

Condensed Consolidated Interim Financial Statements
(In Canadian dollars)

CHARTWELL RETIREMENT RESIDENCES

June 30, 2026
(Unaudited)

CHARTWELL RETIREMENT RESIDENCES

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

	Note	June 30, 2026	December 31, 2025
Assets			
Current assets:			
Cash and cash equivalents		\$ 38,105	\$ 109,132
Trade and other receivables	9	13,535	19,929
Capital funding receivable	7	–	783
Loans receivable	11	1,663	6,369
Assets held for sale	17	172,447	–
Other assets	10	39,362	35,449
Total current assets		265,112	171,662
Non-current assets:			
Other assets	10	1,067	2,134
Loans receivable	11	7,259	10,037
Capital funding receivable	7	–	30,370
Investment in joint ventures	12	190,864	20,184
Intangible assets	6	18,505	20,271
Property, plant and equipment ("PP&E")	5	5,074,318	4,790,319
Total non-current assets		5,292,013	4,873,315
Total assets		\$ 5,557,125	\$ 5,044,977
Liabilities and Unitholders' Equity			
Current liabilities:			
Lease obligations	8	\$ 769	\$ 984
Accounts payable and other liabilities	16	282,099	265,184
Distributions payable		17,136	16,213
Liabilities related to assets held for sale	17	30,571	–
Senior unsecured debentures	15	249,859	249,689
Mortgages payable	13	311,761	330,276
Total current liabilities		892,195	862,346
Non-current liabilities:			
Lease obligations	8	6,987	7,055
Other liabilities	16	10,763	11,566
Mortgages payable	13	2,109,405	1,851,885
Mortgages payable related to assets held for sale	17	30,688	–
Credit facilities	14	23,243	–
Senior unsecured debentures	15	547,832	547,479
Deferred tax liabilities	25	90,387	71,062
Total non-current liabilities		2,819,305	2,489,047
Total liabilities		3,711,500	3,351,393
Unitholders' equity		1,845,625	1,693,584
Total equity		1,845,625	1,693,584
Total liabilities and unitholders' equity		\$ 5,557,125	\$ 5,044,977

See accompanying notes to condensed consolidated interim financial statements.

Approved by the Trustees:

“Alka Gautam” Trustee “Gary Whitelaw” Trustee

CHARTWELL RETIREMENT RESIDENCES

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

(Loss)

(In thousands of Canadian dollars)

(Unaudited)

	Note	Three months ended June 30,		Six months ended June 30,	
		2026	2025	2026	2025
Revenue:					
Property	21	\$ 320,356	\$ 268,034	\$ 623,306	\$ 511,602
Management and other fees	21	1,220	952	2,043	2,821
Lease revenue from joint ventures	12	2,736	2,736	5,472	8,671
Lease revenue	21	320	111	1,111	222
Interest income	21	1,493	1,325	3,558	2,740
		326,125	273,158	635,490	526,056
Income (expenses):					
Direct property operating		(187,229)	(159,683)	(366,440)	(309,739)
Depreciation of PP&E	5	(74,677)	(59,694)	(141,831)	(112,386)
Amortization of intangible assets	6	(341)	(439)	(719)	(905)
Share of net income (loss) from joint ventures	12	(389)	146	298	754
General, administrative and trust		(15,788)	(14,126)	(30,490)	(31,209)
Other income (expense)	22	2,424	173	4,784	55,987
Finance costs	23	(34,800)	(31,859)	(65,945)	(62,467)
Change in fair values of financial Instruments	24	(6,867)	(7,608)	(7,311)	(13,087)
		(317,667)	(273,090)	(607,654)	(473,052)
Income (loss) before income taxes		8,458	68	27,836	53,004
Current tax recovery (expense)	25	—	157	—	(7,968)
Deferred income tax (expense)	25	(9,797)	(5,962)	(21,183)	(17,579)
Net income (loss)		(1,339)	(5,737)	6,653	27,457
Net income (loss) and comprehensive income (loss) ⁽¹⁾					
		\$ (1,339)	\$ (5,737)	\$ 6,653	\$ 27,457
Net income (loss) and comprehensive income attributable to:					
Unitholders		\$ (1,339)	\$ (5,769)	\$ 6,653	\$ 27,409
Non-controlling interest			32		48
Net income (loss) and comprehensive income		\$ (1,339)	\$ (5,737)	\$ 6,653	\$ 27,457

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

See accompanying notes to condensed consolidated interim financial statements.

CHARTWELL RETIREMENT RESIDENCES

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

Six months ended June 30, 2026	Trust Units issued in dollars, net	Trust Units issued under EUPP	EUPP receivable	Accumulated income (losses)	Distributions	Other equity components	Total
Total equity, December 31, 2025	\$ 3,811,431	\$ 21,572	\$ (15,533)	\$ 132,796	\$ (2,263,183)	\$ 6,501	\$ 1,693,584
Net income and comprehensive income	—	—	—	6,653	—	—	6,653
Distributions to unitholders	—	—	—	—	(99,817)	—	(99,817)
Issuance of Trust Units under the at-the-Market "ATM" (note 18)	213,452	—	—	—	—	—	213,452
Trust Units issued under the Distribution Reinvestment Program ("DRIP")	28,636	—	—	—	—	—	28,636
Trust Units issued on exchange of class B units	200	—	—	—	—	—	200
Trust Units issued under the Executive Unit Purchase Plan ("EUPP"), net of Units transferred to Treasury	2,870	1,320	(1,923)	—	—	—	2,267
Trust units issued on settlement of "DTUs"	256	—	—	—	—	—	256
Interest on EUPP receivable	—	—	(170)	—	—	—	(170)
Distributions applied against EUPP receivable	—	—	564	—	—	—	564
Total equity, June 30, 2026	\$ 4,056,845	\$ 22,892	\$ (17,062)	\$ 139,449	\$ (2,363,000)	\$ 6,501	\$ 1,845,625

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

See accompanying notes to condensed consolidated interim financial statements.

CHARTWELL RETIREMENT RESIDENCES

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

Six months ended June 30, 2025	Trust Units issued in dollars, net	Trust Units issued under EUPP	EUPP receivable	Accumulated income (losses)	Distributions	Other equity components	Non- controlling Interest	Total
Total equity, December 31, 2024	\$ 3,040,063	\$ 21,112	\$ (14,855)	\$ 103,383	\$ (2,084,386)	\$ 6,501	\$ 1,563	\$ 1,073,381
Net income and comprehensive income	—	—	—	27,409	—	—	48	27,457
Distributions to unitholders	—	—	—	—	(85,741)	—	—	(85,741)
Issuance of Trust Units pursuant to public offering (note 18)	—	—	—	—	—	—	—	—
Issuance of Trust Units under the at-the-Market "ATM" (note 18)	228,808	—	—	—	—	—	—	228,808
Trust Units issued under the Distribution Reinvestment Program ("DRIP")	22,979	—	—	—	—	—	—	22,979
Trust Units issued on exchange of class B units	801	—	—	—	—	—	—	801
Trust Units issued under the Executive Unit Purchase Plan ("EUPP"), net of Units transferred to Treasury	2,096	1,196	(1,695)	—	—	—	—	1,597
Trust units issued on settlement of "DTUs"	1,201	—	—	—	—	—	—	1,201
Interest on EUPP receivable	—	—	(184)	—	—	—	—	(184)
Distributions applied against EUPP receivable	—	—	563	—	—	—	—	563
Non-controlling interest acquired (note 3)	—	—	—	—	—	—	(653)	(653)
Total equity, June 30, 2025	\$ 3,295,948	\$ 22,308	\$ (16,171)	\$ 130,792	\$ (2,170,127)	\$ 6,501	\$ 958	\$ 1,270,209

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

See accompanying notes to condensed consolidated interim financial statements.

