



Growing together for a bright future

Q3 2023 Results

Conference Call

November 9, 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 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; 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 Q3 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 Q3 2023 MD&A.

Q3 2023 operating highlights

- Improving performance and growth in operating metrics reflect stronger execution

	vs. Q3 2022	vs. Q2 2023
LTC occupancy	+430 bps	+60 bps
Home health care ADV	+9.3%	+1.0%
SGP customer base	+20.5%	+11.6%

- Continued improvement in LTC occupancy
- LTC costs aligning with funding to improve LTC NOI margins
- Continued growth in home health care volumes despite seasonal softness
- Continued strong growth in the SGP customer base
- First look at transaction impacts on managed services segment results



Steady growth in operating metrics reflects compelling market opportunity

Revera and Axiom transactions closed in Q3

Foundation in place to drive growth using a less capital-intensive, higher margin business model

Axiom transaction closed September 13, 2023

960 LTC beds	Axiom JV acquired four Ontario construction projects (960 beds) with Extencicare retaining a 15% managed interest. Poised to support the capital needs for our 3,285 LTC C bed redevelopment program.
\$59.0M cash proceeds	\$147.3M purchase price; \$8.7M gain, net of Extencicare's 15% retained interest, taxes and closing costs. JV assumes \$72.3M in long-term debt.
Development & Management Fees	Axiom JV will pay development fees to Extencicare, then management fees once operational

Revera transactions closed August 1, 2023

+7,000 beds	Adds 56 homes (~7,000 beds) to managed services segment , 25 held by Axiom JV II, with Extencicare having a 15% managed interest
\$32.6M cash consideration	Extencicare assumed 15% share of the joint venture debt of \$37.1M
Added ~\$4.0M managed services revenue in Q3-23	Management fees earned on the 56 homes for the two months ended September 30, 2023 added: ~\$4.0M in revenue and ~\$2.0M in NOI to managed services segment in Q3 2023; ~\$2.0M in AFFO including our 15% share of JV AFFO (\$0.023 per basic share)
Positioned for growth	Extencicare will focus on expanding LTC managed services, building new homes through its JV partnerships with Axiom and growing home health care volumes and services

Committed to LTC redevelopment

Commenced construction on fifth LTC redevelopment project

- In October 2023, commenced construction of a new 256-bed LTC home in Orleans (Ottawa region) with targeted opening in Q2 2026; the project is anticipated to be purchased by Axium JV
- The new Ottawa project, together with the four projects already under construction, total 1,216 new beds, replacing 1,074 Class C LTC beds in Ontario
- Continue to advance the remaining 15 homes in our redevelopment portfolio (replacing 2,211 Class C beds with 3,032 new beds) to be ready when capital funding becomes available
- Working with Axium to evaluate purchase of future Revera LTC redevelopment projects into Axium JV II





Financial review

Q3 2023

Consolidated results

Three and nine months ended September 30, 2023

(\$ millions, except per share amounts)

	Q3 2023	Q3 2022	Change	YTD 2023	YTD 2022	Change
Revenue ⁽¹⁾	\$322.5	\$308.9	4.4% ↑	\$954.8	\$911.2	4.8% ↑
NOI ⁽¹⁾	\$35.2	\$23.5	49.7% ↑	\$108.2	\$86.8	24.6% ↑
Margin	10.9%	7.6%	330 bps	11.3%	9.5%	180 bps
Adjusted EBITDA ⁽¹⁾	\$20.8	\$10.0	107.0% ↑	\$66.5	\$48.3	37.7% ↑
margin	6.4%	3.2%	320 bps	7.0%	5.3%	170 bps
Earnings (loss) from continuing operations	\$11.8	\$(4.4)	371.2% ↑	\$25.4	\$3.2	693.8% ↑
- per basic share	\$0.14	\$(0.04)		\$0.30	\$0.04	
AFFO ⁽²⁾	\$12.3	\$2.1	481.9% ↑	\$42.2	\$24.3	73.9% ↑
- per basic share	\$0.14	\$0.02		\$0.49	\$0.27	
Payout ratio	82%	501%		72%	132%	

