

Condensed Consolidated Interim Financial Statements  
(In Canadian dollars)

# **CHARTWELL RETIREMENT RESIDENCES**

March 31, 2025  
(Unaudited)

# CHARTWELL RETIREMENT RESIDENCES

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

	Note	March 31, 2025	December 31, 2024
<b>Assets</b>			
Current assets:			
Cash and cash equivalents		\$ 61,458	\$ 20,048
Trade and other receivables	7	13,525	17,672
Loans receivable	9	23,959	21,677
Assets held for sale	16	–	274,435
Other assets	8	57,548	54,191
<b>Total current assets</b>		<b>156,490</b>	<b>388,023</b>
Non-current assets:			
Other assets	8	3,420	3,771
Loans receivable	9	14,810	19,280
Investment in joint ventures	10	21,196	26,221
Intangible assets	5	21,407	21,744
Property, plant and equipment (“PP&E”)	4	4,059,380	3,628,030
<b>Total non-current assets</b>		<b>4,120,213</b>	<b>3,699,046</b>
<b>Total assets</b>		<b>\$ 4,276,703</b>	<b>\$ 4,087,069</b>
<b>Liabilities and Unitholders' Equity</b>			
Current liabilities:			
Lease obligations	6	\$ 929	\$ 925
Accounts payable and other liabilities	15	245,283	214,630
Distributions payable		14,399	14,071
Loans payable	13	–	148,972
Liabilities related to assets held for sale	16	–	149,290
Senior unsecured debentures	14	150,000	149,953
Mortgages payable	11	346,656	408,071
<b>Total current liabilities</b>		<b>757,267</b>	<b>1,085,912</b>
Non-current liabilities:			
Lease obligations	6	7,388	7,281
Other liabilities	15	7,473	3,583
Mortgages payable	11	1,494,079	1,386,908
Credit facilities	12	–	98,079
Senior unsecured debentures	14	796,527	398,358
Deferred tax liabilities	24	44,432	33,567
<b>Total non-current liabilities</b>		<b>2,349,899</b>	<b>1,927,776</b>
<b>Total liabilities</b>		<b>3,107,166</b>	<b>3,013,688</b>
Unitholders' equity	17	1,168,612	1,071,818
Non-controlling interest		925	1,563
<b>Total equity</b>		<b>1,169,537</b>	<b>1,073,381</b>
<b>Total liabilities and unitholders' equity</b>		<b>\$ 4,276,703</b>	<b>\$ 4,087,069</b>

See accompanying notes to condensed consolidated interim financial statements.

Approved by the Trustees:

“Ann Davis” \_\_\_\_\_ Trustee      “Jamie Scarlett” \_\_\_\_\_ 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 March 31,	
		2025	2024
<b>Revenue:</b>			
Resident		\$ 243,568	\$ 183,920
Management and other fees		1,980	3,076
Lease revenue from joint ventures	10	5,935	8,852
Interest income		1,415	735
	20	252,898	196,583
<b>Income (expenses):</b>			
Direct property operating		(150,056)	(121,374)
Depreciation of PP&E	4	(52,692)	(35,342)
Amortization of intangible assets	5	(466)	(615)
Share of net income from joint ventures	10	608	1,367
General, administrative and trust		(17,083)	(14,471)
Other income (expense)	21	55,814	(1,354)
Finance costs	22	(30,608)	(22,778)
Change in fair values of financial instruments	23	(5,479)	(3,285)
		(199,962)	(197,852)
Income (loss) before taxes		52,936	(1,269)
Current Tax (expense) benefit	24	(8,125)	351
Deferred income tax (expense) benefit	24	(11,617)	(1,053)
Net income (loss)		33,194	(1,971)
Net income and comprehensive income (loss) <sup>(1)</sup>		\$ 33,194	\$ (1,971)
<b>Net income and comprehensive income attributable to:</b>			
Unitholders		33,178	(1,971)
Non-controlling interest		16	—
Net income and comprehensive income		33,194	(1,971)

<sup>(1)</sup>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)

Three months ended March 31, 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	–	–	–	33,178	–	–	16	33,194
Distributions to unitholders	–	–	–	–	(42,268)	–	–	(42,268)
Issuance of Trust Units pursuant to public offering (note 17)	–	–	–	–	–	–	–	–
Issuance of Trust Units under the at-the-Market "ATM" (note 17)	92,628	–	–	–	–	–	–	92,628
Trust Units issued under the Distribution Reinvestment Program ("DRIP")	10,861	–	–	–	–	–	–	10,861
Trust Units issued on exchange of class B units	446	–	–	–	–	–	–	446
Trust Units issued under the Executive Unit Purchase Plan ("EUPP"), net of Units transferred to Treasury	1,776	1,352	(1,750)	–	–	1	–	1,379
Trust units issued on settlement of "DTUs"	374	–	–	–	–	–	–	374
Interest on EUPP receivable	–	–	(82)	–	–	–	–	(82)
Distributions applied against EUPP receivable	–	–	278	–	–	–	–	278
Non-controlling interest acquired (note 3)	–	–	–	–	–	–	(654)	(654)
<b>Total equity, March 31, 2025</b>	<b>\$ 3,146,148</b>	<b>\$ 22,464</b>	<b>\$ (16,409)</b>	<b>\$ 136,561</b>	<b>\$ (2,126,654)</b>	<b>\$ 6,502</b>	<b>\$ 925</b>	<b>\$ 1,169,537</b>

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

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)

Three months ended March 31, 2024	Trust Units issued in dollars, net	Trust Units issued under EUPP	EUPP receivable	Accumulated income (losses)	Distributions	Other equity components	Total
Unitholders' equity, December 31, 2023	\$ 2,622,374	\$ 23,666	\$ (16,185)	\$ 80,975	\$ (1,925,870)	\$ 6,501	\$ 791,461
Net Income	–	–	–	(1,971)	–	–	(1,971)
Distributions to unitholders	–	–	–	–	(36,876)	–	(36,876)
Trust Units issued under the Distribution Reinvestment Program ("DRIP")	9,650	–	–	–	–	–	9,650
Trust units issued on exchange of class B units	71	–	–	–	–	–	71
Trust Units issued under the Executive Unit Purchase Plan ("EUPP"), net of Units transferred to Treasury	761	(418)	115	–	–	13	471
Trust units issued on settlement of DTU	291	–	–	–	–	–	291
Interest on EUPP receivable	–	–	(71)	–	–	–	(71)
Distributions applied against EUPP receivable	–	–	317	–	–	–	317
Unitholders' equity, March 31, 2024	\$ 2,633,147	\$ 23,248	\$ (15,824)	\$ 79,004	\$ (1,962,746)	\$ 6,514	\$ 763,343

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

See accompanying notes to condensed consolidated interim financial statements.

# CHARTWELL RETIREMENT RESIDENCES

Condensed Consolidated Interim Statements of Cash Flows

(In thousands of Canadian dollars)

(Unaudited)

