



CHARTwell[®]
retirement residences

Q2 2022 Results Conference Call

August 12, 2022



Cautionary Statements

This presentation contains forward-looking information that reflects the current expectations, estimates and projections of management about the future results, performance, achievements, prospects or opportunities for Chartwell and the seniors housing industry. Forward-looking statements are based upon a number of assumptions and are subject to a number of known and unknown risks and uncertainties, many of which are beyond our control, and that could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking statements. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those expected or estimated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. These factors are more fully described in the “COVID-19 Business Impacts and Related Risks” and the “Risks and Uncertainties and Forward-Looking Information” sections of our Management’s Discussion & Analysis for the year ended December 31, 2021 (the “2021 MD&A”), and in materials filed with the securities regulatory authorities in Canada from time to time, including but not limited to our most recent Annual Information Form.

In this presentation “Q1” refers to the three-month period ended March 31; “Q2” refers to the three-month period ended June 30; “Q3” refers to the three-month period ended September 30; “Q4” refers to the three-month period ended December 31; “2021” refers to the calendar year 2022; “2021” refers to the calendar year 2021, and “YTD” means year to date.

In this presentation we use a number of performance measures that are not defined in generally accepted accounting principles (“GAAP”) which follow the disclosure requirements established by National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosures, to measure, compare and explain the operating results and financial performance of the Trust (collectively, the “Non-GAAP Measures”).

These Non-GAAP Measures do not have standardized meanings prescribed by GAAP and, therefore, may not be comparable to similar measures used by other issuers. The Real Property Association of Canada (“REALPAC”) issued white papers with recommendations for calculations of Funds from Operations (“FFO”) and Adjusted Funds from Operations (“AFFO”) (the “REALPAC Guidance”). Our FFO definition is substantially consistent with the definition adopted by REALPAC. Please refer to the “Additional Information on Non-GAAP Measures” section of our MD&A for details. As part of our financial covenants reporting, we present AFFO in accordance with the definitions used in our credit agreements. This definition differs from the definition in the REALPAC Guidance.

In this presentation we use various financial metrics and ratios in our disclosure of financial covenants. These metrics are calculated in accordance with the definitions contained in our credit agreements and the trust indenture governing our outstanding debentures and may be described using terms which differ from standardized meanings prescribed by GAAP. These metrics may not be comparable to similar metrics used by other issuers.

Specified financial measures are categorized as non-GAAP financial measures, non-GAAP ratios, supplementary financial measures and capital management measures as follows:

Non-GAAP Financial Measures

Funds from operation (“FFO”) and Internal Funds from Operations, (“IFFO”), Adjusted Funds from operations (“AFFO”) including per unit amounts (“PU”), Earnings before interest, tax, depreciation and amortization (“consolidated EBITDA” or “EBITDA”), Adjusted Resident Revenue, Adjusted Direct Property Operating Expense, Consolidated Interest Expense, Adjusted Consolidated Gross Book Value of Assets, Book value of assets, Gross book value adjustment on IFRS transition, Adjustment for accumulated depreciation and amortization, Aggregate Adjusted Assets, Payment of cash distributions and Amortization of finance costs and fair value adjustments on assumed mortgages, Finance cost reserve and Proforma adjustments.

Non-GAAP Ratios

Debt Service Coverage Ratio, Interest Coverage Ratio, Total Leverage Ratio, Adjusted Consolidated Unitholders’ Equity Ratio, Secured Indebtedness Ratio, Unencumbered Property Asset Ratio, Consolidated EBITDA to Consolidated Interest Expense Ratio, Indebtedness Percentage, Net Debt to Adjusted EBITDA Ratio, Payment of Cash Distributions, Expected Unlevered Yield and Coverage ratio.

