



CHARTwell[®]
retirement residences

Q2 2023 Results Conference Call

August 11, 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, operational, sales, marketing, and optimization strategies including targets, and the expected results of such strategies, predictions and expectations with respect to industry trends regarding growth in the senior population, a deficit of long term care beds and the slow down of new construction starts, expectations with respect to taxes that are expected to be payable in the current and 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 three and six months ended June 30, 2023 (the "Q2 2023 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; "2023" refers to the calendar year 2023; "2022" refers to the calendar year 2022; "2021" refers to the calendar year 2021; "2020" refers to the calendar year 2020, "2023 YTD" refers to the six-month period ended June 30, 2023; and "2022 YTD" refers to the six-month period ended June 30, 2022.

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 (effectively, the "Non-GAAP Measures"), to measure, compare and explain the operating results and financial performance of the Trust.

These Non-GAAP Measures do not have standardized meanings prescribed by GAAP and, therefore, may not be comparable to similar measures used by other issuers. The Real Property Association of Canada ("REALPAC") issued white papers with 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 Q2 2023 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

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

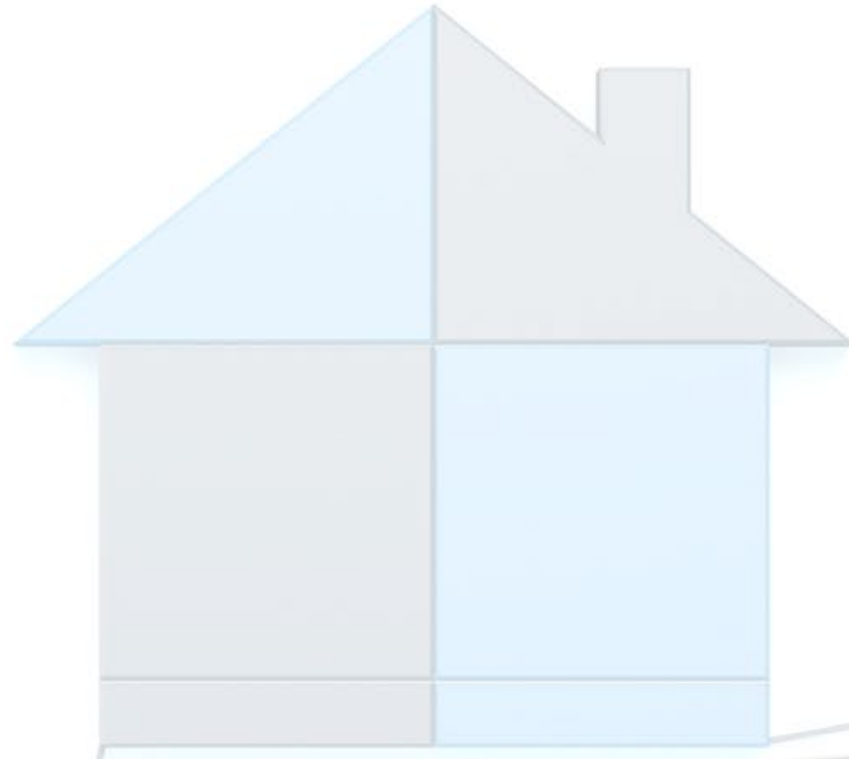
Capital Management Measures

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 Q2 2023 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.

Accelerating Occupancy & Cash Flow Recovery



Same Property Occupancy 

Technology Solutions

Property Portfolio Optimization

Employee Engagement Score 



Sales and Marketing

Senior Living?

DO I LOOK LIKE I'M MADE OF MONEY?

