

Extendicare Announces 2025 Third Quarter Results

MARKHAM, ONTARIO, November 11, 2025 – Extendicare Inc. (“Extendicare” or the “Company”) (TSX: EXE) today reported results for the three and nine months ended September 30, 2025.

Third Quarter 2025 Highlights

- Completed the acquisition of Closing the Gap for approximately \$75.1 million in cash, subject to customary working capital and other adjustments.
- Adjusted EBITDA⁽¹⁾, excluding out-of-period items, increased by \$12.6 million or 36.6% to \$46.9 million, driven by continued growth in the home health care segment, improvements in long-term care (“LTC”) and a full quarter of contributions from the acquisition of nine Class C LTC homes and Closing the Gap.
- Home health care average daily volume (“ADV”) increased by 7,428 or 24.6% to 37,609 from Q3 2024, including ADV of 3,500 from Closing the Gap.
- Third-party and joint venture beds serviced by SGP reached 152,100 beds, an increase of 6.0% from Q3 2024, driven by continued organic growth.

“This quarter marks our strongest performance in recent years, reflecting margin improvements across all segments, augmented by a full quarter impact of our recent acquisitions,” said Dr. Michael Guerriere, President and Chief Executive Officer. “Home health care volumes grew almost 25% from the prior year, reflecting 13% organic growth and the addition of Closing the Gap. The aging demographic is driving demand in a fragmented seniors care market, providing opportunity for further accretive acquisitions that demonstrate the value creation potential of our strategy.”

Completed the Acquisition of Closing the Gap

On July 1, 2025, the Company completed the acquisition of all of the issued and outstanding shares of Closing the Gap and certain affiliates (collectively “Closing the Gap”) (the “CTG Transaction”). CTG brings a team of 1,200 caregivers who delivered 1.1 million service hours in 2024 and have deep capabilities in nursing, allied health and paediatric services, broadening our home health services.

The purchase price of \$75.1 million in cash, subject to customary working capital and other adjustments, was funded from cash on hand and a draw of \$55.0 million on the senior secured credit facility. The CTG Transaction includes an earnout that rewards new business revenue generation in the twelve months after closing. The Company anticipates that the additional purchase price from the earnout would be in the range of \$1.5 million to \$2.0 million, payable on the first anniversary of closing, based on estimated new business revenue of \$3.0 to \$4.0 million. Additionally, the Company expects to generate approximately \$1.1 million in annualized cost synergies in the first year as the operations are integrated.

Q3 2025 Financial Highlights (all comparisons with Q3 2024)

- Revenue increased \$81.2 million to \$440.3 million; excluding the impact of out-of-period LTC funding in both periods, revenue increased by \$79.1 million or 22.1% to \$436.4 million from \$357.3 million, driven primarily by the acquisition of nine Class C LTC homes (the “LTC Acquisition”), the CTG Transaction, LTC funding increases, home health care ADV growth and rate increases, partially offset by the closure of two Class C LTC homes that were vacated following the opening of newly developed LTC homes in Axiom JV.
- NOI⁽¹⁾ increased \$15.8 million to \$65.9 million; excluding the impact of out-of-period LTC funding, NOI improved by \$13.7 million or 28.3% to \$62.0 million from \$48.3 million, reflecting revenue growth, partially offset by higher operating costs.

- Adjusted EBITDA⁽¹⁾ increased \$14.7 million to \$50.8 million; excluding the impact of out-of-period funding, Adjusted EBITDA increased by \$12.6 million or 36.6% to \$46.9 million (10.7% of revenue) in Q3 2025 from \$34.3 million (9.6% of revenue) in Q3 2024, reflecting the increase in NOI, partially offset by higher administrative costs of \$1.1 million, largely due to higher labour and technology costs.
- Other expense increased \$0.9 million to \$2.0 million, reflecting transaction-related legal and professional costs incurred in Q3 2025 compared to \$1.1 million in strategic transformation costs incurred in Q3 2024.
- Net earnings increased \$7.8 million or 48.0% to \$24.1 million, largely driven by the increase in Adjusted EBITDA, partially offset by higher depreciation and amortization costs and net finance costs.
- AFFO⁽¹⁾ increased to \$29.5 million (\$0.349 per basic share) from \$23.1 million (\$0.274 per basic share); excluding the impact of out-of-period items, AFFO improved by \$4.4 million or 20.1% to \$26.2 million (\$0.309 per basic share) from \$21.8 million (\$0.259 per basic share), largely reflecting the improvement in Adjusted EBITDA, partially offset by increased current income taxes and higher maintenance capex, in part due to the LTC Acquisition.