	Note	Three months ended March 31,	
		2025	2024
Cash provided by (used in):			
Operating activities:			
Net income (loss)		\$ 33,194	\$ (1,971)
Items not affecting cash:			
Depreciation and amortization	4, 5	53,158	35,957
Unit based compensation		4,464	1,805
Finance costs	22	30,608	22,778
Transaction costs arising from dispositions		4,458	1,992
Other income	21	(60,272)	(638)
Interest income	20	(1,415)	(735)
Change in fair values of financial instruments	23	5,479	3,285
Deferred income tax (benefit) expense	24	11,617	1,053
Current income tax (benefit) expense	24	8,125	(351)
Share of net loss (income) from joint ventures	10	(608)	(1,368)
Other		1,380	471
Change in trade and other receivables		5,373	2,166
Change in other assets		(1,840)	4,931
Change in accounts payable and other liabilities		2,591	(12,352)
		96,312	57,023
Interest income and other income received		1,243	639
Interest paid		(25,892)	(16,819)
		71,663	40,843
Financing activities:			
Proceeds from issuance of units from ATM	17	91,876	–
Mortgage repayments		(76,866)	(73,723)
Scheduled mortgage principal repayments		(19,401)	(18,299)
Mortgage repaid on disposition		–	(3,006)
Proceeds from debenture financing	14	400,000	–
Proceeds from loans payable financing	13	–	73,988
Repayment of loans payable	13	(115,649)	–
Draws (repayment) of credit facilities	12	(100,000)	58,000
Net additions to finance costs		(2,118)	(2,119)
Distributions paid		(31,161)	(27,253)
		146,681	7,588
Investing activities:			
Acquisition of assets, net of cash acquired		(213,079)	–
Additions to PP&E and intangible assets		(39,526)	(22,117)
Proceeds from disposal of PP&E, including Welltower transaction, net of cash assumed		71,249	1,234
Payment (advance) of loans receivable		2,893	(858)
Change in restricted cash		(118)	–
Contributions to joint ventures		(590)	–
Distributions received from joint ventures	10	2,330	–
		(176,841)	(21,741)
Income taxes paid	15	(93)	(26,772)
		(176,934)	(48,513)
Increase (decrease) in cash and cash equivalents		41,410	(82)
Cash and cash equivalents, beginning of period		20,048	24,619
Cash and cash equivalents, end of period		\$ 61,458	\$ 24,537

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 ended March 31, 2025 and 2024  
(Unaudited)

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## 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 months ended March 31, 2025 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, 2024, 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 May 8, 2025.

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, 2024

# 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 ended March 31, 2025 and 2024  
(Unaudited)

## 3. Acquisitions and dispositions

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

	Victoria Harbour	Rosemont	Trait-Carré	Total
Date of acquisition	January 15, 2025	March 1, 2025	March 10, 2025	
Location	Province of British Columbia (131 suites)	Province of Quebec (632 suites)	Province of Quebec (361 suites)	
PP&E	\$ 78,496	\$ 135,776	\$ 17,122	\$ 231,394
Investment in joint ventures <sup>(1)</sup>	–	–	–	–
Working capital adjustments	(524)	(1,596)	(129)	(2,249)
Non-controlling interest acquired	–	–	654	654
<b>Total</b>	<b>\$ 77,972</b>	<b>\$ 134,180</b>	<b>\$ 17,647</b>	<b>\$ 229,799</b>
Cash consideration	\$ 74,476	\$ 127,775	\$ 7,084	\$ 209,335
Mortgages assumed	–	–	9,981	9,981
Deferred payment	–	6,000	–	6,000
Acquisition related costs incurred	3,496	405	582	4,483
<b>Total consideration transferred</b>	<b>\$ 77,972</b>	<b>\$ 134,180</b>	<b>\$ 17,647</b>	<b>\$ 229,799</b>

### Victoria Harbour Acquisition:

On January 15, 2025, Chartwell acquired a 100% interest in Chartwell Victoria Harbour Retirement Community (“Victoria Harbour”). Victoria Harbour is a 131-suite residence built in 2021 in Victoria, British Columbia. The purchase price was \$75,000, subject to normal working capital and other closing adjustments, and was fully satisfied utilizing cash on hand and credit facilities. Chartwell applied the optional concentration test in accordance with IFRS 3 and accounted for the acquisition as an asset acquisition. Acquisition related costs of \$3,496 have been capitalized to PP&E in the consolidated balance sheet.

### Rosemont Acquisition:

On March 1, 2025, Chartwell acquired a 100% interest in Chartwell Rosemont Les Quartiers (“Rosemont”). Rosemont is a phased project comprised of 10, 7, and 6-storey connected buildings on a 4.26-acre lot located just east of downtown Montreal. Completed between 2016 and 2019, it offers 632 rental suites catering to a range of preferences and care needs. The purchase price was \$136,000, of which \$6,000 is to be paid at the third year anniversary of the closing date. The remaining purchase price, net of working capital adjustments and closing costs was paid in cash. Chartwell applied the optional concentration test in accordance with IFRS 3 and accounted for the acquisition as an asset acquisition. Acquisition related costs of \$405 have been capitalized to PP&E in the consolidated balance sheet.

# 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 ended March 31, 2025 and 2024  
(Unaudited)

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### 3. Acquisitions and dispositions (continued):

Trait Carré Acquisition:

On March 10, 2025, Chartwell acquired the remaining 15% ownership in Chartwell Trait-Carré residence ("Trait-Carré") from Batimo, for a purchase price of \$17,122, subject to normal working capital and other closing adjustments. The purchase price included the proportionate assumption of the demand variable rate mortgage in place at closing, with the balance settled in cash. The mortgage was repaid in full by Chartwell following closing of the transaction. Upon completion of this transaction, Chartwell owns 100% in the property. Acquisition related costs of \$582 have been capitalized to PP&E in the consolidated balance sheet.

Welltower Transaction:

On February 1, 2025, Chartwell closed on its previously announced 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. We have incurred total transaction costs of \$12,863 in relation to this transaction and estimate SIFT taxes payable of \$8,125. Chartwell acquired \$219,590 in PP&E on the Chartwell Assets. Chartwell assumed \$131,742 in debt on the Chartwell Assets, bearing a weighted average interest at 3.09% and having a weighted average term to maturity of 5.29 years. The net change to total debt for Chartwell's balance sheet was a reduction of approximately \$52,093, including the impact of the settlement of the Welltower loan 1 (note 13) 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 21).

Acquisitions subsequent to March 31, 2025:

On April 1, 2025, Chartwell completed the acquisition of Résidence Le Florilège, a 345-suite retirement residence located in Quebec City. The purchase price of \$112,900 was partially settled through the assumption of a \$77,600 variable rate mortgage maturing in 6 months and carrying an interest rate of Canadian Overnight Repo Rate Average ("CORRA") plus 1.95%. The remainder of the purchase price, subject to normal working capital and other closing adjustments was paid in cash utilizing cash on hand and credit facilities.

# 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 ended March 31, 2025 and 2024  
(Unaudited)

### 3. Acquisitions and dispositions (continued):

On April 1, 2025, Chartwell completed the acquisition of Chartwell L'Envol, a 360-suite retirement residence located in Quebec City. The purchase price of \$117,800 was partially settled through the assumption of a \$65,400 variable rate mortgage maturing in 6 months and carrying an interest rate of Canadian Overnight Repo Rate Average ("CORRA") plus 1.95%. The remainder of the purchase price, subject to normal working capital and other closing adjustments was paid in cash utilizing cash on hand and credit facilities. A mezzanine loan of \$4,183 extended by Chartwell to the vendor of the property was also settled at closing.

The following table outlines the total acquisitions during 2024:

	Total Batimo	Quebec Portfolio-1	Pickering Land	Vista & Edgewater Care	Quebec Portfolio-2	Total
Date of acquisition	Q2 2024	July 22, 2024	July 31, 2024	October 31, 2024	November 18, 2024	
Location	Province of Quebec (1,053 suites)	Province of Quebec (1,428 suites)	Province of Ontario (Vacant land)	Province of British Columbia (229 suites)	Province of Quebec (1,807 suites)	
PP&E	\$ 263,843	\$ 301,138	\$ 1,166	\$ 115,192	\$ 209,453	\$ 890,792
Investment in joint ventures <sup>(1)</sup>	-	-	-	-	7,189	7,189
Working capital adjustments	(909)	(1,508)	-	(831)	(93)	(3,341)
Less: Non-controlling interest	(1,593)	-	-	-	-	(1,593)
<b>Total</b>	<b>\$ 261,341</b>	<b>\$ 299,630</b>	<b>\$ 1,166</b>	<b>\$ 114,361</b>	<b>\$ 216,549</b>	<b>\$ 893,047</b>
Cash consideration	\$ 89,535	\$ 295,749	\$ 1,147	\$ 123,371	\$ 61,363	\$ 571,165
Mortgages assumed	159,681	-	-	-	152,050	311,731
Settlement of mezzanine loan	3,826	-	-	-	-	3,826
Acquisition transaction costs	9,948	3,881	19	190	7,786	21,824
Less: income guarantee receivable	(1,649)	-	-	(9,200)	(4,650)	(15,499)
<b>Total consideration transferred</b>	<b>\$ 261,341</b>	<b>\$ 299,630</b>	<b>\$ 1,166</b>	<b>\$ 114,361</b>	<b>\$ 216,549</b>	<b>\$ 893,047</b>

<sup>(1)</sup>Includes investment in joint ventures primarily related to PP&E and working capital adjustments.

