



CHARTwell[®]
retirement residences

Q4 & Year End 2022 Results Conference Call

March 3, 2023



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. Examples of forward looking information in this document include, but are not limited to, statements regarding our business strategies, including targets, and the expected results of such strategies, predictions and expectations with respect to industry trends regarding senior population growth, long term care bed shortages and the slow down of new construction starts, expectations with respect to taxes that are expected to be payable in future years and statements regarding the tax classification of distributions, and occupancy rate forecasts. 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 "Risks and Uncertainties and Forward-Looking Information" section of our Management's Discussion & Analysis for the year ended December 31, 2022 (the "2022 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; "2022" 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 Operations ("FFO"), FFO for continuing operations, Total FFO, FFO from LTC Discontinued Operations, FFO for Equity-Accounted JVs, and Internal Funds from Operations, ("IFFO"), IFFO for continuing operations, Total IFFO, IFFO from LTC Discontinued Operations, 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 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.

Exceptional Resident Experience



Sales and Marketing



Yardi Senior CRM
User Manual





**OPEN
HOUSE**





**MAKE A
FRIEND A NEW
NEIGHBOUR :)**



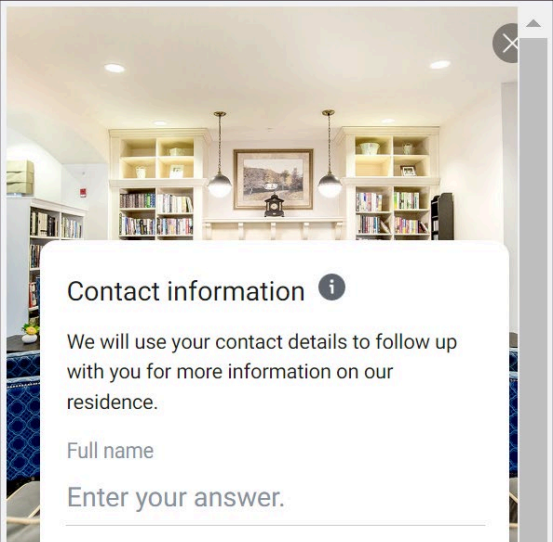
Chartwell Retirement Residences
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Contact information

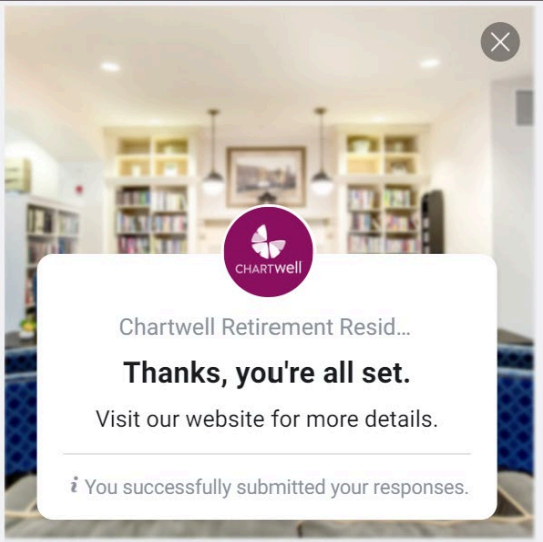
We will use your contact details to follow up with you for more information on our residence.

Full name
Enter your answer.

Email
Enter your answer.

Phone number
Enter your answer.

Next





Chartwell Retirement Resid...

Thanks, you're all set.

Visit our website for more details.

You successfully submitted your responses.

Visit Website

Recruitment and Retention

GREAT PEOPLE DOING GREAT THINGS



We're Hiring!

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

[Apply here for Food Services jobs](#)



We're Hiring!

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

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CHARTWELL'S EMPLOYEE REFERRAL INCENTIVE PROGRAM

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REFER A FRIEND!

you want to earn

Working at Chartwell? Now! Submit and leave a review on Glassdoor.com today.

CareersAtChartwell.com

WEDNESDAY, SEPTEMBER 28 • 10 AM - 5 PM

Job Fair

Are you **new to Canada** and looking for a rewarding job supporting seniors? We can help!

Join us at Chartwell Terrace on the Square on **September 28** for on-site interviews and information sessions about working at Chartwell. Bring your resume.

Together, let's Make People's Lives **BETTER**.

Chartwell Terrace on the Square
100 Caroline Street S., Waterloo
CareersAtChartwell.com

 **CHARTWELL**
retirement residences

2022 Summary

	2022	2021	Change
Net income ⁽¹⁾	\$49.5M	\$10.1M	\$39.4M
FFO ⁽²⁾			
Continuing operations	\$102.0M	\$117.9M	(\$15.9M)
Total	\$126.9M	\$132.3M	(\$5.3M)
FFOPU ⁽²⁾			
Continuing operations	\$0.43	\$0.53	(\$0.10)
Total	\$0.53	\$0.59	(\$0.06)
Average occupancy – same property	77.5%	77.8%	(0.3pp)
Adjusted NOI ⁽³⁾ – same property	\$196.5M	\$212.1M	(\$15.6M)

(1) Includes net income from LTC Discontinued Operations.

