



Caring for seniors today, growing for tomorrow

Q4 2022 RESULTS

Conference Call

March 3, 2023

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, costs and financial returns in respect of development projects, statements relating to the agreements entered into with Revera Inc. and its affiliates (“Revera”) and Axiom Infrastructure Inc. and its affiliates (“Axiom”) in respect of the 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 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 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 2022

Management’s Discussion and Analysis filed by Extendicare with the securities regulatory authorities, available at www.sedar.com 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 2022 MD&A.

COVID-19 update

Persistent COVID-19 outbreaks during Q4 drove higher costs and tempered occupancy recovery

- Vaccines continue to mitigate the impact on LTC residents
- Endemic COVID-19 in the community continued to drive elevated operating costs; over 80% of our owned LTC homes experienced an outbreak in Q4
- Home health care returned to growth in the quarter and NOI margins improved somewhat, but a tight labour market hampered our ability to meet increasing demand for service
- In December 2022, the Ontario government announced \$180M of additional funding to assist with COVID-19 costs; the mismatch between the timing and amount of funding continues to drive volatility in our financial results
- Unfunded COVID costs from the start of the pandemic total \$31.4M⁽¹⁾; \$13.4M increase in unfunded COVID costs in Q4 vs. prior year due primarily to lower COVID funding
- Anticipate lower COVID expenses and reduced operating impacts as the pandemic recedes



Protecting our residents, caregivers and staff is our top priority

(1) Unfunded COVID costs from continuing operations; for breakdown of COVID-19 costs and expenses and related pandemic funding by line of business, see Slide 17

Progress on strategic repositioning

Advanced strategy to drive services growth using a less capital intensive approach; successful sale of retirement operations provided opportunity to return value to shareholders through NCIB and invest in LTC redevelopment

Completed sale of retirement portfolio and Saskatchewan LTC homes

- In May 2022, completed sale of retirement living operations (11 homes) for net proceeds of ~\$128.0M and net after-tax gain of \$67.9M
- In October 2022, sold five long-term care homes in Saskatchewan for an aggregate proceeds of \$13.1M and net after-tax gain of \$6.3M

Progressing Revera and Axium transactions

- Regulatory approvals in Ontario and Manitoba are underway
- Working on a comprehensive integration plan to ensure a smooth and efficient transition

Normal course issuer bid ("NCIB")

- Purchased 5,011,180 shares for cancellation under NCIB in 2022⁽¹⁾ representing approximately 5.6% of outstanding shares



Focused on growth by leveraging scale, clinical expertise and alternative capital sources to support new beds

(1) At cost of \$35.0M, at a weighted average price per share of \$6.99

Long-term care redevelopment gaining momentum

Enhancement to the capital funding program in Ontario addresses inflationary and interest rate pressures

- Our redevelopment program includes 20 projects with 4,248 beds awarded by the Ontario government, replacing 3,285 Class C beds and adding 963 new beds
- Three projects (704 beds) currently under construction are scheduled to open within a year in Sudbury (Q3-23), Kingston and Stittsville (Q1-24), with a total net investment of \$184.2M⁽¹⁾
- Ontario government introduced a new time-limited enhancement to the existing capital funding subsidy ("CFS") of \$35 per day per bed in November 2022; focused on starting construction on up to four additional projects (960 beds) in 2023 under the enhanced CFS
- Advancing the balance of our redevelopment portfolio to commence construction as additional capital funding becomes available in future years



Investing in a better future for seniors with new LTC homes designed to provide improved functionality, safety and comfort to residents

⁽¹⁾ Net of the capital provided by the Ontario government under the Long-Term Care Home Capital Development Funding Program – refer to discussion under "Non-GAAP Measures" in the Q4 2022 MD&A

Q4 2022 highlights

- Sequential improvement in LTC occupancy despite persistent outbreaks, emerging endemic status of COVID-19
- Government funding for LTC lagging inflation; adjusted LTC NOI margins down 190 bps to 8.9%⁽¹⁾ YoY
- Sequential improvement of 2.0% in home health care volumes with modest easing in staff absenteeism
- Continued strong growth in the SGP customer base

	vs. Q4 2021	vs. Q3 2022
LTC occupancy	+240 bps	+100 bps
Home health care ADV	-1.0%	+2.0%
SGP customer base	+17.7%	+2.6%

