Q2 26

Management's Discussion & Analysis

Second Quarter Report
June 30, 2026

CHARTWELL

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

For the Three and Six Months Ended June 30, 2026

Contents

About this Management's Discussion and Analysis

Chartwell Retirement Residences ("Chartwell" or the "Trust") has prepared the following management's discussion and analysis (the "MD&A") to provide information to assist its current and prospective investors' understanding of the financial results of Chartwell for the three and six months ended June 30, 2026. This MD&A should be read in conjunction with Chartwell's unaudited, condensed consolidated interim financial statements for the three and six months ended June 30, 2026, and the notes thereto (the "Financial Statements"), the audited consolidated financial statements for the years ended December 31, 2025 and 2024, and the notes thereto (the "2025 Financial Statements"), and the annual MD&A for the year ended December 31, 2025 (the "2025 MD&A"). 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 and on the SEDAR+ website at www.sedarplus.com.

The discussion and analysis in this MD&A is based on information available to management as of August 6, 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; "2026" refers to the calendar year 2026; "2025" refers to the calendar year 2025; "2024" refers to the calendar year 2024; "2023" refers to the calendar year 2023, "2026 YTD" refers to the six-month period ended June 30, 2026, and "2025 YTD" refers to the six-month period ended June 30, 2025.

Unless otherwise indicated, all comparisons of results for Q2 2026 and 2026 YTD are in comparison to results from Q2 2025 and 2025 YTD, 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, 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 DOE”), Adjusted Operating Margin, Adjusted Resident Revenue per Occupied Suite ("REVPOS"), Adjusted DOE 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”, “Results of Operations/Adjusted Property Revenue, Adjusted Resident Revenue, Adjusted DOE, Adjusted Operating Margin, and Adjusted NOI” and “Liquidity and Capital Resources/Debt Covenants” sections of this MD&A for details on these measures.

Certain measures presented in this MD&A, including Adjusted EBITDA, are determined in accordance with definitions contained in the Trust’s credit agreements and the trust indenture governing its outstanding debentures and are used for the purposes of monitoring compliance with financial covenants. These measures are not intended to convey management’s view of the Trust’s financial performance and are not used by management as key performance measures.

Risks and Uncertainties

Refer to the “Risks and Uncertainties” section of our 2025 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 41 of this MD&A.

Highlights

The following highlights select metrics for Q2 2026 and 2026 YTD compared to Q2 2025 and 2025 YTD, respectively. Refer to the “Results of Operations” section on page 13 of this MD&A for details.

Q2 2026

- Property revenue increased $52.3 million or 19.5%.
- Net loss decreased $4.4 million.
- FFO increased $23.0 million or 34.0%, and $0.04 per unit or 16.7%.
- Same property adjusted NOI increased 11.9%.
- Same property adjusted operating margin increased 110 basis points (“bps”) to 42.5%.
- Weighted average same property occupancy up 320 bps to 94.3%.
- Same property REVPOS increased 4.6%.
- Same property NOIPOS increased 8.1%.

2026 YTD

- Property revenue increased $111.7 million or 21.8%.
- Net income decreased $20.8 million.
- FFO increased $52.4 million or 42.3%, and $0.10 per unit or 22.7%.
- Same property adjusted NOI increased 13.8%.
- Same property adjusted operating margin increased 170 bps to 42.3%.
- Weighted average same property occupancy up 360 bps to 94.4%.
- Same property REVPOS increased 4.8%.
- Same property NOIPOS increased 9.4%.

Distributions increased 2.0% effective for the March 31, 2026 distribution paid on April 15, 2026.

The following table summarizes select financial and operating performance measures:

($000s, except per unit amounts)	**Q2 2026**	Q2 2025	Change	**2026 YTD**	2025 YTD	Change
Property revenue	320,356	268,034	52,322	623,306	511,602	111,704
Direct property operating expense	187,229	159,683	27,546	366,440	309,739	56,701
Net income/(loss)	(1,339)	(5,737)	4,398	6,653	27,457	(20,804)
FFO (1)	90,524	67,553	22,971	176,102	123,722	52,380
FFO per unit (1)	0.28	0.24	0.04	0.54	0.44	0.10
G&A expenses (2)	15,788	14,126	1,662	30,490	31,209	(719)

(1) Non-GAAP; refer to the “Results of Operations/FFO” section on page 15 of this MD&A for details.
(2) Refer to the “Results of Operations/General, Administrative and Trust Expenses” section on page 19 of this MD&A for details.

The following table summarizes select non-GAAP measures for the results of our same property portfolio as at June 30, 2026. Refer to the “Results of Operations/Same Property Performance” section on page 17 of this MD&A for details:

($000s, except percentages and per occupied suite amounts)	**Q2 2026**	Q2 2025	Change	**2026 YTD**	2025 YTD	Change
Same property						
Adjusted resident revenue	199,903	184,723	15,180	398,827	366,140	32,687
Adjusted other property revenue	4,831	2,931	1,900	7,647	6,314	1,333
Adjusted property revenue	204,734	187,654	17,080	406,474	372,454	34,020
Adjusted DOE	117,794	109,936	7,858	234,608	221,414	13,194
Adjusted NOI	86,940	77,718	9,222	171,866	151,040	20,826
Adjusted operating margin	42.5%	41.4%	1.1pp	42.3%	40.6%	1.7pp
Weighted average occupancy rate	94.3%	91.1%	3.2pp	94.4%	90.8%	3.6pp
REVPOS	4,915	4,698	217	4,894	4,671	223
DOEPOS	2,896	2,796	100	2,879	2,824	55
NOIPOS	2,138	1,977	161	2,109	1,927	182

The following table summarizes select metrics related to our liquidity and debt portfolio. Refer to the “Liquidity and Capital Resources” section on page 22 of this MD&A for details.

	June 30, 2026	December 31, 2025	December 31, 2024
Net Debt to Adjusted EBITDA	7.0x	6.9x	8.4x
Interest Coverage Ratio	3.5x	3.5x	2.7x
Available liquidity *($000)*	408,056	504,043	314,295
Weighted average interest rate *(consolidated)*	3.99%	3.92%	4.30%

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.

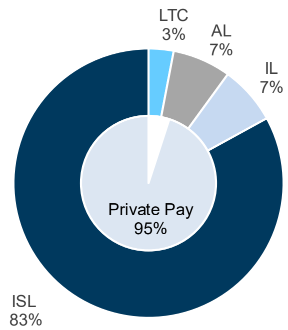
We provide resident services and care in the following settings:

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

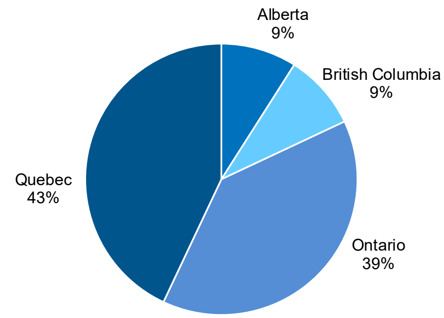
The following table and pie charts present the composition of our owned and managed portfolio of residences at June 30, 2026:

	100% Owned	Partially Owned [1]	**Total Owned**	Total Managed	**Total**
Properties	137	35	172	1	173
Suites	24,150	6,068	30,218	283	30,501

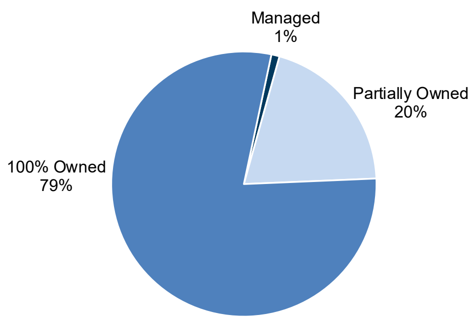
Level of Care [2]



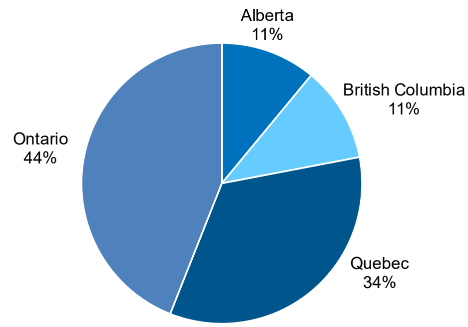
Geographic Location [3]



Ownership Interest [1]



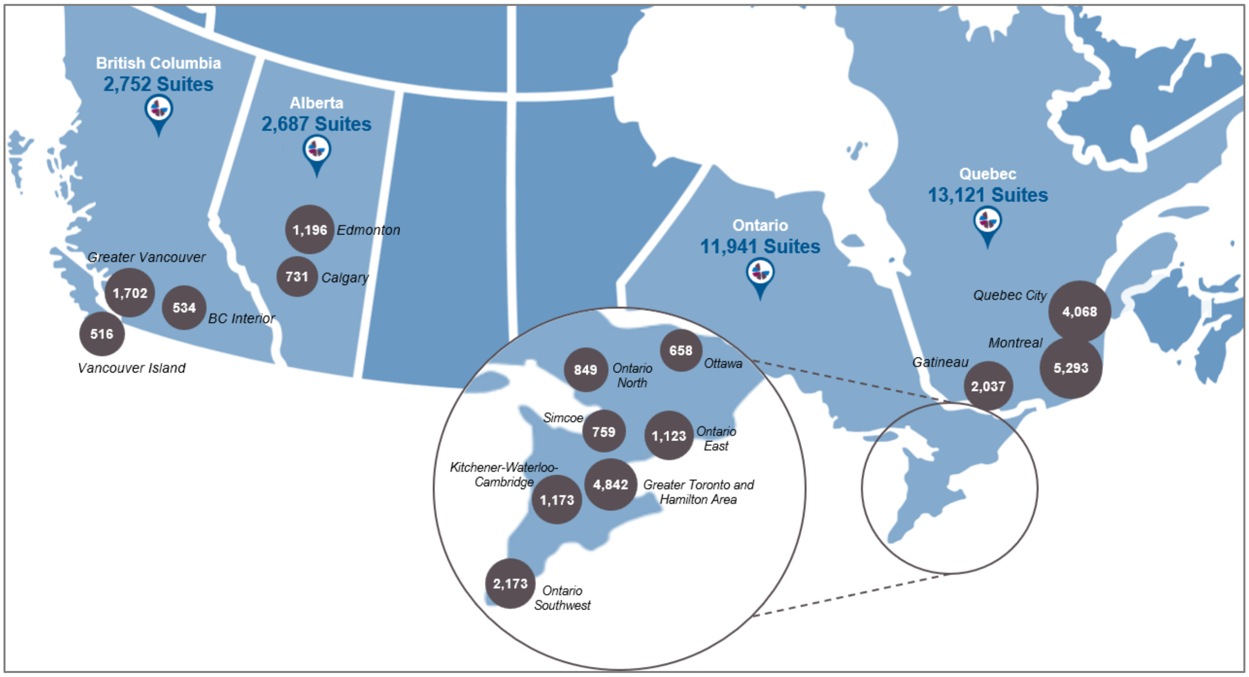
Adjusted NOI by Geographic Location [4]



(1) We have a 30% ownership interest in 23 residences (2,937 suites), 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 one residence (323 suites).
(2) Based on suites at Chartwell's share of ownership interest at June 30, 2026. 95% of our suites are private pay and 5% receive funding by local government agencies in their respective provinces.
(3) Based on suites at 100% ownership interest at June 30, 2026.
(4) Adjusted NOI % represents Chartwell's share of ownership interest for the six months ended June 30, 2026.

