



CHARTwell
retirement residences

Q4 & Year End 2023 Results Conference Call

March 8, 2024



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 months and year ended December 31, 2023 (the "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; and "2020" refers to the calendar year 2020.

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 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, Adjusted Operation Margin, 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, Adjusted Operating Margin, and Adjusted NOI" and "Liquidity and Capital Resources – Financial Covenants" sections of our 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.

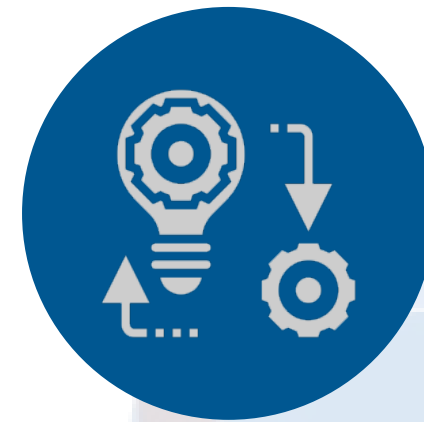
Unprecedented

2023

making people's
lives **BETTER**



Learn



Change



Grow

Sales and Marketing

Unprecedented
Permanent
Move-Ins

2,210

Q4 2023

7,211

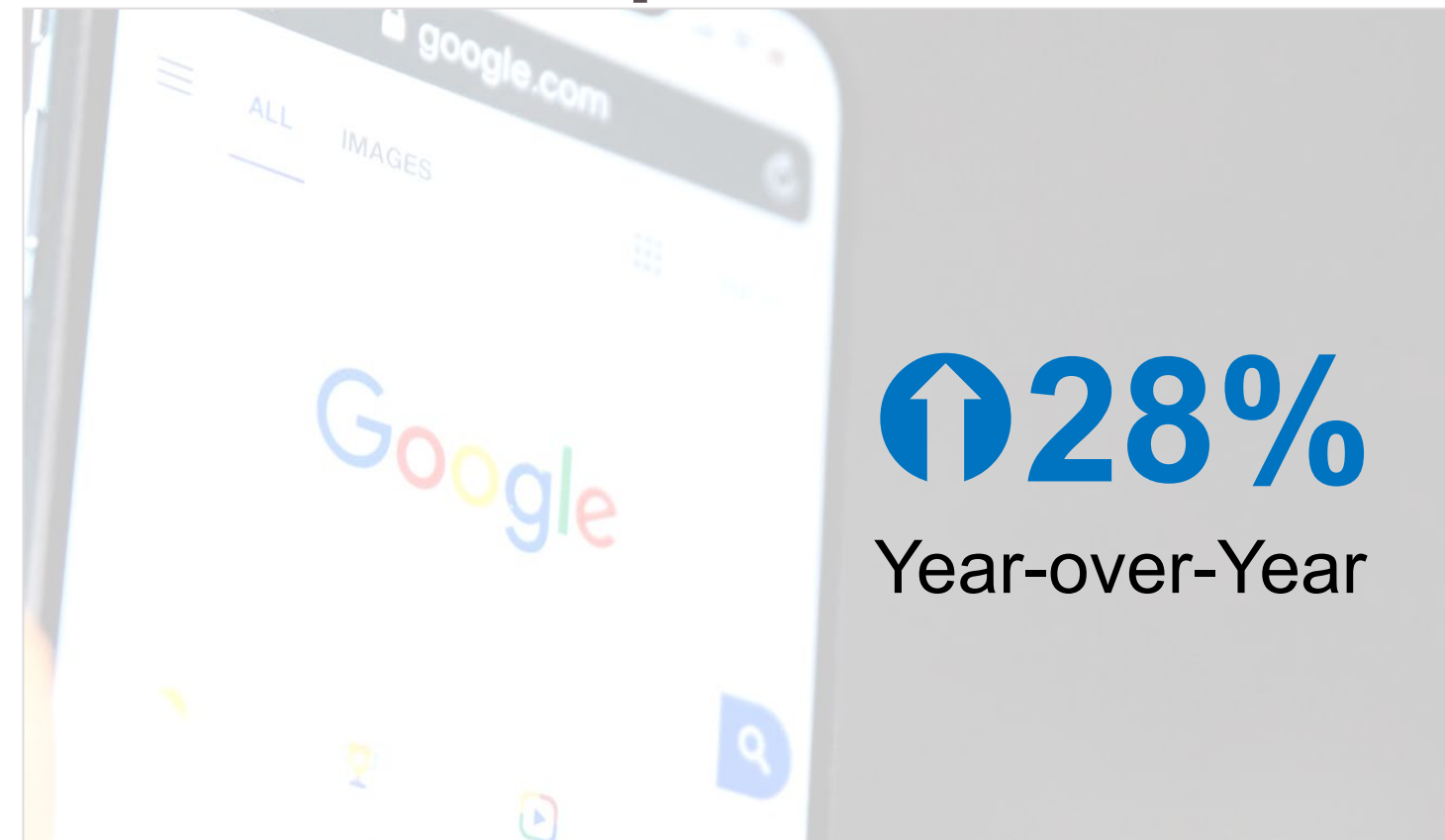
2023

Same Property
Occupancy

84.9%