Supplementary Financial Measures

Net Operating Income (“NOI”), Adjusted NOI, Adjusted Development Costs, Lease-up-Losses, Estimated Stabilized NOI, Unencumbered Property Asset Value and Unencumbered Aggregate Adjusted Assets

Capital Management Measures

Liquidity, Imputed Cost of Debt, Total Equity, Regularly Scheduled Debt Principal Payments, Consolidated Indebtedness, Secured Indebtedness, Unsecured Indebtedness, Investment restrictions

Please refer to the “Additional Information on Non-GAAP Measures”, “Consolidated Results of Operations – FFO”, “Significant Events – Development – Expected Unlevered Yield, Development Lease-up-Losses and Imputed Cost of Debt”, “Consolidated Results of Operations – Adjusted Resident Revenue, Adjusted Property Operating Expenses and Adjusted NOI” and “Liquidity and Capital Resources – Financial Covenants” sections of our Q2 2022 MD&A for details on these measures.

Due to rounding, numbers presented throughout this presentation may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

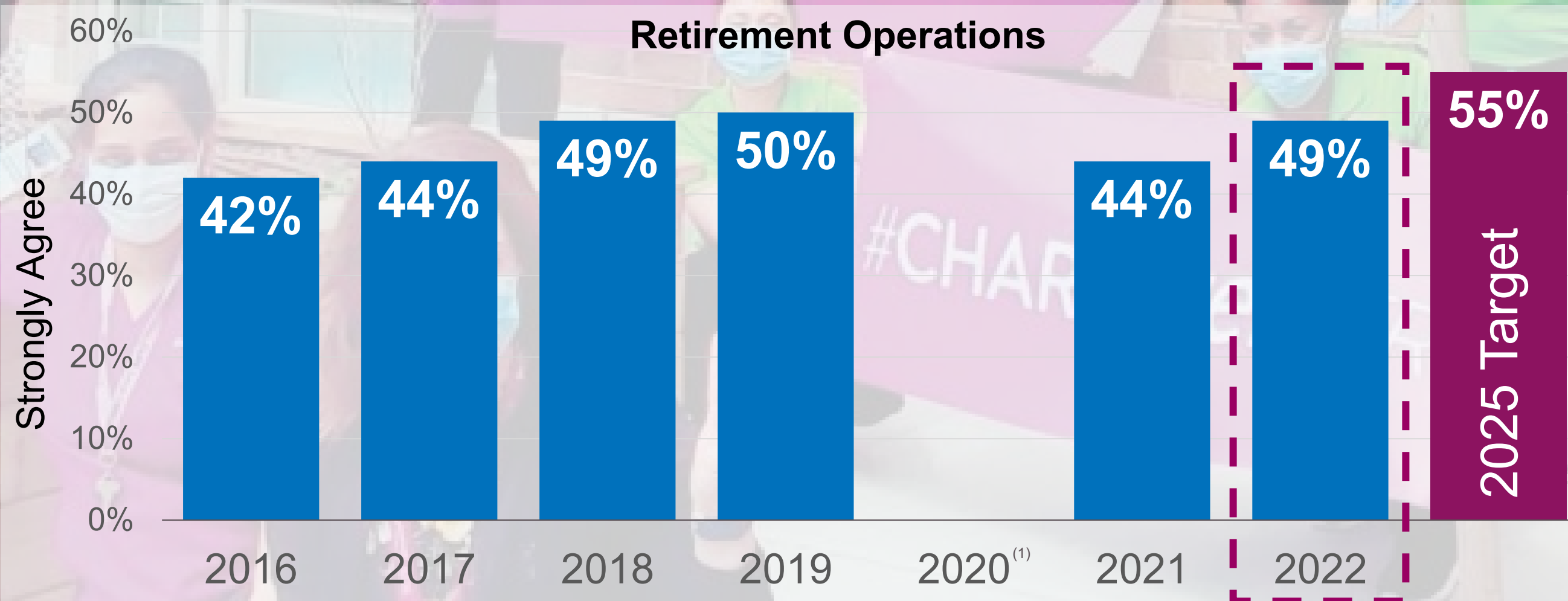
Focus on Accelerating Recovery



- Occupancy growth exceeded previous forecasts
- Outbreak trends began to improve
- Focus on recovery

Employee Engagement

Total Operations	2022	2021	Change
Strongly Agree	48%	43%	5pp
Strongly Agree + Agree	81%	77%	4pp



(1) In 2020, a modified survey was conducted and results are not comparable to prior periods; therefore, they are not presented.

