12 months December 31, 2024
Consolidated EBITDA for Credit Facilities and Loans Payable <sup>(1)</sup>	409,477	309,067
Consolidated interest expense for Credit Facilities and Loans Payable <sup>(2)</sup>	123,903	106,782
Consolidated regularly scheduled debt principal payments for Credit Facilities and Loans Payable <sup>(3)</sup>	79,350	74,325
Consolidated debt service payments for Credit Facilities and Loans Payable	203,253	181,107
Debt service coverage ratio for Credit Facilities and Loans Payable	2.0x	1.7x

(1) Refer to the "Supporting Covenant Calculations/1. Consolidated EBITDA for Credit Facilities, Loans Payable, and Debentures" section on page 45 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 45 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 46 of this MD&A for the calculation of consolidated regularly scheduled debt principal payments for Credit Facilities and Loans Payable.

## Net Debt to Adjusted EBITDA

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

(\$000s, except ratio)	December 31, 2025	December 31, 2024
Consolidated Indebtedness for Debentures <sup>(1)</sup>	3,014,705	2,825,784
Consolidated EBITDA for Debentures <sup>(2)</sup>	437,807	334,521
Net Debt to Adjusted EBITDA ratio	6.9x	8.4x

(1) Refer to the "Supporting Covenant Calculations/4. Consolidated Indebtedness for Credit Facilities, Loans Payable, and Debentures" section on page 46 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 45 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, 2025	12 months December 31, 2024
Net income	29,413	22,408
Gain on disposal of assets <sup>(1)</sup>	(62,923)	(53,960)
Transaction costs <sup>(1)</sup>	6,719	5,518
Impairment expense/(reversal)	(12,963)	-
Non-cash change in fair value of financial instruments <sup>(1)</sup>	24,950	20,747
<b>Consolidated net income/(loss) for Credit Facilities and Loans Payable</b>	<b>(14,804)</b>	<b>(5,287)</b>
Consolidated finance costs <sup>(1)</sup>	128,436	108,441
Consolidated depreciation of PP&E and amortization of intangible assets <sup>(1)</sup>	250,812	171,416
Consolidated income tax expense/(benefit)	44,741	34,497
Principal portion of capital funding	292	-
<b>Consolidated EBITDA for Credit Facilities and Loans Payable</b>	<b>409,477</b>	<b>309,067</b>
Proforma adjustments <sup>(2)</sup>	28,330	25,454
<b>Consolidated EBITDA for Debentures</b>	<b>437,807</b>	<b>334,521</b>

(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, 2025	12 months December 31, 2024
Interest on mortgages <sup>(1)</sup>	82,349	64,715
Interest on Debentures	37,032	22,539
Interest on Credit Facilities	3,090	8,710
Interest on Loans Payable	1,432	10,818
<b>Consolidated interest expense for Credit Facilities and Loans Payable</b>	<b>123,903</b>	<b>106,782</b>
Proforma adjustments <sup>(2)</sup>	1,909	17,930
<b>Consolidated interest expense for Debentures</b>	<b>125,812</b>	<b>124,712</b>

(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.

<i>(\$000s)</i>	12 months December 31, 2025	12 months December 31, 2024
Regularly scheduled debt principal payments per Financial Statements	79,041	74,028
Regularly scheduled debt principal payments for equity-accounted entities	309	297
<b>Regularly scheduled debt principal payments for Credit Facilities and Loans Payable</b>	<b>79,350</b>	<b>74,325</b>

### 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.

<i>(\$000s)</i>	December 31, 2025	December 31, 2024
Principal balance of mortgages payable	2,272,320	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	48,385	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
<b>Secured indebtedness for the unsecured credit facility and Loans Payable</b>	<b>2,320,705</b>	<b>2,227,847</b>
Principal balance of Debentures	800,000	550,000
Unsecured term loans	-	75,000
Capital lease obligations <sup>(1)</sup>	8,079	8,310
<b>Unsecured indebtedness for Debentures</b>	<b>808,079</b>	<b>633,310</b>
Outstanding letters of credit	5,089	5,753
Third-party guarantees	-	230
<b>Unsecured indebtedness for Credit Facilities and Loans Payable</b>	<b>813,168</b>	<b>639,293</b>
Consolidated indebtedness for Credit Facilities and Loans Payable	3,133,873	2,867,140
<i>Add (Subtract):</i>		
Outstanding letters of credit	(5,089)	(5,753)
Third-party guarantees	-	(230)
Cash and cash equivalents	(109,132)	(20,048)
Cash and cash equivalents of Equity-Accounted JVs	(4,947)	(15,325)
Cash and cash equivalents of non-controlling interest	-	-
Consolidated indebtedness for Debentures	3,014,705	2,825,784

(1) Includes capital lease obligations related to joint ventures of \$nil at December 31, 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)	December 31, 2025	December 31, 2024
Book value of assets <sup>(1)</sup>	5,086,007	4,133,163
Gross book value adjustment on IFRS transition	116,426	121,539
Adjustment for accumulated depreciation and amortization for Credit Facilities and Loans Payable <sup>(2)</sup>	1,562,355	1,514,279
<b>Adjusted consolidated gross book value of assets for Credit Facilities and Loans Payable</b>	<b>6,764,788</b>	<b>5,768,981</b>
<i>Add (Subtract):</i>		
Cash and cash equivalents	(109,132)	(20,048)
Cash and cash equivalents of Equity-Accounted JVs	(4,947)	(15,325)
Cash and cash equivalents of non-controlling interest	-	-
<b>Aggregate adjusted assets for Debentures</b>	<b>6,650,709</b>	<b>5,733,608</b>

(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 \$21.0 million at December 31, 2025 (\$27.6 million at December 31, 2024) and fully amortized assets of \$254.7 million at December 31, 2025 (\$272.9 million at December 31, 2024).

## Critical Accounting Policies and Estimates

### Critical Accounting Judgments, Estimates and Assumptions in Applying Accounting Policies

Our material accounting policies for the year ended December 31, 2025 are referred to in Note 3 of our Financial Statements. Under IFRS, it is necessary to make estimates when preparing the financial statements and then to re-evaluate the original estimates used on an ongoing basis. Our estimates are based on past experience and other factors that we believe are reasonable under the circumstances. As this involves varying degrees of judgement and uncertainty, the amounts currently reported in the financial statements could, in the future, prove to be inaccurate.

### Valuation of PP&E and Intangibles

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

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

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

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

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

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

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

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

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

## **Changes in Accounting Estimates and Changes in Accounting Policies**

Our material accounting policies are described in Note 3 of our Financial Statements. Note 3(m) outlines future accounting policy changes. There were no significant changes to our accounting policies in 2025 or following the date of our 2025 Financial Statements except for the adoption of IFRS 18 Presentation and Disclosure in Financial Statements and Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 11).

## **Related Party Transactions**

In the normal course of operations, Chartwell enters into various transactions with related parties. A summary of related party transactions can be found in Note 11 of our Financial Statements.

## Controls and Procedures

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

### Disclosure Controls and Procedures

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

An evaluation was carried out, under the supervision of and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of Chartwell's disclosure controls and procedures as defined under National Instrument 52-109. In making this assessment, the Chief Executive Officer and the Chief Financial Officer used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in the Internal Control – Integrated Framework – 2013 (COSO Internal Control Framework – 2013). Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the design and operation of Chartwell's disclosure controls and procedures were effective as at December 31, 2025.

### Internal Control over Financial Reporting

We are responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Chief Executive Officer and the Chief Financial Officer assessed, or caused an assessment under their direct supervision of the design and operating effectiveness of our internal controls over financial reporting as at December 31, 2025, and based on that assessment determined that our internal controls over financial reporting were appropriately designed and were operating effectively in accordance with the COSO Internal Control Framework – 2013.

There were no material changes in our internal controls over financial reporting that occurred during the year ended December 31, 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

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

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

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

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

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

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

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

On September 30, 2025, DBRS confirmed the BBB (low) with Positive trends rating of Chartwell's Issuer Rating and Senior Unsecured Debentures. There is no assurance that we will continue to receive such credit ratings. Accordingly real or anticipated changes in Chartwell's Issuer Rating and /or Senior Unsecured Debentures credit ratings may adversely affect our business, operating results and financial condition.

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

package to effectively compete for qualified personnel. We may not be able to recover such added costs through increased rates charged to residents or increased government funding. The inability to retain and/or attract qualified personnel may result in: a reduction in occupancy levels or services provided; use of staffing agencies at added cost; and an increased risk of deficiencies in operations which could potentially result in fines or penalties. An increase in personnel costs or a failure to attract, train and retain qualified and skilled personnel could adversely affect our business, results of operations and financial condition.

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

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

- **Labour Relations:** We, directly or indirectly employ 11,492 people in Canada. Excluding managers, approximately 77% of the employees working in the residences are represented by labour unions or employee associations. Labour relations with the unions are governed by collective bargaining agreements with many different unions. There can be no assurance that we will not at any time, whether in connection with the renegotiation process or otherwise, experience strikes, labour stoppages or any other type of conflict with unions or employees which could have a material adverse effect on our business, operating results and financial condition. However, most seniors housing residences in the Province of Ontario fall under the jurisdiction of the Hospital Labour Disputes Arbitration Act which prohibits strikes and lockouts in the seniors housing sector. Therefore, collective bargaining disputes are more likely to be resolved through compulsory third-party arbitration in Ontario.

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

In December 2025, the British Columbia Ministry of Health announced that it had entered into a Memorandum of Agreement with the Health Employers Association of British Columbia ("HEABC") and the Facilities Bargaining Association ("FBA") pursuant to which eligible publicly funded care home operators in British Columbia would be brought into HEABC membership and the collective bargaining agreements negotiated by HEABC would be applied to those facilities, notwithstanding any existing collective bargaining agreements in place at such facilities. At this time, it is not known whether any Chartwell properties will be included within the scope of this initiative or how eligibility will be determined. Chartwell has a total of 126 funded beds at two British Columbia properties. If any Chartwell properties are included, the application of HEABC-negotiated collective bargaining agreements could result in increased labour costs, which could have an adverse effect on the impacted properties.

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. The Supreme Court of Canada denied leave to appeal on October 14, 2021, thereby upholding the appellate court decision.

Chartwell owns or previously owned four LTC homes that are respondents to this decision and previously owned seven additional LTC homes that also used the proxy method and could be affected. Although we completed the sale of the LTC operations in 2023, we continue 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 us. Discussions among the affected parties have not meaningfully progressed. As a result we cannot reliably estimate any potential liability. We expect that any required pay equity adjustments will be fully funded by the Ontario Government; however there is no assurance that such funding will be provided in full or on a timely basis. No liability for potential pay equity adjustments or related recovery from the 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.

- **Joint-Venture Interests:** We have entered into joint-venture arrangements in respect of certain of our seniors housing operations. These joint-venture arrangements have the benefit of sharing the risks associated with ownership and management of such seniors housing residences including those risks described above and provide us with access to properties and development sites we would otherwise have. However, we may be exposed to adverse developments, including a possible change in control, in the business and affairs of our joint-venture partners which could have a significant impact on, or termination of, our interests in our joint ventures and could affect the value of the joint ventures to us and/or cause us to incur additional costs if we were to solely undertake the operations of the joint venture. In addition, there are risks which arise from the joint-venture arrangements themselves, including: the risk that the other joint-venturer may exercise buy-sell, put or other sale or purchase rights which could obligate us to sell our interest or buy the other joint-venturer’s interest at a price which may not be favourable to us or at a time which may not be advantageous to us, the effect of which could be materially adverse to our financial position or resources.
- **Government Regulation:** Health care in general is an area subject to extensive regulation and frequent regulatory change. In Canada, a number of provinces are promoting regionally managed and regulated health care systems. These changes favour larger operators having the resources to provide more cost-effective management services and well-developed staff training programs on a regional basis. There can be no assurance that future regulatory changes in health care, particularly those changes affecting the seniors housing industry will not adversely affect us.

In all provinces, LTC Residences and retirement homes are subject to government oversight, regulation and licensing requirements, which may change or become more onerous in the future. In addition, governments in some jurisdictions have increased, and may continue to increase, regulatory oversight of seniors housing, including through more prescriptive operational requirements, enhanced inspection and enforcement regimes, and measures affecting the pricing of accommodation and services, such as rent control. There can be no assurances that future regulatory changes affecting the seniors housing industry would not have a material adverse impact on the business, operating results and financial condition of Chartwell. While the Operator endeavours to comply with all regulatory requirements in its residences, it is not unusual for stringent inspection procedures to identify deficiencies in operations. In such circumstances, for all legitimately identified deficiencies, it is our intention to correct deficiencies or have its manager correct deficiencies within the time frames allowed.

- **Maintenance of Assets:** We are committed to keeping our communities in a good state of repair. We fundamentally believe that investing back into communities increases resident and staff satisfaction, which ultimately makes the business more profitable. In 2025, we invested \$111.1 million of capital back

into our property portfolio. In addition to recurring capital maintenance projects, these investments include large, often multi-phased, renovation projects and projects undertaken to comply with the requirements of various regulatory or government authorities, projects that improve the revenue-generating potential of our properties and projects identified during acquisition due diligence. The amount of these investments varies from time to time based on the volume of specific projects in progress. We take into account the capital maintenance requirements of our residences when determining future cash flows available for Distributions. A significant increase in capital maintenance requirements could adversely impact our cash availability.

- **Acquisitions, Disposition and Development:** Agreements to acquire or sell, as well as development agreements entered into with third parties may be subject to unknown, unexpected or undisclosed liabilities which could have a material adverse impact on our operations and financial results. Representations and warranties given by such third parties to us may not adequately protect against these liabilities and any recourse against third parties may be limited by the financial capacity of such third parties.

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

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

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

We may also face additional risks, including those associated with forward purchase commitments, potential cash flow dilution from on-balance sheet developments, and concerns related to construction quality, developer reputation, and other related factors.

- **Workplace Health and Safety:** We recognize that ensuring a healthy and safe workplace reduces work-related injury, illness and disability, improves productivity, lowers absenteeism and helps minimize any liability or penalties which could be incurred in connection with workplace injuries or illness. Chartwell has occupational health and safety programs in place and has established policies, procedures and training aimed at ensuring compliance with applicable legislative requirements. Failure to comply with workplace health and safety policies and procedures or applicable legislative requirements could result in increased work-related injury or illness, fines and/or penalties and damage to our reputation and thus have a material adverse effect on the business, results of operations and financial condition of Chartwell.
- **Pandemic, Epidemic or Outbreak of Disease:** The occurrence of a pandemic, epidemic, or other outbreak of an infectious disease, or other public health crisis in areas in which we operate could have a material adverse effect on our business, results of operations, liquidity, borrowing capacity and financial condition. Federal, provincial or local health agencies may, or we may choose to, restrict, limit or suspend in-person tours by or on behalf of prospective residents and/or admissions to our residences as a precautionary measure in a crisis to avoid the spread of a contagious illness or other public health crisis, resulting in decreased occupancy. Even in the absence of any such restriction, limit or suspension, prospective residents may delay or defer moving into a residence due to negative perceptions of congregate living and/or in an attempt to avoid possible exposure to infectious diseases. Enhanced procedures, protocols and care put in place to assist in reducing the likelihood of exposure to infectious diseases or to address actual outbreaks in our residences (for example, enhanced screening, personal protective equipment, increased disinfection, mandatory vaccination policies, rapid testing and other health and safety measures) would result in increased costs. A pandemic, epidemic or other outbreak may also adversely affect operations by causing staffing and supply shortages. Although government

funding or assistance may mitigate some of these impacts, there is no certainty of the extent to which that will be the case. There is uncertainty regarding the implementation and impact of any government funding, pandemic-related legislation and any other future relief measures. In addition, outbreaks, cause our staff and our management team to spend considerable time planning for and addressing such events, which diverts their attention from other business concerns. Further, a pandemic, epidemic or contagious disease outbreak may impact the overall economy so that credit markets are adversely affected, which may make it more difficult for us to access the credit markets or, if able to do so, at a higher cost or less advantageous terms, potentially impacting, among other things refinancings and our development plans and timelines. A pandemic, epidemic, or other outbreak of an infectious disease may result in an increased risk that we may be subject to litigation related to our handling of the pandemic, epidemic or other outbreak of infectious disease at its residences, which, even if not meritorious, and even if covered by our insurance, could result in increased operating costs to defend.

- **Growth and Strategic objectives:** We may not be able to successfully execute our growth strategy and portfolio optimization and capital recycling programs. Our ability to achieve our strategic objectives is subject to known and unknown risks and uncertainties, including those discussed herein. The ability to grow may require the issuance of additional Units and such issuances may not always be a viable capital raising option. Furthermore, timing differences may occur between the issuance of additional units and the time the proceeds may be used to invest in acquiring or developing new properties. Depending on the duration of this timing difference, this may be dilutive. Our strategy includes growth through identifying suitable acquisition opportunities, pursuing such opportunities, consummating acquisitions and effectively operating such properties and disposing other properties. While we expect that we will have opportunities to acquire properties which will be accretive and enable us to increase cash flow through improved management and dispose of properties that are no longer aligned with our strategy and areas of focus, there can be no assurance that will be the case.
- **Liability and Insurance:** The businesses which are carried on, directly or indirectly, by us, entail an inherent risk of liability. We expect that from time to time we may be subject to such lawsuits as a result of the nature of our businesses. In addition, attempts to advance class action lawsuits have become more prevalent in senior care. There can be no assurance that we will not face risks of this nature.

We maintain business and property insurance policies in amounts and with such coverage and deductibles as deemed appropriate, based on the nature and risks of the businesses, historical experience and industry standards. There can be no assurance, however, that claims in excess of the insurance coverage or claims not covered by the insurance coverage will not arise or that the liability coverage will continue to be available on acceptable terms or that coverage for certain risks such as infectious diseases will continue to be available at all. A successful claim against us not covered by, or in excess of, our insurance could have a material adverse effect on our business, operating results and financial condition. Claims against us, regardless of their merit or eventual outcome, also may have a material adverse effect on our ability to attract residents or expand our businesses and will require management to devote time to these matters rather than to the operation of the business.