Dec. 31, 2023

Prospect Pool



Operations

Staff Recruitment & Retention

- Reduced staffing agency costs
- Specific strategies to attract nurses
- Bringing in new immigrants

Care Services

- Implemented eHR in 70+ residences in ON & QC
- Rolled out Care Assist in ON, BC & QC
- Positive impact on care revenue

Focused Strategies

- New contract with Alberta Health Services for DAL units in Calgary

2023 Summary

	Q4 2023	Q4 2022	Change	2023	2022	Change
Net income/(loss) ⁽¹⁾	(\$13.2M)	\$47.5M	(\$60.6M)	\$128.3M	\$49.5M	\$78.7M
FFO ⁽²⁾						
Continuing operations	\$39.2M	\$27.7M	\$11.5M	\$122.2M	\$102.0M	\$20.1M
Total	\$39.1M	\$33.4M	\$5.7M	\$133.2M	\$126.9M	\$6.3M
FFOPU ⁽²⁾						
Continuing operations	\$0.16	\$0.12	\$0.04	\$0.51	\$0.43	\$0.08
Total	\$0.16	\$0.14	\$0.02	\$0.55	\$0.53	\$0.02
Average occupancy – same property	84.1%	79.5%	4.6pp	81.1%	78.6%	2.5pp
Adjusted NOI ⁽³⁾ – same property	\$50.9M	\$41.9M	\$9.0M	\$189.0M	\$165.4M	\$23.6M

