Management’s Discussion and Analysis

Q3 2025

Extendicare Inc.
Dated: November 11, 2025

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Three and nine months ended September 30, 2025
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BASIS OF PRESENTATION

This Management’s Discussion and Analysis (“MD&A”) provides information on Extendicare Inc. and its subsidiaries, and unless the context otherwise requires, references to “Extendicare”, the “Company”, “we”, “us” and “our” or similar terms refer to Extendicare Inc., either alone or together with its subsidiaries. The Company’s common shares (the “Common Shares”) are listed on the Toronto Stock Exchange (“TSX”) under the symbol “EXE”. The registered office of Extendicare is located at 3000 Steeles Avenue East, Suite 400, Markham, Ontario, Canada, L3R 4T9.

Extendicare is a recognized leader in the delivery of quality health care services to Canadians, inspired by its mission to provide people with the care they need, wherever they call home. In operation since 1968, it is the largest private-sector owner and operator of long-term care (“LTC”) homes in Canada and one of the largest private-sector providers of publicly funded home health care services in Canada through its wholly owned subsidiary ParaMed Inc. (“ParaMed”). As well, the Company provides management, consulting and other services to LTC homes owned by third parties and joint ventures to which the Company is a party through its Extendicare Assist division and procurement services through its group purchasing division, SGP Purchasing Network (“SGP”).

The Company has a 15% managed interest in each of two limited partnership joint ventures with Axium LTC Limited Partnership (with its affiliates “Axium”). The limited partnership joint ventures, Axium Extendicare LTC LP (“Axium JV”) and Axium Extendicare LTC II LP (“Axium JV II”) (together, the “Joint Ventures”), are accounted for in the Company’s consolidated financial statements as investments using the equity method.

In This MD&A

This MD&A has been prepared to provide information to current and prospective investors of the Company to assist them to understand the Company’s financial results for the three and nine months ended September 30, 2025. This MD&A should be read in conjunction with the Company’s unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2025, and the notes thereto (the “consolidated financial statements”), together with the annual MD&A and the audited consolidated financial statements for the year ended December 31, 2024, and the notes thereto, prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (“IASB”). The accompanying consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*, as issued by the IASB.

In this document, “Q1” refers to the three-month period ended March 31; “Q2” refers to the three-month period ended June 30; “Q3” refers to the three-month period ended September 30; and “Q4” refers to the three-month period ended December 31. Except as otherwise specified, references to years indicate the fiscal year ended December 31, 2025, or December 31 of the year referenced.

In this MD&A, the Company uses a number of performance measures and indicators to monitor and analyze the financial results that do not have standardized meanings prescribed by generally accepted accounting principles (“GAAP”) and, therefore, may not be comparable to similar performance measures and indicators used by other issuers. Refer to the “Key Performance Indicators” and “Non-GAAP Measures” sections of this MD&A for details.

The annual and interim MD&A, financial statements and other materials are available on the Company’s website at www.extendicare.com. All currencies are in Canadian dollars unless otherwise indicated.

This MD&A is dated as of November 11, 2025, the date this report was approved by the Company's board of directors (the "Board of Directors" or "Board"), and is based upon information available to management as of that date. This MD&A should not be considered all-inclusive, as it does not include all changes that may occur in general economic, political and environmental conditions. Additionally, other events may or may not occur, which could affect the Company in the future.

ADDITIONAL INFORMATION

Additional information about the Company, including its latest Annual Information Form, 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.

FORWARD-LOOKING STATEMENTS

This MD&A 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 MD&A 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 the Company, including, without limitation: statements regarding dividend levels, 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 acquisition of Closing the Gap Healthcare Group Inc. and certain affiliates (collectively, "Closing the Gap"), including anticipated synergies, new business revenue and earnout amounts, and the agreements entered into with Revera Inc. and its affiliates (collectively, "Revera"), Axium and two limited partnership joint ventures with Axium in respect of the acquisition, disposition, ownership, operation and redevelopment of LTC homes in Ontario and Manitoba; and statements relating to expected future current income taxes and maintenance capex impacting AFFO. 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. In addition to the assumptions and other factors referred to specifically in connection with these forward-looking statements, the risks, uncertainties and other factors that could cause the actual results, performance or achievements of the Company to differ materially from those expressed or implied by the forward-looking statements, include, without limitation, those described under "Risks and Uncertainties" in this MD&A and those other risks, uncertainties and other factors identified in the Company's other public filings with the Canadian securities regulators available on SEDAR+ at www.sedarplus.ca under the Company's issuer profile. These risks and uncertainties include the following: the occurrence of a pandemic, epidemic or outbreak of a contagious illness, such as COVID-19; changes in the overall health of the economy and changes in government, both domestic and foreign; the availability and ability of the Company to attract and retain qualified personnel; changes in the health care industry in general and the long-term care industry in particular because of political, legal and economic influences; inflationary pressures and supply chain interruptions, in particular as they impact redevelopment; changes in regulations governing the health care and long-term care industries and the compliance by the Company with such regulations; changes in government funding levels for health care services; the ability of the Company to comply with and renew its government licenses and customer and joint venture agreements; changes in labour relations, employee costs and pay equity; changes in tax laws; resident care and class action litigation, including the Company's exposure to punitive damage claims, increased insurance costs and other claims; the ability of the Company to maintain and increase resident occupancy levels and business volumes; changes in competition; changes in demographics; changes in interest rates; changes in the financial markets, which may affect the ability of the Company to refinance debt; and the availability and terms of capital to the Company to fund capital expenditures and acquisitions; changes in the anticipated outcome and benefits of proposed or actualized dispositions, acquisitions and development projects, including risks relating to the actual completion of proposed transactions.

The preceding reference to material factors or assumptions is not exhaustive. All forward-looking statements in this MD&A are qualified in their entirety by this forward-looking disclaimer. Although forward-looking statements contained in this MD&A are based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Accordingly, 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 MD&A. 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.

SIGNIFICANT DEVELOPMENTS

Expanded Home Health Care Segment With Acquisition of Closing the Gap Healthcare Group

On July 1, 2025, the Company, through its wholly owned home health care subsidiary, ParaMed, completed the previously announced acquisition of all of the issued and outstanding shares of Closing the Gap (the "CTG Transaction").

Founded in 1990, Closing the Gap is a leading provider of integrated home and community-based healthcare services in Ontario and Nova Scotia, delivering adult and pediatric care services in patients' homes and community clinics. In addition to personal support and nursing services, Closing the Gap has deep expertise in allied health services, including physiotherapy, occupational therapy, speech language pathology, nutrition and social work. In the twelve months ended December 31, 2024, Closing the Gap's approximately 1,200 caregivers delivered over 1.1 million service hours and ADV of 3,109.

The aggregate cash consideration for the CTG Transaction was approximately $75.1 million on a debt-free, cash-free basis, subject to customary working capital and other adjustments. The purchase price was funded from cash on hand and a draw of $55.0 million on existing senior secured credit facilities.

The CTG Transaction includes an earnout tied to 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 to $2.0 million, payable on the first anniversary of closing and based upon 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.

Based on Closing the Gap's 2024 financial performance, the CTG Transaction would have added approximately $84.2 million in revenue to the Company's home health care segment for 2024, with NOI margins of 11.6%. The increase to AFFO(1), had the CTG Transaction been funded from cash on hand, would have been approximately $0.06 per basic share. In Q3 2025, the CTG Transaction contributed revenue and NOI of $24.0 million and $3.1 million, respectively.

On a combined pro forma basis, had the CTG Transaction been in effect during 2024, the Company's home health care segment service volumes would have been approximately 12.1 million hours and ADV of 33,164.

For more information on the CTG Transaction and related draw on existing senior secured credit facilities refer to "Liquidity and Capital Resources – Long-term Debt – Senior Secured Credit Facilities" and *Notes 3 and 7* of the consolidated financial statements.

Ontario LTC Redevelopment Activities

As at November 11, 2025, the Company has six LTC redevelopment projects under construction in Ontario within the Joint Ventures, comprising 1,408 new beds to replace 1,097 Class C beds. The homes are being constructed with private and semi-private rooms, with substantial improvements in common areas used by the residents. For more information refer to "Key Performance Indicators – LTC Projects Under Construction".

In July 2025, the Ontario Ministry of Long-Term Care (the "MLTC") introduced the new Long-Term Care Home Capital Funding Program ("CFP"), to support the construction of new long-term care homes in the province. The new CFP provides greater funding flexibility as it more effectively addresses regional variation in building costs, expands eligible costs for funding support and provides increased funding compared to prior programs. Notably, the new CFP has made a meaningful effort to recognize the particular cost challenges inherent in building in the Greater Toronto Area. In addition, the new CFP is not time limited, providing greater certainty that funding support for redevelopment will be available over a longer time horizon.

We continue to advance our 18 redevelopment projects not already under construction to make as many of these projects as possible economically feasible under the new CFP. Based on a preliminary assessment of our most advanced redevelopment projects under the new program, we plan to commence construction on one new project before the end of 2025, as discussed below, and up to three new projects in 2026.

CONSTRUCTION OF 320-BED LTC HOME TARGETED TO BEGIN IN Q4 2025

The Company expects to begin construction of a 320-bed LTC home in Sudbury, Ontario, under the new CFP before the end of 2025, subject to regulatory approvals from the MLTC. The home is anticipated to open in Q4 2028 and will replace 278 Class C beds in an existing Extendicare home in the same city. In November 2025, the Company entered into a $91.5 million fixed-price construction agreement for the project, which is anticipated to be sold to Axium JV in Q1 2026, with Extendicare retaining a 15% managed interest, subject to customary closing conditions, including receipt of regulatory approvals from the MLTC.

BUSINESS OVERVIEW

As at September 30, 2025, the Company operated 99 LTC homes, composed of 59 homes (8,147 beds) wholly owned by the Company and 40 homes (6,237 beds) under management contracts with third parties through Extendicare Assist, including 28 LTC homes owned by the Joint Ventures, in which the Company holds a 15% managed interest. The Company's network of 99 LTC homes has capacity for 14,384 residents across three provinces in Canada, with Ontario, Manitoba and Alberta accounting for 75.9%, 13.6% and 10.5% of residents served, respectively.

In addition to providing procurement services to the LTC homes owned entirely by the Company, SGP supports third-party clients and the LTC homes owned by the Joint Ventures, representing approximately 152,100 beds across Canada, as at September 30, 2025.

The Company's home health care operations, ParaMed, delivered approximately 12.2 million hours of home health care services in the twelve months ended September 30, 2025, in Ontario, Alberta and Nova Scotia, accounting for 93.5%, 3.4% and 3.1% of the volume, respectively.

Joint Ventures

Joint ventures are accounted for in the Company's consolidated financial statements as investments using the equity method, whereby the investment is initially recognized at cost, and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income or loss of the joint venture from the date of acquisition, increased by the Company's contributions and reduced by distributions received. The Company's share of joint venture profit or loss is included in the consolidated statements of earnings.