# 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 ended March 31, 2025 and 2024  
(Unaudited)

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### 3. Acquisitions and dispositions (continued):

Batimo Acquisitions:

On May 3, 2024, Chartwell acquired an 85% interest in Chartwell Le Prescott (“Le Prescott”) from Batimo. Le Prescott is a 324-suite residence built in 2017 in the Montreal suburb of Vaudreuil. The purchase price of \$80,285 was partially settled through the assumption of a \$42,129 variable rate mortgage bearing interest of prime plus 55 basis points. The remainder of the purchase price, subject to normal working capital and other closing adjustments was paid in cash utilizing cash on hand and credit facilities. Chartwell applied the optional concentration test in accordance with IFRS 3 and accounted for this transaction as an asset acquisition. Acquisition related costs of \$3,294 and mark-to-market adjustments of \$378 have been capitalized to PP&E in the consolidated balance sheet.

On May 15, 2024, Chartwell acquired an 85% interest in Chartwell Trait-Carré Residence (“Trait-Carré”) from Batimo. Trait-Carré is a 361-suite residence built in 2021 in Quebec City. The purchase price of \$85,668 was partially settled through the assumption of a \$58,403 demand variable rate mortgage bearing interest of CORRA plus credit spread adjustment plus 260 basis points. The remainder of the purchase price, subject to normal working capital and other closing adjustments was paid in cash utilizing cash on hand and credit facilities. Batimo provided Chartwell with \$21 related to Net Operating Income (“NOI”) support for six months. Chartwell applied the optional concentration test in accordance with IFRS 3 and accounted for this transaction as an asset acquisition. Acquisition related costs of \$3,321 have been capitalized to PP&E in the consolidated balance sheet. On March 10, 2025, Chartwell acquired the remaining 15% interest of this property.

On June 21, 2024, Chartwell acquired an 85% interest in Résidence Légende (“Légende”) from Batimo. Légende is a 368-suite residence built in 2019 in the Montreal suburb of Greenfield Park. The purchase price of \$87,089 was partially settled through the assumption of a \$59,149 variable rate mortgage bearing interest of prime plus 85 basis points maturing on January 1, 2025, as well as settlement of Chartwell’s mezzanine loan of \$3,826. The remainder of the purchase price, subject to normal working capital, other closing adjustments, was paid in cash utilizing cash on hand and credit facilities. Batimo provided Chartwell with NOI support until the property achieves stabilization and \$1,600 of the purchase price is being held in escrow for this obligation. Chartwell applied the optional concentration test in accordance with IFRS 3 and accounted for this transaction as an asset acquisition. Acquisition related costs of \$3,333 and mark-to-market adjustments of \$964 have been capitalized to PP&E in the consolidated balance sheet.

# 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 ended March 31, 2025 and 2024  
(Unaudited)

### 3. Acquisitions and dispositions (continued):

The following table summarizes the Batimo acquisitions:

Date of acquisition	Chartwell Le Prescott May 3, 2024	Chartwell Trait-Carré May 15, 2024	Résidence Légende June 21, 2024	
Location	Province of Quebec (324 Suites)	Province of Quebec (361 Suites)	Province of Quebec (368 Suites)	Total
PP&E	\$ 84,353	\$ 89,902	\$ 89,588	\$ 263,843
Working capital adjustments	(345)	(267)	(297)	(909)
Less: Non-controlling interest	(429)	(667)	(497)	(1,593)
<b>Total</b>	<b>\$ 83,579</b>	<b>\$ 88,968</b>	<b>\$ 88,794</b>	<b>\$ 261,341</b>
Cash consideration	\$ 38,156	\$ 27,265	\$ 24,114	\$ 89,535
Mortgages assumed	42,129	58,403	59,149	159,681
Settlement of mezzanine loan	-	-	3,826	3,826
Acquisition related costs	3,294	3,321	3,333	9,948
Less: income guarantee receivable	-	(21)	(1,628)	(1,649)
<b>Total consideration transferred</b>	<b>\$ 83,579</b>	<b>\$ 88,968</b>	<b>\$ 88,794</b>	<b>\$ 261,341</b>

#### Quebec Portfolio-1 Acquisitions:

On July 22, 2024, Chartwell acquired a 100% interest in a portfolio of five retirement residences with 1,428 suites, the "Quebec Portfolio-1", three of which are located in the Greater Montreal area; and one in each of Gatineau, and Sherbrooke. The purchase price was \$297,000, subject to normal working capital and other closing adjustments, and was fully satisfied utilizing cash on hand, credit facilities and term loans. Chartwell applied the optional concentration test in accordance with IFRS 3 and accounted for the acquisition as an asset acquisition. Acquisition related costs of \$3,881 have been capitalized to PP&E in the consolidated balance sheet.

# 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 ended March 31, 2025 and 2024  
(Unaudited)

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### 3. Acquisitions and dispositions (continued):

Pickering Land Acquisition:

On July 31, 2024, Chartwell acquired the remaining 10% ownership in land located in Pickering, Ontario, the "Pickering Land" for a purchase price of \$1,147, which was previously accounted for as a joint operation. Upon completion of this transaction, Chartwell owns 100% in the property. Acquisition related costs of \$19 have been capitalized to PP&E in the consolidated balance sheet.

Vista and Edgewater Acquisitions:

On August 29, 2024, Chartwell entered into definitive agreements for acquisitions of three retirement residences on Vancouver Island totaling 384 suites for an aggregate purchase price of \$226,900. Two of the three acquisitions were completed on October 31, 2024. Details of these acquisitions are as follows:

- 1) On October 31, 2024, Chartwell acquired a 100% interest in the 152 suite Chartwell Vista Retirement Community ("Vista"), located in Victoria, British Columbia. The purchase price was \$103,900 subject to normal working capital and other closing adjustments and was paid in cash. The vendor provided Chartwell with a 24-month NOI guarantee, with \$9,200 of the purchase price to be held in escrow to support the vendor's obligation. Chartwell applied the optional concentration test in accordance with IFRS 3 and accounted for the acquisition as an asset acquisition. Acquisition related costs of \$160 have been capitalized to PP&E in the consolidated balance sheet.
- 2) On October 31, 2024, Chartwell acquired a 100% interest in the 77 suite Chartwell Edgewater Care Residence ("Edgewater Care"), located in Nanaimo, British Columbia. The purchase price was \$20,300 and subject to normal working capital and other closing adjustments and was paid in cash. Chartwell applied the optional concentration test in accordance with IFRS 3 and accounted for the acquisition as an asset acquisition. Acquisition related costs of \$30 have been capitalized to PP&E in the consolidated balance sheet.

# 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 ended March 31, 2025 and 2024  
(Unaudited)

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### 3. Acquisitions and dispositions (continued):

- 3) The Edgewater Retirement Residence, located adjacent to Chartwell Edgewater Care Residence ("Edgewater Care"), is currently under construction and will be comprised of 155 suites. The purchase price is \$102,700 and subject to normal working capital and other closing adjustments, is expected to be paid in cash utilizing a combination of net proceeds from the sales of Chartwell's non-core assets, cash on hand, and credit facilities. The vendor has agreed to provide Chartwell with a 36-month NOI guarantee, with \$8,700 of the purchase price to be held in escrow to support the vendor's obligation. A \$5,000 purchase deposit was made by Chartwell (note 8). Chartwell will acquire a 100% interest in the residence upon construction completion, which is expected in Q3 2025.