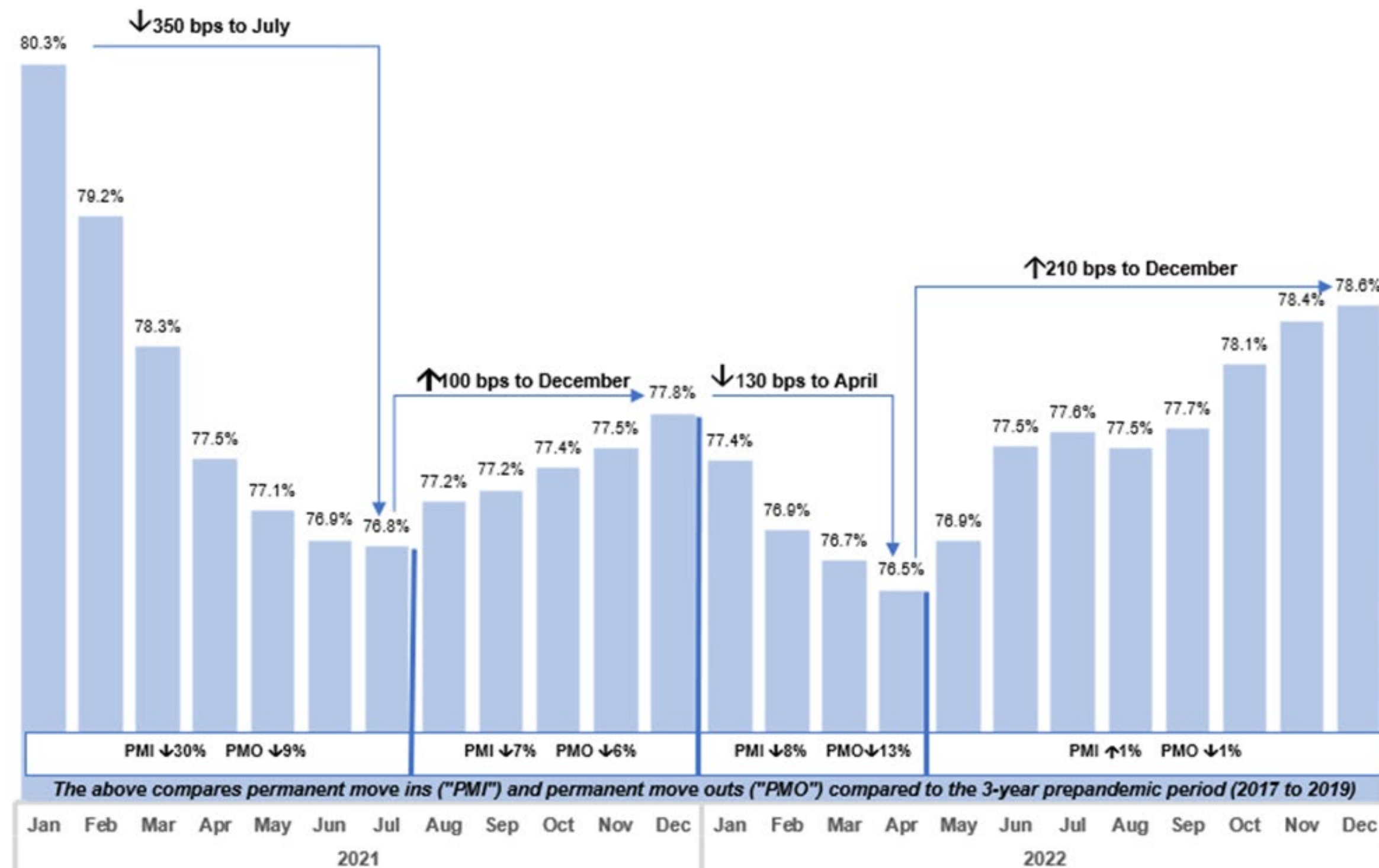
(2) Refer to the "Supplemental Information" section on page 18 of this presentation.

(3) Refer to the "Supplemental Information" section on page 19 of this presentation.

- Annual and market rental and service rate increases.
- Higher agency and staffing costs, food, and utilities expenses.
- Occupancy 0.3 percentage points lower.

2022 Occupancy Trends

January 2021 to December 2022



Positive trends through 2022:

- monthly move-ins built through the year.
- higher move-ins in 2022.
- lower move-outs for 2022.

Top 15 markets:

- 11 markets achieved 3.1 pp gain from April to December 2022.
- Four of our top 15 markets (Calgary, Durham, Ottawa and Quebec City) taking longer to recover. In Q4 2022:
 - Quebec City began to increase,
 - Calgary and Ottawa occupancy stabilized, and
 - Durham continues to be challenged.

Q4 2022 Summary

	Q4 2022	Q4 2021	Change
Net income ⁽¹⁾	\$47.5M	\$18.7M	\$28.7M
FFO ⁽²⁾			
Continuing operations	\$27.7M	\$23.9M	\$3.9M
Total	\$33.4M	\$28.4M	\$4.9M
FFOPU ⁽²⁾			
Continuing operations	\$0.12	\$0.10	\$0.02
Total	\$0.14	\$0.12	\$0.02
Average occupancy – same property	78.4%	77.6%	0.8pp
Adjusted NOI ⁽³⁾ – same property	\$49.9M	\$48.9M	\$1.0M

(1) Includes net income from LTC Discontinued Operations.

