Growing Together

Q4 2023 Results

Conference Call

March 8, 2024

Extendicare

ParaMed
Redefining Care

Extendicare assist
Management & Consulting Services

SGP Purchasing Partner Network
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Forward-looking statements and non-GAAP measures

Forward-looking Statements

This presentation contains forward-looking statements within the meaning of applicable Canadian securities laws (“forward-looking statements” or “forward-looking information”). Statements other than statements of historical fact contained in this presentation may be forward-looking statements, including, without limitation, management’s expectations, intentions and beliefs concerning anticipated future events, results, circumstances, economic performance or expectations with respect to Extendicare Inc. (the “Company” or “Extendicare”), including, without limitation: statements regarding its business operations, business strategy, growth strategy, results of operations and financial condition, including anticipated timelines and costs in respect of development projects; statements relating to the agreements entered into with Revera Inc. and its affiliates (“Revera”), Axium LTC Limited Partnership and its affiliates (“Axium”) and two limited partnership joint ventures with Axium in respect of the acquisition, disposition, ownership, operation and redevelopment of LTC homes in Ontario and Manitoba; statements relating to expected future current income taxes and maintenance capex impacting AFFO; and the impact of COVID-19 on the Company’s operating costs, staffing, procurement, occupancy levels and volumes in its home health care business.

Forward-looking statements can often be identified by the expressions “anticipate”, “believe”, “estimate”, “expect”, “intend”, “objective”, “plan”, “project”, “will”, “may”, “should” or other similar expressions or the negative thereof. These forward-looking statements reflect the Company’s current expectations regarding future results, performance or achievements and are based upon information currently available to the Company and on assumptions that the Company believes are reasonable. Actual results and developments may differ materially from results and developments discussed in the forward-looking statements, as they are subject to a number of risks and uncertainties.

Although forward-looking statements are based upon estimates and assumptions that the Company believes are reasonable based upon information currently available, these statements are not representations or guarantees of future results, performance or achievements of the Company and are inherently subject to significant business, economic and competitive uncertainties and contingencies and involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of Extendicare to differ materially from those expressed or implied in the statements.

For further information on the risks, uncertainties and assumptions that could cause Extendicare’s actual results to differ from current expectations, refer to “Risks and Uncertainties” and “Forward-looking Statements” in Extendicare’s Q4 2023 Management’s Discussion and Analysis filed by Extendicare with the securities regulatory authorities, available at www.sedarplus.ca and on Extendicare’s website at www.extendicare.com.

Readers should not place undue reliance on such forward-looking statements and assumptions as management cannot provide assurance that actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Company. The forward-looking statements speak only as of the date of this presentation. Except as required by applicable securities laws, the Company assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Non-GAAP Measures

“EBITDA”, “Adjusted EBITDA”, “Adjusted EBITDA margin”, “net operating income” (“NOI”), “NOI margin”, “funds from operations” (“FFO”), “adjusted funds from operations” (“AFFO”), and “payout ratio”, are non-GAAP measures and do not have standardized meanings prescribed by GAAP. See “Non-GAAP Measures” in Extendicare’s Q4 2023 MD&A.

Q4 2023 operating highlights

- Strong performance across all operating metrics bolstered by our strategic transformation

	vs. Q4 2022	vs. Q3 2023
LTC occupancy	+330 bps	–
Home health care ADV	+10.2%	+2.8%
SGP customer base	+24.1%	+5.6%

- LTC occupancy has returned to pre-pandemic levels above 97%
- LTC NOI margins improved YoY
- 5 Quarters of home health care volume growth
- Q4 home health care rate increases support growth and margins
- Managed services revenue and NOI nearly doubled from impact of Revera and Axium transactions
- Continued strong growth in SGP customer base

Strong performance across all segments reflect market opportunity

Strategic transformation evident in strong Q4 results

Growth in managed services and progress on LTC redevelopment in line with strategy