#### Quebec Portfolio-2 Acquisitions:

On November 18, 2024, Chartwell acquired a 50% ownership interest in a portfolio of five retirement residences with 1,807 suites, four of which are located in the Quebec City area and one in Shawinigan (the "Quebec Portfolio-2"). The purchase price for the 50% interest was \$213,500 and was partially settled through the assumption of \$150,371 of mortgages. The remainder of the purchase price, subject to normal working capital and other closing adjustments was paid utilizing cash on hand and credit facilities. The vendor provided Chartwell with a 2-year NOI guarantee, with \$4,650 of the purchase price to be held in escrow to support the vendor's obligation. Beginning on August 28, 2028, subject to a one-year extension at the vendor's option, Chartwell will have an option to purchase the remaining 50% ownership interest in the Quebec Portfolio-2 and the vendor will have an option to sell its remaining 50% ownership interest of the Quebec Portfolio-2 to Chartwell at the then fair market value. Chartwell applied the optional concentration test in accordance with IFRS 3 and accounted for this transaction as an asset acquisition. Acquisition related costs of \$7,786 have been capitalized to PP&E in the consolidated balance sheet.

# 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 ended March 31, 2025 and 2024  
(Unaudited)

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### 3. Acquisitions and dispositions (continued):

Dispositions during the year ended December 31, 2024:

On September 18, 2024, Chartwell completed the sale of one residence in Ontario for a sale price of \$79,500. The purchase price was paid in cash. Chartwell recognized a gain on sale of assets totaling \$46,896 (note 21).

On August 30, 2024, Chartwell completed the sale of one retirement residence in Ontario for a sale price of \$4,600. The purchase price was paid in cash. Chartwell entered into a sale and leaseback transaction of the land and building until the property is vacated. Chartwell recognized a gain on sale of assets totaling \$2,619 (note 21).

On August 15, 2024, Chartwell completed the sale of one retirement residence in Ontario for a sale price of \$10,750. The purchase price was paid in cash. Chartwell recognized a gain on sale of assets totaling \$4,907 (note 21).

On February 1, 2024, Chartwell completed the sale of one property in Ontario for a sale price \$3,750. A vendor take-back mortgage was extended to the purchaser in the amount of \$2,800, maturing in February 2027, and bearing an interest rate of 8% per annum for the first two years and 10% per annum for the third year. Chartwell recognized a gain on sale of assets totaling \$27 (note 21).

# 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 ended March 31, 2025 and 2024  
(Unaudited)

## 4. Property, plant and equipment:

	Land	Buildings	Furniture, fixtures and equipment	Properties under development	Land held for development	Total
<b>Cost</b>						
Balance, December 31, 2023	\$ 298,119	\$ 3,249,314	\$ 166,894	\$ 98,391	\$ 21,618	\$ 3,834,336
Acquisitions (note 3)	104,592	758,748	20,952	–	6,500	890,792
Additions	–	77,843	14,682	8,652	–	101,177
Disposals	(8,981)	(53,008)	(3,667)	–	–	(65,656)
Derecognition	–	(35,411)	–	–	–	(35,411)
Balance, December 31, 2024	393,730	3,997,486	198,861	107,043	28,118	4,725,238
Acquisitions (note 3)	62,377	369,432	17,357	–	1,818	450,984
Additions	–	24,411	3,178	5,469	–	33,058
Disposals	–	–	–	–	–	–
Derecognition	–	(6,701)	–	–	–	(6,701)
Balance, March 31, 2025	\$ 456,107	\$ 4,384,628	\$ 219,396	\$ 112,512	\$ 29,936	\$ 5,202,579
<b>Accumulated depreciation and impairment losses</b>						
Balance, December 31, 2023	\$ 1,019	\$ 855,979	\$ 136,327	\$ –	\$ –	\$ 993,325
Depreciation	99	150,936	15,336	–	–	166,371
Disposal	–	(23,818)	(3,259)	–	–	(27,077)
Derecognition	–	(35,411)	–	–	–	(35,411)
Balance, December 31, 2024	1,118	947,686	148,404	–	–	1,097,208
Depreciation	25	47,784	4,883	–	–	52,692
Disposals	–	–	–	–	–	–
Derecognition	–	(6,701)	–	–	–	(6,701)
Balance, March 31, 2025	\$ 1,143	\$ 988,769	\$ 153,287	\$ –	\$ –	\$ 1,143,199
<b>Carrying amounts</b>						
Balance, December 31, 2024	\$ 392,612	\$ 3,049,800	\$ 50,457	\$ 107,043	\$ 28,118	\$ 3,628,030
Balance, March 31, 2025	454,964	3,395,859	66,109	112,512	29,936	4,059,380

# 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 ended March 31, 2025 and 2024  
(Unaudited)

## 4. 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, 2024 and March 31, 2025:

Right-of-use assets	Land <sup>(1)</sup>	Buildings	Furniture, fixtures and equipment	Total
Balance, December 31, 2023	\$ 5,479	\$ 3,404	\$ 1,257	\$ 10,140
Additions	–	–	910	910
Depreciation	(99)	(209)	(645)	(953)
Disposal	–	–	(161)	(161)
Balance, December 31, 2024	5,380	3,195	1,361	9,936
Acquisition	–	–	197	197
Additions	–	–	107	107
Depreciation	(25)	(53)	(167)	(245)
Balance, March 31, 2025	\$ 5,355	\$ 3,142	\$ 1,498	\$ 9,995

<sup>(1)</sup> Relates to land leases

### Other PP&E information:

Since January 1, 2010, \$240,608 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 March 31, 2025 (December 31, 2024 – \$240,608 related to residences held by Chartwell as at December 31, 2024).

During the three months ended March 31, 2025, Chartwell capitalized \$816 (March 31, 2024 – \$609) of borrowing costs related to development projects under construction at an average capitalization rate of 4.40%, respectively (March 31, 2024 – 3.84%).

# 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 ended March 31, 2025 and 2024  
(Unaudited)

## 5. Intangibles:

	Goodwill	Licenses	Software	Total
<b>Cost</b>				
Balance, December 31, 2023	\$ 9,233	\$ 4,840	\$ 35,299	\$ 49,372
Additions	–	–	84	84
Disposals	–	(560)	(1,072)	(1,632)
Balance, December 31, 2024	9,233	4,280	34,311	47,824
Additions	–	–	129	129
Balance, March 31, 2025	\$ 9,233	\$ 4,280	\$ 34,440	\$ 47,953
<b>Accumulated amortization</b>				
Balance, December 31, 2023	\$ –	\$ –	\$ 24,354	\$ 24,354
Disposals	–	–	(469)	(469)
Amortization	–	–	2,195	2,195
Balance, December 31, 2024	–	–	26,080	26,080
Disposals	–	–	–	–
Amortization	–	–	466	466
Balance, March 31, 2025	\$ –	\$ –	\$ 26,546	\$ 26,546
<b>Carrying amounts</b>				
Balance, December 31, 2024	\$ 9,233	\$ 4,280	\$ 8,231	\$ 21,744
Balance, March 31, 2025	9,233	4,280	7,894	21,407

# 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 ended March 31, 2025 and 2024  
(Unaudited)

## 6. Leases:

As at March 31, 2025, Chartwell has right-of-use assets in respect of land, office space and equipment leases totaling \$9,995 (December 31, 2024 - \$9,936) with remaining lease terms ranging from less than 1 year to 54 years (note 4). Lease obligations related to these right-of-use assets totaled \$8,317 (December 31, 2024 - \$8,206) of which \$929 (December 31, 2024 - \$925) was classified current and \$7,388 (December 31, 2024 - \$7,281) was classified non-current as at March 31, 2025. Chartwell generally does not include purchase, extension or termination options in its leases, other than extension options for land leases that support properties with lengthy useful lives.

## 7. Trade and other receivables:

	March 31, 2025	December 31, 2024
Residents	\$ 1,776	\$ 1,168
Related party	–	5,019
Insurance recoverables	870	350
Government grants receivable	1,381	712
Other receivables	9,498	10,423
	<u>\$ 13,525</u>	<u>\$ 17,672</u>

Resident receivables balance at March 31, 2025 is net of an allowance for expected credit losses of \$1,872 (December 31, 2024 - \$1,492).