Property Geographic Locations

Our properties are concentrated in Canada's four largest seniors housing markets—British Columbia, Alberta, Ontario, and Quebec. The following chart maps out our property portfolio as at June 30, 2026:



Property Portfolio Groupings

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

Same property	Effective January 1, 2026, the composition of our same property portfolio includes properties that have been owned continuously and at the same ownership percentage since January 1, 2025.
Growth	Our growth portfolio includes properties whose previous fiscal year is not fully comparable to the current fiscal year. This includes properties that were acquired or had an ownership interest change subsequent to January 1, 2025. Additionally, our growth portfolio includes development properties that began operations after January 1, 2025.
Repositioning	Our repositioning portfolio includes properties whose previous fiscal year is not fully comparable to the current fiscal year. It includes properties 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. Prior periods also include properties that have been sold.

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

The following table summarizes the composition of each portfolio grouping as at June 30, 2026:

	Properties	Composition of Suites					
		IL	ISL	AL	LTC	Total	Total at Chartwell's Share of Ownership
Same property							
100% Owned	85	936	10,865	1,101	326	13,228	13,228
Partially Owned (1)	9	198	1,982	131	-	2,311	1,156
Total same property	94	1,134	12,847	1,232	326	15,539	14,384
Growth							
100% Owned	32	626	7,007	444	-	8,077	8,077
Partially Owned (2)	18	147	2,240	225	-	2,612	850
Total growth	50	773	9,247	669	-	10,689	8,927
Repositioning							
100% Owned	20	58	2,250	151	386	2,845	2,845
Partially Owned (3)	8	17	713	415	-	1,145	571
Total repositioning	28	75	2,963	566	386	3,990	3,416
Total portfolio	**172**	**1,982**	**25,057**	**2,467**	**712**	**30,218**	**26,727**

(1) We own a 50% interest in nine properties.
(2) We own a 30% interest in 17 properties and a 50% interest in one property.
(3) We own a 30% interest in six properties, a 60% interest in one property and an 85% interest in one property.

Business Strategy

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**.

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

	Target	Results
Same Property Performance (1)		
Weighted average occupancy	> 95%	94.4%
REVPOS growth	> 4%	4.8%
DOEPOS growth	< 4%	1.9%
Balance Sheet		
Net Debt to Adjusted EBITDA (2)	< 7.5x	7.0x
Interest Coverage Ratio (3)	> 3.0x	3.5x
FFO Payout Ratio (4)	< 60%	56.7%
Capital		
Acquisitions and Developments (5)	$2 billion	$903.8 million
Dispositions (6)	$1 billion	$166.9 million

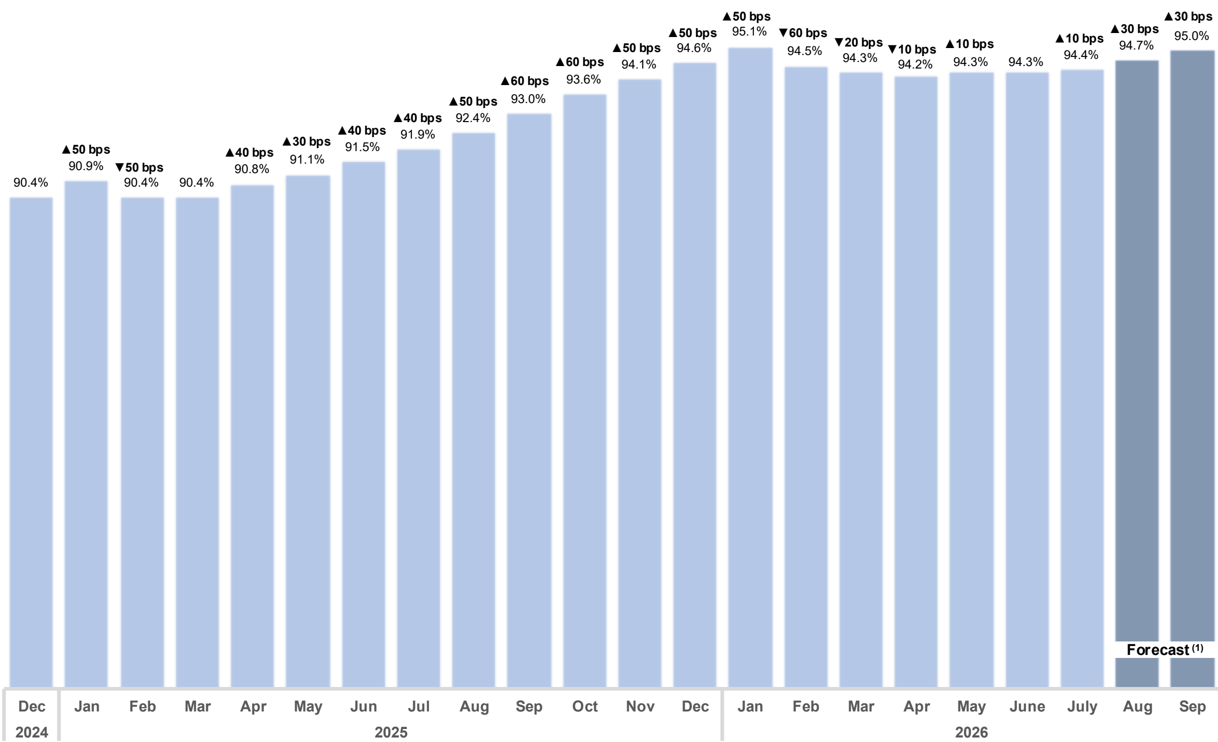
(1) Non-GAAP; refer to the "Results of Operations/Same Property Performance" section on page 17 of this MD&A.
(2) Non-GAAP; refer to the "Debt Covenant Calculations/Net Debt to Adjusted EBITDA" section on page 38 of this MD&A.
(3) Non-GAAP; refer to the "Debt Covenant Calculations/Interest Coverage Ratio for Debentures" section on page 36 of this MD&A.
(4) Non-GAAP; refer to the "Additional Information on Non-GAAP Measures/FFO Payout Ratio" section on page 33 of this MD&A.
(5) Non-GAAP; Target refers to the cumulative aggregate purchase price of acquisitions at Chartwell's share of ownership plus adjusted development costs of completed projects for the three-year period ending December 31, 2028. Results include completed acquisitions as of the date of this MD&A.
(6) Non-GAAP; Target refers to the cumulative aggregate gross sale price of dispositions for the three-year period ending December 31, 2028. Results include completed dispositions as of the date of this MD&A.

2026 Outlook

Our 2025 MD&A contains a detailed discussion of our 2026 Outlook; the following provides an update.

Operations

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



(1) *Forecast includes leases and notices as at July 31, 2026, and an estimate of mid-month move-ins of 20 bps for August and 40 bps for September, 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 continued strong leasing 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 $11.9 million and a one percentage point change in occupancy is estimated at $12.7 million.

Liquidity and Financing

As at August 6, 2026, liquidity amounted to $614.2 million, which included $219.2 million of cash and cash equivalents and $395.0 million of available borrowing capacity on our Credit Facility.

In addition, as at June 30, 2026, we could increase our debt and corresponding liquidity by $246.6 million and remain below our 7.5x net debt to adjusted EBITDA ratio target.

We finance our operations primarily through long-term fixed-rate mortgage debt, the majority of which are insured by Canada Mortgage and Housing Corporation ("CMHC"). We maintain an investment grade credit rating which allows us to issue unsecured debentures and obtain unsecured bank financing at attractive cost. We will continue to utilize these financing tools to balance cost, flexibility, and tenure of our debt portfolio. As of the date of this MD&A, for the remainder of 2026, our debt maturities include $227.1 million of mortgages with a weighted average interest rate of 2.8% and senior unsecured debentures of $250.0 million with an interest rate of 6.0%. As at August 6, 2026, we estimate the 10-year CMHC-insured mortgage rate to be approximately 4.17% and the five-year unsecured debenture rate to be approximately 4.38%.

Taxation

In 2026, we expect to incur SIFT tax payable primarily driven by taxable income arising from property dispositions completed and announced during the year. This includes the sale of nine non-core properties in Ontario and the planned disposition of Ballycliffe LTC (refer to the "Significant Events/Dispositions" section on page 12 of this MD&A).

The expected tax reflects the impact of recapture of capital cost allowance and capital gains associated with these transactions. We continue to assess available tax planning opportunities to manage and mitigate cash taxes where appropriate.

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 2026 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. Upon completion of announced transactions, the remaining non-core portfolio is expected to represent approximately 4,000 suites. 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

Completed Developments

In 2025, we completed the redevelopment of Chartwell Ballycliffe LTC, located in Ajax, Ontario, expanding the home from 100 to 224 beds. As at June 30, 2026, we received an $11.5 million grant from the Ontario Ministry of Long Term Care. On May 1, 2026, we entered into a definitive agreement to sell this property (refer to the "Dispositions" section following for details).

Development Projects in Construction

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

Project	Location	Suites / Beds	Suite Type	Chartwell Ownership	Estimated Development Cost [1] ($ millions)	Estimated Imputed Cost of Debt [1][2] ($millions)	Estimated Adjusted Development Costs [1][2] ($millions)	Adjusted Development Costs [1][2] incurred as at June 30, 2026 ($millions)	Expected Completion Date	Expected Stabilized Occupancy Date	Expected Stabilized Occupancy	Estimated Stabilized NOI [1][2] ($millions)	Expected Unlevered Yield [2]
Chartwell Le Prescott II	Vaudreuil-Dorion, QC	247	IL, AL	50%	47.1	1.0	48.1	24.6	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	21.6	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	22.1	Q4 2026	Q1 2028	97.5%	2.5	7.4%
		527			**117.0**	**3.6**	**120.6**	**68.3**					

(1) Calculated at Chartwell's ownership interest in the project.

(2) Non-GAAP; refer to the "Additional Information on Non-GAAP Measures/Expected Unlevered Yield" section on page 36 of this MD&A for the definition of these metrics and the discussion of significance.

Development Projects with Third-Party Developers

In addition to development projects where we make direct equity investments, we may participate in select 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, with or without initial equity ownership in the underlying development. Since the beginning of Q2 2026 and as of the date of this MD&A, we have entered into four new development arrangements with third-party developers.

In the province of Quebec, 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, which have been subsequently amended, Batimo has the right, upon a property achieving specified stabilized occupancy levels, to require us to acquire a 100% ownership interest in the property at a price based on fair market value, as defined in the agreements. This right is exercisable for a defined period following stabilization.

We have adopted a revised ownership structure for the Chartwell Le Prescott II project currently in 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 Batimo may require Chartwell to purchase, or Chartwell may require Batimo to sell, 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 12 properties (3,848 suites) from Batimo.

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

The following table summarizes the status of current projects by third-party developers as of the date of this MD&A:

Project	Location	Partner	Suites	Suite Type	Current Project Status [(1)]	Expected Completion Date	Expected Stabilized Occupancy Date
Chartwell Kingsview	Calgary, AB	Cornerstone	111	IL, ISL	C	August 2027	Q2 2029
Résidence Légende II	Longueuil, QC	Batimo	218	IL, ISL	C	March 2028	Q1 2030
Century Park	Edmonton, AB	Eagle Builders	262	IL, ISL, AL	P	May 2028	Q2 2030
Chartwell Carrington Apartments	Vernon, BC	Troika	146	IL, ISL	P	September 2028	Q3 2030
Chartwell Summerlea	Edmonton, AB	Hestia	202	IL, ISL	C	November 2028	Q4 2030
			939				

(1) Current project status is defined where 'C' means in Construction, and 'P' means Pre-construction.

Acquisitions

On March 2, 2026, we acquired the remaining 15% ownership interest in Chartwell L'Unique, a 421-suite retirement residence in the Saint-Eustache suburb of Montreal, Quebec from Batimo for $18.8 million before working capital adjustments and closing costs. The purchase price was partially settled through the proportionate assumption of a $6.5 million mortgage, with the balance settled in cash. We now have a 100% ownership interest in this residence.