Growth
in Managed Services

+7,000 beds
from Revera transaction

+$6.0M/quarter
in management fees and SGP rebate revenue

+$3.0M/quarter
in NOI

Redevelopment
accelerated through Axium JVs

1,536 beds (6 homes)
under construction

Development fees from JV
on EXE projects

Rights to acquire redevelopment projects from Revera

Plan to recycle capital from the sale of C home properties as new homes open

Stronger Balance Sheet
adds capital flexibility

$146.1M in liquidity at Q4

Payout ratio improved to 86%(1) in 2023

Returned $46.1M to shareholders through NCIB since 2022 (6.8M shares)

No debt maturities
until Q2 2025

Positioned for **GROWTH**

Less capital-intensive, higher margin business model to expand managed services, build new LTC homes through JV partnerships with Axium and drive growth in home health care

(1) Adjusted to exclude impact of net COVID funding (costs), prior period funding adjustments, and workers compensation rebates, refer to slide 14

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LTC redevelopment advances in Q4

Commenced construction on two projects; JV acquired 320-bed redevelopment project from Revera

- Construction commenced on two LTC homes in Q4
  - Revera 320-bed LTC project in Orleans, ON acquired by Axium JV II in Q4 2023
  - Extendicare 256-bed LTC project in Orleans, ON pending sale into the Axium JV in Q2 2024
  - Total of 6 homes under construction (1,536 beds)
- Entered into agreements, subject to certain closing conditions, to sell the land and buildings associated with the legacy LTC C homes in Sudbury and Kingston; estimated net proceeds after tax and closing costs of $8.5M
- Advancing remaining 15 projects in our redevelopment portfolio (to replace 2,211 Class C beds with 3,032 new beds) to be ready when capital funding becomes available
- Continuing to work with Axium on opportunities to purchase future Revera LTC redevelopment projects into Axium JV II

Financial review

Q4 2023

Consolidated results

Three and twelve months ended December 31, 2023

($ millions, except per share amounts)

	Q4 2023	Q4 2022	Change	YTD 2023	YTD 2022	Change
Revenue[1]	**$350.2**	**$310.4**	**12.8%** ↑	**$1,305.0**	**$1,221.6**	**6.8%** ↑
NOI[1]	**$42.8**	**$21.7**	**97.3%** ↑	**$151.0**	**$108.5**	**39.2%** ↑
margin	***12.2%***	***7.0%***	***520 bps***	***11.6%***	***8.9%***	***270 bps***
Adjusted EBITDA[1]	**$28.7**	**$9.2**	**212.9%**	**$95.2**	**$57.5**	**65.7%**
margin	***8.2%***	***3.0%***	***520 bps*** ↑	***7.3%***	***4.7%***	***260 bps*** ↑
Earnings (loss) from continuing operations	**$8.6**	**$(7.7)**	↑	**$34.0**	**$(4.5)**	↑
- per basic share	**$0.10**	**$(0.09)**		**$0.40**	**$(0.05)**	
AFFO[2]	**$19.1**	**$1.9**	**908.5%** ↑	**$61.2**	**$26.1**	**134.2%** ↑
- per basic share	**$0.23**	**$0.02**		**$0.72**	**$0.29**	
Payout ratio	**52%**	**544%**		**66%**	**162%**	

- Q4 NOI doubled, reflecting growth across all segments, including $5.4M of retroactive funding in home health care
- Q4 AFFO/basic share up $0.21 to $0.23, reflecting increased after-tax earnings and timing of maintenance capex
- Management fees from Revera transaction add ~$3.0M in NOI and ~$1.8M in AFFO per quarter; AFFO/basic share of ~$0.08 annualized
- 2023 full year payout ratio of 86%[3] excluding impact of COVID recoveries and prior period items

(1) Revenue, NOI and Adjusted EBITDA reflect results from continuing operations
(2) AFFO and AFFO per share include contribution/loss from discontinued operations in 2022 (retirement living segment and Saskatchewan LTC homes)
(3) Adjusted to exclude impact of net COVID funding (costs), prior period funding adjustments, and workers compensation rebates, refer to slide 14

