



# BUILDING A BETTER FUTURE

## GROWING LONG-TERM VALUE

Q2 2021 Results  
Conference Call

August 6, 2021

**EXTENDICARE®**  
... helping people live better

### NON-GAAP MEASURES

"EBITDA", "Adjusted EBITDA", "net operating income" (NOI), "funds from operations" (FFO), and "adjusted funds from operations" (AFFO) are non-GAAP measures and do not have standardized meanings prescribed by GAAP. See "Non-GAAP Measures" in Extendicare's most recent MD&A.

# 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, costs and financial returns in respect of development projects, and in particular statements in respect of the impact of measures taken to mitigate the impact of COVID-19, the availability of various government programs and financial assistance announced in respect of COVID-19, the impact of COVID-19 on the Company's operating costs, staffing, procurement, occupancy levels and volumes in its home health care business, the impact on the capital and credit markets and the Company's ability to access the credit markets as a result of COVID-19, increased litigation and regulatory exposure and the outcome of any litigation and regulatory proceedings. Forward-looking statements can often be identified by the expressions "anticipate", "believe", "estimate", "expect", "intend", "objective", "plan", "project", "will" 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.

In particular, risks and uncertainties related to the effects of COVID-19 on Extendicare include: the length, spread and severity of the pandemic; the nature and extent of the measures taken by all levels of governments and public health officials, both short and long term, in response to COVID-19; domestic and global credit and capital markets; the Company's ability to access capital on favourable terms or at all due to the potential for reduced revenue and increased operating expenses as a result of COVID-19; the availability of insurance on favourable terms; litigation and/or regulatory proceedings against or involving the Company, regardless of merit; the health and safety of the Company's employees and its residents and clients; and domestic and global supply chains, particularly in respect of personal protective equipment. Given the evolving circumstances surrounding COVID-19, it is difficult to predict how significant the adverse impact will be on the global and domestic economy and the business operations and financial position of Extendicare. For further information on the risks, uncertainties and assumptions that could cause Extendicare's actual results to differ from current expectations, refer to "Risk Factors" in Extendicare's Annual Information Form and "Forward Looking-Statements" in Extendicare's Q2 2021 Management's Discussion and Analysis filed by Extendicare with the securities regulatory authorities, available at [www.sedar.com](http://www.sedar.com) and on Extendicare's website at [www.extendicare.com](http://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.

# COVID-19 UPDATE

- Successful vaccination campaign has made it possible to welcome back families and visitors in our homes and communities
  - **Residents** 92% in LTC and 90% in retirement fully vaccinated
  - **Staff** 86% in LTC, 80% in retirement and 86% in ParaMed have received first dose
- No outbreaks as of August 5, 2021
- Routine surveillance testing continuing with focus on those not yet fully vaccinated
- Maintaining enhanced staffing levels and prevention protocols
- Continuing recovery in ParaMed volumes and occupancy in our homes and communities



***Vaccines and testing  
are critical to protect  
residents, clients  
and staff***

# 2021 SECOND QUARTER HIGHLIGHTS

- Pandemic costs decreased to \$42.8M in Q2, down 26% from Q1 2021; costs exceeded funding by \$9.5M<sup>(1)</sup>
  - Volatility in results expected to continue due to timing of COVID-19 costs and related recoveries
  - Anticipate further funding to cover some of the 1H 2021 net COVID costs in LTC
- Easing of public health restrictions enabled average occupancy improvements in LTC and retirement in Q2
  - LTC +250 bps
  - Retirement +30 bps
- Home health care volumes returned to pre-pandemic levels and NOI margins increased 60 bps over the previous quarter
- SGP customer base +11.1% vs. Q2 2020