On April 2, 2026, we completed the acquisition of six seniors housing communities comprising 1,024 suites located in London, Waterloo, and Mississauga, Ontario for a total purchase price of $416.2 million. The purchase price at closing was partially settled through the assumption of $229.2 million of mortgages, the majority of which are CMHC-insured, with a weighted average interest rate of 4.50% and weighted average remaining term of 18.9 years. The remainder of the purchase price, subject to normal working capital and other closing adjustments was settled in cash. In addition, we entered into a forward purchase agreement to acquire 29 townhomes currently under development in London, Ontario for a purchase price of $15.8 million subject to normal working capital and other closing adjustments. This acquisition is expected to close upon construction completion which is anticipated in Q1 2027.

On June 2, 2026, we completed the acquisition of a 30% ownership interest in the Seasons Retirement Communities portfolio (the "Portfolio") through a joint arrangement with Fengate Asset Management ("Fengate"). The Portfolio includes 23 seniors housing communities comprising 2,943 suites in Ontario, British Columbia and Alberta. We will manage the operations of these residences. The purchase price for our interest was $382.5 million and was partially satisfied through the proportionate assumption of approximately $208.8 million of mortgages with a weighted average interest rate of 4.46% and a weighted average term to maturity of 5.0 years, with the remainder paid in cash. Under our agreement with Fengate, both parties have contractual rights that are expected to result in our acquiring an additional 20% ownership interest in the Portfolio upon the achievement of specified milestones.

On June 3, 2026, we completed the acquisition of Palermo Village Retirement Residence, comprising 116 suites in Oakville, Ontario for $43.0 million which was settled in cash.

On July 16, 2026, we completed the acquisition of a 50% ownership interest in Chartwell Le Montcalm, a 283-suite retirement residence in Candiac, Quebec, for a purchase price of $43.3 million before closing costs and working capital adjustments. The purchase price included the proportionate assumption of the $22.3 million mortgage bearing interest at 6.0% maturing on October 1, 2026, with the balance settled in cash.

On August 4, 2026, we entered into a definitive agreement to acquire a 100% ownership interest in a retirement residence located in the Greater Toronto Area, for a purchase price of $136.0 million. This transaction is expected to close in Q3 2026.

Dispositions

On March 24, 2026, we completed the sale of one non-core property in Ottawa, Ontario for $49.0 million.

On May 1, 2026, we entered into a definitive agreement to sell Chartwell Ballycliffe LTC in Ajax, Ontario for $68.3 million. The transaction is subject to customary adjustments in accordance with the terms of the purchase and sale agreement and, subject to regulatory and other required approvals, is expected to close in Q4 2026

On May 25, 2026, we entered into a definitive agreement to sell one non-core property located in Victoriaville, Quebec for $8.0 million. This transaction is expected to close in Q4 2026.

On July 2, 2026, we completed the sale of nine non-core properties in Ontario for $117.9 million. Net proceeds were $82.3 million, after $2.0 million of transaction costs and repayment of $33.6 million of mortgages with a weighted average interest rate of 3.30% and weighted average term to maturity of 4.3 years.

On August 4, 2026, we entered into a definitive agreement to sell one property in Ontario for $91.0 million. This transaction is subject to customary adjustments in accordance with the terms of the purchase and sale agreement and is expected to close in Q3 2026. This property has an in-place CMHC-insured mortgage with an outstanding balance of $21.3 million, bearing interest at 3.13% and maturing in 2028.

On August 4, 2026, we entered into a definitive agreement to sell one non-core property in Ontario for $41.8 million. This transaction is subject to customary adjustments in accordance with the terms of the purchase and sale agreement and is expected to close in Q3 2026.

Repositioning

On March 10, 2026, a property in Mission, British Columbia experienced a fire affecting a portion of the building (71 suites) which has been vacated and is expected to be repaired. The unaffected portion of the building (55 suites) continues to operate. We maintain insurance coverage and expect to recover the reconstruction costs and any business losses.

Financing

At-the-Market Program

On November 6, 2025, we filed a new prospectus supplement to renew our at-the-market equity distribution program (the “2025 ATM Program”) to allow us to issue up to $500.0 million of Trust Units from treasury to the public from time to time. During the six months ended June 30, 2026, we issued an aggregate 6,755,772 Trust Units under the 2025 ATM Program at an average price of $21.08 per Trust Unit for total gross proceeds of $142.4 million. Commission and other costs amounted to $2.1 million. The 2025 ATM Program was terminated on May 7, 2026, with approximately $382.4 million of cumulative Trust Units issued and sold under the program.

On May 7, 2026, we filed a new final base shelf prospectus and a new prospectus supplement for the ATM Program (the “2026 ATM Program”) to allow us to issue up to an additional $500.0 million of Trust Units. The 2026 ATM Program is expected to remain in place until June 7, 2029, 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 2026 ATM Program. During the three months ended June 30, 2026, we used an aggregate 3,343,539 Trust Units under the 2026 ATM Program at an average price of $21.74 per Trust Unit for total gross proceeds of $72.7 million. Commission and other costs amounted to $1.3 million.

Credit Facility

On June 30, 2026, we amended our agreements, combining our secured and unsecured credit facilities into a single $400.0 million credit facility (the "Credit Facility") and extending the maturity to May 29, 2031. Refer to the "Liquidity and Capital Resources/Debt/Credit Facility" section on page 25 of this MD&A for details.

Credit Rating

On May 7, 2026, DBRS upgraded our Issuer Rating and Senior Unsecured Debentures credit rating to BBB from BBB (low) and changed the trends to Stable from Positive, as described in their report. Details are available on the DBRS website at 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 June 30, 2026:

Joint Arrangements	# of Properties	Suites/Beds	Chartwell Ownership	Joint Arrangement Type	Consolidation Method
Held directly:					
Chartwell-Champlain Landlord ("CCL")	5	1,807	50%	Joint operation	Proportionate
The Sumach by Chartwell	1	332	50%	Joint operation	Proportionate
Chartwell Le Prescott	1	323	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
Held through separate legal entities:					
Chartwell-Champlain Operator	1	Same as CCL	Same as CCL	Joint venture	Equity
Chartwell Oakville Retirement Residence	1	147	50%	Joint venture	Equity
Chartwell Thornhill Retirement Residence	1	121	50%	Joint venture	Equity
Kingsbridge Retirement Community	1	165	60%	Joint venture	Equity
Chartwell-Fengate	23	2,937	30%	Joint venture	Equity

Results of Operations

Net Income/(Loss)

The following table summarizes select financial measures:

($000s)	**Q2 2026**	Q2 2025	Change	**2026 YTD**	2025 YTD	Change
Property revenue	320,356	268,034	52,322	623,306	511,602	111,704
Direct property operating expense	187,229	159,683	27,546	366,440	309,739	56,701
Net income/(loss)	(1,339)	(5,737)	4,398	6,653	27,457	(20,804)

For Q2 2026, property revenue increased $52.3 million or 19.5%, and direct property operating expense increased $27.5 million or 17.3%. Refer to the “Adjusted Property Revenue, Adjusted DOE, Adjusted Operating Margin, and Adjusted NOI” section on page 16 of this MD&A for details.

For Q2 2026, net loss was $1.3 million compared to net loss of $5.7 million in Q2 2025 primarily due to:

- higher property revenue, and
- higher reversal of impairment expense,

partially offset by:

- higher direct property operating expense,
- higher depreciation of PP&E,
- higher deferred tax expense,
- higher finance costs, and
- higher G&A expenses.

For 2026 YTD, property revenue increased $111.7 million or 21.8%, and direct property operating expense increased $56.7 million or 18.3%. Refer to the “Adjusted Property Revenue, Adjusted DOE, Adjusted Operating Margin, and Adjusted NOI” section on page 16 of this MD&A for details.

For 2026 YTD, net income was $6.7 million compared to $27.5 million in 2025 YTD that included the gain on sale of $60.3 million due to the completed Welltower Transaction. The remaining differences are primarily due to:

- higher direct property operating expense,
- higher depreciation of PP&E,
- higher deferred tax expense, and
- higher finance costs,

partially offset by:

- higher property revenue,
- no current income tax expense in 2026 YTD as compared to income tax expense in 2025 YTD,
- lower negative changes in fair value of financial instruments,
- lower transaction costs related to dispositions, and
- higher reversal of impairment expense.

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 31 of this MD&A.

We believe that the use of FFO, combined with the required primary GAAP presentations, is beneficial to the users of 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 31 of this MD&A for the reconciliation of net income/(loss), the most closely comparable GAAP measure, to FFO and FFO per unit ("FFOPU") amounts.

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

($000s, except per unit amounts and number of units)	**Q2 2026**	Q2 2025	Change	**2026 YTD**	2025 YTD	Change
FFO [1]	90,524	67,553	22,971	176,102	123,722	52,380
FFOPU [2]	0.28	0.24	0.04	0.54	0.44	0.10
Weighted average number of units (000) [3]	327,251	285,514	41,737	323,832	281,749	42,083

(1) Non-GAAP; refer to the "Additional Information on Non-GAAP Measures/FFO" section on page 32 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 35 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 35 of this MD&A.

For Q2 2026, FFO was $90.5 million or $0.28 per unit, compared to $67.6 million or $0.24 per unit for Q2 2025. FFO does not include $2.8 million or $0.01 per unit of income guarantees related to recently acquired properties. The change in FFO was primarily due to:

- higher adjusted NOI of $27.6 million,

partially offset by:

- higher finance costs of $4.0 million, and
- higher G&A expenses of $1.7 million.

For 2026 YTD, FFO was $176.1 million or $0.54 per unit, compared to $123.7 million or $0.44 per unit for 2025 YTD. FFO does not include $6.0 million or $0.02 per unit of income guarantees related to recently acquired properties. The change in FFO was primarily due to:

- higher adjusted NOI of $55.3 million,

partially offset by:

- higher finance costs of $4.5 million.

Adjusted Property Revenue, Adjusted Resident Revenue, Adjusted DOE, Adjusted Operating Margin, and Adjusted NOI

The tables on the following pages of this section summarize our adjusted property revenue, adjusted resident revenue, adjusted DOE, adjusted operating margin, and adjusted NOI, which are each non-GAAP measures, and also include supplemental disclosures 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 4 of this MD&A.

The measure of profit or loss is adjusted NOI which is adjusted property revenue less adjusted DOE. 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 DOE 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. Refer to the "Additional Information on Non-GAAP measures" section on page 31 of this MD&A for the reconciliation of property revenue and direct property operating expense from our financial statements to adjusted property revenue and adjusted DOE, and from NOI to adjusted NOI.

Total Portfolio Performance

The following table summarizes the results of our total property portfolio as at June 30, 2026:

($000s, except percentages)	**Q2 2026**	Q2 2025	Change	**2026 YTD**	2025 YTD	Change
Total portfolio						
Adjusted resident revenue [(1)]	330,475	273,273	57,202	640,941	532,469	108,472
Adjusted other property revenue [(1)]	6,263	4,483	1,780	10,443	9,240	1,203
Adjusted property revenue [(1)]	336,738	277,756	58,982	651,384	541,709	109,675
Adjusted DOE [(1)]	196,925	165,496	31,429	382,767	328,435	54,332
Adjusted NOI [(1)]	139,813	112,260	27,553	268,617	213,274	55,343
Adjusted operating margin [(1)]	41.5%	40.4%	1.1pp	41.2%	39.3%	1.9pp
Weighted average occupancy rate	93.0%	90.9%	2.1pp	93.0%	90.4%	2.6pp

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

For Q2 2026, adjusted NOI increased $27.6 million or 24.5% from higher adjusted property revenue of $59.0 million or 21.2% and higher adjusted DOE of $31.4 million or 19.0%.