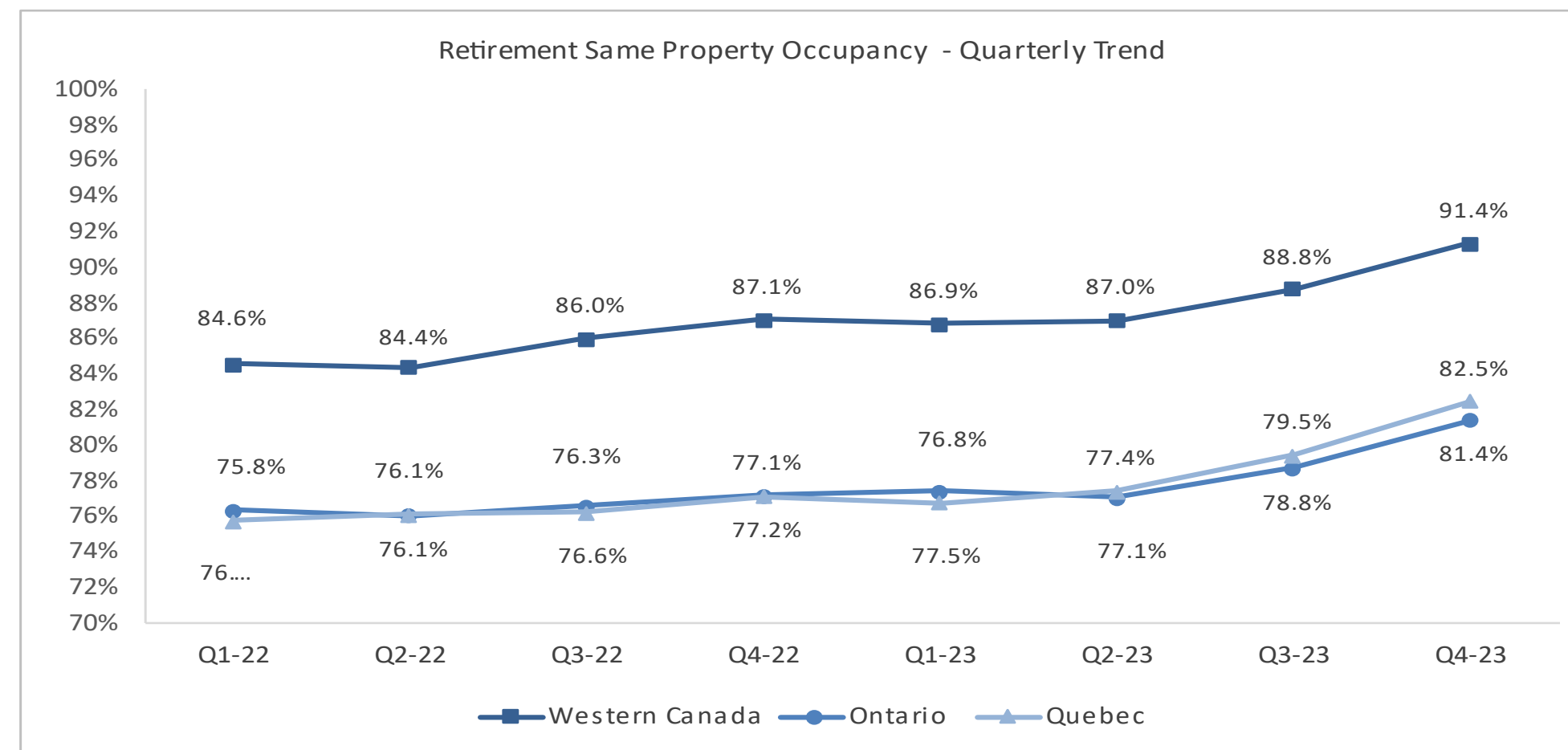
(1) Includes net income from LTC Discontinued Operations.

(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.

Q4 2023 Adjusted NOI and Occupancy

	Same Property						
	Adjusted NOI				Occupancy		
	Q4 2023	Q4 2022	Inc/(Dec) \$ %		Q4 2023	Q4 2022	Change
Retirement:							
Western Canada	\$15.9M	\$14.2M	\$1.7M	11.6%	91.4%	87.1%	4.3pp
Ontario	\$28.5M	\$23.0M	\$5.5M	24.0%	81.4%	77.2%	4.2pp
Quebec	\$6.5M	\$4.7M	\$1.8M	39.0%	82.5%	77.1%	5.4pp
Total Retirement	\$50.9M	\$41.9M	\$9.0M	21.5%	84.1%	79.5%	4.6pp



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.

