



CHARTwell[®]
retirement residences

Q3 2023 Results Conference Call

November 10, 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 nine months ended September 30, 2023 (the "Q3 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 nine-month period ended September 30, 2023; and "2022 YTD" refers to the nine-month period ended September 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 Q3 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 Q3 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.

Building on Strong Results

Financial and Operating Performance

Same property NOI	↑	19.7%
Same property occupancy		300 bps
FFO continuing operations		27.6%

2023 Survey Scores

Employee Engagement	↑	5 pp
Resident Satisfaction		7 pp



Sales and Marketing



Chartwell Cité-Jardin résidence pour retraités

Published by Isabelle Aubin

September 26 at 7:10 PM

Ce soir, nous fêtons nos jubilés , Mme Lorraine Pilon et M. Denis Rochon. 70 ans de mariage. Félicitations!



See insights and ads

46



Chartwell Wescott Retirement Residence

Published by DK Amado

September 27 at 9:05 PM

Twist and Shout! 🎵 Chartwell Wescott Memory Living team has showcased their singing and dancing prowess for this year's Music Fest to the tune of 60's hit songs. The staff are committed to making people's lives better thru talent sharing. Thank you to all the residents and families who attended and witnessed another culminating event at Chartwell Wescott. We will see you again on our 4th Music Fest next year. ❤️



See insights and ads

18

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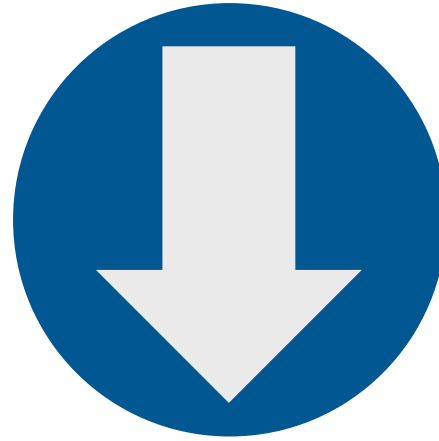
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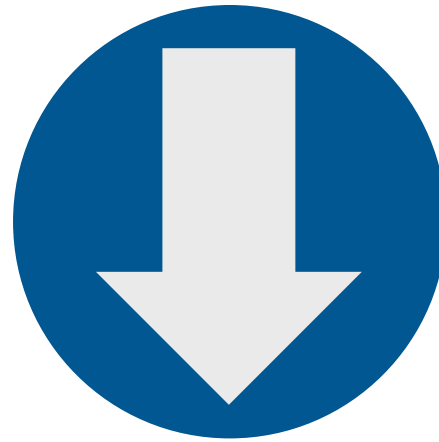
4

Recruitment and Retention

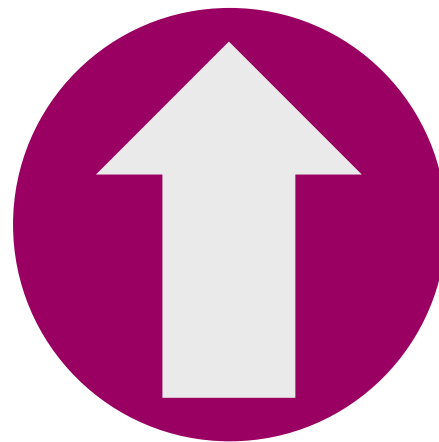
Employee
Turnover



Staffing
Agency
Spend



Resident
Satisfaction



glassdoor®

indeed®



Q3 2023 Summary

	Q3 2023	Q3 2022	Change
Net income ⁽¹⁾	\$158.2M	\$4.3M	\$153.9M
FFO ⁽²⁾			
Continuing operations	\$36.1M	\$28.3M	\$7.8M
Total	\$39.0M	\$31.9M	\$7.1M
FFOPU ⁽²⁾			
Continuing operations	\$0.15	\$0.12	\$0.03
Total	\$0.16	\$0.13	\$0.03
Average occupancy – same property	81.4%	78.4%	3.0pp
Adjusted NOI ⁽³⁾ – same property	\$60.7M	\$50.7M	\$10.0M

(1) Includes net income from LTC Discontinued Operations.

