



Interim Condensed Consolidated Financial Statements

Q3 2025

Extendicare Inc.
Dated: November 11, 2025

Extendicare Inc.
Interim Condensed Consolidated Financial Statements

Three and nine months ended September 30, 2025 and 2024

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Extendicare Inc.

Interim Condensed Consolidated Statements of Financial Position

(Unaudited)

<i>(thousands of dollars)</i>		<i>notes</i>	September 30, 2025	December 31, 2024
Assets				
Current assets				
Cash and cash equivalents			165,719	121,846
Restricted cash			1,110	710
Accounts receivable			88,404	92,324
Income taxes recoverable			403	—
Other assets			21,220	28,819
Total current assets			276,856	243,699
Non-current assets				
Property and equipment	4		334,565	295,231
Goodwill and other intangible assets	5		198,536	120,907
Other assets			33,520	29,433
Deferred tax assets			6,386	5,772
Investment in joint ventures	6		23,998	24,746
Total non-current assets			597,005	476,089
Total assets			873,861	719,788
Liabilities and Equity				
Current liabilities				
Accounts payable and accrued liabilities			308,859	241,497
Income taxes payable			11,972	20,293
Current portion of long-term debt	7		20,309	31,093
Total current liabilities			341,140	292,883
Non-current liabilities				
Long-term debt	7		317,154	261,394
Provisions			9,793	9,055
Other long-term liabilities			30,693	24,943
Deferred tax liabilities			11,183	7,161
Total non-current liabilities			368,823	302,553
Total liabilities			709,963	595,436
Share capital	9		469,523	469,328
Contributed surplus	8		14,334	14,331
Accumulated deficit			(313,862)	(352,546)
Accumulated other comprehensive loss			(6,097)	(6,761)
Shareholders' equity			163,898	124,352
Total liabilities and equity			873,861	719,788

See accompanying notes to the unaudited interim condensed consolidated financial statements.

Commitments and Contingencies (*Note 13*), Subsequent Event (*Note 13*).

Extendicare Inc.
Interim Condensed Consolidated Statements of Earnings
(Unaudited)

		Three months ended September 30,		Nine months ended September 30,	
(thousands of dollars except for per share amounts)	notes	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
Administrative costs		15,131	14,010	44,940	42,817
Total expenses	10	389,504	322,954	1,072,212	969,788
Earnings before depreciation, amortization, and other		50,771	36,107	126,162	104,850
Depreciation and amortization	4, 5	9,918	8,635	26,671	24,839
Other expense (income)	11	2,020	1,082	(6,720)	(2,704)
Share of profit from investment in joint ventures	6	(846)	(431)	(930)	(1,826)
Earnings before net finance costs and income taxes		39,679	26,821	107,141	84,541
Net finance costs	12	5,300	4,164	12,431	11,399
Earnings before income taxes		34,379	22,657	94,710	73,142
Current income tax expense		15,222	7,794	30,722	22,352
Deferred income tax recovery		(4,962)	(1,432)	(7,089)	(4,491)
Total income tax expense		10,260	6,362	23,633	17,861
Net earnings		24,119	16,295	71,077	55,281
Basic Earnings per Share					
Net earnings		\$0.285	\$0.194	\$0.841	\$0.657
Diluted Earnings per Share					
Net earnings		\$0.281	\$0.187	\$0.829	\$0.629

See accompanying notes to the unaudited interim condensed consolidated financial statements.

Extendicare Inc.

Interim Condensed Consolidated Statements of Comprehensive Income

(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
<i>(thousands of dollars)</i>	2025	2024	2025	2024
Net earnings	24,119	16,295	71,077	55,281
Other Comprehensive (Loss) Income, Net of Taxes				
Items that will not be reclassified to profit or loss:				
Defined benefit plan actuarial (losses) gains	(254)	(509)	904	(167)
Tax recovery (expense) on changes in defined benefit plan	67	135	(240)	44
Other comprehensive (loss) income, net of taxes	(187)	(374)	664	(123)
Total comprehensive income	23,932	15,921	71,741	55,158

See accompanying notes to the unaudited interim condensed consolidated financial statements.

Extendicare Inc.

Interim Condensed Consolidated Statements of Changes in Equity

(Unaudited)

<i>(thousands of dollars, except for number of shares)</i>	<i>notes</i>	<i>Number of Shares</i>	<i>Share Capital</i>	<i>Equity Portion of Convertible Debentures</i>	<i>Contributed Surplus</i>	<i>Accumulated Deficit</i>	<i>Accumulated Other Comprehensive Loss</i>	<i>Shareholders' Equity</i>
Balance at January 1, 2024		83,158,315	467,347	7,085	13,087	(393,471)	(6,128)	87,920
Share-based compensation	8	308,663	1,981	—	(377)	(983)	—	621
Net earnings		—	—	—	—	55,281	—	55,281
Dividends declared	9	—	—	—	—	(30,017)	—	(30,017)
Other comprehensive loss		—	—	—	—	—	(123)	(123)
Balance at September 30, 2024		83,466,978	469,328	7,085	12,710	(369,190)	(6,251)	113,682

<i>(thousands of dollars, except for number of shares)</i>	<i>notes</i>	<i>Number of Shares</i>	<i>Share Capital</i>	<i>Equity Portion of Convertible Debentures</i>	<i>Contributed Surplus</i>	<i>Accumulated Deficit</i>	<i>Accumulated Other Comprehensive Loss</i>	<i>Shareholders' Equity</i>
Balance at January 1, 2025		83,466,978	469,328	—	14,331	(352,546)	(6,761)	124,352
Share-based compensation	8	350,931	195	—	3	(1,073)	—	(875)
Net earnings		—	—	—	—	71,077	—	71,077
Dividends declared	9	—	—	—	—	(31,320)	—	(31,320)
Other comprehensive income		—	—	—	—	—	664	664
Balance at September 30, 2025		83,817,909	469,523	—	14,334	(313,862)	(6,097)	163,898

See accompanying notes to the unaudited interim condensed consolidated financial statements.