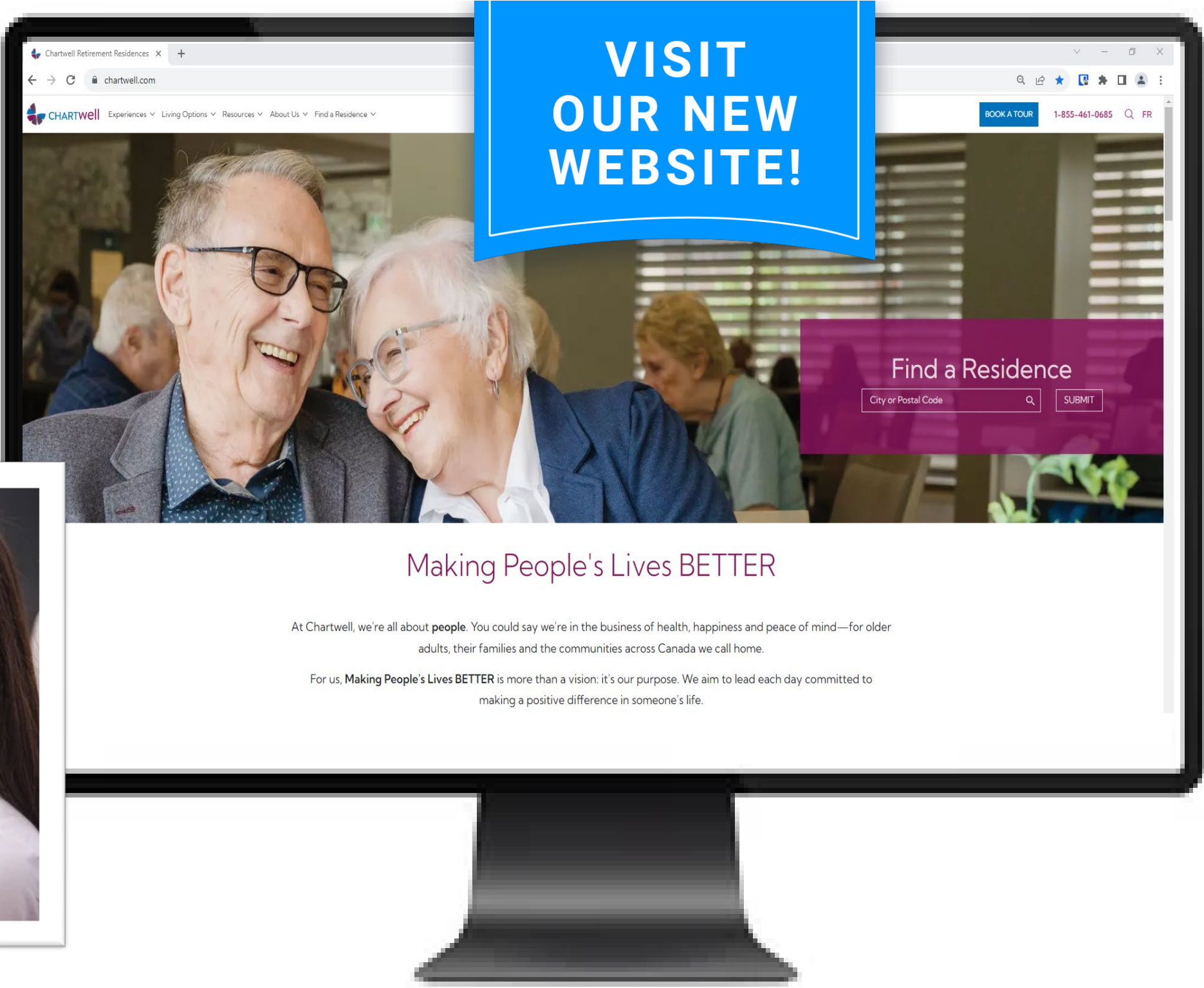
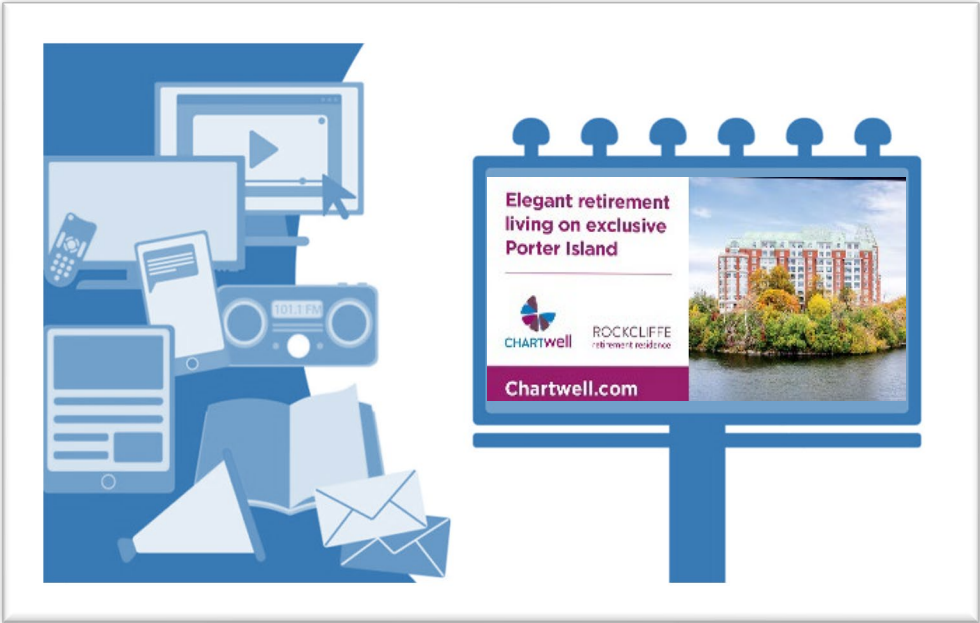
That's what some of our residents said before they discovered just how achievable—and beneficial—living in a retirement residence can be. Now they're saying:

"It's more affordable than you think."





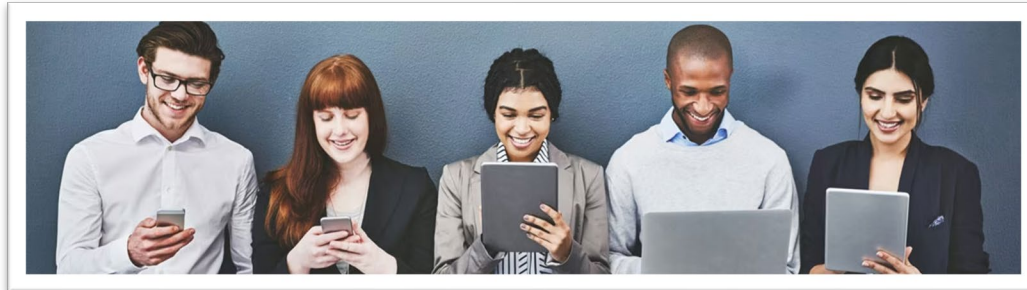
Visit **Chartwell.com** to
#ReThinkSeniorLiving



Recruitment and Retention

ORACLE®

HUMAN CAPITAL MANAGEMENT



Employee Vacancies & Turnover ↓

Staffing Agency Spend ↓

Staffing Optimization



Q2 2023 Summary

	Q2 2023	Q2 2022	Change
Net income/(loss) ⁽¹⁾	(\$7.5M)	\$1.1M	(\$8.6M)
FFO ⁽²⁾			
Continuing operations	\$25.9M	\$25.7M	\$0.2M
Total	\$30.8M	\$30.4M	\$0.4M
FFOPU ⁽²⁾			
Continuing operations	\$0.11	\$0.11	-
Total	\$0.13	\$0.13	-
Average occupancy – same property	79.2%	77.4%	1.8pp
Adjusted NOI ⁽³⁾ – same property	\$56.0M	\$51.5M	\$4.5M

(1) Includes net income from LTC Discontinued Operations.