The following table summarizes the classification of the 34 properties (5,294 beds) that are owned through the Company's joint ventures as at September 30, 2025.

	# of Properties		# of Beds			
Joint Venture	**Operational**	**Under Construction**	**Operational**	**Under Construction**	**Extendicare Ownership**	**Accounting Treatment**
Axium Extendicare LTC II LP	25	1	3,182	320	15 %	Equity method
Axium Extendicare LTC LP	3	5	704	1,088	15 %	Equity method

Operating Segments

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

The following table summarizes the contribution of the business segments to the Company's consolidated revenue and NOI for the nine months ended September 30, 2025 and 2024.

	Nine months ended September 30,				Year ended December 31,	
	2025		2024		2024	
Operating Segments as % of	**Revenue**	**NOI**	**Revenue**	**NOI**	**Revenue**	**NOI**
Long-term care	**53.7 %**	**44.8 %**	56.1 %	51.2 %	56.4 %	49.5 %
Home health care	**42.0 %**	**38.5 %**	38.9 %	29.4 %	38.6 %	31.2 %
Managed services	**4.3 %**	**16.7 %**	5.0 %	19.4 %	5.0 %	19.3 %
Total	**100.0 %**	**100.0 %**	100.0 %	100.0 %	100.0 %	100.0 %

The following describes the operating segments of the Company.

Long-term Care

The homes owned entirely by the Company are reported under the long-term care operating segment and consist of 59 LTC homes with capacity for 8,147 residents, inclusive of 3,163 operational Class C LTC beds in Ontario that are eligible for redevelopment, a stand-alone funded designated supportive living home (140 suites) and a funded designated supportive living wing (60 suites) in Alberta, and 574 private pay retirement suites in seven mixed use homes and 76 private pay suites in retirement wings of two homes in Ontario. In addition, the Company has 224 ward-style beds in Ontario LTC homes that were taken out of service as a result of regulatory changes and which are eligible to be reinstated upon redevelopment of the Company's Class C LTC beds.

Provincial legislation and regulations closely control all aspects of the operation and funding of LTC homes and government-funded designated supportive living homes, including the fee structure, subsidies, the adequacy of physical homes, standards of care and accommodation, equipment and personnel. A substantial portion of the fees paid to providers of these services are funded by provincial programs, with a significantly smaller portion to be paid by the resident. No individual is refused access to long-term care due to an inability to pay, as a government subsidy for basic accommodation, generally based on an income test, is available for LTC residents who are unable to afford the resident co-payment. Long-term care funding in Ontario is provided in four envelopes allocated to personal care, programming, nutritional support and other accommodation, respectively. The first three envelopes must be spent entirely on residents and are independently audited with any surplus funding returned to the government. In Alberta, designated supportive living homes provide an alternative setting for residents not yet requiring the needs of a more expensive LTC home. Such homes are licensed, regulated and funded by Assisted Living Alberta ("ALA") in a similar manner to LTC homes, including a government-determined fee structure.

In Ontario, long-term care operators have the opportunity to receive additional funding through higher accommodation rates charged to residents for private and semi-private accommodation, at maximum preferred accommodation rates that are fixed by the government. Long-term care operators are permitted to designate up to 60% of the resident capacity of a home as preferred accommodation and charge premiums that vary according to the structural classification of the LTC home.

The following summarizes the significant government funding changes implemented for LTC in 2025 in Ontario, Alberta and Manitoba.

ONTARIO LTC FUNDING CHANGES

Effective July 1, 2025, the MLTC implemented a 2.4% increase in preferred accommodation premiums paid for by residents to LTC providers for private and semi-private accommodation. For older LTC beds that are not classified as "New" or "A" beds, the maximum daily preferred accommodation premiums are $9.41 and $21.14 for semi-private and private rooms, respectively. For newer LTC beds that are classified as "New" or "A" beds, the maximum daily preferred accommodation premiums are $14.10 and $29.39 for semi-private and private rooms, respectively.

Effective April 1, 2025, the MLTC implemented a blended funding increase of approximately 2.3%, representing a 2.0% increase to the other accommodation envelope and 2.4% to the flow-through envelopes. In addition, flow-through funding for ward-style beds not in service ceased on April 1, 2025. The Company estimates these funding changes will result in net incremental annual revenue of approximately $9.8 million, of which $2.5 million is applicable to the non-flow through, other accommodation envelope.

ALBERTA LTC FUNDING CHANGES

In August 2025, ALA announced funding changes for operators of LTC and designated supportive living homes that increased the residents' portion of funding effective August 1, 2025 and government funding increases retroactive to April 1, 2025, as outlined below, resulting in the Company recognizing approximately $1.6 million of prior period funding in Q3 2025.

Effective August 1, 2025, ALA implemented a 2.8% annual inflationary increase to the residents' share of accommodation rates, a portion of which is currently being paid by ALA due to a resident deferral period to offset high inflation. This increase represents additional annual revenue for the Company of approximately $1.2 million.

Effective April 1, 2025, ALA implemented a 1.25% annual rate increase as well as certain acuity level funding adjustments resulting in increased funding for the Company to support residents with higher acuity levels in its care. The Company estimates that these funding enhancements will provide incremental annual revenue of approximately $6.1 million.

MANITOBA LTC FUNDING CHANGES

In August 2025, Manitoba Health announced funding changes for LTC operators that include a 2.0% annual inflationary increase and additional funding to support an increase in direct hours of care retroactive to April 1, 2025, as well as funding to support previously incurred union wage settlements retroactive to April 1, 2024. The Company estimates that these funding increases represent additional annual revenue of approximately $4.8 million. In Q3 2025, the Company recognized approximately $2.3 million of prior period funding related to 2024.

Home Health Care

The Company provides home health care services through ParaMed, whose professionals and staff members are skilled in providing complex nursing care, occupational, physical and speech therapy and assistance with daily activities to accommodate clients of all ages living at home.

Provincial governments fund a wide range of home health care services and contract these services to providers such as ParaMed. ParaMed receives approximately 99% of its revenue from contracts tendered by locally administered provincial agencies, with the remainder coming from private clients.

HOME HEALTH CARE FUNDING CHANGES

The following summarizes Ontario Health atHome ("OHaH") funding changes announced for home health care to date.

In November 2024, OHaH confirmed a 4.0% bill rate increase for the sector retroactive to April 1, 2024. Similar to the rate increase received in Q4 2023, the government prescribed that the increase be directed towards eligible costs to support staff and delivery of services, of which 3.0% was to be directed towards wages and benefits for eligible staff, and the balance for eligible general costs, including training, recruitment and retention, technology investments and other operational costs.

Based on ParaMed's ADV and mix of services provided for the trailing twelve months ended March 31, 2025, the 4.0% rate increase represented incremental annual revenue of approximately $21.1 million to help support increased costs, some of which have already been incurred. As a result of the 4.0% increase, the Company recognized $4.4 million in revenue in Q4 2024, reflecting a recovery of prescribed eligible costs that were previously made by ParaMed retroactive to April 1, 2024. Further enhancements to the Company's compensation programs and ongoing investments in recruiting, retention and technology were made in Q1 2025 that resulted in the recognition of out-of-period revenue and expenses of $11.0 million, with no impact on NOI.

In October 2025, the Ontario government announced $1.1 billion in funding over three years to increase home health care volumes across the province. No further bill rate increases for the home health care sector have been announced by OHaH in 2025.

Managed Services

The Company leverages its size, scale and operational expertise in the seniors' care industry to provide managed services to third parties and joint ventures to which the Company is a party through its Extendicare Assist and SGP divisions.

MANAGEMENT CONTRACTS AND CONSULTING AND OTHER SERVICES

Through its Extendicare Assist division, the Company provides management, consulting and other services to third parties and joint ventures to which the Company is a party, including not-for-profit and for-profit organizations, hospitals and municipalities. Extendicare Assist's business is classified into two categories: (i) management contracts and (ii) consulting and other services. Our management contracts category consists of two offerings: i) a fully managed service, providing management oversight over the day-to-day operations of the homes and ii) a back-office services only offering. Our full-service management contract offering provides the full suite of back-office support services with oversight of the day-to-day operations of a home supported by our regional support and clinical quality management teams. Our full suite of back-office support services includes human resources, labour relations, payroll and benefits administration, accounting and information technology expertise supported by our cloud-based integrated technology platform that provides all of the systems needed to operate a seniors' care home. Our consulting and other services category covers a wide variety of offerings, including clinical improvement programs, operational reviews, financial performance advice and LTC home redevelopment services. We also offer an LTC operating policy subscription service that can be procured as a standalone service.

As at September 30, 2025, Extendicare Assist held management contracts for 40 LTC homes with capacity for 6,237 residents, including 254 private pay retirement beds, and provided a further 25 homes with consulting and other services. Some of the LTC homes under management contract have both funded and private pay retirement beds as part of the same mixed-use property.

GROUP PURCHASING SERVICES

Through its SGP division, the Company offers cost-effective purchasing contracts to other seniors' care providers, as well as, to a lesser degree, other parties, such as daycares, hostels and clinics, for food, capital equipment, furnishings, cleaning and nursing supplies and office products. SGP negotiates long-term, high volume contracts with suppliers that provide members with preferred pricing, thereby providing a cost-effective means to secure quality national brand-name products, along with a range of innovative services. As at September 30, 2025, SGP provided services to third parties and joint ventures to which the Company is a party representing approximately 152,100 beds across Canada.

KEY PERFORMANCE INDICATORS

In addition to those measures identified under "Non-GAAP Measures", management uses certain key performance indicators in order to compare the financial performance of the Company's operations between periods. Such performance indicators may not be comparable to similar indicators presented by other companies. Set forth below is an analysis of the key performance indicators and a discussion of significant trends when comparing the Company's financial results.

The following is a glossary of terms for some of the Company's key performance indicators:

"Average Daily Volume" or "ADV" in the context of the home health care operations, is measured as the number of hours of service provided divided by the number of days in the period; and

"Occupancy" is measured as the percentage of the number of earned resident days relative to the total available resident days. Total available resident days is the number of beds available for occupancy multiplied by the number of days in the period. The determination of earned and available resident days is adjusted for certain bed types that are excluded from the government's occupancy requirements for funding purposes.

Long-term Care

The following table provides the average occupancy levels of the LTC operations for the past eight quarters.