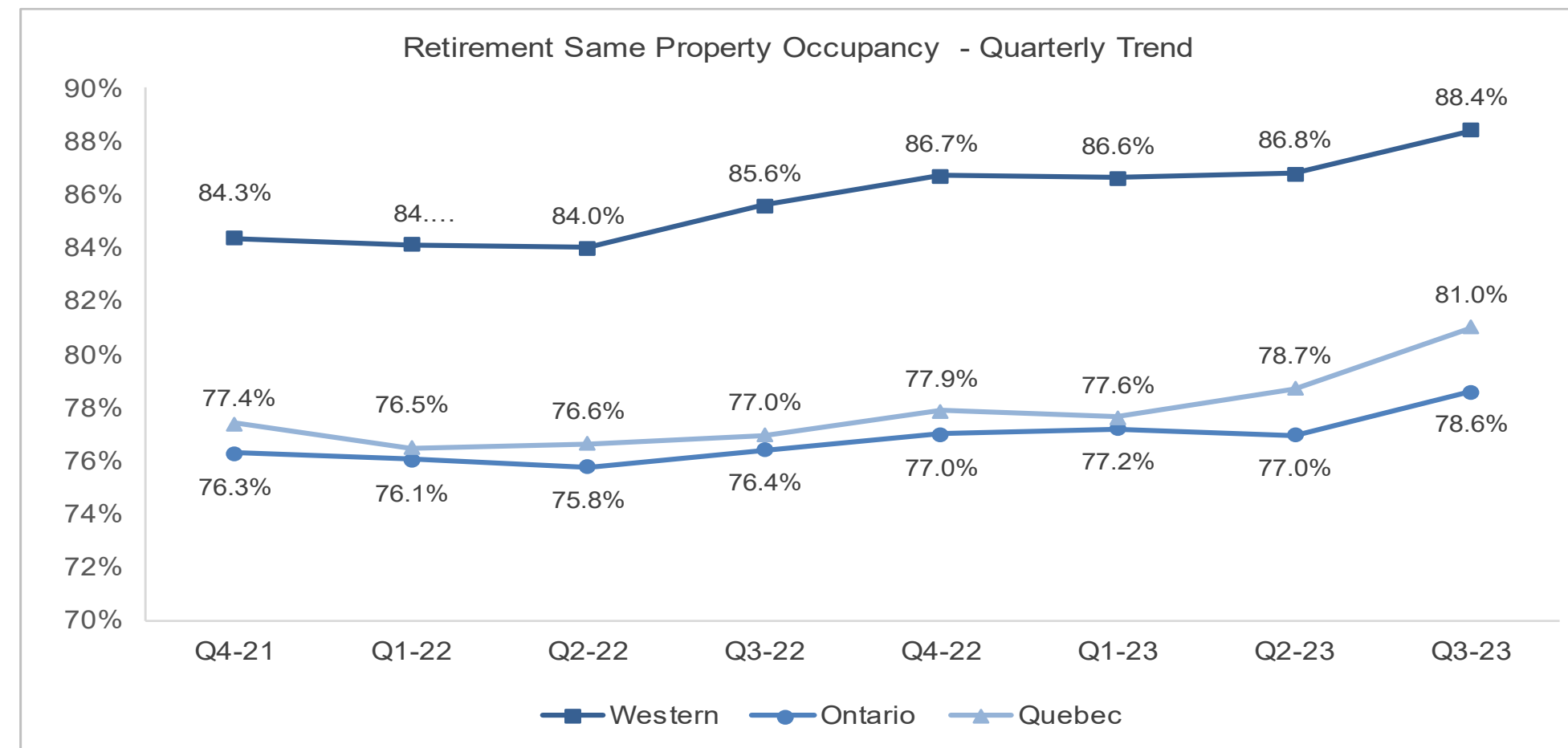
(2) Refer to the "Supplemental Information" section on page 14 of this presentation.

(3) Refer to the "Supplemental Information" section on page 15 of this presentation.

- Net income was \$158.2 million in Q3 2023 compared to \$4.3 million in Q3 2022 primarily due to \$178.9 million gain on sale of the completed LTC Transactions.
- FFO from continuing operations up 27.6% and Total FFO up 22.3% in Q3 2023 from Q3 2022.
- Same property adjusted NOI up 19.7% in Q3 2023 from Q3 2022.