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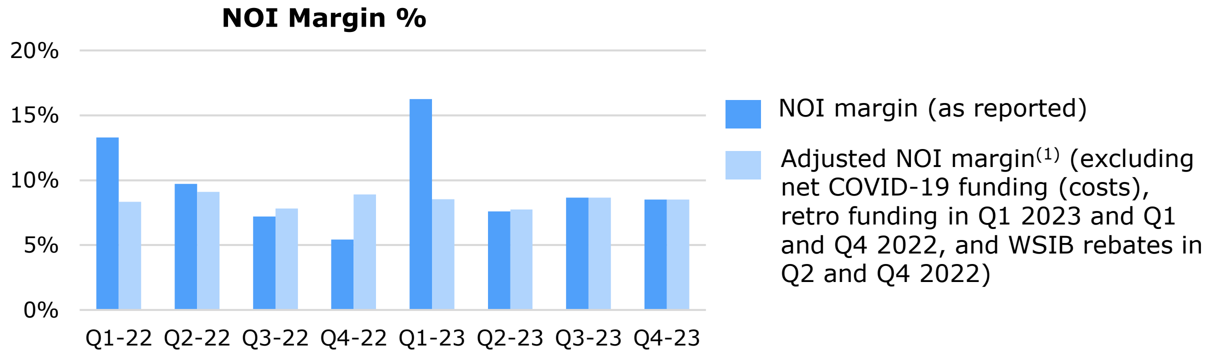
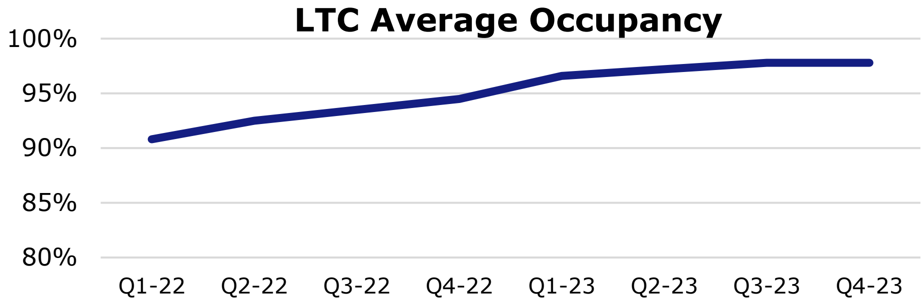
Long-term care

Margins recovering despite inflationary pressures

Revenue		
Q4 2023	**$206.4M**	**6.8%** ↑
YTD 2023	**$788.1M**	**2.7%**
NOI		
Q4 2023	**$17.6M**	**67.7%** ↑
margin	***8.5%***	***310 bps***
YTD 2023	**$81.8M**	**19.3%**
margin	***10.4%***	***150 bps***
Average occupancy		
Q4 2023	**97.8%**	***330 bps*** ↑
YTD 2023	**97.4%**	***450 bps***

- **Q4 revenue up $13.1M**; excluding a reduction in COVID-19 funding of $14.4M, revenue up $27.5M due to funding enhancements and timing of spend, including Ontario flow-through funding of $14.1M and improved occupancy
- **Q4 NOI up $7.1M**; excluding $5.2M net impact of COVID-19 costs and prior period adjustments, NOI up $1.9M, reflecting lower staffing agency use, funding enhancements, timing of spend and increased occupancy
  - Q4 adjusted NOI margin was 8.5% down 40 bps from 8.9% in Q4 2022(1), reflecting margin compression from enhanced flow through funding of ~60 bps
- **Occupancy up 330 bps from Q4 2022**; overall occupancy returned to pre-pandemic levels, above 97% required for full funding at home level





(1) Adjusted NOI margins excluding net COVID funding (costs) as outlined in the COVID-19 table in the Q4 2023 MD&A, prior period funding adjustments ($2.9M in Q1 2022, $2.2M in Q4 2022 and $6.6M in Q1 2023) and WSIB rebates ($1.8M in Q2 2022 and $0.3M in Q4 2022)