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

- Q3 NOI up \$11.7M to \$35.2M, reflecting growth in home health care ADV, rate increases, improved alignment of LTC costs with funding, increased occupancy, and growth in managed services
- Q3 AFFO/basic share up \$0.12 from PY, reflecting increase in Adjusted EBITDA, partially offset by higher taxes and maintenance capex
- Revera Transactions contributed ~\$4.0M in revenue, ~\$2.0M in NOI and ~\$2.0M in AFFO (\$0.023 per basic share, including 15% interest in joint venture AFFO)
- Full integration of Revera platform expected to be complete by end of 2024; estimated additional strategic transformation costs related to the integration over the next five quarters are \$10.0 to \$12.0M

Impact of select items on Adjusted EBITDA and AFFO/basic share⁽²⁾⁽³⁾

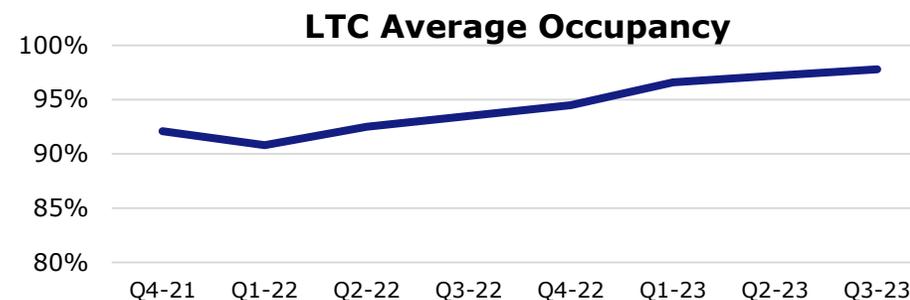
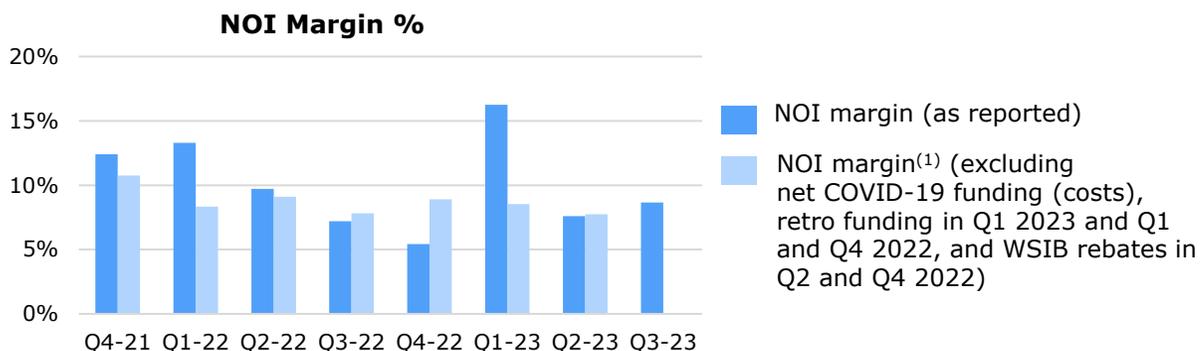
	Q3 2023	Q3 2022	Change	YTD 2023	YTD 2022	Change
Impact on:						
Adjusted EBITDA						
Net COVID funding (costs)	\$0.0	\$(0.5)	\$0.5	\$12.1	\$7.4	\$4.7
Prior period funding/workers compensation rebates	\$0.0	\$0.0	\$0.0	\$6.6	\$6.8	\$(0.2)
AFFO/Basic Share						
Net COVID funding	-	-	-	\$0.10	\$0.06	\$0.04
Prior period funding/workers compensation rebates	-	-	-	\$0.06	\$0.06	-