- Weighted average same property occupancy was 81.4% in Q3 2023, an increase of 3.0 percentage points compared to Q3 2022, with all platforms achieving growth.

Q3 2023 Adjusted NOI and Occupancy

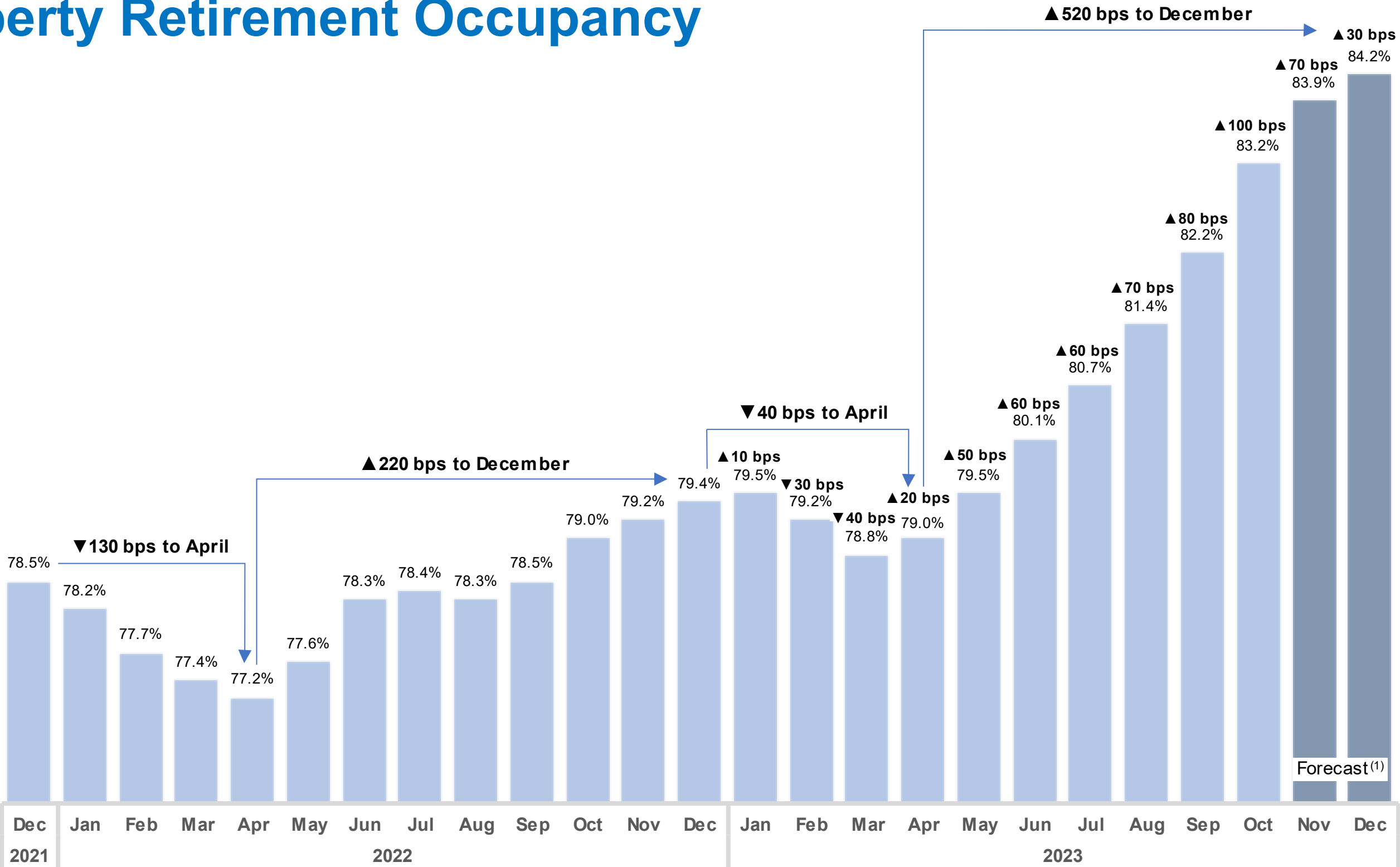
	Same Property						
	Adjusted NOI				Occupancy		
	Q3 2023	Q3 2022	Inc/(Dec) \$ %		Q3 2023	Q3 2022	Change
Retirement:							
Western Canada	\$15.8M	\$14.1M	\$1.7M	12.0%	88.4%	85.6%	2.8pp
Ontario	\$31.7M	\$26.4M	\$5.3M	20.0%	78.6%	76.4%	2.2pp
Quebec	\$13.2M	\$10.2M	\$3.0M	29.4%	81.0%	77.0%	4.0pp
Total Retirement	\$60.7M	\$50.7M	\$10.0M	19.7%	81.4%	78.4%	3.0pp