- Q4 2022 pandemic costs of \$23.8M; lower funding resulting in \$8.5M net unfunded costs⁽²⁾
- ParaMed achieved Accreditation with Exemplary Standing



Persistent COVID outbreaks, tight labour market and higher operating costs in Q4

(1) NOI margins excluding net COVID recoveries/costs as outlined on Slide 17, prior period funding adjustments of \$2.2M in Q4 2022 and WSIB rebate of \$0.3M in Q4 2022

(2) For breakdown of COVID-19 costs and related pandemic funding by line of business, see Slide 17



Financial review

Q4 2022

Consolidated results

Three and twelve months ended December 31, 2022

(\$ millions, except per share amounts)

	Q4 2022	Q4 2021	Change	YTD 2022	YTD 2021	Change
Revenue ⁽¹⁾	\$310.4	\$306.2	1.4% ↑	\$1,221.6	\$1,167.0	4.7% ↑
NOI ⁽¹⁾	\$21.7	\$38.7	-44.0% ↓	\$108.5	\$133.0	-18.4% ↓
margin	7.0%	12.7%	-570 bps ↓	8.9%	11.4%	-250 bps ↓
Adjusted EBITDA ⁽¹⁾	\$9.2	\$24.5	-62.6% ↓	\$57.5	\$80.5	-28.7% ↓
margin	3.0%	8.0%	-500 bps ↓	4.7%	6.9%	-220 bps ↓
AFFO ⁽²⁾	\$1.9	\$16.5	-88.6% ↓	\$26.1	\$53.7	-51.3% ↓
AFFO/Basic Share	\$0.02	\$0.18		\$0.29	\$0.60	

Payout ratio of 162% FY2022 compared to 80% FY2021

Impact of Select Items on Adjusted EBITDA and AFFO/Basic Share ⁽²⁾⁽³⁾						
	Q4 2022	Q4 2021	Change	YTD 2022	YTD 2021	Change
Impact on: Adjusted EBITDA						
Net COVID funding (costs)	\$(8.5)	\$4.9	\$(13.4)	\$(1.1)	\$(2.7)	\$1.6
ParaMed CEWS	\$0.0	\$0.0	\$(0.0)	\$0.0	\$17.4	\$(17.4)
AFFO/Basic Share						
Net COVID funding (costs)	\$(0.07)	\$0.04	\$(0.11)	\$(0.01)	\$(0.02)	\$0.01
ParaMed CEWS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.14	\$(0.14)

Discontinued Operations –AFFO and AFFO/Basic Share						
	Q4 2022	Q4 2021	Change	YTD 2022	YTD 2021	Change
AFFO from discontinued operations						
Retirement living	\$0.0	\$1.6	\$(1.6)	\$0.9	\$7.1	\$(6.2)
SK LTC homes	(0.3)	0.5	(0.8)	(2.3)	(1.4)	(0.9)
Total	\$(0.3)	\$2.0	\$(2.4)	\$(1.4)	\$5.7	\$(7.1)
AFFO/Basic Share						
Retirement living	–	\$0.02	\$(0.02)	\$0.01	\$0.08	\$(0.07)
SK LTC homes	–	0.01	(0.01)	(0.03)	(0.02)	(0.01)
Total	–	\$0.02	\$(0.03)	\$(0.02)	\$0.06	\$(0.08)

(1) Revenue, NOI and Adjusted EBITDA reflect results from continuing operations

(2) AFFO and AFFO per share include contribution/loss from discontinued operations (retirement living segment and Saskatchewan LTC homes)

(3) Reflects impact of net COVID funding (costs) from continuing operations on Adjusted EBITDA and AFFO