Leading Indicators

**Initial
Contacts**

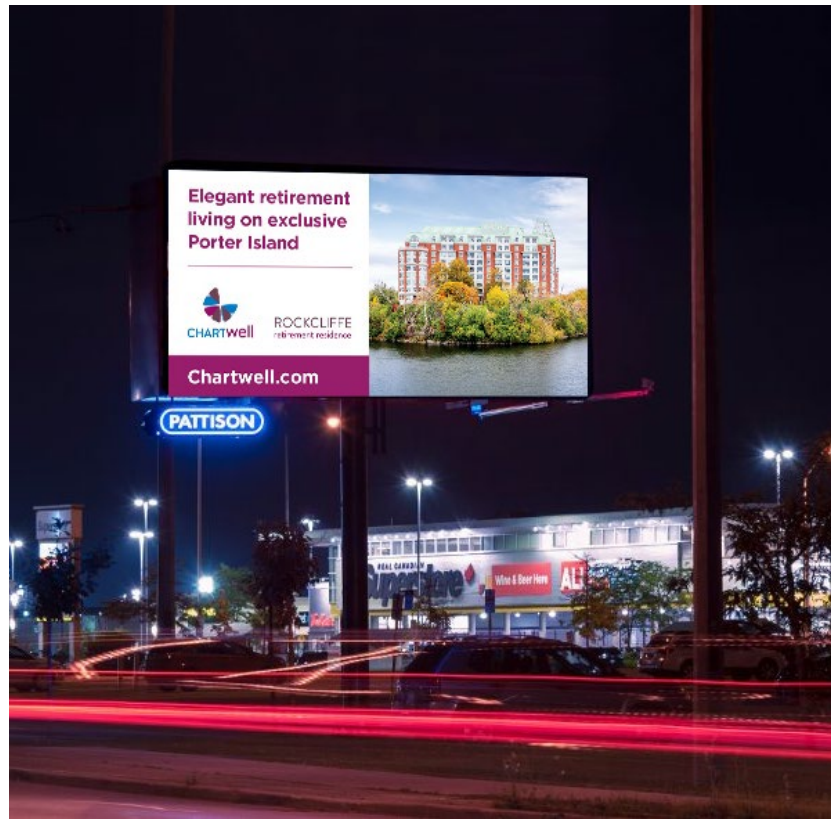
Move-Ins

**Personalized
Tours**

Leases



Sales and Marketing



CHARTWELL

SENIOR LIVING

MOVE-IN
OFFER AVAILABLE*



CALL US

*Conditions apply

A banner for Chartwell Senior Living. It features the Chartwell logo, the text 'SENIOR LIVING', 'MOVE-IN OFFER AVAILABLE*' with a key icon, and a yellow button that says 'CALL US'. A small note at the bottom right says '*Conditions apply'.

Operations

Recruiting strategies to find great talent

CHARTWELL

About Us Working at Chartwell Opportunities Career Paths Volunteers Our Residences FR

Find the right job in a community near you.

Keyword/Job Title Job Categories City Within: Radius

GREAT PEOPLE DOING GREAT THINGS

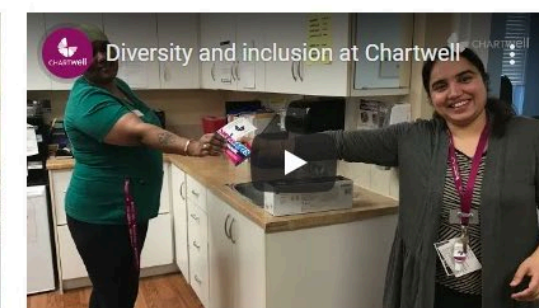
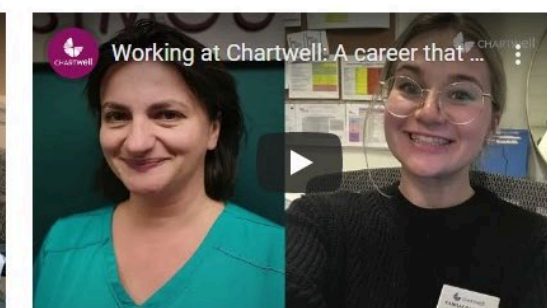


We're Hiring!