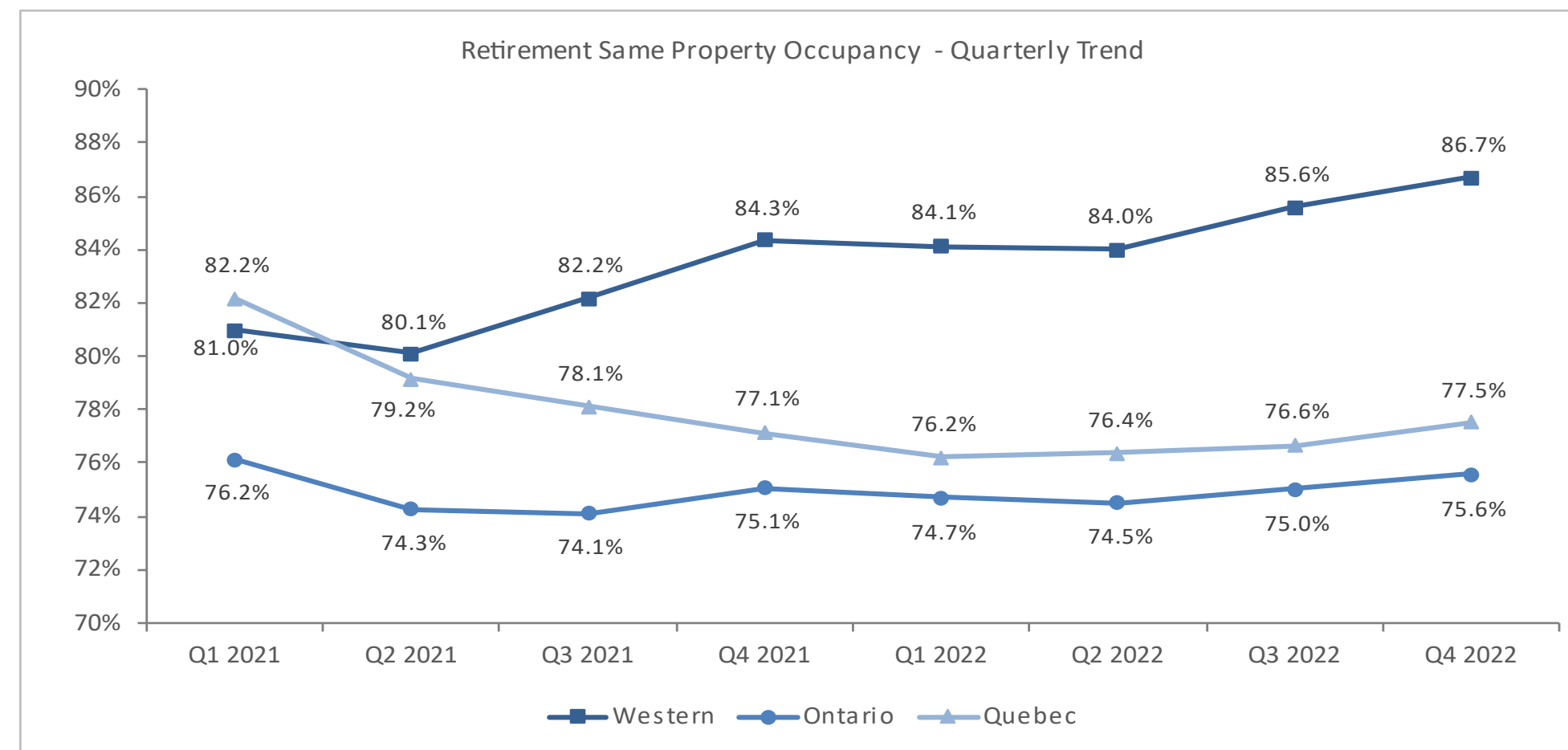
(2) Refer to the "Supplemental Information" section on page 18 of this presentation.

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- Annual and market rental and service rate increases.
- Occupancy 0.8 percentage points higher.
- Higher agency and staffing costs, food, and utilities expenses.

Q4 2022 Adjusted NOI and Occupancy

(\$M, except Occupancy)	Same Property						
	Adjusted NOI				Occupancy		
	Q4 2022	Q4 2021	Inc/(Dec) \$ %		Q4 2022	Q4 2021	Change
Retirement:							
Western Canada	14.8	14.0	0.8	5.3%	86.7%	84.3%	2.4pp
Ontario	26.1	25.5	0.6	2.7%	75.6%	75.1%	0.5pp
Quebec	9.0	9.4	(0.4)	(5.0%)	77.5%	77.1%	0.4pp
Total Retirement	49.9	48.9	1.0	2.0%	78.4%	77.6%	0.8pp