Related party receivables are management fees and other receivables outstanding from joint ventures and properties managed by Chartwell. Related party is presented in Accounts payable and other liabilities for the period ended March 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 ended March 31, 2025 and 2024  
(Unaudited)

## 8. Other assets:

	March 31, 2025	December 31, 2024
Prepaid expenses and deposits	\$ 28,865	\$ 25,747
Income guarantees <sup>(1)</sup> (note 3)	15,478	15,478
Investments <sup>(2)</sup>	7,044	3,759
Deposits for future acquisitions (note 3)	5,000	9,000
Restricted cash	1,637	1,519
Inventory	1,355	1,139
Related party lease receivable	1,107	514
Interest rate swaps <sup>(3)</sup>	482	806
	<b>\$ 60,968</b>	<b>\$ 57,962</b>
Current	\$ 57,548	\$ 54,191
Non-current	3,420	3,771
	<b>\$ 60,968</b>	<b>\$ 57,962</b>

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

<sup>(2)</sup> Investments are invested listed shares held for trading and carried at fair value.

<sup>(3)</sup> This represents fair value of interest rate swaps related to mortgages payable of \$482 (December 31, 2024 - \$806) (note 11).

## 9. Loans receivable:

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

	March 31, 2025	December 31 2024
Mezzanine loans - Batimo	\$ 14,183	\$ 14,183
Mezzanine loans – other	15,156	17,494
Vendor take-back loans	9,430	9,280
	<b>\$ 38,769</b>	<b>\$ 40,957</b>
Current	\$ 23,959	\$ 21,677
Non-current	14,810	19,280
Current	<b>\$ 38,769</b>	<b>\$ 40,957</b>

# 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 ended March 31, 2025 and 2024  
(Unaudited)

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## 9. Loans receivable (continued):

Mezzanine loans - Batimo are due from Batimo, mature in 2025 and 2027, bear interest at a rate of 10.75% and 13%, and are secured by first and second charges on Batimo's interests in certain operating and development seniors' housing projects and vacant land, as well as by Batimo's corporate guarantee and contain certain cross-collateralization and cross-default provisions.

On April 1, 2025, Batimo repaid the mezzanine loan of \$4,183 to Chartwell which was associated with the acquired property (note 3).

Mezzanine loans – other mature in 2025, bear interest at a rate of 12% and 14%, and the security varies depending on the terms of the agreements. On December 24, 2024, Chartwell advanced a mezzanine loan of \$14,600 for Edgewater Retirement Residence (note 3). This loan bears interest at a rate of 14% and matures on December 31, 2025. On February 19, 2025, \$2,893 included in Mezzanine loans – other was repaid in full to Chartwell.

Vendor take-back loans mature in 2026-2027, bear interest at a rate of 6% - 10% and the security varies depending on the terms of the agreements.

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 ended March 31, 2025 and 2024  
(Unaudited)

## 10. 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 March 31, 2025:

Joint arrangements	Number of properties	Chartwell ownership	Joint arrangement type	Consolidation method
Batimo	3	85%	Joint operation	Proportionate
Chartwell Oakville Retirement Residence <sup>(1)</sup>	1	50%	Joint venture	Equity
Chartwell Thornhill Retirement Residence <sup>(1)</sup>	1	50%	Joint venture	Equity
Chartwell Riverside Retirement Residence	1	50%	Joint operation	Proportionate
Chartwell Churchill House Retirement Residence	1	50%	Joint operation	Proportionate
The Sumach by Chartwell	1	45%	Joint operation	Proportionate
Kingsbridge Retirement Community <sup>(1)</sup>	1	60%	Joint venture	Equity
Chartwell – Champlain Landlord <sup>(2)</sup>	5	50%	Joint operation	Proportionate
Chartwell – Champlain Operator <sup>(1)(2)</sup>	1	50%	Joint venture	Equity

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

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

On February 1, 2025, Chartwell completed the wind up of its joint arrangements with Welltower (note 3).

# 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 ended March 31, 2025 and 2024  
(Unaudited)

## 10. Joint arrangements (continued):

### (a) Joint operations:

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

	March 31, 2025	December 31, 2024
Current assets	\$ 24,900	\$ 44,725
Assets held for sale	–	274,435
Non-current assets	461,310	705,492
<b>Total assets</b>	<b>\$ 486,210</b>	<b>\$ 1,024,652</b>
Current liabilities	\$ 237,599	\$ 274,996
Liabilities related to assets held for sale	–	149,290
Non-current liabilities	65,622	244,949
<b>Total liabilities</b>	<b>\$ 303,221</b>	<b>\$ 669,235</b>
	Three months ended 2025	March 31, 2024
<b>Total revenue</b>	<b>\$ 14,784</b>	<b>\$ 16,200</b>
<b>Total expenses</b>	<b>\$ (15,101)</b>	<b>\$ (11,032)</b>

### (b) Joint ventures:

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

	2025	Three months ended March 31, 2024
Disposals of joint ventures	\$ (9,739)	\$ –
Contributions to joint ventures including upon acquisition	\$ 590	\$ –
Distributions received from joint ventures	\$ (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 ended March 31, 2025 and 2024  
(Unaudited)

## 10. Joint arrangements (continued):

	March 31, 2025	December 31, 2024
Cash and cash equivalents	\$ 3,972	\$ 15,667
Trade and other receivables	12,607	12,032
Other assets	1,084	2,666
Assets held for sale	–	5,517
Current assets	17,663	35,882
PP&E and intangible assets	56,111	59,297
<b>Total assets</b>	<b>\$ 73,774</b>	<b>\$ 95,179</b>
Accounts payable and other liabilities	\$ 3,156	\$ 9,085
Mortgages payable - current	279	280
Liabilities held for sale	–	4,531
Current liabilities	3,435	13,896
Mortgages payable - non-current	49,143	49,216
<b>Total liabilities</b>	<b>\$ 52,578</b>	<b>\$ 63,112</b>
Net investment in joint ventures held for sale	\$ –	\$ 5,846
<b>Net investment in joint ventures</b>	<b>21,196</b>	<b>26,221</b>
	Three months ended March 31,	
	2025	2024
Revenue	\$ 21,798	\$ 33,969
Direct property operating expense	(13,510)	(22,572)
Lease expense	(5,935)	(8,852)
Finance cost	(615)	(443)
Depreciation and amortization	(957)	(625)
Change in fair value of financial instruments	(173)	(110)
<b>Chartwell's share of net loss from joint ventures</b>	<b>\$ 608</b>	<b>\$ 1,367</b>

# 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 ended March 31, 2025 and 2024  
(Unaudited)

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## 10. 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 March 31, 2025, \$0 (December 31, 2024 - \$2,819) of Chartwell's accounts receivable and \$13,824 (December 31, 2024 - \$12,335) of Chartwell's accounts payable relate to its investments in joint ventures. For the three months ended March 31, 2025, \$570 (March 31, 2024 - \$1,907) of Chartwell's management fees related to its investment in joint ventures.

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

Chartwell and Champlain each owns 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, all acquired in Q4 2024 (note 3). Chartwell's interests in these properties are accounted for as joint operations under IFRS 11. Chartwell's 50% interest in the operations of the 5 properties (collectively referred to as "Chartwell-Champlain Operator") are held through separate legal entities, which are accounted for as joint ventures using the equity method under IFRS 11.

# CHARTWELL 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 ended March 31, 2025 and 2024  
(Unaudited)

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## 10. Joint arrangements (continued):

Chartwell-Welltower Operator, Chartwell Le St-Gabriel Operator, and Chartwell-Champlain Operator have leased the real estate from Chartwell-Welltower Landlord, Chartwell Le St-Gabriel Landlord, and Chartwell-Champlain Landlord, respectively. The terms of these leases are for three-year periods, with automatic renewal terms as long as the joint arrangement between respective parties is still in effect. As a result, Chartwell's share of the landlords' lease receipts, \$5,935 for the three months ended March 31, 2025 (three months ended March 31, 2024 - \$8,852) is reported as lease revenue and is included in lease revenue from joint ventures. The lease expenses for Chartwell-Welltower Operator, Chartwell Le St-Gabriel Operator and Chartwell-Champlain Operator are included in the share of net income (loss) from joint ventures.

