CHARTWELL ANNOUNCES SECOND QUARTER 2021 RESULTS

MISSISSAUGA, ONTARIO – August 5, 2021 – Chartwell Retirement Residences ("Chartwell") (TSX: CSH.UN) announced today its results for the second quarter ended June 30, 2021.

Highlights

- Focus on resident safety continues, with 96% of our residents and 87% of our staff having received at least the first vaccine dose and zero residences in COVID-19 outbreak.
- Same property adjusted net operating income ("NOI") [(1)] declined 6.5% in Q2 2021 and funds from operations ("FFO") [(1)] down 11.0% in Q2 2021 from Q2 2020 as a result of reduced occupancy and continued investments in resident care and infection prevention and control measures.
- Maintaining strong liquidity [(1)] position of $439.8 million, which included $75.4 million of cash and cash equivalents at August 5, 2021.

"We are pleased to see that strong vaccination rates among our residents and staff and in the communities at large have allowed for the lifting of restrictions that have been significant barriers for new residents moving into our residences. As a result, we have begun seeing growth in our initial contacts, personalized tours and signed leases," said Vlad Volodarski, CEO. "These improvements in our leading indicators point to the beginning of occupancy recovery in the coming months. I am confident that with the strength of our people, combined with the accelerated growth of the senior's population and slow-down of supply growth in our markets, we will recover our occupancies and continue to create sustainable value for all our stakeholders over time."

	Three Months Ended June 30		Six Months Ended June 30	
($000s, except per unit amounts and number of units)	**2021**	2020	**2021**	2020
Resident revenue	**$ 210,255**	$ 216,398	**$ 427,930**	$ 435,282
Direct property operating expense	**$ 151,976**	$ 154,917	**$ 311,480**	$ 305,636
Net income/(loss)	**$ (4,584)**	$ (1,931)	**$ (9,517)**	$ 9,463
FFO [(1)]	**$ 34,758**	$ 39,043	**$ 69,891**	$ 84,368
FFO per unit [(1)]	**$ 0.16**	$ 0.18	**$ 0.32**	$ 0.39
Weighted average number of units outstanding (000s) [(2)]	**218,541**	218,218	**218,437**	217,870

Resident revenue decreased $6.1 million or 2.8% in Q2 2021 primarily due to disposition of properties and occupancy decline in our existing property portfolio.

Direct property operating expense decreased $2.9 million or 1.9% in Q2 2021 primarily due to disposition of properties.

In Q2 2021, net loss was $4.6 million compared to $1.9 million in Q2 2020. The increase in net loss was primarily due to lower resident revenue, negative changes in fair values of financial instruments, and a deferred tax expense in Q2 2021 as compared to a deferred tax benefit in Q2 2020, partially offset by lower direct property operating expenses, lower depreciation of property, plant and equipment ("PP&E"), lower finance costs, and gain on disposal of assets.

In Q2 2021, FFO decreased $4.3 million primarily due to lower occupancy, continued investments in resident care and infection prevention and control measures, and lower interest income, partially offset by lower finance costs and general, administrative and trust ("G&A") expenses.

For 2021 YTD, resident revenue decreased $7.4 million or 1.7%, primarily due to disposition of properties and occupancy decline in our existing property portfolio.

For 2021 YTD, direct property operating expense increased $5.8 million or 1.9%, primarily due to increase in our existing property portfolio, partially offset by the disposition of properties.

For 2021 YTD, net loss was $9.5 million compared to net income of $9.5 million in 2020 YTD. The net loss in 2021 YTD was primarily due to lower resident revenue, higher direct property operating expenses, negative changes in fair values of financial instruments, and lower deferred tax benefit, partially offset by lower depreciation of PP&E, lower finance costs, higher gain on disposal of assets, and absence of impairment charges in 2021 YTD as compared to 2020 YTD.

For 2021 YTD, FFO decreased $14.5 million primarily due to lower occupancy, continued investments in resident care and infection prevention and control measures, and lower interest income, partially offset by lower finance costs, lower G&A expenses and higher management fees.