Platform Specific Trends

Western Canada

- Strong rental and service rate and occupancy growth

Ontario

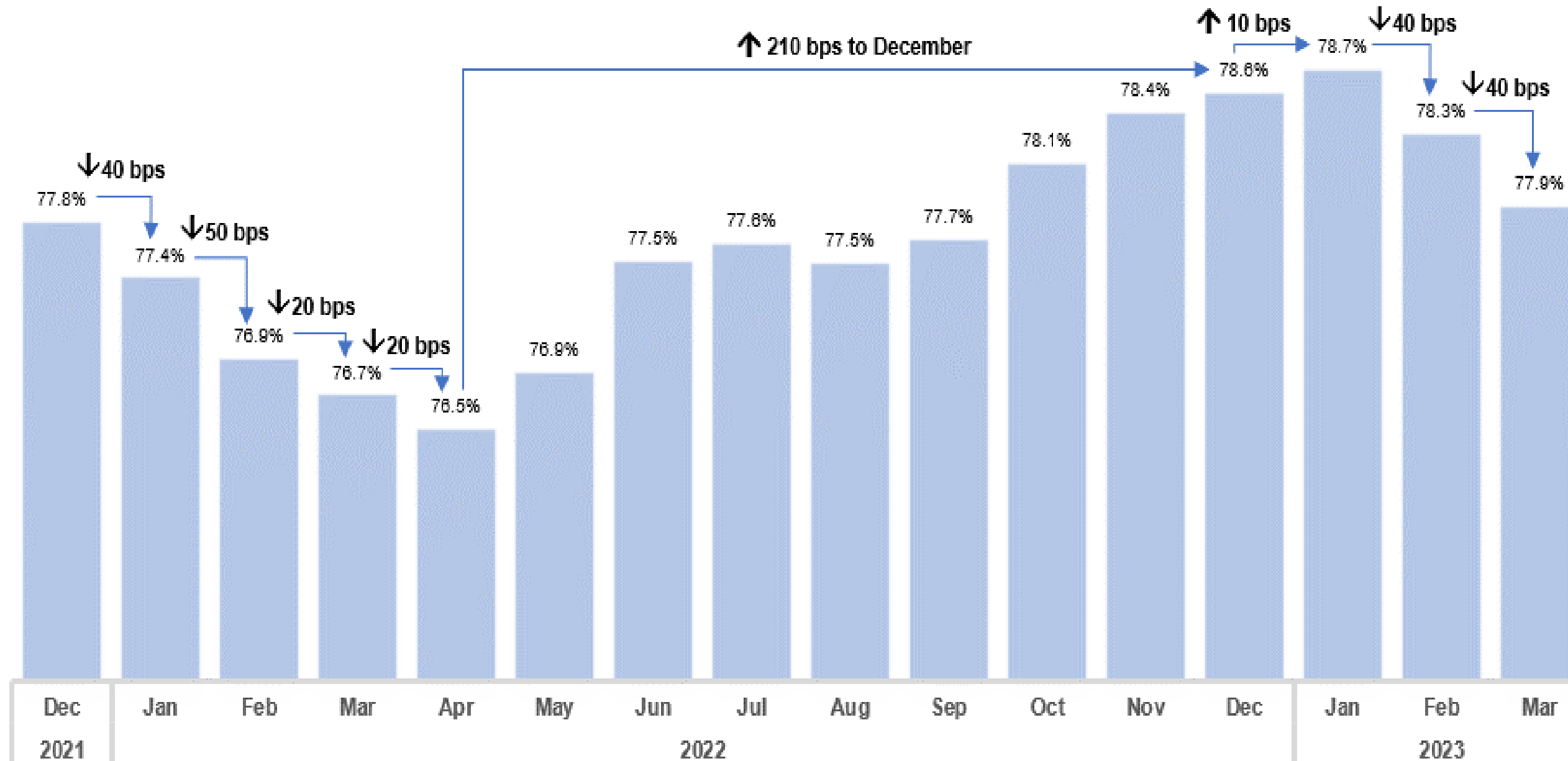
- Occupancy and rental and service rate growth helped mitigate higher costs.

Quebec

- Occupancy and rental and service rate growth not yet sufficient to mitigate cost pressures, primarily agency staffing

2023 Outlook: Occupancy Trends

January 2022 to March 2023



- January 2023 up and February 2023 and March 2023 down primarily due to seasonally lower move in activity.
- Decline to March is less than pre-pandemic seasonal average of 1.5 percentage points from December to March.
- Operating, marketing and sales initiatives expected to drive continued occupancy recovery in 2023 and beyond