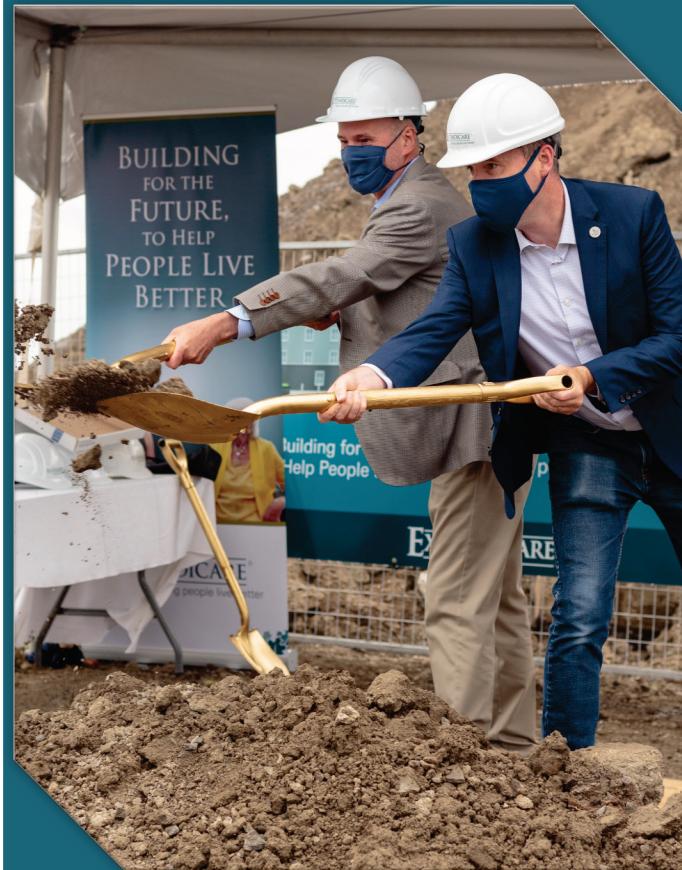


***Pandemic impact diminishing***

(1) For breakdown of COVID-19 costs and related pandemic funding by line of business, see Slide 18

# LONG-TERM CARE – REDEVELOPMENT ADVANCING

- Commenced construction on Kingston 192-bed home with targeted completion of Q1 2023; Sudbury 256-bed home construction ongoing
- Two projects represent a total investment of \$120.3M<sup>(1)</sup>
- Closed \$95.9M in construction financing to support Sudbury and Kingston projects
- Additional seven projects in advanced stages of approvals with Ontario government, totalling a further estimated investment of ~\$400M
- Continue work with industry partners and governments to make more redevelopment projects financially feasible



***Investing in a better  
future for seniors***

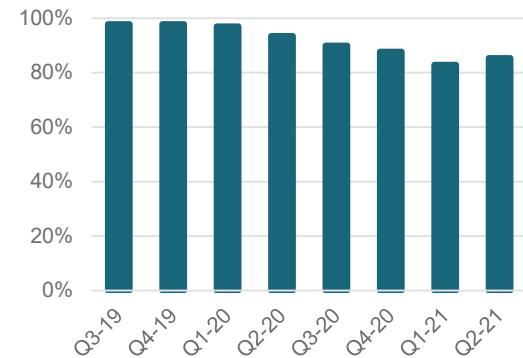
<sup>(1)</sup> Represents estimated total investment before capital grant provided by the Ontario government under the Long-Term Care Home Capital Development Funding Program (New Funding Program) announced in 2020.

# LONG-TERM CARE – COVID-19 COSTS CONTINUE TO WEIGH ON NOI; OCCUPANCY LEVELS IMPROVING

- LTC COVID-19 costs<sup>(1)</sup> of \$32.7M in Q2, down \$15.4M from \$48.1M in Q1 2021; net unfunded COVID costs were \$7.2M in Q2
  - Additional COVID-19 funding is anticipated to offset some portion of the net COVID costs incurred in 1H 2021
- Sequential occupancy improvement +250 bps in Q2 vs. Q1
- Basic occupancy protection in place in Ontario until the end of August 2021
  - Funding for eliminated ward-style beds anticipated to continue beyond August 2021, but as yet no formal announcement
  - Occupancy recovery to 97% across some homes in Ontario may lag removal of basic occupancy protection
- Awaiting details on Ontario Government's commitment to increase hours of direct care