CHARTWELL RETIREMENT RESIDENCES

Condensed Consolidated Interim Statements of Cash Flows

(In thousands of Canadian dollars)

(Unaudited)

		Three Months ended June 30,		Six months ended June 30,	
	Note	2026	2025	2026	2025
Cash provided by (used in):					
Operating Activities:					
Net income (loss)		\$ (1,339)	\$ (5,737)	\$ 6,653	\$ 27,457
Items not affecting cash:					
Depreciation and amortization	5, 6	75,018	60,133	142,550	113,291
Unit based compensation		4,911	3,436	8,007	7,900
Finance costs	23	34,800	31,859	65,945	62,467
Transaction costs arising from dispositions	22	1,196	1,674	1,499	6,131
Net reversal of impairment expense of assets	22	(3,549)	(1,963)	(3,549)	(1,963)
Other (income) expense		(71)	116	(2,734)	(60,155)
Interest income	21	(1,493)	(1,325)	(3,558)	(2,740)
Change in fair values of financial instruments	24	6,867	7,608	7,311	13,087
Current income (recovery) expense	25	—	(157)	—	7,968
Deferred income tax (benefit) expense	25	9,797	5,962	21,183	17,579
Share of net income (loss) from joint ventures	12	389	(146)	(298)	(754)
Other		580	217	2,267	1,597
Change in trade and other receivables		12,933	2,431	4,793	7,804
Change in other assets		(180)	2,831	(3,638)	991
Change in accounts payable and other liabilities		5,076	7,756	(15,818)	10,229
		144,935	114,695	230,613	210,889
Interest income and other income received		125	1,498	3,558	2,741
Interest paid		(37,501)	(35,025)	(62,700)	(60,917)
		107,559	81,168	171,471	152,713
Financing activities:					
Proceeds from issuance of units from ATM, net of issue costs	18	71,351	136,075	211,593	227,951
Proceeds from mortgage financing		107,790	192,283	109,598	192,283
Mortgage repayments		—	(92,873)	(1,208)	(169,739)
Scheduled mortgage principal repayments		(23,717)	(19,548)	(43,720)	(38,949)
Proceeds (repayments) from debentures	15	—	(150,000)	—	250,000
Repayments of loans payable		—	—	—	(115,649)
Draws (repayments) on credit facilities	14	25,000	—	25,000	(100,000)
Net additions to finance costs		(8,507)	(15,394)	(10,798)	(17,512)
Distributions paid		(35,435)	(31,028)	(70,428)	(62,189)
		136,482	19,515	220,037	166,196
Investing activities:					
Acquisition of assets, net of cash acquired ⁽¹⁾	4	(248,855)	(96,950)	(266,841)	(310,029)
Additions to PP&E and intangible assets	5, 6	(41,052)	(36,939)	(85,491)	(76,465)
Proceeds from disposal of PP&E, net of cash assumed ⁽²⁾	5	430	—	49,270	71,249
Distributions received from joint ventures	12	1,800	—	1,800	2,330
Contribution to joint ventures	12	(172,182)	—	(172,182)	(590)
Payment (advance) of loans receivable	11	2,235	—	7,935	2,893
		(457,624)	(133,889)	(465,509)	(310,612)
Income taxes paid		—	(34)	—	(127)
		(457,624)	(133,923)	(465,509)	(310,739)
Increase (decrease) in cash and cash equivalents		(213,583)	(33,240)	(74,001)	8,170
Opening balance prior to IFRS 9 amendments		—	—	109,132	—
Adjustment on initial application of amendments of IFRS 9 (note 3a)		—	—	2,974	—
Restated cash and cash equivalents, beginning of period		251,688	61,458	112,106	20,048
Cash and cash equivalents, end of period		\$ 38,105	\$ 28,218	\$ 38,105	\$ 28,218

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

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

See accompanying notes to condensed consolidated interim financial statements.

CHARTWELL RETIREMENT RESIDENCES

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

As at and for the three months and six months ended June 30, 2026 and 2025
(Unaudited)

1. Organization:

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

2. Basis of preparation:

Statement of compliance:

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

The condensed consolidated interim financial statements were authorized for issue by the Board of Trustees on August 6, 2026. These condensed consolidated interim financial statements follow the same accounting policies and methods of application as the consolidated financial statements as at and for the year ended December 31, 2025.

3. Material accounting policies:

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

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

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

CHARTWELL RETIREMENT RESIDENCES

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

As at and for the three months and six months ended June 30, 2026 and 2025
(Unaudited)

3. Material accounting policies (continued):

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

IFRS 18, Presentation and Disclosure in Financial Statements

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

CHARTWELL RETIREMENT RESIDENCES

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

As at and for the three months and six months ended June 30, 2026 and 2025
(Unaudited)

4. Acquisitions and dispositions:

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

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

	Chartwell L'Unique⁽¹⁾ March 2	Ontario Portfolio April 2	Chartwell Fengate JV June 1	Palermo Village June 3	Total
Date of acquisition	March 2	April 2	June 1	June 3	
Location	Quebec (421 suites)	Ontario (1,024 suites)	Various (2,943 suites)	Ontario (116 suites)	
Ownership acquired %	15%	100%	30%	100%	
PP&E	\$ 19,684	\$ 426,358	\$ 9,329	\$ 43,937	\$ 499,308
Investment in Joint Ventures	–	–	172,182	–	172,182
Working capital adjustments	241	(3,486)	–	(702)	(3,947)
Total	\$ 19,925	\$ 422,872	\$ 181,511	\$ 43,235	\$ 667,543
Cash consideration	\$ 12,582	\$ 183,532	\$ 172,182	\$ 42,298	\$ 410,594
Mortgages assumed	6,477	229,182	–	–	235,659
Acquisition related costs incurred	866	10,158	9,329	937	21,290
Total consideration transferred	\$ 19,925	\$ 422,872	\$ 181,511	\$ 43,235	\$ 667,543

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

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

On April 2, 2026, Chartwell completed the acquisition of six communities ("Ontario Portfolio") comprising of 1,024 suites located in London, Waterloo, and Mississauga, for a total consideration of \$422,872. In addition, Chartwell has entered into a forward purchase agreement to acquire 29 town homes currently under development in London, Ontario for a purchase price of \$15,800 subject to normal working capital and other closing adjustments. The acquisition is expected to close upon construction completion which is anticipated in Q1 2027. Chartwell has paid a deposit of \$4,800 in connection with the acquisition (note 10).