Extendicare Inc.
Interim Condensed Consolidated Statements of Cash Flows
(Unaudited)

		Three months ended September 30,		Nine months ended September 30,	
(thousands of dollars)	notes	2025	2024	2025	2024
Operating Activities					
Net earnings		24,119	16,295	71,077	55,281
Adjustments for:					
Share-based compensation		1,619	1,082	(875)	621
Depreciation and amortization	4, 5	9,918	8,635	26,671	24,839
Net finance costs	12	5,300	4,164	12,431	11,399
Current taxes		15,222	7,794	30,817	21,995
Deferred taxes		(4,962)	(1,432)	(8,626)	(4,491)
Defined benefit plan expenses		243	250	730	748
Defined benefit plan contributions		(422)	(85)	(1,359)	(1,087)
Gain on sale of assets to joint venture, net of tax	11	—	—	(11,081)	(2,707)
Gain on sale of Class C LTC assets, net of tax	11	—	—	—	(4,450)
Share of profit from investment in joint ventures	6	(846)	(431)	(930)	(1,826)
		50,191	36,272	118,855	100,322
Net change in operating assets and liabilities					
Accounts receivable		12,972	(2,586)	14,364	4,233
Other assets		1,247	289	9,916	2,538
Accounts payable and accrued liabilities		7,992	8,712	39,521	30,847
		72,402	42,687	182,656	137,940
Interest paid, net		(3,132)	(778)	(7,964)	(5,947)
Income taxes paid, net		(5,392)	609	(39,457)	(5,904)
Net cash from operating activities		63,878	42,518	135,235	126,089
Investing Activities					
Purchase of property, equipment and other intangible assets	4, 5	(10,292)	(9,691)	(39,626)	(28,482)
Change in other assets		410	396	1,218	1,255
Proceeds from sale of assets to joint venture		—	—	57,360	20,482
Proceeds from sale of Class C LTC assets		—	—	—	5,337
Investment in joint ventures	6	—	—	(1,080)	(435)
Distributions from investment in joint ventures	6	570	248	1,167	698
Change in restricted cash	3	75,085	—	—	—
Acquisition of home health care business	3	(75,085)	—	(75,085)	—
Acquisition of LTC assets	3	—	—	(41,908)	—
Net cash used in investing activities		(9,312)	(9,047)	(97,954)	(1,145)
Financing Activities					
Issuance of long-term debt	7	55,000	—	55,000	—
Repayment of long-term debt and lease liabilities	7	(5,709)	(5,180)	(16,085)	(14,884)
Change in restricted cash		(134)	(133)	(400)	(396)
Dividends paid	9	(10,561)	(10,016)	(31,138)	(30,004)
Financing costs	7	(58)	(247)	(785)	(546)
Net cash from (used in) financing activities		38,538	(15,576)	6,592	(45,830)
Increase in cash and cash equivalents		93,104	17,895	43,873	79,114
Cash and cash equivalents at beginning of period		72,615	136,403	121,846	75,184
Cash and cash equivalents at end of period		165,719	154,298	165,719	154,298

See accompanying notes to the unaudited interim condensed consolidated financial statements.

1. GENERAL INFORMATION AND NATURE OF THE BUSINESS

The common shares (the "Common Shares") of Extendicare Inc. ("Extendicare" or the "Company") are listed on the Toronto Stock Exchange ("TSX") under the symbol "EXE". The Company and its predecessors have been in operation since 1968. The Company is a leading provider of care and services for seniors across Canada, operating under the Extendicare, ParaMed, Extendicare Assist and SGP Purchasing Network ("SGP") brands and is committed to delivering quality care to meet the needs of a growing seniors' population, inspired by its mission to provide people with the care they need, wherever they call home. The registered office of the Company is located at 3000 Steeles Avenue East, Suite 400, Markham, Ontario, Canada, L3R 4T9.

The Company completed the acquisition of a Canadian home health care business on July 1, 2025 (*Note 3*).

2. BASIS OF PREPARATION

a) Statement of Compliance

The unaudited interim condensed consolidated financial statements (the "consolidated financial statements") have been prepared in accordance with IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB"), and were approved by the board of directors (the "Board") of the Company on November 11, 2025.

The consolidated financial statements do not include all of the information required for full annual consolidated financial statements, and should be read in conjunction with the Company's 2024 annual audited consolidated financial statements. These consolidated financial statements follow the same accounting policies and methods of application as the consolidated financial statements for the year ended December 31, 2024, other than the new material accounting policy outlined below.

b) Basis of Measurement

The consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency. All financial information presented in dollars has been rounded to the nearest thousand, unless otherwise noted.

c) New Material Accounting Policy

BUSINESS COMBINATIONS AND ASSET ACQUISITIONS

The Company accounts for business combinations under the acquisition method in accordance with IFRS 3 *Business Combinations* when the acquired set of activities and assets meets the definition of a business and control is transferred. In determining whether a particular set of activities and assets is a business, the Company assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. The Company also uses the optional fair value concentration test when determining whether a transaction is to be accounted for as an asset acquisition or a business combination.

The cost of a business combination is measured at the fair value of consideration transferred at the acquisition date. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition. The Company recognizes assets or liabilities, if any, resulting from a contingent consideration arrangement at their acquisition date fair value and such amounts form part of the cost of the asset acquisition. Subsequent changes in the fair value of contingent consideration arrangements are recognized in profit and loss.

When an acquisition does not meet the criteria for business combination accounting treatment, it is accounted for as an acquisition of a group of assets and liabilities, the cost of which includes transaction costs that are allocated upon initial recognition to the assets and liabilities acquired based upon their relative fair values. In determining the fair values that drive such analysis, the Company estimates the fair value of each component using a number of sources including independent appraisals, internal analysis of recently acquired or developed properties, existing comparable properties and other market data.

d) Future Changes in Accounting Policies

PRESENTATION AND DISCLOSURE IN FINANCIAL STATEMENTS

In April 2024, the IASB published its new standard IFRS 18 *Presentation and Disclosure in Financial Statements*. This standard will replace IAS 1 *Presentation of Financial Statements* and introduce new presentation and disclosure requirements, including updates to the statement of earnings and disclosures relating to performance measures. The new standard will be effective January 1, 2027 onwards. The Company is currently assessing the potential impact of this standard on its consolidated financial statements.