- **Real Property Ownership and Lack of Diversity:** Real property equity investments are relatively illiquid. This illiquidity will tend to limit our ability to respond to changing economic or investment conditions. By specializing in a particular type of real estate, we are exposed to adverse effects on that segment of the real estate market and do not benefit from a diversification of our portfolio by property type.
- **Geographic Concentration:** Our business and operations are conducted within Canada primarily in Ontario and Quebec. A geographic concentration of our owned and leased suites, at our percentage share of ownership or leasehold interest, is described under the “Business Overview” section on page 3 of this MD&A. The market value of these properties and the income generated from them could be negatively affected by changes in local, regional or national economic conditions or legislative/regulatory changes in the respective jurisdictions.
- **Management Contracts:** We receive management fees from non-owned residences that we manage for others and earn management fees from co-owned properties. We will not receive this revenue if the management agreements with the residences’ owners are terminated or not renewed upon their expiry.

Such contracts are generally terminable upon 90 days' notice, with the exception of Management Agreements on properties with secured mezzanine loans advanced by us.

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

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

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

- **Artificial Intelligence:** We began to introduce artificial intelligence ("AI") solutions into various aspects of our business and operation, including finance, administration and workforce management. Our competitors or other third parties may incorporate AI into their products and services quicker, which could impair our ability to compete effectively and adversely affect our operations. The adoption of AI solutions

has taken and expected to continue to take management efforts. There can be no assurance that use of AI will enhance our business or operations or produce the intended result.

The use of AI involves significant risks, including the risk that outputs or recommendations generated or assisted by AI applications may be deficient, inaccurate, misleading, biased or otherwise unreliable, which could adversely affect our business, reputation, financial condition and results of operations. The use of AI solutions may result in cybersecurity incidents or privacy breaches involving personal information or confidential business information, including due to vulnerabilities in our systems or those of third-party service providers. We may also be exposed to legal and regulatory risks related to the use of AI, including evolving government regulation and privacy laws, intellectual property and copyright issues, and allegations that AI-assisted content infringes third-party rights or is otherwise improper.

We adopted an AI policy and governance framework designed to support the responsible and ethical use of AI solutions, however, there can be no assurance that such measures will be effective in all circumstances or will prevent or mitigate all risks associated with AI. The rapid evolution of AI, including potential government regulation of AI and privacy laws, may require significant resources to develop, test and maintain our IT infrastructure and systems to support the ethical implementation of AI and minimize any unintended and harmful impacts.

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

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

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

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

- **ESG Risks:** There are rapid and ongoing developments and changing expectations relating to ESG matters and factors such as the impact of operations on climate change, diversity, equity and inclusion, corporate governance and other matters, which may result in increased regulatory, social or other scrutiny on Chartwell. This scrutiny may be intensified as a result of the varying pro-ESG and anti-ESG views held

by certain stakeholders. If we are unable to adequately recognize and respond to such developments and governmental, societal, investor and consumer expectations relating to such ESG matters, we may miss corporate opportunities, become subject to additional scrutiny, incur unexpected costs or experience damage to our reputation. If any of these events were to occur, there may be a material adverse effect on our business, financial condition, cash flows and results of operations and the market value of our Trust Units and/or senior unsecured debentures may decline.

- **Distributions:** Our distributions are made at the discretion of the Trustees based on forward-looking cash flow information, including forecasts and budgets, results of operations, requirements for capital expenditures and working capital, future financial prospects, debt covenants and obligations, and any other factors considered relevant by them in setting the distribution rate. Items such as principal repayments, capital expenditures, variances in operating results and redemption of units, if any, or the failure of CSH Trust or Master LP to make distributions to Chartwell Retirement Residences may affect Distributions. We may be required to decrease our distributions in order to accommodate any such items.
- **Restrictions on Redemption Right:** It is anticipated that the redemption right will not be the primary mechanism for holders of Units to liquidate their investments. Cash redemptions are subject to limitations. Securities which may be distributed *in specie* to Unitholders in connection with a redemption will not be listed on any stock exchange and may not be qualified investments under the Tax Act for Plans. No established market is expected to develop in such notes and they may be subject to resale under applicable securities laws.
- **Dilution:** To date, we have issued an aggregate of 40,122,942 Trust Units pursuant to the 2024 ATM Program and the 2025 ATM Program. We may issue up to \$260.0 million worth of additional Trust units pursuant to the 2025 ATM Program. We may, in our sole discretion, issue additional Trust Units from time to time, and the interests of the Unitholders may be diluted thereby.
- **Nature of Units:** The Units are not traditional equity investments. The Units represent an undivided ownership interest in Chartwell. Our primary assets are CSH Trust Units. The Units do not represent a direct investment in the business of Master LP and should not be viewed by investors as direct securities of Master LP or its subsidiaries. As holders of Units, Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring “oppression” or “derivative” actions or rights to dissent from fundamental transactions undertaken by a corporation and to apply to court to be paid “fair value” for their securities. As well, Chartwell may not be a recognized entity under certain existing insolvency legislation such as the *Bankruptcy and Insolvency Act* (Canada) and the *Companies Creditors’ Arrangement Act* (Canada) and thus the treatment of Unitholders upon an insolvency is uncertain.

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

- **Unitholder Liability:** The Declaration of Trust provides that no Unitholder shall be subject to any liability whatsoever to any person in connection with a holding of Units. However, in jurisdictions outside the Provinces of Ontario, Québec, Alberta and British Columbia (and in those jurisdictions in certain circumstances), there remains a minimal risk, which is considered by us to be remote in the circumstances, that a Unitholder could be held personally liable, despite such statement in the Declaration of Trust, for our obligations to the extent that claims are not satisfied out of the our assets. Our affairs are conducted to seek to minimize such risk wherever possible.
- **Market for Units and Unit Price:** The Units are listed on the TSX. There can be no assurance that an active public market for Units will be sustained. One of the factors that may influence the market price of the Units is the annualized yield on the Unit price from Distributions. Accordingly, an increase in market interest rates may lead purchasers of Units to demand a higher annual yield, which could adversely affect the market price of the Units. The market price of the Units does not necessarily reflect our net asset

value. In addition, the market price for the Units may be affected by changes in general market conditions, fluctuations in the markets for equity securities and numerous other factors outside of our control which may cause the market price of Units to change in a manner which is different from the change in value of the underlying real estate assets.

- **Taxation:**

- ***The SIFT Rules***

The SIFT Rules, which relate to the federal income taxation of certain publicly traded trusts and certain other publicly-traded flow-through entities, were enacted on June 22, 2007. Generally, under the SIFT Rules, certain distributions from a “SIFT trust” (as defined in the Tax Act) will not be deductible in computing the trust’s taxable income, and the trust will be subject to tax on such distributions at a rate that is comparable to the general tax rate applicable to a Canadian corporation. To the extent that a distribution attracts this tax, it will be taxed in the hands of the receiving Unitholder (whether received in cash, additional Units or otherwise) as a taxable dividend from a taxable Canadian corporation, which dividend will be eligible for the enhanced dividend tax credit (an “eligible dividend”).

The SIFT Rules are not applicable to certain real estate investment trusts that meet certain conditions (as provided in the Tax Act) relating to the nature of their revenues and investments (the “REIT Conditions”). As currently structured, we do not meet the REIT Conditions. Chartwell has been a SIFT trust since 2007 and, unless we change our structure and the nature of our operations, we expect to be a SIFT trust for 2026 and future years.

In 2025, 96.3% of our distributions were classified as return of capital and 3.7% were classified as eligible dividends. Based on our current forecasts, we do not expect any other tax to be payable by us under the SIFT Rules in 2025.

As a general matter, the amount of tax payable by Chartwell under the SIFT Rules, if any, in any given taxation year may be affected by acquisitions, dispositions and other events occurring in such taxation year or other relevant taxation years.

- ***Tax Status***

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

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

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

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

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

## Forward-Looking Information

This MD&A contains forward-looking information that reflects the current expectations, estimates and projections of management about the future results, performance, achievements, prospects or opportunities for Chartwell and the seniors housing industry. The words “plans”, “expects”, “is expected”, “budget” “scheduled”, “estimates”, “intends”, “anticipates”, “projects”, “believes”, “timeline”, “forecast”, “outlook”, “potential”, “prospects”, “strategy”, “target”, “maintain” 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.

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 strategies, including our 2028 Strategy targets and objectives, rental and service rate increases, reduction in use of target incentives, and the expected results of such strategies,
- statements and forecasts regarding occupancy trends and growth including statements regarding expected occupancy levels, move-in activity, and achievement of occupancy targets,
- statements and forecasts regarding our portfolio optimization strategies including our ability to achieve acquisition, development investment and divestiture targets outlined in our 2028 Strategy.
- statements regarding our ability to achieve improvements in our cash flows, improved operating margins, and operating efficiencies,
- our predictions and expectations with respect to industry trends including growth in the senior population and the pace of new construction starts,
- 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,
- statements regarding employee engagement and resident satisfaction targets,
- our expectations with respect to potential expansion projects and development projects on new sites and 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 intention and ability to access low-cost mortgage financing insured by CMHC,
- the sustainability of our current distributions and plans to increase 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,
- our expectations regarding continued funding of our programs by government agencies due to impact of new laws and regulations in Canada,
- 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 our SIFT status and taxes that are expected to be payable in the current and future years under the SIFT Rules, and
- our expectations regarding future demand for retirement suites and services in the provinces in which we operate.

Forward-looking statements are based upon a number of estimates and 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 estimates and 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 Canada Mortgage and Housing Corporation's mortgages at competitive rates, continued access to capital markets which will continue to provide us with access to equity and/or debt at reasonable rates to meet financial and operating needs, no unforeseen changes to tax laws and our ability to maintain our status as a mutual fund trust.

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, as actual results and future events could differ materially from those expected or estimated in such statement. Accordingly, readers should not place undue reliance on forward-looking information.** These factors are not intended to represent a complete list of the factors that could affect us. See risk factors highlighted in materials filed with the securities regulatory authorities in Canada from time to time, including but not limited to our most recent AIF.

## Supplemental Information

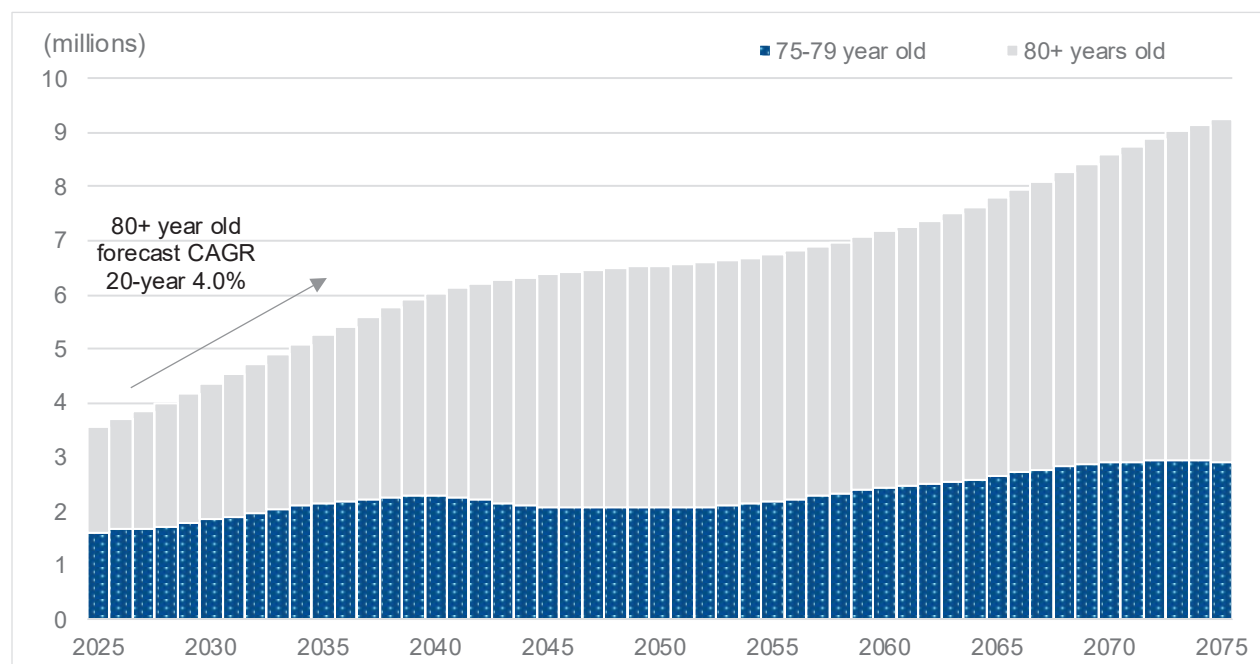
### Significant Future Demand

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

Demand for retirement suites will further benefit from the following:

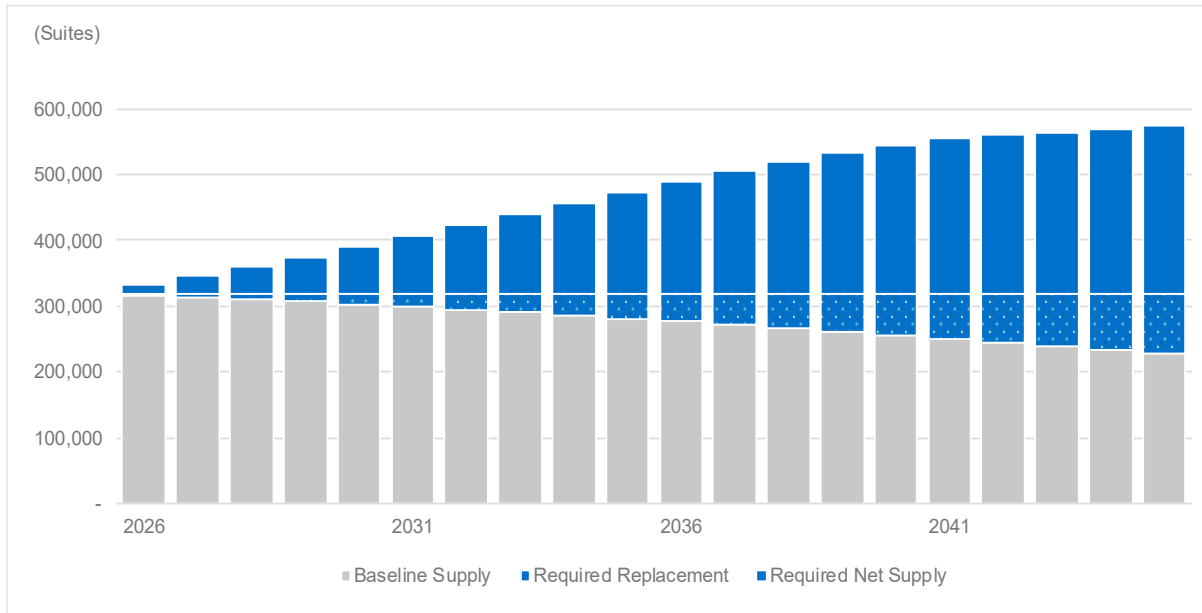
- If governments are unable to fully address demand growth for government-funded long term care spaces, there may be additional demand for retirement suites.
- The existing inventory of retirement suites includes a number of older properties which may become obsolete over time, further increasing demand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

### Population of Age 75+ Year Olds



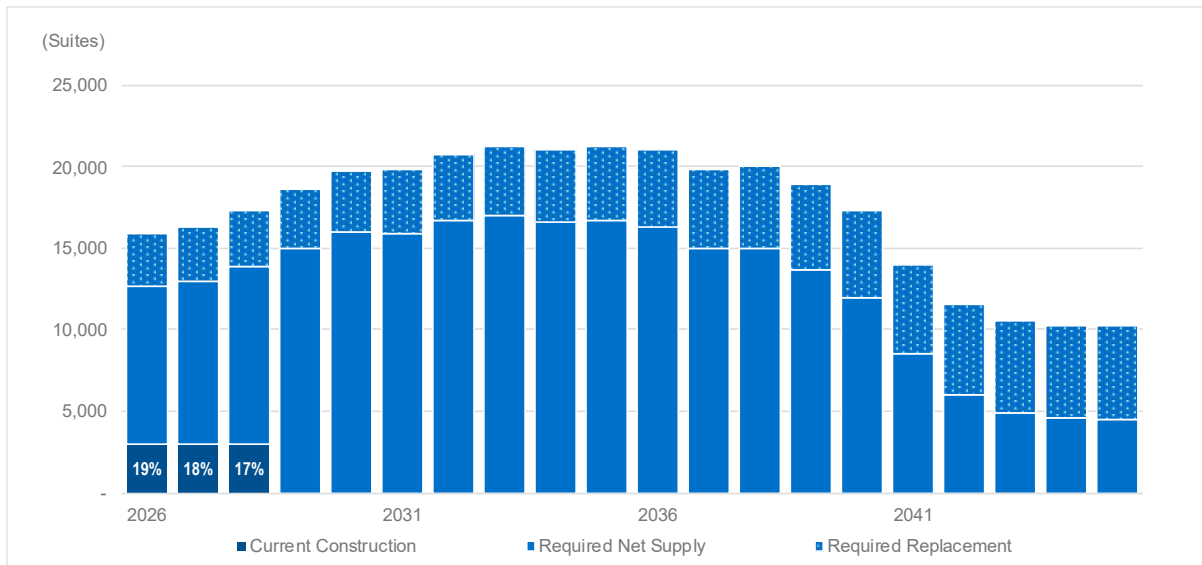
Sources: Statistics Canada and Cushman & Wakefield ULC.

## New Supply Required to Maintain Market Equilibrium



Source: Cushman & Wakefield ULC.

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



Source: Cushman & Wakefield ULC.