Platform Specific Trends
Western Canada Continuing 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 mitigating cost pressures.

2023 Outlook: Occupancy Trends

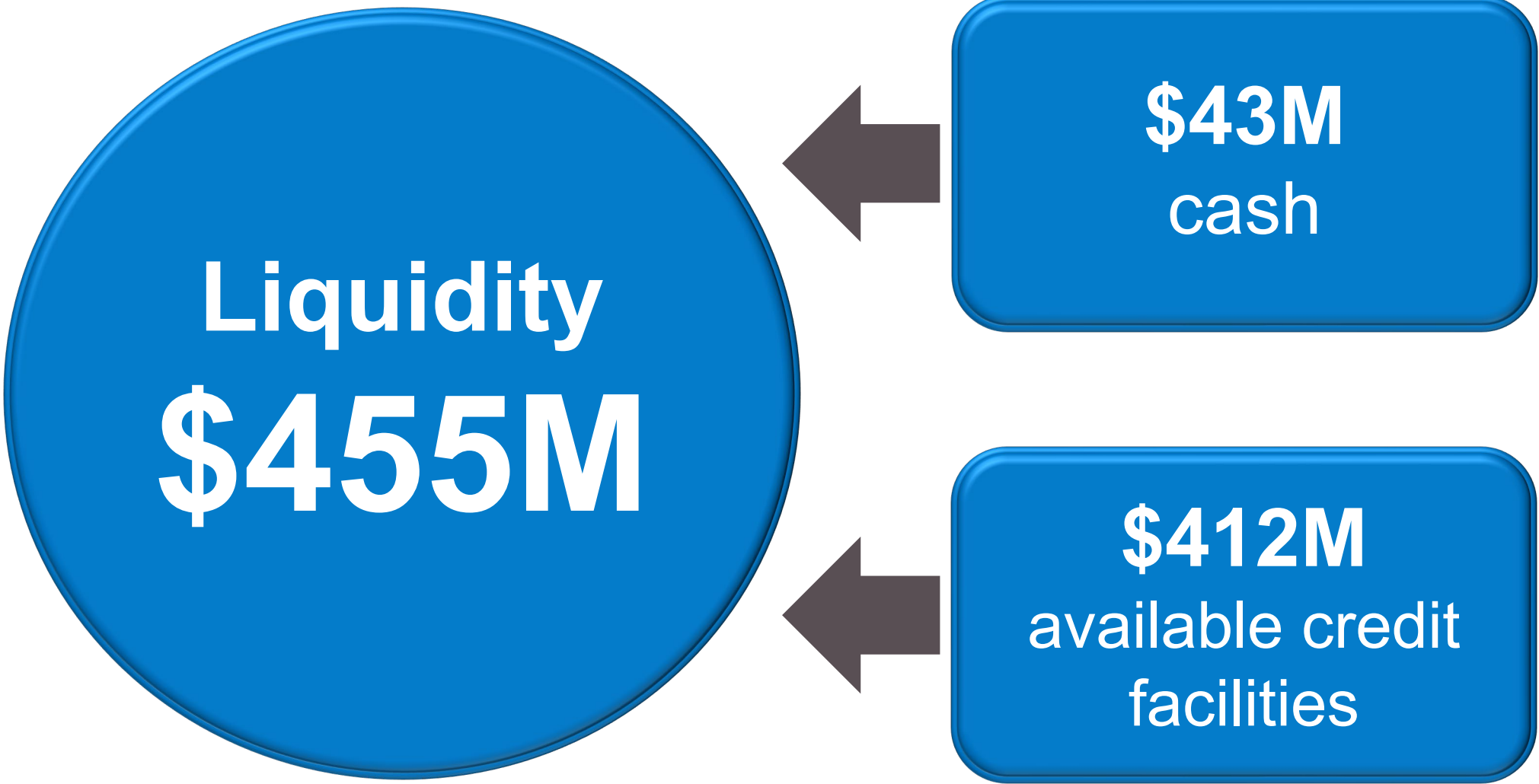
Same Property Retirement Occupancy



(1) Forecast includes leases and notices as at October 31, 2023, and an estimate of mid-month move-ins of 30 basis points (“bps”) for each of November and December, based on the preceding 12-month average of such activity.

Financial Position

At November 9, 2023



The diagram features a central blue circle with the text 'Liquidity \$455M'. To its right are two blue rounded rectangles. The top rectangle contains '\$43M cash' and the bottom one contains '\$412M available credit facilities'. Arrows point from each rectangle towards the central circle. On the left side of the slide, there is a vertical stack of four architectural renderings of modern multi-story apartment buildings.

**Liquidity
\$455M**

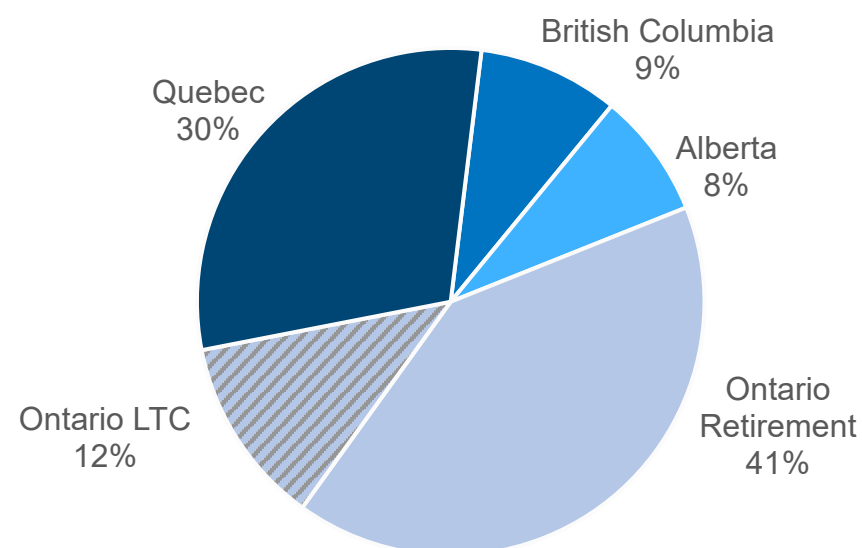
\$43M
cash

\$412M
available credit
facilities

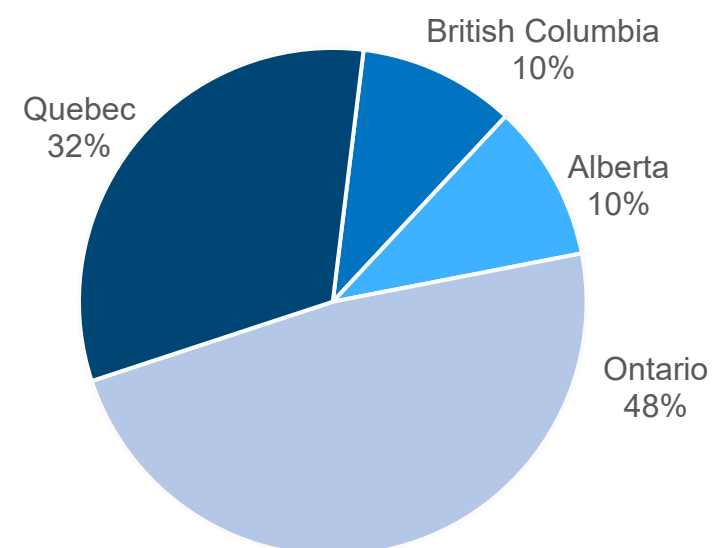
- \$200M delayed draw credit facility.