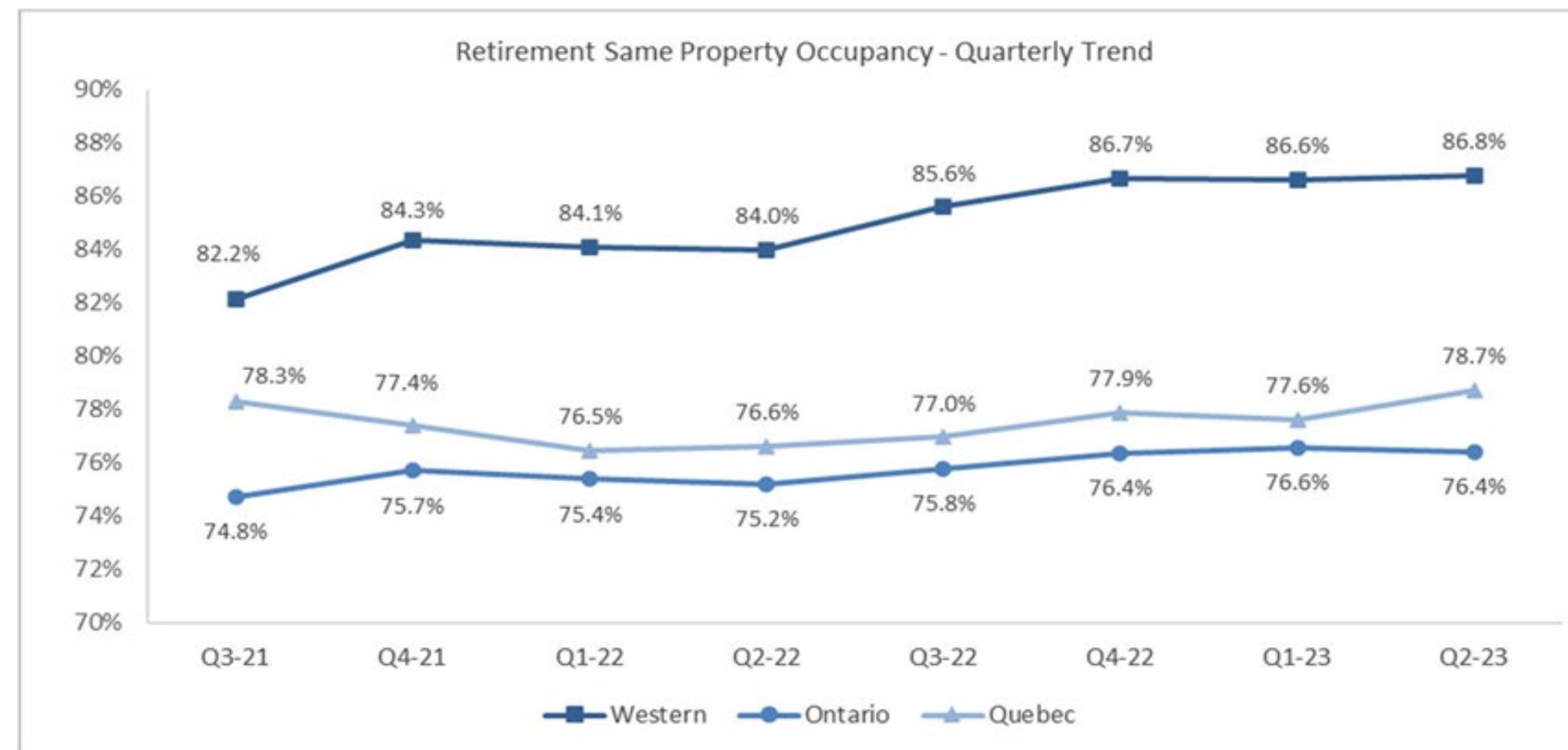
(2) Refer to the "Supplemental Information" section on page 12 of this presentation.

(3) Refer to the "Supplemental Information" section on page 13 of this presentation.

- Change in net loss includes \$10.2M higher negative valuation adjustment to financial instruments primarily as a result of the increases in trading value of our Trust units.
- Higher severance, non-core property closure costs, retention bonuses for staff at transitional properties and lower pandemic cost recoveries muted otherwise strong FFOPU growth in Q2 2023.

Q2 2023 Adjusted NOI and Occupancy

	Same Property					
	Adjusted NOI				Occupancy	
	Q2 2023	Q2 2022	Inc/(Dec) \$	%	Q2 2023	Q2 2022
Retirement:						
Western Canada	\$16.1M	\$13.8M	\$2.3M	16.4%	86.8%	84.0%
Ontario	\$29.3M	\$28.3M	\$1.0M	3.5%	76.4%	75.2%
Quebec	\$10.6M	\$9.4M	\$1.2M	13.0%	78.7%	76.6%
Total Retirement	\$56.0M	\$51.5M	\$4.5M	8.7%	79.2%	77.4%



Platform Specific Trends

Western Canada

- Continuing strong rental and service rate and occupancy growth.
- Q2 2023 included a \$1.7M reversal of previously accrued staffing costs on the settlement of labour contracts.