## Chartwell Top 15 Markets – Supply and Demand Data

### Supply

Location <sup>(4)</sup>	Chartwell Portfolio <sup>(1)</sup>		Existing Inventory <sup>(2)</sup>		Properties under construction within 5km of a Chartwell Property <sup>(3)</sup>	
	Total		Total		# of Properties	# of Suites
	# of Properties	# of Suites	# of Properties	# of Suites		
Greater Vancouver Area	11	1,477	182	14,530	0	0
Calgary	6	731	78	9,937	1	151
Edmonton	6	1,196	91	10,395	1	114
Durham	5	587	36	4,989	1	160
Windsor/Essex County	3	340	27	2,445	0	0
Halton	4	484	32	3,876	3	614
Ontario North	8	849	41	3,601	0	0
Greater Ottawa Area	5	658	95	11,640	2	580
Peel	2	194	30	4,116	0	0
Toronto	6	1,036	71	8,111	2	346
Kitchener/Waterloo/Cambridge/Guelph	8	1,014	60	5,661	0	0
York	7	776	42	5,164	1	203
Gatineau	6	2,036	24	4,235	0	0
Greater Montreal Area	15	5,012	351	63,813	1	205
Quebec City	11	4,072	146	19,152	1	218
<b>Subtotal (Top 15 Markets)</b>	<b>103</b>	<b>20,462</b>	<b>1,306</b>	<b>171,665</b>	<b>13</b>	<b>2,591</b>
Other	37	5,393				
<b>Grand Total</b>	<b>140</b>	<b>25,855</b>				

(1) Excludes LTC.

(2) Source: Cushman & Wakefield ULC.

(3) Illustrative only. A 5km radius is not necessarily indicative of our view of competition. Properties listed includes only private pay retirement residences and seniors apartments and excludes other forms of competition such as home care, naturally occurring retirement communities, multi-family rental, and long term care.

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

### Demand

Location <sup>(3)</sup>	Demographic Information <sup>(1)</sup>				Demographic Data 75+ yrs <sup>(1)</sup>		
	2025				2025		
	Total Population	Median Household Income (\$)	Avg House Value (\$)	Unemployment Rate %	Total Population	10 yr Growth %	10 yr CAGR
Greater Vancouver Area	3,565,940	105,800	1,326,752	6.4%	276,863	56.4%	4.6%
Calgary	1,788,962	104,267	697,566	7.0%	103,032	93.8%	6.8%
Edmonton	1,636,501	98,347	470,916	7.8%	103,162	74.1%	5.7%
Durham	801,942	123,328	829,180	8.6%	56,428	58.2%	4.7%
Windsor/Essex County	479,248	90,929	500,790	8.7%	41,553	48.5%	4.0%
Halton	667,037	144,144	1,163,918	8.2%	53,468	48.8%	4.1%
Ontario North	868,200	90,426	387,824	7.8%	87,799	51.5%	4.2%
Greater Ottawa Area	1,182,088	120,200	653,413	7.6%	93,577	52.1%	4.3%
Peel	1,640,630	104,277	979,992	8.2%	107,117	50.4%	4.2%
Toronto	3,214,723	91,609	1,076,003	8.2%	250,493	38.2%	3.3%
Kitchener/Waterloo/Cambridge/Guelph	1,057,004	106,904	756,094	8.3%	74,561	49.9%	4.1%
York	1,286,802	123,390	1,268,207	8.2%	107,834	65.7%	5.2%
Gatineau	373,602	94,834	463,721	7.5%	26,953	58.3%	4.7%
Greater Montreal Area	4,602,080	87,157	569,189	6.1%	395,621	38.4%	3.3%
Quebec City	896,222	89,683	418,658	3.4%	93,933	45.3%	3.8%
<b>Subtotal/Average (Top 15 Markets)</b>	<b>24,060,981</b>	<b>105,020<sup>(2)</sup></b>	<b>770,815<sup>(2)</sup></b>	<b>7.5%<sup>(2)</sup></b>	<b>1,872,394</b>	<b>55.3%<sup>(2)</sup></b>	<b>4.5%<sup>(2)</sup></b>

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

(2) Average.

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



**CONSOLIDATED  
FINANCIAL STATEMENTS**

## Management's Responsibility for Financial Statements

To the Unitholders of Chartwell Retirement Residences

The accompanying consolidated financial statements of Chartwell Retirement Residences and the information included in this Annual Report have been prepared by management, which is responsible for their consistency, integrity and objectivity. Management is also responsible for ensuring that the consolidated financial statements are prepared and presented in accordance with International Financial Reporting Standards. To fulfill these responsibilities, management maintains appropriate systems of internal control, policies and procedures to ensure its reporting practices and accounting and administrative procedures are of high quality.

KPMG LLP, the independent auditor, is responsible for auditing the consolidated financial statements in accordance with generally accepted auditing standards in Canada, to enable the expression of their opinion on the consolidated financial statements to the unitholders. Their report, as auditors, is set forth herein.

The Board of Trustees is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal controls and engaging the independent auditors. The Board of Trustees carries out this responsibility through its Audit Committee, which meets regularly with management and the independent auditors. The Audit Committee is composed of three members who are independent of management. The consolidated financial statements have been reviewed and approved by the Board of Trustees and its Audit Committee. The independent auditors have direct and full access to the Audit Committee and Board of Trustees.



Vlad Volodarski  
*Chief Executive Officer*



Jeffrey Brown  
*Chief Financial Officer*



KPMG LLP  
Bay Adelaide Centre  
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Toronto, ON M5H 2S5  
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Tel 416 777 8500  
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## INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Chartwell Retirement Residences

### **Opinion**

We have audited the consolidated financial statements of Chartwell Retirement Residences (the Entity), which comprise:

- the consolidated balance sheets as at December 31, 2025 and December 31, 2024
- the consolidated statements of net income (loss) and comprehensive income (loss) for the years then ended
- the consolidated statements of unitholders' equity for the years then ended
- the consolidated statements of cash flows for the years then ended
- and notes to the consolidated financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2025 and December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “**Auditor’s Responsibilities for the Audit of the Financial Statements**” section of our auditor’s report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



## ***Key Audit Matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2025. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

We have determined the matter described below to be the key audit matter to be communicated in our auditor's report.

### ***Assessment of the Recoverable Amount of Cash Generating Units***

#### ***Description of the matter***

We draw attention to Notes 2(d), 3(d) and 5 of the financial statements. The property, plant and equipment ("PP&E") carrying amount is \$4,790,319 thousand. The carrying amounts of the Entity's PP&E are assessed at each reporting date to determine if any events have occurred that would indicate the PP&E may be impaired. If any such indication exists, the asset's recoverable amount is estimated, and an impairment loss is recognized immediately in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is determined for the cash generating unit ("CGU") to which the PP&E belongs. The recoverable amount of a CGU is the higher of (a) fair value less costs of disposal and (b) value in use.

The assessment of asset impairment requires significant assumptions, which include:

- the rental rates and occupancy rates used to estimate future stabilized cash flows.
- discount rates, capitalization rates and terminal capitalization rates applied to those cash flows.

#### ***Why the matter is a key audit matter***

We identified the assessment of the recoverable amount of CGUs as a key audit matter. This matter represented an area of significant risk of material misstatement given the significant effect minor changes to significant assumptions had on the determination of the recoverable amount of a CGU. In addition, significant auditor judgment and specialized skills and knowledge were required in applying, and evaluating the results of, our audit procedures.

#### ***How the matter was addressed in the audit***

The primary procedures we performed to address this key audit matter included the following:

- For a selection of CGUs, we assessed the Entity's ability to accurately forecast by comparing the rental rates and occupancy rates used to estimate future stabilized cash flows of the prior year to actual results.
- For a selection of CGUs, we evaluated the Entity's rental rates and occupancy rates used to estimate future stabilized cash flows by comparing to actual historical rates. We took into account the changes in conditions and events affecting the CGUs to assess the adjustments, or lack of adjustments, made by the Entity in arriving at the rental rates and occupancy rates used to estimate future stabilized cash flows.



- For a selection of CGUs, we involved valuations professionals with specialized skills and knowledge who assisted in evaluating the discount rates, capitalization rates and terminal capitalization rates. These rates were compared to published reports of real estate industry commentators taking into consideration the features of the specific CGU.

### ***Other Information***

Management is responsible for the other information. Other information comprises:

- the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.
- the information, other than the financial statements and the auditor's report thereon, included in a document likely to be entitled "2025 Annual Report".

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

The information, other than the financial statements and the auditor's report thereon, included in a document likely to be entitled "2025 Annual Report" is expected to be made available to us after the date of this auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.



Those charged with governance are responsible for overseeing the Entity's financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.
- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants

The engagement partner on the audit resulting in this auditor's report is Jason Gaiotto.

Toronto, Canada  
February 26, 2026

# Consolidated Balance Sheets

(In thousands of Canadian dollars)

As at December 31,	Note	2025	2024
<b>Assets</b>			
Current assets:			
Cash and cash equivalents		\$ 109,132	\$ 20,048
Trade and other receivables	9	19,929	17,672
Capital funding receivable	7	783	–
Loans receivable	11	6,369	21,677
Assets held for sale	18	–	274,435
Other assets	10	35,449	54,191
Total current assets		171,662	388,023
Non-current assets:			
Other assets	10	2,134	3,771
Loans receivable	11	10,037	19,280
Capital funding receivable	7	30,370	–
Investment in joint ventures	12	20,184	26,221
Intangible assets	6	20,271	21,744
Property, plant and equipment (“PP&E”)	5	4,790,319	3,628,030
Total non-current assets		4,873,315	3,699,046
Total assets		\$ 5,044,977	\$ 4,087,069
<b>Liabilities and Unitholders' Equity</b>			
Current liabilities:			
Lease obligations	8	\$ 984	\$ 925
Accounts payable and other liabilities	17	265,184	214,630
Distributions payable		16,213	14,071
Loans payable	15	–	148,972
Liabilities related to assets held for sale	18	–	149,290
Senior unsecured debentures	16	249,689	149,953
Mortgages payable	13	330,276	408,071
Total current liabilities		862,346	1,085,912
Non-current liabilities:			
Lease obligations	8	7,055	7,281
Other liabilities	17	11,566	3,583
Mortgages payable	13	1,851,885	1,386,908
Credit facilities	14	–	98,079
Senior unsecured debentures	16	547,479	398,358
Deferred tax liabilities	29	71,062	33,567
Total non-current liabilities		2,489,047	1,927,776
Total liabilities		3,351,393	3,013,688
Unitholders' equity		1,693,584	1,071,818
Non-controlling interest		–	1,563
Total equity		1,693,584	1,073,381
Total liabilities and equity		\$ 5,044,977	\$ 4,087,069

See accompanying notes to consolidated financial statements.

Approved by the Trustees:

\_\_\_\_\_  
“Alka Gautam” Trustee

\_\_\_\_\_  
“Gary Whitelaw” Trustee

## Consolidated Statements of Net Income (Loss) and Comprehensive Income (Loss)

(In thousands of Canadian dollars)

Years ended December 31,	Note	2025	2024
<b>Revenue:</b>			
Property	24	\$ 1,079,035	\$ 799,923
Management and other fees	24	4,919	12,560
Lease revenue from joint ventures	12	14,144	36,059
Lease revenue		2,223	–
Interest income	24	8,196	3,605
		1,108,517	852,147
<b>Income (expenses):</b>			
Direct property operating	32	(650,076)	(509,179)
Depreciation of PP&E	5	(245,509)	(166,371)
Amortization of intangible assets	6	(1,739)	(2,195)
Share of net income from joint ventures	12	1,573	9,466
General, administrative and trust	32	(56,601)	(49,460)
Other income	26	68,375	48,650
Finance costs	27	(125,956)	(106,308)
Change in fair values of financial instruments	28	(24,348)	(19,875)
		(1,034,281)	(795,272)
Net income before taxes		74,236	56,875
Current tax recovery/(expense)	29	(1,066)	255
Deferred income tax benefit/(expense)	29	(43,675)	(34,752)
Net income		29,495	22,378
<b>Net income and comprehensive income</b>		<b>\$ 29,495</b>	<b>\$ 22,378</b>
<b>Net income and comprehensive income attributable to:</b>			
Unitholders		29,413	22,408
Non-controlling interest		82	(30)
<b>Net income and comprehensive income<sup>(1)</sup></b>		<b>29,495</b>	<b>22,378</b>

<sup>(1)</sup>Referred to as "Net income" throughout the consolidated financial statements

See accompanying notes to consolidated financial statements.

## Consolidated Statements of Unitholders' Equity

(In thousands of Canadian dollars, except per unit amounts)

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
Unitholders' 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	—	—	—	29,413	—	—	82	29,495
Distributions to unitholders	—	—	—	—	(178,797)	—	—	(178,797)
Issuance of Trust Units under the at-the-Market "ATM" (note 20)	715,106	—	—	—	—	—	—	715,106
Trust Units issued under the Distribution Reinvestment Program ("DRIP")	49,137	—	—	—	—	—	—	49,137
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	3,738	460	(1,474)	—	—	—	—	2,724
Trust units issued on settlement of "DTUs"	2,456	—	—	—	—	—	—	2,456
Interest on EUPP receivable	—	—	(329)	—	—	—	—	(329)
Distributions applied against EUPP receivable	—	—	1,125	—	—	—	—	1,125
Net non-controlling interest change on acquisitions (note 4)	—	—	—	—	—	—	(724)	(724)
Net non-controlling interest change on deconsolidation	—	—	—	—	—	—	(921)	(921)
Total equity, December 31, 2025	\$ 3,811,431	\$ 21,572	\$ (15,533)	\$ 132,796	\$ (2,263,183)	\$ 6,501	\$ —	\$ 1,693,584

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

2024	Trust Units issued in dollars, net	Trust Units issued under EUPP	EUPP receivable	Accumulated income (losses)	Distributions	Other equity components	Non-controlling Interest	Total
Unitholders' equity, December 31, 2023	\$ 2,622,374	\$ 23,666	\$ (16,185)	\$ 80,975	\$ (1,925,870)	\$ 6,501	\$ —	\$ 791,461
Net income and comprehensive income	—	—	—	22,408	—	—	(30)	22,378
Distributions to unitholders	—	—	—	—	(158,516)	—	—	(158,516)
Issuance of Trust Units pursuant to public offering (note 20)	338,879	—	—	—	—	—	—	338,879
Issuance of Trust Units under the at-the-Market "ATM" (note 20)	19,096	—	—	—	—	—	—	19,096
Trust Units issued under the Distribution Reinvestment Program ("DRIP")	41,777	—	—	—	—	—	—	41,777
Trust Units issued on exchange of class B units	219	—	—	—	—	—	—	219
Trust Units issued under the Executive Unit Purchase Plan ("EUPP"), net of Units transferred to Treasury	8,393	(2,554)	431	—	—	—	—	6,270
Trust units issued on settlement of "DTUs"	9,325	—	—	—	—	—	—	9,325
Interest on EUPP receivable	—	—	(346)	—	—	—	—	(346)
Distributions applied against EUPP receivable	—	—	1,245	—	—	—	—	1,245
Net non-controlling interest arising on acquisitions (note 4)	—	—	—	—	—	—	1,593	1,593
Total equity, December 31, 2024	\$ 3,040,063	\$ 21,112	\$ (14,855)	\$ 103,383	\$ (2,084,386)	\$ 6,501	\$ 1,563	\$ 1,073,381

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

See accompanying notes to consolidated financial statements.

# Consolidated Statements of Cash Flows

(In thousands of Canadian dollars)

Years ended December 31,	Note	2025	2024
Cash provided by (used in):			
Operating activities:			
Net income		\$ 29,495	\$ 22,378
Items not affecting cash:			
Depreciation and amortization	5, 6	247,248	168,566
Unit based compensation	25	15,854	9,726
Finance costs	27	125,956	106,308
Transaction costs arising from dispositions	26	6,719	5,518
Impairment expense (reversal) of assets		(12,963)	–
Other income (expense)	26	(62,131)	(54,168)
Interest income	24	(8,196)	(3,605)
Change in fair values of financial instruments	28	24,348	19,875
Current income (recovery) expense	29	1,066	(255)
Deferred income tax (benefit) expense	29	43,675	34,752
Share of net income (loss) from joint ventures	12	(1,573)	(9,466)
Other		2,724	6,271
Change in trade and other receivables		7,380	(5,389)
Change in other assets		15,463	(16,832)
Change in accounts payable and other liabilities		10,133	12,282
		445,198	295,961
Interest income and other income received		8,172	3,433
Interest paid		(123,439)	(98,544)
		329,931	200,850
Financing activities:			
Proceeds from public offering	20	–	331,671
Proceeds from issuance of trust units, net of costs	20	708,926	18,597
Proceeds from mortgage financing	19	483,090	295,453
Mortgage repayments	19	(347,580)	(193,242)
Scheduled mortgage principal repayments	19	(79,041)	(74,028)
Proceeds from debenture financing	16,19	400,000	150,000
Debenture repayment	16,19	(150,000)	–
Increase (repayment) of loans payable	15,19	(115,649)	23,988
Draws (repayment) of credit facilities	14	(100,000)	30,000
Net additions to finance costs	19	(40,388)	(19,491)
Distributions paid		(127,847)	(115,378)
		631,511	447,570
Investing activities:			
Acquisition of assets, net of cash acquired <sup>(1)</sup>	4	(788,498)	(577,929)
Additions to PP&E and intangible assets	5	(150,044)	(107,271)
Proceeds from disposal of PP&E, net of cash assumed <sup>(2)</sup>	5	73,394	91,466
Payment (advance) of loans receivable	11	(10,907)	(25,458)
Change in restricted cash	10	–	2,122
Contributions to joint ventures	12	(590)	(5,580)
Distributions received from joint ventures	12	4,483	5,992
		(872,162)	(616,658)
Income taxes paid		(196)	(36,333)
		(872,358)	(652,991)
Increase (decrease) in cash and cash equivalents		89,084	(4,571)
Cash and cash equivalents, beginning of year		20,048	24,619
Cash and cash equivalents, end of year		\$ 109,132	\$ 20,048

<sup>(1)</sup> Includes net settlement of working capital and other assets and liabilities related to acquired properties (note 4).