Long-term care

Three and twelve months ended December 31, 2022

Revenue

Q4 2022	\$193.4M	2.0%	↑
YTD 2022	\$767.1M	5.3%	

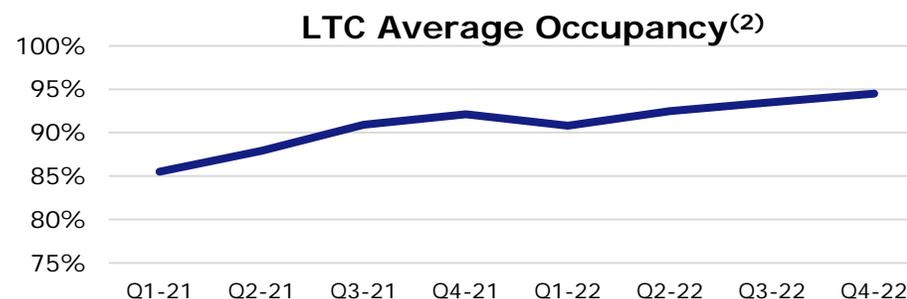
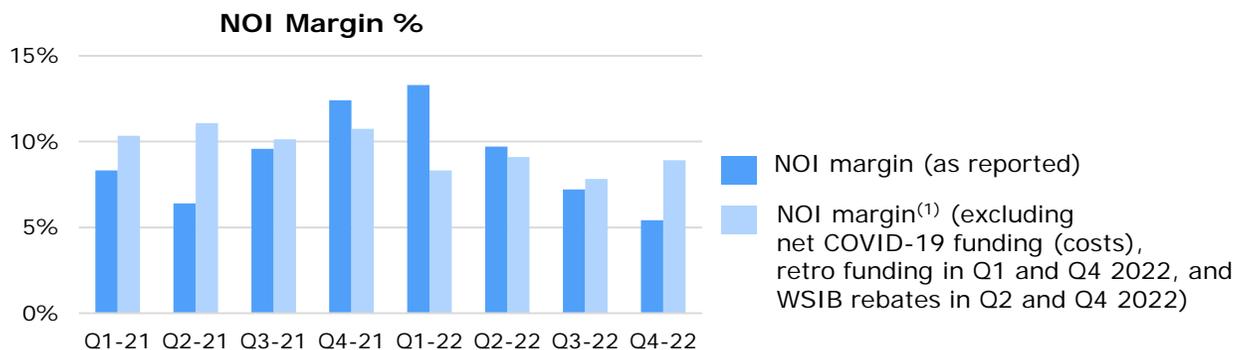
NOI

Q4 2022	\$10.5M	-55.4%	↓
margin	5.4%	-700 bps	
YTD 2022	\$68.5M	1.9%	
margin	8.9%	-30 bps	

Average Occupancy⁽²⁾

Q4 2022	94.5%	240 bps	↑
YTD 2022	92.9%	380 bps	

- **Q4 revenue up \$3.9M** due to funding enhancements, including Ontario flow-through funding of \$13.3M and prior period funding adjustments of \$2.2M, partially offset by lower COVID-19 funding of \$13.0M
- **Q4 NOI down \$13.0M** due to higher unfunded COVID costs of \$13.8M; excluding COVID costs, NOI otherwise up \$0.8M, which included benefit of prior period funding adjustments and workers compensation rebates, partially offset by increased operating costs
 - Insufficient funding to address inflationary pressures
 - Q4 NOI margin⁽¹⁾ excluding net COVID costs and one-time items was 8.9%, down from 10.8% in Q4 2021; increase in flow-through funding impacted NOI margin % by ~80 bps
- **Occupancy up 240 bps**
 - Ontario 97% occupancy threshold for full funding reinstated February 1, 2022; achieved adjusted occupancy⁽³⁾ of 96.9% for 11 months to end of 2022
 - Recovery despite persistent outbreaks; not all homes in Ontario achieved required 97% occupancy resulting in \$0.7M loss in NOI for the year



(1) NOI margins excluding net COVID costs as outlined on Slide 17, prior period funding adjustments (\$2.9M in Q1 2022, \$2.2M in Q4 2022), WSIB rebates (\$1.8M in Q2 2022 and \$0.3M in Q4 2022)

(2) Average occupancy has been restated to exclude third and fourth ward-style beds taken out of service