**EXTENDICARE®**  
... helping people live better

LTC Average Occupancy

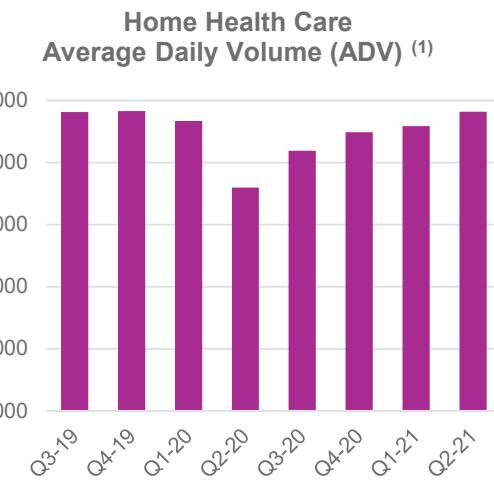


*Long-term stable revenue base  
with growth potential*

(1) For breakdown of COVID-19 costs and related pandemic funding by line of business, see Slide 18

# PARAMED – VOLUMES RETURN TO PRE-PANDEMIC LEVELS; STAFFING CAPACITY CONTINUES TO WEIGH ON GROWTH

- ADV recovered to pre-pandemic levels, Q2 ADV up 3.7% from Q1 2021
- Improved back-office efficiencies contributing to NOI margin growth, +60 bps to 7.9%<sup>(2)</sup> in Q2 vs. Q1
- Pace of volume growth impacted by constraints on workforce capacity
- In-house training programs on track to add 600 front-line team members in 2021
- Volumes anticipated to continue to increase as pandemic subsides and staffing capacity grows
- Strong fundamental long-term market growth opportunity



***Driving increased care hours through investments in people, process, and technology***

(1) Excluding Paramed B.C. contracts expired in January 2020

(2) Excluding impact of net COVID costs and CEWS



# FINANCIAL REVIEW

## Q2 2021

**EXTENDICARE®**  
... helping people live better

**ParaMed™**  
Redefining Care

**Esprit**  
Lifestyle  
Communities

**EXTENDICARE®**  
**assist**

**SGP** PURCHASING  
PARTNER  
NETWORK  
Better all together®

# CONSOLIDATED RESULTS

Three and six months ended June 30, 2021

(*\$ millions, except per share amounts*)

Revenue					
Q2 2021	Q2 2020	Change	YTD 2021	YTD 2020	Change
<b>\$307.4</b>	<b>\$281.9</b>	<b>9.0%</b> 	<b>\$629.8</b>	<b>\$553.8</b>	<b>13.7%</b> 

NOI and Margin					
Q2 2021	Q2 2020	Change	YTD 2021	YTD 2020	Change
<b>\$31.3</b>	<b>\$19.9</b>	<b>56.8%</b> 	<b>\$71.5</b>	<b>\$50.3</b>	<b>42.1%</b> 

Adjusted EBITDA and Margin					
Q2 2021	Q2 2020	Change	YTD 2021	YTD 2020	Change
<b>\$17.8</b>	<b>\$8.2</b>	<b>118.2%</b> 	<b>\$45.5</b>	<b>\$28.3</b>	<b>60.9%</b> 

AFFO and AFFO per Share <sup>(1)</sup>					
Q2 2021	Q2 2020	Change	YTD 2021	YTD 2020	Change
<b>\$8.1</b>	<b>\$2.9</b>	<b>174.0%</b> 	<b>\$27.6</b>	<b>\$14.6</b>	<b>89.5%</b> 

Impact on:	Q2 2021	Q2 2020	Change	YTD 2021	YTD 2020	Change
<b>EBITDA</b>						
Net COVID Costs	<b>\$9.5</b>	<b>\$(10.7)</b>	<b>\$1.2</b>	<b>\$(11.8)</b>	<b>\$(11.0)</b>	<b>\$(0.8)</b>
ParaMed CEWS	<b>\$7.7</b>	<b>\$0.0</b>	<b>\$7.7</b>	<b>\$17.4</b>	<b>\$0.0</b>	<b>\$17.4</b>
<b>AFFO/Share</b>						
Net COVID Costs	<b>\$(0.08)</b>	<b>\$(0.09)</b>	<b>\$0.01</b>	<b>\$(0.10)</b>	<b>\$(0.09)</b>	<b>\$(0.01)</b>
ParaMed CEWS	<b>\$0.06</b>	<b>-</b>	<b>\$0.06</b>	<b>\$0.14</b>	<b>-</b>	<b>\$0.14</b>