Ontario

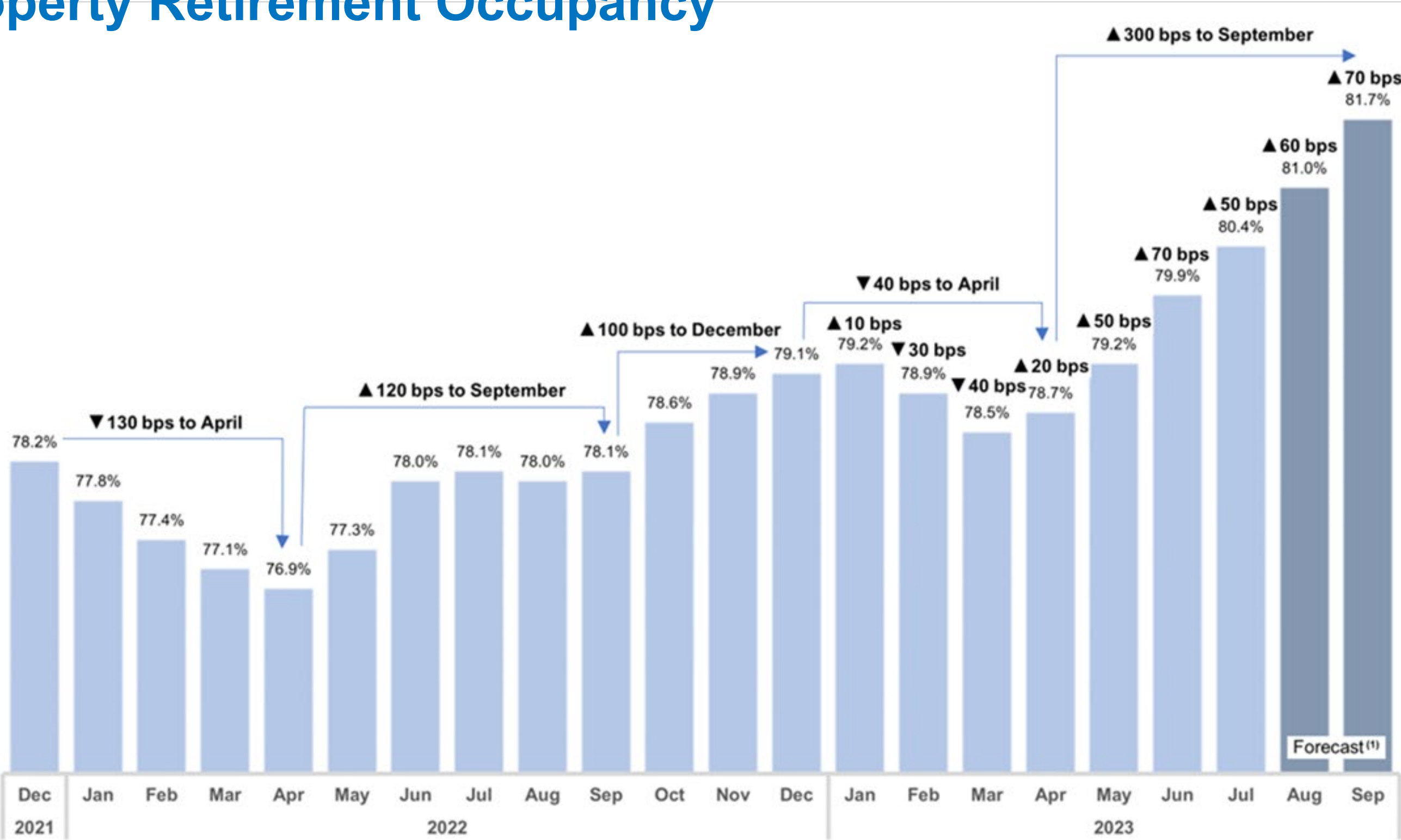
- Occupancy and rental and service rate growth helped mitigate higher costs.
- Q2 2022 included a \$1.7M recovery of pandemic expenses; no comparable amounts in Q2 2023.

Quebec

- Occupancy and rental and service rate growth mitigating cost pressures.