Long-term Care Homes		**2025**					**2024**	**2023**
Average Occupancy(i) ***(%)***	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**
Total LTC	**98.5%**	**98.3%**	**97.5%**	98.0%	98.4%	97.8%	97.5%	97.8%
Change over prior year period (bps)	**10**	**50**	**—**	20	60	60	90	330
Sequential quarterly change (bps)	**20**	**80**	**(50)**	(40)	60	30	(30)	—
Ontario LTC								
Total ON LTC	**98.6%**	**98.6%**	**98.2%**	98.5%	99.1%	98.7%	98.6%	98.7%
Preferred Accommodation(ii)								
"New" homes – private	**97.6%**	**97.8%**	**96.8%**	95.9%	96.2%	95.4%	94.0%	91.9%
"C" homes – private	**94.7%**	**94.6%**	**92.3%**	94.5%	93.5%	94.8%	93.3%	92.7%
"C" homes – semi-private	**74.9%**	**75.2%**	**72.9%**	72.5%	70.8%	67.0%	66.6%	65.3%

(i) Excludes private pay retirement suites in mixed use homes and ward-style beds in Ontario LTC homes that were taken out of service per regulatory changes, and which form part of the Company's Class C beds that are eligible to be reinstated upon redevelopment (224 ward-style beds at the end of Q3 2025; 99 ward-style beds at the end of Q4 2024; and 185 ward-style beds at the end of Q4 2023).

(ii) Average occupancy reported for the available private and semi-private rooms reflects the percentage of residents occupying those beds that pay the respective premium rates.

In Ontario, government funding is occupancy-based, but once the average occupancy level of 97% for the calendar year is achieved, operators are funded based on 100% occupancy. In the event of closure to admissions related to an outbreak, which is not unusual during the winter months, full funding is preserved in Ontario, otherwise referred to as occupancy protection funding. However, occupancy protection does not compensate for the loss of preferred accommodation premiums from private and semi-private room vacancies.

LTC Projects Under Construction

The following table summarizes the LTC development projects under construction as at November 11, 2025.

LTC Project	**Owner**(i)	**Extendicare Ownership Interest**	**# of Class C Beds Replaced**	**# of New Beds**	**Construction Commenced**	**Expected Opening**	**Estimated Development Costs**(ii) ***($ millions)***
Peterborough	Axium JV	15.0 %	172	256	Q2-23	Q2-26	103.5
Carlingview Manor (Ottawa)	Axium JV II	15.0 %	303	320	Q4-23	Q2-26	121.4
Orleans	Axium JV	15.0 %	240	256	Q4-23	Q1-27	103.3
St. Catharines	Axium JV	15.0 %	152	256	Q3-24	Q1-27	106.4
Port Stanley	Axium JV	15.0 %	60	128	Q4-24	Q1-27	52.7
London	Axium JV	15.0 %	170	192	Q4-24	Q2-27	77.7
			1,097	**1,408**			**565.0**

(i) For the projects owned by Axium JV II, Revera is responsible for the development and construction of the new home, pursuant to a development and construction management agreement.

(ii) Development costs are defined on a GAAP basis (which includes the cost of land, hard construction and soft development costs, furniture, fixtures and equipment, financing costs and capitalized interest costs during construction), net of any capital development government grant receivable on substantial completion of construction, if applicable.

Certain LTC development projects experienced unforeseen site conditions that impacted projected opening dates. Furthermore, the estimated development costs for certain projects were adjusted based on favourable changes to municipal development charges related to LTC and changes to the treatment of indirect taxes associated with new LTC developments. We continue to work with our general contractors and construction partners to mitigate the impacts of these factors on schedules and costs.

Home Health Care

The table set out below provides the service volumes and ADV of the home health care operations for the past eight quarters. In Q3 2025, ADV increased to 37,609, up 24.6% from Q3 2024, reflecting an ADV contribution of 3,500 from the CTG Transaction. Excluding the contribution of the CTG Transaction in Q3 2025, ADV increased by 13.0% from Q3 2024. For more information on the CTG Transaction refer to "Significant Developments – Expanded Home Health Care Segment With Acquisition of Closing the Gap Healthcare Group" and *Note 3* of the consolidated financial statements.

Our home health care operations have experienced sequential growth in ADV every quarter since Q3 2022. The pent-up demand for services following the COVID-19 pandemic and improvements in our recruiting and retention programs have driven volume growth and lessened the seasonality that has historically characterized our business, muting the seasonal softness in ADV typically experienced in the summer months. If demand growth slows, historical seasonal patterns may become more evident in the results.

Demand growth for home health care services continues to increase faster than the 4% annual increase in the over 75 age group. Expansion of LTC capacity lags the needs of the growing seniors demographic, driving higher demand for home health services as a means to fill the care gap.

Home Health Care			**2025**				**2024**	**2023**
Service Volumes	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**
Hours of service *(000's)*	**3,460.0**	**3,031.2**	**2,844.3**	2,851.4	2,776.7	2,732.5	2,639.7	2,590.5
ADV	**37,609**	**33,310**	**31,603**	30,993	30,181	30,027	29,007	28,158
Change over prior year period	**24.6 %**	**10.9 %**	**8.9 %**	10.1 %	10.2 %	10.8 %	11.4 %	10.2 %
Sequential quarterly change	**12.9 %**	**5.4 %**	**2.0 %**	2.7 %	0.5 %	3.5 %	3.0 %	2.8 %

Managed Services

The table set out below provides information in respect of the third-party clients, including the Joint Ventures, receiving services from Extendicare Assist and SGP at the end of each period for the past eight quarters. For Extendicare Assist, the key performance indicators reflect those homes and beds under our management contracts offering, and exclude those homes that receive consulting and other services.

			2025				**2024**	**2023**
Managed Services	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**
Extendicare Assist Management Contracts								
Homes at period end								
Third party	**12**	**12**	**44**	44	44	45	45	47
Joint Ventures	**28**	**28**	**28**	27	26	26	26	25
Total homes at period end	**40**	**40**	**72**	71	70	71	71	72
Resident capacity								
Third party	**2,351**	**2,351**	**6,279**	6,279	6,279	6,339	6,339	6,601
Joint Ventures	**3,886**	**3,886**	**3,886**	3,630	3,438	3,438	3,438	3,182
Total resident capacity	**6,237**	**6,237**	**10,165**	9,909	9,717	9,777	9,777	9,783
Change over prior year period	**(35.8)%**	**(36.2)%**	**4.0 %**	1.3 %	(2.5)%	64.1 %	64.1 %	64.2 %
Sequential quarterly change	**— %**	**(38.6)%**	**2.6 %**	2.0 %	(0.6)%	— %	(0.1)%	(1.8)%
SGP Clients								
Third-party and joint-venture beds	**152,090**	**149,295**	**148,209**	146,292	143,547	140,937	138,250	136,164
Change over prior year period	**6.0 %**	**5.9 %**	**7.2 %**	7.4 %	11.4 %	22.1 %	23.7 %	24.1 %
Sequential quarterly change	**1.9 %**	**0.7 %**	**1.3 %**	1.9 %	1.9 %	1.9 %	1.5 %	5.6 %

During Q2 2025, Revera completed the sale of 30 of its Class C homes operated by Extendicare Assist under management contracts, nine of which were acquired by the Company on June 1, 2025 (the "LTC Acquisition") (refer to *Note 3* of the consolidated financial statements). As a result of these transactions, the management agreements in respect of the 30 homes, as well as related development agreements, terminated in accordance with their terms. In addition, two LTC homes managed by Extendicare Assist moved to self-management or ceased operations during Q2 2025.

As at September 30, 2025, Extendicare Assist held management contacts with 40 LTC homes with capacity for 6,237 residents, including 254 private pay retirement beds, and provided a further 25 homes with consulting and other services.

During Q1 2025, the Company opened Crossing Bridge (256 beds), a new LTC home within Axium JV, bringing the total LTC homes in operation in the Joint Ventures to 28.

SGP continues to grow its market share, increasing its third-party, including joint-venture, beds served at the end of Q3 2025 by 6.0% from Q3 2024, and 1.9% from Q2 2025.

SELECT QUARTERLY FINANCIAL INFORMATION

The following is a summary of select quarterly financial information for the past eight quarters.

	2025			**2024**				**2023**
(thousands of dollars unless otherwise noted)	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**
Revenue	**440,275**	**383,445**	**374,654**	391,564	359,061	348,482	367,095	350,181
Net operating income[1]	**65,902**	**54,972**	**50,228**	53,822	50,117	52,807	44,743	42,778
NOI margin[1]	***15.0%***	***14.3%***	***13.4%***	*13.7%*	*14.0%*	*15.2%*	*12.2%*	*12.2%*
Adjusted EBITDA[1]	**50,771**	**39,785**	**35,606**	39,699	36,107	38,611	30,132	28,663
Adjusted EBITDA margin[1]	***11.5%***	***10.4%***	***9.5%***	*10.1%*	*10.1%*	*11.1%*	*8.2%*	*8.2%*
Share of profit (loss) from investment in joint ventures	**846**	**210**	**(126)**	107	431	265	1,130	(578)
Net earnings	**24,119**	**31,927**	**15,031**	19,928	16,295	25,890	13,096	8,620
per basic share *($)*	**0.285**	**0.378**	**0.178**	0.236	0.194	0.307	0.156	0.102
per diluted share *($)*	**0.281**	**0.373**	**0.176**	0.232	0.187	0.289	0.154	0.102
AFFO[1]	**29,535**	**24,776**	**19,807**	28,977	23,125	23,073	17,630	19,050
per basic share *($)*	**0.349**	**0.293**	**0.235**	0.344	0.274	0.274	0.210	0.225
per diluted share *($)*	**0.345**	**0.290**	**0.232**	0.318	0.253	0.254	0.197	0.211
Maintenance capex (including 15% share of joint ventures)	**5,604**	**5,158**	**2,709**	5,270	4,093	4,829	3,411	4,988
Cash dividends declared	**10,561**	**10,561**	**10,198**	10,016	10,016	10,013	9,988	10,000
per share *($)*	**0.126**	**0.126**	**0.122**	0.120	0.120	0.120	0.120	0.120
Weighted Average Number of Shares *(000's)*								
Basic	**84,626**	**84,599**	**84,345**	84,269	84,237	84,305	84,062	84,297
Diluted	**85,716**	**85,555**	**85,468**	94,079	95,556	95,248	95,146	95,507

There are a number of factors affecting the trend of the Company's quarterly results from continuing operations. The financial impacts of COVID-19 that had impacted the Company since Q1 2020 had largely abated by the end of 2023.

With respect to the core operations, while year-over-year quarterly comparisons will generally remain comparable, sequential quarters can vary materially for seasonal and other reasons. The significant factors that impact the results from period to period, are as follows:

- Ontario long-term care funding tied to flow-through funding envelopes requires revenue be deferred until it is matched with the related costs for resident care in the periods in which the costs are incurred, resulting in a fluctuation in revenue and operating expenses by quarter, with both generally being at their lowest in Q1 and at their highest in Q4;
- Ontario long-term care providers generally receive annual flow-through funding increases and case mix index adjustments effective April 1st and increases in preferred accommodation premiums effective July 1st; Alberta long-term care providers generally receive annual rate increases and acuity-based funding adjustments on April 1st and accommodation funding increases effective July 1st, and changes in home health care bill rates for Ontario and Alberta government contracts generally take effect April 1st;
- salary and wage increases for non-unionized staff are generally implemented on January 1st, with increases for unionized staff occurring throughout the year based on agreements in effect;
- home health care volumes are impacted by seasonal patterns with volumes in the summer months generally lower, impacting Q3 volumes; also, statutory holidays vary between quarters which can have an impact on the comparability of sequential quarterly NOI and NOI margins;
- maintenance capex spending, which impacts AFFO, fluctuates on a quarterly basis with the timing of projects and seasonality and is generally at its lowest in Q1 and its highest in Q4;
- utility costs are generally at their highest in Q1 and their lowest in Q2 and Q3; and
- certain line items that are reported separately due to their transitional nature that would otherwise distort the comparability of the historical trends, being "other income or expense" and "fair value adjustments".