In addition, Chartwell and Welltower each own a 45% interest each in The Sumach by Chartwell. Chartwell directly holds its interest in the real estate and related mortgage, and operations for this residence which are accounted for as joint operation (proportionately consolidated).

Chartwell owns a 85% beneficial interest and Batimo a 15% beneficial interest in three properties, including two acquired in Q2 2024 (note 4). Chartwell directly holds its interest in the real estate and related mortgage for these residences which are accounted for as joint operations (proportionately consolidated). In addition, the operations for the two Batimo acquired properties (note 3) are held through a separate legal entity and are consolidated with non-controlling interest for the 15% portion owned by Batimo entity.

# 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 ended March 31, 2025 and 2024  
(Unaudited)

## 11. Mortgages payable:

	March 31, 2025	December 31, 2024
Mortgages principal balance	\$ 1,899,202	\$ 1,852,274
Mark-to-market adjustments on assumed mortgages	580	2,376
Financing costs	(59,047)	(59,671)
	<u>\$ 1,840,735</u>	<u>\$ 1,794,979</u>
Current	\$ 346,656	\$ 408,071
Non-current	1,494,079	1,386,908
	<u>\$ 1,840,735</u>	<u>\$ 1,794,979</u>

Mortgages payable are secured by first and second charges on specific properties and are measured at amortized cost. The mortgages payable as at March 31, 2025 are as follows:

	Regular Principal payments	Principal due on maturity	Total debt
Remainder 2025	\$ 56,579	\$ 274,715	\$ 331,294
2026	71,666	111,875	183,541
2027	67,081	62,036	129,117
2028	63,202	180,890	244,092
2029	51,955	108,924	160,879
2030	44,420	79,195	123,615
2031	36,768	97,519	134,287
2032	30,967	65,133	96,100
2033	25,923	139,948	165,871
2034	21,433	237,696	259,129
Thereafter	30,052	41,225	71,277
Total	<u>\$ 500,046</u>	<u>\$ 1,399,156</u>	<u>\$ 1,899,202</u>

# 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 ended March 31, 2025 and 2024  
(Unaudited)

## 11. Mortgages payable (continued):

	March 31, 2025	December 31, 2024
Mortgages at fixed rates:		
Mortgages (principal)	\$ 1,718,856	\$ 1,581,468
Interest rates	1.31% to 5.75%	1.31% to 5.75%
Weighted average interest rate	3.52%	3.50%
Mortgages at variable rates:		
Mortgages (principal)	\$ 180,346	\$ 270,806
Interest rates	4.92% to 6.00%	5.07% to 6.70%
Weighted average interest rate	5.37%	5.94%
<b>Blended weighted average rate</b>	<b>3.70%</b>	<b>3.86%</b>

Included in mortgages at fixed rates above, are mortgages totaling \$73,221 (December 31, 2024 - \$40,433) with interest rates fixed through interest rate swap contracts with an equivalent notional value, maturing in 2025 and 2026. The swaps have a fair value asset of \$482 (December 31, 2024- \$806) included in other assets (note 8). 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 March 31, 2025.

On December 5, 2015, Chartwell entered into a large borrower agreement ("LBA") with CMHC. The LBA provides among other things, the cross-collateralization of mortgage loans for Chartwell's largest CMHC-insured lenders and contains certain financial and operating covenants. On October 24, 2024, CMHC confirmed the termination of Chartwell's previous Large Borrower Agreement and transition to CMHC's new Large Borrower Risk Management Framework ("LBRMF"). The LBRMF removes previous financial covenant and cross-collateralization requirements.

# 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 ended March 31, 2025 and 2024  
(Unaudited)

## 12. Credit facilities:

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

March 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, 2027
Unsecured credit facility	100,000	100,000	–	–	100,000	May 29, 2027
<b>Total</b>	<b>\$ 400,000</b>	<b>\$ 400,000</b>	<b>\$ –</b>	<b>\$ (5,089)</b>	<b>\$ 394,911</b>	

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

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

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

# 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 ended March 31, 2025 and 2024  
(Unaudited)

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## 12. Credit facilities (continued):

Financing costs, which have been recorded as a reduction of the amounts outstanding under the credit facilities, as at March 31, 2025 were \$1,797 included in Accounts payable and other liabilities as there is no outstanding credit facility balance (December 31, 2024 - \$1,921).

The amounts outstanding on the secured credit facility bear interest at the bank's prime rate plus 0.65% or CORRA plus 1.65% plus credit spread adjustment based on Chartwell's current credit rating. The secured credit facility is secured by certain unencumbered properties and by second-ranked charges on specific properties. The amounts outstanding on the unsecured credit facility bear interest at the bank's prime rate plus 0.70% or CORRA plus 1.70% plus credit spread adjustment based on Chartwell's current credit rating.

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

# CHARTWELL RETIREMENT RESIDENCES

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

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## 13. Loans payable:

On July 22, 2024, Chartwell entered into a \$150,000 unsecured term loan facility agreement with a Canadian chartered bank. The loan bears interest based on either the bank's prime rate or CORRA, with an initial term of six months and an optional extension for an additional six months. On October 31, 2024, Chartwell repaid \$75,000 of this unsecured loan. On March 6, 2025, Chartwell repaid the remaining \$75,000 of this unsecured loan.

Welltower extended two loans for \$33,323 and \$40,665 respectively to Chartwell as bridge financing for two properties with mortgages that matured in Q1 2024. On February 1, 2025, Chartwell sold its interest in one of these properties to Welltower (note 16) and the associated loan of \$33,323 was repaid on February 1, 2025 with the completion of the windup. The second loan balance of \$40,665 was repaid on February 14, 2025.

The following tables detail the outstanding principal amounts and the carrying value of Chartwell's secured and unsecured term loans at December 31, 2024:

December 31, 2024	Outstanding principal	Financing costs, net	Carrying value	Interest rate	Maturity date
Unsecured term loan	\$ 75,000	\$ (16)	\$ 74,984	5.62%	January 22, 2025
Welltower loan 1	33,323	–	33,323	6.71%	February 14, 2025
Welltower loan 2	40,665	–	40,665	6.85%	February 15, 2025
<b>Total</b>	<b>\$ 148,988</b>	<b>\$ (16)</b>	<b>\$ 148,972</b>		
					Carrying Value
Current					\$ 148,972
Non-current					\$ –
					<b>\$ 148,972</b>

# CHARTWELL RETIREMENT RESIDENCES

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

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## 14. Senior unsecured debentures:

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

March 31, 2025	Date issued	Outstanding principal	Financing costs, net	Carrying value	Due date
4.211% Series B	April 27, 2018	\$ 150,000	\$ -	\$ 150,000	April 28, 2025
6.000% Series C	December 8, 2023	250,000	(566)	249,434	December 8, 2026
4.400% Series D	October 28, 2024	150,000	(1,048)	148,952	November 5, 2029
3.650% Series E	March 6, 2025	200,000	(950)	199,050	May 6, 2028
4.500% Series F	March 6, 2025	200,000	(909)	199,091	March 6, 2032
<b>Total</b>		<b>\$ 950,000</b>	<b>\$ (3,473)</b>	<b>\$ 946,527</b>	
					Carrying value
					Current
					\$ 150,000
					Non-current
					796,527
					<b>\$ 946,527</b>

December 31, 2024	Date issued	Outstanding principal	Financing costs, net	Carrying value	Redemption date <sup>(1)</sup>	Due date
4.211% Series B	April 27, 2018	\$ 150,000	\$ (47)	\$ 149,953	February 25, 2025	April 28, 2025
6.000% Series C	December 8, 2023	250,000	(652)	249,348	-	December 8, 2026
4.400% Series D	October 28, 2024	150,000	(990)	149,010	-	November 5, 2029
<b>Total</b>		<b>\$ 550,000</b>	<b>\$ (1,689)</b>	<b>\$ 548,311</b>		
						Carrying value
						Current
						\$ 149,953
						Non-current
						398,358
						<b>\$ 548,311</b>

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

On October 28, 2024, Chartwell issued \$150,000 of 4.40% Series D unsecured debentures due on November 5, 2029, with semi-annual interest payments due on May 5 and November 5 of each year. Debt financing costs of \$1,037 were incurred and are being amortized using the effective interest method.