<sup>(2)</sup> Includes net settlement of working capital and other assets and liabilities related to disposed properties (note 4).

See accompanying notes to consolidated financial statements.

# Notes to Consolidated Financial Statements

(In thousands of Canadian dollars, except per unit amounts)

## 1. Organization and nature of operations:

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.

Chartwell owns 100% of the outstanding Trust Units of CSH Trust, an unincorporated, open-ended trust established under the laws of the Province of Ontario, which in turn owns 52% of the outstanding Class A Units of Chartwell Master Care LP ("Master LP"), a limited partnership created under the laws of the Province of Manitoba. Chartwell has direct ownership of 48% of Class A Units of Master LP. Class B Units of Master LP are held by non-controlling investors and are exchangeable into units of Chartwell.

The assets of Chartwell are held by the wholly owned Master LP, which carries out the business of Chartwell. Its activities are financed through equity contributed by Chartwell, CSH Trust, Class B unitholders and debt, including mortgages.

Chartwell's Declaration of Trust provides that distributions to unitholders will be within the discretion of the Board of Trustees.

## 2. Basis of preparation:

### (a) Statement of compliance:

These consolidated financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

On February 26, 2026, the Board of Trustees approved and authorized the consolidated financial statements for issue.

### (b) Functional currency:

These consolidated financial statements are presented in Canadian dollars, Chartwell's functional currency.

### (c) Basis of measurement:

The consolidated financial statements have been prepared on the historical cost basis, except for the following items:

- (i) financial instruments classified as fair value through profit or loss ("FVTPL") are measured at fair value (note 3(h)); and
- (ii) liabilities for cash-settled, unit-based payment arrangements are measured at fair value.

### (d) Use of estimates and judgments:

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenue and expenses during the year. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected. Information about assumptions and estimation uncertainties that have a significant risk of resulting in a significant adjustment in the future are included in the following notes:

- (i) notes 3(a)(iii) and 4 - The estimate of the fair value of assets and liabilities acquired in property acquisitions
- (ii) notes 3(d) and 5 - Impairment and reversals of impairment of property, plant and equipment

The following are the significant judgments that have been made in applying Chartwell's accounting policies and that have the most significant effect on the amounts in the consolidated financial statements:

- (i) note 3(a) - Determining whether an acquisition is a business combination or asset acquisition.
- (ii) note 3(b) - Componentization of property, plant and equipment.
- (iii) note 3(j) – Assessing the interpretation of tax legislation when recognizing current and deferred tax assets and liabilities.
- (iv) note 30(e) - Assessing the probability of settling an obligation based on the occurrence or non-occurrence of a future event.

### **3. Material accounting policies:**

(a) Basis of consolidation:

(i) Transactions eliminated on consolidation:

The consolidated financial statements include the accounts of Chartwell and its subsidiaries, as well as the proportionate share of the accounts of its joint operations. All intercompany transactions have been eliminated on consolidation.

(ii) 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.

These consolidated financial statements include Chartwell's proportionate share of each of the assets, liabilities, revenue and expenses of joint operations on a line-by-line basis. Joint ventures are included in Chartwell's consolidated financial statements as investments using the equity method, whereby the investment is initially recognized at cost and adjusted thereafter for the post-acquisition change in the net assets. Chartwell's share of joint venture net income is included in profit or loss.

(iii) Business combinations and asset acquisitions:

Chartwell accounts for its acquisitions based on the nature of the assets acquired. In determining whether a particular set of activities and assets is a business, Chartwell assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. Chartwell also uses the optional fair value concentration test when determining whether a transaction is to be accounted for as an asset acquisition or a business combination. Acquisitions considered to be a business combination are accounted for under IFRS 3, while those that do not meet the business definition are accounted under IAS 16.

The consideration transferred of a business combination is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the acquisition date. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition.

When an acquisition does not meet the criteria for business combination accounting treatment, it is accounted for as an acquisition of a group of assets and liabilities, the cost of which includes transaction costs that are allocated upon initial recognition to the assets and liabilities acquired based upon their relative fair values. In determining the fair values that drive such analysis, Chartwell estimates the fair value of each component as further described in note 3(b). Chartwell recognizes assets or liabilities, if any, resulting from a contingent consideration arrangement at their acquisition date fair value and such amounts form part of the cost of the asset acquisition. Subsequent changes in the fair value of contingent consideration arrangements are recognized in profit or loss.

(iv) Non-controlling interest

As a result of the structure of certain acquisitions, non-controlling interests are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(b) Property, plant and equipment:

Chartwell considers its properties to be owner-occupied properties under International Accounting Standard ("IAS") 16, Property, Plant and Equipment.

PP&E includes land, buildings, furniture, fixtures and equipment, which are measured at cost less accumulated depreciation and accumulated impairment losses.

Properties under development and land held for development are carried at cost and are not subject to depreciation. Cost includes initial acquisition costs, other direct costs, realty taxes and interest during the development period. The development period ends when the asset is available for use and construction is complete. Upon completion, properties under development are transferred to the appropriate asset class.

Significant parts of the buildings are accounted for as separate components of the property, based on management's judgment of what components constitute a significant cost in relation to the total cost of an asset and whether these components have similar or dissimilar patterns of consumption and useful lives for purposes of calculating depreciation and amortization. Additions to PP&E that do not have a cost that is significant in relation to the total cost of the addition may also be recognized as a separate component. The cost of replacing a component of a building is recognized in the carrying amount of the building if it is probable that the future economic benefits embodied within the component will flow to Chartwell, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. The costs of ongoing repairs and maintenance of the properties are recognized in profit or loss as incurred.

Depreciation is recorded in profit or loss on a straight-line basis over the estimated useful lives of the assets. The following are the estimated maximum useful lives of existing PP&E:

Components:	
Building - Structure	40 years
Building - Mechanical, electrical and elevators	30 years
Building - Roof, windows and doors	20 years
Building - Interior upgrades	3 years
Building - Resident contracts and above- and below-market leases	3 years
Furniture, fixtures and equipment	5 years

Estimated useful lives were determined based on current facts and past experience and take into consideration the anticipated physical life of the asset and current and forecasted demand. The rates and methods used are reviewed annually at year end to ensure they continue to be appropriate and are also reviewed in conjunction with impairment testing.

Gains/losses on disposition of PP&E are recognized in profit or loss in accordance with the requirements for determining when a performance obligation is satisfied under IFRS 15, Revenue from Contracts with Customers ("IFRS 15").

Upon allocation of a purchase price of an asset acquisition, Chartwell determines the value associated with land and building using a number of sources including independent appraisals, Chartwell's internal analysis of recently acquired or developed properties, existing comparable properties and other market data. Chartwell determines the value associated with in-place resident contracts, which represents the avoided cost of originating the acquired resident contracts plus the value of the avoided loss of net property revenue over the estimated lease-up period of the property. Assumptions used to determine such fair values include comparable land sales, capitalization rates, discount rates, market rental rates and property operating data. Resident contracts are amortized over the expected term of the resident occupancy and are recorded as a component of buildings.

(c) Intangible assets:

Intangible assets, which include licenses, goodwill arising on business combinations and other intangible assets are measured at cost less accumulated amortization and accumulated impairment losses, except in the case of goodwill and intangible assets with an indefinite life, which are measured at cost less accumulated impairment losses and are not amortized.

(i) Licenses:

Licenses for the operation of long term care homes are considered to have indefinite lives. Given the current demographic of the Canadian markets, as well as the expectation that the demand for licensed beds will increase beyond its current supply, management has determined that the licenses have an indefinite life.

(ii) Software:

Software costs, which include internally developed and externally purchased software licenses, are amortized over one to ten years on a straight-line basis.

(iii) Goodwill:

Goodwill represents the excess amount of consideration given over the fair value of the underlying net assets acquired in a business combination and is measured at cost less any accumulated impairment losses. An impairment loss, once recorded, cannot be reversed in subsequent years.

(d) Impairment of non-financial assets:

The carrying amount of Chartwell's PP&E is assessed at each reporting date to determine if any events have occurred that would indicate the PP&E may be impaired. If any such indication exists, the asset's recoverable amount is estimated and an impairment loss is recognized immediately in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is determined for the cash generating unit ("CGU") to which the PP&E belongs. The recoverable amount of a CGU is the higher of (a) fair value less costs of disposal, and (b) value in use.

The assessment of asset impairment requires management to make significant assumptions about the selection of discount rates, capitalization rates and terminal capitalization rates used to determine the fair value of a CGU. Significant assumptions are also required to estimate future stabilized cash flows, which include assumptions about rental rates and occupancy rates. Such assumptions can be significantly impacted by current and future economic conditions in the geographical markets of each CGU, and management's strategic plans within each of its markets. Management also applies adjustments to reflect the expectations of market participants. Estimates and assumptions used in the determination of the recoverable amounts were based upon information that was known at the time, along with the future outlook.

Intangible assets that have indefinite useful lives are tested for impairment annually, or more frequently, if events or circumstances indicate that the assets might be impaired.

Goodwill is tested for impairment at least annually or whenever indicators of impairment of the CGU to which the goodwill relates have occurred.

Intangible assets with finite useful lives are tested for impairment if events or changes in circumstances, assessed at each reporting date, indicate the carrying amount may not be recoverable.

Impairment losses recognized in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed (except for goodwill) if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(e) Government grants and government assistance:

(i) Capital funding receivable:

Capital funding are grants receivable from the Government of Ontario based on construction costs incurred for new eligible long term care ("LTC") properties. The interest accretion on the grants is recognized in profit or loss as other income over the life of the grant which is 25 years.

Subsequent to construction, capital funding grants are present-valued and recorded as capital funding receivable, with an offset to the cost of the related PP&E upon inception. These grants are received over time, the accretion of the receivables is recognized in profit or loss as interest income over the life of the grant.

(ii) Government income grant:

Chartwell recognizes government income grants that become receivable as compensation for expenses incurred in profit or loss on a systematic basis in the periods in which the expenses are recognized. The grants are recorded as a reduction of the related expense.

(f) Assets held for sale:

Assets, or disposal groups comprising assets and liabilities, are categorized as held-for-sale where the asset or disposal group is available for sale in its present condition, and the sale is highly probable. For this purpose, a sale is highly probable if management is committed to a plan to achieve the sale; there is an active program to dispose of the assets of the disposal group; the asset or disposal group is being actively marketed at a reasonable price; the sale is anticipated to be completed within one year from the date of classification; and it is unlikely there will be changes to the plan. Immediately before classification as held-for-sale, the assets, or components of the disposal group are remeasured in accordance with Chartwell's accounting policies and are subsequently measured at the lower of their carrying amount and fair value less costs of disposal. Impairment losses on initial classification as held-for-sale and subsequent gains or losses on remeasurement are recognized as other income (expense) in profit or loss. Gains are not recognized in excess of any cumulative impairment loss until the completion of sale.

(g) Financial instruments:

Financial instruments are generally measured at fair value on initial recognition. The classification and measurement of financial assets consists of the following categories: (i) measured at amortized cost, (ii) FVTPL, and (iii) fair value through other comprehensive income ("FVTOCI").

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows, and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets classified at amortized cost are measured using the effective interest method. Financial assets classified as FVTPL are measured at fair value with gains and losses recognized in change in fair values of financial instruments and foreign exchange gains (losses) in profit or loss.

The classification and measurement of financial liabilities consists of the following categories: (i) measured at amortized cost and (ii) FVTPL. Financial liabilities classified at amortized cost are measured using the effective interest method. Financial liabilities classified as FVTPL are measured at fair value with changes in fair value attributable to changes in the credit risk of the liability presented in other comprehensive income, and the remaining amount of change in fair value presented in profit or loss.

Chartwell has made the following classifications for its financial instruments:

Account	Measurement
Cash and cash equivalents	Amortized cost
Trade and other receivables	Amortized cost
Capital funding receivable	Amortized cost
Restricted cash	Amortized cost
Loans receivable – mezzanine loans	FVTPL
Loans receivable – vendor take-back mortgages	Amortized cost
Other assets – income guarantee receivable	FVTPL
Accounts payable and other liabilities	Amortized cost
Distributions payable	Amortized cost
Mortgages payable	Amortized cost
Credit facilities	Amortized cost
Loans payable	Amortized cost
Senior unsecured debentures	Amortized cost
Derivative instruments	FVTPL
Class B Units	FVTPL

Chartwell derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. Chartwell derecognizes a financial liability when, and only when, Chartwell's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized through profit or loss.

Chartwell determines expected credit losses ("ECL") on trade and other receivables, capital funding receivable and loans receivable using a provision matrix based on historical credit loss experiences adjusted for current and forecasted future economic conditions to estimate lifetime ECL. Impairment losses are recorded in profit or loss with the carrying amount of the financial asset or group of financial assets reduced through the use of impairment allowance accounts.

Transaction costs other than those related to financial instruments classified as FVTPL, which are expensed as incurred, are capitalized to the carrying amount of the instrument and amortized using the effective interest method. These costs include, discounts or premiums relating to assumed debt, fees and commissions paid to agents, brokers, advisers, lenders and insurers, transfer taxes and duties.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or liability, or (where appropriate) a shorter period, to the gross carrying amount of the financial asset or to the amortized cost of the financial liability.

Derivative instruments:

Chartwell enters into interest rate swap arrangements ("swaps") from time to time in order to reduce the impact of fluctuating interest rates on long term debt. These swap agreements require periodic exchange of payments without the exchange of the notional principal amount on which the payments are based. These swap arrangements are not designated as hedging instruments under IFRS.

Financial assets and liabilities are offset and the net amount presented in the consolidated balance sheets when Chartwell has a legal right to offset the amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Trust Units:

Trust Units are conditionally redeemable at the holder's option and therefore are considered to be a puttable instrument in accordance with IAS 32, Financial Instruments: Presentation ("IAS 32"). Puttable instruments are required to be accounted for as financial liabilities, except where certain exemption conditions are met in accordance with IAS 32, in which case the puttable instruments may be presented as equity. The Trust Units meet the exemption conditions of IAS 32 and are presented as equity.

However, as a result of the redemption feature of the Trust Units, they meet the definition of a financial liability under IAS 32 and may not be considered as equity for the purposes of calculating net income on a per unit basis in accordance with IAS 33, Earnings Per Share. Chartwell has therefore elected to not report an earnings per unit calculation, permitted under IFRS.

Class B Units:

The Class B Units of the Partnership are economically equivalent to Trust Units, receive distributions equal to the distributions paid on Trust Units and are exchangeable at the holder's option into Trust Units. One Special Trust Voting Unit in Chartwell is issued to the holder of Class B Units for each Class B Unit held. However, the limited IAS 32 exception for presentation as equity does not extend to the Class B Units. As a result, the Class B Units have been classified as financial liabilities and are measured at FVTPL. The fair value of the Class B Units is measured every period by reference to the traded value of the Trust Units, with changes in measurement recorded in profit or loss. Distributions on the Class B LP Units are recorded as a finance cost in profit or loss in the period in which they become payable.

(h) Fair value measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by Chartwell.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interests.

Chartwell uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable and
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(i) Employee benefits:

(i) Short-term benefits:

Short-term employee benefit obligations, including vacation and bonus payments, are measured on an undiscounted basis and are expensed as the related service is provided. Liabilities are recognized for the amounts expected to be paid within 12 months as Chartwell has an obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. Short-term employee benefits are recorded in accounts payable and other liabilities.

(ii) Employee health benefits:

Chartwell self-insures the cost of certain employee health plans. These plans are administered by an independent third party. Accruals for self-insured liabilities include estimates of costs of both reported claims and claims incurred but not reported and are based on estimates of loss based on assumptions made by management, including consideration of projections provided by the independent third-party administrator of the plan.

(iii) Unit-based payment plans:

Chartwell maintains an EUPP, Deferred Trust Units ("DTU"), and Restricted Trust Unit ("RTU") Plans for its employees, directors and Trustees. The EUPP and DTU Plan require settlement in Trust Units. Any changes in the fair value of the liability for the DTU and EUPP plans are recognized in change in fair values of financial instruments in profit or loss.

The RTU Plan requires settlement in cash and are accounted for as cash-settled awards, as Chartwell's Trust Units are puttable. The fair value of the amount payable is recognized as general, administrative and trust expenses and direct property operating expense in profit and loss, with a corresponding increase in liabilities, over the relevant service periods. The liability is remeasured at each reporting date and at the settlement date. The changes in the fair value of the liability for the RTU Plans are recognized in general, administrative and trust expenses and direct property operating expenses.

(j) Income taxes:

Income tax expense (recovery) comprises current and deferred taxes. Current tax and deferred tax are recognized in profit or loss, except to the extent that it relates to a business combination or items recognized directly in unitholders' equity or in net income.

Current tax is the expected taxes payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to taxes payable or receivable in respect of previous years.

Chartwell is a mutual fund trust and a specified investment flow-through trust ("SIFT") pursuant to the Income Tax Act (Canada). Under the SIFT rules, certain distributions from a SIFT are not deductible in computing taxable income, and the SIFT is subject to tax on such distributions at a rate that is substantially equivalent to the general income tax rate applicable to a Canadian corporation. Distributions paid by a SIFT as returns of capital are not subject to the SIFT tax.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realized simultaneously.

Judgment is required to assess the interpretation of tax legislation when recognizing and measuring current and deferred tax assets and liabilities. The impact of different interpretations and applications could potentially be material. Chartwell recognizes a tax benefit from an uncertain tax position when it is probable that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, on the basis of the technical merits.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Management's estimate of future taxable profits and the recognition of deferred tax assets are reviewed at each reporting date and deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(k) Revenue recognition:

Chartwell derives most of its revenue from rental income and care services provided to residents as well as management services to owners of retirement residences.