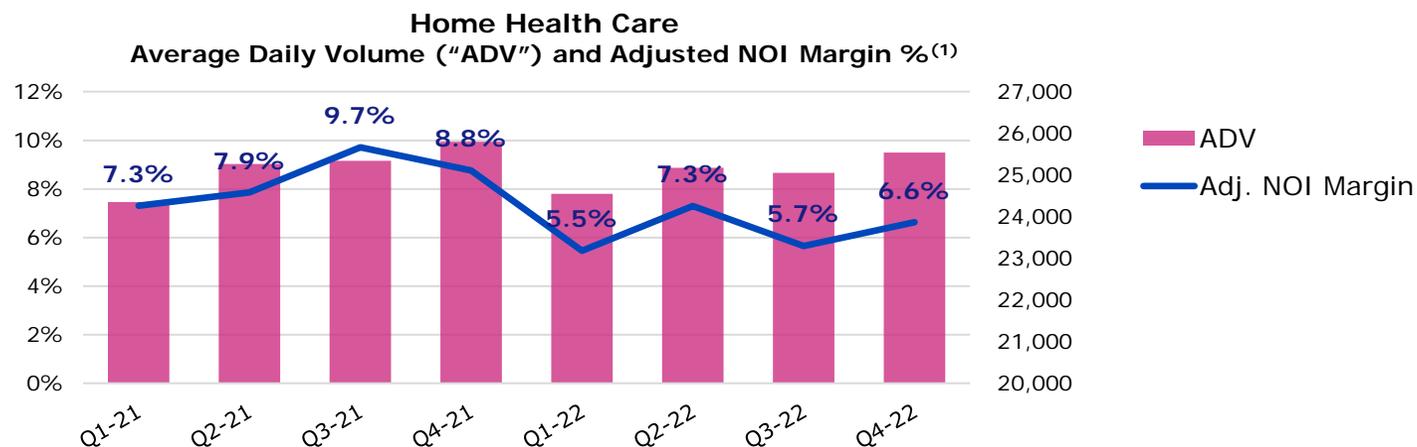
(3) Adjusted occupancy excludes isolation beds

Home health care

Three and twelve months ended December 31, 2022

Revenue		
Q4 2022	\$108.4M	-1.2% ↓
YTD 2022	\$421.6M	2.7%
NOI, as reported		
Q4 2022	\$6.4M	-41.3% ↓
margin	5.9%	-400 bps
YTD 2022	\$22.5M	-54.6%
margin	5.3%	-680 bps
NOI, excluding CEWS		
YTD 2022	\$22.5M	-30.1% ↓
margin	5.3%	-250 bps
Average Daily Volume		
Q4 2022	25,542	-1.0% ↓
YTD 2022	25,082	-0.4%

- **Q4 revenue down \$1.3M** due to lower COVID-19 funding of \$7.8M; revenue otherwise up \$6.5M reflecting billing rate increases and \$6.8M PSW wage enhancement funding, partially offset by \$3.5M retro billing rate increase received in Q4 2021 and 1.0% lower ADV
- **Q4 NOI down \$4.5M** due to increased operating costs, including travel, overtime, recruitment, retention and training to address increased staff turnover and capacity challenges, partially offset by decline in unfunded COVID costs of \$0.3M
- **Sequential ADV up 2.0% from Q3 2022** due in part to easing of staff absenteeism
- **Q4 NOI margin of 6.6%⁽¹⁾ up 90 bps from Q3 2022⁽¹⁾**



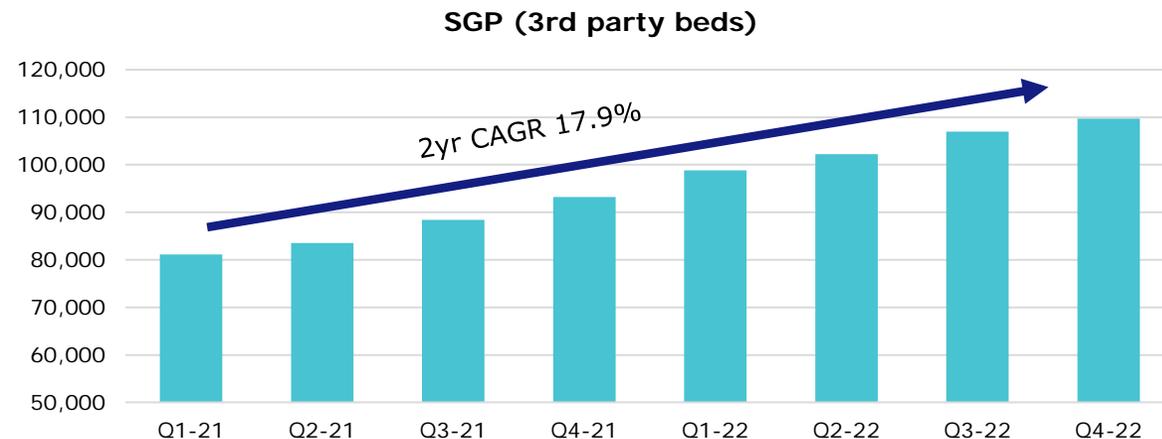
(1) NOI margins exclude net COVID costs as outlined on Slide 17, CEWS (Q4 2020 \$40.4M; Q1 2021 \$9.7M and Q2 2021 \$7.7M), Q2 2022 WSIB rebate of \$2.1M, and Q4 2021 retro billing rate increase of \$3.5M