CHARTWELL RETIREMENT RESIDENCES

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

As at and for the three months and six months ended June 30, 2026 and 2025
(Unaudited)

4. Acquisitions and dispositions (continued):

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

Disposition during the period ended June 30, 2026:

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

b) Acquisitions and Dispositions subsequent to June 30, 2026:

Acquisitions subsequent to June 30, 2026:

On July 16, 2026, Chartwell completed the acquisition of a 50% interest in Chartwell Le Montcalm with 283 suites located in Candiac, Quebec, for a purchase price of \$43,300. The acquisition will be funded with the assumption of \$22,289 in place mortgage debt with the remainder paid in cash. The assumed mortgage debt bears a rate of 6.0% and matures in October 2026.

On August 4, 2026, Chartwell entered into a definitive agreement to acquire a 100% interest in a retirement residence in the Greater Toronto Area, for a purchase price of \$136,000. This transaction is expected to close in Q3 2026.

CHARTWELL RETIREMENT RESIDENCES

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

As at and for the three months and six months ended June 30, 2026 and 2025
(Unaudited)

4. Acquisitions and dispositions (continued):

Dispositions subsequent to June 30, 2026:

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

On August 4, 2026, Chartwell entered into a definitive agreement to sell one non-core property in Ontario for a purchase price of \$41,750. 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.

CHARTWELL RETIREMENT RESIDENCES

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

As at and for the three months and six months ended June 30, 2026 and 2025
(Unaudited)

4. Acquisitions and dispositions (continued):

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

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

CHARTWELL RETIREMENT RESIDENCES

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

As at and for the three months and six months ended June 30, 2026 and 2025
(Unaudited)

4. Acquisitions and dispositions (continued):

Batimo Acquisitions:

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

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

CHARTWELL RETIREMENT RESIDENCES

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

As at and for the three months and six months ended June 30, 2026 and 2025
(Unaudited)

4. Acquisitions and dispositions (continued):

Welltower Transaction:

On February 1, 2025, Chartwell closed on its transaction with Welltower to windup its joint arrangements ("Welltower Transaction"). Under the terms of the agreement, Chartwell conveyed its ownership interest in 23 retirement residences (the "Welltower Assets") to Welltower for consideration of: (i) Welltower's ownership interest in 16 retirement residences (the "Chartwell Assets") and (ii) \$93,117 net of debt and working capital adjustments. Chartwell has incurred total transaction costs of \$12,863 in relation to this transaction and estimate SIFT taxes payable of \$1,756. Chartwell acquired \$210,454 in PP&E on the Chartwell Assets. Chartwell assumed \$131,742 in debt on the Chartwell Assets, bearing a weighted average interest at 3.09% and having a weighted average term to maturity of 5.29 years. The net change to total debt for Chartwell's balance sheet was a reduction of approximately \$52,093, including the impact of the settlement of the Welltower loan 1 of \$33,323 which was settled upon closing of the transaction. Chartwell applied the optional concentration test in accordance with IFRS 3 and accounted for the acquisition as an asset acquisition. Transaction costs of \$9,242 and mark to market adjustments of \$(1,101) have been capitalized to PP&E in the consolidated balance sheet. Chartwell recognized a gain on sale of assets totaling \$60,300 (note 22).

CHARTWELL RETIREMENT RESIDENCES

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

As at and for the three months and six months ended June 30, 2026 and 2025
(Unaudited)

5. Property, plant and equipment:

	Land	Buildings	Furniture, fixtures and equipment	Properties under development	Land held for development	Total
Cost						
Balance, December 31, 2024	\$ 393,730	\$ 3,997,486	\$ 198,861	\$ 107,043	\$ 28,118	\$ 4,725,238
Acquisitions (note 4)	154,026	1,078,754	38,889	14,274	1,818	1,287,761
Additions	—	93,962	17,134	26,987	—	138,083
Disposals	(1,446)	(10,130)	(2,608)	—	—	(14,184)
Derecognition	—	(56,030)	—	—	—	(56,030)
Transfers In/Out (note 7)	—	34,372	1,844	(84,064)	16,403	(31,445)
Balance, December 31, 2025	546,310	5,138,414	254,120	64,240	46,339	6,049,423
Acquisitions (note 4)	45,552	438,163	9,093	—	6,500	499,308
Additions	—	57,258	8,249	38,966	1,657	106,130
Disposals	(3,640)	(60,491)	(2,144)	—	—	(66,275)
Derecognition	—	(14,881)	—	—	—	(14,881)
Transfers to assets held for sale (note 17)	(12,857)	(183,110)	(11,924)	(633)	(200)	(208,724)
Balance, June 30, 2026	\$ 575,365	\$ 5,375,353	\$ 257,394	\$ 102,573	\$ 54,296	\$ 6,364,981
Accumulated depreciation and impairment losses						
Balance, December 31, 2024	\$ 1,118	\$ 947,686	\$ 148,404	\$ —	\$ —	\$ 1,097,208
Depreciation	99	223,001	22,409	—	—	245,509
Disposal	(1,446)	(11,462)	(1,635)	—	—	(14,543)
Derecognition	—	(56,030)	—	—	—	(56,030)
Impairment expense (reversal)	1,446	(14,509)	23	—	—	(13,040)
Balance, December 31, 2025	1,217	1,088,686	169,201	—	—	1,259,104
Depreciation	49	127,560	14,222	—	—	141,831
Disposals	—	(17,522)	(2,092)	—	—	(19,614)
Derecognition	—	(14,881)	—	—	—	(14,881)
Impairment expense (reversal)	—	(3,528)	(21)	—	—	(3,549)
Transfers to assets held for sale (note 17)	—	(63,342)	(8,886)	—	—	(72,228)
Balance, June 30, 2026	\$ 1,266	\$ 1,116,973	\$ 172,424	\$ —	\$ —	\$ 1,290,663
Carrying amounts						
Balance, December 31, 2025	\$ 545,093	\$ 4,049,728	\$ 84,919	\$ 64,240	\$ 46,339	\$ 4,790,319
Balance, June 30, 2026	574,099	4,258,380	84,970	102,573	54,296	5,074,318

CHARTWELL RETIREMENT RESIDENCES

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

As at and for the three months and six months ended June 30, 2026 and 2025
(Unaudited)

5. Property, plant and equipment (continued):

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

Right-of-use assets	Land ⁽¹⁾	Buildings	Furniture, fixtures and equipment	Total
Balance, December 31, 2024	\$ 5,380	\$ 3,195	\$ 1,361	\$ 9,936
Additions	—	—	710	710
Depreciation	(99)	(211)	(695)	(1,005)
Disposal	—	—	(42)	(42)
Balance, December 31, 2025	5,281	2,984	1,334	9,599
Acquisition	—	—	—	—
Additions	—	—	359	359
Depreciation	(49)	(106)	(358)	(513)
Transfers to assets held for sale	—	—	(76)	(76)
Balance, June 30, 2026	\$ 5,232	\$ 2,878	\$ 1,259	\$ 9,369

⁽¹⁾ Relates to land leases

Other PP&E information:

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

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

Since January 1, 2010, \$234,842 of fully amortized resident contracts have been removed from the cost and accumulated depreciation of PP&E related to residences held by Chartwell as at June 30, 2026 (December 31, 2025 – \$254,706 related to residences held by Chartwell as at December 31, 2025).