(i) Property revenue:

Chartwell charges for (a) the rental of retirement accommodation and (b) services provided to residents of retirement residences. Base rent amounts are allocated to lease components based on relative stand-alone selling prices. The stand-alone selling prices of the rental component is determined using an adjusted market assessment approach and the stand-alone selling price of the services components are determined using both an adjusted market assessment approach and an expected cost plus a margin approach.

(a) Rental revenue:

Revenue from rental components is recognized on a straight-line basis over the lease term. Revenue recognition commences when a resident has the right to use the retirement residence and revenue is recognized pursuant to the terms of the lease agreement. Payments are due at the beginning of each month and any payments made in advance of scheduled due dates are deferred and recorded as contract liabilities.

In certain jurisdictions, residents of retirement residences are eligible for government subsidies and the rates of these subsidies are regulated. In some jurisdictions, rent control regulations affect the rates that can be charged for rental accommodation.

Government funding and commercial revenue is presented as 'other property revenue'.

(b) Services revenue:

Revenue related to the service components of Chartwell's leases is accounted for in accordance with IFRS 15. These services consist primarily of the provision of meals, nursing services, housekeeping and laundry services, leisure and social programs, various amenities and the recovery of utilities and property maintenance costs and are recognized over time, typically on a monthly basis, which is when the services are provided. Payments are due at the beginning of each month and any payments made in advance of scheduled due dates are recorded as contract liabilities.

(ii) Long term care homes property revenue:

Revenue in respect of services provided to residents of long term care homes is accounted for in accordance with IFRS 15. These services consist primarily of nursing services, the provision of meals, housekeeping and laundry services, programs, amenities and the recovery of utilities and property maintenance costs.

In Canada, the provinces or regional health authorities regulate the amounts charged to residents of long term care homes, a substantial portion of which are funded by provincial or regional programs. Revenue in respect of such variable consideration is recognized based on management's best estimate of the most likely amount to which Chartwell will ultimately be entitled.

Estimated amounts of variable consideration are only included in revenue to the extent that Chartwell assess that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

(iii) Fee revenue:

Chartwell provides operations and other management services for both third party and jointly owned operating entities. Management services revenue relates to providing certain operations management and asset management services. Fees related to these services are variable in nature and are not estimated, but rather are allocated to the distinct service periods to which they specifically relate and are recognized when services are performed. Payments are due at the beginning of each month.

(iv) Lease revenue from joint ventures:

Chartwell earns revenue under lease arrangements with operating entities which are jointly owned. The leases are accounted for as operating leases and lease revenue is recognized over the term of the underlying leases on a straight-line basis. Payments are due at the beginning of each month.

(l) Leases:

At inception of a contract, Chartwell assesses whether a contract is, or contains, a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, Chartwell uses the definition of a lease in IFRS 16.

(i) As a lessee:

At commencement or on modification of a contract that contains a lease component, Chartwell allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, Chartwell has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Chartwell recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial

direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term and is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Chartwell's incremental borrowing rate. Generally, Chartwell uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortized costs using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in Chartwell's estimate of the amount expected to be payable under a residual value guarantee, if Chartwell changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset.

Chartwell presents the right-of-use assets in PP&E and related Lease liabilities are recorded separately on the consolidated balance sheets as "lease obligations".

(ii) Short-term leases and leases of low-value assets:

Chartwell has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including information technology equipment. Chartwell recognizes the lease payments associated with these leases as an expense on a straight-line basis of the lease term.

(iii) As a lessor:

At inception or on modification of a contract that contains a lease component, Chartwell allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Chartwell has determined that when it acts as a lessor, its leases do not transfer substantially all of the risks and rewards incidental to ownership of the underlying assets and as a result they are classified as operating leases.

If an arrangement contains lease and non-lease components, Chartwell applies IFRS 15 to allocate the consideration in the contract.

Chartwell recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of resident revenue.

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

(i) 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.

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

In May 2024, the IASB issued amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and 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. An entity that elects to apply the derecognition option would be required to apply it to all settlements made through the same electronic payment system. The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted. Chartwell is currently evaluating the potential impact of the standard on its consolidated financial statements.

#### 4. Acquisitions and dispositions:

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	Chartwell Sumach residence	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
<b>Total</b>	<b>\$ 77,978</b>	<b>\$ 139,873</b>	<b>\$ 7,293</b>	<b>\$ 90,360</b>	<b>\$ 78,230</b>	<b>\$ 113,781</b>	<b>\$ 93,540</b>	<b>\$ 52,570</b>	<b>\$ 419,386</b>	<b>\$ 1,073,011</b>
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
NOI Guarantee receivable							(8,700)		(650)	(9,350)
<b>Total consideration</b>	<b>\$ 77,978</b>	<b>\$ 139,873</b>	<b>\$ 7,293</b>	<b>\$ 90,360</b>	<b>\$ 78,230</b>	<b>\$ 113,781</b>	<b>\$ 93,540</b>	<b>\$ 52,570</b>	<b>\$ 419,386</b>	<b>\$ 1,073,011</b>

Batimo Acquisitions:

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

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

Chartwell applied the optional concentration test in accordance with IFRS 3 for all of the 2025 acquisition transactions and accounted for the acquisitions as asset acquisitions. For the acquisition of Chartwell Edgewater, \$8,700 of the purchase price was held back to support the vendor 36-month net operating income “NOI” guarantee obligations to Chartwell. For the acquisition of Résidence L’Aubier, \$650 of the purchase price was held back to support the vendor 12-month NOI guarantee obligations to Chartwell.

#### 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 (note 14) of \$33,323 which was settled upon closing of the transaction. Chartwell applied the optional concentration test in accordance with IFRS 3 and accounted for the acquisition as an asset acquisition. Transaction costs of \$9,242 and mark to market adjustments of \$(1,101) have been capitalized to PP&E in the consolidated balance sheet. Chartwell recognized a gain on sale of assets totaling \$60,300 (note 26).

#### Future acquisitions subsequent to December 31, 2025:

On July 21, 2025, Chartwell entered into a definitive agreement to acquire a portfolio of six communities comprising 1,024 suites located in London, Waterloo, and Mississauga, for a total purchase price of \$432,000. The purchase price at closing will be partially settled by assuming mortgages of \$229,616 majority CMHC-insured. The assumed mortgages have a weighted average interest rate of 4.50% and weighted average maturity date of 19.0 years. Closing of the transaction is subject to third-party approvals. The purchase of 29 additional town homes at one of the sites, currently under development, will close on completion anticipated in Q4 2026

The following table outlines the total acquisitions during the year ended December 31, 2024:

	Batimo Transactions	Quebec Portfolio-1 <sup>(2)</sup>	Pickering Land	Vista & Edgewater Care <sup>(3)</sup>	Quebec Portfolio-2 <sup>(4)</sup>	Total
Date of acquisition	see below	July 22	July 31	October 31	November 18	
Location	Province of Quebec (1,053 suites)	Province of Quebec (1,428 suites)	Province of Ontario (Vacant land)	Province of British Columbia (229 suites)	Province of Quebec (1,807 suites)	
Ownership acquired %	see below	100%	10%	100%	50%	
PP&E	\$ 263,843	\$ 301,138	\$ 1,166	\$ 115,192	\$ 209,453	\$ 890,792
Investment in joint ventures <sup>(1)</sup>	-	-	-	-	7,189	7,189
Working capital adjustments	(909)	(1,508)	-	(831)	(93)	(3,341)
Non-controlling interest	(1,593)	-	-	-	-	(1,593)
<b>Total</b>	<b>\$ 261,341</b>	<b>\$ 299,630</b>	<b>\$ 1,166</b>	<b>\$ 114,361</b>	<b>\$ 216,549</b>	<b>\$ 893,047</b>
Cash consideration	\$ 89,535	\$ 295,749	\$ 1,147	\$ 123,371	\$ 61,363	\$ 571,165
Mortgages assumed	159,681	-	-	-	152,050	311,731
Settlement of mezzanine loan	3,826	-	-	-	-	3,826
Acquisition transaction costs	9,948	3,881	19	190	7,786	21,824
NOI guarantee receivable	(1,649)	-	-	(9,200)	(4,650)	(15,499)
<b>Total consideration transferred</b>	<b>\$ 261,341</b>	<b>\$ 299,630</b>	<b>\$ 1,166</b>	<b>\$ 114,361</b>	<b>\$ 216,549</b>	<b>\$ 893,047</b>

- (1) Includes investment in joint ventures primarily related to PP&E and working capital adjustments.
- (2) Chartwell acquired a 100% interest in five retirement residences. These properties are Chartwell Du Plateau, Chartwell Mille-lies, Chartwell Le Normandie, Chartwell Rivière-du-Nord, and Chartwell Rock Forest.
- (3) Chartwell acquired a 100% ownership in Chartwell Vista Retirement Community ("Vista") and Chartwell Edgewater Care Residence ("Edgewater Care").
- (4) Chartwell acquired a 50% ownership in 5 retirement residences. These properties are Chartwell Shawinigan, Chartwell Val-Bélair, Chartwell Des Rivières, Chartwell Des Chutes, and Chartwell Jules-Verne.

The following table summarizes the Batimo acquisitions:

	Chartwell Le Prescott	Chartwell Trait-Carré	Résidence Légende	Total Batimo Transactions
Date of acquisition	May 3	May 15	June 21	
Location	Province of Quebec (324 Suites)	Province of Quebec (361 Suites)	Province of Quebec (368 Suites)	Total (1,053 Suites)
Ownership acquired %	85%	85%	85%	
PP&E	\$ 84,353	\$ 89,902	\$ 89,588	\$ 263,843
Working capital adjustments	(345)	(267)	(297)	(909)
Less: Non-controlling interest	(429)	(667)	(497)	(1,593)
<b>Total</b>	<b>\$ 83,579</b>	<b>\$ 88,968</b>	<b>\$ 88,794</b>	<b>\$ 261,341</b>
Cash consideration	\$ 38,156	\$ 27,265	\$ 24,114	\$ 89,535
Mortgages assumed	42,129	58,403	59,149	159,681
Settlement of mezzanine loan	-	-	3,826	3,826
Acquisition related costs	3,294	3,321	3,333	9,948
Less: income guarantee receivable	-	(21)	(1,628)	(1,649)
<b>Total consideration transferred</b>	<b>\$ 83,579</b>	<b>\$ 88,968</b>	<b>\$ 88,794</b>	<b>\$ 261,341</b>

Dispositions during the year ended December 31, 2025:

On September 2, 2025, Chartwell completed the sale of one residence in Quebec. The property had been fully impaired in Q2 2025, and no gain or loss was recognized on disposition.

Future disposition subsequent to December 31, 2025:

On February 19, 2026, Chartwell entered into a definitive agreement to sell one non-core property in Ontario for a sale price of \$49,000. This transaction is expected to close in Q1 2026.

Dispositions during the year ended December 31, 2024:

On September 18, 2024, Chartwell completed the sale of one residence in Ontario for a sale price of \$79,500. The purchase price was paid in cash. Chartwell recognized a gain on sale of assets totaling \$46,896 (note 26).

On August 30, 2024, Chartwell completed the sale of one retirement residence in Ontario for a sale price of \$4,600. The purchase price was paid in cash. Chartwell entered into a sale and leaseback transaction of the land and building until the property is vacated. Chartwell recognized a gain on sale of assets totaling \$2,619 (note 26).

On August 15, 2024, Chartwell completed the sale of one retirement residence in Ontario for a sale price of \$10,750. The purchase price was paid in cash. Chartwell recognized a gain on sale of assets totaling \$4,907 (note 26).

On February 1, 2024, Chartwell completed the sale of one property in Ontario for a sale price \$3,750. A vendor take-back mortgage was extended to the purchaser in the amount of \$2,800, maturing in February 2027, and bearing an interest rate of 8% per annum for the first two years and 10% per annum for the third year. Chartwell recognized a gain on sale of assets totaling \$27 (note 26).

## 5. Property, plant and equipment:

	Land	Buildings	Furniture, fixtures and equipment	Properties under development	Land held for development	Total
<b>Cost</b>						
Balance, December 31, 2023	\$ 298,119	\$ 3,249,314	\$ 166,894	\$ 98,391	\$ 21,618	\$ 3,834,336
Acquisition (note 4)	104,592	758,748	20,952	–	6,500	890,792
Additions	–	77,843	14,682	8,652	–	101,177
Disposals	(8,981)	(53,008)	(3,667)	–	–	(65,656)
Derecognition	–	(35,411)	–	–	–	(35,411)
Balance, December 31, 2024	393,730	3,997,486	198,861	107,043	28,118	4,725,238
Acquisition (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
<b>Accumulated depreciation and impairment losses</b>						
Balance, December 31, 2023	\$ 1,019	\$ 855,979	\$ 136,327	\$ –	\$ –	\$ 993,325
Depreciation	99	150,936	15,336	–	–	166,371
Disposals	–	(23,818)	(3,259)	–	–	(27,077)
Derecognition	–	(35,411)	–	–	–	(35,411)
Balance, December 31, 2024	1,118	947,686	148,404	–	–	1,097,208
Depreciation	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
<b>Carrying amounts</b>						
Balance, December 31, 2024	\$ 392,612	\$ 3,049,800	\$ 50,457	\$ 107,043	\$ 28,118	\$ 3,628,030
Balance, December 31, 2025	545,093	4,049,728	84,919	64,240	46,339	4,790,319

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

Right-of-use assets	Land <sup>(1)</sup>	Buildings	Furniture, fixtures and equipment	Total
Balance, December 31, 2023	\$ 5,479	\$ 3,404	\$ 1,257	\$ 10,140
Additions	–	–	910	910
Depreciation	(99)	(209)	(645)	(953)
Disposals	–	–	(161)	(161)
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

<sup>(1)</sup> 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. Chartwell incurred \$80,116 of costs related to this development and became eligible for \$10,100 of development funding grant recorded in trade and other receivables (note 9). Of the total costs incurred, \$67,661 was allocated to other components of PP&E and \$2,355 recorded as direct property operating expenses. Additionally, \$31,445 (note 7) capital funding receivable has been allocated to this project based on the funding that will be received over the next 25 years.

Since January 1, 2010, \$254,706 of fully amortized resident contracts have been removed from the cost and accumulated depreciation of PP&E in respect of residences which were held by Chartwell as at December 31, 2025 (2024 – \$240,608 in respect of residences which were held by Chartwell as at December 31, 2024).

During the year ended December 31, 2025, Chartwell capitalized \$2,419 (2024 - \$2,861) of borrowing costs related to development projects under construction at an average capitalization rate of 4.08% (2024 – 4.17%).

Chartwell has determined that each of its properties are CGUs for purposes of impairment assessments as each property independently generates cash flows. The recoverable amount for each property was recorded on a valuation based on fair value less costs of disposal. Fair value is measured using either the present value of future cash flows or the direct capitalization method and is categorized within Level 3 of the fair value hierarchy. In calculating fair value, management estimates future stabilized cash flows which include assumptions about rental rates and occupancy rates. Such assumptions can be significantly impacted by current and future economic conditions in the geographical markets of each CGU, and management's strategic plans within each of its markets. Management also applies adjustments to reflect the expectations of market participants. The discount rates, capitalization rates and terminal capitalization rates applied to cash flows to determine the recoverable amount are based on recent transactions of similar assets within the market. Chartwell completes regular assessments of PP&E to determine if any events have occurred that would indicate possible impairment of PP&E. For the year ended December 31, 2025, Chartwell recorded an impairment reversal of \$14,041 (2024 - \$nil) for one property located in Ontario driven by a change in use and an impairment expense of \$1,001 (2024 - \$nil) for one property in Quebec that was sold in Q3 2025.

## 6. Intangible assets

	Goodwill	Licenses	Software	Total
<b>Cost</b>				
Balance, December 31, 2023	\$ 9,233	\$ 4,840	\$ 35,299	\$ 49,372
Additions	–	–	84	84
Disposals	–	(560)	(1,072)	(1,632)
Balance, December 31, 2024	9,233	4,280	34,311	47,824
Additions	–	–	343	343
Disposals	–	–	(249)	(249)
Balance, December 31, 2025	\$ 9,233	\$ 4,280	\$ 34,405	\$ 47,918
<b>Accumulated amortization</b>				
Balance, December 31, 2023	\$ –	\$ –	\$ 24,354	\$ 24,354
Disposals	–	–	(469)	(469)
Amortization	–	–	2,195	2,195
Balance, December 31, 2024	–	–	26,080	26,080
Disposals	–	–	(249)	(249)
Amortization	–	–	1,739	1,739
Impairment expense	–	–	77	77
Balance, December 31, 2025	\$ –	\$ –	\$ 27,647	\$ 27,647
<b>Carrying amounts</b>				
Balance, December 31, 2024	\$ 9,233	\$ 4,280	\$ 8,231	\$ 21,744
Balance, December 31, 2025	9,233	4,280	6,758	20,271

Chartwell completed its annual impairment assessment of the carrying value of licenses and goodwill which are classified as intangible assets with indefinite useful lives. The impairment assessment on the carrying value of licenses was completed in November and for goodwill was completed in December for the years ended December 31, 2025 and 2024. These intangible assets do not generate cash inflows that are largely independent of those of other assets and Chartwell completed the assessment of the recoverable amount of these intangible assets by comparing the fair value less costs of disposal of the related CGUs containing these intangible assets determined using the higher value in use (through either the internally prepared direct capitalization method or appraised values), to their carrying values. The direct capitalization method divides the estimated stabilized net operating income by an appropriate market capitalization rate. The key assumptions used in the impairment assessment include range of capitalization rate between 6.00% to 6.25% (2024 – between 6.25% to 6.50%) for goodwill. The capitalization rates used were derived from a combination of third-party information and the observation of industry trends. Chartwell determined that the fair value less costs of disposal exceeded the carrying value of the CGUs for the years ended December 31, 2025 and 2024.