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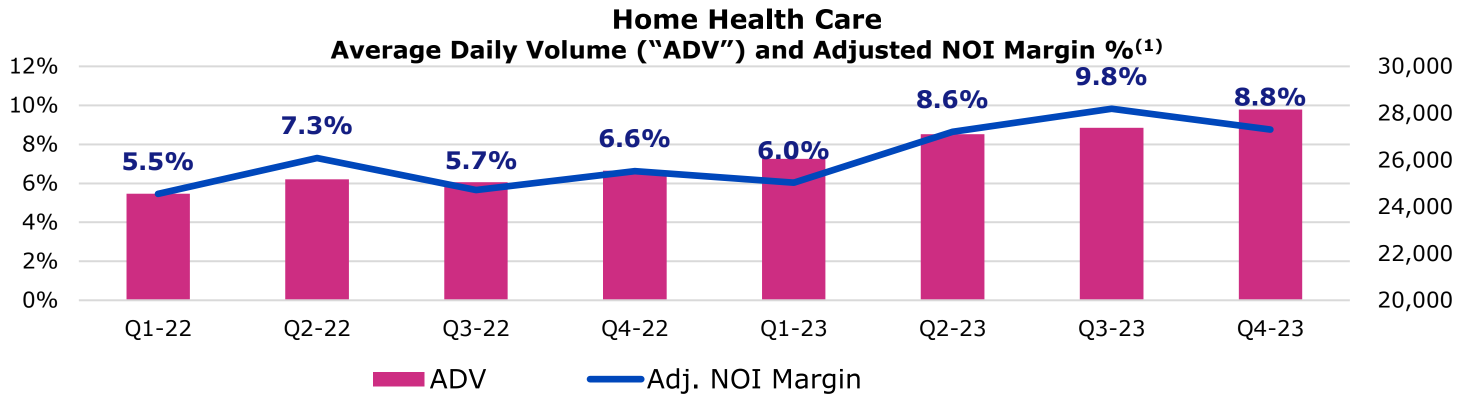
Home health care

Five consecutive quarters of robust volume growth

Revenue		
Q4 2023	**$127.2M**	**17.3%** ↑
YTD 2023	**$469.1M**	**11.3%**
NOI		
Q4 2023 *margin*	**$16.1M** ***12.6%***	**151.6%** ***670 bps*** ↑
YTD 2023 *margin*	**$44.2M** ***9.4%***	**96.3%** ***410 bps***
Average daily volume		
Q4 2023	**28,158**	**10.2%** ↑
YTD 2023	**27,177**	**8.4%**

- **Q4 revenue up $18.8M**; excluding $5.4M retroactive funding and impact of reduction in COVID-19 funding of $0.9M, revenue up $14.2M, reflecting 10.2% increase in ADV and billing rate increases
- **Q4 NOI up $9.7M**; excluding retroactive funding of $5.4M and impact of unfunded COVID-19 costs of $0.8M, NOI up $3.5M, reflecting higher volume and rate increases, partially offset by higher wages and benefits
  - Q4 adjusted NOI margin was 8.8%, up 220 bps from 6.6% in Q4 2022(1)
- **Sequential ADV up 2.8% from Q3 2023;** sequential NOI margin lower due to additional statutory holiday ~120 bps



(1) Adjusted NOI margins excluding net COVID costs as outlined in the COVID-19 table in the Q4 2023 MD&A, retroactive billing rate increases ($5.4M in Q4 2023) and WSIB rebates ($2.1M in Q2 2022)

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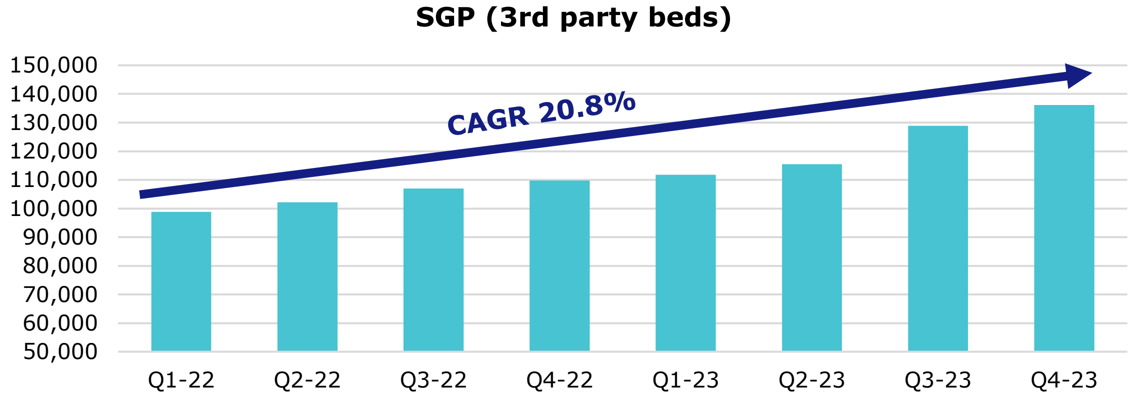
Managed services | Extendicare Assist and SGP