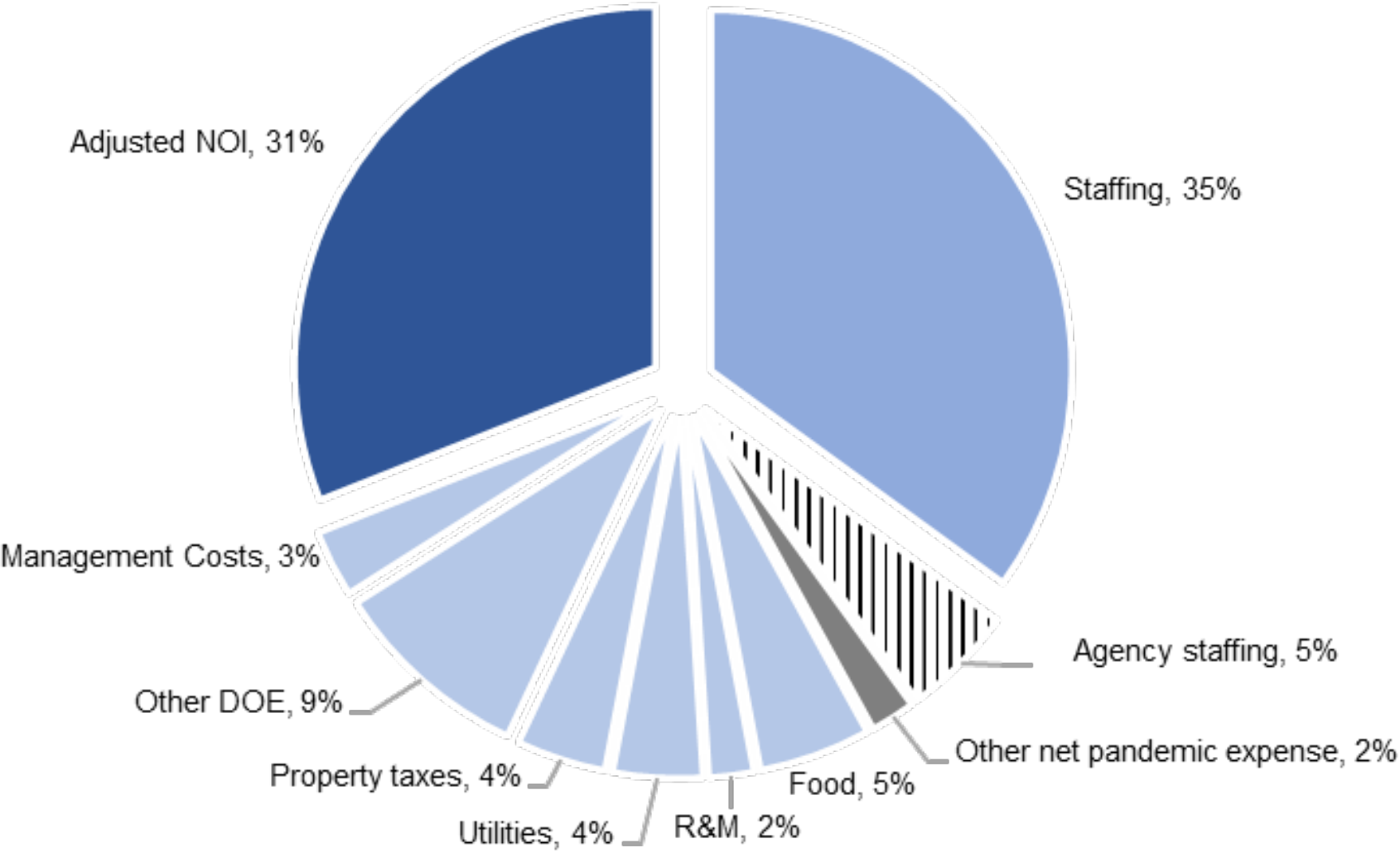
2023 Outlook

Rental and Service Rate Growth			
	2021	2022	2023
Western Canada ⁽¹⁾	3.9%	3.5%	3.5 to 4.0%
Ontario	3.6%	2.9%	4.5 to 5.0%
Quebec	3.4%	3.7%	4.0 to 4.5%
• Balance increased costs with the needs of our residents. • Expect rental and services rates for our existing and new residents of between 4% and 7%. • Optional services rates will increase between 8% and 10%.			

(1) The lower rate growth in Western Canada is the result of lower assumed rate on government funded suites in Alberta and British Columbia.

2023 Outlook

Same Property Operating Results Composition as
% of Adjusted Resident Revenue
2022



Adjusted Resident Revenue	\$634.3M
Occupancy	77.5%

Financial Position

At March 2, 2023



Liquidity
\$184M

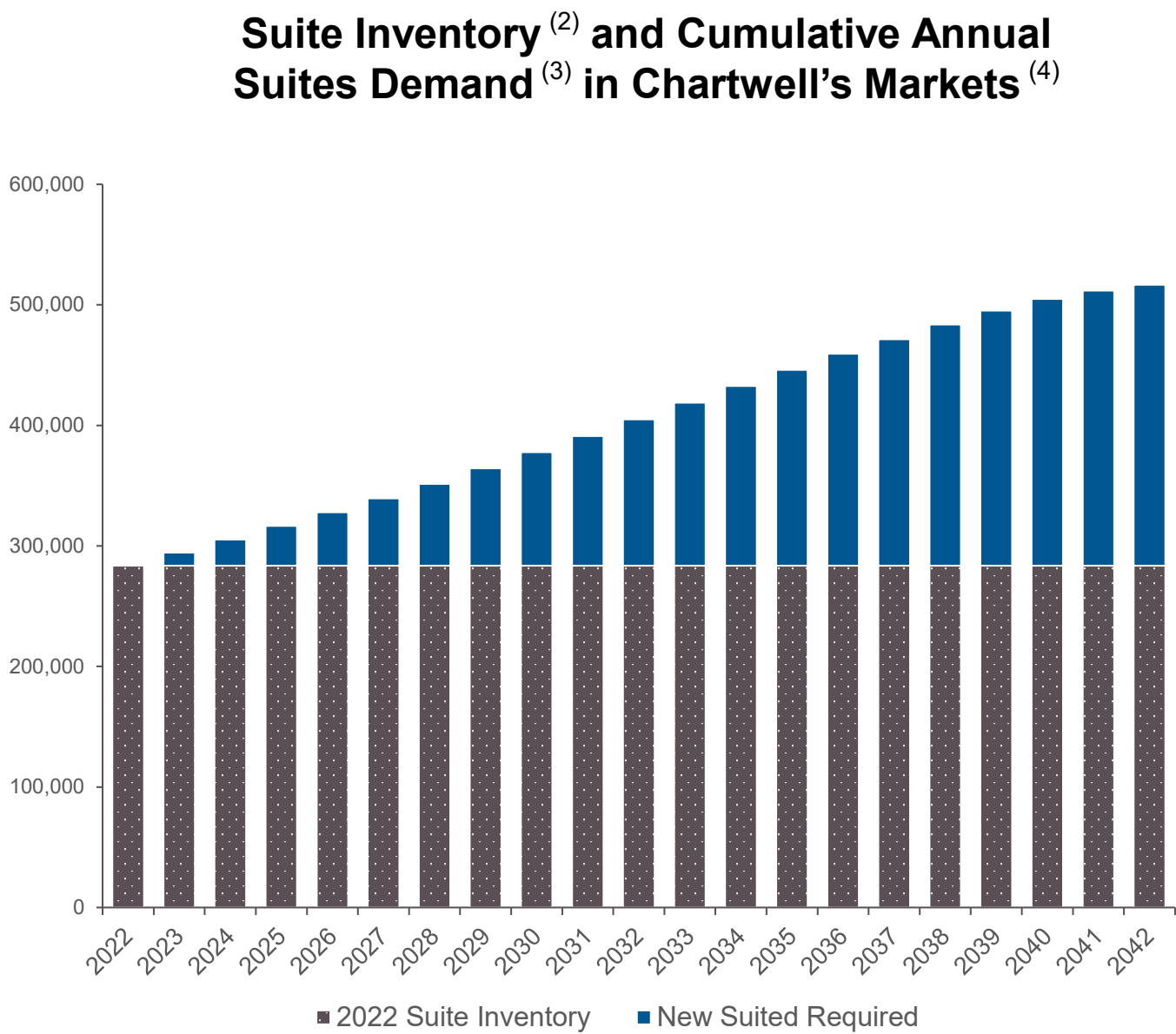
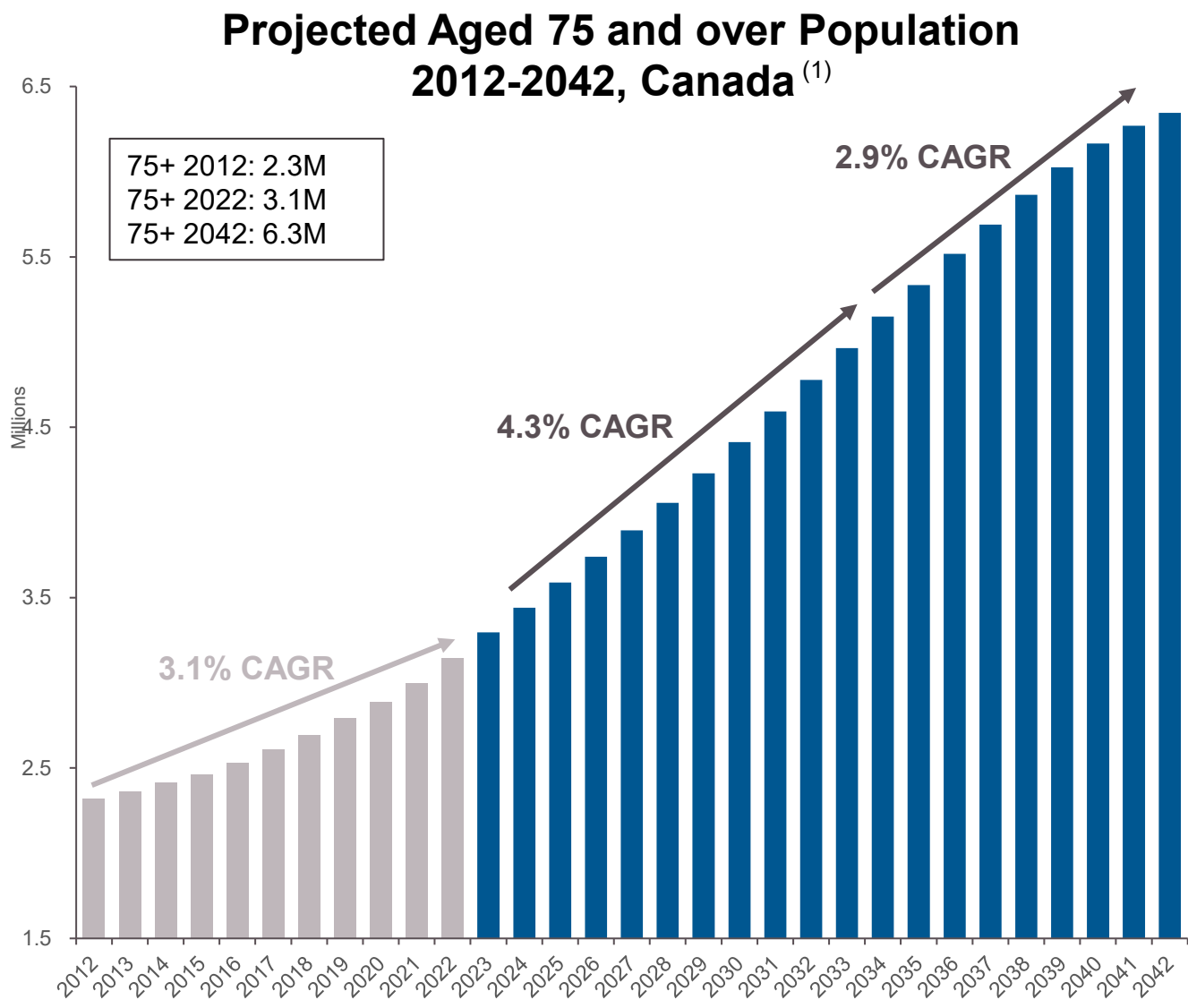
\$54M
cash