Managed services⁽¹⁾ | Extendicare Assist and SGP

Three and twelve months ended December 31, 2022

Revenue		
Q4 2022	\$8.6M	24.0% ↑
YTD 2022	\$32.8M	18.2%
NOI		
Q4 2022	\$4.8M	11.2%
Margin	56.0%	-650 bps
YTD 2022	\$17.5M	8.4%
margin	53.3%	-480 bps
Contract Services		
Beds ⁽²⁾	5,959	-4.9%
SGP		
Beds	109,725	17.7% ↑

- **Q4 revenue up \$1.7M** due to timing and mix of Assist services and growth in SGP clients
- **Q4 NOI up \$0.5M** on revenue growth partially offset by increased staff and IT costs in support of growth initiatives
- **Q4 NOI margin of 56.0%** down 650 bps from Q4 2021; full year margins of 53.3% in line with longer term expectations
- **+17.7% growth in SGP beds** from Q4 2021 (+2.6% from Q3 2022)



(1) Managed Services includes the results of Extendicare Assist and SGP divisions; referred to as Other Operations in the most recent AIF

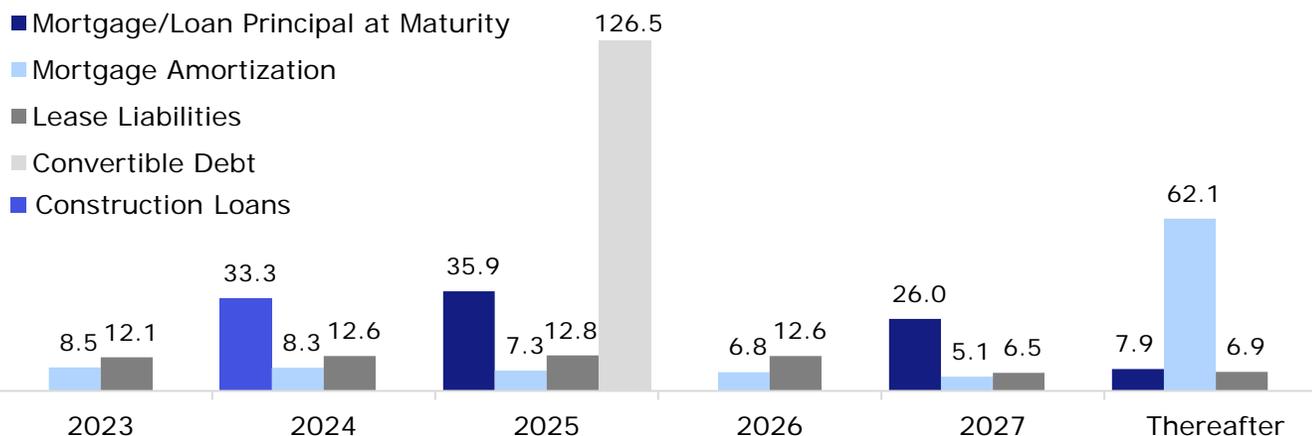
(2) Reduction in beds reflects third and fourth ward-style beds taken out of service in our Assist client homes

Strong financial position

December 31, 2022

Cash	Available Demand Facilities	Undrawn Construction Financing ⁽²⁾	Long-term Debt ⁽¹⁾
\$167M	\$77M	\$123M	\$391M

Debt Maturities (\$ millions)