## 7. Capital funding receivable:

The following table summarizes the capital funding receivable activity:

	December 31, 2025	December 31, 2024
Opening Balance	\$ –	\$ –
Capital funding increase	31,445	–
Reduction of capital funding receivable	(292)	–
Closing Balance	\$ 31,153	\$ –
Current	\$ 783	\$ –
Non-current	30,370	–
	\$ 31,153	\$ –

The capital funding receivable of \$31,153 (2024 - \$nil) represents the present value of the funding receivable from the Government of Ontario related to one long-term care home. The weighted average remaining term of this funding is approximately 24.7 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 long-term care home for the remaining period. During 2025, capital funding receipts amounted to \$744 (2024 - \$nil) of which \$452 (2024 - \$nil) was recorded as interest income and \$292 (2024 - \$nil) as a reduction of capital funding receivable.

## 8. Leases:

As at December 31, 2025, Chartwell has right-of-use assets in respect of land, office space and equipment leases totaling \$9,599 (2024 - \$9,936) with remaining lease terms ranging from less than 2 to 53 years (note 5). Lease obligations related to these right-of-use assets totaled \$8,039 (2024 - \$8,206) of which \$984 (2024 - \$925) was classified current and \$7,055 (2024 - \$7,281) was classified non-current as at December 31, 2025. Chartwell generally does not include purchase, extension or termination options in its leases, other than extension options for land leases that support properties with lengthy useful lives.

The following table details the contractual undiscounted cash flow on the lease payments for the right-of-use assets:

Less than one year	\$ 1,095
One to five years	1,449
More than five years	15,681
Total <sup>(1)</sup>	\$ 18,225

<sup>(1)</sup> Includes one land lease with cumulative required undiscounted cash payments of \$16,818 (2024 - \$17,045) which matures in 2079.

## 9. Trade and other receivables:

	2025	2024
Government grants receivable	\$ 11,059	\$ 712
Residents	1,709	1,168
Related party	1,192	5,019
Insurance recoverables	148	350
Other receivables	5,821	10,423
	\$ 19,929	\$ 17,672

Government grants receivable includes \$10,100 of development funding grants recognized upon substantial completion of construction for a LTC development. This balance represents the amounts owing related to costs incurred to date.

Resident receivables balance at December 31, 2025 is net of an allowance for expected credit losses of \$1,396 (2024 - \$1,492).

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

## 10. Other assets:

	2025	2024
Prepaid expenses and deposits	\$ 19,127	\$ 25,747
Income guarantees <sup>(1)</sup> (note 4)	12,247	15,478
Related party lease receivable	3,404	514
Inventory	1,418	1,139
Restricted cash	1,167	1,519
Interest rate swaps <sup>(2)</sup>	220	806
Deposits for future acquisitions (note 4)	–	9,000
Investments	–	3,759
	<b>\$ 37,583</b>	<b>\$ 57,962</b>
Current	\$ 35,449	\$ 54,191
Non-current	2,134	3,771
	<b>\$ 37,583</b>	<b>\$ 57,962</b>

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

<sup>(2)</sup> This represents fair value of interest rate swaps related to mortgages payable of \$220 (2024 - \$806) (note 13).

## 11. Loans receivable:

The following table summarizes Chartwell's loan receivables as at December 31, 2025:

	2025	2024
Mezzanine loans - Batimo	\$ –	\$ 14,183
Mezzanine loans – Other	6,808	17,494
Vendor take-back loans	9,598	9,280
	<b>\$ 16,406</b>	<b>\$ 40,957</b>
Current	\$ 6,369	\$ 21,677
Non-current	10,037	19,280
	<b>\$ 16,406</b>	<b>\$ 40,957</b>

### Mezzanine loans - Batimo

Mezzanine loans plus accrued interest due from Batimo were fully repaid on April 1, 2025 and November 1, 2025 upon acquisition of the associated properties.

## Mezzanine loans – Other

Chartwell advanced a mezzanine loan of \$21,900 in two tranches during the year ended December 31, 2024 and December 31, 2025 bearing interest at a rate of 14% for Chartwell Edgewater (note 4). The loan was fully repaid on December 2, 2025.

On July 11, 2025, Chartwell advanced a \$4,500 mezzanine loan and on November 7, 2025, Chartwell advanced an additional \$2,000 mezzanine loan for the development of a retirement residence located in Calgary, Alberta. This loan bears interest at the rate of 12% or 13% and matures on July 11, 2028. Interest is accrued until the property is cash flow positive. Accrued interest of \$308 was added to the principal of the loan.

## Vendor take-back loans

These mature in 2026-2027, bear interest at a rate of 6% - 10% and are secured by the related properties and personal guarantees as applicable.

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 December 31, 2025:

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

<sup>(1)</sup> These joint arrangements have been structured through separate legal vehicles

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

<sup>(3)</sup> Includes acquisition of incremental 5% in Sumach in Q2 2025 (note 4).

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

Chartwell has entered into joint arrangements in respect of certain of its seniors housing operations, as detailed in the table above. These joint arrangements are consistent with Chartwell's strategy by allowing a presence in markets or properties Chartwell otherwise would not have had access to. There are risks which arise from the joint arrangements, including: the willingness of the other partners to contribute or withdraw funds; a change in creditworthiness of the partner; the risk that the other partners may exercise buy-sell, put or other sale or purchase rights which could obligate Chartwell to sell its interest or buy the other partners' interest at a price which may not be favourable to Chartwell or at a time which may not be advantageous to Chartwell, the effect of which could be materially adverse to Chartwell's financial position or resources.

(a) Joint operations:

At December 31, 2025, Chartwell has an interest in a number of joint operations, which have been accounted for under the proportionate consolidation method. The following is the summarized financial information in respect of the interests in these joint operations. This financial information is included line by line in the consolidated financial statements at Chartwell's share:

	2025	2024
Current assets	\$ 31,747	\$ 44,725
Assets held for sale	–	274,435
Non-current assets	405,566	705,492
<b>Total assets</b>	<b>\$ 437,313</b>	<b>\$ 1,024,652</b>
Current liabilities	\$ 110,143	\$ 274,996
Liabilities related to assets held for sale	–	149,290
Non-current liabilities	145,788	244,949
<b>Total liabilities</b>	<b>\$ 255,931</b>	<b>\$ 669,235</b>
<b>Total revenue</b>	<b>\$ 51,715</b>	<b>\$ 74,595</b>
<b>Total expenses</b>	<b>\$ (57,324)</b>	<b>\$ (60,510)</b>

(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.

	2025	2024
Disposals of joint ventures	\$ (9,563)	\$ –
Contributions to joint ventures including upon acquisition	590	12,769
Distributions received from joint ventures	(4,483)	(5,992)

	2025	2024
Cash and cash equivalents	\$ 4,947	\$ 15,667
Trade and other receivables	12,725	12,032
Other assets	703	2,666
Assets held for sale	–	5,517
Current assets	18,375	35,882
PP&E and intangible assets	54,383	59,297
<b>Total assets</b>	<b>\$ 72,758</b>	<b>\$ 95,179</b>
Accounts payable and other liabilities	\$ 4,221	\$ 9,085
Mortgages payable – current	9,766	280
Liabilities held for sale	–	4,531
Current liabilities	13,987	13,896
Mortgages payable – non-current	38,587	49,216
<b>Total liabilities</b>	<b>\$ 52,574</b>	<b>\$ 63,112</b>
Net investment in joint ventures held for sale (note 18)	\$ –	\$ 5,846
<b>Net investment in joint ventures</b>	<b>\$ 20,184</b>	<b>\$ 26,221</b>

	2025	2024
Revenue	\$ 55,223	\$ 143,722
Direct property operating expense	(32,694)	(92,177)
Lease expense	(14,144)	(36,059)
Finance costs	(2,480)	(2,133)
Depreciation and amortization	(3,735)	(3,015)
Change in fair value of financial instruments	(602)	(872)
Other income (loss)	5	-
Chartwell's share of net income (loss) from joint ventures	\$ 1,573	\$ 9,466

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 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 December 31, 2025, \$nil (2024 - \$2,819) of Chartwell's accounts receivable and \$13,931 (2024 - \$12,335) of Chartwell's accounts payable relate to its investments in joint ventures. For the year ended December 31, 2025, \$3,271 (2024 - \$7,827) of Chartwell's management fees related to its investment in joint ventures.

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

Chartwell and Champlain (referred to as the "landlords") each owns a 50% direct beneficial interest in the real estate assets and are each obligated for the related mortgages for a portfolio of 5 properties, all acquired in Q4 2024 (note 4). Chartwell's interests in these properties are accounted for as joint operations under IFRS 11. Chartwell's 50% interest in the operations of the 5 properties (collectively referred to as "Chartwell-Champlain Operator") are held through separate legal entities, which are accounted for as joint ventures using the equity method under IFRS 11.

Chartwell-Welltower Operator, Chartwell Le St-Gabriel Operator, and Chartwell-Champlain Operator have leased the real estate from Chartwell-Welltower Landlord, Chartwell Le St-Gabriel Landlord, and Chartwell-Champlain Landlord, respectively. The terms of these leases are for three-year periods, with automatic renewal terms as long as the joint arrangement between respective parties is still in effect. As a result, Chartwell's share of the landlords' lease receipts, \$14,114 for the year ended December 31, 2025 (2024 - \$36,059) is reported as lease revenue and is included in lease revenue from joint ventures. The lease expenses for Chartwell-Welltower Operator, Chartwell Le St-Gabriel Operator and Chartwell-Champlain Operator are included in the share of net income/(loss) from joint ventures.

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

As at December 31, 2025, Chartwell holds an 85% beneficial interest and Batimo holds a 15% beneficial interest in two properties, including one property acquired in Q2 2024 (note 4). 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.

At the beginning of 2025, three properties acquired in 2024 were held through a separate legal entity and consolidated, with a 15% non-controlling interest recognized for Batimo's ownership interest. During the year, Chartwell completed a planned wind-up of the landlord and operator structure for these properties. As part of this restructuring, Chartwell acquired the remaining 15% interest in two of the properties. Following the wind-up and related transactions, the remaining property continues to be 85% owned by Chartwell and 15% owned by Batimo; however, Chartwell now directly holds its interest in the assets and liabilities. As a result, the accounting transitioned from consolidation with non-controlling interest to proportionate consolidation as a joint operation.

### 13. Mortgages payable:

	2025		2024	
Mortgages principal balance	\$	2,272,320	\$	1,852,274
Mark-to-market adjustments on assumed mortgages		131		2,376
Financing costs		(90,290)		(59,671)
	\$	2,182,161	\$	1,794,979
Current	\$	330,276	\$	408,071
Non-current		1,851,885		1,386,908
	\$	2,182,161	\$	1,794,979

Mortgages payable are secured by first and second charges on specific properties and are measured at amortized cost. For more information about Chartwell's exposure to interest rates and liquidity risks, see note 22. The mortgages payable repayment schedule as at December 31, 2025 are as follows:

	Regular principal payments	Principal due on maturity	Total debt
2026	\$ 84,681	\$ 249,162	\$ 333,843
2027	79,347	62,036	141,383
2028	75,956	183,677	259,633
2029	65,219	111,590	176,809
2030	57,966	82,278	140,244
2031	49,631	133,360	182,991
2032	43,869	65,133	109,002
2033	39,353	139,948	179,301
2034	35,413	237,696	273,109
2035	22,354	242,821	265,175
Thereafter	21,583	189,247	210,830
	\$ 575,372	\$ 1,696,948	\$ 2,272,320

	2025		2024	
Mortgages at fixed rates:				
Mortgages (principal)	\$	2,232,733	\$	1,581,468
Interest rates		1.48% to 5.75%		1.31% to 5.75%
Weighted average interest rate		3.61%		3.50%
Mortgages at variable rates:				
Mortgages (principal)	\$	39,587	\$	270,806
Interest rates		4.03% to 4.85%		5.07% to 6.70%
Weighted average interest rate		4.57%		5.94%
Blended weighted average rate		3.63%		3.86%

Included in mortgages at fixed rates above, are mortgages totaling \$69,463 (2024 - \$40,433) with interest rates fixed through interest rate swap contracts with an equivalent notional value, maturing in 2026. The swaps have a fair value asset of \$220 (2024 - \$806) 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 December 31, 2025.

#### 14. Credit facilities:

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

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
<b>Total</b>	<b>\$ 400,000</b>	<b>\$ 400,000</b>	<b>\$ –</b>	<b>\$ (5,089)</b>	<b>\$ 394,911</b>	

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

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

Available capacity for the secured credit facility is determined based on a formula that considers the lending value of the properties included in the secured asset pool. The factors impacting the lending value formula include the secured collateral, the associated occupancy rates of the property, property valuations and mortgageability amounts determined on the basis of net operating income (as defined in the credit agreement) for the previous four quarters.

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

Financing costs, which have been recorded as a reduction of the amounts outstanding under the credit facilities, as at December 31, 2025 were \$1,976 included in Accounts payable and other liabilities as there is no outstanding credit facility balance (2024 - \$1,921).

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

The secured and unsecured credit facilities are subject to various financial covenants including among others, debt service coverage ratio, secured indebtedness percentage ratio, minimum equity requirements and limitations on entering into certain investments and on the amount of cash distributions that can be paid to unitholders. In addition, the unsecured credit facility is subject to the minimum unencumbered asset ratio covenant. Chartwell was in compliance with these financial covenants as at December 31, 2025.

## 15. Loans Payable:

As at December 31, 2025, there were no loans payable outstanding.

On July 22, 2024, Chartwell entered into a \$150,000 unsecured term loan facility agreement with a Canadian chartered bank. The loan bears interest based on either the bank's prime rate or CORRA, with an initial term of six months and an optional extension for an additional six months. On October 31, 2024, Chartwell repaid \$75,000 of this unsecured loan. On March 5, 2025, the loan was fully repaid.

Welltower extended two loans for \$33,323 and \$40,665 respectively to Chartwell as bridge financing for two properties with mortgages that matured in Q1 2024. On February 1, 2025, Chartwell sold its interest in one of these properties to Welltower (note 18) and the associated loan of \$33,323 was repaid on February 1, 2025 with the completion of the windup. The second loan balance of \$40,665 was repaid on February 14, 2025.

The following table details the outstanding principal amounts and the carrying value of the unsecured term loan and the Welltower loans at December 31, 2024:

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

	Carrying Value
Current	\$ 148,972
Non-current	\$ –
	<b>\$ 148,972</b>

## 16. Senior unsecured debentures:

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

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
<b>Total</b>		<b>\$ 800,000</b>	<b>\$ (2,832)</b>	<b>\$ 797,168</b>	

	Carrying value
Current	\$ 249,689
Non-current	547,479
	<b>\$ 797,168</b>

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

	Carrying value
Current	\$ 149,953
Non-current	398,358
	<b>\$ 548,311</b>

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

On October 28, 2024, Chartwell issued \$150,000 of 4.40% Series D unsecured debentures due on November 5, 2029, with semi-annual interest payments due on May 5 and November 5 of each year. Debt financing costs of \$1,154 were incurred and are being amortized using the effective interest method.

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 \$980 were incurred and are being amortized using the effective interest method.

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

Under the terms of the debentures, Chartwell is required to meet certain financial covenants. These covenants include required interest coverage ratio, indebtedness percentage ratio and unencumbered asset ratio. Chartwell was in compliance with these financial covenants as at December 31, 2025.

## 17. Accounts payable and other liabilities:

	Note	2025	2024
Accounts payable and accrued liabilities		\$ 183,185	\$ 152,150
Resident deposits		8,953	5,859
Related party <sup>(1)</sup>		1,253	-
Deferred Trust Units ("DTU")	(a)	16,232	13,015
Restricted Trust Units ("RTU")	(b)	15,821	10,166
EUPP option component	(c)	22,072	14,262
Class B Units of Chartwell Master Care LP ("Class B Units")	(d)	29,234	22,761
		<b>\$ 276,750</b>	<b>\$ 218,213</b>
Current		\$ 265,184	\$ 214,630
Non-current		11,566	3,583
		<b>\$ 276,750</b>	<b>\$ 218,213</b>

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

(a) DTU Plan:

Chartwell provides a DTU Plan for its non-management directors. The plan entitles directors, at their option, to receive all, or any portion of their directors' fees in the form of DTUs. The number of DTUs issued is based on the fair market value of Chartwell Trust Units, as defined in the plan, on the issue date.

The DTUs earn additional DTUs related to distributions that would otherwise have been paid if Trust Units, as opposed to DTUs, had been issued on the date of the grant. The number of DTUs issued in regard to distributions is based on the fair market value of Trust Units, as defined in the plan, on the date distributions are paid. The DTUs cannot be distributed to the directors until after they retire from the Board of Trustees.

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 December 31, 2025 was \$20.10 (2024 - \$15.08). DTU plan is considered Level 2 in the fair value hierarchy. The non-cash compensation expense attributable to DTUs granted is included in general, administrative and trust expense and subsequent fair value changes are included in fair value of financial instruments. At December 31, 2025, the closing weighted average fair value per unit was \$18.70 (2024- \$13.75)

The following table summarizes the DTU activity:

	Units outstanding		Amount
Balance, December 31, 2023	1,353,281	\$	15,858
Units granted	64,454		887
Change in fair value and distributions	58,021		5,595
DTU settled by the issuance of Trust units	(612,541)		(9,325)
Balance, December 31, 2024	863,215		13,015
Units granted	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

(b) RTU Plan:

Under the terms of the RTU Plan, qualified employees are granted notional Trust Units on an annual basis which will vest three years after the date of any grant and will be paid out in cash ("RTU payout"). The notional Trust Units earn additional notional Trust Units related to distributions that would otherwise have been paid if Trust Units had been issued on the date of the grant. The number of notional Trust Units issued in regard to distributions is based on the fair market value of Trust Units, as defined in the plan, on the date distributions are paid. The value of outstanding RTUs is recognized as compensation expense over the vesting period, with the corresponding amount recorded as a liability on the consolidated balance sheets. The liability is remeasured to fair value at each reporting date until the liability is settled. The amount of RTU payout to certain participants is also dependent on the extent to which Chartwell has achieved certain targets over a three-year period subject to certain conditions and is also subject to the discretion of the Board of Trustees. The RTU plan is considered Level 2 in the fair value hierarchy.