Reconciliations of Adjusted EBITDA and Net Operating Income

The following table provides a reconciliation of "earnings before income taxes" to Adjusted EBITDA and "net operating income". Refer to the discussion under "Non-GAAP Measures".

				2025					2024	2023
(thousands of dollars)	Q3	Q2	Q1	YTD Q3	Q4	Q3	Q2	Q1	YTD Q3	Q4
Earnings before income taxes	**34,379**	**41,412**	**18,919**	**94,710**	26,719	22,657	32,892	17,593	73,142	12,264
Add (Deduct):										
Depreciation and amortization	**9,918**	**8,480**	**8,273**	**26,671**	8,497	8,635	8,049	8,155	24,839	8,678
Net finance costs	**5,300**	**2,013**	**5,118**	**12,431**	4,336	4,164	3,627	3,608	11,399	4,429
Other expense (income)	**2,020**	**(11,910)**	**3,170**	**(6,720)**	254	1,082	(5,692)	1,906	(2,704)	2,714
Share of (profit) loss from investment in joint ventures	**(846)**	**(210)**	**126**	**(930)**	(107)	(431)	(265)	(1,130)	(1,826)	578
Adjusted EBITDA	**50,771**	**39,785**	**35,606**	**126,162**	39,699	36,107	38,611	30,132	104,850	28,663
Administrative costs	**15,131**	**15,187**	**14,622**	**44,940**	14,123	14,010	14,196	14,611	42,817	14,115
Net operating income	**65,902**	**54,972**	**50,228**	**171,102**	53,822	50,117	52,807	44,743	147,667	42,778

STATEMENT OF EARNINGS

The following provides the consolidated statement of earnings for the periods ended September 30, 2025 and 2024.

	Three months ended September 30,			Nine months ended September 30,		
(thousands of dollars unless otherwise noted)	2025	2024	Change	2025	2024	Change
Revenue	**440,275**	359,061	81,214	**1,198,374**	1,074,638	123,736
Operating expenses	**374,373**	308,944	65,429	**1,027,272**	926,971	100,301
Net operating income(1)	**65,902**	50,117	15,785	**171,102**	147,667	23,435
Administrative costs	**15,131**	14,010	1,121	**44,940**	42,817	2,123
Adjusted EBITDA(1)	**50,771**	36,107	14,664	**126,162**	104,850	21,312
Depreciation and amortization	**9,918**	8,635	1,283	**26,671**	24,839	1,832
Other expense (income)	**2,020**	1,082	938	**(6,720)**	(2,704)	(4,016)
Share of profit from investment in joint ventures	**(846)**	(431)	(415)	**(930)**	(1,826)	896
Earnings before net finance costs and income taxes	**39,679**	26,821	12,858	**107,141**	84,541	22,600
Interest expense (net of capitalized interest)	**5,021**	5,020	1	**13,539**	15,236	(1,697)
Interest revenue	**(1,308)**	(1,863)	555	**(4,043)**	(5,238)	1,195
Accretion	**77**	306	(229)	**738**	904	(166)
Fair value adjustments	**1,510**	701	809	**2,197**	497	1,700
Net finance costs	**5,300**	4,164	1,136	**12,431**	11,399	1,032
Earnings before income taxes	**34,379**	22,657	11,722	**94,710**	73,142	21,568
Current income tax expense	**15,222**	7,794	7,428	**30,722**	22,352	8,370
Deferred income tax recovery	**(4,962)**	(1,432)	(3,530)	**(7,089)**	(4,491)	(2,598)
Total income tax expense	**10,260**	6,362	3,898	**23,633**	17,861	5,772
Net earnings	**24,119**	16,295	7,824	**71,077**	55,281	15,796
Net earnings	**24,119**	16,295	7,824	**71,077**	55,281	15,796
Add (Deduct)(i)**:**						
Fair value adjustments	**1,110**	515	595	**1,615**	365	1,250
Other expense (income)	**2,020**	795	1,225	**(6,121)**	(3,622)	(2,499)
Earnings before separately reported items, net of taxes(1)	**27,249**	17,605	9,644	**66,571**	52,024	14,547

(i) The separately reported items being added to or deducted from earnings are net of income taxes.

2025 THIRD QUARTER FINANCIAL REVIEW

The following is an analysis of the consolidated results from operations for Q3 2025, as compared to Q3 2024. The comparability of the results is impacted by, among other things, the LTC Acquisition and the CTG Transaction. For further information on these items, refer to the discussions under the heading "Significant Developments".

Revenue

Revenue of $440.3 million increased by $81.2 million or 22.6% from $359.1 million in Q3 2024. Excluding the impact of a $2.1 million increase in out-of-period LTC funding ($3.9 million recognized in Q3 2025 compared to $1.8 million recognized in Q3 2024), revenue increased by $79.1 million or 22.1% to $436.4 million from $357.3 million, driven primarily by the LTC Acquisition, the CTG Transaction, LTC funding enhancements, timing of spend under flow-through care envelopes, organic growth in home health care ADV of 13.0% (24.6% including the impact of the CTG Transaction), and higher bill rates, partially offset by the closure of two Class C LTC homes in connection with the opening of new LTC homes in Axium JV.

Operating Expenses

Operating expenses of $374.4 million increased by $65.4 million or 21.2% from Q3 2024, largely driven by higher labour costs due to higher home health care volumes, increased hours of care in LTC and labour rate increases, as well as the impacts of the LTC Acquisition and CTG Transaction, partially offset by the closure of Class C LTC homes that were redeveloped in Axium JV.

Net Operating Income

Net operating income increased by $15.8 million or 31.5% to $65.9 million (15.0% of revenue) from $50.1 million (14.0% of revenue) in Q3 2024. Excluding the impact of the out-of-period funding of $3.9 million in Q3 2025 and $1.8 million in Q3 2024, NOI increased by $13.7 million to $62.0 million (14.2% of revenue) from $48.3 million (13.5% of revenue) in Q3 2024. The 28.3% increase in NOI reflects approximately $3.2 million from the LTC Acquisition, $3.1 million from the CTG Transaction, LTC funding enhancements, organic growth in home health care ADV of 13.0%, and higher bill rates, partially offset by higher operating costs and a reduction in NOI of approximately $0.6 million from the closure of Class C LTC homes that were replaced by redeveloped homes in Axium JV.

Administrative Costs

Administrative costs increased by $1.1 million to $15.1 million in Q3 2025, primarily due to higher labour and technology costs.

Adjusted EBITDA

Adjusted EBITDA increased by $14.7 million or 40.6% to $50.8 million (11.5% of revenue) from $36.1 million (10.1% of revenue) in Q3 2024, reflecting the increase in NOI, partially offset by higher administrative costs. Excluding the impact of out-of-period items of $2.1 million, 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.

Depreciation and Amortization

Depreciation and amortization costs increased by $1.3 million to $9.9 million related to the additional homes from the LTC Acquisition and the increase in intangible assets due to customer relationships from the CTG Transaction.

Other Expense (Income)

Other expense was $2.0 million in Q3 2025, reflecting transaction-related legal and professional costs. Other expense of $1.1 million in Q3 2024 related to strategic transformation costs in connection with the Revera and Axium transactions entered into in 2023. Refer to *Note 11* of the consolidated financial statements.

Share of Profit From Investment in Joint Ventures

Share of profit from joint ventures was $0.8 million in Q3 2025, compared to $0.4 million in Q3 2024. The increase is primarily as a result of LTC funding enhancements, including approximately $0.7 million of out-of-period funding, partially offset by an increase in depreciation and amortization costs and elevated operating costs associated with the opening of new LTC homes. Refer to *Note 6* of the consolidated financial statements.

Net Finance Costs

Net finance costs increased by $1.1 million in Q3 2025, reflecting an unfavourable adjustment in the fair value of interest rate swaps of $0.8 million and lower interest revenue from cash on hand.

Income Taxes

The income tax provision of $10.3 million for Q3 2025 represented an effective tax rate of 29.8%, compared to a tax provision of $6.4 million and an effective tax rate of 28.1% in Q3 2024. Excluding the impact of separately reported "other (income) expense" and "fair value adjustments", the effective tax rate was 28.1% in Q3 2025, compared to 28.0% in Q3 2024.

Net Earnings

The Company reported net earnings of $24.1 million ($0.285 per basic share) compared to $16.3 million ($0.194 per basic share) in Q3 2024. The increase in net earnings of $7.8 million largely resulted from the increase in Adjusted EBITDA of $14.7 million, partially offset by higher depreciation and amortization costs and net finance costs.

Summary of Results of Operations by Segment

The following summarizes the Company's segmented "revenue", "operating expenses" and "net operating income", followed by an analysis of the operating performance of each of the Company's operating segments.

Three months ended September 30 *(thousands of dollars unless otherwise noted)*	**Long-term Care**	**Home Health Care**	**Managed Services**	**Total**
2025				
Revenue	**237,913**	**186,807**	**15,555**	**440,275**
Operating expenses	**206,342**	**161,374**	**6,657**	**374,373**
Net operating income(1)	**31,571**	**25,433**	**8,898**	**65,902**
NOI margin(1)	***13.3%***	***13.6%***	***57.2%***	***15.0%***
2024				
Revenue	201,810	138,426	18,825	359,061
Operating expenses	177,182	122,844	8,918	308,944
Net operating income(1)	24,628	15,582	9,907	50,117
NOI margin(1)	*12.2%*	*11.3%*	*52.6%*	*14.0%*
Change				
Revenue	36,103	48,381	(3,270)	81,214
Operating expenses	29,160	38,530	(2,261)	65,429
Net operating income(1)	6,943	9,851	(1,009)	15,785

LONG-TERM CARE OPERATIONS

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

Net operating income from LTC operations increased by $6.9 million or 28.2% to $31.6 million (13.3% of revenue) in Q3 2025 compared to $24.6 million (12.2% of revenue) in Q3 2024. Excluding out-of-period funding recognized in Q3 2025 of $3.9 million and $1.8 million in Q3 2024, NOI improved by $4.8 million or 21.2% to $27.7 million (11.8% of revenue) in Q3 2025 from $22.8 million (11.4% of revenue) in the prior year period, reflecting approximately $3.2 million in NOI from the LTC Acquisition, funding enhancements, timing of spend, and improved preferred occupancy, partially offset by higher operating costs, and a reduction in NOI of approximately $0.6 million from the closure of Class C LTC homes that were replaced by newly opened LTC homes in Axium JV.

