

Extendicare

Growing Together

Q3 2024

Conference Call

November 13, 2024



Extendicare

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 redemption of the 2025 Debentures, 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"), Axiom LTC Limited Partnership and its affiliates ("Axiom") and two limited partnership joint ventures with Axiom in respect of the acquisition, disposition, ownership, operation and redevelopment of LTC homes in Ontario and Manitoba; and statements relating to expected future current income taxes and maintenance capex impacting AFFO.

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 Q3 2024 Management's Discussion and Analysis and latest Annual Information Form 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 Q3 2024 MD&A.

Q3 Highlights

Financial and operational highlights

Financial highlights

Adjusted Divisional NOI Margins ⁽¹⁾	Q3 2024	Q3 2023	
Long-term care	11.4%	8.7%	+270 bps
Home health care	11.3%	9.8%	+150 bps
Managed services	52.6%	55.2%	-260 bps

Adjusted Divisional NOI Margins ⁽¹⁾	YTD 2024	YTD 2023	
Long-term care	10.5%	8.3%	+220 bps
Home health care	10.7%	8.2%	+250 bps
Managed services	53.2%	51.1%	+210 bps

(1) Excluding the impact of out-of-period adjustments, refer to slides 14 and 15 for details

Operational highlights

LTC occupancy up 60 bps to 98.4%

10.2% YoY increase in home health care average daily volume ("ADV")

11.4% YoY increase in SGP customer base

Commenced construction on new 256-bed LTC home in St. Catharines


Subsequent to Q3

Established new \$275M senior secured credit facility improving capital structure flexibility

2025 Debentures will be redeemed in December 2024 with delayed draw term loan under new credit facility

Strategic Shift to Services Drives Q3 Performance

Continued momentum in services segments; redevelopment supported by Axiom JV

Growth in Services Q3 vs PY		LTC Redevelopment in Axiom JVs	Strong Balance Sheet enhancing capital flexibility
Managed Services	Home Health Care	Began construction on new 256-bed home in St. Catharines in Q3; Targeting 2 new LTC projects (320 beds) to start construction in Q4 , subject to regulatory approvals.	\$231M in liquidity at Q3; further enhanced flexibility with \$275M senior secured credit facility closed subsequent to Q3
SGP beds +14,646 +11.4%	Q3 ADV +10.2% (10.7M TTM hours of service)	Expect to sell three new construction projects into the Axiom JV in Q1-25 , subject to regulatory approval	TTM payout ratio improved to 57%⁽¹⁾
YTD NOI up 79.7% to \$28.6M	YTD NOI up 64.7% to \$43.5M	Plan to open Axiom JV 192-bed Kingston and 256-bed Stittsville homes by year end	April 2025 convertible debentures will be redeemed before year end utilizing new senior secured credit facility
Positioned for GROWTH 		Less capital-intensive, higher margin business model to expand managed services, build new LTC homes through JV partnerships with Axiom and drive growth in home health care	

(1) Payout ratio for TTMQ3-24 is adjusted to exclude out-of-period funding of \$16.9M (\$12.6M after-tax)

Continued progress in LTC redevelopment

Six homes under construction; two more targeted to start construction by year end

- Commenced construction on a **new 256-bed home** in St. Catharines to replace nearby 152 C bed home (opening Q1-27)
- 6 LTC homes under construction**; 5 in the Axiom JVs and the 6th anticipated to be sold to Axiom JV in Q1 2025
 - 1,536 new beds will replace 1,273 Class C beds
 - Opening **Kingston and Stittsville** by year end
- Targeting to start construction on **two new projects by the end of 2024** in London and Port Stanley (320 beds will replace 230 C beds)
- Ontario MLTC Class C bed operating **license extensions** to 2030 (5-year extension) have been granted for some homes; the balance expected imminently
- Advancing **12 additional redevelopment projects** to replace remaining C homes in future years (2,456 new beds to replace 1,841 Class C beds), if conditions are favourable