3. SIGNIFICANT TRANSACTIONS

LTC Transaction

In the fourth quarter of 2024, the Company entered into an agreement with Revera Inc. (with its affiliates, "Revera") to acquire nine Class C long-term care ("LTC") homes located in Ontario and Manitoba and one parcel of vacant land located in Ontario (the "LTC Transaction").

On June 1, 2025, Extendicare completed the LTC Transaction. The purchase price of \$41.9 million was funded from cash on hand. Upon closing of the LTC Transaction, the Company's existing management agreements with Revera in respect of the nine homes, as well as related development arrangement agreements, terminated in accordance with their terms.

The Company applied the optional concentration test in accordance with IFRS 3 *Business Combinations* and accounted for the LTC Transaction as an acquisition of a group of assets and liabilities.

	notes	June 1, 2025
Accounts receivable		622
Other assets		190
Property and equipment ⁽ⁱ⁾	4	68,463
Accounts payable and accrued liabilities		(27,367)
Net assets acquired		41,908

⁽ⁱ⁾Includes transaction costs of \$1.7 million.

Relatedly, Revera completed a previously announced transaction to sell 21 of Revera's Class C LTC homes located in Ontario that were managed by Extendicare to a third party. Upon closing of the transaction on May 1, 2025, the Company's existing management agreements with Revera in respect of the 21 homes, as well as related development agreements, terminated in accordance with their terms. In connection with the termination of the management agreements, the Company was reimbursed an amount of \$1.6 million by Revera related to amounts previously paid toward operational entitlement rights (*Note 5*).

CTG Transaction

In the second quarter of 2025, the Company, through its wholly owned home health care subsidiary, ParaMed Inc., entered into an agreement to acquire all of the issued and outstanding shares of Closing the Gap Healthcare Group Inc. and certain affiliates (collectively, "Closing the Gap") (the "CTG Transaction").

On July 1, 2025, the Company completed the CTG Transaction. The aggregate cash consideration for the CTG Transaction was \$75.1 million, subject to customary and other adjustments and was funded from cash on hand. The CTG Transaction includes an earnout tied to new business revenue generation in the twelve months after closing. The estimated contingent consideration from the earnout is between \$1.5 million and \$2.0 million, and is expected to be funded from cash on hand and the Company's existing Senior Secured Credit Facility.

The following table summarizes the acquisition date fair value of each class of consideration transferred.

	July 1, 2025
Cash	75,085
Contingent consideration	1,750
Consideration transferred	76,835

The Company accounted for the CTG Transaction as a business combination in accordance with IFRS 3 *Business Combinations* and recognized the following identifiable net assets. The identification and measurement of the assets acquired and liabilities assumed, as well as the measurement of consideration, remains subject to adjustment and will be completed no later than one year from the date of the acquisition date. Any adjustments will be reflected retrospectively in accordance with IFRS 3.

	notes	July 1, 2025
Cash and cash equivalents		1,954
Accounts receivable ⁽ⁱ⁾		5,729
Other assets		232
Property and equipment	4	3,000
Customer relationships	5	38,705
Accounts payable and accrued liabilities		(6,206)
Deferred tax liabilities		(10,257)
Lease liabilities	4, 7	(2,667)
Net assets acquired		30,490

⁽ⁱ⁾Represents gross contractual amounts.

Goodwill has been recognized as follows, and arises from the expanded platform, future growth opportunities, and access to further opportunities in existing provinces:

	notes	July 1, 2025
Consideration transferred		76,835
Less: Fair value of identifiable net assets		(30,490)
Goodwill	5	46,345

None of the goodwill recognized is expected to be deductible for tax purposes.

For the three months ended September 30, 2025, Closing the Gap contributed revenue of \$24.0 million and net earnings of \$1.8 million to the Company. If the acquisition had occurred on January 1, 2025, estimated revenue on a consolidated basis would have been \$1,246.8 million, and estimated net earnings on a consolidated basis would have been \$76.5 million, for the nine months ended September 30, 2025.

4. PROPERTY AND EQUIPMENT

	Land & Land Improvements	Buildings & Leasehold Improvements	Right-of-use Assets	Furniture & Equipment	Construction in Progress ("CIP")	Projects in Progress ("PIP")	Total
Cost							
January 1, 2024	38,764	344,301	106,440	78,838	33,043	7,417	608,803
Additions	—	236	2,911	1,164	22,090	16,297	42,698
Derecognition	—	—	(1,178)	—	—	—	(1,178)
Write-offs	—	—	—	—	(479)	—	(479)
Sale of assets to joint venture (Note 6)	—	—	—	—	(16,059)	(257)	(16,316)
Sale of Class C LTC assets	(616)	(4,692)	—	(2,420)	—	—	(7,728)
Purchase of LTC assets from lessor	—	38,711	(82,581)	—	—	—	(43,870)
Transfers	699	11,442	—	3,891	2,521	(18,553)	—
December 31, 2024	38,847	389,998	25,592	81,473	41,116	4,904	581,930
Additions	—	457	3,272	698	17,120	13,964	35,511
Derecognition	—	(544)	(1,032)	(177)	—	—	(1,753)
Sale of assets to joint venture (Note 11)	—	—	—	—	(46,743)	—	(46,743)
Acquisition of LTC assets (Note 3)	24,906	39,948	—	1,981	1,628	—	68,463
Acquisition of home health care business (Note 3)	—	96	2,667	195	—	42	3,000
Transfers	250	5,836	(85)	4,457	—	(10,458)	—
September 30, 2025	64,003	435,791	30,414	88,627	13,121	8,452	640,408

