



## A Note from our CEO

August 11, 2020

This past week, Chartwell released its second quarter results for the period ending June 30, 2020. As a publicly traded company, every three months we provide financial and operating reports to our stakeholders and hold investor conference calls. This is part of our commitment to transparency and to open and frequent communication with all of our stakeholders.

Our financial results in Q2 2020 were negatively impacted by the COVID-19 pandemic, with our funds from operations declining by 17.1% from Q2 2019. This is primarily a result of lower occupancies as we were unable to conduct personalized tours of prospective residents and had restricted move-ins for several months. In addition, our focus on resident and staff safety resulted in additional \$7.0 million of unfunded, pandemic-related expenses. I am pleased to see that these negative trends began to moderate in July, as various restrictions started lifting across the country and we are now conducting in-person and virtual personalized tours and signing more leases. Over the years, we have built a strong financial position to allow us to weather such storms when they come and to continue delivering on our priorities; this is bearing fruit now. We continue to maintain strong liquidity with a significant amount of cash on hand and borrowing capacity on our credit facilities.

Cultures are also built over time and are tested in crisis. This pandemic has certainly tested ours and I cannot be more proud of how our culture manifested itself. The commitment and dedication of our employees in our residences and corporate offices has been nothing but extraordinary. Chartwell is lucky to have you all and I am grateful to each and every one of you for the exceptional work, selfless commitment to our residents and the ingenuity you demonstrated in these challenging times.

Culture is one of the key ingredients of our success. Reputation is another. Reputation is absolutely crucial in maintaining the trust of our existing stakeholders and becoming the choice of our future residents and their families. It is unfortunate that in this time of crisis, when individuals and organizations must work together and support each other for the benefit of our residents and their families, some individuals and groups chose to attack our brand and reputation to further their own political agendas. Our brand stands for doing what is right. The right thing to do is to set the record straight when facts are misrepresented and to apologize when we fall short in our delivery of the Chartwell Experience. That is what we will do. Building our reputation is the job of each and every one of us and I ask all of you to follow these simple principles. We have much to be proud of and I ask you to continue helping us to tell our stories; carry them to your networks of friends and family because many genuine voices together are so much stronger than one.

We have all worked extremely hard in the past five months and I hope most of you will take some time off work this summer to rest and recharge. Last weekend I had the pleasure of spending two nights in one of my favourite places in the world – the east arm of Lake Opeongo in Algonquin Park – at a campsite away from the world with no cell reception. We had two wonderful days swimming in the lake, paddling around in a canoe and not doing much of anything else other than planning our next meal; I am looking forward to going back there in September!

Wishing you all a safe and enjoyable summer. Thank you. For Everything.

Vlad Volodarski  
*Chief Executive Officer*