Operating Performance

	Three Months Ended June 30			Six Months Ended June 30		
($000s, except occupancy)	**2021**	2020	Change	**2021**	2020	Change
Same property occupancy [3]	**77.5%**	85.6%	(8.1pp)	**78.1%**	87.4%	(9.3pp)
Same property adjusted NOI [1]	**$ 63,209**	$ 67,637	$ (4,428)	**$ 125,558**	$ 142,175	$ (16,617)
G&A expenses	**$ 12,251**	$ 12,374	$ (123)	**$ 25,043**	$ 25,502	$ (459)

In Q2 2021 same property occupancy was lower than Q2 2020 by 8.1 percentage points. Although move-ins have significantly rebounded compared to Q2 2020 and improved since Q1 2021, and move-outs remain slightly below pre-pandemic levels, move-ins remained lower than move-outs, resulting in declining occupancy.

In Q2 2021, same property adjusted NOI [1] decreased $4.4 million or 6.5%, primarily due to lower occupancy and higher repairs and maintenance, insurance, and marketing expenses, partially offset by increased revenue from a combination of inflationary and market-based rental and service rate increases and higher revenue from the provision of additional care and services, lower supplies and food costs due to lower occupancy.

In Q2 2021, G&A expenses decreased $0.1 million as Q2 2020 included a $0.5 million contribution to provide startup funding to support the Senior Living CaRES fund (the “CaRES Fund”). This was partially offset by higher non-cash compensation costs as a result of changes in fair value of our Trust Units.

For 2021 YTD, same property occupancy declined 9.3 percentage points. Although move-ins have significantly rebounded compared to 2020 YTD and move-outs remain slightly below pre-pandemic levels, move-ins were lower than move-outs which resulted in declining occupancy.

For 2021 YTD, same property adjusted NOI [1] decreased $16.6 million or 11.7%, primarily due to lower occupancy, higher staffing costs, repairs and maintenance, insurance, and marketing expenses, partially offset by inflationary and market-based rental and service rate increases, reimbursements to partially defray pandemic-related expenses and lower food costs due to lower occupancy.

For 2021 YTD, G&A expenses decreased $0.5 million as 2020 YTD included a $0.5 million contribution to provide startup funding to support the CaRES Fund, lower education, and travel expenses. This was partially offset by higher non-cash compensation costs as a result of changes in fair value of our Trust Units.

Financial Position

At June 30, 2021, liquidity [1] amounted to $396.5 million, which included $32.1 million of cash and cash equivalents and $364.4 million of available borrowing capacity on our credit facilities. In addition, Chartwell’s share of cash and cash equivalents held in its equity-accounted joint ventures was $5.3 million.

The interest coverage ratio [1] on a rolling 12-month basis remained strong at 2.8 at June 30, 2021 compared to 2.9 at December 31, 2020. The net debt to adjusted EBITDA ratio [1] at June 30, 2021 was 10.2 compared to 9.4 at December 31, 2020.

Recent Developments

Significant progress has been made in both the vaccination program for our residents and for our employees. Resident vaccination rates range from 95% to 98% with at least the first dose and we are continuing to see increases in staff vaccination rates, with 87% of our staff having received the first dose. We have developed and implemented education programs and a vaccination policy to continue to increase vaccination rates in all of our residences.

There are currently no COVID-19 outbreaks in our residences. Our response to the pandemic is guided by public health authorities and the Federal, Provincial and Municipal governments. We continue to meet or exceed the direction provided by these authorities to control the spread of COVID-19 and continue to make the investments required including additional staffing, screening, disinfection, and personal protective equipment to protect our residents and staff in these extremely challenging circumstances.

The following table provides an update in respect of our same property retirement occupancy:

	One month ended April 30, 2021	One month ended May 31, 2021	One month ended June 30, 2021	One month ended July 31, 2021	Forecast One month ended August 31, 2021
Same property retirement occupancy	77.0%	76.6%	76.3%	76.3%	76.3%
Change from the previous month [(1)]	*(0.8pp)*	*(0.4pp)*	*(0.3pp)*	-	-

The pandemic and related government and health authority restrictions and directives have resulted in decreased occupancy levels due to reduced move-in activity in our retirement residences compared to normal pre-pandemic levels. With the large-scale vaccination program, the efficacy of which has proven highly effective, current Public Health Agency of Canada modelling projects that pandemic-related restrictions can be gradually lifted without exceeding hospital capacity.