	Land & Land Improvements	Buildings & Leasehold Improvements	Right-of-use Assets	Furniture & Equipment	CIP	PIP	Total
Accumulated Depreciation and Impairment Losses							
January 1, 2024	6,612	210,062	53,573	42,659	—	—	312,906
Depreciation	607	11,557	5,380	7,824	—	—	25,368
Derecognition	—	—	(767)	—	—	—	(767)
Sale of Class C LTC assets	(214)	(4,311)	—	(1,369)	—	—	(5,894)
Purchase of LTC assets from lessor	—	—	(44,914)	—	—	—	(44,914)
December 31, 2024	7,005	217,308	13,272	49,114	—	—	286,699
Depreciation	446	11,427	2,258	5,868	—	—	19,999
Derecognition	—	(544)	(134)	(177)	—	—	(855)
September 30, 2025	7,451	228,191	15,396	54,805	—	—	305,843
Carrying Amounts							
December 31, 2024	31,842	172,690	12,320	32,359	41,116	4,904	295,231
September 30, 2025	56,552	207,600	15,018	33,822	13,121	8,452	334,565

5. GOODWILL AND OTHER INTANGIBLE ASSETS

	Goodwill	Operational Entitlements	Customer Relationships ⁽ⁱ⁾	Software and Other Intangible Assets ⁽ⁱ⁾	Total
Cost					
January 1, 2024	45,850	20,809	39,100	60,362	166,121
Additions	—	—	—	7,661	7,661
December 31, 2024	45,850	20,809	39,100	68,023	173,782
Additions	—	—	—	878	878
Derecognition (Note 3)	—	(5,423)	—	—	(5,423)
Acquisition of home health care business (Note 3)	46,345	—	38,705	—	85,050
September 30, 2025	92,195	15,386	77,805	68,901	254,287
Accumulated Amortization					
January 1, 2024	—	550	23,898	17,366	41,814
Amortization	—	1,266	2,400	4,734	8,400
Impairment	—	2,661	—	—	2,661
December 31, 2024	—	4,477	26,298	22,100	52,875
Amortization	—	531	2,328	3,813	6,672
Derecognition (Note 3)	—	(3,796)	—	—	(3,796)
September 30, 2025	—	1,212	28,626	25,913	55,751
Carrying Amounts					
December 31, 2024	45,850	16,332	12,802	45,923	120,907
September 30, 2025	92,195	14,174	49,179	42,988	198,536

⁽ⁱ⁾Certain comparative information has been reclassified to conform to the current year presentation.

6. JOINT VENTURES

Axium Extencicare LTC LP

Axium Extencicare LTC LP ("Axium JV") is jointly redeveloping certain of Extencicare's existing Ontario Class C homes. Axium LTC Limited Partnership (with its affiliates, "Axium") owns an 85% interest and Extencicare has the remaining 15% managed interest. The Company has undertaken all development activities in respect of the joint venture homes and will operate the homes upon completion of construction for a customary management fee.

Axium JV owns eight LTC homes located in Ontario, three of which are operational and five of which are under construction.

Axium Extencicare LTC II LP

Axium Extencicare LTC II LP ("Axium JV II") owns 19 Class A LTC homes located in Ontario and six homes in Manitoba, consisting of approximately 3,000 funded LTC beds, and one LTC home under construction in Ontario. The Company has a 15% managed interest in the joint venture, with the remaining 85% interest owned by Axium. Extencicare is operating the homes in consideration for a customary management fee.

The Company accounts for its investments in the joint ventures above using the equity method:

	September 30, 2025	December 31, 2024
Interest in Axium JV - 15% ownership	8,806	8,420
Interest in Axium JV II - 15% ownership	15,192	16,326
Total	23,998	24,746

The assets and liabilities of the joint ventures for the periods below including a reconciliation to the carrying amount of Extencicare's interest are as follows:

	September 30, 2025	December 31, 2024
Current assets (including cash and cash equivalents - \$61,579)	86,292	57,593
Non-current assets	924,741	751,203
Total assets	1,011,033	808,796
Current liabilities (Current portion of long-term debt - \$235,395)	394,618	274,786
Long-term debt	437,116	369,721
Other long-term liabilities	18,854	7,648
Total liabilities	850,588	652,155
Total net assets (100%)	160,445	156,641
Company share of net assets (15%)	23,998	23,467
Difference between investment carrying amount and underlying equity in net assets ⁽ⁱ⁾	—	1,279
Carrying amount of investment in joint ventures	23,998	24,746

⁽ⁱ⁾Related primarily to provincial land transfer taxes and losses not attributable to Extencicare.

	September 30, 2025	December 31, 2024
Investment in joint ventures as at January 1	24,746	24,527
Investment in joint ventures	1,080	718
Distributions from investment in joint ventures	(1,167)	(2,432)
Share of profit from investment in joint ventures	930	1,933
Other adjustments ⁽ⁱ⁾	(1,591)	—
Investment in joint ventures as at end of period	23,998	24,746

⁽ⁱ⁾Related primarily to provincial land transfer taxes and losses not attributable to Extencicare.

Financial information of the joint ventures for the period are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Revenue	123,463	99,627	345,548	289,793
Operating expenses	109,479	90,960	314,747	258,857
Administrative costs	45	47	175	283
Earnings before depreciation, amortization, and net finance costs	13,939	8,620	30,626	30,653
Depreciation and amortization	3,969	3,380	12,953	10,186
Net finance costs	4,331	2,372	11,477	8,302
Net income (100%)	5,639	2,868	6,196	12,165
Company share of net income (15%)	846	431	930	1,826

7. LONG-TERM DEBT

	Interest Rate	Year of Maturity	September 30, 2025	December 31, 2024
CMHC mortgages, fixed rate	2.65% - 7.70%	2026 - 2037	34,453	36,771
CMHC mortgage, variable rate	Variable	2027	19,295	19,878
Non-CMHC mortgages and loans	5.05% - 5.64%	2027 - 2038	92,020	95,003
Lease liabilities ⁽ⁱ⁾	4.27% - 5.50%	2025 - 2033	17,661	14,736
Senior secured credit facility, term loan ⁽ⁱⁱ⁾	5.30%	2027	177,813	130,000
Total debt			341,242	296,388
Deferred financing costs			(3,779)	(3,901)
Total debt, net of deferred financing costs			337,463	292,487
Less: current portion			(20,309)	(31,093)
Long-term debt			317,154	261,394

⁽ⁱ⁾ 'Year of Maturity' excludes options to extend the lease term at the end of the non-cancellable lease term.