Redevelopment projects ⁽¹⁾	# of Class C beds replaced	# of new beds	Expected opening	Estimated development costs (\$ millions)
Limestone Ridge (Kingston)	150	192	Q4-24	50.5
Crossing Bridge (Stittsville)	256	256	Q4-24	75.1
Peterborough	172	256	Q1-26	100.6
Orleans (Ottawa)	240	256	Q1-27	107.3
Carlingview Manor (Ottawa)	303	320	Q2-26	121.4
St. Catharines	152	256	Q1-27	106.4
	1,273	1,536		561.3

(1) All are projects held in Axiom JVs, in which Extendicare holds a 15% managed interest, except for the St. Catharines project, which is anticipated to be sold to the JV in Q1 2025. All projects are replacing Extendicare homes/licensed beds, except for Carlingview Manor, which is replacing a Revera home currently managed by Extendicare.



Financial Review

Q3 2024

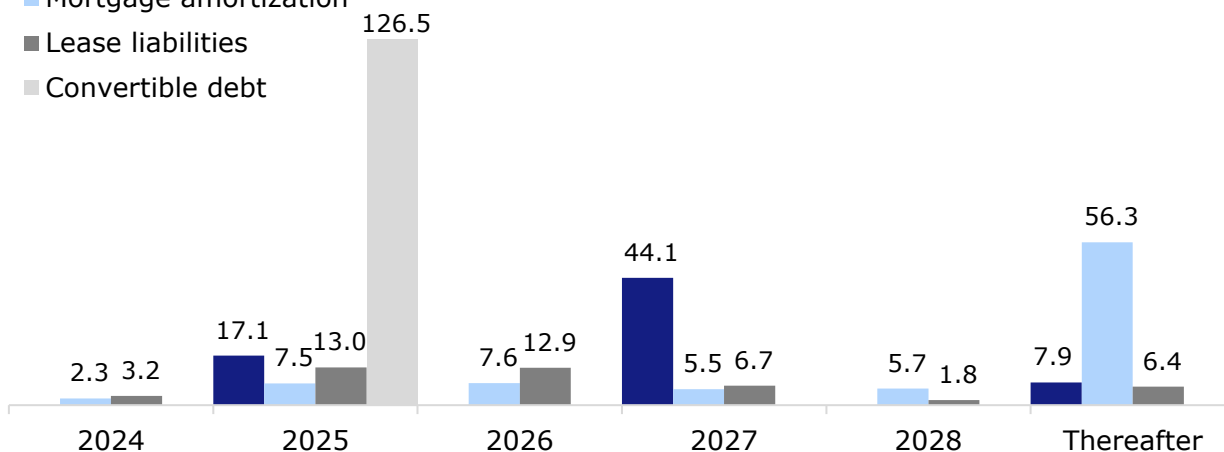
Strong financial position

New \$275M senior secured credit facility enhances flexibility; \$126.5M convertible debenture to be redeemed in Q4

As at September 30, 2024			
Cash	Available Demand Facilities	Long-term debt ⁽¹⁾	Long-term debt ⁽¹⁾ (including 15% JV share ⁽²⁾)
\$154M	\$77M	\$324M	\$396M

Debt maturities⁽³⁾ (\$ millions)

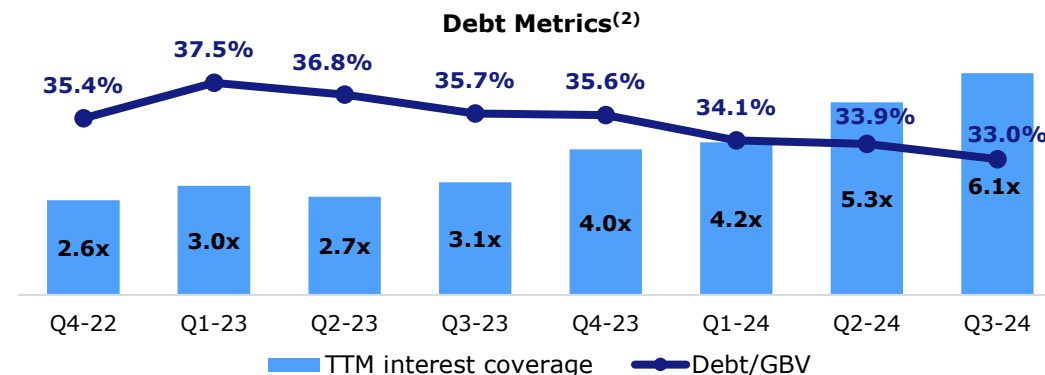
- Mortgage/loan principal at maturity
- Mortgage amortization
- Lease liabilities
- Convertible debt