\$130M
available credit
facilities

- Mortgage refinancings – in progress.
- Debenture maturity in December 2023.

2023 Outlook

Demand



- Total incremental suites required by 2042 = 233,000

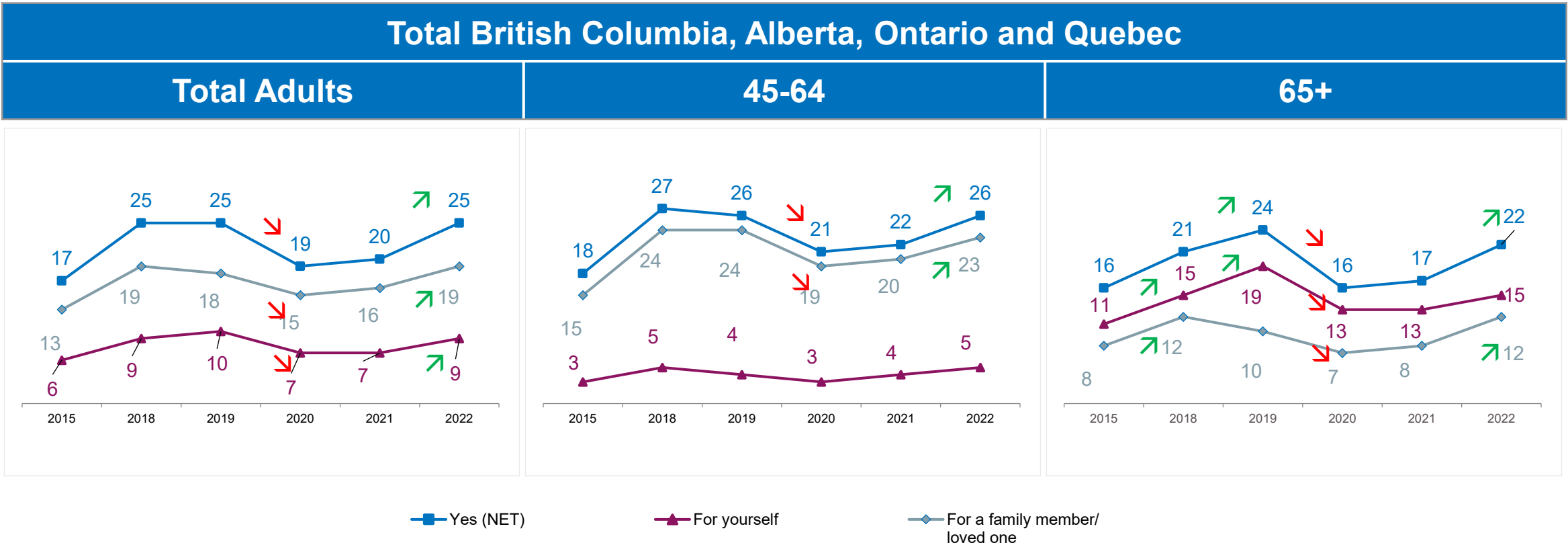
(1) Source: Statistics Canada. Table 17-10-0057-01 Projected population, by projection scenario, age and sex, as of July 1, 2021 (x 1,000).
(2) Source: Cushman & Wakefield. Includes funded suites, life leases and seniors apartments.
(3) Penetration rates are based on CMHC data as of January 2021.
(4) Demand for retirement suites in Ontario, Quebec, British Columbia, and Alberta.