For 2026 YTD, adjusted NOI increased $55.3 million or 25.9% from higher adjusted property revenue of $109.7 million or 20.2% and higher adjusted DOE of $54.3 million or 16.5%.

Same Property Performance

The following table summarizes the results of our same property portfolio as at June 30, 2026:

($000s, except percentages)	**Q2 2026**	Q2 2025	Change	**2026 YTD**	2025 YTD	Change
Same property [(1)]						
Adjusted resident revenue [(2)]	199,903	184,723	15,180	398,827	366,140	32,687
Adjusted other property revenue [(2)]	4,831	2,931	1,900	7,647	6,314	1,333
Adjusted property revenue [(2)]	204,734	187,654	17,080	406,474	372,454	34,020
Adjusted DOE [(2)]	117,794	109,936	7,858	234,608	221,414	13,194
Adjusted NOI [(2)]	86,940	77,718	9,222	171,866	151,040	20,826
Adjusted operating margin [(2)]	42.5%	41.4%	1.1pp	42.3%	40.6%	1.7pp
Weighted average occupancy rate	94.3%	91.1%	3.2pp	94.4%	90.8%	3.6pp
REVPOS [(3)]	4,915	4,698	217	4,894	4,671	223
DOEPOS [(3)]	2,896	2,796	100	2,879	2,824	55
NOIPOS [(3)]	2,138	1,977	161	2,109	1,927	182

(1) Non-GAAP; refer to the "Property Portfolio Groupings" section on page 6 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 DOE', 'adjusted NOI', and 'adjusted operating margin' for the significance of these metrics.
(3) Non-GAAP, refer to the "Additional Information on Non-GAAP Measures/Per Occupied Suite" section on page 35 of this MD&A for details.

For Q2 2026, same property adjusted resident revenue increased 8.2% primarily due to higher occupancy and a 4.6% increase in REVPOS.

For Q2 2026, same property adjusted DOE increased 7.1% primarily due to higher staffing costs, marketing expenses, food costs, and management costs. DOEPOS increased 3.6% in Q2 2026.

For Q2 2026, same property adjusted NOI increased $9.2 million or 11.9% and NOIPOS increased 8.1%. Same property adjusted operating margin also increased to 42.5% in Q2 2026 from 41.4% in Q2 2025.

The following identifies same property adjusted NOI trends by platform for Q2 2026:
- Our Western Canada platform same property adjusted NOI increased $4.4 million or 19.5%.
- Our Ontario platform same property adjusted NOI increased $3.0 million or 7.4%.
- Our Quebec platform same property adjusted NOI increased $1.8 million or 12.3%.

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

	Q2 2026	Q2 2025	Change	Q1 2026	Change
Western Canada	95.4%	93.0%	2.4pp	95.1%	0.3pp
Ontario	92.8%	89.8%	3.0pp	93.7%	(0.9pp)
Quebec	95.2%	91.3%	3.9pp	95.4%	(0.2pp)
Same property portfolio	94.3%	91.1%	3.2pp	94.6%	(0.3pp)

In Q2 2026, weighted average occupancy in our same property portfolio was 94.3%, compared to 91.1% in Q2 2025, an increase of 3.2 percentage points. All platforms experienced occupancy gains in Q2 2026 compared to Q2 2025. In Q2 2026, same property portfolio occupancy decreased 0.3 percentage points from Q1 2026.

For 2026 YTD, same property adjusted resident revenue increased 8.9% primarily due to higher occupancy and a 4.8% increase in REVPOS. Included in 2026 YTD adjusted resident revenue was $1.4 million of government funding in Western Canada related to prior periods.

For 2026 YTD, same property adjusted DOE increased 6.0% primarily due to higher staffing costs, food costs, marketing expenses, office and general expenses, and management costs. DOEPOS increased 1.9% 2026 YTD.

For 2026 YTD, same property adjusted NOI increased $20.8 million or 13.8% and NOIPOS increased 9.5%. Same property adjusted operating margin also increased to 42.3% in 2026 YTD from 40.6% in 2025 YTD.

The following identifies same property adjusted NOI trends by platform for 2026 YTD:

- Our Western Canada platform same property adjusted NOI increased $9.3 million or 21.1%.
- Our Ontario platform same property adjusted NOI increased $7.0 million or 9.0%.
- Our Quebec platform same property adjusted NOI increased $4.5 million or 15.6%.

Growth and Repositioning Performance

The following table summarizes the results of our growth portfolio and repositioning portfolio as at June 30, 2026:

($000s, except percentages)	**Q2 2026**	Q2 2025	Change	**2026 YTD**	2025 YTD	Change
Growth (1)						
Adjusted resident revenue (2)	87,097	51,159	35,938	156,858	85,152	71,706
Adjusted other property revenue (2)	1,093	863	230	2,098	1,472	626
Adjusted property revenue (2)	88,190	52,022	36,168	158,956	86,624	72,332
Adjusted DOE (2)	48,723	28,574	20,149	87,904	49,013	38,891
Adjusted NOI (2)	39,467	23,448	16,019	71,052	37,611	33,441
Adjusted operating margin (2)	44.8%	45.1%	(0.3pp)	44.7%	43.4%	1.3pp
Weighted average occupancy rate	90.7%	91.2%	(0.5pp)	90.7%	90.8%	(0.1pp)
Repositioning (1)						
Adjusted resident revenue (2)	43,475	37,391	6,084	85,256	81,177	4,079
Adjusted other property revenue (2)	339	689	(350)	698	1,454	(756)
Adjusted property revenue (2)	43,814	38,080	5,734	85,954	82,631	3,323
Adjusted DOE (2)	30,408	26,986	3,422	60,255	58,008	2,247
Adjusted NOI (2)	13,406	11,094	2,312	25,699	24,623	1,076
Adjusted operating margin (2)	30.6%	29.1%	1.5pp	29.9%	29.8%	0.1pp
Weighted average occupancy rate	93.3%	89.2%	4.1pp	93.3%	88.7%	4.6pp

(1) Non-GAAP; refer to the “Property Portfolio Groupings” section on page 6 of this MD&A for explanation of ‘Growth’ and ‘Repositioning’ and the significance of these metrics.
(2) Non-GAAP; refer to the preamble in this section for explanations of ‘adjusted property revenue’, ‘adjusted resident revenue’, ‘adjusted DOE’, ‘adjusted NOI’, and ‘adjusted operating margin’ for the significance of these metrics.

The results of our growth portfolio and repositioning portfolio may not be directly comparable to prior periods as the composition of each portfolio may change between reporting periods due to acquisitions, dispositions and property reclassifications.

Management and Other Fees

($000s)	**Q2 2026**	Q2 2025	Change	**2026 YTD**	2025 YTD	Change
Welltower	-	-	-	-	611	(611)
Others	1,220	952	268	2,043	2,210	(167)
Total management and other fees	1,220	952	268	2,043	2,821	(778)

Management and other fees increased $0.3 million in Q2 2026 primarily due to completion of Fengate transaction in Q2 2026. Management and other fees decreased $0.8 million in 2026 YTD, primarily due to the completion of the Welltower Transaction in Q1 2025 and following the acquisition of certain Batimo properties in 2025.

Interest Income

($000s)	**Q2 2026**	Q2 2025	Change	**2026 YTD**	2025 YTD	Change
Interest income on loans receivable	280	1,055	(775)	683	2,217	(1,534)
Other interest income	1,213	270	943	2,875	523	2,352
Total interest income	1,493	1,325	168	3,558	2,740	818

Interest income on loans receivable decreased $0.8 million and $1.5 million in Q2 2026 and 2026 YTD, respectively, primarily due to lower average loan balances following the repayment of two vendor take back loans.

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

General, Administrative and Trust Expenses

($000s)	**Q2 2026**	Q2 2025	Change	**2026 YTD**	2025 YTD	Change
G&A expenses	15,788	14,126	1,662	30,490	31,209	(719)

G&A expenses increased $1.7 million in Q2 2026 compared to the prior year. The increase was primarily due to higher performance-based compensation of $2.0 million, a $0.4 million increase in technology platform investments and timing of G&A expenses. These increases were partially offset by $1.4 million lower marketing costs related to the timing of initiatives.

For 2026 YTD, G&A expenses decreased $0.7 million compared to the prior year. The decrease was primarily due to $2.2 million of lower marketing costs related to the timing of initiatives, $1.2 million reduction in unit-based compensation costs due to the decrease in value of our Trust units and timing of G&A expenses. These decreases were partially offset by higher performance-based compensation of $2.0 million and a $1.1 million increase in technology platform investments.

Finance Costs

($000s)	**Q2 2026**	Q2 2025	Change	**2026 YTD**	2025 YTD	Change
Contractual interest expense on mortgages	23,398	20,427	2,971	43,631	38,859	4,772
Comprised of:						
Same property (1)	*13,790*	*13,213*	*577*	*27,322*	*25,685*	*1,637*
Growth (1)	*7,939*	*4,726*	*3,213*	*12,955*	*7,767*	*5,188*
Repositioning (1)	*1,669*	*2,488*	*(819)*	*3,354*	*5,407*	*(2,053)*
Interest expense on Debentures (2)	9,449	9,882	(433)	18,795	17,926	869
Interest expense on Credit Facility	443	686	(243)	743	2,356	(1,613)
Interest expense on Loans Payable	-	-	-	-	1,374	(1,374)
	33,290	30,995	2,295	63,169	60,515	2,654
Amortization of finance costs and mark-to-market adjustments on assumed mortgages	1,858	1,441	417	3,266	3,117	149
	35,148	32,436	2,712	66,435	63,632	2,803
Interest capitalized to properties under development	(574)	(801)	227	(939)	(1,617)	678
Distributions on Class B Units recorded as interest expense	226	224	2	449	452	(3)
Total finance costs	34,800	31,859	2,941	65,945	62,467	3,478

(1) Non-GAAP; refer to the "Property Portfolio Groupings" section on page 6 of this MD&A for explanations of 'Same property', 'Growth', and 'Repositioning' and the significance of these metrics.

(2) "Debentures" refers collectively to the "Series B Debentures", the "Series C Debentures", the "Series D Debentures", the "Series E Debentures", and the "Series F Debentures". Refer to the "Liquidity and Capital Resources/Debt/Debentures" section on page 26 of this MD&A for details.

Contractual interest expense on mortgages increased $3.0 million and $4.8 million in Q2 2026 and 2026 YTD, respectively, primarily due to higher balances outstanding during the period. Refer to the "Liquidity and Capital Resources/Debt/Mortgage Debt" section on page 24 of this MD&A for details.

Interest expense on debentures decreased $0.4 million in Q2 2026, primarily due to lower average balances. Interest expense on debentures increased by $0.9 million in 2026 YTD primarily due to higher debenture balances, partially offset by lower interest rates. Refer to the “Liquidity and Capital Resources/ Debt/Debentures” section on page 26 of this MD&A for details.

Interest expense on the Credit Facility decreased $0.2 million in Q2 2026 primarily due to lower interest rates and lower average balances. Interest expenses on the Credit Facility decreased $1.6 million in 2026 YTD, primarily due to lower balances outstanding. Refer to the “Liquidity and Capital Resources/Debt/Credit Facility” section on page 25 of this MD&A for details.

Interest expense on Loans Payable decreased $1.4 million in 2026 YTD primarily due to the repayment of the outstanding term loan and Welltower loans in Q1 2025.

