NEWS RELEASE

Chartwell Announces Fourth Quarter and Year End 2020 Results

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MISSISSAUGA, ON, March 4, 2021 /CNW/ - Chartwell Retirement Residences ("Chartwell") (TSX: CSH.UN) announced today its results for the fourth quarter and for the year ended December 31, 2020.

Highlights

- Maintaining strong liquidity (1) position of $516.2 million, which included $126.8 million of cash and cash equivalents at March 4, 2021.
- Focus on resident safety continues, with 90% of residents and 59% of staff in our Ontario Long Term Care ("LTC") homes, and 74% of residents and 34% of staff in our retirement residences having received vaccinations.
- Outbreaks and case counts continue to decline rapidly and are limited to 16 residences as of March 4, 2021, with a total of 26 active resident cases.
- Same property adjusted net operating income ("NOI") (1) declined 8.6% in Q4 2020 and funds from operations ("FFO") (1) down 16.2% in Q4 2020 from Q4 2019 as a result of reduced occupancy and continued investments in resident care and infection prevention and control measures.

"The COVID-19 pandemic has had a profound impact on the lives of our residents, their families, and our employees. I am extremely proud of how our people, from our residences' staff to our corporate support teams, responded to this tremendous challenge. Day after day they showed up and stepped up to put the safety and well-being of our residents above anything else. Despite these extraordinary efforts the virus tragically claimed the lives of some of our residents. Our thoughts are with those who lost loved ones to this disease," said Vlad Volodarski, CEO. "This past year has been by far the most challenging year in Chartwell's history. The impact of the pandemic

on our business has been significant - the large declines in occupancy and the extraordinary investments incurred to protect our residents resulted in elevated debt levels and reduced capital allocation to our growth initiatives. Yet, I remain optimistic about the long-term prospects of Chartwell. The accelerating growth of the seniors population, the slow-down of new construction starts, and the pent-up demand for our services will, I believe, support occupancy recovery starting once various restrictions are eased. Most of all, I am confident in the ingenuity, drive, and commitment of our staff who are ready to welcome new residents and create exceptional personalized experiences for them and peace of mind for their families."

	Three Months Ended December 31		Year Ended December 31	
($000s, except per unit amounts and number of units)	2020	2019	2020	2019
Resident revenue	$ 219,034	$ 221,061	$ 873,966	$ 860,595
Direct property operating expense	$ 156,381	$ 152,837	$ 622,499	$ 590,016
Net income/(loss)	$ 12,182	$ (11,485)	$ 14,879	$ 1,067
FFO (1)	$ 43,496	$ 51,883	$ 165,861	$ 199,729
FFO per unit (1)	$ 0.20	$ 0.24	$ 0.76	$ 0.92
Weighted average number of units outstanding (000s) (2)	218,312	216,950	218,212	216,167

In Q4 2020, resident revenue decreased $2.0 million or 0.9% primarily due to lower occupancies and the disposition of properties, partially offset by inflationary and market-based rental and service rate increases, increased revenue from the provision of additional care and services, pandemic-related flow-through reimbursements provided by government to partially defray additional expenses incurred in 2020 related to the pandemic.

In Q4 2020, direct property operating expenses increased $3.5 million or 2.3% primarily due to pandemic-related expenses, and acquisitions and developments, higher property tax and insurance expenses, partially offset by the disposition of properties, lower food costs due to lower occupancies and lower utilities expenses.

Higher gains on asset sales, lower depreciation and amortization, and fair value gains recorded on financial instruments were partially offset by lower revenues and higher direct property operating expenses, share of net

loss from joint ventures, and higher finance costs resulting in Q4 2020 net income of $12.2 million compared to a net loss of $11.5 million in Q4 2019.

In Q4 2020, FFO decreased $8.4 million primarily due to lower same property adjusted NOI (1), higher finance costs, lower management fees and interest income.

For 2020, resident revenue increased $13.4 million or 1.6% primarily due to flow-through reimbursements provided by government to partially defray additional expenses incurred related to the pandemic, inflationary and market-based rental and service rate increases, and increased revenue from the provision of additional care and services, partially offset by lower occupancies and the disposition of properties.

For 2020, direct property operating expenses increased $32.5 million or 5.5% primarily due to pandemic-related expenses, acquisitions, and developments, including pre-leasing and initial operating costs, and higher property tax and insurance expenses, partially offset by lower food costs due to lower occupancies, and lower marketing, repairs and maintenance, and utilities expenses. Pandemic-related direct property operating expenses include investments in staffing including screening, employee meals and accommodation, compensation to staff in our residences, personal protective equipment, and supplies, all to support measures to reduce and prevent the spread of COVID-19.

For 2020, net income was $14.9 million compared to $1.1 million in 2019. Net income, in addition to the items described above, increased primarily due to gains on asset sales, deferred tax recovery in 2020 as compared to deferred tax expense in 2019, lower depreciation and amortization, and lower impairment losses, partially offset by the absence of remeasurement gain in 2020 as compared to 2019, higher amortization of intangibles, share of net loss from joint ventures, and higher finance costs.