CHARTWELL RETIREMENT RESIDENCES

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

As at and for the three months and six months ended June 30, 2026 and 2025
(Unaudited)

5. Property, plant and equipment (continued):

During the three months and six months ended June 30, 2026, Chartwell capitalized \$574 and \$939 (June 30, 2025 – \$801 and \$1,617) of borrowing costs related to development projects under construction at an average capitalization rate of 3.93% and 3.93%, respectively (June 30, 2025 – 4.02% and 4.16%).

During the three and six months ended June 30, 2026, an impairment reversal of \$4,229 was recorded for two properties, one in Ontario and one in Quebec. An impairment expense of \$680 was recorded on one property in Ontario. Chartwell has committed to sell all three of these properties and they are included in assets held for sale (note 17).

6. Intangibles:

	Goodwill	Licenses	Software	Total
Cost				
Balance, December 31, 2024	\$ 9,233	\$ 4,280	\$ 34,311	\$ 47,824
Additions	—	—	343	343
Disposals	—	—	(249)	(249)
Balance, December 31, 2025	9,233	4,280	34,405	47,918
Additions	—	—	628	628
Disposals	—	—	(189)	(189)
Transfer to assets held for sale (note 17)	—	—	(3,463)	(3,463)
Balance, June 30, 2026	\$ 9,233	\$ 4,280	\$ 31,381	\$ 44,894
Accumulated amortization				
Balance, December 31, 2024	\$ —	\$ —	\$ 26,080	\$ 26,080
Disposals	—	—	(249)	(249)
Amortization	—	—	1,739	1,739
Impairment expense	—	—	77	77
Balance, December 31, 2025	—	—	27,647	27,647
Disposals	—	—	(126)	(126)
Amortization	—	—	719	719
Transfers to assets held for sale	—	—	(1,851)	(1,851)
Balance, June 30, 2026	\$ —	\$ —	\$ 26,389	\$ 26,389
Carrying amounts				
Balance, December 31, 2025	\$ 9,233	\$ 4,280	\$ 6,758	\$ 20,271
Balance, June 30, 2026	9,233	4,280	4,992	18,505

CHARTWELL RETIREMENT RESIDENCES

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

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(Unaudited)

7. Capital funding receivable:

The following table summarizes the capital funding receivable activity:

	June 30, 2026	December 31, 2025
Opening Balance	\$ 31,153	\$ —
Capital funding increase	—	31,445
Reduction of capital funding receivable	(387)	(292)
Amount transferred to assets held for sale	(30,766)	—
Closing Balance	\$ —	\$ 31,153
Current	\$ —	\$ 783
Non-current	—	30,370
	\$ —	\$ 31,153

The capital funding receivable, which had a carrying value of \$31,153 as at December 31, 2025 relates to funding receivable from the Government of Ontario for one long-term care home and is included in assets held for sale as of June 30, 2026 (note 17). The weighted average remaining term of this funding is approximately 24.1 years. The discount rate used in the present value calculation was 3.80% based on long-term government bond rates. The receipt of funding for the remaining term of the agreement is subject to the condition that the home continues to operate as a long-term care home for the remaining period. During the period ended June 30, 2026, capital funding receipts amounted to \$972 (June 30, 2025 - \$nil) of which \$585 (June 30, 2025 - \$nil) was recorded as interest income and \$387 (June 30, 2025 - \$nil) as a reduction of capital funding receivable included in assets held for sale (note 17).

8. Leases:

As at June 30, 2026, Chartwell has right-of-use assets in respect of land, office space and equipment leases totaling \$9,369 (December 31, 2025 - \$9,599) with remaining lease terms ranging from less than 1 year to 53 years (note 5). At June 30, 2026, lease obligations related to these right-of-use assets totaled \$7,756 (December 31, 2025 - \$8,039) of which \$769 (December 31, 2025 - \$984) was classified current and \$6,987 (December 31, 2025 - \$7,055) was classified non-current. Chartwell generally does not include purchase, extension or termination options in its leases, other than extension options for land leases that support properties with lengthy useful lives.

CHARTWELL RETIREMENT RESIDENCES

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

As at and for the three months and six months ended June 30, 2026 and 2025
(Unaudited)

9. Trade and other receivables:

	June 30, 2026	December 31, 2025
Government grants receivable	\$ 935	\$ 11,059
Residents	1,160	1,709
Related party	3,229	1,192
Insurance recoverables	1,771	148
Other receivables	6,440	5,821
	\$ 13,535	\$ 19,929

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

Resident receivables balance at June 30, 2026 is net of an allowance for expected credit losses of \$1,475 (December 31, 2025 - \$1,396).

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

10. Other Assets:

	June 30, 2026	December 31, 2025
Prepaid expenses and deposits	\$ 21,335	\$ 19,127
NOI guarantee receivables ⁽¹⁾	8,213	12,247
Deposits for future acquisitions (note 4)	4,800	–
Related party lease receivable	3,108	3,404
Inventory	1,212	1,418
Restricted cash	1,057	1,167
Interest rate swaps (note 13)	102	220
Other	602	–
	\$ 40,429	\$ 37,583
Current	\$ 39,362	\$ 35,449
Non-current	1,067	2,134
	\$ 40,429	\$ 37,583

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

CHARTWELL RETIREMENT RESIDENCES

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

As at and for the three months and six months ended June 30, 2026 and 2025
(Unaudited)

11. Loans receivable:

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

	June 30, 2026	December 31 2025
Mezzanine loans	\$ 7,259	\$ 6,808
Vendor take-back loans	1,663	9,598
	\$ 8,922	\$ 16,406
Current	\$ 1,663	\$ 6,369
Non-current	7,259	10,037
Total	\$ 8,922	\$ 16,406

In 2025, Chartwell advanced a \$6,500 mezzanine loan for the development of a retirement residence located in Calgary, Alberta. This loan bears interest at the rate of 12% or 13% and matures on July 11, 2028. Interest is accrued until the property is cash flow positive. Accrued interest of \$759 was added to the principal of the loan.

As at June 30, 2026, there is one Vendor take-back loan outstanding for \$1,663, bearing interest at 6%, maturing in November 2026 secured by general assignments of rents and leases. During the six months ended June 30, 2026, two loans in the amount of \$7,935 were repaid.

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

CHARTWELL RETIREMENT RESIDENCES

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

As at and for the three months and six months ended June 30, 2026 and 2025
(Unaudited)

12. Joint arrangements:

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

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

⁽¹⁾ Due to the acquisition of the remaining 15% interest in L'Unique during the six months ended June 30, 2026, this is no longer a joint arrangement.

⁽²⁾ These joint arrangements have been structured through separate legal vehicles.

⁽³⁾ Chartwell directly holds its interest in real estate while its interest in operations is held through separate legal entities.