Portfolio Optimization

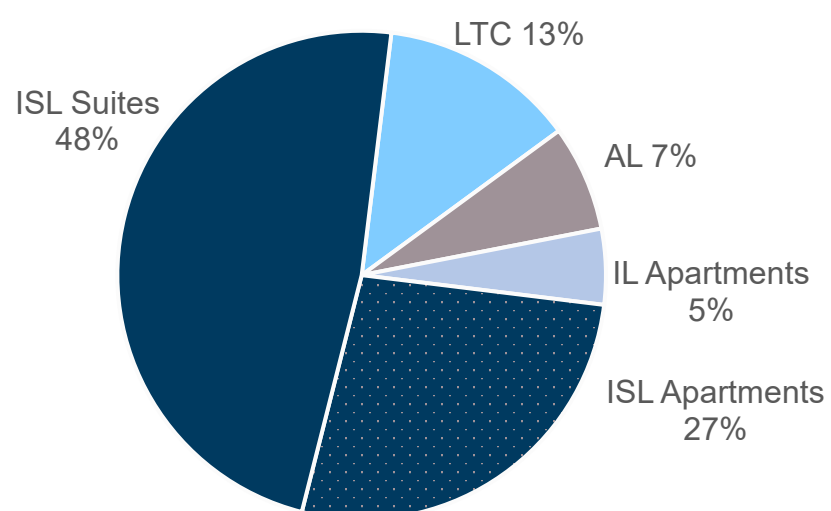
January 1, 2023
Geographic Location ⁽¹⁾



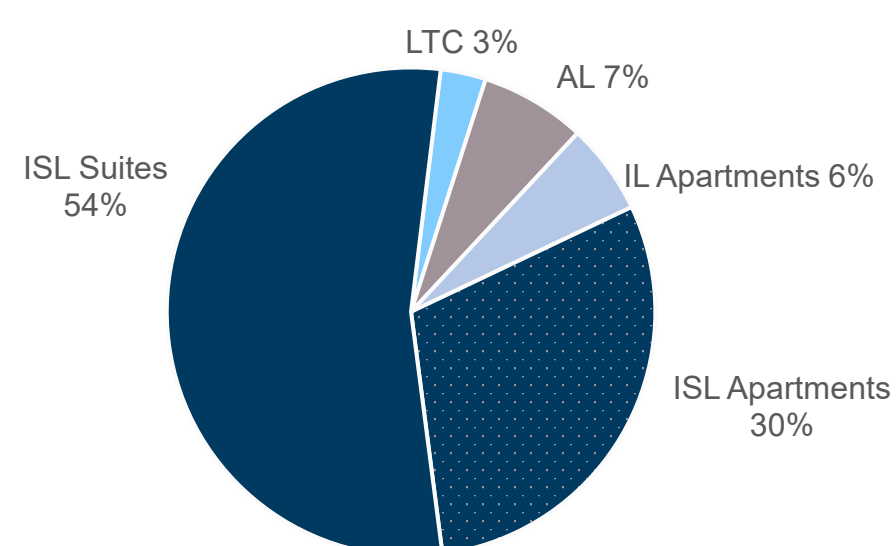
September 30, 2023 Proforma
Geographic Location ⁽²⁾



January 1, 2023
Level of Care ⁽¹⁾



September 30, 2023 Proforma
Level of Care ⁽²⁾



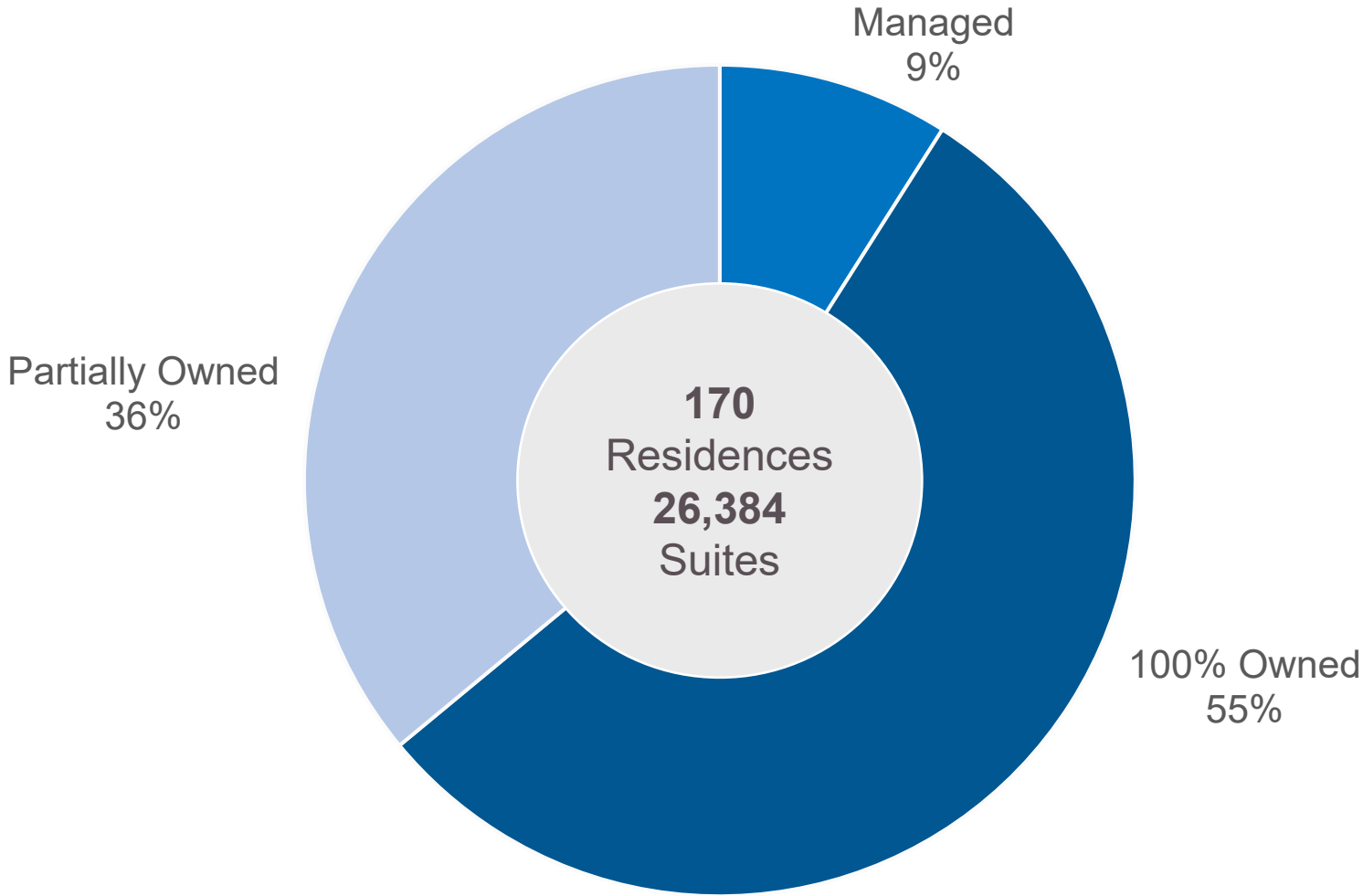
- Completed sale of LTC platform in Ontario (2,418 suites/beds)
- Non-core asset sales/closures (4 properties, 416 suites)
- Welltower transaction – acquisition of Welltower's interests in 16 properties (3,511 suites) and sale of Chartwell's interests in 23 properties (4,633 suites)