Strategic transactions and organic sales drive major growth

Revenue		
Q4 2023	**$16.5M**	**92.5%** ↑
YTD 2023	**$47.8M**	**45.5%**
NOI		
Q4 2023	**$9.1M**	**89.5%** ↑
margin	***55.1%***	***-90 bps***
YTD 2023	**$25.1M**	**43.3%**
margin	***52.5%***	***-80 bps***
Management contract beds		
Third party	**6,601**	**64.2%** ↑
Joint venture	**3,182**	
SGP 3rd party & JV beds		
Beds	**136,164**	**24.1%** ↑

- **Q4 revenue up $8.0M** due largely to addition of 56 homes and ~7,000 beds from Revera transactions and growth in SGP clients
- **Q4 NOI up $4.3M** on revenue growth, partially offset by higher costs to support the new clients and changes to mix of Assist consulting and other services
- **Revera transaction added ~$6.0M in Revenue and ~$3.0M in NOI quarterly**
- **Q4 growth in SGP beds:**

  +24.1% from Q4 2022 | **+5.6%** from Q3 2023



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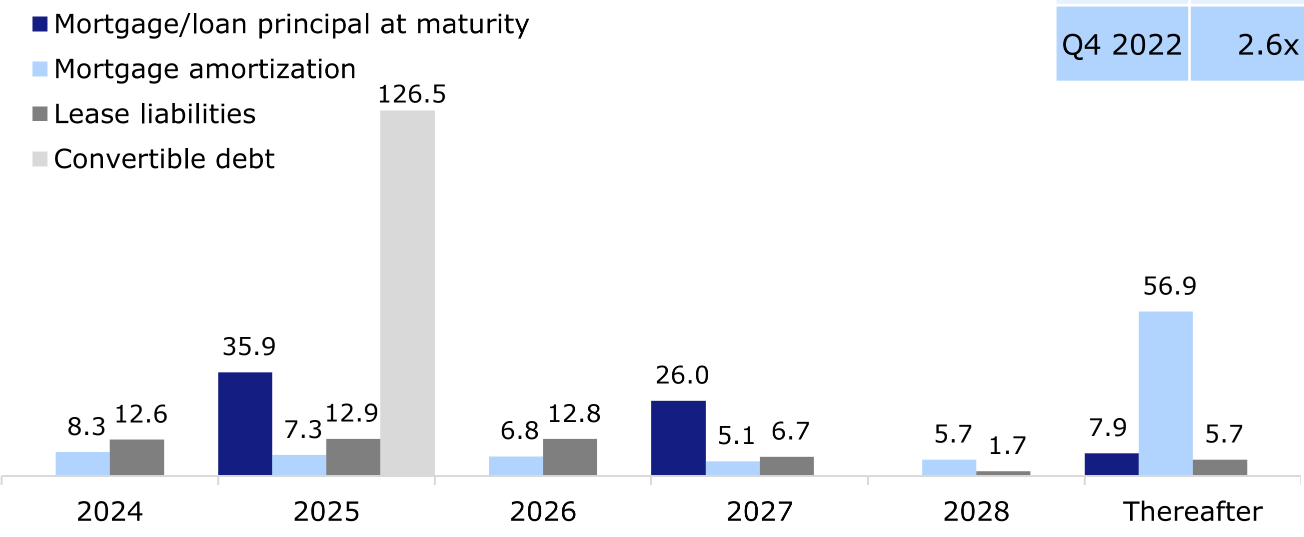
Strong financial position