2023 Outlook: Occupancy Trends

Same Property Retirement Occupancy



(1) Forecast includes leases and notices as at July 31, 2023, and an estimate of mid-month move-ins of 30 and 50 bps for August and September, respectively, based on the preceding 12-month average of such activity.

Financial Position

At August 10, 2023



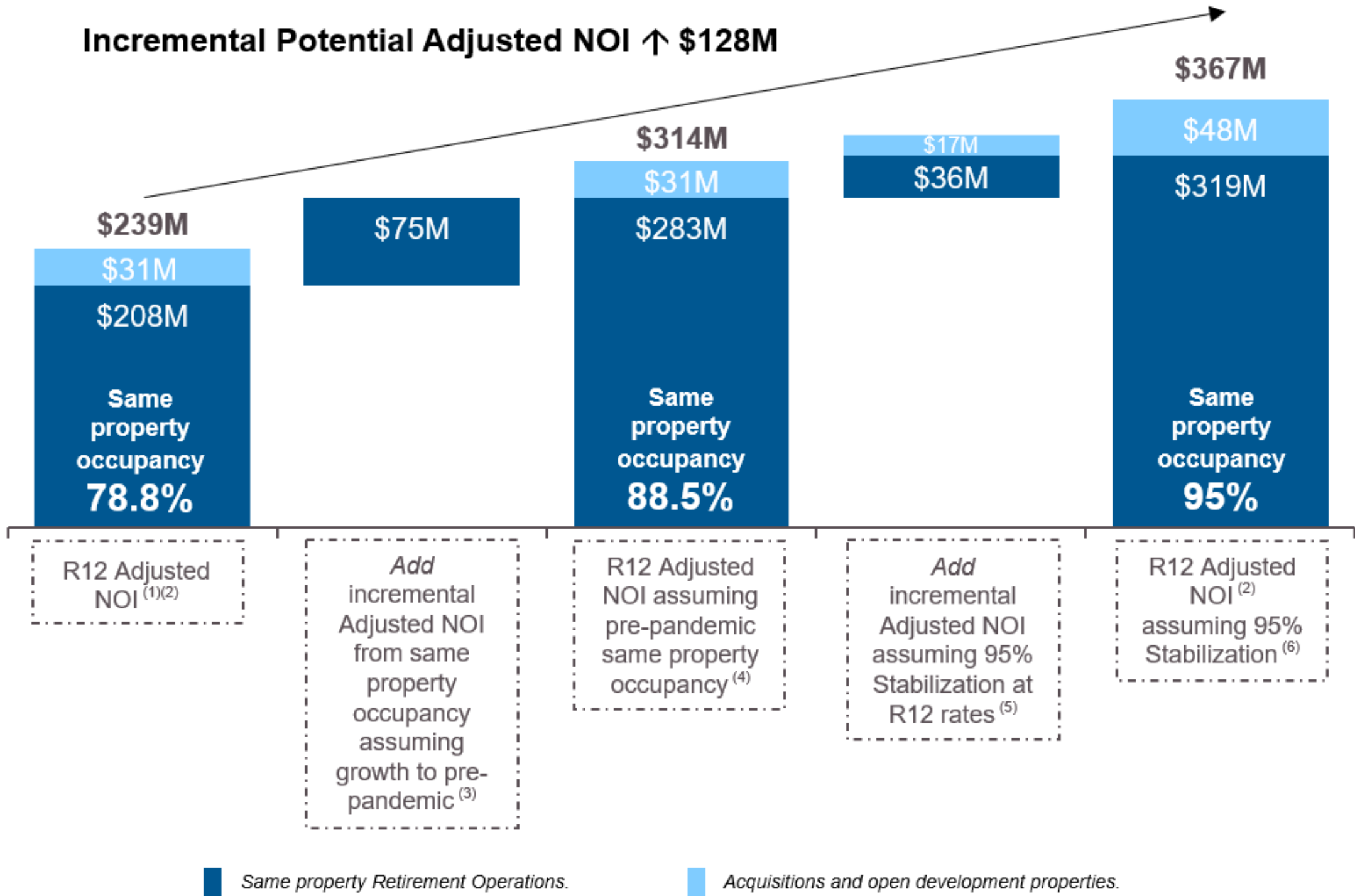
Liquidity
\$194M

\$26M
cash

\$168M
available credit
facilities

- Mortgage refinancings – in progress.
- \$200M delayed draw credit facility.