Through July 2021, restrictions have been significantly reduced in all four provinces in which we operate, and we have seen a corresponding increase in personal tour bookings, lease signing, and permanent move-ins, approaching pre-pandemic levels and as a result occupancy levels have stabilized since June 2021. We believe that if pandemic-related restrictions continue to ease, move-ins will continue recovering and occupancies in our retirement residences will begin to rebound starting this fall. As these restrictions and directives are being lifted, government reimbursements and subsidies have also begun to decline. We expect this trend to continue which will likely result in higher direct property operating expenses in the short term while we gradually phase out additional staffing and supply costs associated with the restrictions and directives.

As at August 5, 2021, we have $48.2 million of remaining 2021 mortgage maturities in our portfolio. In addition. There are $15.1 million of remaining 2021 mortgage maturities in our Equity-Accounted JVs. We expect to refinance these remaining 2021 mortgage maturities in the normal course.

At August 5, 2021, liquidity [(1)] amounted to $439.8 million, which included $75.4 million of cash and cash equivalents and $364.4 million of available borrowing capacity on our credit facilities. In addition, Chartwell's share of cash and cash equivalents held in our equity-accounted joint ventures was $15.5 million.

Investor Conference Call

A conference call hosted by Chartwell's senior management team will be held **Friday, August 6, 2021, at 10:00 AM ET.** The telephone numbers for the conference call are: **Local: (416) 340-2217** or **Toll Free: 1-800-898-3989. The passcode for the conference call is: 1251063#.** The conference call can also be heard over the Internet by accessing the Chartwell website at www.chartwell.com, clicking on "Investor Relations" and following the link at the top of the page. A slide presentation to accompany management's comments during the conference call will be available on the website. Please log on at least 15 minutes before the call commences.

The telephone numbers to listen to the call after it is completed (Instant Replay) are: Local (905) 694-9451 or Toll-Free: 1-800-408-3053. The Passcode for the Instant Replay is 8361479#. These numbers will be available

for 90 days following the call. An audio file recording of the call, along with the accompanying slides, will also be archived on the Chartwell website at www.chartwell.com.

Footnotes

(1) FFO, FFO per unit, same property adjusted NOI, adjusted NOI, liquidity, interest coverage ratio, and net debt to adjusted EBITDA ratio are measures used by management in evaluating operating and financial performance. Please refer to the cautionary statements under the heading "Non-GAAP Financial Measures" in this press release.

(2) Includes Trust Units, Class B Units of Chartwell Master Care LP, and Trust Units issued under Executive Unit Purchase Plan and Deferred Trust Unit Plan.

(3) 'pp' means percentage points.

COVID-19 Risk Factors

Please refer to the 2020 MD&A to review risk factors to Chartwell relating to COVID-19.

Forward-Looking Information

This press release 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" section, and the "Risks and Uncertainties and Forward-Looking Information" section in Chartwell's 2020 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.

Non-GAAP Financial Measures

Chartwell's condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). Management uses certain financial measures to assess Chartwell's operating and financial performance, which are measures not defined in generally accepted accounting principles ("GAAP") under IFRS. The following measures: FFO, FFO per unit, same property adjusted NOI, adjusted NOI, liquidity, interest coverage ratio and net debt to adjusted EBITDA ratio as well as other measures discussed elsewhere in this release, do not have a standardized definition prescribed by IFRS. They are presented because management believes these non-GAAP financial measures are relevant and meaningful measures of Chartwell's performance and as computed may differ from similar computations as reported by other issuers and may not be comparable to similarly titled measures reported by such issuers. For a full definition of these measures, please refer to the Q2 2021 MD&A available on Chartwell's website and at www.sedar.com.

About Chartwell

Chartwell is an unincorporated, open-ended real estate trust which indirectly owns and operates a complete range of seniors housing communities, from independent supportive living through assisted living to long term care. It is the largest operator in the Canadian seniors living sector with over 200 quality retirement communities in four provinces including properties under development. Chartwell is committed to its vision of Making People's Lives BETTER and to providing a happier, healthier, and more fulfilling life experience for its residents. For more information, visit www.chartwell.com

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