NEWS RELEASE

Chartwell Announces First Quarter 2021 Results

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MISSISSAUGA, ON, May 6, 2021 /CNW/ - Chartwell Retirement Residences ("Chartwell") (TSX: CSH.UN) announced today its results for the first quarter ended March 31, 2021.

Highlights

- Focus on resident safety continues, with 94% of our residents having received at least their first vaccine dose. Outbreaks and case counts remain low and are limited to eight residences, with six active resident cases as of May 6, 2021.
- Same property adjusted net operating income ("NOI") (1) declined 16.4% in Q1 2021 and funds from operations ("FFO") (1) down 22.5% in Q1 2021 from Q1 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 $466.1 million, which included $97.2 million of cash and cash equivalents at May 6, 2021.
- Distribution Reinvestment Program ("DRIP") reinstated effective with the May 2021 distribution payable on June 15, 2021.

"While our financial results continue to be impacted by the pandemic, with the increasing vaccination rates among our residents and employees and in communities at large, every day we are getting closer to the easing of various restrictions that have been significant barriers for new residents moving into our residences," said Vlad Volodarski, CEO. "Chartwell's people, who have done exceptional work for more than a year, providing much needed services, care, engagement, and compassion to our residents, are ready and excited to welcome and deliver exceptional personalized experiences to new residents. I am confident that with the strength of our people, combined with the accelerated growth of the seniors population and slow-down of supply growth in our markets, we will recover our

occupancies and continue creating sustainable value for all our stakeholders."

($000s, except per unit amounts and number of units)	Three Months Ended March 31 2021	2020
Resident revenue	$ 217,675	$ 218,884
Direct property operating expense	$ 159,504	$ 150,719
Net income/(loss)	$ (4,933)	$ 11,394
FFO (1)	$ 35,134	$ 45,325
FFO per unit (1)	$ 0.16	$ 0.21
Weighted average number of units outstanding (000s) (2)	218,331	217,522

Resident revenue decreased $1.2 million or 0.6% in Q1 2021 primarily due to disposition of properties, partially offset by growth in our existing portfolio.

Direct property operating expenses increased $8.8 million or 5.8% in Q1 2021 primarily due to expense increases in our existing property portfolio, partially offset by the disposition of properties.

In Q1 2021, net loss was $4.9 million compared to net income of $11.4 million in Q1 2020. The net loss in Q1 2021 was primarily due to lower resident revenues, higher direct operating expenses, negative changes in fair values of financial instruments and lower deferred tax benefit, partially offset by lower depreciation of property, plant and equipment and the absence of impairment losses in Q1 2021 as compared to Q1 2020.

In Q1 2021, FFO decreased $10.2 million primarily due to lower same property adjusted NOI (1) primarily due to lower occupancy and continued investments in resident care and infection prevention and control measures.

Operating Performance

($000s, except occupancy)	Three Months Ended March 31 2021	2020	Change
Same property occupancy (3)	78.8%	89.3%	(10.5pp)
Same property adjusted NOI (1)	$ 62,349	$ 74,538	$ (12,189)
G&A expenses	$ 12,792	$ 13,128	$ (336)

In Q1 2021, same property occupancy declined 10.5 percentage points primarily due to reduced move-in activity partially offset by reduced move-out activity, both as a result of the pandemic.

In Q1 2021, same property adjusted NOI (1) decreased $12.2 million or 16.4%, primarily due to lower occupancy and higher insurance costs, partially offset by increased revenue from a combination of inflationary and market-based rental and service rate increases and from the provision of additional care and services, lower food costs due to reduced occupancy, and lower supplies expenses.

In Q1 2021, G&A expenses decreased $0.3 million primarily due to lower education, travel, and executive compensation expenses.

Financial Position

At March 31, 2021, liquidity (1) amounted to $444.9 million, which included $75.9 million of cash and cash equivalents and $369.0 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 $4.7 million.

The interest coverage ratio (1) on a rolling 12-month basis remained strong at 2.8 at March 31, 2021 compared to 2.9 at December 31, 2020. The net debt to adjusted EBITDA ratio (1) at March 31, 2021 was 9.9 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 92% to 97% with at least the first dose and we are continuing to see increases in staff vaccination rates. We have developed and implemented education and other programs to continue to increase vaccination rates in all of our residences.

Outbreaks and case counts have significantly declined and remained low since early March 2021. 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 January 31, 2021	One month ended February 28, 2021	One month ended March 31, 2021	One month ended April 30, 2021	Forecast One month ended May 31, 2021
Same property retirement occupancy	79.7%	78.7%	77.8%	77.0%	76.6%
Change from the previous month (3)	(1.1pp)	(1.0pp)	(0.9pp)	(0.8pp)	(0.4pp)

Pandemic-related restrictions and government directives affecting operations have resulted in reduced move-in activity in our retirement residences and as a result lower occupancy. The pandemic and the corresponding impact of such restrictions and directives are likely to continue for some time in 2021. We expect that as the government vaccination programs in each of the provinces in which we operate proceed and as restrictions in our retirement residences and in the community are lifted, move-ins and occupancies will begin recovering in our retirement residences. Our forecast occupancy for May 2021 shows the pace of decline is slowing.

On April 14, 2021, we completed the acquisition of Chartwell Le Teasdale II in Terrebonne, Quebec in partnership with Welltower Inc. ("Welltower"). We each acquired a 42.5% ownership interest in Chartwell Le Teasdale II, with Batimo Inc. ("Batimo") retaining the remaining 15% ownership interest. Our share of the purchase price was $30.3 million and was settled through assumption of 42.5% of related construction financing of $18.7 million, settlement of outstanding mezzanine loan of $4.0 million with the balance paid in cash. Simultaneously, we sold half of our 85% interest in Chartwell Le Teasdale I to Welltower for a contractual sale price of $30.7 million to align the ownership structures across the entire complex. The purchase price was settled by Welltower through assumption of 42.5% of the related mortgage payable of $23.4 million with the balance paid in cash.

At May 6, 2021, liquidity (1) amounted to $466.1 million, which included $97.2 million of cash and cash equivalents

and $368.9 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 $13.7 million. We expect to be able to meet all of our obligations as they become due utilizing primarily the following sources of liquidity: (i) cash flow generated from our operations, (ii) property-specific mortgages, and (iii) secured and unsecured credit facilities.

In response to market disruptions caused by the pandemic, on March 16, 2020, we announced a temporary suspension of our DRIP, effective with the April 2020 distributions paid on May 15, 2020. Effective with the May 2021 distribution payable on June 15, 2021, our DRIP will be reinstated. The DRIP allows unitholders to reinvest their distributions into new units of Chartwell, including a 3% bonus distribution and with no commissions. This facilitates unitholders' ability to realize the benefits of compound growth in their investment. Unitholders can enroll in the DRIP by contacting their investment advisor.

Investor Conference Call

A conference call hosted by Chartwell's senior management team will be held Friday, May 7, 2021 at 10:00 AM ET. The telephone numbers for the conference call are: Local: (416) 340-2217 or Toll Free: (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 (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

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(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 Q1 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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