Nine Months Financial Highlights (all comparisons with Nine Months 2024)

- Revenue increased \$123.7 million to \$1,198.4 million; excluding the impact of out-of-period funding in both periods, revenue increased by \$137.9 million or 13.2% to \$1,185.1 million from \$1,047.1 million, driven primarily by four months of the LTC Acquisition, three months of the CTG Transaction, LTC funding increases, home health care ADV growth and rate increases, partially offset by the closure of three Class C LTC homes that were vacated following the opening of new LTC homes in Axiom JV.
- NOI⁽¹⁾ increased \$23.4 million to \$171.1 million; excluding the impact of out-of-period items, NOI improved by \$28.4 million or 21.3% to \$162.2 million from \$133.8 million, reflecting revenue growth, partially offset by higher operating costs.
- Adjusted EBITDA⁽¹⁾ increased \$21.3 million to \$126.2 million; excluding the impact of out-of-period funding, Adjusted EBITDA increased by \$26.3 million or 28.9% to \$117.3 million (9.9% of revenue) from \$91.0 million (8.7% of revenue), reflecting the increase in NOI, partially offset by higher administrative costs of \$2.1 million, largely due to higher labour and technology costs.
- Other income increased \$4.0 million to \$6.7 million, reflecting a \$5.0 million increase in gains from asset sales and a \$1.6 million reduction in strategic transformation costs, partially offset by \$2.6 million in transaction-related legal and professional costs.
- Net earnings increased \$15.8 million or 28.6% to \$71.1 million, largely driven by the increase in Adjusted EBITDA and contribution from other income of \$4.0 million (\$2.5 million net of tax), partially offset by a \$0.9 million reduction in the share of profit from joint ventures and higher depreciation and amortization costs.
- Share of profit from joint ventures declined \$0.9 million to \$0.9 million; excluding a reduction in out-of-period items of approximately \$0.4 million, the decline of \$0.6 million related to increased depreciation and amortization costs and higher net finance costs associated with the opening of three new homes in the joint ventures and elevated operating costs associated with the opening of the new homes.
- AFFO⁽¹⁾ increased to \$74.1 million (\$0.877 per basic share) from \$63.8 million (\$0.758 per basic share); excluding the impact of out-of-period items, AFFO increased by \$14.4 million or 27.2% to \$67.3 million (\$0.796 per basic share) from \$52.9 million (\$0.628 per basic share), largely reflecting the improvement in Adjusted EBITDA and lower maintenance capex, partially offset by increased current income taxes and an unfavourable change in the adjustment for non-cash share-based compensation.

Business Updates

The following is a summary of Extendicare's revenue, NOI⁽¹⁾ and NOI margins⁽¹⁾ by business segment for the three and nine months ended September 30, 2025 and 2024.

(unaudited) (millions of dollars unless otherwise noted)	Three months ended September 30						Nine months ended September 30					
	2025			2024			2025			2024		
	Revenue	NOI	Margin	Revenue	NOI	Margin	Revenue	NOI	Margin	Revenue	NOI	Margin
Long-term care	237.9	31.6	13.3%	201.8	24.6	12.2%	642.8	76.7	11.9%	602.5	75.6	12.5%
Home health care	186.8	25.4	13.6%	138.4	15.6	11.3%	503.7	65.9	13.1%	418.3	43.5	10.4%
Managed services	15.6	8.9	57.2%	18.8	9.9	52.6%	51.9	28.5	54.9%	53.9	28.6	53.2%
	440.3	65.9	15.0%	359.1	50.1	14.0%	1,198.4	171.1	14.3%	1,074.6	147.7	13.7%

Note: Totals may not sum due to rounding.

Long-term Care

LTC average occupancy increased by 10 bps to 98.5% in Q3 2025 from 98.4% in Q3 2024.

Revenue increased by \$36.1 million or 17.9% to \$237.9 million in Q3 2025. Excluding out-of-period funding recognized of \$3.9 million in Q3 2025 and \$1.8 million in Q3 2024, revenue increased by \$34.0 million, largely driven by approximately \$32.9 million from the LTC Acquisition, funding increases, timing of spend and improved preferred occupancy, partially offset by a revenue reduction of approximately \$8.0 million due to the closure of two Class C LTC homes replaced by newly opened LTC homes in Axium JV.