Make seniors' lives **better** in a Chartwell residence near you.

[Apply here for Care Services jobs](#)

Working at Chartwell



Q2 2022 Summary

	Q2 2022	Q2 2021	Change
Net income/(loss) ⁽¹⁾	\$1.1M	(\$4.6M)	\$5.7M
FFO ⁽²⁾			
Continuing operations	\$25.7M	\$30.7M	(\$5.0M)
Total	\$30.4M	\$34.8M	(\$4.4M)
FFOPU ⁽²⁾			
Continuing operations	\$0.11	\$0.14	(\$0.03)
Total	\$0.13	\$0.16	(\$0.03)
Average occupancy – same property	76.4%	76.7%	(0.3pp)
Adjusted NOI ⁽²⁾ – same property	\$52.9M	\$57.2M	(\$4.3M)

(1) Includes net income from LTC Discontinued Operations.

(2) Refer to the "Supplemental Information" section on page 14 of this presentation.

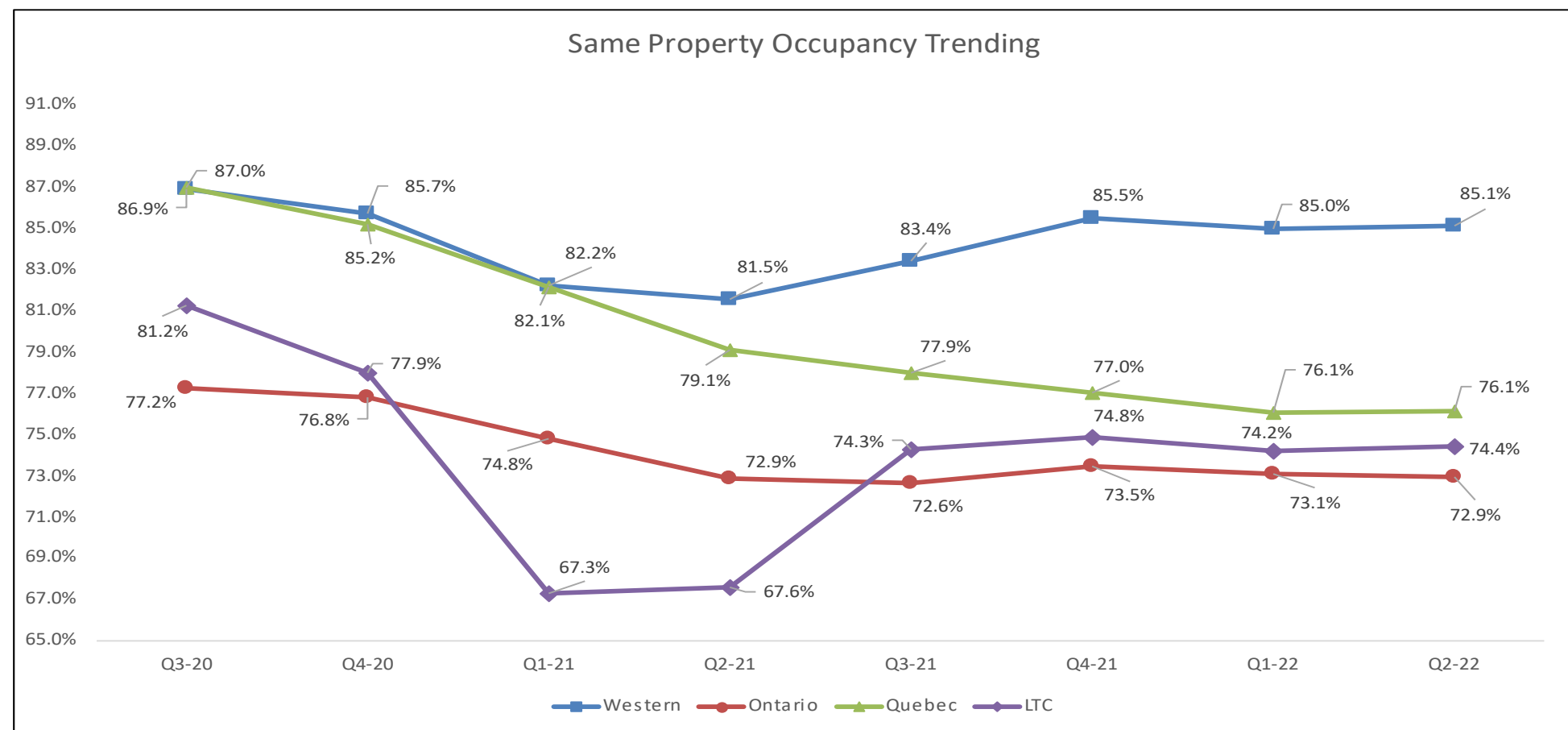
- Occupancy 0.3 percentage points lower.
- Elevated pandemic-related expenses.
- Higher agency and staffing costs, utilities, food, and supplies expenses.