HOME HEALTH CARE OPERATIONS

Revenue from home health care operations increased by $48.4 million or 35.0% to $186.8 million in Q3 2025 from $138.4 million in Q3 2024. Excluding the $24.0 million contribution from the CTG Transaction, revenue increased by $24.4 million, primarily driven by 13.0% growth in ADV and bill rate increases.

Net operating income from home health care operations increased by $9.9 million to $25.4 million (13.6% of revenue) in Q3 2025 from $15.6 million (11.3% of revenue) in Q3 2024. Excluding the $3.1 million contribution from the CTG Transaction, NOI increased by $6.8 million, reflecting a 13.0% increase in ADV and higher bill rates, partially offset by increased wages and benefits.

MANAGED SERVICES

Revenue from managed services decreased by $3.3 million or 17.4% to $15.6 million in Q3 2025 from $18.8 million in Q3 2024. Net operating income from managed services declined by $1.0 million or 10.2% to $8.9 million in Q3 2025 compared to $9.9 million in Q3 2024, with NOI margins of 57.2% and 52.6%, respectively. The declines in revenue and NOI were largely due 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 the Joint Ventures and growth in the number of SGP clients.

2025 NINE MONTH FINANCIAL REVIEW

The following is an analysis of the consolidated results from operations for the nine months ended September 30, 2025, as compared to 2024. The comparability of the results is impacted by, among other things, the LTC Acquisition and the CTG Transaction. For further information on these items, refer to the discussions under the heading "Significant Developments".

Revenue

Revenue of $1,198.4 million increased by $123.7 million or 11.5% from $1,074.6 million for the nine months ended September 30, 2024. Excluding a net reduction in out-of-period funding of $14.2 million, revenue increased by $137.9 million or 13.2% to $1,185.1 million from $1,047.1 million, driven primarily by the LTC Acquisition, the CTG Transaction, LTC funding enhancements, timing of spend under flow-through care envelopes, growth in home health care ADV of 11.0% and higher bill rates, partially offset by the closure of three Class C LTC homes since the beginning of 2024 replaced by newly opened LTC homes in Axium JV. The reduction in out-of-period funding of $14.2 million related to an $11.6 million change in LTC retroactive funding ($2.3 million in 2025 compared to $13.9 million in 2024) and a $2.6 million change in home health care retroactive funding ($11.0 million in 2025 compared to $13.6 million in 2024).

Operating Expenses

Operating expenses of $1,027.3 million increased by $100.3 million or 10.8% from $927.0 million for the nine months ended September 30, 2024. Excluding the impact of out-of-period costs of $9.2 million, operating expenses increased by $109.5 million or 12.0% to $1,022.9 million from $913.4 million, largely driven by higher labour costs due to higher home health care volumes, increased hours of care in LTC and labour rate increases, as well as the impacts of the LTC Acquisition and CTG Transaction, partially offset by the closure of Class C LTC homes that were redeveloped in Axium JV. The year-over-year change in out-of-period costs of $9.2 million related to workers compensation rebates of $6.6 million recognized in 2025 and a reduction in one-time compensation for home health care staff supported by retroactive funding of $2.6 million.

Net Operating Income

Net operating income increased by $23.4 million or 15.9% to $171.1 million (14.3% of revenue) for the nine months ended September 30, 2025. Excluding the net reduction in out-of-period items of $5.0 million, NOI increased by $28.4 million to $162.2 million (13.7% of revenue) from $133.8 million (12.8% of revenue) in the prior year period. The 21.3% increase in NOI reflects approximately $3.1 million from the CTG Transaction, $4.5 million from the LTC Acquisition, LTC funding enhancements, growth in home health care ADV of 11.0%, and higher bill rates, partially offset by higher operating costs and a reduction in NOI of approximately $2.5 million from the closure of Class C LTC homes that were replaced by redeveloped homes in Axium JV.

Administrative Costs

Administrative costs increased by $2.1 million or 5.0% to $44.9 million for the nine months ended September 30, 2025, primarily due to higher labour and technology costs.

Adjusted EBITDA

Adjusted EBITDA increased by $21.3 million to $126.2 million (10.5% of revenue) from $104.9 million (9.8% of revenue) for the nine months ended September 30, 2024, reflecting the increase in NOI, partially offset by higher administrative costs. Excluding the year-over-year reduction in NOI of $5.0 million related to out-of-period items, Adjusted EBITDA increased by $26.3 million or 28.9% to $117.3 million (9.9% of revenue) for the nine months ended September 30, 2025, from $91.0 million (8.7% of revenue) in the prior year period.

Depreciation and Amortization

Depreciation and amortization costs increased by $1.8 million to $26.7 million for the nine months ended September 30, 2025, largely related to the additional homes from the LTC Acquisition and the increase in intangible assets due to customer relationships from the CTG Transaction.

Other Expense (Income)

Other income of $6.7 million for the nine months ended September 30, 2025 related to a gain on the sale of assets to Axium JV of $12.5 million, partially offset by strategic transformation costs of $3.2 million in connection with the Revera and Axium transactions entered into in 2023, and transaction-related legal and professional costs of $2.7 million. Other income of $2.7 million for the nine months ended September 30, 2024 related to a gain on the sale of assets of $7.5 million, partially offset by strategic transformation costs of $4.8 million in connection with the Revera and Axium transactions. Refer to *Note 11* of the consolidated financial statements.

Share of Profit From Investment in Joint Ventures

Share of profit from joint ventures was $0.9 million for the nine months ended September 30, 2025, compared to $1.8 million in the prior year period. Excluding out-of-period items of approximately $0.4 million recognized in 2025 and $0.7 million recognized in 2024, the decline of $0.6 million largely related to an increase in depreciation and amortization costs and higher net finance costs following the opening of three new LTC homes since the beginning of 2024 and elevated operating costs associated with the opening of the new homes. Refer to *Note 6* of the consolidated financial statements.

Net Finance Costs

Net finance costs increased by $1.0 million for the nine months ended September 30, 2025, reflecting an unfavourable adjustment in the fair value of interest rate swaps of $1.7 million and lower interest revenue, partially offset by lower interest expense due to a decline in long-term debt.

Income Taxes

The income tax provision of $23.6 million for the nine months ended September 30, 2025, represented an effective tax rate of 25.0%, compared to a tax provision of $17.9 million and an effective tax rate of 24.4% for the nine months ended September 30, 2024. Excluding the impact of separately reported "other (income) expense", which included capital gains largely sheltered by capital losses that had not been tax benefited, and "fair value adjustments", the effective tax rate was 26.2% for the nine months ended September 30, 2025, compared to 26.7% for the same 2024 period.

Net Earnings

The Company reported net earnings of $71.1 million ($0.841 per basic share) for the nine months ended September 30, 2025, compared to $55.3 million ($0.657 per basic share) for the prior year period. The increase in net earnings of $15.8 million largely resulted from the improvement in Adjusted EBITDA of $21.3 million 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.

Summary of Results of Operations by Segment

The following summarizes the Company's segmented "revenue", "operating expenses" and "net operating income", followed by an analysis of the operating performance of each of the Company's operating segments.

Nine months ended September 30 *(thousands of dollars unless otherwise noted)*	**Long-term Care**	**Home Health Care**	**Managed Services**	**Total**
2025				
Revenue	**642,813**	**503,671**	**51,890**	**1,198,374**
Operating expenses	**566,096**	**437,754**	**23,422**	**1,027,272**
Net operating income(1)	**76,717**	**65,917**	**28,468**	**171,102**
NOI margin(1)	***11.9%***	***13.1%***	***54.9%***	***14.3%***
2024				
Revenue	602,502	418,256	53,880	1,074,638
Operating expenses	526,935	374,802	25,234	926,971
Net operating income(1)	75,567	43,454	28,646	147,667
NOI margin(1)	*12.5%*	*10.4%*	*53.2%*	*13.7%*
Change				
Revenue	40,311	85,415	(1,990)	123,736
Operating expenses	39,161	62,952	(1,812)	100,301
Net operating income(1)	1,150	22,463	(178)	23,435

LONG-TERM CARE OPERATIONS

Revenue from LTC operations increased by $40.3 million or 6.7% to $642.8 million for the nine months ended September 30, 2025. Excluding out-of-period funding recognized in 2025 of $2.3 million and $13.9 million in 2024, revenue increased by $51.9 million, largely driven by approximately $43.2 million from homes related to the LTC Acquisition, funding increases, timing of spend and improved preferred occupancy, partially offset by revenue reduction of approximately $25.4 million due to the closure of three Class C LTC homes replaced by newly opened LTC homes in Axium JV.

Net operating income from LTC operations increased by $1.2 million or 1.5% to $76.7 million (11.9% of revenue) for the nine months ended September 30, 2025, compared to $75.6 million (12.5% of revenue) in the prior year period. Excluding workers' compensation rebates of $2.7 million recognized in Q1 2025 and the reduction in out-of-period funding of $11.6 million, NOI improved by $10.1 million or 16.3% to $71.7 million (11.2% of revenue) for the nine months ended September 30, 2025, from $61.7 million (10.5% of revenue) in the prior year period, reflecting NOI from the LTC Acquisition of approximately $4.5 million, funding enhancements, timing of spend, improved preferred occupancy, partially offset by higher operating costs and a reduction in NOI of approximately $2.5 million from the closure of Class C LTC homes that were replaced by newly opened LTC homes in Axium JV.

HOME HEALTH CARE OPERATIONS

Revenue from home health care operations increased by $85.4 million or 20.4% to $503.7 million for the nine months ended September 30, 2025, from $418.3 million in the prior year period. Excluding a reduction in retroactive funding of $2.6 million, revenue increased by $88.0 million or 21.8% to $492.7 million for the nine months ended September 30, 2025 from $404.7 million in the prior year period, largely driven by 11.0% growth in ADV, bill rate increases and the $24.0 million contribution from the CTG Transaction. The reduction in retroactive funding of $2.6 million ($11.0 million in Q1 2025 compared to $13.6 million in Q1 2024) related to changes in the recovery of increased wages and benefits and operating and technology costs.

Net operating income from home health care operations increased by $22.5 million to $65.9 million (13.1% of revenue) for the nine months ended September 30, 2025, from $43.5 million (10.4% of revenue) in the prior year period. Excluding workers compensation rebates of $3.9 million recognized in Q1 2025, NOI improved by $18.6 million or 42.7% to $62.0 million (12.6% of revenue) for the nine months ended September 30, 2025 from $43.5 million (10.7% of revenue) in the prior year period, reflecting 11.0% growth in ADV, rate increases, and the $3.1 million contribution from the CTG Transaction, partially offset by increased wages and benefits.

MANAGED SERVICES

Revenue from managed services decreased by $2.0 million or 3.7% to $51.9 million for the nine months ended September 30, 2025. Net operating income from managed services decreased by $0.2 million or 0.6% to $28.5 million for the nine months ended September 30, 2025 compared to the prior year period, with NOI margins of 54.9% and 53.2%, respectively. The declines in revenue and NOI were largely due to the sale by Revera of its 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 growth in SGP clients, management fees from newly opened homes in the Joint Ventures and changes in mix of Extendicare Assist services.