The following table summarizes the RTU activity:

	Units outstanding	Amount
Balance, December 31, 2023	1,152,432	\$ 6,796
Granted	439,403	5,307
Distributions / Change in market value	58,979	3,518
Cancelled Units	(44,043)	(224)
Paid out / Vested	(413,652)	(5,231)
Balance, December 31, 2024	1,193,119	10,166
Granted	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

At December 31, 2025, the closing weighted average fair value per unit was \$20.10 (2024 - \$15.08) and weighted average fair value per unit for notional trust units granted during the year was \$16.36 (2024 - \$12.08). 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 description of the EUPP is included in note 20(b). The fair value of the EUPP option component is recognized as an expense with a corresponding increase in liability over the employee service period. The liability is remeasured at each reporting date and at settlement date and is considered Level 3 in the fair value hierarchy. Upon initial recognition the expense is recognized in general, administrative and trust expenses and subsequent changes in fair values are recognized in change in fair values of financial instruments.

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

	December 31, 2025	December 31, 2024
Expected volatility	18.43% - 23.43%	22.97% - 27.97%
Risk-free rate	2.25% - 3.09%	2.67% - 3.12%
Distribution yield	3.05% - 3.09%	4.08% - 4.35%

(d) Class B Units

Class B Units are exchangeable, at the option of the holder, into Trust Units. Such exchangeable instruments are presented as a current liability and are measured at fair value. Holders of the Class B Units are entitled to receive distributions equal to those provided to holders of Trust Units. Distributions on Class B Units are reported as a finance cost on the statement of comprehensive income. Fair value is determined by using the market price for listed Trust Units since there is a one-for-one exchange feature for each Class B Unit into a Trust Unit. Class B Units are considered Level 2 in the fair value hierarchy. The market price of Trust Units at December 31, 2025 was \$20.10 per unit (2024 - \$15.08 per unit). At December 31, 2025, 1,454,410 Class B Units were outstanding (2024 - 1,509,360).

	Units outstanding	Amount
Balance, December 31, 2023	1,525,360	\$ 17,877
Exchange of Class B units into Trust units	(16,000)	(219)
Change in fair value	–	5,103
Balance, December 31, 2024	1,509,360	22,761
Exchange of Class B units into Trust Units	(54,950)	(931)
Change in fair value	–	7,404
Balance, December 31, 2025	1,454,410	\$ 29,234

## 18. Assets and liabilities held for sale:

On February 1, 2025, Chartwell closed on its previously announced transaction with Welltower to windup its existing joint arrangements (note 4).

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

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

## 19. Reconciliation of changes in liabilities arising from financing activities:

	Mortgage Payable	Credit facilities	Loans payable	Senior unsecured debentures	Total
Balance, December 31, 2023	\$ 1,425,485	\$ 68,686	\$ 124,924	\$ 398,981	\$ 2,018,076
Reclassifications to liabilities held for sale	43,970	–	–	–	43,970
Proceeds from financing	295,453	30,000	223,988	150,000	699,441
Repayments	(193,242)	–	(200,000)	–	(393,242)
Scheduled principal payments	(74,028)	–	–	–	(74,028)
Financing costs paid	(17,193)	(898)	(139)	(1,261)	(19,491)
Assumed on acquisition	311,731	–	–	–	311,731
Amortization of financing costs and mark to market adjustments on assumed mortgages	2,463	291	200	591	3,545
Other	340	–	–	–	340
Balance, December 31, 2024	\$ 1,794,979	\$ 98,079	\$ 148,973	\$ 548,311	\$ 2,590,342
Proceeds from financing	483,090	–	–	400,000	883,090
Repayments	(204,946)	(100,000)	(115,649)	(150,000)	(570,595)
Scheduled principal payments	(79,041)	–	–	–	(79,041)
Mortgages early repayments	(142,634)	–	–	–	(142,634)
Financing costs paid	(37,305)	(697)	(266)	(2,120)	(40,388)
Assumed on acquisition	363,578	–	–	–	363,578
Repayment on disposal of PPE (note 4)	–	–	(33,323)	–	(33,323)
Amortization of financing costs and mark to market adjustments on assumed mortgages	4,429	642	70	977	6,118
Other	11	1,976	195	–	2,182
Balance, December 31, 2025	\$ 2,182,161	\$ –	\$ –	\$ 797,168	\$ 2,979,329

## 20. Trust Units and EUPP:

### (a) Trust Units:

Chartwell is authorized to issue an unlimited number of Trust Units.

Trust Units are redeemable at any time, in whole or in part, on demand by holders. Upon receipt of a redemption notice by Chartwell, all rights to and under Trust Units tendered for redemption shall be surrendered and the holder shall be entitled to receive a price per Trust Unit equal to the lesser of:

- (i) 90% of the "market price" of the units on the principal market on which the units are quoted for trading during the 10-trading-day period ending immediately prior to the date on which the units were surrendered for redemption; and
- (ii) 100% of the "closing market price" on the principal market on which the units are listed for trading on the redemption date.

The aggregate redemption price payable by Chartwell in respect of any Trust Units surrendered for redemption during any calendar month shall not exceed \$50 unless waived at the discretion of Trustees and satisfied by way of cash payment in Canadian dollars within 30 days after the end of the calendar month in which the units were tendered for redemption. To the extent the redemption price payable in respect of Trust Units surrendered for redemption exceeds \$50 in any given month, such excess may be satisfied by way of a distribution in species of assets held by Chartwell.

The following Trust Units are issued and outstanding:

	Number of Trust Units	Amount
Balance, December 31, 2023	238,837,656	\$ 2,622,374
Trust Units issued under DRIP	3,162,401	41,777
Trust Units issued on vesting of DTU	612,541	9,325
Trust Units issued in exchange of Class B units	16,000	219
Trust Units released on settlement of EUPP receivable	421,426	8,393
Trust Units pursuant to public offering	28,290,000	338,879
Trust Units issued under ATM Program	1,228,500	19,096
Balance, December 31, 2024	272,568,524	3,040,063
Trust Units issued under DRIP	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

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 will be effective for the March 31, 2026 distribution payable on April 15, 2026.

On June 27, 2024, Chartwell completed a public offering of 28,290,000 Trust Units at a price of \$12.20 per Trust Unit for total gross proceeds of \$345,138. During the year ended December 31, 2024, underwriting commission and other offering related costs for the public offering amounted to \$13,468, offset by a deferred tax asset of \$7,209.

On November 14, 2024, Chartwell filed a prospectus supplement to establish an at-the-market equity distribution program (the "ATM Program"). The ATM Program allowed Chartwell to issue up to \$250,000 of trust units from treasury to the public from time to time during the term of the ATM Program at its discretion. All \$250,000 Trust Units qualified for distribution under the ATM Program units have been issued and sold. On August 7, 2025, Chartwell amended the prospectus supplement establishing the ATM Program to allow Chartwell to issue up to an additional \$250,000 of Trust Units. All \$250,000 Trust Units qualified for distribution under the ATM Program additional units have been issued and sold. 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. The ATM Program is expected to remain in place until the earlier of May 30, 2026, or the sale of all \$500,000 Trust Units. As of December 31, 2025, \$240,000 Trust Units qualified for distribution under the ATM Program additional units have been issued and sold with \$260,000 available for future issuance under the terms of the Program.

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

	December 31, 2025	December 31, 2024
Number of units	38,894,442	1,228,500
Weighted Average Price	\$ 18.52	\$ 15.90
Gross proceeds	720,471	19,528
Offering costs	(11,545)	(931)
Net cash proceeds	708,926	18,597
Deferred tax asset	6,180	499
Trust Units issued under ATM Program, net	\$ 715,106	\$ 19,096

(b) Trust Units issued under EUPP:

Chartwell has established an EUPP, under which the eligible participants may purchase Trust Units for a purchase price equal to the weighted average trading price of the units for 20 trading days preceding the date of issuance. Participants are required to pay interest on the unpaid balance of the purchase price at a rate not less than the rate prescribed under the Income Tax Act (Canada) at the time Trust Units under the EUPP are issued. The Board of Directors may from time to time reduce the rate at which the outstanding unpaid amount of purchase price for EUPP units previously issued shall bear interest, provided that such interest shall not be less than the prescribed rate under the Income Tax Act at the time of such reduction. All distributions on Trust Units under the EUPP are applied as payments, first of interest and then toward reduction of the principal of the EUPP receivable. Trust Units issued under the EUPP are held as security for the outstanding EUPP receivable. Participants may prepay the principal at their discretion and receive the Trust Units. If a participant elects to withdraw from the plan without paying the balance of the EUPP receivable in full, Chartwell may elect to sell Trust Units issued under the EUPP in satisfaction of the outstanding EUPP receivable. Chartwell's recourse is limited to Trust Units it holds as security. On May 15, 2014, the EUPP was amended, such that the period for payment for the exercise of terms of the EUPP awards was extended from 10 to 20 years, for EUPP awards issued before April 1, 2014. Subsequent EUPP awards are limited to senior executives, continue to have 10-year terms and vest immediately.

An aggregate of 5,900,890 Trust Units are reserved for issuance pursuant to the EUPP, of which 1,332,691 were available to be issued at December 31, 2025 (2024 – 1,471,776).

The following table summarizes Trust Units issued under the EUPP:

	Number of Trust Units issued under EUPP		Amount
Balance, December 31, 2023	2,076,419	\$	23,666
Trust Units issued under EUPP	162,195		1,990
Trust Units released on settlement of EUPP receivable	(421,426)		(4,544)
Balance, December 31, 2024	1,817,188		21,112
Trust Units issued under EUPP	139,085		2,337
Trust Units released on settlement of EUPP receivable	(154,898)		(1,877)
Balance, December 31, 2025	1,801,375	\$	21,572

The non-cash compensation expense attributable to the EUPP of \$647 for the year ended December 31, 2025 (2024 - \$565) is included in general, administrative and trust expenses with a corresponding amount included in accounts payable and other liabilities (note 17). Trust Units issued under EUPP and EUPP receivable are recorded in unitholders' equity.

(c) DRIP:

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%.

## 21. Segmented information:

Chartwell has one reportable operating segment, Retirement Operations. The Retirement Operations segment includes an interest in 142 retirement residences (2024 - 178) that Chartwell owns and operates in Canada. 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 consolidated 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.

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

2025	Ontario	Western Canada	Quebec	Total Retirement Operations	Reconciliation	Total
Property revenue	\$ 524,988	\$ 255,896	\$ 349,807	\$ 1,130,691	\$ (51,656)	\$ 1,079,035
Direct property operating expenses	(319,479)	(157,941)	(203,822)	(681,242)	31,166	(650,076)
Adjusted net operating income	\$ 205,509	\$ 97,955	\$ 145,985	\$ 449,449	\$ (20,490)	\$ 428,959

2024	Ontario	Western Canada	Quebec	Total Retirement Operations	Reconciliation	Total
Property revenue	\$ 483,889	\$ 221,687	\$ 234,067	\$ 939,643	\$ (139,720)	\$ 799,923
Direct property operating expenses	(312,423)	(137,550)	(150,009)	(599,982)	90,803	(509,179)
Adjusted net operating income	\$ 171,466	\$ 84,137	\$ 84,058	\$ 339,661	\$ (48,917)	\$ 290,744

## 22. Financial instruments:

### (a) Carrying values and fair values of financial instruments:

The carrying amounts and fair values of financial instruments, excluding loans receivable, income guarantee receivable, interest rate swaps, liabilities related to Class B Units 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, accounts payable and other liabilities, and distributions payable, as the carrying amounts of these assets and liabilities are a reasonable approximation of fair value.

	2025		2024	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets:				
Financial assets recorded at amortized cost				
Capital funding receivable	\$ 31,153	\$ 30,896	\$ -	\$ -
Financial liabilities:				
Financial liabilities recorded at amortized cost:				
Mortgages payable	\$ 2,182,161	\$ 2,135,174	\$ 1,794,168	\$ 1,827,411
Credit facilities	-	-	98,079	100,000
Loans payable	-	-	148,972	149,434
Senior unsecured debentures	797,168	798,841	548,311	546,485

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

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

The fair value of capital funding receivable is estimated by discounting the expected future cash flows using the current long-term government bond rate of 3.85%.

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 December 31, 2025, the mortgages payable were discounted using rates between 3.61% and 4.57% (2024 – 3.57% and 5.18%).

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

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 December 31, 2025, senior unsecured debentures were discounted using a weighted average rate of 4.27% (2024 - 5.26%).

The fair value of the credit facility is estimated to be the amount drawn at December 31, 2025 as Chartwell has the ability to repay the outstanding balance any time.

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

(b) Financial risk management objectives and policies:

In the normal course of business, Chartwell is exposed to risks of varying degrees of significance, which could affect its ability to achieve its strategic objectives and unitholder returns. Chartwell is exposed to financial instrument risks that arise from the fluctuation of interest rates, the credit quality of its residents and borrowers pursuant to mezzanine and other loans.

The Board of Trustees has overall responsibility for the establishment and oversight of Chartwell's risk management framework. Management is responsible for developing and monitoring Chartwell's risk management policies and reports regularly to the Board of Trustees on its activities.

These financial instrument risks are managed as follows:

(i) Credit risk:

Chartwell is exposed to credit risk arising from the possibility that parties responsible for payment of fees or the borrowers of mezzanine and other loans may experience financial difficulty and be unable to fulfill their contractual obligations. Exposure to credit risk relates primarily to cash on deposit included in cash and cash equivalents, resident receivables included in trade and other receivables, and loans receivable.

Chartwell regularly monitors the credit risk exposure and takes steps to mitigate the likelihood that these exposures will result in an actual loss.

The credit risk related to cash and cash equivalents is mitigated through entering into transactions with major Canadian financial institutions.

Chartwell's exposure to credit risk from resident receivables is influenced mainly by the individual characteristics of each resident, the demographics of its resident base and general economic conditions. Due to the nature of Chartwell's business and geographic spread of its resident base, there is no significant concentration of receivables from residents.

In the event that Chartwell's borrowers face financial difficulty and are not able to meet their commitments, Chartwell could suffer a loss of either interest or principal or both on the loans it has advanced, since other lenders will rank ahead of Chartwell in any recovery. To decrease the credit risk exposure, the loans are secured by charges of the borrowers' interests in various real estate projects, and by corporate guarantees.

Generally, the carrying amount on the consolidated balance sheets of Chartwell's financial assets exposed to credit risk, net of applicable loss allowances, represents Chartwell's maximum exposure to credit risk. Chartwell limits its exposure to credit risk related to derivatives by transacting with counterparties that are stable and of high credit quality.

Chartwell adopted the practical expedient to determine ECL on capital funding receivable, trade and other receivables using a provision matrix based on historical credit loss experiences adjusted for current and forecasted future economic conditions to estimate lifetime ECL. At December 31, 2025, capital funding receivable is assessed to have low credit risk as it is government backed and outstanding resident receivables were \$1,709 (2024 - \$1,270), net of ECL of \$1,396 (2024 - \$1,492).

(ii) Liquidity risk:

Chartwell's principal liquidity needs arise from working capital requirements, debt servicing and repayment obligations, planned funding of property improvements, leasing costs, distributions to unitholders, and property development and acquisition funding requirements.

Liquidity risk is the risk that an entity is unable to fund its assets or meet its obligations as they come due.

Liquidity risk is managed through cash flow forecasting. Management monitors forecasts of Chartwell's liquidity requirements to ensure it has sufficient financial resources to meet operational needs through maintaining sufficient cash and/or availability on the credit facilities and complying with its financial covenants related to debt agreements. Such forecasting involves a significant degree of judgment, takes into consideration current and projected macroeconomic conditions, Chartwell's cash collection efforts and debt financing plans. There is a risk that such liquidity forecasts may not be achieved, that covenant requirements of existing loan agreements are not met, and that currently available debt financing may no longer be available on terms and conditions that are favorable to Chartwell.

As at December 31, 2025, current liabilities totalled \$862,346, exceeding current assets of \$171,662, resulting in a working capital deficiency of \$690,684. Current liabilities includes \$330,276 of current mortgages payable, comprised of \$249,162 related to maturing balances which are expected to be renewed on maturity, \$81,114 related to regular principal payments and the balance of unamortized mark-to-market adjustments net of unamortized financing costs. In addition, as at December 31, 2025, current liabilities included \$249,689 of senior unsecured debentures maturing in December 2026. Chartwell expects to be able to meet all of its obligations as they become due utilizing some or all of the following sources of liquidity: (i) cash flow generated from property operations, (ii) property specific mortgages, (iii) term loans, (iv) secured and unsecured credit facilities under which \$394,911 was available and undrawn at December 31, 2025 (note 14), and (v) proceeds on asset sales.

Further, subject to market conditions, Chartwell may seek to raise funding through new senior unsecured debentures or equity financing and it may also continue to dispose of certain non-core assets to generate additional liquidity. The particular features and quality of the underlying assets and the debt and equity market conditions existing at the time of raising such financing may impact the ability and availability for financing.

There is a risk that due to negative changes in economic or operating conditions that lenders will not finance maturing mortgages payable debt on terms and conditions acceptable to Chartwell or on any terms at all. Negative changes in economic or operating conditions may also impact Chartwell's available borrowing capacity on its secured and unsecured credit facilities as disclosed in note 14. Management mitigates this risk by staggering debt maturities and through the use of programs, such as Canadian Mortgage and Housing Corporations ("CMHC") insured mortgages. These and other contractual obligations and contingencies, including those related to agreements with Batimo, are disclosed in note 30.

Chartwell's lending agreements include various cross-default provisions.

Chartwell, in its continuing operations, holds licenses related to each of its retained long term care homes and in certain cases, retirement residences. Holders of these licenses receive funding from the relevant provincial government. During the year ended December 31, 2025, Chartwell received \$29,599 (2024 - \$69,129) in funding in respect of these licenses.

Refer to note 30 for contractual maturities of Chartwell's major financial liabilities.