Q2 2022 Adjusted NOI and Occupancy

(\$M, except Occupancy)	Same Property						
	Adjusted NOI				Occupancy		
	Q2 2022	Q2 2021	Inc/(Dec)		Q2 2022	Q2 2021	Change
		\$	%				
Retirement:							
Western Canada	15.7	15.2	0.5	3.5%	85.1%	81.5%	3.6pp
Ontario	27.9	29.7	(1.8)	(6.2%)	72.9%	72.9%	-
Quebec	8.8	11.8	(3.0)	(25.3%)	76.1%	79.1%	(3.0pp)
Total Retirement	52.4	56.7	(4.3)	(7.5%)	76.4%	76.8%	(0.4pp)
Long term care	0.5	0.5	-	-	74.4%	67.6%	6.8pp
Total Same Property	52.9	57.2	(4.3)	(7.5%)	76.4%	76.7%	(0.3pp)

Same property retirement adjusted NOI:

- higher net pandemic expense of \$5.1M,
 - higher agency and staffing costs, utilities, food, and supplies expenses
- partially offset by
- higher revenue from regular annual market-based rental and service rate increases.



April to June same property retirement occupancy increased 1.0 percentage point.

Additional platform-specific trends:

- Western Canada - Higher occupancy.
- LTC – Higher retirement and preferred accommodation revenues and higher ancillary revenue.

2022 Outlook: Occupancy and Rent Update

Retirement Operations	One month ended April 30, 2022	One month ended May 31, 2022	One month ended June 30, 2022	One month ended July 31, 2022	Forecast One month ended August 31, 2022 ⁽¹⁾	Forecast One month ended September 30, 2022 ⁽¹⁾
Weighted average occupancy rate - same property portfolio	76.0%	76.4%	77.0%	77.1%	76.8%	76.8%
<i>Change from the previous month</i>		0.4pp	0.6pp	0.1pp	(0.3pp)	-

(1) Forecast includes leases and notices as at July 31, 2022.

- Exceeding previous forecasts, 1.0 percentage point growth from April to June 2022.
- Same property retirement occupancy increased 0.1 percentage point in July.
- Same property retirement occupancy is forecast to decline 0.3 percentage points in August and remain flat in September, based on known leases and notices as at July 31, 2022.
- We have consistently experienced mid-month move ins, particularly in our Ontario platform. These mid-month move-ins are not accounted for in our forecasts.
- Omicron waves are continuing to cause outbreaks resulting in residence-specific restrictions which impact sales activities and general operations.
- Due to inflationary conditions, combined rental and service rate increases will be 75 basis points higher than previous expectation.