Long-term care

Three and nine months ended September 30, 2023

Revenue			
Q3 2023	\$191.7M	-0.3%	↓
YTD 2023	\$581.7M	1.4%	
NOI			
Q3 2023	\$16.6M	19.8%	↑
margin	8.7%	150 bps	
YTD 2023	\$64.2M	10.6%	
margin	11.0%	90 bps	
Average occupancy			
Q3 2023	97.8%	430 bps	↑
YTD 2023	97.2%	490 bps	

- **Q3 revenue down \$0.6M**; excluding a reduction in COVID-19 funding of \$18.7M, revenue up \$18.1M due to funding enhancements and timing of spend, including Ontario flow-through funding of \$7.5M and improvements in occupancy
- **Q3 NOI up \$2.7M**; excluding impact of COVID-19 recoveries of \$0.3M, NOI up \$3.0M, reflecting lower staffing agency use, funding enhancements, timing of spend and increased occupancy
 - Q3 NOI margin was 8.7%, up 110 bps from 7.8% in Q3 2022⁽¹⁾
- **Occupancy up 430 bps from Q3 2022 and up 60 bps from Q2 2023**



(1) NOI margins excluding net COVID funding (costs) as outlined on Slide 16, 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)

Home health care

Three and nine months ended September 30, 2023

Revenue

Q3 2023	\$118.1M	9.6% ↑
YTD 2023	\$341.9M	9.2%

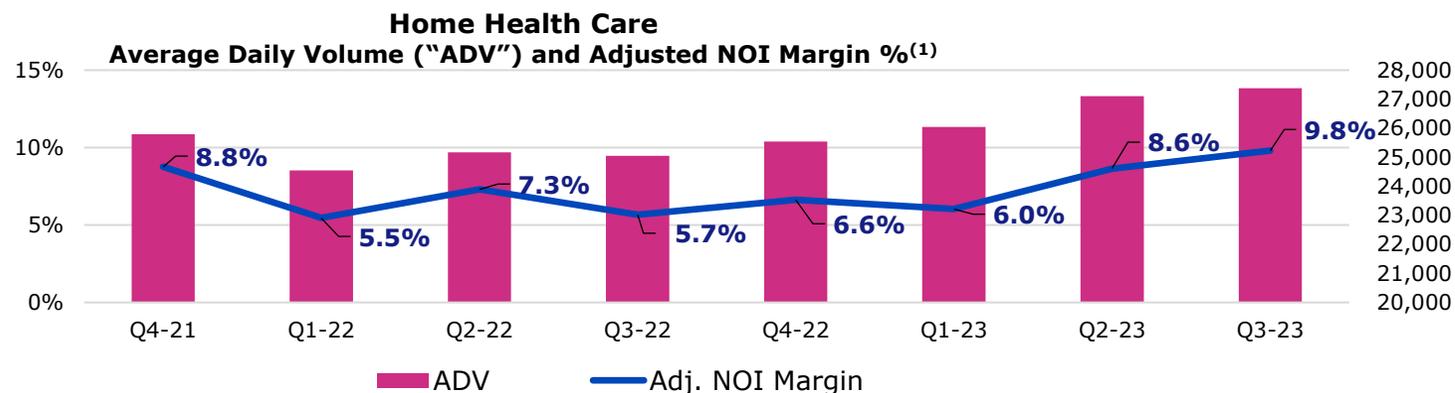
NOI

Q3 2023 margin	\$11.6M 9.8%	123.5% ↑ 500 bps
YTD 2023 margin	\$28.1M 8.2%	74.4% 310 bps

Average daily volume

Q3 2023	27,378	9.3% ↑
YTD 2023	26,846	7.7%

- **Q3 revenue up \$10.4M**; excluding reduction in COVID-19 funding of \$3.3M, revenue up \$13.7M, reflecting 9.6% increase in ADV and billing rate increases
- **Q3 NOI up \$6.4M**; excluding impact of unfunded COVID-19 costs of \$0.7M, NOI up \$5.7M, reflecting higher volume and rate increases, partially offset by higher wages and benefits
 - Q3 NOI margin was 9.8%, up 410 bps from 5.7% in Q3 2022⁽¹⁾
- **Sequential ADV up 1.0% from Q2 2023 and NOI margin up 120 bps⁽¹⁾**