2023 Outlook

Demand

Consumer Sentiment:
Interest in exploring retirement residences rebounds to pre-pandemic levels

Expect to be exploring retirement residence options in next 2 years?

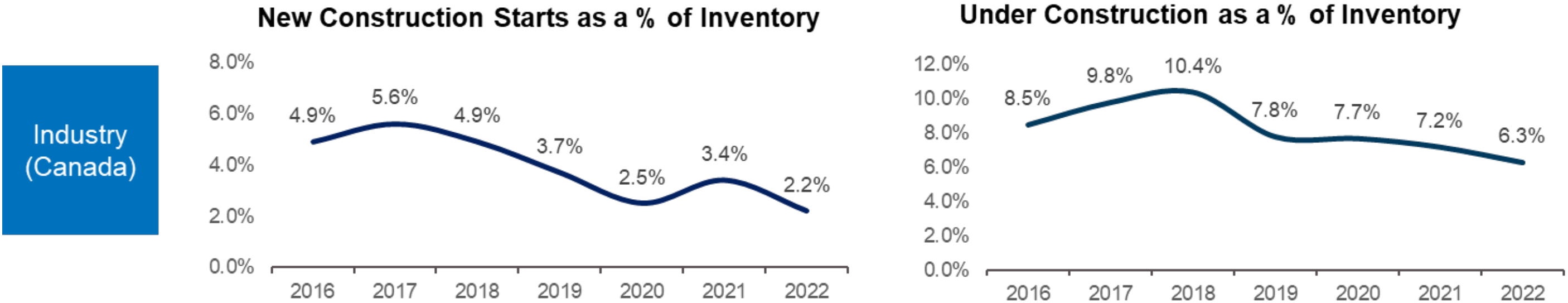


- Recovery is taking place within both age cohorts – although more gradually for 65+ adults when they think of ‘themselves’ versus a family member or loved one.

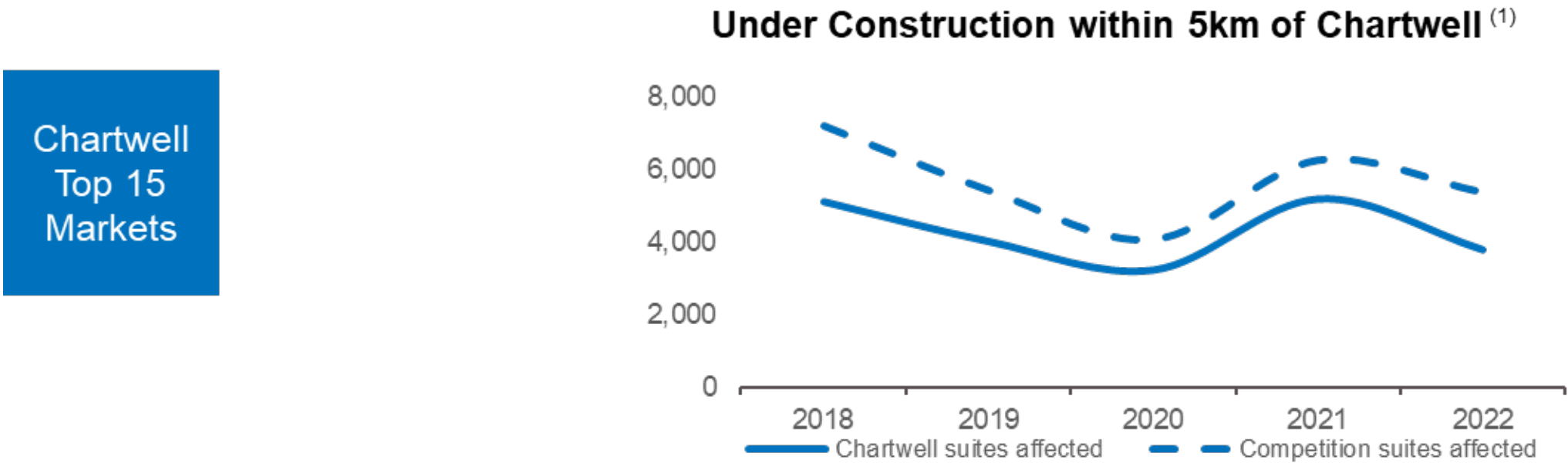
2023 Outlook

Supply and Competition

New Construction Starts at Historic Lows



Source – Cushman and Wakefield



(1) Competing properties under construction within 5 kms from Chartwell's properties in its top 15 markets as a % of Chartwell's suites in those markets. As of December 31, of each year. Refer to our MD&As for years ended December 31, 2018, December 31, 2019, December 31, 2020, December 31, 2021 and December 31, 2022 for details.