Payout ratio of 78% YTD 2021 compared to 147% YTD 2020 and 81% FY2020

(1) Basic AFFO/share

# LONG-TERM CARE

Three and six months ended June 30, 2021

## Revenue

Q2 2021      **\$187.2M**

**4.9%**



YTD 2021      **\$392.3M**

**15.8%**

## NOI

Q2 2021      **\$9.8M**

**-12.0%**



*margin*      **5.2%**

**-100 bps**

YTD 2021      **\$26.1M**

**-11.8%**



*margin*      **6.6%**

**-210 bps**

## Average Occupancy

Q2 2021      **85.4%**

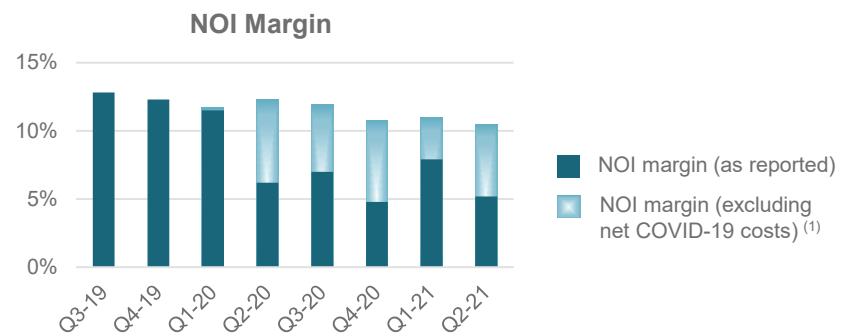
**-810 bps**



YTD 2021      **84.2%**

**-1,100 bps**

- Q2 revenue up \$8.7M or 4.9%
  - YoY increased COVID-19 funding of \$7.9M
- Q2 NOI down \$1.3M or 12.0%
  - Higher costs of resident care and lower preferred accommodation revenue, partially offset by \$1.4M lower unfunded net COVID costs
- Q2 NOI<sup>(1)</sup> margin of 10.5% compared to 11.0% at Q1
- Q2 occupancy +250 bps to 85.4% in Q2 from Q1
- Basic occupancy funding protection in Ontario in place until August 31, 2021
- Governments continue to support LTC sector with additional COVID-19 funding; ongoing volatility in matching with expenditures



(1) NOI margins excluding net COVID costs as outlined on Slide 18

# HOME HEALTH CARE

Three and six months ended June 30, 2021

## Revenue

Q2 2021	<b>\$101.1M</b>	<b>18.3%</b>	↑
YTD 2021	<b>\$198.8M</b>	<b>11.3%</b>	

## NOI

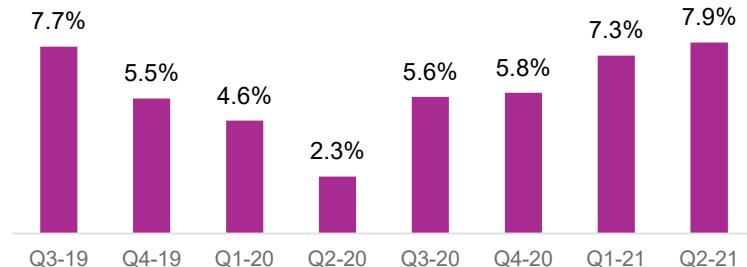
Q2 2021	<b>\$14.0M</b>	<b>889.5%</b>	↑
<i>margin</i>	<b>13.9%</b>	<b>1,220 bps</b>	
YTD 2021	<b>\$30.0M</b>	<b>423.1%</b>	↑
<i>margin</i>	<b>15.1%</b>	<b>1,190 bps</b>	

## Average Daily Volume<sup>(1)</sup>

Q2 2021	<b>25,264</b>	<b>24.0%</b>	↑
YTD 2021	<b>24,811</b>	<b>10.1%</b>	

- Q2 revenue up \$15.6M or 18.3%
  - 24% increase in ADV, partially offset by lower COVID-19 pandemic pay funding of \$1.8M
- Q2 NOI up \$12.6M to \$14.0M and margin at 13.9%
  - Growth in ADV, CEWS of \$7.7M and back-office efficiencies, partially offset by higher net COVID-19 costs
- Sequential ADV and margin improvements
  - Q2 ADV up 3.7% from Q1
  - Q2 NOI<sup>(1)</sup> margin of 7.9% up from 7.3% in Q1 2021 and 5.8% in Q4 2020