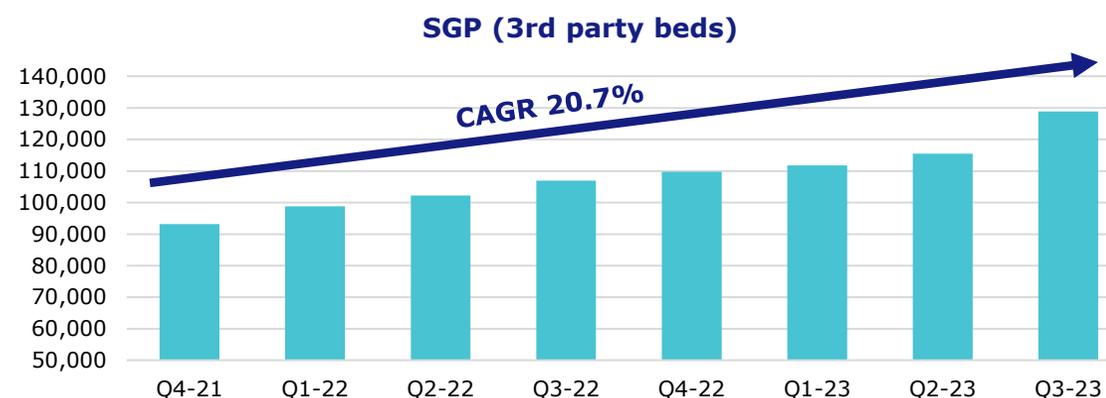
(1) NOI margins excluding net COVID costs as outlined on Slide 16, retro billing rate increases (\$3.5M in Q4 2021) and WSIB rebates (\$2.1M in Q2 2022)

Managed services | Extendicare Assist and SGP

Three and nine months ended September 30, 2023

Revenue		
Q3 2023	\$12.7M	44.3% ↑
YTD 2023	\$31.2M	28.8%
NOI		
Q3 2023	\$7.0M	56.5% ↑
<i>margin</i>	<i>55.2%</i>	<i>430 bps</i>
YTD 2023	\$15.9M	25.8%
<i>margin</i>	<i>51.1%</i>	<i>-120 bps</i>
Management contract beds		
Third party	6,780	} 59.1% ↑
Joint venture	3,182	
SGP 3rd party & joint venture beds		
Beds	128,901	20.5% ↑

- **Q3 revenue up \$3.9M** due largely to addition of 56 homes and ~7,000 beds from Revera transactions and other new SGP clients, partially offset by reduction in scope of services of some Assist clients
- **Q3 NOI up \$2.5M** on revenue growth, partially offset by higher costs to support the new clients and changes to mix of Assist consulting and other services
 - Q3 contribution from Revera transactions, ~\$4.0M in revenue and \$2.0M in NOI (representing two-month results from August 1, 2023 closing of Revera transactions)
- **Q3 growth in SGP beds:**
+20.5% from Q3 2022 | **+11.6%** from Q2 2023