Chartwell Experience

Chartwell Waterford Retirement Residence

*“Mr. Hall, you are our
first ever graduate from
Memory Living to
Independent Supportive
Living”*

– Memory Care team



Supplemental Information

Reconciliation Table – FFO and FFOPU

(\$000s, except number of units and per unit amounts)	Continuing Operations						Total Operations					
	Q4 2022	Q4 2021	Change	2022	2021	Change	Q4 2022	Q4 2021	Change	2022	2021	Change
Net income	41,904	16,915	24,989	27,388	5,982	21,406	47,463	18,732	28,731	49,531	10,132	39,399
<i>Add (Subtract):</i>												
B Depreciation of PP&E	39,482	38,649	833	152,988	151,127	1,861	39,482	41,065	(1,583)	154,804	160,382	(5,578)
D Amortization of limited life intangible assets	773	4,267	(3,494)	3,148	6,734	(3,586)	773	4,613	(3,840)	3,350	7,709	(4,359)
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	(1,181)	(3,848)	2,667	(4,791)	(7,907)	3,116	(1,181)	(3,848)	2,667	(4,791)	(7,907)	3,116
E Gain on disposal of assets	(70,125)	(37,854)	(32,271)	(71,751)	(44,840)	(26,911)	(70,122)	(37,854)	(32,268)	(71,743)	(44,840)	(26,903)
J Transaction costs arising on dispositions	1,792	858	934	1,992	1,374	618	1,843	858	985	2,727	1,374	1,353
H Impairment losses	-	850	(850)	-	850	(850)	-	850	(850)	-	850	(850)
G Deferred income tax	16,849	4,346	12,503	14,131	984	13,147	16,849	4,346	12,503	14,131	984	13,147
O Distributions on Class B Units recorded as interest expense	234	235	(1)	937	937	-	234	235	(1)	937	937	-
M Changes in fair value of financial instruments and foreign exchange loss/(gain)	(2,929)	(2,248)	(681)	(21,785)	(1,295)	(20,490)	(2,929)	(2,248)	(681)	(21,785)	(1,295)	(20,490)
Q FFO adjustments for Equity-Accounted JVs	945	1,686	(741)	(244)	3,936	(4,180)	945	1,686	(741)	(244)	3,936	(4,180)
FFO	27,744	23,856	3,888	102,013	117,882	(15,869)	33,357	28,435	4,922	126,917	132,262	(5,345)
Weighted average number of units (000s)	238,831	235,268	3,563	237,402	224,351	13,051	238,831	235,268	3,563	237,402	224,351	13,051
FFOPU	0.12	0.10	0.02	0.43	0.53	(0.10)	0.14	0.12	0.02	0.53	0.59	(0.06)

Supplemental Information

Reconciliation Table - Adjusted NOI

(\$000s)	Q4 2022	Q4 2021	Change	2022	2021	Change
Resident revenue	170,467	159,715	10,752	661,029	627,975	33,054
Add:						
Share of resident revenue from joint ventures ⁽¹⁾	30,007	27,910	2,097	115,863	109,933	5,930
Resident revenue from LTC Discontinued Operations ⁽²⁾	64,165	56,046	8,119	252,614	227,252	25,362
Adjusted resident revenue	264,639	243,671	20,968	1,029,506	965,160	64,346
Comprised of:						
Same property	162,405	156,174	6,231	634,329	613,904	20,425
Acquisitions and development	21,058	11,755	9,303	72,844	42,569	30,275
Dispositions and repositioning	81,176	75,742	5,434	322,333	308,687	13,646
Adjusted resident revenue	264,639	243,671	20,968	1,029,506	965,160	64,346
Direct property operating expense	120,672	112,867	7,805	464,704	423,884	40,820
Add:						
Share of direct property operating expense from joint ventures ⁽¹⁾	21,137	20,232	905	82,534	75,337	7,197
Direct property operating expense from LTC Discontinued Operations ⁽²⁾	56,884	49,735	7,149	220,729	205,831	14,898
Adjusted direct property operating expense	198,693	182,834	15,859	767,967	705,052	62,915
Comprised of:						
Same property	112,551	107,291	5,260	437,829	401,765	36,064
Acquisitions and development	12,986	8,368	4,618	45,867	29,615	16,252
Dispositions and repositioning	73,156	67,175	5,981	284,271	273,672	10,599
Adjusted direct property operating expense	198,693	182,834	15,859	767,967	705,052	62,915
NOI	49,795	46,848	2,947	196,325	204,091	(7,766)
Add:						
Share of NOI from joint ventures	8,870	7,678	1,192	33,329	34,596	(1,267)
Adjusted NOI from continuing operations	58,665	54,526	4,139	229,654	238,687	(9,033)
Add:						
NOI from LTC Discontinued Operations	7,281	6,311	970	31,885	21,421	10,464
Adjusted NOI	65,946	60,837	5,109	261,539	260,108	1,431
Comprised of:						
Same property	49,854	48,883	971	196,500	212,139	(15,639)
Acquisitions and development	8,072	3,387	4,685	26,977	12,954	14,023
Dispositions and repositioning	8,020	8,567	(547)	38,062	35,015	3,047
Adjusted NOI	65,946	60,837	5,109	261,539	260,108	1,431

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

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

THANK YOU



CHARTwell
retirement residences