⁽ⁱⁱ⁾ Further discussion on interest rate in the Senior Secured Credit Facility section below.

Principal Repayments

	Mortgages and Loans		Lease Liabilities	Credit Facility	Total
	Regular	Maturity			
2025 remaining	2,400	—	1,164	2,313	5,877
2026	8,649	—	4,074	9,250	21,973
2027	7,145	43,134	3,542	166,250	220,071
2028	6,747	—	2,756	—	9,503
2029	7,099	—	2,274	—	9,373
Thereafter	50,623	19,971	7,692	—	78,286
Total debt principal and lease liability repayments	82,663	63,105	21,502	177,813	345,083
Interest on lease liabilities	—	—	(3,841)	—	(3,841)
Principal and lease liabilities, after interest	82,663	63,105	17,661	177,813	341,242

Long-term Debt Continuity

	September 30, 2025	December 31, 2024
As at January 1	292,487	334,516
Issuance of long-term debt	55,000	130,000
New lease liabilities	3,272	2,911
Lease liabilities from acquisition of home health care business (Note 3)	2,667	—
Accretion and other	—	1,108
Repayments of long-term debt	(13,071)	(8,232)
Payment of lease liabilities	(3,014)	(2,514)
Payment of lease liabilities related to purchased LTC assets from lessor	—	(8,190)
Increase in deferred financing costs	(785)	(3,331)
Amortization of deferred financing costs and other	907	1,817
Redemption of convertible debentures	—	(125,680)
Release of lease liabilities related to purchase of LTC assets from lessor	—	(29,918)
As at end of period	337,463	292,487

CMHC Variable Rate Mortgage

The Company has one variable rate mortgage, insured through the Canada Mortgage and Housing Corporation ("CMHC") program, that is secured by a Canadian financial institution at a variable rate based on the lender's cost of funds plus 225 basis points.

Non-CMHC Mortgages and Loans

In the first quarter of 2025, the Company renewed three of its mortgages. These renewed mortgages each have a maturity date of April 1, 2030 and a fixed interest rate of 5.05%.

Senior Secured Credit Facility

In the second quarter of 2025, the Company amended the existing senior secured credit facility agreement to increase the revolving credit facility by \$45.0 million for up to \$190.0 million (the "Revolving Facility") and the delayed draw term loan facility by \$55.0 million in an amount up to \$185.0 million (the "Delayed Draw Facility"), for a total of \$375.0 million (the "Senior Secured Credit Facility"). The Senior Secured Credit Facility is secured by 30 LTC homes and is subject to certain customary financial and non-financial covenants and other terms. The Company utilized \$130.0 million of the Delayed Draw Facility in the fourth quarter of 2024.

Borrowings under the Senior Secured Credit Facility can take place by way of direct borrowings at either the prime rate plus an applicable margin ranging from 0.70% to 1.95%, or the Canadian Overnight Repo Rate Average ("CORRA") plus an applicable margin ranging from 1.70% to 2.95%, or through letters of credit. The Company has swap contracts with a syndicate of Canadian chartered banks for the Delayed Draw Facility that fix the CORRA portion of the interest rate of the credit facility at a rate of 2.74%, and mature in November 2029 (Note 12).

In the third quarter of 2025, the Company utilized the remaining \$55.0 million of its Delayed Draw Facility to fund part of the purchase price related to the CTG Transaction (Note 3). The Company also then amended its existing swap contracts with a syndicate of Canadian chartered banks for the total remaining amount owing under the Delayed Draw Facility of \$180.1 million to fix the CORRA portion of the interest rate of the credit facility at a rate of 2.80%, maturing in November 2029.

As at September 30, 2025, \$24.2 million of the Revolving Facility secures the Company's defined benefit pension plan obligations (December 31, 2024 – \$23.2 million), \$11.3 million secures the Company's obligation to fund capital contributions to the joint ventures in connection with construction of LTC redevelopment projects within the joint ventures (December 31, 2024 – \$10.9 million), and \$0.5 million was used in connection with obligations relating to LTC homes (December 31, 2024 – \$2.4 million), leaving \$154.0 million unutilized (December 31, 2024 – \$108.5 million).

Financial Covenants

The Company is subject to debt service coverage covenants on certain of its loans and its Senior Secured Credit Facility. The Company was in compliance with all of these covenants as at September 30, 2025.

8. SHARE-BASED COMPENSATION

Equity-settled Long-term Incentive Plan

The Company's long-term incentive plan ("LTIP") provides for a share-based component of executive and director compensation designed to encourage a greater alignment of the interests of the Company's executives and directors with its

shareholders, in the form of deferred share units ("DSUs") for non-employee directors and preferred share units ("PSUs") for employees.

DSUs and PSUs granted under the LTIP do not carry any voting rights. DSUs vest immediately upon grant and PSUs vest with a term of not less than 24 months and not more than 36 months from the date of grant. The Company settled DSUs and PSUs as follows:

<i>(number of units)</i>	DSUs and PSUs	
	Nine months ended September 30,	
	2025	2024
Settled in Common Shares issued from treasury	350,931	308,663
Settled in cash	399,657	346,655
DSUs and PSUs settled during the period	750,588	655,318

During the three and nine months ended September 30, 2025, the Company's DSUs and PSUs were an expense of \$1.6 million and \$4.3 million, respectively (September 30, 2024 – \$1.1 million and \$3.2 million, respectively), recorded in administrative costs.