⁽¹⁾ Portfolio composition based on number of suites/beds as at December 31, 2022, at Chartwell's share of ownership interest. Excludes development properties and development properties by Batimo.

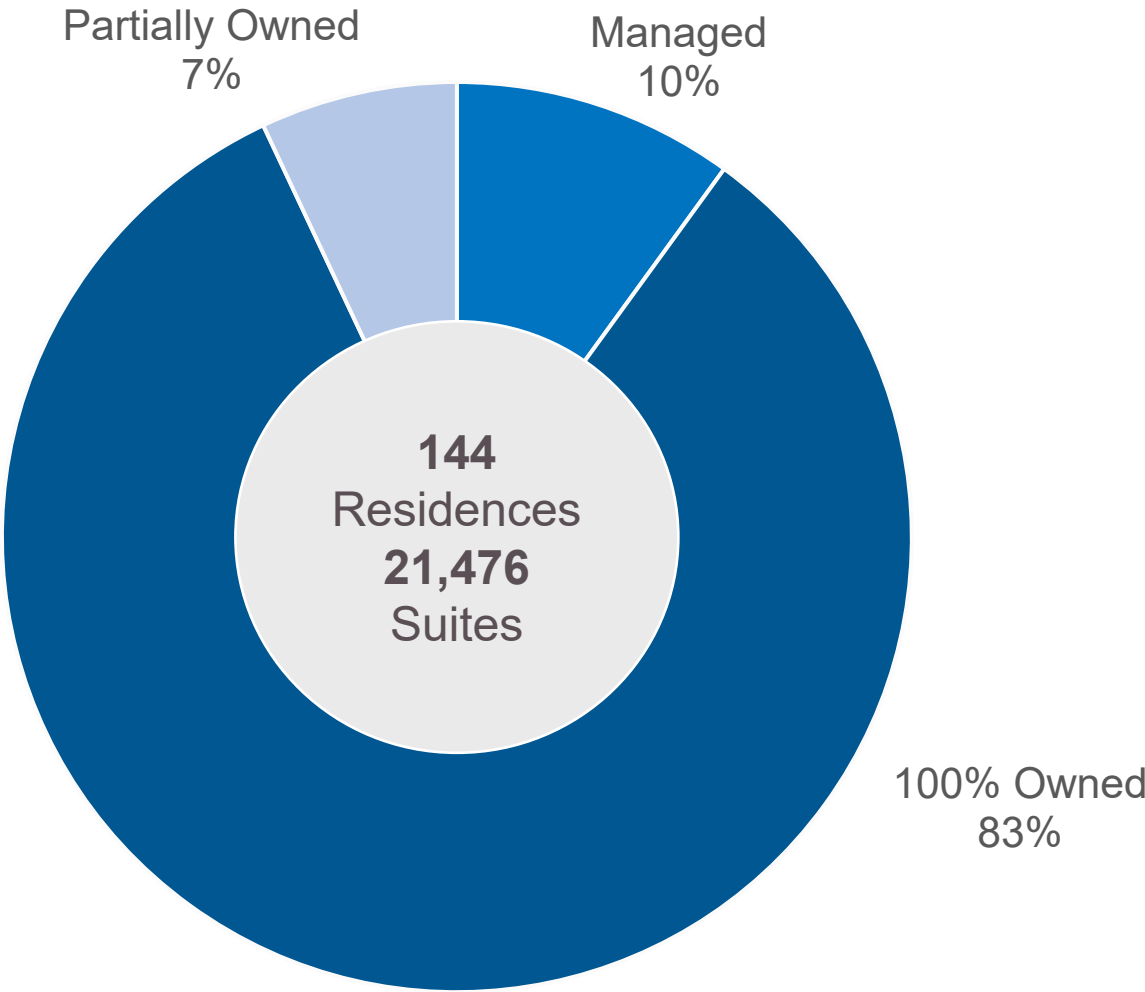
⁽²⁾ Portfolio composition based on number of suites/beds as at September 30, 2023, at Chartwell's share of ownership interest. Excludes development properties, development properties by Batimo, Welltower properties post wind-up, and non-core asset sales.