Embedded Potential Value



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(1) "R12" = Rolling 12 months as at June 30, 2023.
(2) R12 Adjusted NOI for same property, acquisitions and open development properties. Excludes properties classified as disposition, repositioning and other portfolio.
(3) Incremental Adjusted same property NOI at pre-pandemic (Q4 2019) occupancy of 88.5% calculated at R12 average rental rate of \$4,025 per month and pre-pandemic margin of 39%.
(4) R12 Adjusted NOI for same property at pre-pandemic (Q4 2019) occupancy of 88.5% calculated at R12 average rental rate of \$4,025 per month and pre-pandemic margin of 39% 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.

Chartwell Experience

Chartwell Empress Kanata Retirement Residence

*Creating moments
that matter
for our residents.*



Supplemental Information

Reconciliation Table – FFO and FFOPU

(\$000s, except number of units and per unit amounts)	Continuing Operations			Total Operations		
	Q2 2023	Q2 2022	Change	Q2 2023	Q2 2022	Change
Net loss	(12,263)	(3,404)	(8,859)	(7,457)	1,106	(8,563)
<i>Add (Subtract):</i>						
B Depreciation of PP&E	37,786	37,927	(141)	37,786	37,927	(141)
D Amortization of limited life intangible assets	753	822	(69)	753	822	(69)
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	(1,094)	(1,203)	109	(1,094)	(1,203)	109
E Gain on disposal of assets	(709)	(425)	(284)	(714)	(423)	(291)
J Transaction costs arising on dispositions	104	23	81	154	147	7
G Deferred income tax	(2,340)	(1,111)	(1,229)	(2,340)	(1,111)	(1,229)
O Distributions on Class B Units recorded as interest expense	234	234	-	234	234	-
M Changes in fair value of financial instruments	3,081	(7,161)	10,242	3,081	(7,161)	10,242
Q FFO adjustments for Equity-Accounted JVs	348	17	331	348	17	331
FFO	25,900	25,719	181	30,751	30,355	396
Weighted average number of units (000s)	241,240	236,859	4,381	241,240	236,859	4,381
FFOPU	0.11	0.11	-	0.13	0.13	-

Supplemental Information

Reconciliation Table - Adjusted NOI

(\$000s)	Q2 2023	Q2 2022	Change
Resident revenue	168,171	164,136	4,035
Add:			
Share of resident revenue from joint ventures ⁽¹⁾	31,074	28,584	2,490
Resident revenue from LTC Discontinued Operations ⁽²⁾	59,732	60,373	(641)
Adjusted resident revenue	258,977	253,093	5,884
Comprised of:			
Same property	167,746	156,723	11,023
Acquisitions and development	20,408	17,354	3,054
Dispositions and repositioning	70,823	79,016	(8,193)
Adjusted resident revenue	258,977	253,093	5,884
Direct property operating expense	113,290	112,434	856
Add:			
Share of direct property operating expense from joint ventures ⁽¹⁾	21,895	20,240	1,655
Direct property operating expense from LTC Discontinued Operations ⁽²⁾	53,283	53,914	(631)
Adjusted direct property operating expense	188,468	186,588	1,880
Comprised of:			
Same property	111,765	105,202	6,563
Acquisitions and development	12,067	10,954	1,113
Dispositions and repositioning	64,636	70,432	(5,796)
Adjusted direct property operating expense	188,468	186,588	1,880
NOI	54,881	51,702	3,179
Add:			
Share of NOI from joint ventures	9,179	8,344	835
Adjusted NOI from continuing operations	64,060	60,046	4,014
Add:			
NOI from LTC Discontinued Operations	6,449	6,459	(10)
Adjusted NOI	70,509	66,505	4,004
Comprised of:			
Same property	55,981	51,521	4,460
Acquisitions and development	8,341	6,400	1,941
Dispositions and repositioning	6,187	8,584	(2,397)
Adjusted NOI	70,509	66,505	4,004

(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