The carrying amounts of the Company's DSUs and PSUs are recorded in the consolidated statements of financial position as follows:

	September 30, 2025	December 31, 2024
Contributed surplus – DSUs	6,683	6,132
Contributed surplus – PSUs	7,651	8,199
Total	14,334	14,331

As at September 30, 2025, an aggregate of 3,225,017 (December 31, 2024 – 3,575,948) Common Shares were reserved and available for issuance pursuant to the LTIP.

DSU and PSU activity was as follows:

<i>(number of units)</i>	DSUs		PSUs	
	Nine months ended September 30, 2025	Year ended December 31, 2024	Nine months ended September 30, 2025	Year ended December 31, 2024
Units outstanding, beginning of period	825,011	857,813	1,623,854	1,486,841
Granted	60,763	97,145	410,313	564,584
Reinvested dividend equivalents	23,392	49,267	44,873	92,223
Change due to performance and forfeiture	—	—	88,719	(43,690)
Settled	(79,506)	(179,214)	(671,082)	(476,104)
Units outstanding, end of period	829,660	825,011	1,496,677	1,623,854
Weighted average fair value of units granted during the period at grant date	\$13.86	\$8.49	\$14.50	\$8.19

DSUs are fair valued at the date of grant using the previous day's closing trading price of the Common Shares. The grant date values of PSUs awarded were based on the fair values of one award comprised of two equal components being the adjusted funds from operations ("AFFO") and total shareholder return ("TSR"). The fair values of the AFFO component were measured using the previous day's closing trading price of the Common Shares. The fair values of the TSR component were measured using the Monte Carlo simulation method.

PSUs granted and the assumptions used to determine the grant date values are as follows:

	Nine months ended September 30, 2025		Year ended December 31, 2024		
	Aug 15, 2025	Mar 10, 2025	Nov 22, 2024	Aug 22, 2024	Mar 19, 2024
Grant date					
Vesting date	Mar 10, 2028	Mar 10, 2028	Mar 19, 2027	Mar 19, 2027	Mar 19, 2027
PSUs granted	30,598	379,715	37,671	28,065	498,848
Fair value of AFFO component	\$6.74	\$6.52	\$5.17	\$4.29	\$3.81
Fair value of TSR component	\$7.50	\$7.98	\$6.28	\$4.75	\$4.09
Grant date fair value	\$14.24	\$14.50	\$11.45	\$9.04	\$7.90
Expected volatility of the Company's Common Shares	23.44 %	21.77 %	21.39 %	20.66 %	18.43 %
Expected volatility of the Index	14.05 %	15.06 %	12.99 %	16.17 %	15.85 %
Risk-free rate	2.70 %	2.51 %	3.34 %	3.24 %	3.94 %
Dividend yield	nil	nil	nil	nil	nil

9. SHARE CAPITAL

Common Shares

Each Common Share is transferable, represents an equal and undivided beneficial interest in the assets of the Company and entitles the holder to one vote at all meetings of shareholders of the Company. Shareholders are entitled to receive dividends from the Company when declared by the Board. During the three and nine months ended September 30, 2025, the Company declared cash dividends of \$0.126 per share and \$0.374 per share, respectively (September 30, 2024 – \$0.120 per share and \$0.360 per share, respectively).

In June 2025, the Company received approval from the TSX to renew its normal course issuer bid ("NCIB") to purchase for cancellation up to 7,281,193 Common Shares, representing 10% of its public float, through the facilities of the TSX and/or through alternative Canadian trading systems, in accordance with TSX rules. The NCIB commenced on July 2, 2025, and provides the Company with flexibility to purchase Common Shares for cancellation until July 1, 2026, or on such earlier date as the NCIB is complete. The actual number of Common Shares purchased under the NCIB and the timing of any such purchases will be at the Company's discretion. Subject to the TSX's block purchase exception, daily purchases will be limited to 44,803 Common Shares. There were no purchases under the Company's NCIB program during the three and nine months ended September 30, 2025.

10. EXPENSES BY NATURE

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024 ⁽¹⁾	2025	2024 ⁽¹⁾
Employee wages and benefits	343,166	282,388	946,103	846,805
Food, drugs, supplies and other variable costs	18,095	15,099	45,763	44,911
Property based and leases	13,347	11,109	37,577	35,316
Other	14,896	14,358	42,769	42,756
Total operating expenses and administrative costs	389,504	322,954	1,072,212	969,788

⁽¹⁾Certain comparative information has been reclassified to conform to the current year presentation.

11. OTHER INCOME AND EXPENSE

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Strategic transformation costs	—	1,082	3,182	4,810
Gain on sale of assets to joint venture	—	—	(12,523)	(2,862)
Gain on sale of Class C LTC assets	—	—	—	(4,652)
Transaction costs	2,036	—	2,668	—
Other	(16)	—	(47)	—
Total other expense (income)	2,020	1,082	(6,720)	(2,704)

Strategic Transformation Costs

In the first quarter of 2025, the Company incurred transaction, legal, regulatory, IT integration and management transition costs related to the strategic transformation of the Company.

Gain on Sale of Assets to Joint Venture

In the second quarter of 2025, the Company completed the sale to Axiom JV of its LTC homes currently under construction in St. Catharines, Ontario (256 beds), Port Stanley, Ontario (128 beds), and London, Ontario (192 beds) for cash proceeds of \$56.3 million, net of Extendicare's 15% retained interest, holdbacks and closing costs. The net book value of the projects was \$43.0 million, resulting in a gain, before taxes of \$1.4 million, of \$12.5 million.

Transaction Costs

During the three and nine months ended September 30, 2025, the Company incurred transaction-related professional and legal costs.

12. NET FINANCE COSTS

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Interest expense	5,021	5,020	13,539	15,236
Interest revenue	(1,308)	(1,863)	(4,043)	(5,238)
Accretion	77	306	738	904
Fair value adjustments	1,510	701	2,197	497
Net finance costs	5,300	4,164	12,431	11,399

Fair Value Adjustments

Fair value adjustments related to interest rate swap contracts for the three and nine months ended September 30, 2025 were a loss of \$1.5 million and a loss of \$2.2 million, respectively (September 30, 2024 – loss of \$0.7 million and loss of \$0.5 million, respectively). The interest rate swaps changed from a liability of \$0.6 million as at December 31, 2024 to a liability of \$2.8 million as at September 30, 2025. All interest rate swap contracts are measured at FVTPL and are categorized as Level 2 on the fair value hierarchy, and hedge accounting has not been applied (Note 7).