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

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

CHARTWELL RETIREMENT RESIDENCES

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

As at and for the three months and six months ended June 30, 2026 and 2025
(Unaudited)

12. Joint arrangements (continued):

(a) Joint operations:

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

	June 30, 2026		December 31, 2025	
Current assets	\$	27,552	\$	31,747
Non-current assets		367,404		405,566
Total assets	\$	394,956	\$	437,313
Current liabilities	\$	74,029	\$	110,143
Non-current liabilities		159,775		145,788
Total liabilities	\$	233,804	\$	255,931

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Total revenue	\$ 8,892	\$ 11,262	\$ 19,694	\$ 26,046
Total expenses	\$ (9,775)	\$ (12,871)	\$ (20,881)	\$ (27,972)

(b) Joint ventures:

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

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Disposals of joint ventures	\$ —	\$ —	\$ —	\$ (9,739)
Contributions to joint ventures including upon acquisition	\$ 172,182	\$ —	\$ 172,182	\$ 590
Distributions received from joint ventures	\$ (1,800)	\$ —	\$ (1,800)	\$ (2,330)

CHARTWELL RETIREMENT RESIDENCES

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

As at and for the three months and six months ended June 30, 2026 and 2025
(Unaudited)

12. Joint arrangements (continued):

	June 30, 2026	December 31, 2025
Cash and cash equivalents	\$ 5,002	\$ 4,947
Trade and other receivables	8,708	12,725
Other assets	9,579	703
Assets held for sale	54,420	—
Current assets	77,709	18,375
PP&E and intangible assets	382,315	54,383
Total assets	\$ 460,024	\$ 72,758
Accounts payable and other liabilities	\$ 11,255	\$ 4,221
Mortgages payable - current	9,623	9,766
Liabilities held for sale	32,789	—
Current liabilities	53,667	13,987
Mortgages payable - non-current	215,493	38,587
Total liabilities	\$ 269,160	\$ 52,574
Net investment in joint ventures	\$ 190,864	\$ 20,184

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Revenue	\$ 16,499	\$ 10,757	\$ 28,295	\$ 32,555
Direct property operating expense	(9,696)	(6,259)	(16,327)	(19,768)
Lease expense	(2,736)	(2,736)	(5,472)	(8,671)
Finance costs	(1,665)	(643)	(2,296)	(1,258)
Depreciation and amortization	(2,435)	(914)	(3,425)	(1,872)
Change in fair value of financial instruments	(356)	(141)	(477)	(314)
Other income	—	82	—	82
Chartwell's share of net income from joint ventures	\$ (389)	\$ 146	\$ 298	\$ 754

CHARTWELL RETIREMENT RESIDENCES

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

As at and for the three months and six months ended June 30, 2026 and 2025
(Unaudited)

12. Joint arrangements (continued):

Related party transactions occur between Chartwell and its joint ventures. These related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to between the related parties. Except as disclosed elsewhere in these condensed consolidated interim financial statements, the related party balances are included in accounts receivable and payable, lease revenue from joint ventures, lease expense and in management fee revenue, as applicable. As of June 30, 2026, \$15,366 (December 31, 2025 - \$13,931) of Chartwell's accounts payable relate to its investments in joint ventures. For the three months and six months ended June 30, 2026, \$1,041 and \$1,714 (June 30, 2025 – nil and \$570) of Chartwell's management fees related to its investment in joint ventures.

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

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

As at June 30, 2026, the Chartwell-Champlain Operator continues to lease the underlying real estate from the Chartwell-Champlain Landlord. Lease terms are generally for three-year periods with automatic renewal provisions while the joint arrangement remains in effect. As a result, Chartwell's share of the landlords' lease receipts, \$2,736 and \$5,472 for the three months and six months ended June 30, 2026 (three months and six months ended June 30, 2025 - \$2,736 and \$8,671) is reported as lease revenue and is included in lease revenue from joint ventures. The lease expenses for Chartwell-Champlain Operator are included in the share of net income/(loss) from joint ventures.

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

CHARTWELL RETIREMENT RESIDENCES

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

As at and for the three months and six months ended June 30, 2026 and 2025
(Unaudited)

12. Joint arrangements (continued):

As at June 30, 2026, Chartwell owns a 85% beneficial interest and Batimo a 15% beneficial interest in Chartwell Le Prescott Résidence. Chartwell directly holds its interest in the underlying real estate, related mortgage, and operations of this residence, which is accounted for as a joint operation and proportionately consolidated.

As at June 30, 2026, Chartwell owns a 30% interest and Fengate Capital Management owns a 70% interest in 23 properties which are held through a jointly controlled separate legal entity, which is accounted for as a joint venture using the equity method under IFRS 11. On May 7, 2026, Chartwell and its partner Fengate Capital Management committed to a plan to sell six of their jointly owned six properties.

13. Mortgages payable:

	June 30, 2026	December 31, 2025
Mortgages principal balance	\$ 2,519,401	\$ 2,272,320
Mark-to-market adjustments on assumed mortgages	(522)	131
Financing costs	(97,713)	(90,290)
	\$ 2,421,166	\$ 2,182,161
Current	\$ 311,761	\$ 330,276
Non-current	2,109,405	1,851,885
	\$ 2,421,166	\$ 2,182,161

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

	Regular Principal payments	Principal due on maturity	Total debt
Remainder 2026	\$ 45,085	\$ 204,724	\$ 249,809
2027	84,687	77,749	162,436
2028	80,782	170,266	251,048
2029	71,355	108,225	179,580
2030	65,359	70,993	136,352
2031	57,628	136,740	194,368
2032	51,928	65,133	117,061
2033	48,280	136,124	184,404
2034	44,926	284,092	329,018
2035	30,624	284,095	314,719
Thereafter	95,593	305,013	400,606
Total	\$ 676,247	\$ 1,843,154	\$ 2,519,401

CHARTWELL RETIREMENT RESIDENCES

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

As at and for the three months and six months ended June 30, 2026 and 2025
(Unaudited)

13. Mortgages payable (continued):

	June 30, 2026	December 31, 2025
Mortgages at fixed rates:		
Mortgages (principal)	\$ 2,486,463	\$ 2,232,733
Interest rates	1.48% to 5.75%	1.48% to 5.75%
Weighted average interest rate	3.74%	3.61%
Mortgages at variable rates:		
Mortgages (principal)	\$ 32,938	\$ 39,587
Interest rates	4.59% to 5.55%	4.03% to 4.85%
Weighted average interest rate	5.09%	4.57%
Blended weighted average rate	3.75%	3.63%

Included in mortgages at fixed rates above, are mortgages totaling \$68,775 (December 31, 2025 - \$69,463) with interest rates fixed through interest rate swap contracts with an equivalent notional value, maturing in 2026. The swaps have a fair value asset of \$102 (December 31, 2025 - \$220) included in other assets (note 10). The swaps are considered level 2 in the fair value hierarchy.

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

CHARTWELL RETIREMENT RESIDENCES

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

As at and for the three months and six months ended June 30, 2026 and 2025
(Unaudited)

14. Credit facilities:

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

June 30, 2026	Maximum capacity	Available capacity	Principal amounts outstanding	Utilized for letters of credit	Available to be drawn	Maturity date
Credit facility	\$ 400,000	\$ 400,000	\$ (25,000)	\$ (5,049)	\$ 369,951	May 29, 2031

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

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

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

The portion of the credit facility available at secured pricing is determined based on a formula that considers the lending value of the properties included in the secured asset pool. The factors impacting the lending value formula for each property include existing first-lien mortgage balances, property valuations and mortgageability amounts determined on the basis of net operating income (as defined in the amending credit agreement) for the previous four quarters.