(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 Axiom JV and Axiom JV II long-term debt outstanding as at September 30, 2024 and TTM EBITDA and net interest expense of the joint ventures, as applicable

(3) Debt maturities exclude 15% share of Axiom JV and Axiom JV II long-term debt



New \$275M Senior Secured Credit Facility

- **\$145M revolving credit facility**; available for general corporate purposes, including capital expenditures and acquisitions.
- **\$130M delayed draw term loan** to be used to redeem \$126.5M April 2025 convertible debentures on December 16, 2024; amortization of the DDTL is 5% annually.
- Initial term of 3 years with successive one-year extensions, subject to certain conditions and lender approval.
- Subsequent to Q3, used cash on hand to prepay in full ~\$30.0M in lease liabilities (average interest rate 6.4% to 7.2%) related to 9 Class A ON LTC homes.

Consolidated results

Q3 2024

(\$ millions, except per share amounts)

- **Q3 results include out-of-period LTC funding of \$1.8M** for Alberta and Manitoba reflecting April 1, 2024 funding increases⁽¹⁾
- **Q3 revenue up \$36.5M**, driven primarily by LTC and home health care rate increases and volume growth across all segments
- **Q3 NOI up \$14.9M** (\$13.1M excluding \$1.8M of out-of-period LTC funding), reflecting improved performance across all segments
- **Q3 AFFO/basic share doubled to \$0.28**, reflecting increased after-tax earnings and the timing of maintenance capex (excluding out-of-period LTC funding, AFFO⁽¹⁾ improved by \$0.12 to \$0.26)

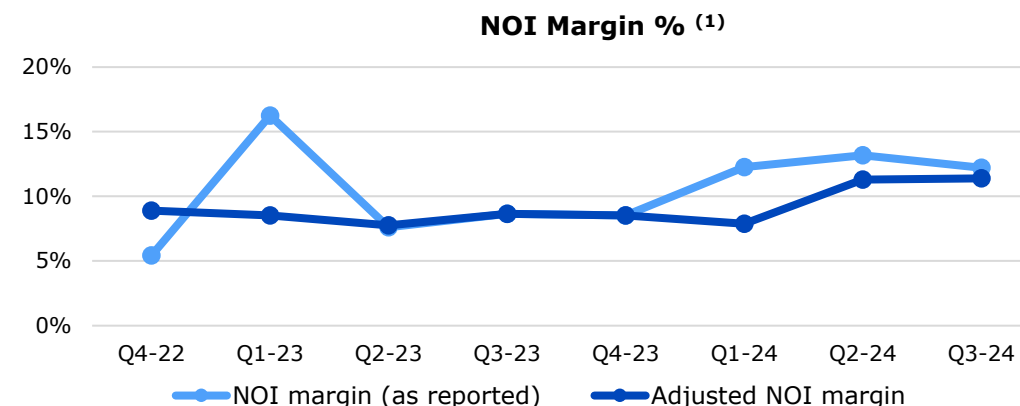
Q3 2024 vs PY			
Revenue		NOI	
\$359.1	+\$36.5 +11.3%	\$50.1	+\$14.9 +42.3%
Adjusted EBITDA		Net earnings	
\$36.1	+\$15.3 +73.8%	\$16.3	+\$4.5 +37.7%
AFFO/basic share		Payout ratio	
\$0.28	+\$0.14 +100.0%	43%	

(1) Refer to slide 14 for the impact of out-of-period adjustments

Long-term care

Funding increases, improved occupancy and reduced agency costs continue to drive strong results