13. COMMITMENTS AND CONTINGENCIES

Commitments

As at September 30, 2025, the Company has outstanding commitments of \$25.0 million, primarily related to various IT service and licence agreements for IT cloud-based applications in support of the Company's growth initiatives. The expected payments towards those obligations are due as follows:

	Total
2025	1,206
2026	10,135
2027 and thereafter	13,673
Total	25,014

Subsequent to the third quarter of 2025, the Company entered into a \$91.5 million fixed-price construction agreement in connection with the construction of a new 320-bed LTC home in Sudbury, Ontario. Construction is expected to commence in the fourth quarter of 2025.

Guarantees

The Company provides unsecured guarantees related to certain credit facilities held by its joint ventures; namely, construction loans and letter of credit facilities in support of ongoing construction of joint venture LTC redevelopment projects and term loans and lease-up credit facilities for operating joint venture LTC homes. As at September 30, 2025, 28 LTC homes within the joint ventures have existing credit facilities available of up to \$910.9 million. The guarantees provided by the Company vary depending upon the project, but are typically either on a joint and several basis for 50% of the loan amount or on a several basis for 15% of the loan amount or some lesser portion thereof. The amount of the guarantees will vary as borrowings increase on projects under construction and reduce as homes become operational, when guarantee requirements are generally lower. As at September 30, 2025, the Company has provided unsecured guarantees of \$320.9 million in support of the credit facilities held by its joint ventures.

The joint ventures are subject to debt service coverage covenants on certain of its credit facilities. The joint ventures were in compliance with the covenants as at September 30, 2025.

Legal Proceedings and Regulatory Actions

In the ordinary course of business, the Company is involved in and potentially subject to legal proceedings brought against it from time to time in connection with its operations. The COVID-19 pandemic has increased the risk that litigation or other legal proceedings, regardless of merit, will be commenced against the Company.

In April 2021, the Company was served with a statement of claim filed in the Court of Queen's Bench for Saskatchewan alleging negligence, breach of fiduciary duty, breach of contract and breach of the required standard of care by the Company and certain unnamed defendants in respect of all residents of Company LTC homes and retirement communities located in Saskatchewan as well as their family members. The claim seeks an order certifying the action as a class action and unspecified damages.

In January 2022, four active class actions against the Company in Ontario were consolidated into one action pursuant to the *Class Proceedings Act* (Ontario). The consolidated claim is in respect of all Ontario LTC homes owned, operated, licensed and/or managed by the Company and its affiliates and names as defendants the Company, certain of its affiliates and the owners of any such managed LTC homes and alleges negligence, gross negligence, breach of fiduciary duty, breach of contract, unjust enrichment, wrongful death in respect of all persons who contracted COVID-19 at the residence or subsequently contracted COVID-19 from such persons and breach of section 7 of the *Canadian Charter of Rights and Freedoms*. The consolidated claim seeks damages in the aggregate of \$110.0 million. On March 7, 2024, the consolidated claim was certified against the Company in respect of owned and managed homes with a gross negligence cause of action.

The Company is vigorously defending itself against these claims, and these claims are subject to insurance coverage maintained by the Company. However, given the status of the proceedings, the Company is unable to assess their potential outcome and they could have a materially adverse impact on the Company's business, results of operations and financial condition.

In December 2020, the Government of Ontario passed Bill 218, *Supporting Ontario's Recovery Act* (Ontario), which provides targeted liability protection against COVID-19 exposure-related claims against any individual, corporation, or other entity that made a "good faith" or "honest" effort to act in accordance with public health guidance and laws relating to COVID-19 and did not otherwise act with "gross negligence". The protection under Bill 218 is retroactive to March 17, 2020, when Ontario first implemented emergency measures as part of its response to the COVID-19 pandemic. Similar legislation has been passed in other provincial jurisdictions, including Saskatchewan.

In October 2021, the Supreme Court of Canada dismissed an application for leave to appeal by the Attorney General of Ontario which sought to challenge the decision issued by the previous presiding court that ruled in favour of certain unions in respect of a legal challenge to a 2016 Pay Equity Tribunal decision. The unions argued that new pay equity adjustments were required in order to maintain pay equity with municipal LTC homes where personal support workers and other direct care workers in other industries are included in determining pay equity. The matter has now been referred back to the Pay Equity Tribunal to settle the matter between the participating LTC homes, unions and the Government and establish a framework for pay equity suitable for the sector. The Company, along with other participants in the LTC sector, including the Government of Ontario, are working to resolve the matter. Given the uncertainty of the matter and the various stakeholders involved, and as a result the wide range of possible settlement outcomes and related funding changes the Company is unable to determine a reliable estimate of the potential outcome. Therefore, the Company did not record a provision with respect to this matter as at September 30, 2025. This matter could have a materially adverse impact on the Company's business, results of operations and financial condition.

14. FINANCIAL INSTRUMENTS

Fair Values of Financial Instruments

The following table presents the fair value and fair value hierarchy of the Company's financial instruments and excludes financial instruments measured at amortized cost that are short-term in nature. The carrying amounts of the Company's financial instruments approximate their fair values except for items presented below.

As at September 30, 2025	Carrying Amount	Fair Value	Fair Value Hierarchy
Financial assets			
Construction funding subsidy receivable ⁽ⁱ⁾	26,731	25,470	Level 2
	26,731	25,470	
Financial liabilities			
Long-term debt ⁽ⁱ⁾⁽ⁱⁱ⁾	145,768	145,258	Level 2
Senior secured credit facility, term loan	177,813	161,396	Level 2
	323,581	306,654	
As at December 31, 2024	Carrying Amount	Fair Value	Fair Value Hierarchy
Financial assets			
Construction funding subsidy receivable ⁽ⁱ⁾	27,949	26,826	Level 2
	27,949	26,826	
Financial liabilities			
Long-term debt ⁽ⁱ⁾⁽ⁱⁱ⁾	151,652	150,308	Level 2
Senior secured credit facility, term loan	130,000	111,731	Level 2
	281,652	262,039	

⁽ⁱ⁾ Includes current portion.