2022 Outlook Updates

Pandemic
Expenses

G&A

Interest
Rates

Financial Position

At June 30, 2022

\$198.7M

Liquidity

includes

\$21.3M Cash and
\$177.4M available credit facilities

\$1.1B

**Unencumbered
Asset Value**

Represents value of **38** properties ⁽¹⁾

At August 11, 2022

\$205.1M

Liquidity

includes

\$30.7M Cash and
\$174.4M available credit facilities

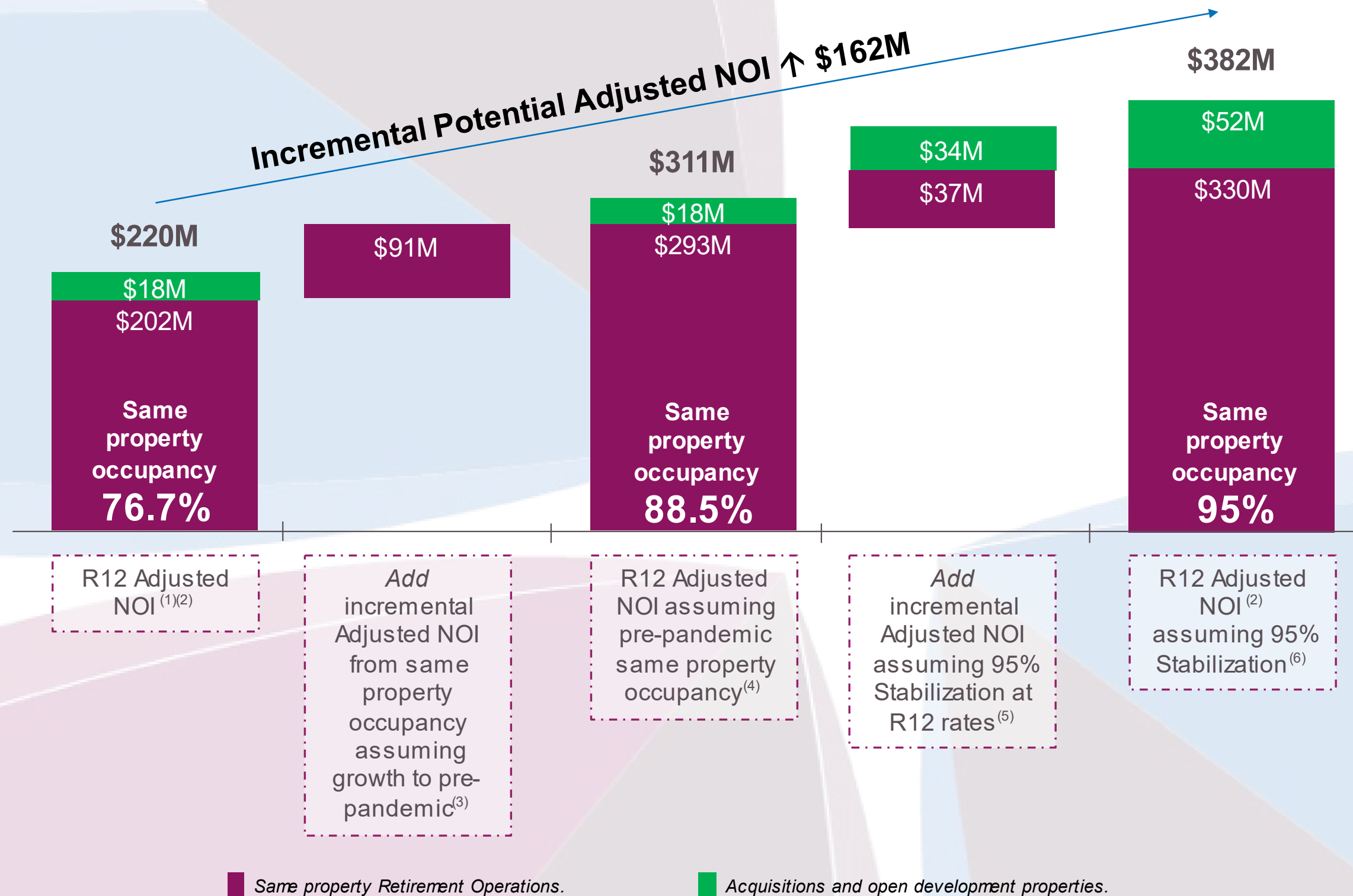
\$1.1B

**Unencumbered
Asset Value**

Represents value of **38** properties ⁽¹⁾

(1) Includes three properties valued at \$47.6M related to LTC Discontinued Operations.

Embedded Potential Value



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(1) "R12" = Rolling 12 months as at June 30, 2022.

(2) R12 Adjusted NOI for same property, acquisitions and open development properties.