- **Q3 results include \$1.8M of out-of-period revenue** (retroactive funding for Alberta and Manitoba LTC homes)
- **Q3 revenue up \$10.1M**; up \$8.3M⁽²⁾ excluding out-of-period funding, reflecting funding increases and improved occupancy
- **Q3 NOI up \$8.0M**; up \$6.2M to \$22.8M⁽²⁾ excluding out-of-period funding, reflecting funding increases and timing of spend, partially offset by higher labour costs
- **Q3 adjusted NOI margin⁽²⁾ of 11.4%**; up 270 bps from 8.7% in Q3 2023
- **YTD adjusted NOI margin⁽²⁾ of 10.5%**; up 220 bps from 8.3% PY, reflecting funding increases, timing of spend and reduced agency costs



Revenue		
Q3 2024	\$201.8M	5.3%
YTD 2024	\$602.5M	3.6%
NOI		
Q3 2024	\$24.6M	48.4%
margin	12.2%	350 bps
YTD 2024	\$75.6M	17.7%
margin	12.5%	150 bps
Average occupancy		
Q3 2024	98.4%	60 bps
YTD 2024	97.8%	60 bps

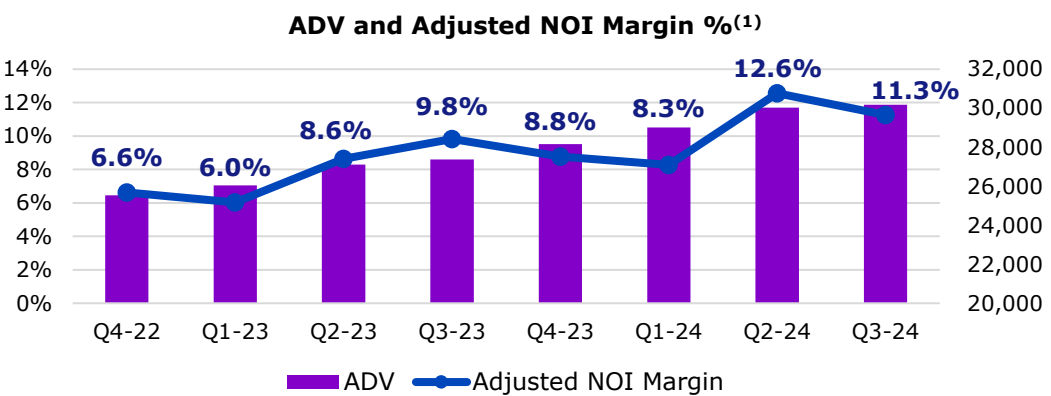
(1) Adjusted NOI margins exclude out-of-period funding (\$2.2M in Q4 2022, \$6.6M in Q1 2023, \$9.8M in Q1 2024, \$4.1M in Q2 2024 and \$1.8M in Q3 2024), WSIB rebates (\$0.3M in Q4 2022), and net COVID-19 funding (costs) as outlined in the COVID-19 table in the Q4 2023 MD&A

(2) Excluding the impact of out-of-period adjustments, refer to slide 15

Home health care

Volumes increased in Q3 despite softer seasonal demand; volumes and rate increases continued to drive NOI growth

- **Q3 volume growth** outweighed seasonal softness, helping to maintain strong margins
- **Q3 revenue up \$20.3M**, reflecting 10.2% growth in ADV and billing rate increases
- **Q3 NOI up \$4.0M**, reflecting higher volume and rate increases, partially offset by higher wages and benefits
- **Q3 NOI margin of 11.3%**, up 150 bps from 9.8% in Q2 2023
- Additional statutory holiday in Q3 vs. Q2 impacts sequential NOI margins by ~100 bps



