NEWS RELEASE

Chartwell Provides Business Update Related to COVID-19 Pandemic

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MISSISSAUGA, ON, July 10, 2020 /CNW/ - Chartwell Retirement Residences ("Chartwell") (TSX: CSH.UN) issued the following statement related to the ongoing COVID-19 pandemic:

Business Update

As Canada's largest owner and operator of seniors living residences with 196 residences and 29,300 suites under management, Chartwell plays a vital role for our residents, their families and our staff during these challenging times. Through this pandemic, our employees are demonstrating exceptional courage, commitment and dedication working together to keep our residents, their families and each other safe. We are grateful to each and every one of them.

As of July 10, 2020, four of our retirement residences have confirmed positive COVID-19 cases and there are no confirmed positive COVID-19 cases in our long term care residences.

Our regional and corporate support teams continue to work diligently to provide clear direction and timely communications to our residences' teams to allow them to focus on uninterrupted service and care delivery to our residents. We appreciate the overwhelming expression of gratitude, encouragement and support we have received from our residents, their families, and our staff. While we are proud of the work we have done in these challenging times, we are committed to learning from our experiences to ensure that we continue to improve. In July 2020, we will be conducting "Listening to Serve You Better" surveys of our residents, their friends and families and our staff and have begun virtual resident and family focus groups to obtain feedback which we will then use to further enhance our operational protocols.

Due to the uncertainty of the effects of COVID-19, on April 16, 2020, we withdrew our 2020 Outlook contained in our 2019 MD&A. The COVID-19 pandemic has introduced significant uncertainties as discussed in the "Forward-Looking Information and COVID-19 Risk" section of our Q1 2020 MD&A.

Restrictions on residence visits during this pandemic have had and are expected to continue to have a negative impact on our occupancy levels as visits by or on behalf of prospective residents have been restricted. We believe that occupancy in our retirement residences will continue to be temporarily affected as a result of lower-than-usual marketing, sales and move-in activity. Move-out activity continues to be below prior year levels at this time. The following table provides an update in respect of our same property retirement occupancy:

	One month ended April 30, 2020	One month ended May 31, 2020	One month ended June 30, 2020
Same property occupancy	85.7%	84.5%	83.4%
Change from the previous month (1)		(1.2pp)	(1.1pp)

In the month ended June 30, 2020, same property retirement occupancy declined by 1.1 percentage points compared to the month ended May 31, 2020. The pace of decline was slightly slower than in the previous month due to higher move-in activity partially offset by higher move-out activity. July rent and service charge collections have been consistent with our past experience. Our tenant credit quality remains strong given the typical investment profile of Canadian seniors in our target customer demographic.

We have updated our protocols for move-ins and visits by or on behalf of prospective residents to ensure that we prioritize the safety and well-being of our existing residents, while also addressing the needs of seniors in the community who require our services. In June 2020, we began accepting move-ins in all our retirement residences, other than the small number that had positive confirmed cases, and we reactivated our marketing programs. Also in June 2020, with the permission of public health authorities and the implementation of Chartwell designed tour protocols to reflect additional safeguards related to COVID-19 risks, we began prospective resident, in person, visits in certain of our British Columbia residences and the majority of our Quebec residences. In the coming week we will begin in person prospective resident visits in Alberta and Ontario. Where we have not been able to conduct in-person prospective resident visits, or where preferred by the prospective resident, we have begun using our newly-launched technology to enable a live virtual tour experience to conduct prospective resident visits.

The Ontario government has announced that occupancy protection funding will be in place for our long term care residences until December 31, 2020. Ontario's long term care funding is delivered via four distinct envelopes allocated to personal care, programming, food and administration. The first three envelopes must be spent entirely on residents and are independently audited. Any surplus funding is returned to the government on filing of the annual audited long term care home financial returns.

We expect to continue to incur higher-than-normal operating costs as a result of investments in additional staffing, staff recognition, meals and accommodation to support our staff, PPE and supplies.

Financial Position

At July 10, 2020, liquidity (2) amounted to $386.5 million, which included $76.5 million of cash and cash equivalents and $310.0 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 $13.2 million.

In addition, we have over $950 million of unencumbered assets and a conservative capital structure that allows us to access further debt if needed.

We will continue to evaluate further opportunities to increase liquidity, including the delay of non-essential capital expenditures and certain development and redevelopment projects. 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.

Footnotes

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(1) 'pp' means percentage points.

(2) Liquidity is a measure 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.

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**

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 "Risks and Uncertainties" section in Chartwell's 2019 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 consolidated 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 , 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 2020 MD&A available on Chartwell's website and at **www.sedar.com**.

SOURCE Chartwell Retirement Residences

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