CHARTWELL RETIREMENT RESIDENCES

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

As at and for the three months and six months ended June 30, 2026 and 2025
(Unaudited)

14. Credit facilities (continued):

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

Unamortized portion of financing costs of the credit facility of \$1,757 was recorded as a reduction of the amounts outstanding (December 31, 2025 - \$1,976 was recorded as Accounts payable and other liabilities as there was no balance outstanding).

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

CHARTWELL RETIREMENT RESIDENCES

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

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(Unaudited)

15. Senior unsecured debentures:

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

June 30, 2026	Date issued	Outstanding principal	Financing costs, net	Carrying value	Due date
6.000% Series C	December 8, 2023	250,000	(141)	249,859	December 8, 2026
4.400% Series D	October 28, 2024	150,000	(764)	149,236	November 5, 2029
3.650% Series E	March 6, 2025	200,000	(607)	199,393	May 6, 2028
4.500% Series F	March 6, 2025	200,000	(797)	199,203	March 6, 2032
Total		\$ 800,000	\$ (2,309)	\$ 797,691	
				Carrying value	
Current				\$ 249,859	
Non-current				547,832	
				\$ 797,691	

December 31, 2025	Date issued	Outstanding principal	Financing costs, net	Carrying value	Due date
6.000% Series C	December 8, 2023	\$ 250,000	\$ (311)	\$ 249,689	December 8, 2026
4.400% Series D	October 28, 2024	150,000	(879)	149,121	November 5, 2029
3.650% Series E	March 6, 2025	200,000	(772)	199,228	May 6, 2028
4.500% Series F	March 6, 2025	200,000	(870)	199,130	March 6, 2032
Total		\$ 800,000	\$ (2,832)	\$ 797,168	
				Carrying value	
Current				\$ 249,689	
Non-current				547,479	
				\$ 797,168	

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
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15. Senior unsecured debentures (continued):

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

- 1) \$200,000 of 3.65% Series E senior unsecured debentures due on May 6, 2028, with semi-annual interest payments due on May 6 and November 6 of each year. Debt financing costs of \$1,023 were incurred and are being amortized using the effective interest method.
- 2) \$200,000 of 4.50% Series F senior unsecured debentures due on March 6, 2032, with semi-annual interest payments due on March 6 and September 6 of each year. Debt financing costs of \$980 were incurred and are being amortized using the effective interest method.

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

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

16. Accounts payable and other liabilities:

	Note	June 30, 2026	December 31, 2025
Accounts payable and accrued liabilities		\$ 192,751	\$ 183,185
Resident deposits		9,634	8,953
Related party ⁽¹⁾		512	1,253
Deferred Trust Units ("DTU")	(a)	18,511	16,232
Restricted Trust Units ("RTU")	(b)	13,552	15,821
EUPP option component	(c)	25,608	22,072
Class B Units of Chartwell Master Care LP ("Class B Units")	(d)	32,294	29,234
		\$ 292,862	\$ 276,750
Current		\$ 282,099	\$ 265,184
Non-current		10,763	11,566
		\$ 292,862	\$ 276,750

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

CHARTWELL RETIREMENT RESIDENCES

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

As at and for the three months and six months ended June 30, 2026 and 2025
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16. Accounts payable and other liabilities (continued):

(a) DTU Plan:

The DTU fair value is determined using the market price for listed Trust Units since there is a one-for-one conversion feature. The market price of Trust Units as at June 30, 2026, was \$22.35 (December 31, 2025 - \$20.10). DTU plan is considered Level 2 in the fair value hierarchy. The non-cash compensation expense attributable to DTUs granted is included in general, administrative and trust expense and subsequent fair value changes are included in fair value of financial instruments.

The following table summarizes the DTU activity:

	Units outstanding	Amount
Balance, December 31, 2024	863,215	\$ 13,015
Units granted	53,760	1,006
Change in fair value and distributions	28,664	4,667
DTU settled by the issuance of Trust units	(137,944)	(2,456)
Balance, December 31, 2025	807,695	16,232
Units granted	20,892	440
Change in fair value and distributions	11,826	2,095
DTU settled by the issuance of Trust units	(12,000)	(256)
Balance, June 30, 2026	828,413	\$ 18,511

(b) RTU Plan:

The following table summarizes the RTU activity:

	Units outstanding	Amount
Balance, December 31, 2024	1,193,119	\$ 10,166
Granted	319,645	5,229
Distributions / Change in market value	43,029	9,159
Cancelled Units	(20,835)	(244)
Paid out / Vested	(464,439)	(8,489)
Balance, December 31, 2025	1,070,519	15,821
Granted	299,037	308
Distributions / Change in market value	16,049	6,441
Cancelled Units	(7,247)	(54)
Paid out / Vested	(332,203)	(8,964)
Balance, June 30, 2026	1,046,155	\$ 13,552

CHARTWELL RETIREMENT RESIDENCES

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

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16. Accounts payable and other liabilities (continued):

At June 30, 2026, the market price for listed Trust Units was \$22.35 (2025 - \$20.10) and weighted average fair value per unit for notional trust units granted during the six months ended June 30, 2026, was \$21.06 (2025 - \$ 16.36). The liability is measured to fair value based on the market price for Trust Units at each reporting period until settlement. RTU plan is considered Level 2 in the fair value hierarchy. The compensation expense attributable to the RTU plan is included in direct property operating expense and general, administrative and trust expenses.

(c) EUPP option component:

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

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

	June 30, 2026		December 31, 2025	
Expected volatility	18.87%	23.87%	18.43%	23.43%
Risk-free rate	2.27%	3.09%	2.25%	3.09%
Distribution yield	2.74%	2.79%	3.05%	3.09%

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
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(Unaudited)

16. Accounts payable and other liabilities (continued):

(d) Class B Units

Class B Units are exchangeable, at the option of the holder, into Trust Units. Such exchangeable instruments are presented as a current liability and are measured at fair value. Holders of the Class B Units are entitled to receive distributions equal to those provided to holders of Trust Units. Distributions on Class B Units are reported as a finance cost on the statement of comprehensive income. Fair value is determined by using the market price for listed Trust Units since there is a one-for-one exchange feature for each Class B Unit into a Trust Unit. Class B Units are considered Level 2 in the fair value hierarchy. The market price of Trust Units at June 30, 2026 was \$22.35 per unit (2025 - \$20.10 per unit). At June 30, 2026, 1,444,910 Class B Units were outstanding (2025 - 1,454,410).

	Units outstanding		Amount
Balance, December 31, 2024	1,509,360	\$	22,761
Exchange of Class B units into Trust units	(54,950)		(931)
Change in fair value	—		7,404
Balance, December 31, 2025	1,454,410		29,234
Exchange of Class B units into Trust Units	(9,500)		(200)
Change in fair value	—		3,260
Balance, June 30, 2026	1,444,910	\$	32,294

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
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17. Assets and liabilities held for sale:

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

On May 1, 2026, Chartwell entered into a definitive agreement to sell one non-core Long Term Care property located in Ajax, Ontario for \$68,250. The transaction is subject to customary adjustments in accordance with the terms of the purchase and sale agreement and is subject to regulatory and other required approvals and is expected to close in Q4 2026.