Strong liquidity position; modest debt maturities due prior to 2025

	TTM Adjusted EBITDA interest coverage	Debt to GBV	Weighted average rate
Q4 2022	2.6x	35.2%	5.5%
Q4 2021	3.5x	44.9%	4.3%

NCIB initiated June 30, 2022

- Provides flexibility to acquire up to 7,829,630 Common Shares for cancellation
- Acquired 5,011,180 Common Shares for \$35.0M (avg. \$6.99/share) in 2022
- Future 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) As at December 31, 2022, \$33.3M drawn on aggregate \$156.6M LTC construction credit facilities

Extendicare

Services that cross the care continuum

Direct services to seniors



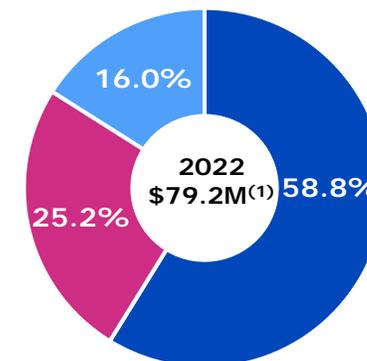
Managed services⁽³⁾



Geographically diversified operations⁽²⁾

Province	ON	AB	MB	BC	QC	Other	Total
LTC homes owned (beds ⁽²⁾)	5,023	1,514	762	-	-	-	7,299
Home health care hours delivered (TTM 000's)	8,530	400	120	-	-	100	9,150
Assist homes under contract (beds)	5,580	211	168	-	-	-	5,959
SGP 3 rd party beds served	37,472	17,695	956	26,570	22,085	4,947	109,725

NOI contribution by segment⁽¹⁾



(1) Excludes the impact of net COVID-19 costs as outlined on Slide 17, and CEWS received by ParaMed Inc. in 2021 of \$17.4M

(2) Figures as at December 31, 2022 (excludes third and fourth ward-style beds taken out of service, of which 185 form part of the Company's 3,285 Class C Beds in Ontario that are eligible to be reinstated upon redevelopment)

(3) Managed Services includes the results of Extendicare Assist and SGP divisions; referred to as Other Operations in the most recent AIF



Thank you

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Appendix

Strategic repositioning

Revera and Axium transactions drive services growth using a less capital intensive approach

- **Add scale in higher-margin managed services** with the addition of management fees for 56 LTC homes and a 15% share of distributions from the Axium JV
- **Less capital-intensive business model** as Axium JV provides capital to support redevelopment of Class C portfolio and potential greenfield LTC builds
- Preferential rights to Revera's 31 Class C redevelopment projects provides **additional growth opportunities**

(1) Based on the anticipated revenue of the 56 managed LTC homes and the Company's incremental costs in respect of such management, the Revera Transactions would have generated for 2022 approximately \$17.0M in incremental annual revenue in our Managed Services segment and, excluding strategic transformation costs, \$0.04 AFFO per basic share and an estimated \$0.01 AFFO per basic share would have been received in 2022 through distributions in respect of our 15% interest in the joint venture owned with Axium

Revera Transaction	Axium JV
Adds 56 LTC homes and ~7,000 beds to managed services segment	Established to acquire Extendicare redevelopment projects
Estimated ~\$17.0M in annualized recurring management fees for Extendicare Assist plus incremental SGP revenue opportunity; estimated AFFO/share \$0.04 ⁽¹⁾	Agreement provides for development fees and recurring management fees payable by the JV to Extendicare on acquired Extendicare Class C redevelopment projects
15% managed interest in the JV with Axium that owns 24 of the 56 LTC homes (~3,000 beds); estimated AFFO/share \$0.01 ⁽¹⁾	Extendicare to hold 15% managed interest in JV with Axium holding the balance
Preferential rights to acquire (either alone or with Axium) any Class C homes redeveloped by Revera (31 homes)	Entered into a purchase and sale agreement with the JV for 3 redevelopment projects currently under construction