Financial Position

At March 7, 2024

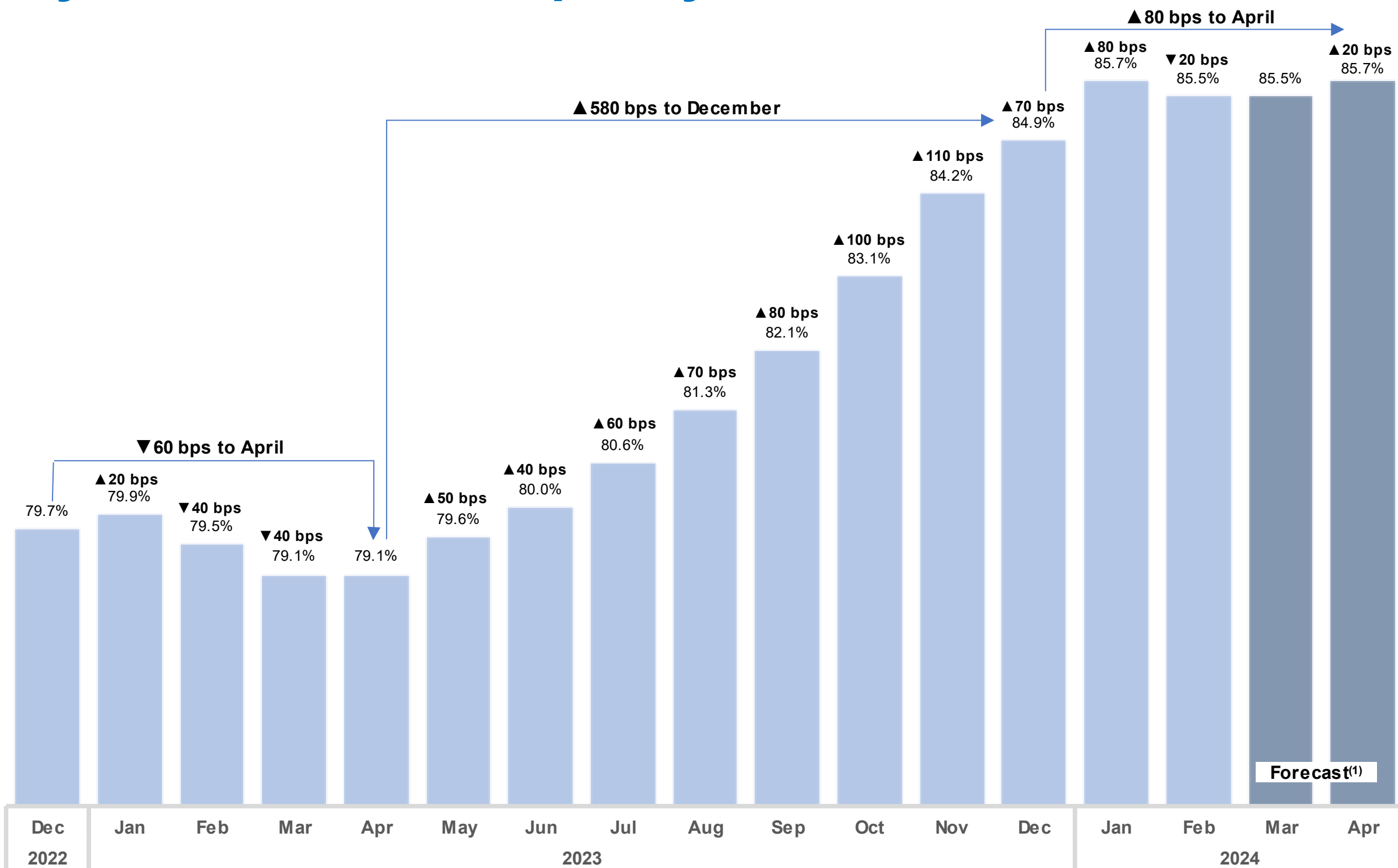
Liquidity
\$368M

\$32M
cash

\$336M
available credit
facilities

2024 Outlook