On May 25, 2026, Chartwell entered into a definitive agreement to sell one non-core property located in Victoriaville, Quebec for \$8,000, subject to customary adjustments in accordance with the terms of the purchase and sale agreement and is expected to close in Q3 2026.

On July 2, 2026, Chartwell completed the sale of nine non-core properties in Ontario for \$117,908. Chartwell repaid \$33,571 in mortgages with weighted average interest at 3.30% and a weighted average term to maturity of 4.31 years. Further, Chartwell incurred \$2,058 in transaction costs.

On August 4, 2026, Chartwell entered into a definitive agreement to sell the property for \$91,000. The transaction is expected to close in Q3 2026. At the time of the sale, Chartwell will repay the in-place CMHC-insured mortgage with an outstanding balance of \$21,311, bearing interest at 3.13% and maturing in 2028.

CHARTWELL RETIREMENT RESIDENCES

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

As at and for the three months and six months ended June 30, 2026 and 2025
(Unaudited)

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

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

	June 30, 2026	December 31, 2025
Trade and other receivables	\$ 2,262	\$ —
Capital funding receivable (note 7)	30,766	—
Other assets	1,311	—
PP&E (note 4)	136,496	—
Intangible assets (note 5)	1,612	—
Total assets held for sale	\$ 172,447	\$ —
Other liabilities related to assets held for sale	\$ 9,260	\$ —
Current mortgages payable related to assets held for sale	21,311	—
Non-current mortgages payable related to assets held for sale	30,688	—
Total liabilities and mortgages related to assets held for sale	\$ 61,259	\$ —

18. Trust Units and EUPP:

The following Trust Units are issued and outstanding:

	Number of Trust Units	Amount
Balance, December 31, 2024	272,568,524	\$ 3,040,063
Trust Units issued under DRIP	2,826,431	49,137
Trust Units issued on vesting of DTU	137,944	2,456
Trust Units issued in exchange of Class B units	54,950	931
Trust Units released on settlement of EUPP receivable	154,898	3,738
Trust Units issued under ATM Program	38,894,442	715,106
Balance, December 31, 2025	314,637,189	3,811,431
Trust Units issued under DRIP	1,398,619	28,636
Trust Units issued on vesting of DTU	12,000	256
Trust Units issued in exchange of Class B units	9,500	200
Trust Units released on settlement of EUPP receivable	105,974	2,870
Trust Units issued under ATM Program	10,099,311	213,452
Balance, June 30, 2026	326,262,593	\$ 4,056,845

CHARTWELL RETIREMENT RESIDENCES

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

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(Unaudited)

18. Trust Units and EUPP (continued):

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

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

On November 14, 2024, Chartwell filed a prospectus supplement to establish an at-the-market equity distribution program (the "ATM Program"). On November 6, 2025, Chartwell filed a new prospectus supplement for the ATM Program to allow Chartwell to issue up to an additional \$500,000 of Trust Units. During the six months ended June 30, 2026, Chartwell issued and sold \$142,390 of Trust Units under this program. This ATM program terminated on May 7, 2026 with \$382,390 cumulative Trust Units issued and sold under the program.

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

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

	Three months ended June 30, 2026		Six months ended June 30, 2026	
	2026	2025	2026	2025
Number of units	3,343,539	7,634,026	10,099,311	13,205,036
Weighted Average Price	\$ 21.74	\$ 17.97	\$ 21.30	\$ 17.45
Value of trust units issued under ATM	72,676	137,191	215,066	230,471
Offering costs	(1,325)	(2,176)	(3,473)	(3,580)
Net cash proceeds	71,351	135,015	211,593	226,891
Deferred tax asset	709	1,165	1,859	1,917
Issuance of Trust Units under ATM program, net	\$ 72,060	\$ 136,180	\$ 213,452	\$ 228,808

CHARTWELL RETIREMENT RESIDENCES

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

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(Unaudited)

18. Trust Units and EUPP (continued):

The following table summarizes Trust Units issued under the EUPP:

	Number of Trust Units issued under EUPP		Amount
Balance, December 31, 2024	1,817,188	\$	21,112
Trust Units issued under EUPP	139,085		2,337
Trust Units released on settlement of EUPP receivable	(154,898)		(1,877)
Balance, December 31, 2025	1,801,375		21,572
Trust Units issued under EUPP	132,772		2,758
Trust Units released on settlement of EUPP receivable	(105,974)		(1,438)
Balance, June 30, 2026	1,828,173	\$	22,892

19. Segmented information:

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

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
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(Unaudited)

19. Segmented information (continued):

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

Three months ended June 30, 2026						
	Ontario	Western Canada	Quebec	Total Retirement Operations	Reconciliation	Total
Property revenue	\$ 156,330	\$ 74,348	\$ 106,060	\$ 336,738	\$ (16,382)	\$ 320,356
Direct property operating expenses	(93,064)	(43,928)	(59,933)	(196,925)	9,696	(187,229)
Adjusted net operating income	\$ 63,266	\$ 30,420	\$ 46,127	\$ 139,813	\$ (6,686)	\$ 133,127

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

Six months ended June 30, 2026						
	Ontario	Western Canada	Quebec	Total Retirement Operations	Reconciliation	Total
Property revenue	\$ 295,933	\$ 144,998	\$ 210,453	\$ 651,384	\$ (28,078)	\$ 623,306
Direct property operating expenses	(177,830)	(85,388)	(119,549)	(382,767)	16,327	(366,440)
Adjusted net operating income	\$ 118,103	\$ 59,610	\$ 90,904	\$ 268,617	\$ (11,751)	\$ 256,866

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

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
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20. Financial instruments:

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

	June 30, 2026		December 31, 2025	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets:				
Financial assets recorded at amortized cost				
Capital funding receivable (note 7)	\$ –	\$ –	\$ 31,153	\$ 30,896
Financial liabilities:				
Financial liabilities recorded at amortized cost:				
Mortgages payable (note 13)	\$ 2,421,166	\$ 2,410,523	\$ 2,182,161	\$ 2,135,174
Credit facilities (note 14)	23,243	25,000	–	–
Senior unsecured debentures (note 15)	797,691	787,845	797,168	798,841

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

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

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

The fair value of mortgages payable is estimated by discounting the expected future cash outflows using the rates currently prevailing for similar instruments of similar maturities. At June 30, 2026, the mortgages payable were discounted using rates between 3.33% and 4.42% (December 31, 2025 - 3.61% and 4.57%).

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
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20. Financial instruments (continued):

The fair value of senior unsecured debentures is estimated by discounting the expected future cash outflows using the rates currently prevailing for similar instruments of similar maturities. At June 30, 2026, senior unsecured debentures were discounted using a rate of 4.82% (December 31, 2025 – 4.27%).

The fair value of the credit facility is estimated to be the amount drawn at June 30, 2026 as Chartwell has the ability to repay the outstanding balance any time.