Welltower Transaction

September 30, 2023
Ownership Interest⁽¹⁾

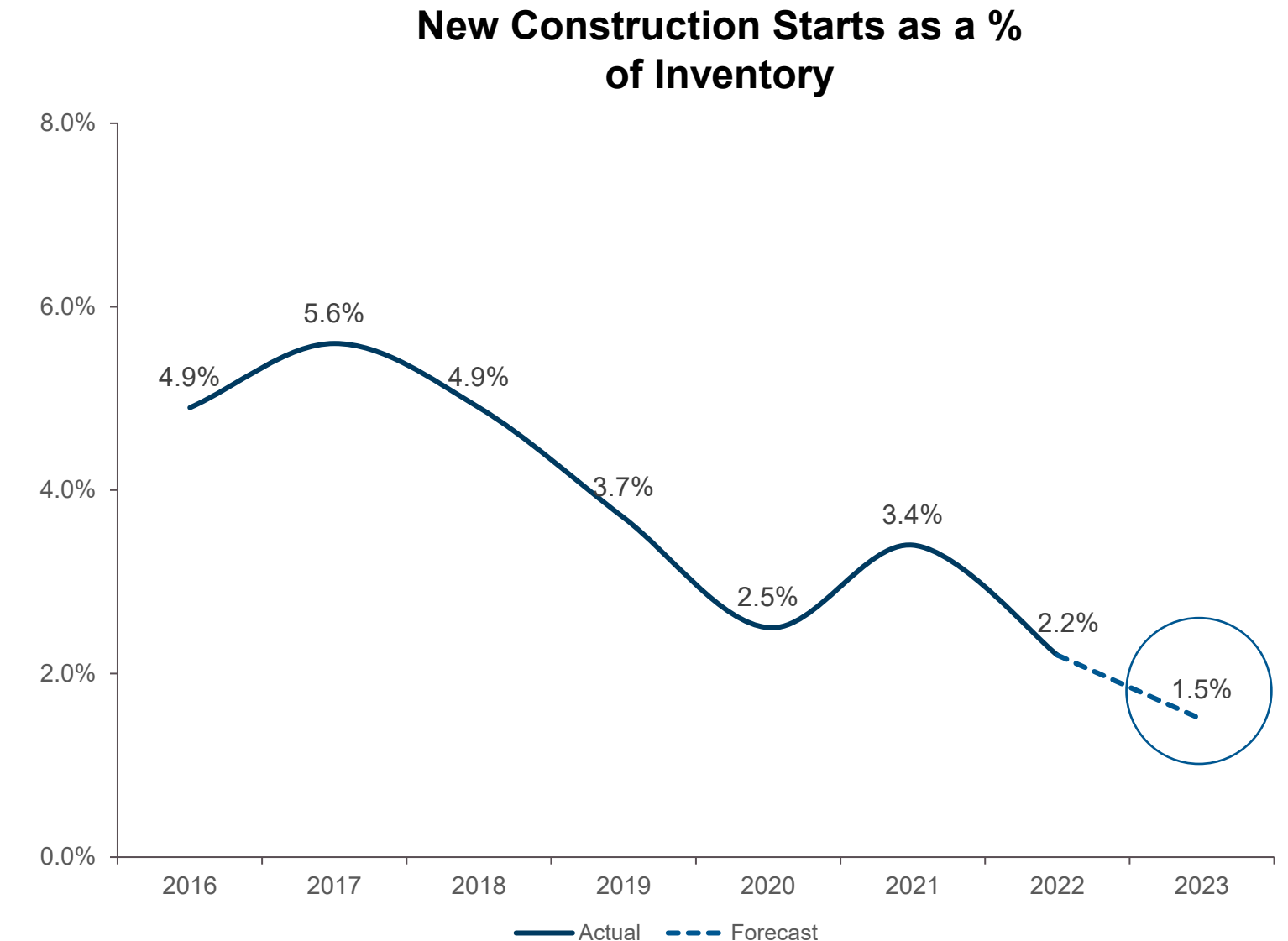
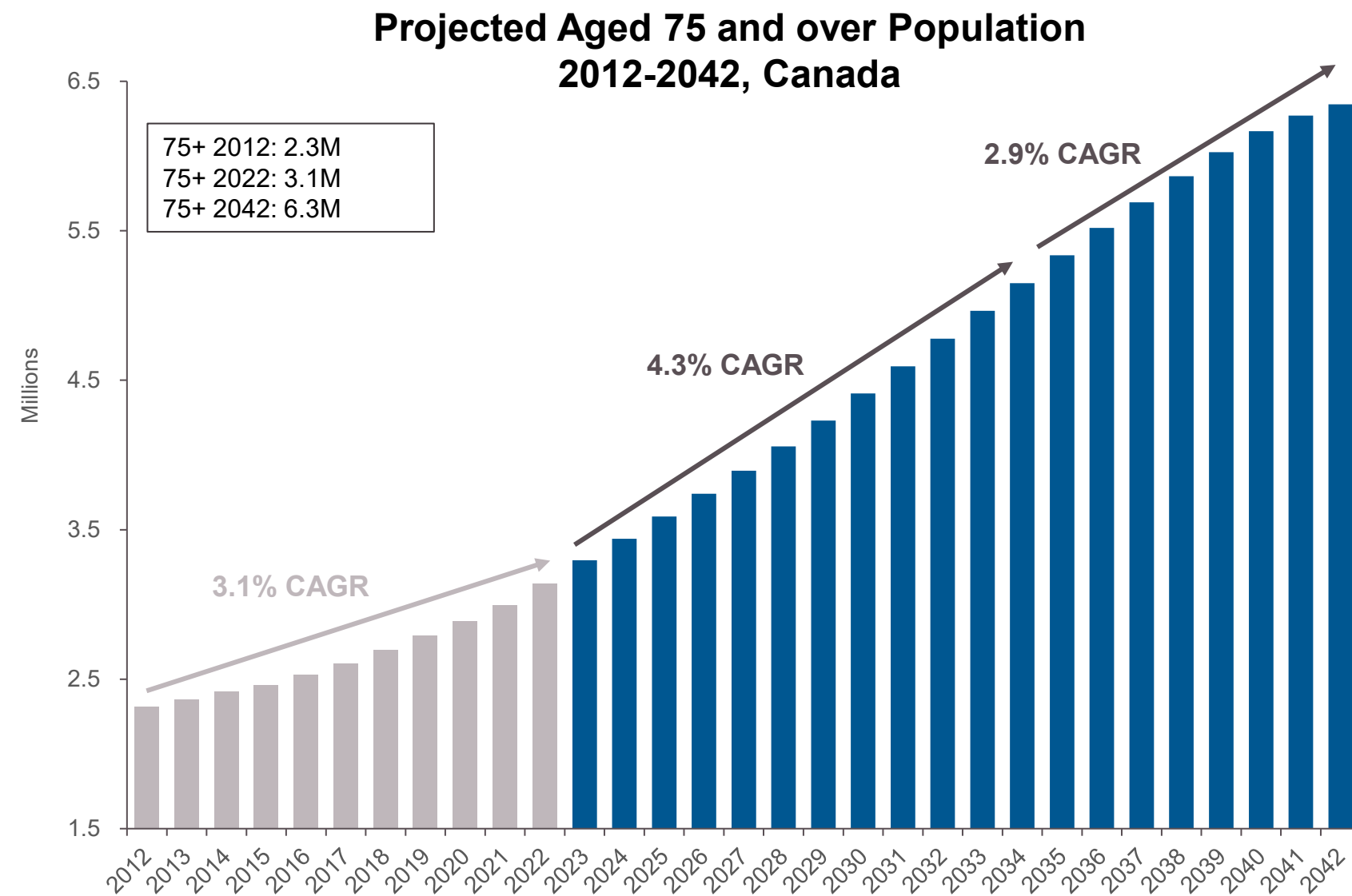