⁽ⁱⁱ⁾ Excludes leases, credit facility and netting of deferred financing costs.

15. RELATED PARTY TRANSACTIONS

Transactions with Joint Ventures

Related party transactions occur between the Company and its joint ventures. These related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to between the related parties. Except as disclosed elsewhere in these consolidated financial statements, the related party balances are included in accounts receivable and accounts payable, revenue, and other income, as applicable.

In the second quarter of 2025, the Company completed the sale to Axium JV of three LTC homes currently under construction (*Note 11*).

As at September 30, 2025, \$2.0 million (December 31, 2024 – \$1.9 million) of the Company's accounts receivable is related to its joint ventures, \$11.3 million (December 31, 2024 – \$7.2 million) of the Company's other assets is related to receivables from its joint ventures, \$0.3 million (December 31, 2024 – \$2.0 million) of the Company's accounts payable and accrued liabilities is related to payables to its joint ventures, and \$8.1 million (December 31, 2024 – \$3.9 million) of the Company's other long-term liabilities is related to unrealized gain and deferred revenue.

For the three and nine months ended September 30, 2025, \$5.9 million and \$16.0 million, respectively (September 30, 2024 – \$4.7 million and \$13.0 million, respectively) of its revenue related to the joint ventures.

As at September 30, 2025, there were distributions of \$1.2 million from the joint ventures to the Company (December 31, 2024 – \$2.4 million) (*Note 6*).

16. SEGMENTED INFORMATION

The Company reports on the following segments: i) long-term care; ii) home health care; iii) managed services, composed of our Extendicare Assist and SGP divisions; and iv) the corporate functions, including the Company's joint venture interests, and any intersegment eliminations as "corporate".

The long-term care segment represents the 59 long-term care homes that the Company owns and operates in Canada. Through the Company's wholly owned subsidiary ParaMed, ParaMed's home health care operations provide complex nursing care, occupational, physical and speech therapy, and assistance with daily activities to accommodate those living at home.

The Company's managed services are composed of its management, consulting and group purchasing divisions. Through the Extendicare Assist division, the Company provides management, consulting and other services to third parties and joint ventures to which the Company is a party; and through the SGP division, the Company offers cost-effective purchasing contracts to other senior care providers for food, capital equipment, furnishings, cleaning and nursing supplies, and office products.

	Three months ended September 30, 2025				
	Long-term Care	Home Health Care	Managed Services	Corporate	Total
Revenue	237,913	186,807	15,555	—	440,275
Operating expenses	206,342	161,374	6,657	—	374,373
Net operating income	31,571	25,433	8,898	—	65,902
Administrative costs				15,131	15,131
Earnings before depreciation, amortization, and other					50,771
Depreciation and amortization				9,918	9,918
Other expense				2,020	2,020
Share of profit from investment in joint ventures				(846)	(846)
Earnings before net finance costs and income taxes					39,679
Net finance costs				5,300	5,300
Earnings before income taxes					34,379
Current income tax expense				15,222	15,222
Deferred income tax recovery				(4,962)	(4,962)
Total income tax expense				10,260	10,260
Net earnings					24,119

	Three months ended September 30, 2024				
	Long-term Care	Home Health Care	Managed Services	Corporate	Total
Revenue	201,810	138,426	18,825	—	359,061
Operating expenses	177,182	122,844	8,918	—	308,944
Net operating income	24,628	15,582	9,907	—	50,117
Administrative costs				14,010	14,010
Earnings before depreciation, amortization, and other					36,107
Depreciation and amortization				8,635	8,635
Other expense				1,082	1,082
Share of profit from investment in joint ventures				(431)	(431)
Earnings before net finance costs and income taxes					26,821
Net finance costs				4,164	4,164
Earnings before income taxes					22,657
Current income tax expense				7,794	7,794
Deferred income tax recovery				(1,432)	(1,432)
Total income tax expense				6,362	6,362
Net earnings					16,295

Nine months ended September 30, 2025					
	Long-term Care	Home Health Care	Managed Services	Corporate	Total
Revenue	642,813	503,671	51,890	—	1,198,374
Operating expenses	566,096	437,754	23,422	—	1,027,272
Net operating income	76,717	65,917	28,468	—	171,102
Administrative costs				44,940	44,940
Earnings before depreciation, amortization, and other					126,162
Depreciation and amortization				26,671	26,671
Other income				(6,720)	(6,720)
Share of profit from investment in joint ventures				(930)	(930)
Earnings before net finance costs and income taxes					107,141
Net finance costs				12,431	12,431
Earnings before income taxes					94,710
Current income tax expense				30,722	30,722
Deferred income tax recovery				(7,089)	(7,089)
Total income tax expense				23,633	23,633
Net earnings					71,077

Nine months ended September 30, 2024					
	Long-term Care	Home Health Care	Managed Services	Corporate	Total
Revenue	602,502	418,256	53,880	—	1,074,638
Operating expenses	526,935	374,802	25,234	—	926,971
Net operating income	75,567	43,454	28,646	—	147,667
Administrative costs				42,817	42,817
Earnings before depreciation, amortization, and other					104,850
Depreciation and amortization				24,839	24,839
Other income				(2,704)	(2,704)
Share of profit from investment in joint ventures				(1,826)	(1,826)
Earnings before net finance costs and income taxes					84,541
Net finance costs				11,399	11,399
Earnings before income taxes					73,142
Current income tax expense				22,352	22,352
Deferred income tax recovery				(4,491)	(4,491)
Total income tax expense				17,861	17,861
Net earnings					55,281