FUNDS FROM OPERATIONS AND ADJUSTED FUNDS FROM OPERATIONS

Reconciliations of FFO to Net Earnings

The following table provides a reconciliation of "net earnings" to FFO, which the Company believes is the most comparable GAAP measure to FFO. In addition, the table includes a reconciliation from FFO to AFFO as supplemental information. Refer to the discussion under "Non-GAAP Measures".

	Three months ended September 30,			Nine months ended September 30,		
(thousands of dollars unless otherwise noted)	**2025**	**2024**	**Change**	**2025**	**2024**	**Change**
Net earnings	**24,119**	16,295	7,824	**71,077**	55,281	15,796
Add (Deduct):						
Depreciation and amortization	**9,918**	8,635	1,283	**26,671**	24,839	1,832
Depreciation for FFEC (maintenance capex)	**(2,044)**	(1,959)	(85)	**(5,871)**	(5,872)	1
Depreciation for office leases	**(815)**	(741)	(74)	**(2,303)**	(2,167)	(136)
Other expense (income)	**2,020**	1,082	938	**(6,720)**	(2,704)	(4,016)
Fair value adjustments	**1,510**	701	809	**2,197**	497	1,700
Current income tax expense (recovery) on other expense (income) and fair value adjustments	**—**	(287)	287	**(945)**	(918)	(27)
Deferred income tax recovery	**(4,962)**	(1,432)	(3,530)	**(7,089)**	(4,491)	(2,598)
FFO adjustments for joint ventures(i)	**943**	423	520	**2,056**	1,282	774
FFO	**30,689**	22,717	7,972	**79,073**	65,747	13,326
Amortization of deferred financing costs	**304**	533	(229)	**907**	1,225	(318)
Accretion costs	**77**	306	(229)	**738**	904	(166)
Non-cash share-based compensation	**1,619**	1,082	537	**(875)**	621	(1,496)
Principal portion of government capital funding	**410**	396	14	**1,218**	1,255	(37)
Additional maintenance capex	**(3,250)**	(1,863)	(1,387)	**(6,977)**	(5,597)	(1,380)
AFFO adjustments for joint ventures(i)	**(314)**	(46)	(268)	**34**	(327)	361
AFFO	**29,535**	23,125	6,410	**74,118**	63,828	10,290
Per Basic Share *($)*						
FFO	**0.363**	0.270	0.093	**0.936**	0.781	0.155
AFFO	**0.349**	0.274	0.075	**0.877**	0.758	0.119
Per Diluted Share *($)*						
FFO	**0.358**	0.254	0.104	**0.923**	0.737	0.186
AFFO	**0.345**	0.253	0.092	**0.865**	0.702	0.163
Dividends						
Declared	**10,561**	10,016	545	**31,320**	30,017	1,303
Declared per share *($)*	**0.126**	0.120	0.006	**0.374**	0.360	0.014
Weighted Average Number of Shares						
Basic *(000's)*	**84,626**	84,237		**84,524**	84,202	
Diluted *(000's)*	**85,716**	95,556		**85,688**	95,537	
Current income tax expense included in FFO	**15,222**	8,081	7,141	**31,667**	23,270	8,397
FFO effective tax rate	***33.2 %***	*26.2 %*		***28.6 %***	*26.1 %*	

(i) Refer to the additional information provided under "FFO and AFFO Adjustments for Joint Ventures".

Reconciliations of AFFO to Net Cash From Operating Activities

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. Refer to the discussion under "Non-GAAP Measures".

	Three months ended September 30,			Nine months ended September 30,		
(thousands of dollars)	**2025**	**2024**	**Change**	**2025**	**2024**	**Change**
Net cash from operating activities	**63,878**	42,518	21,360	**135,235**	126,089	9,146
Add (Deduct):						
Net change in operating assets and liabilities, including interest and taxes	**(32,139)**	(16,829)	(15,310)	**(55,062)**	(56,553)	1,491
Other expense	**2,020**	1,082	938	**5,803**	4,810	993
Current income tax on items excluded from AFFO	**—**	(287)	287	**(945)**	(918)	(27)
Depreciation for office leases	**(815)**	(741)	(74)	**(2,303)**	(2,167)	(136)
Depreciation for FFEC (maintenance capex)[i]	**(2,044)**	(1,959)	(85)	**(5,871)**	(5,872)	1
Additional maintenance capex[i]	**(3,250)**	(1,863)	(1,387)	**(6,977)**	(5,597)	(1,380)
Principal portion of government capital funding	**410**	396	14	**1,218**	1,255	(37)
AFFO for joint ventures[ii]	**1,475**	808	667	**3,020**	2,781	239
AFFO	**29,535**	23,125	6,410	**74,118**	63,828	10,290
Total maintenance capex[i]	**5,604**	4,093	1,511	**13,471**	12,333	1,138

(i) Total maintenance capex represents the aggregate of the items classified as "depreciation for FFEC" and "additional maintenance capex", and includes $0.3 million and $0.6 million in respect of the Company's 15% managed interest in joint ventures for the three and nine months ended September 30, 2025, respectively. An amount equivalent to depreciation for FFEC, or furniture, fixtures, equipment and computers, is deducted in determining FFO, and the difference from the actual total maintenance capex incurred is adjusted for in determining AFFO.

(ii) Refer to the additional information provided under "FFO and AFFO Adjustments for Joint Ventures".

AFFO 2025 Third Quarter Financial Review

In Q3 2025, AFFO increased by $6.4 million to $29.5 million ($0.349 per basic share) from $23.1 million ($0.274 per basic share) in Q3 2024, largely reflecting the improvement in Adjusted EBITDA, partially offset by increased current income taxes and higher maintenance capex. Excluding the impact of out-of-period items recognized in both periods, AFFO improved by $4.4 million to $26.2 million ($0.309 per basic share) from $21.8 million ($0.259 per basic share) in the prior year period.

A discussion of the factors impacting net earnings and Adjusted EBITDA can be found under "2025 Third Quarter Financial Review".

AFFO 2025 Nine Month Financial Review

For the nine months ended September 30, 2025, AFFO increased by $10.3 million to $74.1 million ($0.877 per basic share) from $63.8 million ($0.758 per basic share) in the prior year period, largely reflecting the improvement in Adjusted EBITDA, partially offset by increased current income taxes, higher maintenance capex, and an unfavourable change in the adjustment for non-cash share-based compensation. Excluding the impact of out-of-period items recognized in both periods, AFFO improved by $14.4 million to $67.3 million ($0.796 per basic share) from $52.9 million ($0.628 per basic share) in the prior year period.

A discussion of the factors impacting net earnings and Adjusted EBITDA can be found under "2025 Nine Month Financial Review".

Dividends declared as a percentage of AFFO for the nine months ended September 30, 2025 represented a payout ratio of 42%. The Company increased its dividend by 5.0% to $0.042 per month effective with the dividend declared in March 2025. In addition to cash on hand of $165.7 million as at September 30, 2025, and ongoing cash generated from operations, the Company had $154.0 million available under its Revolving Facility as at September 30, 2025. Refer to the discussion under "Liquidity and Capital Resources".

The current income tax expense included in AFFO was $31.7 million for the nine months ended September 30, 2025, compared to $23.3 million in the prior year period, representing effective tax rates on FFO of 28.6% and 26.1%, respectively. The determination of FFO includes a deduction for current income tax expense and does not include deferred income tax expense. As a result, the effective tax rates on FFO can be impacted by: adjustments to estimates of annual deferred timing differences, particularly when dealing with cash-based tax items versus accounting accruals; changes in the proportion of earnings between taxable and non-taxable entities; book-to-file adjustments for prior year filings; and the ability to utilize loss carryforwards. For 2025, the Company expects the effective tax rate on FFO will be in the range of 26% to 29%.

Including the Company's 15% managed interest in joint ventures, maintenance capex was $5.6 million for Q3 2025 compared to $4.1 million for Q3 2024 and $5.2 million for Q2 2025, representing 1.2%, 1.1% and 1.3% of revenue, respectively. For the nine months ended September 30, 2025, maintenance capex was $13.5 million compared to $12.3 million in the prior year period, representing 1.1% and 1.1% of revenue, respectively. These costs fluctuate on a quarterly and annual basis with the timing of projects and seasonality. With the addition of nine homes from the LTC Acquisition, the Company expects to spend in the range of $20.0 to $22.0 million in maintenance capex in 2025, including approximately $1.2 million in connection with the Company's 15% managed interest in joint ventures.

The following provides a reconciliation of "Adjusted EBITDA" to AFFO as supplemental information. Refer to the discussion under "Non-GAAP Measures".

	Three months ended September 30,			Nine months ended September 30,		
(thousands of dollars)	**2025**	**2024**	**Change**	**2025**	**2024**	**Change**
Adjusted EBITDA	**50,771**	36,107	14,664	**126,162**	104,850	21,312
Add (Deduct):						
Depreciation for FFEC (maintenance capex)	**(2,044)**	(1,959)	(85)	**(5,871)**	(5,872)	1
Depreciation for office leases	**(815)**	(741)	(74)	**(2,303)**	(2,167)	(136)
Accretion costs	**(77)**	(306)	229	**(738)**	(904)	166
Interest expense	**(5,021)**	(5,020)	(1)	**(13,539)**	(15,236)	1,697
Interest revenue	**1,308**	1,863	(555)	**4,043**	5,238	(1,195)
FFO for joint ventures	**1,789**	854	935	**2,986**	3,108	(122)
	45,911	30,798	15,113	**110,740**	89,017	21,723
Current income tax expense	**15,222**	8,081	7,141	**31,667**	23,270	8,397
FFO	**30,689**	22,717	7,972	**79,073**	65,747	13,326
Amortization of deferred financing costs	**304**	533	(229)	**907**	1,225	(318)
Accretion costs	**77**	306	(229)	**738**	904	(166)
Non-cash share-based compensation	**1,619**	1,082	537	**(875)**	621	(1,496)
Principal portion of government capital funding	**410**	396	14	**1,218**	1,255	(37)
Additional maintenance capex	**(3,250)**	(1,863)	(1,387)	**(6,977)**	(5,597)	(1,380)
AFFO adjustments for joint ventures	**(314)**	(46)	(268)	**34**	(327)	361
AFFO	**29,535**	23,125	6,410	**74,118**	63,828	10,290

FFO and AFFO Adjustments for Joint Ventures

The following tables provide additional information in respect of the adjustments to FFO and AFFO for joint ventures. Refer to the discussion under "Non-GAAP Measures".