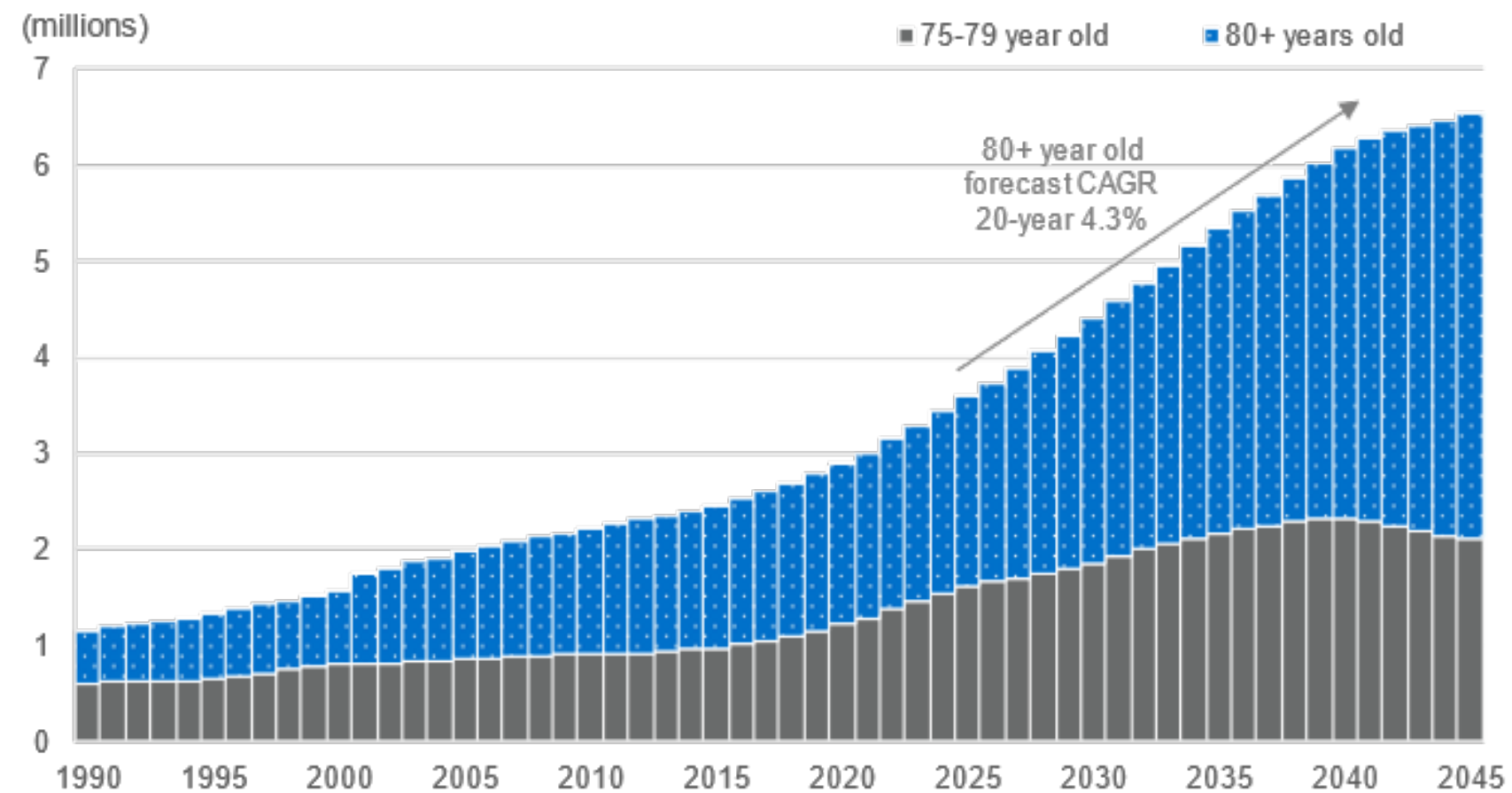
Same Property Retirement Occupancy



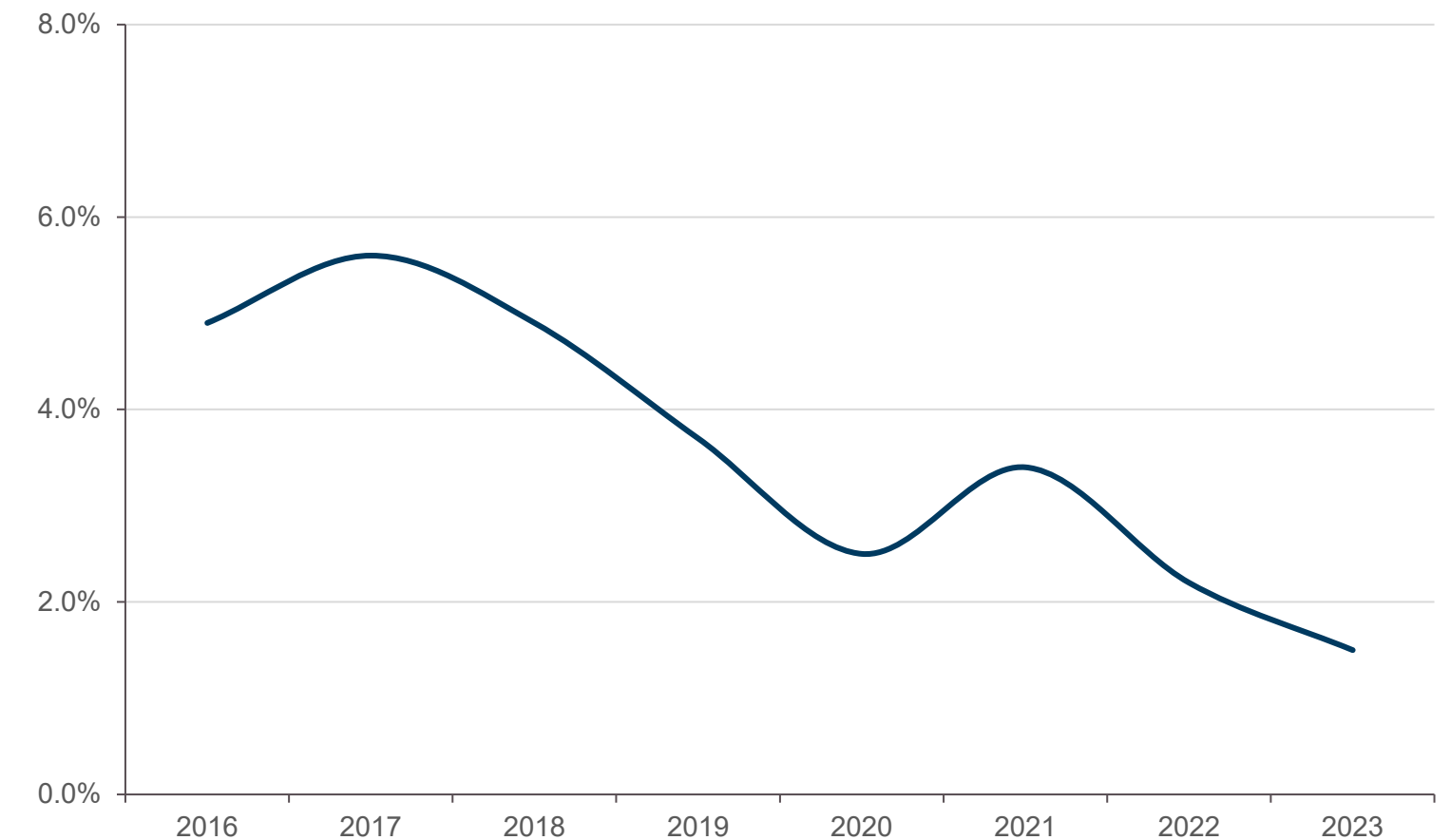
(1) Forecast includes leases and notices as at February 29, 2024, and an estimate of mid-month move-ins of 30 and 50 basis points (“bps”) for March and April, respectively, based on the preceding 12-month average of such activity.