Strong liquidity position; no debt maturities until Q2 2025

As at December 31, 2023			
Cash	Available demand facilities	Long-term debt(1)	Long-term debt(1) (including 15% JV share(2))
$75M	$71M	$339M	$394M

	Debt metrics				Debt metrics (including 15% JV(2) share)			
	TTM Adjusted EBITDA interest coverage	Debt to GBV	Weighted average rate	Weighted average term to maturity (years)	TTM Adjusted EBITDA interest coverage	Debt to GBV	Weighted average rate	Weighted average term to maturity (years)
Q4 2023	4.2x	33.0%	5.4%	5.2	4.0x	35.6%	5.7%	6.2
Q3 2023	3.1x	33.3%	5.4%	5.5	3.1x	35.7%	5.7%	6.4
Q4 2022	2.6x	35.4%	5.5%	5.8				

Debt maturities(3) *($ millions)*



NCIB renewed June 30, 2023

- Acquired 1,749,131 common shares during 2023 at a cost of $11.1M (avg $6.34/share); total of $46.1M returned to shareholders since June 2022 on cancellation of 6,760,311 shares
- Renewed NCIB provides flexibility to purchase up to 7,273,707 common shares (6,152,076 remain available)
- Quantity and timing of purchases based on market conditions, share price and outlook on capital needs

(1) Includes current portion, reflects 2025 convertible debt at face of $126.5M; excludes deferred financing costs
(2) Includes the impact of 15% share of Axium JV and Axium JV II long-term debt outstanding as at December 31, 2023 and TTM EBITDA and net interest expense of the joint ventures, as applicable
(3) Debt maturities exclude 15% share of Axium JV and Axium JV II long-term debt

Strategic direction

Canada's **leader in seniors' care services**: long-term care & home care

Establish & leverage **partnerships with other care providers** to better integrate seniors' care with the rest of the health system

Use **technology to improve communications** & leverage **data analytics** to drive improved delivery of seniors' care services

Helping people live better

Known for **service innovation** & the delivery of **high-quality clinical services**

Our team is our strength: dedicated & highly trained people

Leverage our scale as **Canada's largest** seniors' care provider, to **reduce cost, drive innovation & build sector capacity**

Appendix

Adjustments to EBITDA and AFFO

Three and twelve months ended December 31, 2023

($ millions, except per share amounts)

Impact of select items on Adjusted EBITDA and AFFO/basic share(1)

Impact on:	Q4 2023	Q4 2022	Change	YTD 2023	YTD 2022	Change
Adjusted EBITDA						
Net COVID funding (costs)	**$0.0**	**$(8.5)**	**$8.5**	**$12.1**	**$(1.1)**	**$11.0**
Prior period funding/workers' compensation rebates	**$5.4**	**$2.5**	**$2.9**	**$6.6**	**$8.9**	**$(2.3)**
AFFO/Basic Share						
Net COVID funding	**–**	**$(0.07)**	**$0.07**	**$0.10**	**$(0.01)**	**$0.11**
Prior period funding/workers' compensation rebates	**$0.05**	**$0.02**	**$0.03**	**$0.06**	**$0.07**	**$(0.01)**

(1) Reflects impact of net COVID funding (costs) from continuing operations on Adjusted EBITDA and AFFO and impact of prior period LTC and home health care funding and workers compensation rebates

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Services across the care continuum

Direct services to seniors

Long-term care

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53

Long-term care homes owned

Home health care

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9.9M

Home health care hours delivered (TTM)