# 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 ended March 31, 2025 and 2024  
(Unaudited)

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## 14. 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 \$953 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 \$911 were incurred and are being amortized using the effective interest method.

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

Under the terms of the debentures, Chartwell is required to meet certain financial covenants. These covenants include required interest coverage ratio, indebtedness percentage ratio and unencumbered asset ratio. Chartwell was in compliance with these financial covenants as at March 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 ended March 31, 2025 and 2024  
(Unaudited)

## 15. Accounts payable and other liabilities:

	Note	March 31, 2025	December 31, 2024
Accounts payable and accrued liabilities		\$ 180,156	\$ 152,150
Resident deposits		7,402	5,859
Related party		800	–
Deferred Trust Units ("DTU")	(a)	14,268	13,015
Restricted Trust Units ("RTU")	(b)	8,746	10,166
EUPP option component	(c)	16,514	14,262
Class B Units of Chartwell Master Care LP ("Class B Units")	(d)	24,870	22,761
		<u>\$ 252,756</u>	<u>\$ 218,213</u>
Current		\$ 245,283	\$ 214,630
Non-current		7,473	3,583
		<u>\$ 252,756</u>	<u>\$ 218,213</u>

# 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 ended March 31, 2025 and 2024  
(Unaudited)

## 15. 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 March 31, 2025 was \$16.78 (December 31, 2024 - \$15.08). DTU plan is considered Level 2 in the fair value hierarchy. The non-cash compensation expense attributable to DTUs granted is included in general, administrative and trust expense and subsequent fair value changes are included in fair value of financial instruments.

The following table summarizes the DTU activity:

	Units outstanding	Amount
Balance, December 31, 2023	1,353,281	\$ 15,858
Units granted	64,454	887
Change in fair value and distributions	58,021	5,595
DTU settled by the issuance of Trust units	(612,541)	(9,325)
Balance, December 31, 2024	863,215	13,015
Units granted	15,055	251
Change in fair value and distributions	8,202	1,576
DTU settled by the issuance of Trust units	(36,000)	(574)
Balance, March 31, 2025	850,472	\$ 14,268

### (b) RTU Plan:

During the three months ended March 31, 2025, 319,644 notional Trust Units were granted (December 31, 2024 - 439,403), 6,393 notional Trust units were cancelled (December 31, 2024 - 44,043), 12,280 notional Trust units were issued in regard to distributions (December 31, 2024 - 58,979), and 280,179 notional Trust units vested and were paid out (December 31, 2024 - 413,653). At March 31, 2025, the closing weighted average fair value per unit was \$16.78 (2024 - \$15.08) and weighted average fair value per unit for notional trust units granted during the year was \$16.36 (2024 - \$12.08). At March 31, 2025, 1,238,471 notional Trust Units remained outstanding (December 31, 2024 - 1,193,119). The liability is measured to fair value based on the market price for Trust Units at each reporting period until settlement.

# 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 ended March 31, 2025 and 2024  
(Unaudited)

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## 15. Accounts payable and other liabilities (continued):

### (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 recognized in general, administrative and trust expenses and subsequent changes in fair values are recognized in change in fair values of financial instruments.

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

	March 31, 2025	December 31, 2024
Expected volatility	22.08% - 27.08%	22.97% - 27.97%
Risk-free rate	2.32% - 2.64%	2.67% - 3.12%
Distribution yield	3.64% - 3.90%	4.08% - 4.35%

### (d) Class B Units

Class B Units are exchangeable, at the option of the holder, into Trust Units. Such exchangeable instruments are presented as a current liability and are measured at fair value. Holders of the Class B Units are entitled to receive distributions equal to those provided to holders of Trust Units. Distributions on Class B Units are reported as a finance cost on the statement of comprehensive income. Fair value is determined by using the market price for listed Trust Units since there is a one-for-one exchange feature for each Class B Unit into a Trust Unit. Class B Units are considered Level 2 in the fair value hierarchy. The market price of Trust Units at March 31, 2025 was \$16.78 per unit (2024 - \$15.08 per unit). At March 31, 2025, 1,482,110 Class B Units were outstanding (2024 - 1,509,360).

# 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 ended March 31, 2025 and 2024  
(Unaudited)

## 15. Accounts payable and other liabilities (continued):

	Units outstanding	Amount
Balance, December 31, 2023	1,525,360	\$ 17,877
Exchange of Class B units into Trust units	(16,000)	(219)
Change in fair value	–	5,103
Balance, December 31, 2024	1,509,360	22,761
Exchange of Class B units into Trust Units	(27,250)	(446)
Change in fair value	–	2,555
Balance, March 31, 2025	1,482,110	\$ 24,870

## 16. Assets and liabilities held for sale:

On February 1, 2024, Chartwell closed on its previously announced transaction with Welltower to windup its existing joint arrangements (note 3).

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

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

# 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 ended March 31, 2025 and 2024  
(Unaudited)

## 17. Trust Units and EUPP:

The following Trust Units are issued and outstanding:

	Number of Trust Units	Amount
Balance, December 31, 2023	238,837,656	\$ 2,622,374
Trust Units issued under DRIP	3,162,401	41,777
Trust Units issued on vesting of DTU	612,541	9,325
Trust Units issued in exchange of Class B units	16,000	219
Trust Units released on settlement of EUPP receivable	421,426	8,393
Trust Units pursuant to public offering	28,290,000	338,879
Trust Units issued under ATM Program	1,228,500	19,096
Balance, December 31, 2024	272,568,524	3,040,063
Trust Units issued under DRIP	700,851	10,861
Trust Units issued on vesting of DTU	36,000	374
Trust Units issued in exchange of Class B units	27,250	446
Trust Units released on settlement of EUPP receivable	83,776	1,776
Trust Units issued under ATM Program	5,571,010	92,628
Balance, March 31, 2025	278,987,411	\$ 3,146,148

On June 27, 2024, Chartwell completed a public offering of 28,290,000 Trust Units at a price of \$12.20 per Trust Unit for total gross proceeds of \$345,138.

On November 14, 2024, Chartwell filed a prospectus supplement to establish an at-the-market equity distribution program (the "ATM Program"). The ATM Program allows Chartwell to issue up to \$250,000 of trust units from treasury to the public from time to time during the term of the ATM Program at its discretion. The ATM program is expected to remain in place until the earlier of May 30, 2026, or the issuance and sale of the trust units qualified for distribution under the ATM program. The Trust will have the discretion, subject to market demand, to set the timing, prices and numbers of Units to be offered for sale, and there is no minimum or maximum sales price. The agreement terminates upon the earlier of (i) the sale of all \$250,000 or (ii) termination of the agreement in accordance with its terms. During the three months ended March 31, 2025, Chartwell issued 5,571,010 units (December 31, 2024 – 1,228,500) under the ATM program at an average price of \$16.74 (December 31, 2024 – \$15.90) per Trust Unit based on market prices for total gross proceeds of \$93,280 (December 31, 2024 – \$19,528).

# 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 ended March 31, 2025 and 2024  
(Unaudited)

## 17. Trust Units and EUPP (continued):

During the quarter ended March 31, 2025, underwriting commission and other offering related costs amounted to \$1,404 (December 31, 2024 – \$931) offset by a deferred tax asset of \$752 (December 31, 2024 – \$499).