	Three months ended September 30,			Nine months ended September 30,		
(thousands of dollars)	**2025**	**2024**	**Change**	**2025**	**2024**	**Change**
Share of profit from investment in joint ventures	**846**	431	415	**930**	1,826	(896)
Depreciation and amortization	**595**	510	85	**1,943**	1,528	415
Depreciation for FFEC (maintenance capex)	**157**	(87)	244	**(132)**	(246)	114
Fair value adjustments	**191**	—	191	**245**	—	245
FFO adjustments for joint ventures	**943**	423	520	**2,056**	1,282	774
Amortization of deferred financing costs	**45**	—	45	**129**	—	129
Principal portion of government capital funding	**108**	138	(30)	**396**	291	105
Additional maintenance capex	**(467)**	(184)	(283)	**(491)**	(618)	127
AFFO adjustments for joint ventures	**(314)**	(46)	(268)	**34**	(327)	361
AFFO for joint ventures	**1,475**	808	667	**3,020**	2,781	239

	Three months ended September 30,			Nine months ended September 30,		
(thousands of dollars)	**2025**	**2024**	**Change**	**2025**	**2024**	**Change**
Adjusted EBITDA	**2,090**	1,294	796	**4,593**	4,600	(7)
Depreciation for FFEC (maintenance capex)	**157**	(87)	244	**(132)**	(246)	114
Interest expense	**(730)**	(600)	(130)	**(2,227)**	(1,734)	(493)
Interest revenue	**272**	247	25	**752**	488	264
FFO for joint ventures	**1,789**	854	935	**2,986**	3,108	(122)
Amortization of deferred financing costs	**45**	—	45	**129**	—	129
Principal portion of government capital funding	**108**	138	(30)	**396**	291	105
Additional maintenance capex	**(467)**	(184)	(283)	**(491)**	(618)	127
AFFO for joint ventures	**1,475**	808	667	**3,020**	2,781	239
Total maintenance capex for joint ventures	**310**	271	39	**623**	864	(241)

LIQUIDITY AND CAPITAL RESOURCES

Sources and Uses of Cash

The following summarizes the sources and uses of cash for the nine months ended September 30, 2025 and 2024.

	Nine months ended September 30,	
(thousands of dollars)	**2025**	**2024**
Net cash from operating activities	**135,235**	126,089
Net cash (used in) from investing activities	**(97,954)**	(1,145)
Net cash used in financing activities	**6,592**	(45,830)
Increase (decrease) in cash and cash equivalents	**43,873**	79,114

As at September 30, 2025, the Company had cash and cash equivalents on hand of $165.7 million, reflecting an increase in cash of $43.9 million from the beginning of the year. Cash flow from operating activities of $135.2 million for the nine months ended September 30, 2025 was in excess of cash dividends paid of $31.1 million.

Net cash from operating activities was a source of cash of $135.2 million for the nine months ended September 30, 2025, up $9.1 million from a source of cash of $126.1 million in the prior year period, reflecting the increase in earnings and favourable changes in operating assets and liabilities between periods, partially offset by income taxes paid because of the improvement in earnings for the prior year period. Fluctuations in operating assets and liabilities between periods are primarily attributable to the volatility and timing of cash receipts related to funding changes and flow-through funding, and the timing of payroll cycles.

Net cash used in investing activities was a use of cash of $98.0 million for the nine months ended September 30, 2025 compared to $1.1 million in the prior year period. The 2025 activity included $75.1 million in connection with the CTG Transaction, $41.9 million in connection with the LTC Acquisition, purchases of property, equipment and other intangible assets of $39.6 million, of which $12.3 million related to construction costs associated with the three LTC projects sold to Axium JV in May 2025, and investments in the Joint Ventures of $1.1 million. This was partially offset by proceeds of $57.4 million from the sale of the three redevelopment projects to Axium JV, the collection of other assets of $1.2 million and distributions from investments in the Joint Ventures of $1.2 million. The 2024 activity included proceeds of $20.5 million from the sale of assets to Axium JV, proceeds of $5.3 million from the sale of the vacated LTC home in Sudbury, the collection of other assets of $1.3 million and distributions from investments in the Joint Ventures of $0.7 million, partially offset by purchases of property, equipment and other intangible assets of $28.5 million and investments in the Joint Ventures of $0.4 million.

The table that follows summarizes the additions to property, equipment and other intangibles, allocated between growth and maintenance capex. Growth capex relates to the LTC redevelopment projects, building improvements, investments in transitioning key IT platforms to cloud-based solutions, or other capital projects, all of which are aimed at earnings growth. Maintenance capex relates to the capital additions incurred to sustain and upgrade existing property and equipment.

	Nine months ended September 30,	
(thousands of dollars)	**2025**	**2024**
Growth capex	**20,269**	16,829
Maintenance capex	**12,848**	11,469
	33,117	28,298

Management monitors and prioritizes the capital expenditure requirements of its properties throughout the year, taking into account the urgency and necessity of the expenditure. Growth capex in 2025 will be focused primarily on the LTC projects under construction, redevelopment activities and continued investments in technology to support growth initiatives (refer to "Other Contractual Obligations and Contingencies – Commitments"). The level of future growth capex will primarily be impacted by the timing of redevelopment projects advancing to construction, which is dependent on the Capital Funding

Program in Ontario, any potential redevelopment programs that are introduced in Alberta and Manitoba, and whether such projects are sold to Axium JV.

Net cash used in financing activities was a source of cash of $6.6 million for the nine months ended September 30, 2025 compared to a use of cash of $45.8 million in the prior year period. The 2025 activity included a draw of $55.0 million under the senior secured credit facility, partially offset by cash dividends paid of $31.1 million, and debt and lease liability repayments of $16.1 million. The 2024 activity included cash dividends paid of $30.0 million and debt and lease liability repayments of $14.9 million.

Capital Structure

SHAREHOLDERS' EQUITY

Total shareholders' equity as at September 30, 2025, was $163.9 million as compared to $124.4 million at December 31, 2024, reflecting the contributions from net earnings and comprehensive income, offset by dividends declared of $31.3 million.

As at September 30, 2025, the Company had 83,817,909 Common Shares issued and outstanding (carrying value – $469.5 million), as compared to 83,466,978 Common Shares (carrying value – $469.3 million) as at December 31, 2024, reflecting 350,931 Common Shares issued under the Company's equity-based compensation plan.

Share Information *(000's)*	**November 10, 2025**	**September 30, 2025**	**December 31, 2024**
Common Shares (TSX symbol: EXE)(i)	**83,817.9**	**83,817.9**	83,467.0

(i) Closing market value per TSX on November 10, 2025, was $16.14.

As at November 11, 2025, the Company had an aggregate of 3,225,017 Common Shares reserved and available for issuance pursuant to the Company's long-term incentive plan, of which there were in aggregate 2,326,337 performance share units and deferred share units outstanding as at September 30, 2025 (refer to *Note 8* of the consolidated financial statements).

Dividends

The Company declared cash dividends of $0.374 per share in the nine months ended September 30, 2025, compared with $0.360 per share in the same prior year period, representing $31.3 million and $30.0 million in each period, respectively.

As announced on February 27, 2025, the Company increased its dividend by 5.0% to $0.042 per month effective with the dividend to be declared in March 2025.

Normal Course Issuer Bid

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. The Company has entered into an automatic purchase plan with its designated broker in connection with its NCIB to facilitate the purchase of Common Shares during times when the Company would ordinarily not be active in the market. The Board authorized the NCIB because it believes that, from time to time, the market price of the Common Shares may be such that their purchase may be an attractive and appropriate use of corporate funds. Decisions regarding the quantity and timing of purchases of Common Shares are based on market conditions, share price and the outlook for capital needs, including LTC redevelopment needs and other factors. As at November 10, 2025, there were no purchases made under the Company's NCIB program during 2025.

Long-term Debt

Long-term debt totalled $337.5 million as at September 30, 2025, as compared to $292.5 million as at December 31, 2024, representing an increase of $45.0 million, largely reflecting a draw under the Delayed Draw Facility of $55.0 million and new lease liabilities of $3.3 million, partially offset by regular debt and lease liability repayments of $16.1 million. The current portion of long-term debt as at September 30, 2025 was $20.3 million.

The Company is subject to debt service coverage covenants on its $375.0 million Senior Secured Credit Facility, and certain of its loans and was in compliance with all covenants as at September 30, 2025. Details of the components, maturities dates, terms and conditions of long-term debt are provided in *Note 7* of the consolidated financial statements.

NON-CMHC MORTGAGES

In March 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 FACILITIES

In May 2025, the Company increased its senior secured credit facility by $100.0 million, bringing the total facility to $375.0 million (the "Senior Secured Credit Facility"), adding $45.0 million to the revolving credit facility (the "Revolving Facility"), increasing it to $190.0 million, and $55.0 million to the delayed draw term loan facility (the "Delayed Draw Facility"), increasing it to $185.0 million. In July 2025, the Company drew an additional $55.0 million under the Delayed Draw Facility to partially fund the CTG Transaction.

The Senior Secured Credit Facility is secured by 30 LTC homes and is subject to customary financial and non-financial covenants and other terms. The Revolving Facility is available for working capital and general corporate purposes, including capital expenditures and acquisitions. The Senior Secured Credit Facility includes provisions for consecutive one-year extensions of the initial three-year term, and the ability to increase the Revolving Facility by up to an additional $75.0 million, subject in each case to satisfying certain conditions and lender approval.

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. In July 2025, the Company amended its existing swap contracts with a syndicate of Canadian chartered banks for the total remaining amount owing under the Delayed Draw Facility 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, the Company's fully utilized Delayed Draw Facility had a balance owing of $177.8 million. In addition, the Company had issued $36.0 million in letters of credit under the Revolving Facility, leaving $154.0 million of undrawn capacity under the Revolving Facility. The letters of credit consisted of $24.2 million to secure the Company's legacy defined benefit pension plan obligations, $11.3 million to secure the Company's obligation to fund capital contributions to the Joint Ventures in connection with construction of LTC redevelopment projects within the Joint Ventures, and $0.5 million to secure obligations relating to LTC homes.

For more information on the Senior Secured Credit Facility and CTG Transaction, refer to "Significant Developments" and *Notes 7 and 17* of the consolidated financial statements.

LONG-TERM DEBT KEY METRICS

Management has limited the amount of debt that may be subject to changes in interest rates, with $19.3 million of mortgage debt at variable rates. The Company's $177.8 million borrowing under the Delayed Draw Facility and term loan of $27.0 million as at September 30, 2025, have effectively been converted to fixed-rate financings with interest rate swaps over the full respective terms. As at September 30, 2025, the interest rate swaps were classified as a liability of $2.8 million.

The following summarizes key metrics of consolidated long-term debt as at September 30, 2025, and December 31, 2024.