(3) Incremental Adjusted same property NOI at pre-pandemic (Q4 2019) occupancy of 88.5% calculated at R12 average rental rate of \$3,964 per month and pre-pandemic margin.

(4) R12 Adjusted NOI for same property at pre-pandemic (Q4 2019) occupancy of 88.5% calculated at R12 average rental rate of \$3,964 per month and pre-pandemic margin and R12 Adjusted NOI for acquisitions and open development properties.

(5) Incremental Adjusted NOI for same property, acquisitions and open development properties to 95%.

(6) R12 Adjusted NOI for same property, acquisitions and open development properties at 95% stabilization.

Supplemental Information

FFO and FFOPU

(\$000s, except number of units and per unit amounts)	Continuing Operations			Total Operations		
	Q2 2022	Q2 2021	Change	Q2 2022	Q2 2021	Change
Net income/(loss)	(3,404)	(6,420)	3,016	1,106	(4,584)	5,690
<i>Add (Subtract):</i>						
B Depreciation of PP&E	37,927	37,833	94	37,927	39,806	(1,879)
D Amortization of limited life intangible assets	822	819	3	822	1,029	(207)
B Depreciation of PP&E and amortization of intangible assets used for administrative purposes included in depreciation of PP&E and amortization of intangible assets above	(1,203)	(1,380)	177	(1,203)	(1,380)	177
E Loss/(gain) on disposal of assets	(425)	(6,471)	6,046	(423)	(6,471)	6,048
J Transaction costs arising on dispositions	23	32	(9)	147	32	115
G Deferred income tax	(1,111)	550	(1,661)	(1,111)	550	(1,661)
O Distributions on Class B Units recorded as interest expense	234	234	-	234	234	-
M Changes in fair value of financial instruments and foreign exchange loss/(gain)	(7,161)	4,792	(11,953)	(7,161)	4,792	(11,953)
Q FFO adjustments for Equity-Accounted JVs	17	748	(731)	17	748	(731)
FFO	25,719	30,737	(5,018)	30,355	34,756	(4,401)
Weighted average number of units (000s)	236,859	218,541	18,318	236,859	218,541	18,318
FFOPU	0.11	0.14	(0.03)	0.13	0.16	(0.03)

Adjusted NOI

(\$000s)	Q2 2022	Q2 2021	Change
Resident revenue	164,136	154,903	9,233
<i>Add:</i>			
Share of resident revenue from joint ventures ⁽¹⁾	28,584	27,128	1,456
Resident revenue from LTC Discontinued Operations ⁽²⁾	60,373	55,352	5,021
Adjusted resident revenue	253,093	237,383	15,710
<i>Comprised of:</i>			
Same property	171,357	166,727	4,630
Acquisitions, development, and other	81,736	70,656	11,080
Adjusted resident revenue	253,093	237,383	15,710
Direct property operating expense	112,434	102,432	10,002
<i>Add:</i>			
Share of direct property operating expense from joint ventures ⁽¹⁾	20,240	17,723	2,517
Direct property operating expense from LTC Discontinued Operations ⁽²⁾	53,914	49,544	4,370
Adjusted direct property operating expense	186,588	169,699	16,889
<i>Comprised of:</i>			
Same property	118,477	109,558	8,919
Acquisitions, development, and other	68,111	60,141	7,970
Adjusted direct property operating expense	186,588	169,699	16,889
NOI	51,702	52,471	(769)
<i>Add:</i>			
Share of NOI from joint ventures	8,344	9,405	(1,061)
Adjusted NOI from continuing operations	60,046	61,876	(1,830)
<i>Add:</i>			
NOI from LTC Discontinued Operations	6,459	5,808	651
Adjusted NOI	66,505	67,684	(1,179)
<i>Comprised of:</i>			
Same property	52,880	57,169	(4,289)
Acquisitions, development, and other	13,625	10,515	3,110
Adjusted NOI	66,505	67,684	(1,179)

(1) Non-GAAP; represents Chartwell's proportionate share of the results related to our equity-accounted joint ventures and LTC Discontinued Operations.

(2) Represents the results related to LTC Discontinued Operations.

THANK YOU



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retirement residences