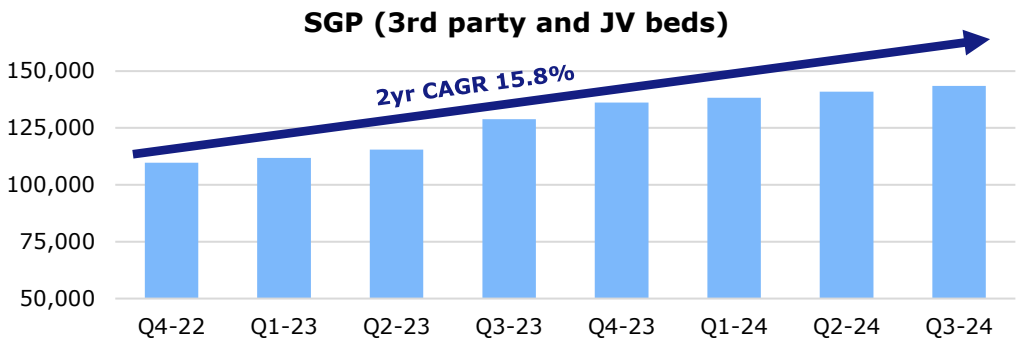
Revenue		
Q3 2024	\$138.4M	17.2%
YTD 2024	\$418.3M	22.3%
NOI		
Q3 2024	\$15.6M	34.4%
margin	11.3%	150 bps
YTD 2024	\$43.5M	54.7%
margin	10.4%	220 bps
Average daily volume ("ADV")		
Q3 2024	30,181	10.2%
YTD 2024	29,740	10.8%

(1) Adjusted NOI margins excluding out-of-period retroactive billing rate increases (\$5.4M in Q4 2023, \$13.6M in Q1 2024); one-time retroactive compensation costs (\$13.6M in Q1 2024), and net COVID-19 costs as outlined in the COVID-19 table in the Q4 2023 MD&A

Managed services | Extendicare Assist and SGP

Organic growth in SGP clients driving strong performance

- **Q3 revenue up \$6.1M** largely driven by the addition of Revera and Axiom joint venture homes and organic growth in SGP clients
- **Q3 NOI up \$2.9M** on revenue growth, partially offset by higher costs to support business development activities and changes in mix of Assist consulting and other services
- **Q3 SGP beds up 11.4%** from Q3 2023