The following table summarizes Trust Units issued under the EUPP:

	Number of Trust Units issued under EUPP		Amount
Balance, December 31, 2023	2,076,419	\$	23,666
Trust Units issued under EUPP	162,195		1,990
Trust Units released on settlement of EUPP receivable	(421,426)		(4,544)
Balance, December 31, 2024	1,817,188		21,112
Trust Units issued under EUPP	139,085		2,337
Trust Units released on settlement of EUPP receivable	(83,776)		(985)
Balance, March 31, 2025	1,872,497	\$	22,464

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%.

# 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. 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 resident revenue less direct property operating expenses, including Chartwell's proportionate share of its subsidiaries and joint ventures' revenue and direct property operating expenses, respectively. Certain general, administrative and trust expenses are managed centrally by Chartwell and are not allocable to the reportable Retirement Operations segment. Chartwell has no material inter-segment revenue, transfers or expenses.

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

March 31, 2025	Ontario	Western Canada	Quebec	Total Retirement Operations	Reconciliation	Total
Resident revenue	\$ 126,492	\$ 61,668	\$ 75,793	\$ 263,953	\$ (20,385)	\$ 243,568
Direct property operating expenses	(77,969)	(38,529)	(46,441)	(162,939)	12,883	(150,056)
Adjusted net operating income	\$ 48,523	\$ 23,139	\$ 29,352	\$ 101,014	\$ (7,502)	\$ 93,512

March 31, 2024	Ontario	Western Canada	Quebec	Total Retirement Operations	Reconciliation	Total
Resident revenue	\$ 117,976	\$ 53,514	\$ 46,046	\$ 217,536	\$ (33,616)	\$ 183,920
Direct property operating expenses	(78,402)	(33,315)	(32,229)	(143,946)	22,572	(121,374)
Adjusted net operating income	\$ 39,574	\$ 20,199	\$ 13,817	\$ 73,590	\$ (11,044)	\$ 62,546

# CHARTWELL RETIREMENT RESIDENCES

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

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## 19. 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.

	March 31, 2025		December 31, 2024	
	Carrying value	Fair value	Carrying value	Fair value
Financial liabilities:				
Financial liabilities recorded at amortized cost:				
Mortgages payable	\$ 1,840,735	\$ 1,896,766	\$ 1,794,168	\$ 1,827,411
Credit facilities	–	–	98,079	100,000
Loans payable	–	–	148,972	149,434
Senior unsecured debentures	946,527	940,547	548,311	546,485

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

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

The fair value of mortgages payable is estimated by discounting the expected future cash outflows using the rates currently prevailing for similar instruments of similar maturities. At March 31, 2025, the mortgages payable were discounted using rates between 3.16% and 4.66% (December 31, 2024 - 3.57% and 5.18%).

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

# 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 ended March 31, 2025 and 2024  
(Unaudited)

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## 19. 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 March 31, 2025, senior unsecured debentures were discounted using a rate of 4.78% (December 31, 2024 - 5.26%).

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

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

## 20. Revenue:

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	Three months ended	
	March 31,	
	2025	2024
Lease revenue <sup>(1)</sup>	\$ 127,976	\$ 91,550
Services revenue <sup>(2)</sup>	121,527	101,222
Management and other fees	1,980	3,076
Interest income	1,415	735
Total revenue	\$ 252,898	\$ 196,583

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

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

# CHARTWELL RETIREMENT RESIDENCES

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

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## 21. Other income (expense):

	Three months ended March 31,	
	2025	2024
Transaction costs arising on dispositions	\$ (4,458)	\$ (1,992)
Other expense	(4,458)	(1,992)
Net gain on disposal of assets <sup>(1)</sup>	60,253	638
Other income	19	—
	60,272	638
<b>Other income (expense)</b>	<b>\$ 55,814</b>	<b>\$ (1,354)</b>

(1) Net gain on disposal of assets relates primarily to sale of properties (note 3 and note 16).

## 22. Finance costs:

	Three months ended March 31,	
	2025	2024
Contractual interest expense on mortgages	\$ (18,432)	\$ (13,081)
Interest expense on senior unsecured debentures	(8,046)	(5,287)
Interest expense on credit facility	(1,669)	(1,822)
Contractual interest expense on term loans	(1,374)	(2,009)
	(29,521)	(22,199)
Interest capitalized to properties under development	816	609
Amortization of financing costs and mark-to-market adjustment on assumed mortgages, credit facilities and senior unsecured debentures	(1,675)	(956)
Distributions on Class B Units recorded as interest expense	(228)	(232)
<b>Total finance costs</b>	<b>\$ (30,608)</b>	<b>\$ (22,778)</b>

# 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 ended March 31, 2025 and 2024  
(Unaudited)

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

	Three months ended March 31,	
	2025	2024
Change in fair value of interest rate swaps	\$ (250)	\$ (684)
Change in fair value of EUPP option component	(2,395)	(1,406)
Change in fair value of Class B Units	(2,554)	(973)
Change in fair value of DTUs	(1,576)	(1,075)
Change in fair value - other	1,296	853
Change in fair values of financial instruments	\$ (5,479)	\$ (3,285)

## 24. Income taxes:

Chartwell recorded a current tax expense of \$8,125 in the three months ended March 31, 2025 (March 31, 2024 – current tax benefit \$351). The current tax expense in 2025 is primarily attributable to SIFT taxes payable on the disposition of Chartwell's ownership interest in 23 retirement residences ("Welltower Assets"). The current tax benefit in 2024 is primarily attributable to adjustments related to the capital gain on the disposition of the long-term care segment in the year ended December 31, 2023.

For the three months ended March 31, 2025, Chartwell recorded deferred tax expense of \$11,617 (March 31, 2024 – \$1,053). 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 3). The 2024 deferred tax expense for the three months ending March 31, 2024 was primarily with respect to the temporary difference between the accounting carrying amount and tax cost base of PP&E and fair value adjustments.

# CHARTWELL RETIREMENT RESIDENCES

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

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## 25. Commitments and contingencies:

### (a) Litigation and claims:

In 2020, Chartwell was named in three proposed class action lawsuits related to the handling of the COVID-19 pandemic in Chartwell's Ontario Long Term Care homes which were subsequently consolidated into one proceeding (the "Consolidated Claim"). 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.

Chartwell's insurer has assigned defense counsel and is responding to the Consolidated Claim through the appropriate court process. On March 7, 2024, the Consolidated Claim was certified, but pursuant to the Recovery Act, only claims of negligence rising to the level of gross negligence survived the cause of action test. The litigation is currently in the documentary discovery process. Chartwell is vigorously defending against these claims and does not believe the outcome will have a material adverse impact on its business, results of operations or financial condition. Chartwell did not record a provision with respect to the Consolidated Claim as at March 31, 2025. The contingencies associated with these long term care homes remain with Chartwell.

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

# 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 ended March 31, 2025 and 2024  
(Unaudited)

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## 25. Commitments and contingencies (continued):

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

### (b) Other:

Under Chartwell's agreements with Batimo Inc. ("Batimo"), Batimo can require Chartwell to acquire an 85% interest in their development properties in which Chartwell participates as the operations manager and, in some cases, as the mezzanine lender, at 99% of Fair Market Value ("FMV"), as defined in the agreements ("Batimo Option"). Batimo's Option for certain properties is for a five-year period commencing when the related property achieves a minimum 90% occupancy level for two consecutive months, subject to certain conditions, at purchase prices determined based on the appraisal mechanism described in such agreements. Upon expiry of the Batimo Option, Chartwell has a two-year option to require Batimo to sell an 85% interest in some of the properties at FMV and others at 99% of FMV, as defined in the agreements. Chartwell and Batimo have revised the terms of their relationship for new projects starting with developments in Q3 2021 ("Batimo Option 2.0") to provide for the Batimo Option to be for a two-year period instead of five. Upon expiry of the Batimo Option 2.0, Chartwell will have a one-year option instead of two to acquire an 85% interest in the property at 99% of FMV.

As at March 31, 2025, three properties have achieved the occupancy threshold giving effect to the Batimo put rights. On April 1, 2025, two of these properties were acquired for \$230,700 (note 3). The third property is estimated to be valued at \$71,000.