Demand / Supply

Population of Age 75+ Year Olds



New Construction Starts as a % of Inventory



Acceleration of demand

New construction starts at historic lows

Chartwell Experience



Celebrating Longevity and Community

Supplemental Information

Reconciliation Table – FFO and FFOPU

(\$000s, except number of units and per unit amounts)	Continuing Operations						Total Operations					
	Q4 2023	Q4 2022	Change	2023	2022	Change	Q4 2023	Q4 2022	Change	2023	2022	Change
Net income/(loss)	(12,758)	41,904	(54,662)	(60,941)	27,388	(88,329)	(13,173)	47,463	(60,636)	128,273	49,531	78,742
<i>Add (Subtract):</i>	38,955	39,482	(527)	154,005	152,988	1,017	38,955	39,482	(527)	154,005	154,804	(799)
B Depreciation of PP&E	632	773	(141)	2,690	3,148	(458)	632	773	(141)	2,690	3,350	(660)
D Amortization of limited life intangible assets	(1,127)	(1,181)	54	(4,461)	(4,791)	330	(1,127)	(1,181)	54	(4,461)	(4,791)	330
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	(5,770)	(70,125)	64,355	(12,074)	(71,751)	59,677	(5,539)	(70,122)	64,583	(190,747)	(71,743)	(119,004)
E Gain on disposal of assets	192	1,792	(1,600)	1,167	1,992	(825)	229	1,843	(1,614)	1,665	2,727	(1,062)
J Transaction costs arising on dispositions	10,273	-	10,273	10,898	-	10,898	10,273	-	10,273	10,898	-	10,898
H Impairment losses	(869)	-	(869)	27,231	-	27,231	(869)	-	(869)	27,231	-	27,231
G Deferred income tax	(3,419)	16,849	(20,268)	(24,510)	14,131	(38,641)	(3,419)	16,849	(20,268)	(24,510)	14,131	(38,641)
O Distributions on Class B Units recorded as interest expense	234	234	-	936	937	(1)	234	234	-	936	937	(1)
M Changes in fair value of financial instruments and foreign exchange loss/(gain)	10,752	(2,929)	13,681	21,964	(21,785)	43,749	10,752	(2,929)	13,681	21,964	(21,785)	43,749
Q FFO adjustments for Equity-Accounted JVs	2,151	945	1,206	5,246	(244)	5,490	2,151	945	1,206	5,246	(244)	5,490
FFO	39,246	27,744	11,502	122,151	102,013	20,138	39,099	33,357	5,742	133,190	126,917	6,273
Weighted average number of units (000s)	243,262	238,831	4,431	241,688	237,402	4,286	243,262	238,831	4,431	241,688	237,402	4,286
FFOPU	0.16	0.12	0.04	0.51	0.43	0.08	0.16	0.14	0.02	0.55	0.53	0.02

Supplemental Information

Reconciliation Table - Adjusted NOI

(\$000s)	Q4 2023	Q4 2022	Change	2023	2022	Change
Resident revenue	179,946	170,467	9,479	687,324	661,029	26,295
Add:						
Share of resident revenue from joint ventures ⁽¹⁾	33,159	30,008	3,151	126,765	115,864	10,901
Resident revenue from LTC Discontinued Operations ⁽²⁾	258	64,165	(63,907)	167,326	252,614	(85,288)
Adjusted resident revenue	213,363	264,640	(51,277)	981,415	1,029,507	(48,092)
Comprised of:						
Same property	147,279	133,382	13,897	559,795	520,586	39,209
Growth	34,905	30,733	4,172	132,669	111,673	20,996
Repositioning	31,179	100,525	(69,346)	288,951	397,248	(108,297)
Adjusted resident revenue	213,363	264,640	(51,277)	981,415	1,029,507	(48,092)
Direct property operating expense	118,853	120,672	(1,819)	463,361	464,704	(1,343)
Add:						
Share of direct property operating expense from joint ventures ⁽¹⁾	22,566	21,138	1,428	87,219	82,533	4,686
Direct property operating expense from LTC Discontinued Operations ⁽²⁾	405	56,884	(56,479)	151,671	220,729	(69,058)
Adjusted direct property operating expense	141,824	198,694	(56,870)	702,251	767,966	(65,715)
Comprised of:						
Same property	96,415	91,502	4,913	370,783	355,202	15,581
Growth	21,938	20,452	1,486	84,801	75,281	9,520
Repositioning	23,471	86,740	(63,269)	246,667	337,483	(90,816)
Adjusted direct property operating expense	141,824	198,694	(56,870)	702,251	767,966	(65,715)
NOI	61,093	49,795	11,298	223,963	196,325	27,638
Add:						
Share of NOI from joint ventures	10,593	8,870	1,723	39,546	33,331	6,215
Adjusted NOI from continuing operations	71,686	58,665	13,021	263,509	229,656	33,853
Add:						
NOI from LTC Discontinued Operations	(147)	7,281	(7,428)	15,655	31,885	(16,230)
Adjusted NOI	71,539	65,946	5,593	279,164	261,541	17,623
Comprised of:						
Same property	50,864	41,880	8,984	189,012	165,384	23,628
Growth	12,967	10,281	2,686	47,868	36,392	11,476
Repositioning	7,708	13,785	(6,077)	42,284	59,765	(17,481)
Adjusted NOI	71,539	65,946	5,593	279,164	261,541	17,623

(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



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retirement residences