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

($000s)	**Q2 2026**	Q2 2025	Change	**2026 YTD**	2025 YTD	Change
Contractual interest expense on mortgages	1,652	635	1,017	2,236	1,242	994
Comprised of:						
Same property [1]	*227*	*233*	*(6)*	*458*	*465*	*(7)*
Growth [1]	*953*	*-*	*953*	*953*	*-*	*953*
Repositioning [1]	*472*	*402*	*70*	*825*	*777*	*48*
Amortization of finance costs	13	8	5	60	16	44
Total finance costs	1,665	643	1,022	2,296	1,258	1,038

(1) Non-GAAP; refer to the “Property Portfolio Groupings” section on page 6 of this MD&A for explanations of ‘Same property’ and ‘Growth’ and the significance of these metrics.

Other Income/(Expense)

($000s)	**Q2 2026**	Q2 2025	Change	**2026 YTD**	2025 YTD	Change
Transaction costs	(1,196)	(1,674)	478	(1,499)	(6,131)	4,632
Impairment reversal	3,549	1,963	1,586	3,549	1,963	1,586
Other expense	(45)	(365)	(320)	(1,492)	(346)	(1,146)
Gain/(loss) on disposal of assets	(409)	249	(658)	2,011	60,501	(58,490)
Other income	525	-	525	2,215	-	2,215
Total other income/(expense)	2,424	173	2,251	4,784	55,987	(51,203)

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

Net impairment reversal increased $1.6 million in Q2 2026 and 2026 YTD due to higher net reversal of previously recognized impairment charges on two non-core properties that are expected to be sold during 2026 partially offset by a new impairment charge on another non-core property.

Gain (loss) on disposal of assets decreased $58.5 million in 2026 YTD primarily due to the gain that was recognized on the completion of the Welltower Transaction in Q1 2025.

Other expense of $1.5 million and other income of $2.2 million in 2026 YTD, respectively, primarily relate to the fire incident at our Mission, B.C. residence, including associated losses and insurance recoverables.

Other Items

($000s)	Q2 2026	Q2 2025	Change	2026 YTD	2025 YTD	Change
Depreciation of PP&E and amortization of intangible assets	(75,018)	(60,133)	(14,885)	(142,550)	(113,291)	(29,259)
Change in fair value of financial instruments	(6,867)	(7,608)	741	(7,311)	(13,087)	5,776
Current income tax benefit/expense)	-	157	(157)	-	(7,968)	7,968
Deferred income tax benefit/(expense)	(9,797)	(5,962)	(3,835)	(21,183)	(17,579)	(3,604)

Depreciation of PP&E and amortization of intangible assets increased $14.9 million and $29.3 million in Q2 2026, and 2026 YTD, respectively, primarily due to acquisitions.

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

Current tax benefit/(expense) changed by $8.0 million in 2026 YTD primarily due to the taxes payable in connection with the Welltower Transaction completed in Q1 2025.

Deferred income tax benefit/(expense) increased by $3.8 million in Q2 2026 and $3.6 million in 2026 YTD, 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 Q2 2026 and Q2 2025 using our consolidated statements of cash flows:

Cash Provided by (Used in):	**Increase (Decrease)** *($millions)*	**Explanation**
Operating activities	26.4	Change in cash flows from operating activities is primarily due to: • higher NOI, and • changes in working capital, partially offset by: • higher interest paid, and • lower interest income.
Financing activities	117.0	Change in cash flows from financing activities is primarily due to: • no repayments of senior unsecured debentures in Q2 2026 compared to repayments of senior unsecured debentures in Q2 2025, • lower mortgage repayments, • draws on our Credit Facility in Q2 2026 compared to no draws in Q2 2025, and • lower additions to finance costs, partially offset by: • lower proceeds from mortgage financing activities, • lower proceeds from the ATM Program, and • higher distributions due to additional Trust Units issued.
Investing activities	(323.7)	Change in cash flows from investing activities is primarily due to: • contributions to joint ventures in Q2 2026 as compared to no contributions to joint ventures in Q2 2025, • higher acquisitions of assets, and • higher additions to PP&E and intangible assets, partially offset by: • higher repayments of loans receivable, and • distributions received from joint ventures in Q2 2026 compared to no distributions received from joint ventures in Q2 2025.

The following table summarizes the significant changes in our operating, financing, and investing cash flows between 2026 YTD and 2025 YTD using our consolidated statements of cash flows:

Cash Provided by (Used in):	Increase (Decrease) *($millions)*	Explanation
Operating activities	18.8	Change in cash flows from operating activities is primarily due to: • higher NOI, and • higher interest income, partially offset by: • changes in working capital, and • higher interest paid.
Financing activities	53.8	Change in cash flows from financing activities is primarily due to: • lower mortgage repayments, • draws on our Credit Facility in 2026 YTD compared to repayment of our credit facilities in 2025 YTD, • no repayments of loans payable in 2026 YTD compared to repayments of loans payable in 2025 YTD, and • lower additions to finance costs, partially offset by: • no proceeds from senior unsecured debentures in 2026 YTD compared to proceeds from senior unsecured debentures in 2025 YTD, • lower proceeds from mortgage financing activities, • lower proceeds from the ATM Program, and • higher distributions due to additional Trust Units issued.
Investing activities	(154.8)	Change in cash flows from investing activities is primarily due to: • higher contributions to joint ventures, • lower proceeds from disposition of PP&E, and • higher additions to PP&E and intangible assets, partially offset by: • lower acquisitions of assets, and • lower repayments of loans receivables.

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, credit facilities, secured and unsecured term loans, senior unsecured debentures and equity financing.

At June 30, 2026, our liquidity was $408.1 million as presented in the following table:

($000s)	**June 30, 2026**	December 31, 2025
Cash and cash equivalents	38,105	109,132
Available under Credit Facility (1)	369,951	394,911
Total	408,056	504,043

(1) Refer to the "Credit Facility" section following on page 25 of this MD&A for the determination and calculation of this amount.

In addition, at June 30, 2026, our share of cash and cash equivalents held in our Equity-Accounted JVs was $5.0 million.

As at June 30, 2026, our current liabilities were $892.2 million, exceeding our current assets of $265.1 million, resulting in a working capital deficiency of $627.1 million. Current liabilities include $311.8 million of mortgages payable, $249.9 million of senior unsecured debentures, and $30.6 million of liabilities related to assets held for sale. We expect to refinance or repay this maturing debt and meet all of our other obligations as they become due. Excluding current mortgages payable and current senior unsecured debentures, Chartwell's working capital deficiency was $65.4 million.

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 Facility, and Debentures. Our debt management objective is to maximize financial flexibility, maintain a strong balance sheet and stagger our maturities by:

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

The following table summarizes the components of the principal balance of our debt at June 30, 2026 and December 31, 2025:

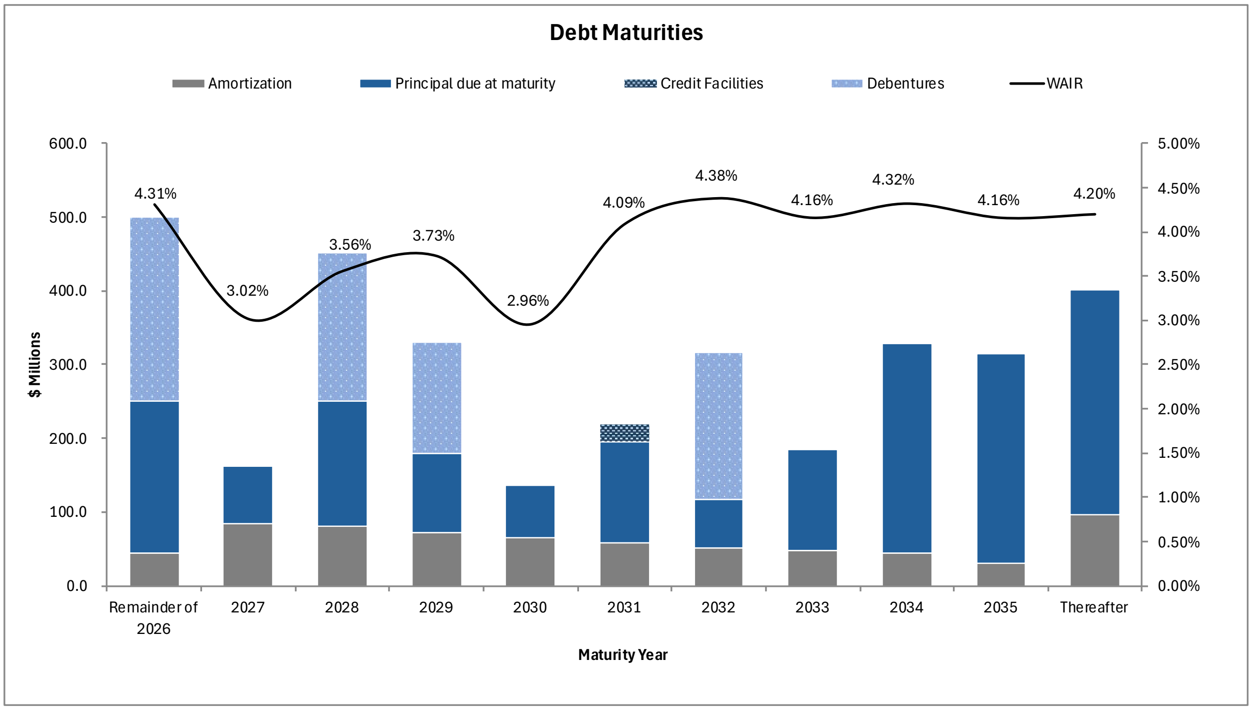
($000s)	**June 30, 2026**	December 31, 2025
Mortgages payable	2,519,401	2,272,320
Credit Facility	25,000	-
Debentures		
Series C Debentures	250,000	250,000
Series D Debentures	150,000	150,000
Series E Debentures	200,000	200,000
Series F Debentures	200,000	200,000
Total	3,344,401	3,072,320

The following table summarizes the scheduled principal maturity and weighted average interest rates for our debt portfolio at June 30, 2026:

($000s)	Amortizing Principal Payments	Principal Due at Maturity	Total Mortgages	Weighted Average Interest Rate (1)	Credit Facility	Weighted Average Interest Rate	Debentures	Weighted Average Interest Rate	**Total**	Consolidated Weighted Average Interest Rate
Remainder of 2026	45,085	204,724	249,809	2.63%	-	-	250,000	6.00%	499,809	4.31%
2027	84,687	77,749	162,436	3.02%	-	-	-	-	162,436	3.02%
2028	80,782	170,266	251,048	3.49%	-	-	200,000	3.65%	451,048	3.56%
2029	71,355	108,225	179,580	3.16%	-	-	150,000	4.40%	329,580	3.73%
2030	65,359	70,993	136,352	2.96%	-	-	-	-	136,352	2.96%
2031	57,628	136,740	194,368	4.00%	25,000	4.75%	-	-	219,368	4.09%
2032	51,928	65,133	117,061	4.18%	-	-	200,000	4.50%	317,061	4.38%
2033	48,280	136,124	184,404	4.16%	-	-	-	-	184,404	4.16%
2034	44,926	284,092	329,018	4.32%	-	-	-	-	329,018	4.32%
2035	30,624	284,095	314,719	4.16%	-	-	-	-	314,719	4.16%
Thereafter	95,593	305,013	400,606	4.20%	-	-	-	-	400,606	4.20%
Total	676,247	1,843,154	2,519,401	3.75%	25,000	4.75%	800,000	4.74%	3,344,401	3.99%

(1) For variable rate instruments, the weighted average interest rate in 2026 is based on the 2026 weighted average interest rate.