NOI Margin (ex-COVID & CEWS)<sup>(1)</sup>



(1) NOI margins excluding net COVID costs as outlined on Slide 18, CEWS (Q1 2021 \$9.7M and Q2 2021 \$7.7M; Q3 2020 \$50.8M and Q4 2020 \$40.4M), and Q4 2020 one-time charges of \$6.1M

# RETIREMENT LIVING

Three and six months ended June 30, 2021

## Revenue

Q2 2021	\$12.3M	4.8%	
YTD 2021	\$24.5M	2.9%	

## NOI

Q2 2021	\$3.7M	5.2%	
<i>margin</i>	<b>30.1%</b>	<b>10 bps</b>	
YTD 2021	\$7.1M	-1.1%	
<i>margin</i>	<b>29.2%</b>	<b>-120 bps</b>	

## Average Stabilized Occupancy

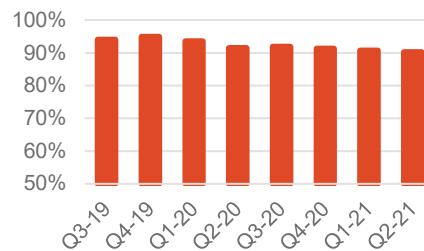
Q2 2021	90.2%	-130 bps	
YTD 2021	90.4%	-210 bps	

## As at Lease-up Occupancy

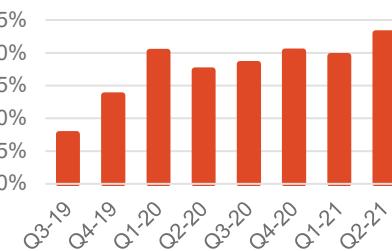
Q2 2021	73.0%	570 bps	
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- Q2 revenue up \$0.6M or 4.8%
- Q2 NOI up \$0.2M or 5.2% and margin +10 bps
  - Contributions from lease-up occupancy and lower YoY COVID-19 costs, partially offset by increased labour and promotional costs
- Average stabilized occupancy holding above 90%
- As at lease-up occupancy +350 bps from Q1
- In-person tours and easing of move-in restrictions expected to drive occupancy growth in 2H 2021

Stabilized Portfolio  
Average Occupancy



Lease-up Portfolio  
Occupancy at Period End

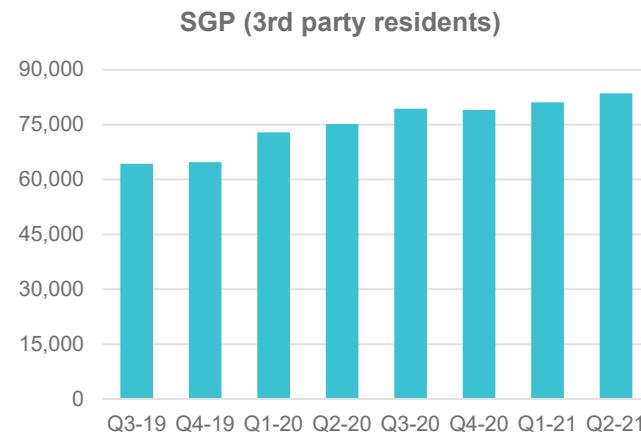


# OTHER CANADIAN OPERATIONS

Three and six months ended June 30, 2021

Revenue		
Q2 2021	\$6.9M	9.8% 
YTD 2021	\$14.3M	12.4% 
NOI		
Q2 2021	\$3.7M	-4.0% 
<i>margin</i>	<b>54.2%</b>	<b>-780 bps</b>
YTD 2021	\$8.3M	+6.3% 
<i>margin</i>	<b>58.1%</b>	<b>-330 bps</b>
Contract Services		
Beds	6,359	-2.8% 
SGP		
Residents	83,511	11.1% 

- Q2 revenue up \$0.6M or 9.8%
- Q2 NOI down \$0.2M or 4.0% and margin at 54.2% (YTD 58.1%); reflecting increased staff and higher business development costs to support growth
- +11.1% growth in SGP clients from Q2 2020 (+3.0% from Q1 2021)