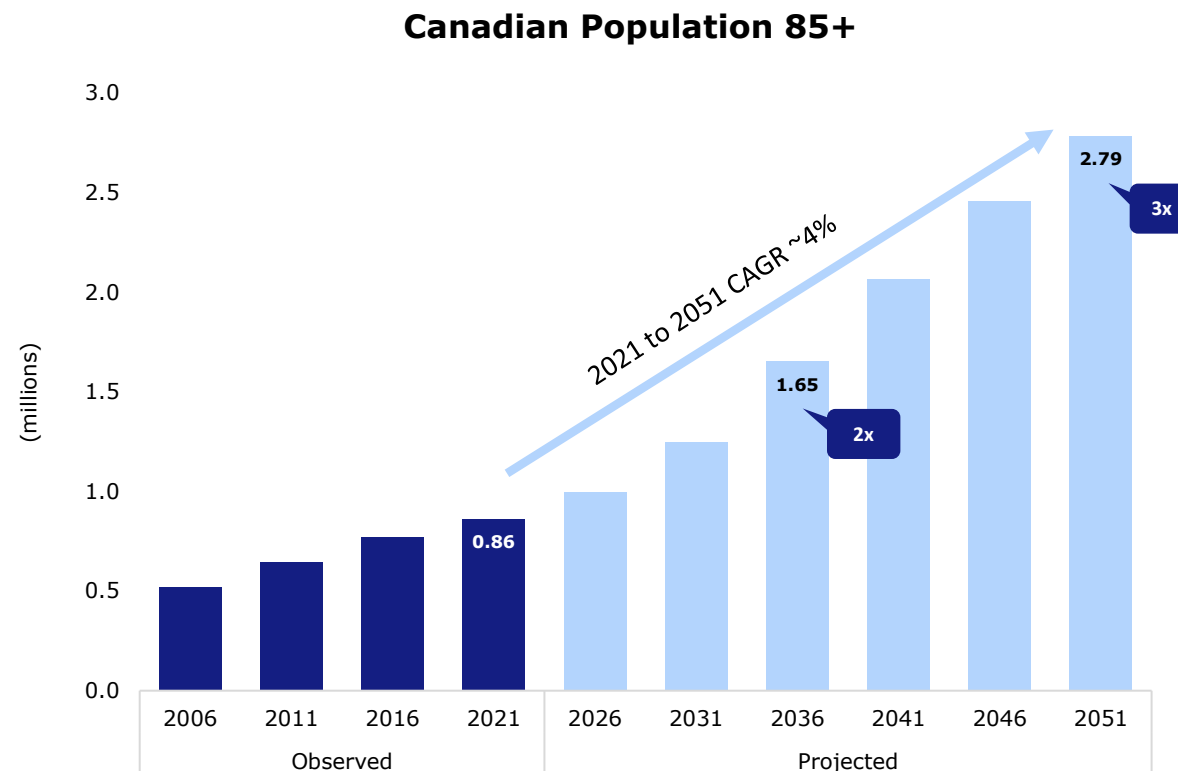


Revenue		
Q3 2024	\$18.8M	48.0%
YTD 2024	\$53.9M	72.6%
NOI		
Q3 2024	\$9.9M	41.1%
margin	52.6%	-260 bps
YTD 2024	\$28.6M	79.7%
margin	53.2%	210 bps
Management contract beds		
Third party	6,279	} -2.5%
Joint venture	3,438	
SGP 3rd party & joint venture beds		
Beds	143,547	11.4%

Meeting the needs of a growing demographic

Compelling growth opportunities in long-term care and home health care

- **Building new LTC homes** to address the increased need for long-term care
 - Seniors aged 85+ increasing at ~4% per year⁽¹⁾
 - LTC waitlist of more than 43,000⁽²⁾ in Ontario
 - Need for >200,000 new LTC beds in Canada by 2035⁽³⁾
- **Home health sector growth** is required to address system capacity challenges
 - ParaMed's care volumes grew by more than 10% YTD 2024 vs 2023
 - Volumes increasing faster than population growth until service levels catch up to current needs
- Awaiting rate details for **significant new investment in home health care** announced in 2024 Ontario budget



Canadians aged 85+ will double by 2036 and triple by 2051

(1) Source: [A portrait of Canada's growing population aged 85 and older from the 2021 Census](#)

(2) As of September 2023, per Ontario Ministry of Long-Term Care

(3) The Conference Board of Canada; *Sizing Up the Challenge; Meeting the Demand for Long-Term Care*, November 2017

Appendix



Adjustments to revenue, EBITDA and AFFO

Three and nine months ended September 30, 2024

(\$ millions, except per share amounts)

- **Q3 results** impacted by out-of-period LTC funding of \$1.8M related to Alberta and Manitoba funding increases retroactive to April 1, 2024
- **YTD 2024 results** impacted by out-of-period funding and one-time compensation costs (revenue \$27.5M and NOI \$13.9M)
 - LTC out-of-period revenue of \$13.9M, including \$11.3M to support Ontario and Alberta LTC homes with capital or operating needs and \$1.5M to support Manitoba homes with wage settlements (Q1-23 recognized \$6.6M of out-of-period funding)
 - Home health care recognized funding of \$13.6M in Q1 2024 to support one-time compensation to all home health care staff in connection with the 6.7% rate increase announced in Q4-23

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

Impact on:	Q3 2024	Q3 2023	Change	YTD 2024	YTD 2023	Change
Revenue						
Out-of-period funding						
Long-term care	\$1.8	–	\$1.8	\$13.9	\$6.6	\$7.3
Home health care (funds one-time compensation)	–	–	–	\$13.6	–	\$13.6
COVID-19 funding	–	–	–	–	\$28.7	\$(28.7)
Adjusted EBITDA						
Out-of-period funding	\$1.8	–	\$1.8	\$13.9	\$6.6	\$7.3
Net COVID-19 funding	–	–	–	–	\$12.1	\$(12.1)
AFFO/Basic Share						
Out-of-period funding	\$0.02	–	\$0.02	\$0.13	\$0.06	\$0.07
Net COVID-19 funding	–	–	–	–	\$0.10	\$(0.10)

(1) Reflects impact of net COVID-19 funding on Adjusted EBITDA and AFFO and impact of out-of-period LTC and home health care funding

Adjusted NOI by division⁽¹⁾

Three and nine months ended September 30, 2024

(\$ millions)

Long-term care NOI and margin ⁽¹⁾					
Q3 2024	Q3 2023	Change	YTD 2024	YTD 2023	Change
\$22.8	\$16.6	37.3%	\$61.6	\$45.6	35.3%
11.4%	8.7%	270 bps	10.5%	8.3%	220 bps
Average occupancy					
98.4%	97.8%	60 bps	97.8%	97.2%	60 bps