The following chart provides a breakdown of our debt maturities at June 30, 2026:



Mortgage Debt

We generally have access to low-cost mortgage financing insured by CMHC. As of June 30, 2026, approximately 96% 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 Q2 2026:

	Balance *($000s)*	Weighted Average Term to Maturity *(Years)*	Weighted Average Interest Rate	% CMHC Insured
Principal balance at December 31, 2025	2,272,320	6.5	3.63%	95%
Mortgages on assets held for sale	(53,110)	4.0	3.24%	100%
Payouts and matured in the period	(1,208)	N/A	N/A	50%
Assumed mortgages	235,522	18.4	4.51%	100%
New mortgage financing	109,598	9.6	4.45%	89%
Amortizing principal payments	(43,721)	N/A	N/A	N/A
Principal balance at June 30, 2026	2,519,401	7.5	3.75%	96%
Mark-to-market adjustments on assumed mortgages	(522)			
Finance costs	(97,713)			
Mortgages payable at June 30, 2026	2,421,166			

Assumed mortgages includes $229.2 million CMHC-insured mortgages for five properties bearing a weighted average interest rate of 4.5% with a weighted average term to maturity of 19.0 years, and a $6.4 million CMHC-insured mortgage related to the acquisition of a 15% interest in one property.

New mortgage financing includes $97.7 million of 10 year CMHC-insured mortgages on two properties each bearing interest at 4.20% and $11.8 million from the refinancing of two construction loans each bearing interest at 5.55% and maturing in 2028 and 2029, respectively.
The following table provides select financial statistics for our mortgage debt portfolio:

	At June 30, 2026			At December 31, 2025
	Fixed Rate	Variable Rate	Total	Total
Principal amount *($000s)*	2,486,463	32,938	2,519,401	2,272,320
Weighted average interest rate	3.74%	5.09%	3.75%	3.63%
Average term to maturity *(years)*	7.5	1.7	7.5	6.5

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

($000s)	**June 30, 2026**	December 31, 2025
Principal balance of mortgages payable	225,213	48,385
Mark-to-market adjustments on assumed mortgages	(85)	-
Finance costs	(12)	(71)
Mortgages payable	225,116	48,314

($000s)	Amortizing Principal Payments	Principal Due at Maturity	Total Principal Balance of Mortgages Payable	Weighted Average Interest Rate
Remainder of 2026	1,162	48,118	49,280	4.92%
2027	2,580	13,370	15,950	4.97%
2028	2,851	20,560	23,411	5.20%
2029	2,635	15,990	18,625	3.77%
2030	2,347	-	2,347	3.68%
2031	1,425	73,624	75,049	4.60%
2032	810	-	810	4.30%
2033	845	-	845	4.30%
2034	651	21,330	21,981	4.35%
2035	154	16,761	16,915	4.30%
Total	**15,460**	**209,753**	**225,213**	

Credit Facility

On June 30, 2026, we amended our credit facilities agreement, combining our secured and unsecured credit facilities into a single $400.0 million credit facility (the “Credit Facility”). Under the amended agreement, the Credit Facility has separate secured and unsecured tranches. The amendment allows Chartwell, subject to availability of sufficient security, to maximize borrowing capacity of the credit facility at secured pricing. At the current BBB rating by DBRS, last confirmed by DBRS on May 7, 2026, amounts borrowed under the secured tranche bear interest at the banks’ prime rate (“Prime”) plus 30 bps or at the Canadian Overnight Repo Rate Average (“CORRA”) plus 130 bps plus credit spread adjustment, and amounts borrowed under the unsecured tranche bear interest at Prime plus 45 bps or CORRA plus 145 bps plus credit spread adjustment. The cost of our Credit Facility is based on our credit rating. The amendment also extended the maturity of the Credit Facility from May 29, 2029 to May 29, 2031.

The following table summarizes the available borrowing capacity and borrowings on our Credit Facility at June 30, 2026:

($000s)	Maximum Capacity	Available Capacity	Utilized for Letters of Credit	Net Available Capacity	Borrowed	Available Borrowing Capacity	Maturity Date
Credit Facility [(1)(2)]	400,000	400,000	(5,049)	394,951	25,000	369,951	May 29, 2031

(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 existing first-lien mortgage balances, 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 $100.0 million is available, subject to certain conditions.

Debentures

The following tables summarize our Debentures outstanding as at June 30, 2026 and December 31, 2025:

June 30, 2026	Outstanding Principal *($000s)*	Financing Costs, Net *($000s)*	Carrying Value *($000s)*	Interest rate	Maturity date
Series C Debentures	250,000	(141)	249,859	6.000%	December 8, 2026
Series D Debentures	150,000	(764)	149,236	4.400%	November 5, 2029
Series E Debentures	200,000	(607)	199,393	3.650%	May 6, 2028
Series F Debentures	200,000	(797)	199,203	4.500%	March 6, 2032
Total	800,000	(2,309)	797,691		

December 31, 2025	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
Total	800,000	(2,832)	797,168		

Debt Covenants

Our Credit Facility and Debentures contain numerous financial covenants that include maintaining certain leverage and debt service ratios (collectively, our “Debt Covenants”). Management monitors these ratios on an ongoing basis to ensure compliance. As of June 30, 2026, we were in compliance with all of our Debt Covenants.

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

	Covenant	**June 30, 2026**	December 31, 2025
Interest Coverage Ratio (1)	minimum of 1.65x	3.5x	3.5x
Indebtedness Percentage (2)	less than or equal to 65%	47.9%	45.3%
Coverage Ratio (3)	not less than 1.3x	2.7x	2.6x
Debt Service Coverage Ratio (4)	minimum of 1.40x	2.2x	2.0x
Net Debt to Adjusted EBITDA (5)	n/a	7.0x	6.9x

(1) Calculated based on 12 months ended June 30, 2026; and 12 months ended December 31, 2025. Refer to the “Debt Covenant Calculations/ Interest Coverage Ratio for Debentures” section on page 36 of this MD&A.
(2) Refer to the “Debt Covenant Calculations/Indebtedness Percentage for Debentures” section on page 37 of this MD&A.
(3) Refer to the “Debt Covenant Calculations/Unsecured Debt Coverage Ratio for Debentures” section on page 37 of this MD&A.
(4) Calculated based on 12 months ended June 30, 2026; and 12 months ended December 31, 2025. Refer to the “Debt Covenant Calculations/Debt Service Coverage Ratio for Credit Facilities and Loans Payable” section on page 37 of this MD&A.
(5) Refer to the “Debt Covenant Calculations/Net Debt to Adjusted EBITDA” section on page 38 of this MD&A.

Total Units Outstanding and Distributions

The following table summarizes changes in the number of outstanding units during 2026 YTD:

	Trust Units	Trust Units under EUPP	Class B Units	DTUs	Total Units Outstanding [1]
Balance December 31, 2025	314,637,189	1,801,375	1,454,410	807,695	318,700,669
Trust Units issued pursuant to Distribution Reinvestment Program ("DRIP")	1,398,619	-	-	-	1,398,619
Trust Units issued under the ATM program	10,099,311	-	-	-	10,099,311
Trust Units issued under EUPP	-	132,772	-	-	132,772
Trust Units released on settlement of EUPP receivable	105,974	(105,974)	-	-	-
Exchange of Class B Units into Trust Units	9,500	-	(9,500)	-	-
DTUs issued	-	-	-	20,892	20,892
Distributions on DTUs	-	-	-	11,826	11,826
Exchange of DTUs into Trust Units	12,000	-	-	(12,000)	-
Balance June 30, 2026	326,262,593	1,828,173	1,444,910	828,413	330,364,089

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

As of August 6, 2026, the Trust has 328,283,824 Trust Units outstanding, and Chartwell Master Care LP has 1,438,910 Class B Units outstanding which are exchangeable for 1,438,910 Trust Units.

Distributions

The following table summarizes distributions declared on Trust Units in Q2 2026, 2026 YTD, 2025, and 2024 in relation to cash flows from operating activities and net income/(loss):

($000s)	**Q2 2026**	**2026 YTD**	2025	2024
Cash flows from operating activities	107,559	171,471	329,931	200,850
Net income attributable to Unitholders	(1,339)	6,653	29,413	22,408
Finance costs included in cash flow from financing activities	(8,507)	(10,798)	(40,388)	(19,491)
Distributions declared on Trust Units	50,736	99,817	178,797	158,516
Excess/(deficit) of cash flows from operating activities over distributions declared on Trust Units	56,823	71,654	151,134	42,334
Excess/(deficit) of cash flows from operating activities less finance costs included in cash flow from financing activities over distributions declared on Trust Units	48,316	60,856	110,746	22,843
Deficit of net income attributable to unitholders over distributions declared on Trust Units	(52,075)	(93,164)	(149,384)	(136,108)

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) effective for the March 31, 2026 distribution paid 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 Q2 2026, our average DRIP participation was 29.6% compared to 26.8% participation in Q2 2025.

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 2026 YTD and 2025 YTD:

($000s)	**2026 YTD**	2025 YTD
Building improvements	22,151	21,268
Mechanical and electrical	15,809	13,811
Suite improvements and upgrades	15,052	13,471
Interior improvements and upgrades	4,246	3,799
Furniture, fixtures and equipment	6,689	5,810
Communications and information systems	1,560	2,121
	65,507	60,280
Properties under development	38,966	7,873
Land held for development	1,657	-
Total capital investments [(1)]	106,130	68,153

(1) Includes 146 properties (25,612 suites) at Chartwell's share of ownership at June 30,2026, and 139 properties (23,164 suites) at Chartwell's share of ownership at June 30,2025.

The following table is supplemental information and summarizes capital investments in our Equity-Accounted JVs in 2026 YTD and 2025 YTD not included in the table above:

($000s)	**2026 YTD**	2025 YTD
Capital investments in Equity-Accounted JVs	522	527

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 2026 YTD, we completed 72 major building improvement projects valued over $50,000 each, totalling $20.7 million (2025 YTD – 69 projects totalling $20.5 million). In addition, included in this category is the acquisition of one condominium suite at one of our properties in British Columbia totalling $0.5 million.

Mechanical and Electrical

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

For 2026 YTD, we completed 71 major mechanical and electrical projects valued over $50,000 each, totalling $14.0 million (2025 YTD – 54 projects totalling $13.0 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 2026 YTD, we invested in strategic suite upgrade programs in 36 properties (2025 YTD – 35 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 2026 YTD, we invested in strategic common area upgrade programs in 14 properties (2025 YTD – 13 properties).

Furniture, Fixtures and Equipment

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

Communication and Information Services

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

Balance Sheet Analysis

The following table summarizes the significant changes in assets, liabilities, and equity for June 30, 2026 compared to December 31, 2025.

	Increase (Decrease) *($millions)*	Explanation
Total assets	512.1	Total assets increased primarily due to increases in PP&E, assets held for sale, investment in joint ventures, and other assets partially offset by decreases in cash, capital funding receivables , loans receivables, trade and other receivables and intangible assets.
Total liabilities	360.1	Total liabilities increased primarily due to increases in mortgages payable, liabilities related to assets held for sale, draw on our Credit Facility, deferred tax liabilities, accounts payable, and lease obligations partially offset by other liabilities.
Equity	152.0	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

Details of our contractual obligations and guarantees are outlined in our 2025 MD&A. There were no significant changes in our contractual obligations and guarantees in Q2 2026 which are outside the ordinary course of business.

Litigation, Claims and Contingencies

Class Action

On June 1, August 14, and October 5, 2020, Chartwell was served with three different statements of claims (the "Claims") that were filed in the Ontario Superior Court of Justice, all seeking an order certifying the Claims as class actions pursuant to the *Class Proceedings Act (Ontario)*. In January 2022, the Court consolidated the Claims into one proceeding (the "Consolidated Claim"). The Consolidated Claim alleges, among other things, gross negligence, breach of the Canadian Charter of Rights and Freedoms, 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. 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. 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.