# STRONG FINANCIAL POSITION

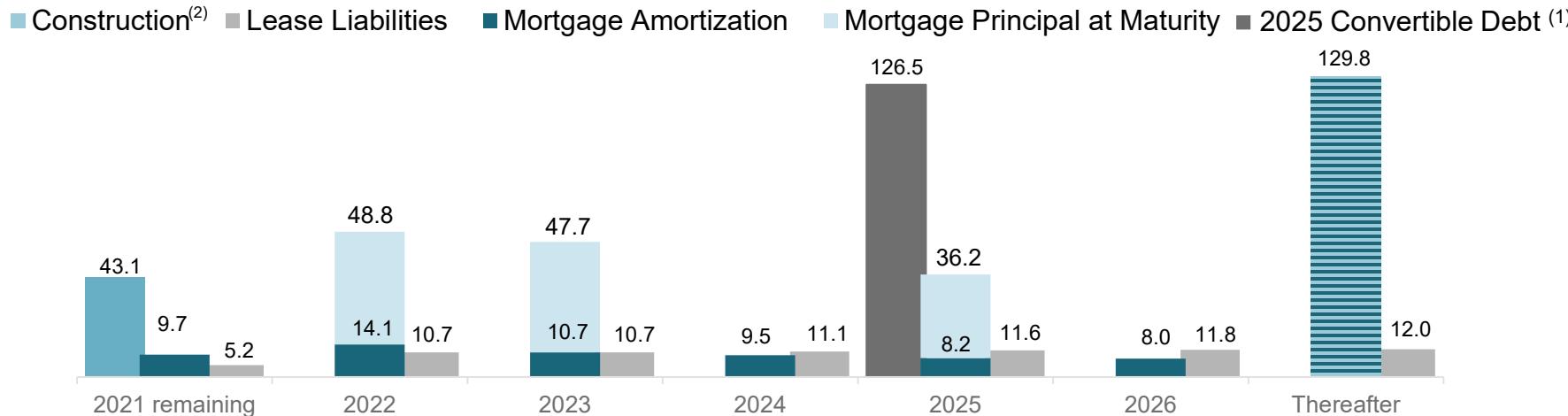
As at June 30, 2021

Long-term Debt <sup>(1)</sup>	Cash
\$565M	\$133M

**+\$95.9M** in construction financing closed in Q2 2021 to support LTC redevelopment<sup>(3)</sup>

	EBITDA interest coverage	Debt to GBV	Weighted average rate
Q2 2021	5.4x	46.3%	4.3%
Q1 2021	5.0x	46.2%	4.3%
Q4 2020	4.7x	45.9%	4.3%

## Debt Maturities (\$ millions)



**Strong liquidity position and no scheduled debt maturities until Q1 2022**

(1) Includes current portion, reflects 2025 convertible debt at face of \$126.5M and excludes deferred financing costs

(2) Retirement demand constructions loans are reflected as current

(3) As at June 30, 2021, no amounts drawn on LTC construction credit facilities

# COMPELLING GROWTH OPPORTUNITIES ACROSS THE CARE CONTINUUM

## B2C: direct services to seniors

### LONG-TERM CARE



... helping people live better

**58**

Long-term care  
homes owned

### HOME HEALTH CARE



Redefining Care

**8.8M**

Home health care  
hours delivered (TTM)