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

21. Revenue:

Property revenue is comprised of the following:

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Resident revenue	\$ 314,241	\$ 263,654	\$ 613,119	\$ 502,693
Other property revenue ⁽¹⁾	6,115	4,380	10,187	8,909
Total property revenue	\$ 320,356	\$ 268,034	\$ 623,306	\$ 511,602

⁽¹⁾Includes primarily government funding and commercial revenue

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Lease revenue ⁽¹⁾	\$ 172,542	\$ 131,931	\$ 327,128	\$ 260,018
Services revenue ⁽²⁾	150,870	138,950	302,761	260,477
Management and other fees	1,220	952	2,043	2,821
Interest income	1,493	1,325	3,558	2,740
Total revenue	\$ 326,125	\$ 273,158	\$ 635,490	\$ 526,056

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

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

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
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22. Other income (expense):

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Net gain (loss) on disposal of assets ⁽¹⁾	\$ (409)	\$ 249	\$ 2,011	\$ 60,501
Net impairment reversal	3,549	1,963	3,549	1,963
Other income ⁽²⁾	525	—	2,215	—
Total other income	3,665	2,212	7,775	62,464
Transaction costs	(1,196)	(1,674)	(1,499)	(6,131)
Other expense ⁽²⁾	(45)	(365)	(1,492)	(346)
	(1,241)	(2,039)	(2,991)	(6,477)
Other income (expense)	\$ 2,424	\$ 173	\$ 4,784	\$ 55,987

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

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

23. Finance costs:

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Contractual interest expense on mortgages	\$ (23,398)	\$ (20,427)	\$ (43,631)	\$ (38,859)
Interest expense on senior unsecured debentures	(9,449)	(9,882)	(18,795)	(17,926)
Interest expense on credit facility	(443)	(686)	(743)	(2,356)
Contractual interest expense on loans payable	—	—	—	(1,374)
	(33,290)	(30,995)	(63,169)	(60,515)
Interest capitalized to properties under development	574	801	939	1,617
Amortization of financing costs and mark-to-market adjustment on assumed mortgages, credit facilities and senior unsecured debentures	(1,858)	(1,441)	(3,266)	(3,117)
Distributions on Class B Units recorded as interest expense	(226)	(224)	(449)	(452)
Total finance costs	\$ (34,800)	\$ (31,859)	\$ (65,945)	\$ (62,467)

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
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24. Change in fair values of financial instruments (expense) income:

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Change in fair value of interest rate swaps	\$ (76)	\$ (35)	\$ (118)	\$ (286)
Change in fair value of EUPP option component	(4,078)	(3,708)	(4,268)	(6,103)
Change in fair value of Class B Units	(3,225)	(2,647)	(3,261)	(5,202)
Change in fair value of DTUs	(1,944)	(1,640)	(2,096)	(3,216)
Change in fair value - other	(68)	422	(92)	1,720
Change in fair value of income guarantees	2,524	—	2,524	—
Change in fair values of financial instruments	\$ (6,867)	\$ (7,608)	\$ (7,311)	\$ (13,087)

25. Income taxes:

Chartwell recorded current tax expense of nil in the three months and six months ended June 30, 2026 respectively (three and six months ended June 30, 2025 – current tax recovery of \$157 and current tax expense of \$7,968 respectively). The 2025 current tax expense was primarily attributable to SIFT taxes payable on the disposition of the Welltower Assets (note 4).

For the three and six months ended June 30, 2026, Chartwell recorded deferred tax expense of \$9,797 and \$21,183 respectively (three and six months ended June 30, 2025 - \$5,962 and \$17,579 respectively). The 2026 deferred tax expense was primarily with respect to temporary difference between accounting carrying amount and tax cost base of PP&E and fair value adjustments. The 2025 deferred tax expense was primarily with respect to fair value adjustments, prior year adjustments, and the reversal of temporary differences associated with the Welltower Transaction (note 4).

Chartwell expects that additional taxable income arising from property dispositions completed and announced during 2026 (note 4), including the sale of non-core properties and the planned disposition of a long-term care residence will result in SIFT taxes payable.

CHARTWELL RETIREMENT RESIDENCES

Notes to Condensed Consolidated Interim Financial Statements (continued)
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26. Commitments and contingencies:

(a) Litigation and claims:

On June 1, August 14th and October 5, 2020, Chartwell was served with three different statements of claims (the "Claims") that were filed in the Ontario Superior Court of Justice, all seeking an order certifying the Claims as class actions pursuant to the *Class Proceedings Act (Ontario)*. In January 2022, the Court granted an order to consolidate the Claims into one proceeding (the "Consolidated Claim") seeking an order to be certified as a class action against Chartwell. The Consolidated Claim alleges, among other things, gross negligence, breach of the Canadian Charter of Rights and Freedoms, breach of contract and breach of fiduciary duty in respect of Chartwell's response to the pandemic. The plaintiffs are seeking \$100,000 in general damages and \$10,000 in aggravated, punitive and/or exemplary damages. On March 7, 2024, the Consolidated Claim was certified, but pursuant to the Recovery Act, only gross negligence claims survive the cause of action test. The litigation is currently in the discovery process. Chartwell is vigorously defending itself against these claims and does not believe the outcome will have a material adverse impact on its business, results of operations or financial condition and in any event believes that any potential liability would be resolved within the limits of its insurance coverage. Chartwell does not believe that the Claims or the damages sought have merit.

On November 20, 2020, the Ontario government enacted the *Supporting Ontario's Recovery Act* (the "Recovery Act"). Under the Recovery Act, which is retroactive to March 17, 2020, proceedings are barred and dismissed without costs if they allege injury by COVID-19 if the defendant made good faith efforts to follow public health guidance and COVID-19 related laws and did not act with gross negligence.

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 RETIREMENT RESIDENCES

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

As at and for the three months and six months ended June 30, 2026 and 2025
(Unaudited)

26. Commitments and contingencies (continued):

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

(b) Other:

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

Under legacy arrangements, which have been subsequently amended, Batimo has the right, upon a property achieving a specified stabilized occupancy level, to require Chartwell to acquire a 100% ownership interest in the property at a price based on fair market value, as defined in the agreements. This right is exercisable for a defined period following stabilization. As at June 30, 2026, two properties are subject to such arrangements, with one being under construction and one having reached stabilization. Chartwell acquired a 50% ownership interest in the stabilized property on July 16, 2026. Batimo's put right on the remaining 50% ownership interest will be exercisable once the property's expansion achieves a specified stabilized occupancy level. The estimated fair value of this property is \$86.5 million.

CHARTWELL RETIREMENT RESIDENCES

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

As at and for the three months and six months ended June 30, 2026 and 2025
(Unaudited)

26. Commitments and contingencies (continued):

Chartwell and Batimo have adopted a revised ownership structure for one development project under construction adjacent to a residence co-owned by Chartwell and Batimo. Under this framework, Chartwell and Batimo each hold a 50% interest during construction and lease-up. Upon achievement of stabilized occupancy, the parties will negotiate the terms under which Chartwell's ownership interest would increase to 85%. If the parties are unable to reach an agreement, either party may require the transfer of an additional 35% interest to Chartwell at a price based on fair market value, as defined in the agreements. These rights are exercisable for a defined period following stabilization.

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