Home health care NOI and margin ⁽¹⁾					
Q3 2024	Q3 2023	Change	YTD 2024	YTD 2023	Change
\$15.6	\$11.6	34.4%	\$43.5	\$28.1	54.7%
11.3%	9.8%	150 bps	10.7%	8.2%	250 bps
Average daily volume					
30,181	27,378	10.2%	29,740	26,846	10.8%

Managed services NOI and margin					
Q3 2024	Q3 2023	Change	YTD 2024	YTD 2023	Change
\$9.9	\$7.0	41.1%	\$28.6	\$15.9	79.7%
52.6%	55.2%	-260 bps	53.2%	51.1%	210 bps
SGP 3 rd party & joint venture beds at period end					
			143,547	128,901	11.4%

(1) Excludes the impact of the following adjustments: for the LTC segment, the impact of out-of-period funding of \$1.8M in Q3 2024, \$13.9M in YTDQ2 2024 (\$9.8M in Q1 2024 and \$4.1M in Q2 2024) and \$6.6M in YTDQ2 2023 (all in Q1); for the home health care segment, the impact of retroactive funding and offsetting compensation costs of \$13.6M in YTDQ2 2024 (all in Q1); and for both segments, excludes the impact of COVID-19 related funding and costs as outlined in the COVID-19 table in the Q4 2023 MD&A

Services-focused growth

Strong growth in services represented ~53% of TTM Q3 adjusted consolidated NOI

Direct services to seniors

Long-term care

52 Long-term care homes owned

Extendicare

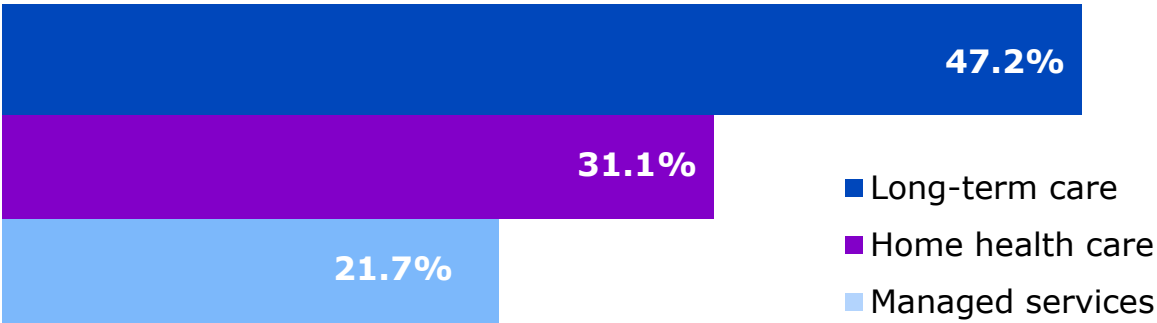
Home health care

10.7M Home health care hours delivered (TTM)

ParaMed

NOI contribution by segment⁽¹⁾

TTM Q3 2024 Adjusted NOI⁽¹⁾ \$174.2M



Managed services

Management & consulting

70 Homes under contract

Extendicare ASSIST

Group purchasing

144K Third-party & JV beds served

SGP PURCHASING NETWORK

Geographically diversified operations⁽²⁾

Province	ON	AB	MB	BC	QC	Other	Total
LTC homes owned – beds	33 4,837	14 1,514	5 762	- -	- -	- -	52 7,113
Home health care hours delivered (TTM 000's)	10,105	415	-	-	-	220	10,740
Assist and JV beds under management contract ⁽³⁾	8,528	-	1,189	-	-	-	9,717
SGP 3 rd party & JV beds served	54,410	19,628	2,151	29,674	32,332	5,352	143,547

(1) Adjusted TTMQ3-24 NOI excludes out-of-period funding of \$16.3M (\$10.9M for LTC and \$5.4M for home health care)

(2) Figures as at September 30, 2024

(3) Represents 70 homes, including 26 operational LTC homes owned in the joint ventures with Axiom in which the Company has a 15% managed interest

**Helping
people
live
better**