	September 30, 2025			December 31, 2024		
(thousands of dollars unless otherwise noted)	**Before Adjustments for Joint Ventures**	**Adjustments for Joint Ventures**(ii)	**Adjusted for Joint Ventures**	**Before Adjustments for Joint Ventures**	**Adjustments for Joint Ventures**(ii)	**Adjusted for Joint Ventures**
Weighted average interest rate of long-term debt outstanding	**5.3%**		**5.3%**	5.1%		5.3%
Weighted average term to maturity of long-term debt outstanding	**4.6 yrs**		**7.4 yrs**	5.5 yrs		7.3 yrs
Trailing twelve months consolidated interest coverage ratio(i) (1)	**9.8 X**		**8.0 X**	7.9 X		6.5 X
Debt to Gross Book Value (GBV)						
Total assets (carrying value)	**873,861**	**127,657**	**1,001,518**	719,788	96,573	816,361
Accumulated depreciation on property and equipment	**305,843**	**5,425**	**311,268**	286,699	3,795	290,494
Accumulated amortization on other intangible assets	**55,751**	**1,460**	**57,211**	52,875	1,225	54,100
GBV	**1,235,455**	**134,542**	**1,369,997**	1,059,362	101,593	1,160,955
Debt(iii)	**341,242**	**100,931**	**442,173**	296,388	75,963	372,351
Debt to GBV	**27.6%**		**32.3%**	28.0%		32.1%

(i) Capitalized interest included in the calculation of the interest coverage ratio before adjustments for joint ventures was nil for the trailing twelve months ended September 30, 2025 (nil for the nine months ended September 30, 2025). The calculation adjusted for joint ventures includes the Company's 15% share of the joint ventures' Adjusted EBITDA and interest expense of $6.1 million and $4.7 million, respectively, the latter of which is inclusive of $2.0 million of capitalized interest ($1.5 million for the nine months ended September 30, 2025).

(ii) The adjustments to GBV represent the Company's 15% share of the joint ventures' GBV of $158.5 million less the Company's carrying value in the joint ventures of $24.0 million. The adjustment for debt represents the Company's 15% share of the joint ventures' mortgages at carrying amount, excluding deferred financing costs.

(iii) Debt excludes deferred financing costs.

Future Liquidity and Capital Resources

The Company's consolidated cash and cash equivalents on hand, excluding restricted cash, was $165.7 million as at September 30, 2025, as compared with $121.8 million as at December 31, 2024, representing an increase of $43.9 million. In addition, the Company had access to a further $154.0 million under the Revolving Facility.

The Company had a working capital deficiency (current liabilities less current assets) of $64.3 million as at September 30, 2025, including the current portion of long-term debt of $20.3 million.

Management believes that the current cash and cash equivalents on hand, cash from operating activities, available funds from credit facilities and future debt financings will be sufficient to support the Company's ongoing business operations, including required working capital, maintenance capex and debt repayment obligations and the Company's share of capital requirements, in partnership with Axium, to support our long-term care redevelopment program. Growth through redevelopment of LTC homes over the next few years, strategic acquisitions and developments may necessitate the raising of funds through debt, equity financings and/or other means. Decisions will be made on a specific transaction basis and will depend on market and economic conditions at the time.

Inflationary impacts on operating costs, changes in interest rates such that capital and credit markets and industry sentiment are adversely affected, ongoing pressures of funding and rate increases not keeping pace with cost increases, health care staffing constraints and the potential for another pandemic, epidemic or outbreak may make it more difficult for the Company to access the necessary capital or credit markets or if able to do so, at a higher cost or less advantageous terms than existing borrowings. In addition, reduced revenue and higher operating costs due to inflationary impacts and rising interest rates may result in reductions or early prepayments of existing financings if covenants are unable to be met (refer to "Risks and Uncertainties").

OTHER CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

Commitments

As at September 30, 2025, the Company had outstanding commitments of $25.0 million, primarily related to various IT service and license agreements for IT cloud-based applications in support of the Company's growth initiatives (refer to *Note 13* of the consolidated financial statements).

Subsequent to Q3 2025, the Company entered into a $91.5 million fixed-price construction agreement for a new 320-bed LTC home in Sudbury, Ontario, that is anticipated to begin construction in Q4 2025.

For further details on the above commitments and the Sudbury redevelopment project, refer to "Significant Developments – Ontario LTC Redevelopment Activities" and to *Note 13* of the consolidated financial statements.

Guarantees

The Company provides unsecured guarantees related to certain credit facilities held by the 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 the Joint Ventures (refer to *Note 13* of the consolidated financial statements).

The Joint Ventures are subject to debt service coverage covenants on certain of their respective 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 (see "Risks and Uncertainties").

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 PSWs 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 and it could have a materially adverse impact on the Company's business, results of operations and financial condition.

ACCOUNTING POLICIES AND ESTIMATES

Critical Accounting Policies and Estimates

A full discussion of the Company's critical accounting policies and estimates was provided in the MD&A and the accompanying notes to the audited consolidated financial statements for the year ended December 31, 2024, contained in the Company's 2024 Annual Report. The disclosures in such report have not materially changed since that report was filed, and to the extent there have been any changes in management's estimates, they are discussed under "Significant Developments".

New Material Accounting Policy

During the nine months ended September 30, 2025, the Company applied the accounting policy related to business combinations and asset acquisitions in connection with the LTC Acquisition. A full disclosure and effect of the accounting policy is described in *Note 2* of the consolidated financial statements.

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.

NON-GAAP MEASURES

Certain measures used in this MD&A listed below, including any related per share amounts, used by management to measure, compare and explain the operating results and financial performance of the Company, 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 measures 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.

These measures are defined below and reconciliations to the most comparable GAAP measure are referenced, as applicable.

"**Net operating income**", or "**NOI**", is defined as revenue less operating expenses, and this value represents the underlying performance of the operating business segments.

"**NOI margin**" is defined as NOI as a percentage of revenue.

"**EBITDA**" is defined as earnings (loss) from continuing operations before net finance costs, income taxes, depreciation and amortization.

"**Adjusted EBITDA**" is defined as EBITDA adjusted to exclude the line items "share of profit from investment in joint ventures" and "other (income) expense", and as a result, is equivalent to the line item "earnings before depreciation, amortization, and other" reported on the consolidated statements of earnings. Management believes that certain lenders, investors and analysts use EBITDA, Adjusted EBITDA and Adjusted EBITDA margin to measure a company's ability to service debt and meet other payment obligations, and as a common valuation measurement.

"**Adjusted EBITDA Margin**" is defined as Adjusted EBITDA as a percentage of revenue.

Reconciliations of "net operating income" and "Adjusted EBITDA" to "earnings (loss) from continuing operations before income taxes" are provided under "Select Quarterly Financial Information – Reconciliations of Adjusted EBITDA and Net Operating Income".

"**Earnings (loss) before separately reported items, net of tax**" is defined as earnings (loss) from continuing operations, excluding the following separately reported line items: "fair value adjustments", "other (income) expense" and "loss on early redemption of convertible debentures". These line items are reported separately and excluded from certain performance measures, because they are transitional in nature and would otherwise distort historical trends. "Fair value adjustments" relate to the change in the fair value of or gains and losses on interest rate agreements. "Other (income) expense" relates to gains or losses on the disposal or impairment of assets, transaction and integration costs in connection with acquisitions, restructuring and transformation charges, and proxy related costs. The above separately reported line items are reported on a pre-tax and on an after-tax basis as a means of deriving earnings (loss) from operations and related earnings per share excluding such items.

Reconciliations of "earnings (loss) from continuing operations before separately reported items" to "earnings (loss) from continuing operations" are provided under "Statement of Earnings".

"**Funds From Operations**", or "**FFO**", is defined as net earnings before income taxes, depreciation and amortization and fair value adjustments, and the line item "other (income) expense", less depreciation for furniture, fixtures, equipment and computers, or "depreciation for FFEC", depreciation for office leases, accretion costs, net interest expense and current income taxes (excluding current income taxes in respect of "fair value adjustments" and "other (income) expense" that are not otherwise included in FFO). The Company determines and includes its 15% share of FFO from its joint ventures on this same basis. Depreciation for FFEC is considered representative of the amount of maintenance (non-growth) capital expenditures, or "maintenance capex", to be used in determining FFO, as the depreciation term is generally in line with the life of these assets. FFO is a recognized earnings measure that is widely used by public real estate entities, particularly by those entities that own and/operate income-producing properties. Management believes that certain investors and analysts use FFO, and as such has included FFO to assist with their understanding of the Company's operating results.

Reconciliations of FFO to "earnings from continuing operations" are provided under "Funds From Operations and Adjusted Funds From Operations – Reconciliations of FFO to Net Earnings".

"**Adjusted Funds From Operations**", or "**AFFO**", is defined as FFO plus: i) the reversal of non-cash deferred financing and accretion costs; ii) the reversal of non-cash share-based compensation; iii) the principal portion of government capital funding; iv) amounts received from income support arrangements; and v) the reversal of income or loss of the captive insurance company that was included in the determination of FFO, as those operations were funded through investments held for the former U.S. self-insured liabilities, which are not included in the Company's reported cash and cash equivalents. In addition, AFFO is further adjusted to account for the difference in total maintenance capex incurred from the amount deducted in the determination of FFO. Since the Company's actual maintenance capex spending fluctuates on a quarterly basis with the timing of projects and seasonality, the adjustment to AFFO for these expenditures from the amount of depreciation for FFEC already deducted in determining FFO, may result in an increase to AFFO in the interim periods reported. The Company determines and includes its 15% share of AFFO from its joint ventures on this same basis. Management considers AFFO a relevant measure of the ability of the Company to earn cash and pay cash dividends to shareholders.

"**Payout ratio**" is defined as the ratio of dividends declared to AFFO. Management considers this a useful metric to evaluate the Company's dividend capacity.

Both FFO and AFFO are subject to other adjustments, as determined by management in its discretion, that are not representative of the Company's operating performance.

Reconciliations of "net cash from operating activities" to "AFFO" are provided under "Funds From Operations and Adjusted Funds From Operations – Reconciliations of AFFO to Net Cash From Operating Activities".

"**Interest coverage ratio**" and "**net interest coverage ratio**" are defined as the ratio of Adjusted EBITDA to interest expense, including interest capitalized and excluding financing prepayment costs and the amortization of deferred financing costs, and in the case of 'net interest', including interest revenue. Management considers these relevant measures as they indicate the Company's ability to meet its interest cost obligations on a trailing twelve-month basis.

RISKS AND UNCERTAINTIES

There are certain risks inherent in an investment in securities and activities of the Company, which investors should carefully consider before investing in the Company. Risks and uncertainties are disclosed in the Company's 2024 Annual Information Form, including without limitation, "Risks Related to Inflationary Pressures and Supply Chain Interruptions", "Risks Related to Liability and Insurance", "Risks Related to Government Oversight, Funding and Regulatory Changes", and "Risks Related to a Pandemic, Epidemic or Outbreak of a Contagious Illness, such as COVID-19", found under the section "Risk Factors – Risks Related to the Business" and "Cash Dividends Are Not Guaranteed", found under the section "Risk Factors – Risks Related to the Common Shares". To the extent there have been any changes to those risks or uncertainties as of the date of this MD&A, they are discussed under "Forward-looking Statements" and "Significant Developments".

Endnote

(1) This is a non-GAAP financial measure. Refer to the discussion under "Non-GAAP Measures".