Strong financial position

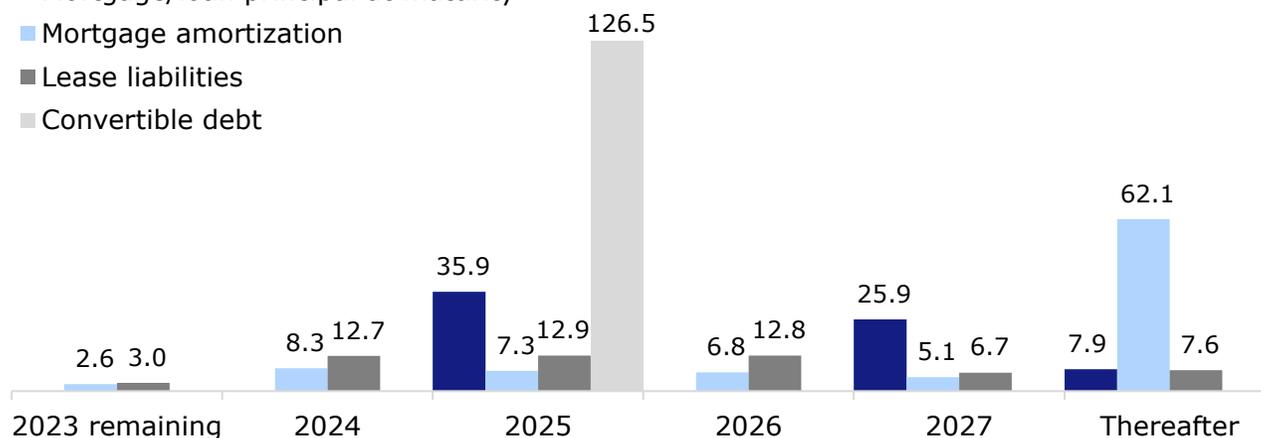
September 30, 2023

Cash	Available demand facilities	Long-term debt ⁽¹⁾	Long-term debt ⁽¹⁾ (including 15% JV share ⁽²⁾)
\$96M	\$76M	\$344M	\$395M

	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)
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)

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



Strong liquidity position; no debt maturities until 2025

NCIB renewed June 30, 2023

- Acquired 1,398,033 common shares year to date at a cost of \$8.8M (avg \$6.29/share); total of \$43.8M returned to shareholders since June 2022 on cancellation of 6,409,213 shares
- Renewed NCIB provides flexibility to purchase up to 7,273,707 common shares (6,503,174 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 September 30, 2023 and TTM EBITDA and net interest expense of the joint ventures, as applicable

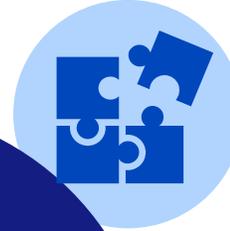
(3) Debt maturities exclude 15% share of Axium JV and Axium JV II long-term debt

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

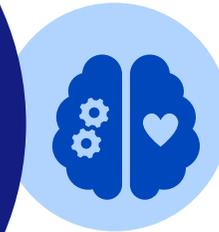


Helping people live better

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



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**





Thank you

Extendicare

ParaMed[™]
Redefining Care

EXTENDICARE[®]
assist
Management & Consulting Services

SGP | PURCHASING
PARTNER
NETWORK
Better all together[™]

Appendix



Extendicare

Services that cross the care continuum

Direct services to seniors

Long-term care



53

Long-term care homes owned

Home health care



9.7M

Home health care hours delivered (TTM)

Managed services

Management and consulting services



73

Homes under management contract

Group purchasing services



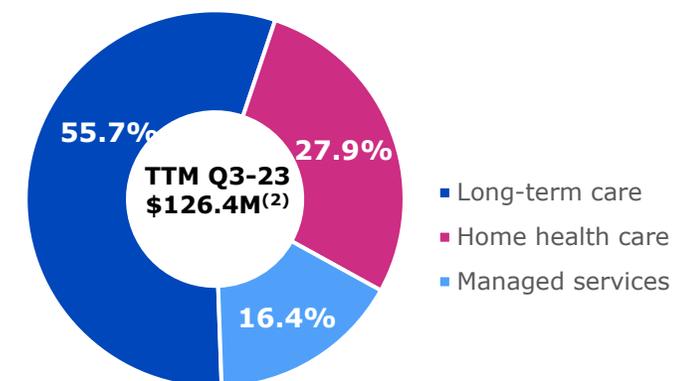
129K

Third-party beds served

Geographically diversified operations

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)	9,030	420	80	-	-	150	9,680
Assist beds under management contract ⁽¹⁾	8,671	102	1,189	-	-	-	9,962
SGP 3 rd party & joint venture beds served	48,507	19,263	2,067	27,236	26,779	5,049	128,901

NOI contribution by segment⁽²⁾



(1) Represents 73 homes, including 25 LTC homes owned in the joint venture with Axiom in which the Company has a 15% managed interest