(iii) Market risk:

Chartwell is exposed to market risk, which is the risk arising from its financial instruments, principally related to interest rates and equity prices.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Chartwell is exposed to interest rate risk on its floating-rate debt on an ongoing basis and its fixed-rate debt upon renewal. To mitigate interest rate risk, Chartwell fixes or otherwise limits the interest rate on its long-term debt to the extent possible on renewal. Further, Chartwell is exposed to higher interest rates on its secured and unsecured credit facilities with a negative change in its credit rating. Chartwell regularly monitors interest rate exposure and takes steps to mitigate the likelihood of interest rate-related risks. It may also enter into derivative financial instruments from time to time to mitigate interest rate risk. Generally, Chartwell fixes the term of long term debt within a range of 5 to 20 years. To limit exposure to the risk of higher interest rates at renewal, Chartwell spreads the maturities of its fixed-rate, long term debt over time.

At December 31, 2025, Chartwell's interest-bearing financial instruments were as follows:

	Principal amount	
	2025	2024
Fixed-rate financial liabilities <sup>(1)</sup>	\$ 3,032,733	\$ 2,205,456
Variable-rate financial liabilities	\$ 39,587	\$ 445,806

<sup>(1)</sup>Included in the fixed-rate financial liabilities are mortgages totalling \$69,463 (2024 - \$40,300) with interest rate fixed through interest rate swap contracts.

An increase of 100-basis-points in interest rates at December 31, 2025 for the variable-rate financial instruments would decrease income before income taxes on an annualized basis by \$396 (2024 - \$4,458).

An increase of 100-basis-points in interest rates for the fixed rate mortgages maturing in 2026 would decrease income before income taxes by \$425 (2024 - \$395) based on renewal dates and \$2,096 (2024 - \$744) on an annualized basis for the year.

## 23. Capital structure financial policies:

Chartwell's primary objectives in managing capital are:

- (a) to ensure that Chartwell has sufficient capital to execute on its strategic objectives, including targeted investments in maintenance and improvements of its property portfolio, development and acquisitions activities
- (b) to achieve the lowest overall cost of capital consistent with the appropriate mix of capital elements while ensuring that Chartwell complies with financial and non-financial covenants included in debt agreements and
- (c) to provide over the long term, growing distributions to unitholders.

In managing its capital structure, Chartwell takes into consideration various factors, including changes in economic conditions, growth of its business and risk characteristics of the underlying assets.

Management defines capital as Chartwell's total unitholders' equity, Class B Units, current and non-current mortgage payable, senior unsecured debentures, loans payable and borrowings under its credit facilities.

The Board of Trustees is responsible for overseeing Chartwell's capital management and does so through quarterly Trustees' meetings, annual budget reviews and regular reviews of financial information. The Board of Trustees also determines the level of distributions to unitholders.

Chartwell's Declaration of Trust limits the ratio of indebtedness ("Indebtedness Ratio") that Chartwell can incur to 65% of adjusted gross book value ("GBV").

GBV means, at any time, the consolidated book value of the assets of Chartwell, as shown on Chartwell's most recent consolidated balance sheets (or if approved by a majority of the Independent Directors of Master LP at any time, the appraised value thereof), adjusted for (i) Chartwell's proportionate share of its joint ventures, (ii) plus the amount of accumulated depreciation and amortization shown thereon or in the notes thereto less the carrying value of any deferred consideration in respect of any property acquired or to be acquired, (iii) plus the difference between the GBV of assets under Canadian generally accepted accounting principles and IFRS at January 1, 2010, Chartwell's effective IFRS transition date, and (iv) plus the related acquisition costs in respect of completed property acquisitions that were expensed in the period incurred.

Indebtedness includes any obligation for borrowed money, any obligation incurred in connection with the acquisition of property, assets or business, other than deferred income tax liabilities, any capital lease obligation and any similar obligations of third parties guaranteed by Chartwell or for which Chartwell is responsible or liable, to the extent included in the consolidated balance sheets, adjusted for Chartwell's proportionate share of its joint ventures. Indebtedness is determined on a consolidated basis for Chartwell and its consolidated subsidiaries.

The following are the Indebtedness Ratios at December 31, 2025 and 2024:

	2025	2024	Increase (decrease)
Indebtedness Ratio	44.7%	47.9%	(3.2%)

Chartwell's capital management is conducted in accordance with policies stated under the Declaration of Trust and requirements from certain of its lenders. Under the terms of Chartwell's loan agreements with these lenders, Chartwell is required to meet certain financial and non-financial covenants.

## 24. Revenue:

Property revenue is comprised of the following:

	2025	2024
Resident revenue	\$1,061,351	\$ 784,266
Other property revenue <sup>(1)</sup>	17,684	15,657
<b>Total property revenue</b>	<b>\$1,079,035</b>	<b>\$ 799,923</b>

<sup>(1)</sup> Includes primarily government funding and commercial revenue

Total revenue is comprised of the following:

	2025	2024
Lease revenue <sup>(1)</sup>	\$ 551,251	\$ 421,704
Services revenue <sup>(2)</sup>	544,151	414,278
Management and other fees	4,919	12,560
Interest income	8,196	3,605
<b>Total revenue</b>	<b>\$1,108,517</b>	<b>\$ 852,147</b>

<sup>(1)</sup> Includes resident lease revenue from retirement residence residents, lease revenue from the joint venture partners and includes lease revenue from commercial leases.

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

## 25. Personnel expenses:

The analysis of employee benefits expense for the years ended December 31, 2025 and 2024, included in profit or loss under direct property operating expenses and general, administrative and trust expenses, is as follows:

	2025	2024
Salaries and wages	\$ (435,950)	\$ (361,382)
Post-employment benefits (defined contribution plans)	(5,540)	(4,498)
Unit-based compensation	(15,854)	(9,726)
<b>Total</b>	<b>\$ (457,344)</b>	<b>\$ (375,606)</b>

## 26. Other income (expense):

	2025	2024
Transaction costs arising on dispositions	\$ (6,719)	\$ (5,518)
Other	(787)	(1,207)
<b>Other expense</b>	<b>(7,506)</b>	<b>(6,725)</b>
Impairment (expense) reversal <sup>(1)</sup>	12,963	—
Net gain on disposal of assets <sup>(2)</sup>	62,918	53,963
Other income <sup>(3)</sup>	—	1,412
<b>Total</b>	<b>75,881</b>	<b>55,375</b>
<b>Other income</b>	<b>\$ 68,375</b>	<b>\$ 48,650</b>

<sup>(1)</sup> Impairment (expense) reversal relates to a partial reversal of impairment expense for one non-core property in Ontario - \$14,041 related to a change in use, which is offset by impairment of one non-core property in Quebec - \$1,078.

<sup>(2)</sup> Net gain on disposal of assets relates primarily to sale of properties (note 4).

<sup>(3)</sup> Other income relates to a one-time government funding related to historical periods for the disposed LTC segment.

## 27. Finance costs:

	2025	2024
Contractual interest expense on mortgages	\$ (79,902)	\$ (62,631)
Interest expense on senior unsecured debentures	(37,032)	(22,539)
Interest expense on credit facility	(3,090)	(8,710)
Contractual interest expense on loans payable	(1,432)	(10,818)
	(121,456)	(104,698)
Interest capitalized to properties under development	2,516	2,862
Amortization of financing costs and mark-to-market adjustment on assumed mortgages, credit facilities and senior unsecured debentures	(6,118)	(3,545)
Distributions on Class B Units recorded as interest expense	(898)	(927)
Total finance costs	\$ (125,956)	\$ (106,308)

## 28. Change in fair values of financial instruments:

	2025	2024
Change in fair value of interest rate swaps	\$ (512)	\$ (3,274)
Change in fair value of EUPP option component	(9,024)	(6,656)
Change in fair value of Class B Units	(7,403)	(5,103)
Change in fair value of DTUs	(4,667)	(5,595)
Change in fair value of income guarantees	(4,456)	–
Change in fair value – other	1,714	753
Change in fair values of financial instruments	\$ (24,348)	\$ (19,875)

## 29. Income taxes:

For the year ended December 31, 2025, Chartwell recorded a current tax expense of \$1,066 (2024 – current tax recovery of \$255). This current tax expense in 2025 is primarily attributable to SIFT taxes payable on the disposition of Chartwell's ownership interest in 23 retirement residences ("Welltower Assets") offset by the tax recovery from disposition of other non-core assets. The current tax recovery in 2024 is primarily attributable to adjustments related to the capital gain on the disposition of the long-term care segment in the year ended December 31, 2023.

Chartwell recorded a deferred tax expense of \$43,675 (2024 - deferred tax expense of \$34,752). The deferred tax expense in 2025 was primarily with respect to fair value adjustments, and the reversal of temporary differences associated with the sale of Welltower Assets and other non-core assets. The deferred tax expense in 2024 was primarily with respect to fair value adjustments and the reversal of temporary differences associated with the sale of non-core properties.

The income tax recovery (expense) - in the consolidated statements of comprehensive income represents an effective tax rate different than the Canadian tax rate applicable to trusts on undistributed income of 53.53% (2024 - 53.53%). The current SIFT tax rate payable is 26.15%. The differences for the years ended December 31 are as follows:

	2025	2024
Net income before income taxes	\$ 74,236	\$ 56,875
Income tax expense at Canadian tax rate	\$ (39,739)	\$ (30,445)
Non-taxable capital gain	13,022	4,724
Fair value changes	(10,421)	(8,897)
Differential between current SIFT rate and undistributed income tax rate	1,839	-
Reversal of deferred tax (asset)/liability	(7,300)	(814)
Derecognition/(Recognition) of deferred tax assets	(192)	658
Non-deductible and non-taxable items	(2,321)	265
Other	371	12
Income tax (expense) / recovery	\$ (44,741)	\$ (34,497)
Current tax (expense) / recovery	\$ (1,066)	\$ 255
Deferred tax expense	(43,675)	(34,752)
Income tax (expense) / recovery	\$ (44,741)	\$ (34,497)

Movement in deferred tax balances during the year is as follows:

	Balance, January 1, 2025	Recognized in net income (loss)	Recognized in unitholders' equity	Balance, December 31, 2025
Property, plant and equipment	\$ (22,733)	\$ (44,873)	\$ -	\$ (67,606)
Intangible assets	(964)	(26)	-	(990)
Losses available for carryforward	856	2,032	-	2,888
Other	(10,577)	(808)	6,180	(5,205)
Deferred tax asset (liability)	(33,418)	(43,675)	6,180	(70,913)
Deferred tax assets not recognized	(149)	-	-	(149)
Net deferred tax asset (liability)	\$ (33,567)	\$ (43,675)	\$ 6,180	\$ (71,062)

As at December 31, 2025, Chartwell recognized \$5,354 of non-capital loss carry forwards in a subsidiary trust which was previously derecognized.

	Balance, January 1, 2024	Recognized in net income (loss)	Recognized in unitholders' equity	Balance, December 31, 2024
Property, plant and equipment	\$ 2,276	\$ (25,009)	\$ -	\$ (22,733)
Intangible assets	(1,161)	197	-	(964)
Losses available for carryforward	1,641	(785)	-	856
Other	(9,144)	(9,140)	7,707	(10,577)
Deferred tax asset (liability)	(6,388)	(34,737)	7,707	(33,418)
Deferred tax assets not recognized	(134)	(15)	-	(149)
Net deferred tax asset (liability)	\$ (6,522)	\$ (34,752)	\$ 7,707	\$ (33,567)

Deferred tax assets have not been recognized for the deductible temporary differences of \$246 in 2025 (2024 - \$246). The deductible temporary differences do not expire under current legislation. Deferred tax assets have not been recognized in respect of these temporary differences as it is not probable that future taxable income will be available against which these tax benefits will be utilized.

### 30. Commitments and contingencies:

Chartwell's maturities on major financial liabilities as at December 31, 2025, excluding future interest payments and put option commitments, are detailed in the following table:

	Note	Contractual						Thereafter
		Value	2026	2027	2028	2029	2030	
Mortgages payable	13	\$ 2,272,320	\$ 333,843	\$ 141,383	\$ 259,633	\$ 176,809	\$ 140,244	\$ 1,220,408
Senior unsecured debentures	16	800,000	250,000	-	200,000	150,000	-	200,000
Accounts payable and accrued liabilities	17	184,438	178,038	-	6,400	-	-	-
Distributions payable		16,213	16,213	-	-	-	-	-
Resident deposits	17	8,953	8,953	-	-	-	-	-
Lease obligations	8	8,039	984	373	116	25	-	6,541
<b>Total maturities<sup>(1)</sup></b>		<b>\$ 3,289,963</b>	<b>\$ 788,031</b>	<b>\$ 141,756</b>	<b>\$ 466,149</b>	<b>\$ 326,834</b>	<b>\$ 140,244</b>	<b>\$ 1,426,949</b>

(1) In addition to Total maturities, obligations include contractual commitments outlined in note 30(a) and (b) related to development and acquisition of certain properties.

(a) Purchase contracts:

Chartwell has entered into various construction contracts related to its development projects. As at December 31, 2025, the remaining commitments under these contracts amounted to approximately \$58,572 (2024 - \$2,648).

(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, Batimo has the right, upon a property achieving specified stabilized occupancy levels, to require Chartwell to acquire an 85% 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 December 31, 2025, one property has met the occupancy threshold giving rise to Batimo's put right. The estimated fair value of this property is \$86.5 million.

Chartwell and Batimo have adopted a revised ownership structure for one development project under construction adjacent to a residence co-owned by Chartwell and Batimo. Under this framework, Chartwell and Batimo each hold a 50% interest during construction and lease-up. Upon achievement of stabilized occupancy, the parties will negotiate the terms under which Chartwell's ownership interest would increase to 85%. If the parties are unable to reach an agreement, either party may require the transfer of an additional 35% 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.

(c) Letters of credit:

As at December 31, 2025, Chartwell was contingently liable for letters of credit in the amount of \$5,089 (2024 - \$5,753).

(d) Guarantees:

Chartwell, with its partners, has jointly and severally guaranteed loans on partially owned properties. Chartwell ownership interest in these properties range from 50% to 85%, to a maximum amount of \$588,232. As at December 31, 2025, outstanding balances on these mortgages totalled \$529,566 (\$229,055 of which represents the partners' share).

(e) Litigation and claims:

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 granted an order to consolidate the Claims into one proceeding (the "Consolidated Claim") seeking an order to be certified as a class action against. 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 \$100,000 in general damages and \$10,000 in aggravated, punitive and/or exemplary damages. Chartwell does 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. 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 believes that any potential liability would be resolved within the limits of its insurance coverage.

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. The Supreme Court of Canada denied leave to appeal on October 14, 2021, thereby upholding the appellate court decision.

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 is 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, Chartwell cannot currently reliably estimate any 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.

### 31. Key management personnel compensation:

The remuneration of key management personnel of Chartwell during the years ended December 31, 2025 and 2024 was as follows:

	2025	2024
Officers' and directors' compensation	\$ (5,378)	\$ (5,194)
Post-employment benefits	(130)	(154)
Other long term benefits	(6,760)	(4,400)
Unit-based payments	(647)	(565)
	<u>\$ (12,915)</u>	<u>\$ (10,313)</u>

Chartwell management has a senior executive committee, comprising officers of Chartwell, with the responsibility to provide strategic direction and oversight to Chartwell. The above table includes the total compensation of members of the senior executive committee and directors of Chartwell.

### 32. Expenses by nature:

	2025	2024
Wages and benefits	\$ (457,344)	\$ (375,606)
Food and supplies	(75,263)	(57,086)
Realty taxes	(39,633)	(30,633)
Utilities	(35,152)	(26,859)
Other	(99,285)	(68,455)
	<u>\$ (706,677)</u>	<u>\$ (558,639)</u>
Included in the consolidated statements of net income and comprehensive income:		
Direct property operating	\$ (650,076)	\$ (509,179)
General, administrative and trust	(56,601)	(49,460)
	<u>\$ (706,677)</u>	<u>\$ (558,639)</u>

# Corporate and Unitholder Information

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## TRUSTEES AND/OR DIRECTORS

**Huw Thomas, Chair**

**Sharon Sallows** <sup>(1)(2)</sup>

**Brent Binions** <sup>(2)</sup>

**Valérie Pisano** <sup>(1)(2)</sup>

**Gary Whitelaw** <sup>(2)(3)</sup>

**Alka Gautam** <sup>(2)(3)</sup>

**Rael Diamond** <sup>(2)(3)</sup>

**Vlad Volodarski**

(1) Compensation, Governance and Nominating Committee

(2) Investment Committee

(3) Audit Committee

## OFFICERS AND SENIOR MANAGEMENT

**Vlad Volodarski**

Chief Executive Officer

**Karen Sullivan**

President and Chief Operating Officer

**Jeffrey Brown**

Chief Financial Officer

**Gordon Chiu**

Chief Technology Officer

**Jonathan Boulakia**

Chief Investment Officer and  
Chief Legal Officer and Secretary

## UNITHOLDER INFORMATION

Chartwell Retirement Residences

7070 Derrycrest Drive

Mississauga, Ontario L5W 0G5

Telephone: (905) 501-9219

Toll free: (888) 584-2386

chartwell.com

### Unitholder and Investor Contact

Vlad Volodarski,

Chief Executive Officer

Email: investorrelations@chartwell.com

### Auditors

KPMG LLP

Toronto, Ontario

### Legal Counsel

Osler, Hoskin & Harcourt LLP

Toronto, Ontario

### Stock Exchange Listing

Toronto Stock Exchange (CSH.UN)

### Transfer Agent and Registrar

Computershare Investor Services

Toronto, Ontario

Telephone: (800) 564-6253

Facsimile: (866) 249-7775

Email: service@computershare.com

### Annual Meeting of Unitholders

4:30 pm ET - Thursday, June 18, 2026

In-person at:

7070 Derrycrest Drive,

Mississauga, Ontario

and Live audio webcast online at

<https://meetnow.global/MNKG7KA>

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lives **BETTER**