September 30, 2023 Proforma
Ownership Interest⁽¹⁾



(1) We have a 45% ownership interest in one residence (332 suites), a 50% interest in four residences (504 suites), a 60% ownership interest in one residence (165 suites) and an 85% ownership interest in three residences (421 suites).

Demand / Supply



Total incremental suites required by
2042 = 233,000

New Construction Starts at
Historic Lows

Chartwell Experience



Team Hood



New York Times Reporter, Scott Cacciola & 97-year-old resident, Bertha Esplen

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		
	Q3 2023	Q3 2022	Change	Q3 2023	Q3 2022	Change
Net income	(23,330)	750	(24,080)	158,156	4,278	153,878
Add (Subtract):						
B Depreciation of PP&E	38,027	38,958	(931)	38,027	38,958	(931)
D Amortization of limited life intangible assets	566	809	(243)	566	809	(243)
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	(1,093)	(1,186)	93	(1,093)	(1,186)	93
E Gain on disposal of assets	(2,883)	(656)	(2,227)	(181,794)	(655)	(181,139)
J Transaction costs arising on dispositions	469	122	347	809	183	626
H Impairment losses	625	-	625	625	-	625
F Tax on gains or losses on disposal of properties	28,100	-	28,100	28,100	-	28,100
G Deferred income tax	(11,274)	(2,248)	(9,026)	(11,274)	(2,248)	(9,026)
O Distributions on Class B Units recorded as interest expense	234	234	-	234	234	-
M Changes in fair value of financial instruments	5,622	(9,054)	14,676	5,622	(9,054)	14,676
Q FFO adjustments for Equity-Accounted JVs	1,024	561	463	1,024	561	463
FFO	36,087	28,290	7,797	39,002	31,880	7,122
Weighted average number of units (000s)	242,258	237,837	4,421	242,258	237,837	4,421
FFOPU	0.15	0.12	0.03	0.16	0.14	0.02

Supplemental Information

Reconciliation Table - Adjusted NOI

(\$000s)	Q3 2023	Q3 2022	Change
Resident revenue	173,383	168,758	4,625
Add:			
Share of resident revenue from joint ventures ⁽¹⁾	32,103	29,192	2,911
Resident revenue from LTC Discontinued Operations ⁽²⁾	45,521	60,121	(14,600)
Adjusted resident revenue	251,007	258,071	(7,064)
Comprised of:			
Same property	171,431	158,781	12,650
Acquisitions and development	21,297	18,426	2,871
Dispositions and repositioning	58,279	80,864	(22,585)
Adjusted resident revenue	251,007	258,071	(7,064)
Direct property operating expense	113,344	117,811	(4,467)
Add:			
Share of direct property operating expense from joint ventures ⁽¹⁾	21,036	20,413	623
Direct property operating expense from LTC Discontinued Operations ⁽²⁾	41,330	54,732	(13,402)
Adjusted direct property operating expense	175,710	192,956	(17,246)
Comprised of:			
Same property	110,730	108,052	2,678
Acquisitions and development	12,335	11,739	596
Dispositions and repositioning	52,645	73,165	(20,520)
Adjusted direct property operating expense	175,710	192,956	(17,246)
NOI	60,039	50,947	9,092
Add:			
Share of NOI from joint ventures	11,067	8,779	2,288
Adjusted NOI from continuing operations	71,106	59,726	11,380
Add:			
NOI from LTC Discontinued Operations	4,191	5,389	(1,198)
Adjusted NOI	75,297	65,115	10,182
Comprised of:			
Same property	60,701	50,729	9,972
Acquisitions and development	8,962	6,687	2,275
Dispositions and repositioning	5,634	7,699	(2,065)
Adjusted NOI	75,297	65,115	10,182

(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