(2) Excludes the impact of net COVID-19 costs as outlined on Slide 16

Estimated COVID-19 revenue, operating expenses and administrative costs

Three and nine months ended September 30, 2023

All COVID funding supports ended Q2 2023 across all provinces in which we operate

<i>(millions of dollars)</i>	2023			2022					2021	
	Q2	Q1	YTD Q3	Q4	Q3	Q2	Q1	YTD Q3	Year	Q4
Revenue										
Long-term care	3.6	24.1	27.7	14.4	18.7	17.0	43.1	78.8	93.2	27.4
Home health care	0.3	0.7	1.0	0.9	3.3	4.5	7.6	15.4	16.3	8.7
Revenue impact	3.9	24.8	28.7	15.3	22.0	21.5	50.7	94.2	109.5	36.1
Operating Expenses										
Long-term care	3.6	12.0	15.6	22.1	18.4	16.1	32.3	66.8	88.9	21.3
Home health care	0.3	0.7	1.0	1.7	4.0	5.9	9.8	19.7	21.4	9.8
Operating expenses impact	3.9	12.7	16.6	23.8	22.4	22.0	42.1	86.5	110.3	31.1
NOI										
Long-term care	-	12.1	12.1	(7.7)	0.3	0.9	10.8	12.0	4.3	6.1
Home health care	-	-	-	(0.8)	(0.7)	(1.4)	(2.2)	(4.3)	(5.1)	(1.1)
NOI impact	-	12.1	12.1	(8.5)	(0.4)	(0.5)	8.6	7.7	(0.8)	5.0
Administrative costs	-	-	-	-	0.1	0.1	0.1	0.3	0.3	0.1
Adjusted EBITDA impact	-	12.1	12.1	(8.5)	(0.5)	(0.6)	8.5	7.4	(1.1)	4.9
Discontinued operations	-	-	-	-	(0.5)	(1.0)	(3.2)	(4.7)	(4.7)	(0.7)
Total impact	-	12.1	12.1	(8.5)	(1.0)	(1.6)	5.3	2.7	(5.8)	4.2

(1) Out of period funding towards COVID costs incurred in prior periods contributed to quarterly volatility:

- Q1 2023 of \$13.1M
- 2022 of \$17.6M: Q1 of \$13.3M; Q2 of \$1.6M; Q3 of \$1.1M; Q4 of \$1.6M
- Q4 2021 of \$11.9M

Results – NOI by division⁽¹⁾

Three and nine months ended September 30, 2023

(\$ millions)

Long-term care NOI and margin⁽¹⁾

Q3 2023	Q3 2022	Change	YTD 2023	YTD 2022	Change
\$16.6	\$13.6	22.1%	\$45.6	\$41.4	10.1%
8.7%	7.8%	90 bps	8.3%	8.4%	-10 bps

Average occupancy

97.8%	93.5%	430 bps	97.2%	92.3%	490 bps
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Home health care NOI and margin⁽¹⁾

Q3 2023	Q3 2022	Change	YTD 2023	YTD 2022	Change
\$11.6	\$5.9	96.2%	\$28.1	\$18.3	53.1%
9.8%	5.7%	410 bps	8.2%	6.2%	200 bps

Average daily volume

27,378	25,051	9.3%	26,846	24,928	7.7%
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Managed services NOI and margin

Q3 2023	Q3 2022	Change	YTD 2023	YTD 2022	Change
\$7.0	\$4.5	56.5%	\$15.9	\$12.7	25.8%
55.2%	50.9%	430 bps	51.1%	52.3%	-120 bps

SGP 3rd party & joint venture beds at period end

128,901	106,989	20.5%
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(1) Excludes the impact of COVID-19 related costs and funding as outlined on Slide 16; for the LTC segment – the impact of prior period funding adjustments (\$2.9M in Q1 2022 and \$6.6M in Q1 2023) and WSIB rebates (\$1.8M in Q2 2022); for the home health care segment – the impact of WSIB rebates (\$2.1M in Q2 2022)

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people
live
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