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 to determine the procedure to be used to provide bargaining unit members access to male comparators in order to maintain pay equity. The Supreme Court of Canada denied leave to appeal on October 14, 2021, thereby upholding the appellate court decision.

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

Quarterly Financial Information

The following table summarizes our quarterly unaudited financial information:

($000s, except per unit amounts and number of units)	2026		2025				2024	
	Q2	**Q1**	Q4	Q3	Q2	Q1	Q4	Q3
Revenues	326,125	309,365	300,287	282,174	273,158	252,898	232,699	220,464
Direct property operating expense	(187,229)	(179,211)	(174,944)	(165,393)	(159,683)	(150,056)	(138,707)	(128,389)
Depreciation and amortization	(75,018)	(67,532)	(72,092)	(61,865)	(60,133)	(53,158)	(49,710)	(43,530)
Share of net income/(loss) from joint ventures	(389)	687	525	294	146	608	3,214	2,946
G&A expenses	(15,788)	(14,702)	(12,714)	(12,678)	(14,126)	(17,083)	(10,334)	(11,731)
Other income/(expense)	2,424	2,360	11,817	571	173	55,814	(2,036)	54,152
Finance costs	(34,800)	(31,145)	(32,150)	(31,339)	(31,859)	(30,608)	(28,820)	(28,351)
Changes in fair value of financial instruments	(6,867)	(444)	(4,528)	(6,733)	(7,608)	(5,479)	1,660	(14,998)
Current income tax benefit/(expense)	-	-	2,535	4,367	157	(8,125)	2,744	(2,840)
Deferred income tax benefit/(expense)	(9,797)	(11,386)	(11,492)	(14,604)	(5,962)	(11,617)	(7,166)	(24,120)
Net income/(loss) for the period	(1,339)	7,992	7,244	(5,206)	(5,737)	33,194	3,544	23,603
Comprised of:								
Unitholders	*(1,339)*	*7,992*	*7,244*	*(5,240)*	*(5,769)*	*33,178*	*3,539*	*23,638*
Non-controlling interest	*-*	*-*	*-*	*34*	*32*	*16*	*5*	*(35)*
Net income/(loss) for the period	*(1,339)*	*7,992*	*7,244*	*(5,206)*	*(5,737)*	*33,194*	*3,544*	*23,603*
FFO [(1)]	90,524	85,578	81,241	73,058	67,553	56,169	57,663	55,861
FFOPU [(1)]	0.28	0.27	0.26	0.24	0.24	0.20	0.21	0.20
Weighted average number of units (000) [(2)]	327,251	320,375	310,769	298,507	285,514	277,943	275,494	274,318

(1) Non-GAAP; refer to the "Additional Information on Non-GAAP Measures" section below of this MD&A.
(2) Non-GAAP; refer to the "Weighted Average Number of Units" section on page 35 of this MD&A.

Our results for the past eight quarters have primarily been affected by:
- acquisitions, dispositions, and developments of properties as described in the "Significant Events" section on page 9 of this MD&A, and the "2026 Outlook" section in our 2025 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.

Adjusted Property Revenue, Adjusted Resident Revenue, Adjusted DOE, Adjusted Operating Margin, and Adjusted NOI

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

($000s)	Q2 2026	Q2 2025	Change	2026 YTD	2025 YTD	Change
Property revenue	**320,356**	**268,034**	**52,322**	**623,306**	**511,602**	**111,704**
Add (Subtract):						
Share from joint ventures (1)	16,382	10,622	5,760	28,078	32,251	(4,173)
Share from non-controlling interest (2)	-	(900)	900	-	(2,144)	2,144
Adjusted property revenue (3)	**336,738**	**277,756**	**58,982**	**651,384**	**541,709**	**109,675**
Comprised of:						
Same property (3)	*204,734*	*187,654*	*17,080*	*406,474*	*372,454*	*34,020*
Growth (3)	*88,190*	*52,022*	*36,168*	*158,956*	*86,624*	*72,332*
Repositioning (3)	*43,814*	*38,080*	*5,734*	*85,954*	*82,631*	*3,323*
Adjusted property revenue (3)	*336,738*	*277,756*	*58,982*	*651,385*	*541,709*	*109,676*
Resident revenue	**314,241**	**263,654**	**50,587**	**613,119**	**502,693**	**110,426**
Add (Subtract):						
Share from joint ventures (1)	16,234	10,505	5,729	27,822	31,891	(4,069)
Share from non-controlling interest (2)	-	(886)	886	-	(2,115)	2,115
Adjusted resident revenue (3)	**330,475**	**273,273**	**57,202**	**640,941**	**532,469**	**108,472**
Comprised of:						
Same property (3)	*199,903*	*184,723*	*15,180*	*398,827*	*366,140*	*32,687*
Growth (3)	*87,097*	*51,159*	*35,938*	*156,858*	*85,152*	*71,706*
Repositioning (3)	*43,475*	*37,391*	*6,084*	*85,256*	*81,177*	*4,079*
Adjusted resident revenue (3)	*330,475*	*273,273*	*57,202*	*640,941*	*532,469*	*108,472*
Other property revenue	**6,115**	**4,380**	**1,735**	**10,187**	**8,909**	**1,278**
Add (Subtract):						
Share from joint ventures (1)	148	117	31	256	360	(104)
Share from non-controlling interest (2)	-	(14)	14	-	(29)	29
Adjusted other property revenue (3)	**6,263**	**4,483**	**1,780**	**10,443**	**9,240**	**1,203**
Comprised of:						
Same property (3)	*4,831*	*2,931*	*1,900*	*7,647*	*6,314*	*1,333*
Growth (3)	*1,093*	*863*	*230*	*2,098*	*1,472*	*626*
Repositioning (3)	*339*	*689*	*(350)*	*698*	*1,454*	*(756)*
Adjusted other property revenue (3)	*6,263*	*4,483*	*1,780*	*10,443*	*9,240*	*1,203*
Direct property operating expense	**187,229**	**159,683**	**27,546**	**366,440**	**309,739**	**56,701**
Add (Subtract):						
Share from joint ventures (4)	9,696	6,259	3,437	16,327	19,768	(3,441)
Share from non-controlling interest (5)	-	(446)	446	-	(1,072)	1,072
Adjusted DOE (3)	**196,925**	**165,496**	**31,429**	**382,767**	**328,435**	**54,332**
Comprised of:						
Same property (3)	*117,794*	*109,936*	*7,858*	*234,608*	*221,414*	*13,194*
Growth (3)	*48,723*	*28,574*	*20,149*	*87,904*	*49,013*	*38,891*
Repositioning (3)	*30,408*	*26,986*	*3,422*	*60,255*	*58,008*	*2,247*
Adjusted DOE (3)	*196,925*	*165,496*	*31,429*	*382,767*	*328,435*	*54,332*
NOI	**133,127**	**108,351**	**24,776**	**256,866**	**201,863**	**55,003**
Add (Subtract):						
Share from joint ventures	6,686	4,363	2,323	11,751	12,483	(732)
Share from non-controlling interest	-	(454)	454	-	(1,072)	1,072
Adjusted NOI (3)	**139,813**	**112,260**	**27,553**	**268,617**	**213,274**	**55,343**
Comprised of:						
Same property (3)	*86,940*	*77,718*	*9,222*	*171,866*	*151,040*	*20,826*
Growth (3)	*39,467*	*23,448*	*16,019*	*71,052*	*37,611*	*33,441*
Repositioning (3)	*13,406*	*11,094*	*2,312*	*25,699*	*24,623*	*1,076*
Adjusted NOI (3)	*139,813*	*112,260*	*27,553*	*268,617*	*213,274*	*55,343*

(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 13 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 13 of this MD&A.

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

Funds from Operations

FFO

We present FFO substantially consistent with the definition adopted by REALPAC in the REALPAC Guidance where 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.

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:

	($000s, except per unit amounts, number of units, and payout ratio)	**Q2 2026**	Q2 2025	Change	**2026 YTD**	2025 YTD	Change
	Net income/(loss)	(1,339)	(5,737)	4,398	6,653	27,457	(20,804)
	Add (Subtract):						
B	Depreciation of PP&E	74,677	59,694	14,983	141,831	112,386	29,445
D	Amortization of limited life intangible assets	341	439	(98)	719	905	(186)
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	(892)	(833)	(59)	(1,885)	(1,713)	(172)
E	Loss/(gain) on disposal of assets	409	(249)	658	(2,011)	(60,501)	58,490
J	Transaction costs arising on dispositions	1,196	1,674	(478)	1,499	6,131	(4,632)
H	Impairment losses/(reversals)	(3,549)	(1,963)	(1,586)	(3,549)	(1,963)	(1,586)
F	Tax on gains or losses on disposal of properties	-	(157)	157	-	7,968	(7,968)
G	Deferred income tax	9,797	5,962	3,835	21,183	17,579	3,604
O	Distributions on Class B Units recorded as interest expense	226	224	2	449	452	(3)
M	Changes in fair value of financial instruments	6,867	7,608	(741)	7,311	13,087	(5,776)
Q	FFO adjustments for Equity-Accounted JVs (1)	2,791	973	1,818	3,902	2,104	1,798
U	Non-controlling interest (1)	-	(82)	82	-	(170)	170
	FFO (2)	90,524	67,553	22,971	176,102	123,722	52,380
	Weighted average number of units (000) (3)	327,251	285,514	41,737	323,832	281,749	42,083
	FFOPU (4)	0.28	0.24	0.04	0.54	0.44	0.10
	Distributions declared on Trust Units	50,736	43,473	7,263	99,817	85,741	14,076
	FFO Payout Ratio (5)	56.0%	64.4%	(8.4pp)	56.7%	69.3%	(12.6pp)

(1) Non-GAAP; see reconciliation tables following for the calculation of these amounts.
(2) Non-GAAP; refer to the preamble to this section and to the "Results of Operations/FFO" section on page 15 of this MD&A for a discussion of the significance of this metric.
(3) Non-GAAP; refer to the "Weighted Average Number of Units" section on page 35 of this MD&A.
(4) Non-GAAP; refer to the "Per Unit Amounts" section on page 35 of this MD&A for a discussion of the calculation of the per unit amounts.
(5) Non-GAAP; refer to the preamble to this section.

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

	($000s)	**Q2 2026**	Q2 2025	Change	**2026 YTD**	2025 YTD	Change
B	Depreciation of PP&E and amortization of intangible assets	2,435	914	1,521	3,425	1,872	1,553
L	Loss/(gain) on disposal of assets	-	(82)	82	-	(82)	82
M	Change in fair value of financial instruments	356	141	215	477	314	163
Q	FFO adjustments for Equity-Accounted JVs (1)	2,791	973	1,818	3,902	2,104	1,798

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

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

	($000s)	**Q2 2026**	Q2 2025	Change	**2026 YTD**	2025 YTD	Change
	Net income/(loss)	-	(32)	32	-	(48)	48
B	Depreciation of PP&E and amortization of intangible assets	-	(50)	50	-	(122)	122
U	Non-controlling interest (1)	-	(82)	82	-	(170)	170

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

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

	($000s, except per unit amounts and number of units)	2026		2025				2024	
		Q2	**Q1**	Q4	Q3	Q2	Q1	Q4	Q3
	Net income/(loss)	(1,339)	7,992	7,244	(5,206)	(5,737)	33,194	3,544	23,603
	Add (Subtract):								
B	Depreciation of PP&E	74,677	67,154	71,693	61,430	59,694	52,692	49,225	43,009
D	Amortization of limited life intangible assets	341	378	399	435	439	466	485	521
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	(892)	(993)	(1,039)	(874)	(833)	(879)	(1,125)	(974)
E	Loss/(gain) on disposal of assets	409	(2,421)	(1,128)	(1,288)	(249)	(60,253)	941	(55,850)
J	Transaction costs arising on dispositions	1,196	304	266	322	1,674	4,458	491	2,507
H	Impairment losses/(reversals)	(3,549)	-	(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
G	Deferred income tax	9,797	11,386	11,492	14,604	5,962	11,617	7,166	24,120
O	Distributions on Class B Units recorded as interest expense	226	223	223	223	224	228	231	231
M	Changes in fair value of financial instruments	6,867	444	4,528	6,733	7,608	5,479	(1,660)	14,998
Q	FFO adjustments for Equity-Accounted JVs (1)	2,791	1,111	1,098	1,130	973	1,130	1,196	900
U	Non-controlling interest (1)	-	-	-	(84)	(82)	(88)	(87)	(44)
	FFO (2)	90,524	85,578	81,241	73,058	67,553	56,169	57,663	55,861
	Weighted average number of units (000) (3)	327,251	320,375	310,769	298,507	285,514	277,943	275,494	274,318
	FFOPU (4)	0.28	0.27	0.26	0.24	0.24	0.20	0.21	0.20

(1) Non-GAAP; refer to the preceding reconciliation tables for the calculation of these amounts.
(2) Non-GAAP; refer to the preamble to this section and to the "Results of Operations/FFO" section on page 15 of this MD&A for a discussion of the significance of this metric.
(3) Non-GAAP; refer to the "Weighted Average Number of Units" section on page 35 of this MD&A.
(4) Non-GAAP; refer to the "Per Unit Amounts" section on page 35 of this MD&A for a discussion of the calculation of the per unit amounts.