NOI and NOI margin were \$31.6 million and 13.3% respectively in Q3 2025, compared to \$24.6 million and 12.2% in Q3 2024. Excluding the increase in out-of-period funding of \$2.1 million, NOI improved by \$4.8 million or 21.2% to \$27.7 million (11.8% of revenue) from \$22.8 million (11.4% of revenue) in Q3 2024. This increase reflects approximately \$3.2 million from the LTC Acquisition, funding enhancements, timing of spend, and improved preferred occupancy, partially offset by higher operating costs, and an NOI reduction of approximately \$0.6 million due to the closure of two redeveloped Class C LTC homes.

Home Health Care

Home health care ADV of 37,609 in Q3 2025 increased by 24.6% from Q3 2024, consisting of 13.0% organic growth augmented by a full quarter of volume from the CTG Transaction.

Revenue increased to \$186.8 million in Q3 2025, an increase of 35.0% from Q3 2024, driven by the \$24.0 million contribution from the CTG Transaction, 13.0% growth in ADV and rate increases.

NOI and NOI margin were \$25.4 million and 13.6% in Q3 2025, an increase of 63.2% from \$15.6 million and 11.3% in Q3 2024. The increase in NOI of \$9.9 million includes \$3.1 million from a full quarter of the CTG Transaction, organic growth and rate increases, partially offset by increased wages and benefits.

Managed Services

At the end of Q3 2025, the number of third-party and joint venture beds served by SGP increased to approximately 152,100, an increase of 6.0% from the prior year period. Extendicare Assist held management contracts for 40 homes comprising 6,237 beds and provided a further 25 homes with consulting and other services.

Revenue decreased by \$3.3 million or 17.4% to \$15.6 million in Q3 2025 due primarily to the sale by Revera of 30 Class C LTC homes that had been operated by Extendicare Assist under management contracts, nine of which were acquired by the Company, partially offset by changes in the mix of Extendicare Assist services, management fees from newly opened homes in Axium JV and growth in SGP clients. NOI decreased by \$1.0 million or 10.2% to \$8.9 million (57.2% of revenue).

Financial Position

Extendicare had strong liquidity at September 30, 2025, with cash and cash equivalents on hand, excluding restricted cash, of \$165.7 million and access to a further \$154.0 million under its revolving credit facility.

Select Financial Information

The following is a summary of the Company's consolidated financial information for the three and nine months ended September 30, 2025 and 2024.

(unaudited) (thousands of dollars unless otherwise noted)	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Revenue	440,275	359,061	1,198,374	1,074,638
Operating expenses	374,373	308,944	1,027,272	926,971
NOI⁽¹⁾	65,902	50,117	171,102	147,667
NOI margin ⁽¹⁾	15.0%	14.0%	14.3%	13.7%
Administrative costs	15,131	14,010	44,940	42,817
Adjusted EBITDA⁽¹⁾	50,771	36,107	126,162	104,850
Adjusted EBITDA margin ⁽¹⁾	11.5%	10.1%	10.5%	9.8%
Other (expense) income	(2,020)	(1,082)	6,720	2,704
Share of profit from investment in joint ventures	846	431	930	1,826
Net earnings	24,119	16,295	71,077	55,281
per basic share (\$)	0.285	0.194	0.841	0.657
per diluted share (\$)	0.281	0.187	0.829	0.629
AFFO⁽¹⁾	29,535	23,125	74,118	63,828
per basic share (\$)	0.349	0.274	0.877	0.758
per diluted share (\$)	0.345	0.253	0.865	0.702
Maintenance capex	5,604	4,093	13,471	12,333
Cash dividends declared per share	0.126	0.120	0.374	0.360
Payout ratio⁽¹⁾	36%	43%	42%	47%
Weighted average number of shares (000's)				
Basic	84,626	84,237	84,524	84,202
Diluted	85,716	95,556	85,688	95,537

Extendicare's disclosure documents, including its Management's Discussion and Analysis ("MD&A"), may be found on SEDAR+ at www.sedarplus.ca under the Company's issuer profile and on the Company's website at www.extendicare.com under the "Investors/Financial Reports" section.

November Dividend Declared

The Board of Directors of Extendicare today declared a cash dividend of \$0.042 per share for the month of November 2025, which is payable on December 15, 2025, to shareholders of record at the close of business on November 28, 2025. This dividend is designated as an "eligible dividend" within the meaning of the Income Tax Act (Canada).

Conference Call and Webcast

Extendicare will hold a conference call to discuss its 2025 third quarter results on November 12, 2025, at 11:30 a.m. (EDT). The call will be webcast live and archived online at www.extendicare.com under the "Investors/Events & Presentations" section. Alternatively, the call-in number is 1-833-752-3395. A replay of the call will be available approximately two hours after completion of the live call until midnight on November 28, 2025, by dialing 1-855-669-9658 followed by the passcode 4860485#.