For 2020, FFO decreased $33.9 million primarily due to lower same property adjusted NOI (1), higher finance costs, depreciation of property, plant and equipment and amortization of intangible assets used for administrative purposes, higher general, administrative and Trust ("G&A") expenses, lower interest income, and lower management fees.

Operating Performance

	Three Months Ended December 31			Year Ended December 31		
($000s, except occupancy)	2020	2019	Change	2020	2019	Change

Same property occupancy (3)	82.2%	90.1%	(7.9pp)	85.2%	90.1%	(4.9pp)		
Same property adjusted NOI (1)	$ 67,393	$ 73,699	$ (6,306)	$ 269,487	$ 295,468	$ (25,981)		
G&A expenses	$ 8,674	$ 8,746	$ (72)	$ 43,895	$ 43,148	$ 747		

In Q4 2020, same property occupancy declined 7.9 percentage points primarily due to reduced move-in activity partially offset by lower move-out activity, both as a result of the pandemic.

In Q4 2020, same property adjusted NOI (1) decreased $6.3 million or 8.6%, primarily due to reduced revenue related to lower occupancy of $14.0 million, and higher property tax and insurance expenses, partially offset by increases from a combination of inflationary and market-based rental and service rate increases and from the provision of additional care and services, lower utilities and repairs and maintenance expenses, and recoveries of pandemic-related expenses due to timing of government reimbursements.

In Q4 2020, G&A expenses remained substantially the same as in Q4 2019.

For 2020, same property occupancy declined 4.9 percentage points primarily due to reduced move-in activity partially offset by reduced move-out activity, both as a result of the pandemic.

For 2020, same property adjusted NOI (1) decreased $26.0 million or 8.8%, primarily due to reduced revenue related to lower occupancy of $35.7 million, net pandemic-related expenses of $7.3 million and higher property tax and insurance expenses, 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 marketing, utilities, and repairs and maintenance expenses.

For 2020, G&A expenses increased $0.7 million primarily due to a $0.7 million contribution to provide startup funding to support the Senior Living CaRES fund ("the CaRES Fund") initiated by the founding members, Chartwell, Revera Inc., Extendicare and Sienna Senior Living, to provide emergency funding and support to LTC home and retirement residence employees.

Financial Position

At December 31, 2020, liquidity (1) amounted to $459.5 million, which included $70.1 million of cash and cash equivalents and $389.4 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 $6.5 million.

The interest coverage ratio (1) for the year ended December 31, 2020 remained strong at 2.9 compared to 3.1 at December 31, 2019. The net debt to adjusted EBITDA ratio (1) at December 31, 2020 was 9.4 compared to 8.3 at December 31, 2019.

Recent Developments

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

	One month ended October 31, 2020	One month ended November 30, 2020	One month ended December 31, 2020	One month ended January 31, 2021	One month ended February 28, 2021
Same property retirement occupancy	81.9%	81.5%	80.8%	79.8%	78.7%
Change from the previous month (1)	(0.3pp)	(0.4pp)	(0.7pp)	(1.0pp)	(1.1pp)

The pace of decline in occupancy has accelerated in December, January, and February due to the increased restrictions on visitation, move-in protocols, resident activities, and personalized tours during the second wave of the pandemic. As of March 3, 2021, the vaccination program in our Ontario LTC homes has resulted in 90% of residents and 59% of staff having received first doses of vaccines, and 84% of residents and 46% of staff having received second doses of vaccines. In our retirement residences, as of March 3, 2021, 74% of residents and 34% of staff have received first doses of vaccines, and 23% of residents and 22% of staff have received second doses of vaccines. Outbreaks and case counts have significantly declined in recent weeks, with 12 of our retirement residences and four of our Ontario LTC homes currently declared in COVID-19 outbreak by public health, with total active resident case counts limited to 26, with no active resident cases in our Ontario LTC homes. As more seniors are vaccinated in our residences and in the community at large, with expansion of rapid testing, and the gradual easing of the restrictions, we expect move-ins and occupancies to begin recovering.

Subsequent to December 31, 2020, we arranged additional CMHC-insured, top-up financings on seven properties totalling $55.0 million, and one CMHC-insured mortgage of $7.6 million on a property which was previously unencumbered. The weighted average term to maturity of these eight financings is 9.5 years bearing a weighted average interest rate of 2.21%. In addition, we have refinanced $48.0 million of our 2021 mortgage maturities at a weighted average term to maturity of 3.9 years and a weighted average interest rate of 1.93%. As at March 4, 2021,

we have $74.6 million of mortgage maturities remaining in 2021, refinancing of which is proceeding in the normal course. In addition, Chartwell's share of remaining 2021 mortgage maturities held in its equity-accounted joint ventures as at March 4, 2021, is $41.5 million, refinancing of which is also proceeding in the normal course.

At March 4, 2021, liquidity (1) amounted to $516.2 million, which included $126.8 million of cash and cash equivalents and $389.4 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 $13.5 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.

Investor Conference Call

A conference call hosted by Chartwell's senior management team will be held Friday, March 5, 2021 at 10:00 AM ET. The telephone numbers for the conference call are: Local: (416) 340-2217 or Toll Free: (800) 806-5484. 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 2020 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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