Estimated COVID-19 revenue, operating expenses and administrative costs

Three and twelve months ended December 31, 2022

(millions of dollars)	2022					2021					2020
	Q4	Q3	Q2	Q1	Year	Q4	Q3	Q2	Q1	Year	Year
Revenue											
Long-term care	14.4	18.7	17.0	43.1	93.2	27.4	23.3	24.7	45.8	121.2	62.5
Home health care	0.9	3.3	4.5	7.6	16.3	8.7	7.7	7.8	8.8	33.0	23.6
Revenue impact	15.3	22.0	21.5	50.7	109.5	36.1	31.0	32.5	54.6	154.2	86.1
Operating Expenses											
Long-term care	22.1	18.4	16.1	32.3	88.9	21.3	21.9	30.1	44.9	118.2	85.3
Home health care	1.7	4.0	5.9	9.8	21.4	9.8	8.2	8.8	9.0	35.8	24.9
Operating expenses impact	23.8	22.4	22.0	42.1	110.3	31.1	30.1	38.9	53.9	154.0	110.2
NOI											
Long-term care	(7.7)	0.3	0.9	10.8	4.3	6.1	1.4	(5.4)	0.9	3.0	(22.8)
Home health care	(0.8)	(0.7)	(1.4)	(2.2)	(5.1)	(1.1)	(0.5)	(1.0)	(0.2)	(2.8)	(1.3)
NOI impact	(8.5)	(0.4)	(0.5)	8.6	(0.8)	5.0	0.9	(6.4)	0.7	0.2	(24.1)
Administrative costs	-	0.1	0.1	0.1	0.3	0.1	0.8	1.1	0.9	2.9	3.5
Adjusted EBITDA impact	(8.5)	(0.5)	(0.6)	8.5	(1.1)	4.9	0.1	(7.5)	(0.2)	(2.7)	(27.6)
Discontinued operations	-	(0.5)	(1.0)	(3.2)	(4.7)	(0.7)	(0.8)	(2.0)	(2.1)	(5.6)	(2.5)
Total impact	(8.5)	(1.0)	(1.6)	5.3	(5.8)	4.2	(0.7)	(9.5)	(2.3)	(8.3)	(30.1)

(1) Out of period funding towards COVID costs incurred in prior period:

- 2022 of \$17.6M: Q1 2022 of \$13.3M; Q2 2022 of \$1.6M; Q3 2022 of \$1.1M; Q4 of \$1.6M
- 2021 of \$23.9M: Q1 2021 of \$18.8M and Q3 2021 of \$5.1M; Q4 2021 included \$11.9M for Q1 2021 costs

Results – NOI by division⁽¹⁾

Three and twelve months ended December 31, 2022

(\$ millions)

Long-term Care NOI and Margin ⁽¹⁾					
Q4 2022	Q4 2021	Change	YTD 2022	YTD 2021	Change
\$15.7	\$17.4	-9.6%	\$57.5	\$64.3	-10.5%
8.9%	10.8%	-190 bps	8.6%	10.6%	-180 bps
Average Occupancy ⁽²⁾					
94.5%	92.1%	240 bps	92.9%	89.1%	380 bps

Home Health Care NOI and Margin ⁽¹⁾					
Q4 2022	Q4 2021	Change	YTD 2022	YTD 2021	Change
\$7.1	\$8.5	-16.6%	\$25.5	\$35.0	-27.2%
6.6%	8.8%	-220 bps	6.3%	9.3%	-300 bps
Average Daily Volume ("ADV")					
25,542	25,796	-1.0%	25,082	25,194	-0.4%

Managed Services NOI and Margin					
Q4 2022	Q4 2021	Change	YTD 2022	YTD 2021	Change
\$4.8	\$4.3	11.2%	\$17.5	\$16.1	8.4%
56.0%	62.5%	-650 bps	53.3%	58.1%	-480 bps
SGP 3 rd Party Residents at period end					
			109,725	93,208	17.7%

(1) Excludes the impact of COVID-19 related costs and funding as outlined on Slide 17; for the LTC segment, the impact of prior period funding adjustments of \$4.7M FY22 (\$2.9M in Q1 2022 and \$2.2M in Q4 2022) and WSIB rebates of \$2.1M FY22 (\$1.8M in Q2 2022 and \$0.3M in Q4 2022); and for the home health care segment the impact of WSIB rebates of \$2.1M in Q2 2022 and CEWS received in 2021 of \$17.4M

(2) Average occupancy has been restated to exclude third and fourth ward-style beds taken out of service

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live
better

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