Per Unit Amounts

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

Weighted Average Number of Units

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

(000s)	**Q2 2026**	Q2 2025	Change	**2026 YTD**	2025 YTD	Change
Weighted average number of units (1)	327,251	285,514	41,737	323,832	281,749	42,083

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

Per Occupied Suite

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 DOE 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 DOE and adjusted NOI.

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

	Q2 2026	Q2 2025	Change	**2026 YTD**	2025 YTD	Change
Weighted average number of occupied suites	13,558	13,106	452	13,581	13,066	515

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.

Debt Covenant Calculations

Interest Coverage Ratio for Debentures

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

($000s, except ratio)	**12 months June 30, 2026**	12 months December 31, 2025
Consolidated EBITDA for Debentures (1)	515,438	437,807
Consolidated interest expense for Debentures (2)	146,339	125,812
Interest Coverage Ratio for Debentures	3.5x	3.5x

(1) Refer to the "Supporting Covenant Calculations/1. Consolidated EBITDA for Credit Facilities, Loans Payable, and Debentures" section on page 38 of this MD&A for the calculation of consolidated EBITDA for Debentures.
(2) Refer to the "Supporting Covenant Calculations/2. Consolidated Interest Expense for Credit Facilities, Loans Payable, and Debentures" section on page 39 of this MD&A for the calculation of consolidated interest expense for Debentures.

Indebtedness Percentage for Debentures

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

($000s, except indebtedness percentage)	**June 30, 2026**	December 31, 2025
Consolidated indebtedness for Debentures (1)	3,619,197	3,014,705
Aggregate adjusted assets for Debentures (2)	7,552,313	6,650,709
Indebtedness percentage for Debentures	47.9%	45.3%

(1) Refer to the "Supporting Covenant Calculations/4. Consolidated Indebtedness for Credit Facilities, Loans Payable, and Debentures" section on page 39 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 40 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 1.3x on a proforma basis giving effect to the transactions completed to the date of this MD&A and calculated based on the definition in the Supplemental Trust Indentures.

($000s, except ratio)	**June 30, 2026**	December 31, 2025
Unencumbered aggregate adjusted assets for Debentures (1)	2,168,250	2,062,550
Unsecured indebtedness for Debentures (2)	807,787	808,079
Coverage ratio for Debentures	2.7x	2.6x

(1) Includes 41 properties valued at $2,168.3 million as of June 30, 2026 (39 properties valued at $2,062.6 million as of December 31, 2025). 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 39 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 1.40x on a rolling 12-month basis.

($000s, except ratio)	**12 months June 30, 2026**	12 months December 31, 2025
Consolidated EBITDA for Credit Facilities and Loans Payable (1)	466,934	409,477
Consolidated interest expense for Credit Facilities and Loans Payable (2)	127,609	123,903
Consolidated regularly scheduled debt principal payments for Credit Facilities and Loans Payable (3)	84,813	79,350
Consolidated debt service payments for Credit Facilities and Loans Payable	212,422	203,253
Debt service coverage ratio for Credit Facilities and Loans Payable	2.2x	2.0x

(1) Refer to the "Supporting Covenant Calculations/1. Consolidated EBITDA for Credit Facilities, Loans Payable, and Debentures" section on page 38 of this MD&A for the calculation of consolidated EBITDA for Credit Facilities and Loans Payable.
(2) Refer to the "Supporting Covenant Calculations/2. Consolidated Interest Expense for Credit Facilities, Loans Payable, and Debentures" section on page 39 of this MD&A for the calculation of consolidated interest expense for Credit Facilities and Loans Payable.
(3) Refer to the "Supporting Covenant Calculations/3. Regularly Scheduled Debt Principal Payments for Credit Facilities" section on page 39 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 for the purpose of ensuring compliance.

($000s, except ratio)	**June 30, 2026**	December 31, 2025
Consolidated Indebtedness for Debentures (1)	3,619,197	3,014,705
Consolidated EBITDA for Debentures (2)	515,438	437,807
Net Debt to Adjusted EBITDA ratio	7.0x	6.9x

(1) Refer to the "Supporting Covenant Calculations/4. Consolidated Indebtedness for Credit Facilities, Loans Payable, and Debentures" section on page 39 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 38 of this MD&A for the calculation of this amount.

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 and is measured for debt compliance reporting purposes.

($000s)	**12 months December 31, 2025**	*Subtract:* 2025 YTD	*Add:* 2026 YTD	12 months June 30, 2026
Net income	29,413	27,409	6,653	8,657
Gain on disposal of assets (1)	(62,923)	(60,583)	(2,011)	(4,351)
Transaction costs(1)	6,719	6,131	1,499	2,087
Impairment expense/(reversal)	(12,963)	(1,963)	(3,549)	(14,549)
Non-cash change in fair value of financial instruments (1)	24,950	13,401	7,788	19,337
Consolidated net income/(loss) for Credit Facilities and Loans Payable	(14,804)	(15,605)	10,380	11,181
Consolidated finance costs (1)	128,436	63,725	68,241	132,952
Consolidated depreciation of PP&E and amortization of intangible assets (1)	250,812	115,042	145,975	281,745
Consolidated income tax expense/(benefit)	44,741	25,547	21,183	40,377
Principal portion of capital funding	292	-	387	679
Consolidated EBITDA for Credit Facilities and Loans Payable	**409,477**	**188,709**	**246,166**	**466,934**
Proforma adjustments (2)	28,330			48,504
Consolidated EBITDA for Debentures	**437,807**			**515,438**

(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**	*Subtract:* 2025 YTD	*Add:* 2026 YTD	12 months June 30, 2026
Interest on mortgages (1)	82,349	40,043	45,867	88,173
Interest on Debentures	37,032	17,926	18,795	37,901
Interest on Credit Facilities	3,090	2,356	743	1,477
Interest on Loans Payable	1,432	1,374	-	58
Consolidated interest expense for Credit Facilities and Loans Payable	**123,903**	**61,699**	**65,405**	**127,609**
Proforma adjustments (2)	1,909			18,730
Consolidated interest expense for Debentures	**125,812**			**146,339**

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

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

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

($000s)	**12 months December 31, 2025**	*Subtract:* 2025 YTD	*Add:* 2026 YTD	12 months June 30, 2026
Regularly scheduled debt principal payments per Financial Statements	79,041	38,263	43,720	84,498
Regularly scheduled debt principal payments for equity-accounted entities	309	153	159	315
Regularly scheduled debt principal payments for Credit Facilities and Loans Payable	**79,350**	**38,416**	**43,879**	**84,813**

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

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

($000s)	**June 30, 2026**	December 31, 2025
Principal balance of mortgages payable	2,519,401	2,272,320
Principal balance of mortgages payable related to assets held for sale	84,903	-
Principal balance of mortgages payable related to Equity-Accounted JVs	225,213	48,385
Principal balance of secured credit facility	25,000	-
Secured indebtedness for the unsecured credit facility and Loans Payable	**2,854,517**	**2,320,705**
Principal balance of Debentures	800,000	800,000
Capital lease obligations (1)	7,787	8,079
Unsecured indebtedness for Debentures	**807,787**	**808,079**
Outstanding letters of credit	5,049	5,089
Unsecured indebtedness for Credit Facilities and Loans Payable	**812,836**	**813,168**
Consolidated indebtedness for Credit Facilities and Loans Payable	3,667,353	3,133,873
Add (Subtract):		
Outstanding letters of credit	(5,049)	(5,089)
Cash and cash equivalents	(38,105)	(109,132)
Cash and cash equivalents of Equity-Accounted JVs	(5,002)	(4,947)
Consolidated indebtedness for Debentures	3,619,197	3,014,705

(1) Includes capital lease obligations related to joint ventures of $0.03 million at June 30, 2026 ($nil at December 31, 2025).

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

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

($000s)	**June 30, 2026**	December 31, 2025
Book value of assets [(1)]	5,811,186	5,086,007
Gross book value adjustment on IFRS transition	116,426	116,426
Adjustment for accumulated depreciation and amortization for Credit Facilities and Loans Payable [(2)]	1,667,808	1,562,355
Adjusted consolidated gross book value of assets for Credit Facilities and Loans Payable	**7,595,420**	**6,764,788**
Add (Subtract):		
Cash and cash equivalents	(38,105)	(109,132)
Cash and cash equivalents of Equity-Accounted JVs	(5,002)	(4,947)
Aggregate adjusted assets for Debentures	**7,552,313**	**6,650,709**

(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 $24.3 million at June 30, 2026 ($21.0 million at December 31, 2025) and fully amortized assets of $252.4 million at June 30, 2026 ($254.7 million at December 31, 2025).

Critical Accounting Policies and Estimates

Critical Accounting Judgments, Estimates and Assumptions in Applying Accounting Policies

In our 2025 MD&A as well as in our 2025 Financial Statements, we identified the material accounting policies and estimates that are critical to the understanding of our business operations and our results of operations. There were no significant changes to our critical accounting judgments, estimates and assumptions in Q2 2026 or following the date of our 2025 Financial Statements.

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 following the date of our 2025 Financial Statements except for the adoption of IFRS 9 Financial Instruments and IFRS 7 Financial Instruments Disclosure.

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.

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

The Chief Executive Officer and the Chief Financial Officer have evaluated, or caused an evaluation under their direct supervision of, the design of disclosure controls and procedures and internal controls over financial reporting (as defined in National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings) as at June 30, 2026. Based on this evaluation, we have concluded that we have a) designed disclosure controls and procedures to provide reasonable assurance that (i) material information relating to Chartwell is made known to the Chief Executive Officer and the Chief Financial Officer by others, particularly during the period in which the interim filings are being prepared, and (ii) information required to be disclosed by Chartwell in its various reports filed or submitted under securities legislation is recorded, processed, summarized and reported within time periods specified in securities legislation; and b) designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

There were no material changes in our internal controls over financial reporting that occurred during the period ended June 30, 2026 that have significantly affected or are reasonably likely to significantly affect our internal control over financial reporting.

Risks and Uncertainties and Forward-Looking Information

Risks and Uncertainties

Our AIF dated February 26, 2026, and our 2025 MD&A contain detailed discussions of risk factors and uncertainties facing Chartwell.

Forward-Looking Information

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