### RETIREMENT LIVING



Lifestyle  
Communities

**11**

Retirement communities  
owned

## B2B: contract & consulting services

### GROUP PURCHASING SERVICES



PURCHASING  
PARTNER  
NETWORK

**84K**

Third-party  
residents served

### CONTRACT SERVICES AND CONSULTING



**51**

Homes under  
contract



**THANK YOU**



# Q2 2021 ESTIMATED COVID-19 REVENUE, OPERATING EXPENSES AND ADMINISTRATIVE COSTS

Three and six months ended June 30, 2021

(millions of dollars)	2021			2020					
	Q2	Q1	YTD Q2	Q4	Q3	Q2	Q1	YTD Q2	
<b>Revenue</b>									
Long-term care	25.5	47.0	72.5	25.6	21.1	17.6	0.4	18.0	64.7
Retirement living	-	-	-	-	-	-	-	-	-
Home health care	7.8	8.8	16.6	6.4	7.6	9.6	-	9.6	23.6
<b>Revenue impact</b>	<b>33.3</b>	<b>55.8</b>	<b>89.1</b>	<b>32.0</b>	<b>28.7</b>	<b>27.2</b>	<b>0.4</b>	<b>27.6</b>	<b>88.3</b>
<b>Operating Expenses</b>									
Long-term care	32.7	48.1	80.8	34.3	27.7	26.2	0.7	26.9	88.9
Retirement living	0.2	0.1	0.3	0.1	0.5	0.5	-	0.5	1.1
Home health care	8.8	9.0	17.8	7.2	7.7	10.0	-	10.0	24.9
<b>Operating expenses impact</b>	<b>41.7</b>	<b>57.2</b>	<b>98.9</b>	<b>41.6</b>	<b>35.9</b>	<b>36.7</b>	<b>0.7</b>	<b>37.4</b>	<b>114.9</b>
<b>NOI</b>									
Long-term care	(7.2)	(1.1)	(8.3)	(8.7)	(6.6)	(8.6)	(0.3)	(8.9)	(24.2)
Retirement living	(0.2)	(0.1)	(0.3)	(0.1)	(0.5)	(0.5)	-	(0.5)	(1.1)
Home health care	(1.0)	(0.2)	(1.2)	(0.8)	(0.1)	(0.4)	-	(0.4)	(1.3)
<b>NOI impact</b>	<b>(8.4)</b>	<b>(1.4)</b>	<b>(9.8)</b>	<b>(9.6)</b>	<b>(7.2)</b>	<b>(9.5)</b>	<b>(0.3)</b>	<b>(9.8)</b>	<b>(26.6)</b>
Administrative costs	1.1	0.9	2.0	0.7	1.6	1.2	-	1.2	3.5
<b>Adjusted EBITDA impact</b>	<b>(9.5)</b>	<b>(2.3)</b>	<b>(11.8)</b>	<b>(10.3)</b>	<b>(8.8)</b>	<b>(10.7)</b>	<b>(0.3)</b>	<b>(11.0)</b>	<b>(30.1)</b>

# RESULTS – NOI BY DIVISION <sup>(1)</sup>

Three and six months ended June 30, 2021

*(\$ millions)*

Long-term Care NOI and Margin <sup>(1)</sup>						Home Health Care NOI and Margin <sup>(1)</sup>					
Q2 2021	Q2 2020	Change	YTD 2021	YTD 2020	Change	Q2 2021	Q2 2020	Change	YTD 2021	YTD 2020	Change
\$17.0	\$19.7	-13.9%	\$34.4	\$38.5	-10.6%	\$7.3	\$1.8	312.3%	\$13.8	\$6.1	126.9%
10.5%	12.3%	-180 bps	10.8%	12.0%	-120 bps	7.9%	2.3%	560 bps	7.6%	3.6%	400 bps
Average Occupancy											
85.4%	93.5%	-810 bps	84.2%	95.2%	-1,100 bps	25,264	20,380	24.0%	24,811	22,532	10.1%
Retirement Living NOI and Margin <sup>(1)</sup>						Assist/SGP NOI and Margin					
Q2 2021	Q2 2020	Change	YTD 2021	YTD 2020	Change	Q2 2021	Q2 2020	Change	YTD 2021	YTD 2020	Change
\$3.9	\$4.0	-2.5%	\$7.4	\$7.7	-4.1%	\$3.7	\$3.9	-4.0%	\$8.3	\$7.8	6.3%
31.7%	34.0%	-230 bps	30.3%	32.5%	-220 bps	54.2%	62.0%	-780 bps	58.1%	61.4%	-330 bps
Average Stabilized Occupancy											
90.2%	91.5%	-130 bps	90.4%	92.5%	-210 bps	83,511	75,165	11.1%	83,511	75,165	11.1%
SGP 3 <sup>rd</sup> Party Residents at period end											
83,511	75,165	11.1%	83,511	75,165	11.1%						

(1) Excludes the impact of COVID-19 related costs in excess of funding as outlined on Slide 18 and impact on the home health care segment of CEWS received in 2021 (Q1 2021 \$9.7M and Q2 2021 \$7.7M; \$nil in Q1 2020 and Q2 2020)

(2) ADV excludes B.C. contracts expired at the end of January 2020