Managed services

Management and consulting

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72

Homes under contract

Group purchasing

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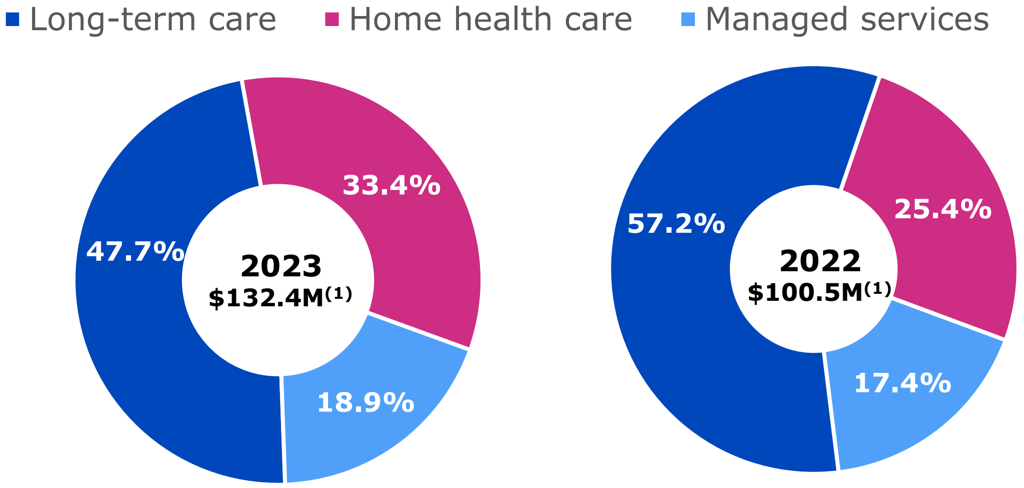
136K

Third-party & JV beds served

NOI contribution by segment(1)



Geographically diversified operations(3)

Province	ON	AB	MB	BC	QC	Other	Total
LTC homes owned beds	5,023	1,514	762	-	-	-	**7,299**
Home health care hours delivered (TTM 000's)	9,280	415	60	-	-	165	**9,920**
Assist and JV beds under management contract(2)	8,492	102	1,189	-	-	-	**9,783**
SGP 3rd party & JV beds served	52,888	19,628	2,151	28,442	28,006	5,049	**136,164**

(1) Excludes the impact of net COVID-19 funding (costs) as outlined in the COVID-19 table in the Q4 2023 MD&A and the following prior period adjustments: prior period funding adjustments of $6.6M in 2023 and $4.7M in 2022, and WSIB rebates of $4.2M in 2022

(2) Represents 72 homes, including 25 operational LTC homes owned in the joint venture with Axium in which the Company has a 15% managed interest

(3) Figures as at December 31, 2023

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Adjusted NOI by division(1)

Three and twelve months ended December 31, 2023

($ millions)

Long-term care NOI and margin(1)					
Q4 2023	Q4 2022	Change	YTD 2023	YTD 2022	Change
$17.6	**$15.7**	**11.6%**	**$63.1**	**$57.5**	**9.8%**
8.5%	***8.9%***	***-40 bps***	***8.4%***	***8.6%***	***-20 bps***
Average occupancy					
97.8%	**94.5%**	**330 bps**	**97.4%**	**92.9%**	**450 bps**

Home health care NOI and margin(1)					
Q4 2023	Q4 2022	Change	YTD 2023	YTD 2022	Change
$10.7	**$7.1**	**49.8%**	**$44.2**	**$25.5**	**73.4%**
8.8%	***6.6%***	***220 bps***	***9.4%***	***6.3%***	***310 bps***
Average daily volume					
28,158	**25,542**	**10.2%**	**27,177**	**25,082**	**8.4%**

Managed services NOI and margin					
Q4 2023	Q4 2022	Change	YTD 2023	YTD 2022	Change
$9.1	**$4.8**	**89.5%**	**$25.1**	**$17.5**	**43.3%**
55.1%	***56.0%***	***-90 bps***	***52.5%***	***53.3%***	***-80 bps***
SGP 3rd party & joint venture beds at period end					
			136,164	**109,725**	**24.1%**

(1) Excludes the impact of COVID-19 related funding and costs as outlined in the COVID-19 table in the Q4 2023 MD&A and the following out-of-period adjustments: for the LTC segment – the impact of prior period funding adjustments of $6.6M in FY23 (Q1 2023) and $4.7M in FY22 ($2.9M in Q1 2022, $2.2M in Q4 2022), and WSIB rebates of $2.1M in FY22 ($1.8M in Q2 2022 and $0.3M in Q4 2022); for the home health care segment – the impact of retroactive funding of $5.4M in Q4 2023 and WSIB rebates of $2.1M in FY22 (Q2 2022)

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