About Extendicare

Extendicare is a leading provider of care and services for seniors across Canada, operating under the Extendicare, ParaMed, Extendicare Assist, and SGP Purchasing Network brands. We are committed to delivering quality care to meet the needs of the growing seniors' population, inspired by our mission to provide people with the care they need, wherever they call home. We operate a network of 99 long-term care homes (59 owned, 40 under management contracts), deliver approximately 13.5 million hours of home health care services annually, and provide group purchasing services to third parties representing approximately 152,100 beds across Canada. Extendicare proudly employs approximately 28,000 qualified, highly trained and dedicated team members who are passionate about providing high-quality care and services to help people live better.

Non-GAAP Measures

Certain measures used in this press release, such as "net operating income", "NOI", "NOI margin", "Adjusted EBITDA", "Adjusted EBITDA margin", "AFFO", and "payout ratio", including any related per share amounts, are not measures recognized under GAAP and do not have standardized meanings prescribed by GAAP. These measures may differ from similar computations as reported by other issuers and, accordingly, may not be comparable to similarly titled measures as reported by such issuers. These measures are not intended to replace earnings (loss) from continuing operations, net earnings (loss), cash flow, or other measures of financial performance and liquidity reported in accordance with GAAP. Such items are presented in this document because management believes that they are relevant measures of Extendicare's operating performance and ability to pay cash dividends.

Management uses these measures to exclude the impact of certain items, because it believes doing so provides investors a more effective analysis of underlying operating and financial performance and improves comparability of underlying financial performance between periods. The exclusion of certain items does not imply that they are non-recurring or not useful to investors.

Detailed descriptions of these measures can be found in Extendicare's Q3 2025 MD&A (refer to "Non-GAAP Measures"), which is available on SEDAR+ at www.sedarplus.ca and on Extendicare's website at www.extendicare.com.

Reconciliations for certain non-GAAP measures included in this press release are outlined below.

The following table provides a reconciliation of AFFO to "net cash from operating activities", which the Company believes is the most comparable GAAP measure to AFFO.

(unaudited) (thousands of dollars)	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Net cash from operating activities	63,878	42,518	135,235	126,089
Add (Deduct):				
Net change in operating assets and liabilities, including interest, and taxes	(32,139)	(16,829)	(55,062)	(56,553)
Other expense	2,020	1,082	5,803	4,810
Current income tax on items excluded from AFFO	-	(287)	(945)	(918)
Depreciation for office leases	(815)	(741)	(2,303)	(2,167)
Depreciation for FFEC (maintenance capex)	(2,044)	(1,959)	(5,871)	(5,872)
Additional maintenance capex	(3,250)	(1,863)	(6,977)	(5,597)
Principal portion of government capital funding	410	396	1,218	1,255
AFFO for joint ventures	1,475	808	3,020	2,781
AFFO	29,535	23,125	74,118	63,828

The following table provides a reconciliation of “earnings before income taxes” to Adjusted EBITDA and “net operating income”.

(unaudited) (thousands of dollars)	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Earnings before income taxes	34,379	22,657	94,710	73,142
Add (Deduct):				
Depreciation and amortization	9,918	8,635	26,671	24,839
Net finance costs	5,300	4,164	12,431	11,399
Other expense (income)	2,020	1,082	(6,720)	(2,704)
Share of profit from investment in joint ventures	(846)	(431)	(930)	(1,826)
Adjusted EBITDA	50,771	36,107	126,162	104,850
Administrative costs	15,131	14,010	44,940	42,817
Net operating income	65,902	50,117	171,102	147,667

Forward-looking Statements

This press release contains forward-looking statements concerning anticipated future events, results, circumstances, economic performance or expectations with respect to Extendicare and its subsidiaries, including, without limitation: statements regarding its dividend levels, business operations, business strategy, growth strategy, results of operations and financial condition, including anticipated timelines and costs in respect of development projects; and statements relating to the acquisition of Closing the Gap, including anticipated synergies, new business revenue and earnout amounts, and the agreements entered into with Revera, Axiom and its affiliates, Axiom JV and/or Axiom JV II in respect of the acquisition, disposition, ownership, operation and redevelopment of LTC homes in Ontario and Manitoba. 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. These statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of the Company 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 2025 MD&A 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. Given these risks and uncertainties, readers are cautioned not to place undue reliance on Extendicare’s forward-looking statements. 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.

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Endnote

- (1) See the “Non-GAAP Measures” section of this press release and the Company’s Q3 2025 MD&A, which includes the reconciliation of such non-GAAP measures to the most directly comparable GAAP measures.