

Extendicare Announces 2025 Fourth Quarter and Full Year Results and Dividend Increase

MARKHAM, ONTARIO, February 26, 2026 – Extendicare Inc. (“Extendicare” or the “Company”) (TSX: EXE) today reported results for the three and twelve months ended December 31, 2025.

Fourth Quarter 2025 Highlights

- Adjusted EBITDA⁽¹⁾, excluding out-of-period items, increased by \$12.2 million or 36.4% from Q4 2024 to \$45.6 million, driven primarily by continued organic growth in the home health care segment and contributions from the acquisition of nine Class C LTC homes and Closing the Gap.
- Home health care average daily volume (“ADV”) increased by 8,447 or 27.3% from Q4 2024 to 39,440, including ADV of 3,700 from Closing the Gap.
- Third-party and joint venture beds serviced by SGP reached 153,600 beds, reflecting organic growth of 5.0% from Q4 2024.
- As previously announced, the Company has entered into a definitive agreement to acquire CBI Home Health for \$570.0 million, subject to customary adjustments and closing conditions.
- Completed a private placement issuance of 10,640,000 common shares in December 2025, raising \$191.5 million, net of costs, to partially fund the acquisition of CBI Home Health.

Subsequent to Q4

- Announced a 5% increase to its monthly dividend to 4.41 cents per common share.

“Our fourth quarter results build on our strong performance throughout 2025, driven by 15.3% organic growth in our home health segment from the prior year, augmented by the acquisition of Closing the Gap and the LTC homes acquired from Revera earlier in the year,” said Dr. Michael Guerriere, President and Chief Executive Officer. “Based on our positive growth trajectory and the strength of our balance sheet, we have increased our dividend by 5% again this year.”

Dr. Guerriere added, “The regulatory approval process for the CBI Home Health acquisition is progressing and we anticipate closing the transaction in early Q2. The successful \$200.0 million equity offering in December and the \$214.5 million commitment to upsize our senior secured credit facilities in support of the CBI acquisition provide the Company with continued flexibility to allocate capital and drive growth.”

Completed \$200 Million Private Placement of Common Shares

As announced on December 3, 2025, the Company completed a “bought deal” private placement (the “Private Placement”) of 10,640,000 common shares at an issue price of \$18.80 per common share, for gross proceeds of approximately \$200.0 million. The Company intends to use the net proceeds of approximately \$191.5 million to partially fund the acquisition of CBI Home Health, as discussed below.

Reached Agreement to Acquire CBI Home Health for \$570 Million

As announced on November 19, 2025, the Company, through its wholly owned home health care subsidiary ParaMed Inc., entered into an agreement to acquire CBI Home Health LP and CBI (GP) 3 Inc. and their respective subsidiaries (collectively, "CBI Home Health") from CBI Health LP and CBI GP Holdco Inc. (the "CBI Acquisition"). The CBI Acquisition will accelerate the Company's service-focused growth strategy and strengthen its national leadership position in home health care.

The CBI Acquisition is anticipated to close in Q2 2026 for a cash purchase price of \$570.0 million, subject to customary adjustments, plus approximately \$13.6 million in estimated lease liabilities in accordance with IFRS 16. To partially finance the CBI Acquisition, the Company secured a fully committed \$214.5 million upsizing of its senior secured credit facility, conditional on closing the CBI Acquisition.

The CBI Acquisition is subject to customary closing conditions, including receipt of consents from third parties, including Ontario Health atHome and Assisted Living Alberta, and regulatory approval pursuant to the *Competition Act* (Canada), and is not conditional on financing or due diligence.

CBI Home Health provides services in seven provinces and delivered over 10 million hours of care in 2024. CBI Home Health's approximately 8,500 team members provide a comprehensive suite of publicly funded home health care services, including innovative care models such as hospital to home programs, integrated care provided by interdisciplinary teams and specialized community support services.

CBI Home Health's standalone financial performance for the twelve months ended July 31, 2025, generated revenue of approximately \$477.9 million and Adjusted EBITDA⁽¹⁾ of approximately \$61.9 million⁽²⁾ (or approximately 12.9% Adjusted EBITDA margin⁽¹⁾). Based on these results, the purchase price of \$570.0 million and approximately \$13.6 million in estimated lease liabilities in accordance with IFRS 16, represent an estimated purchase price multiple of 9.4x CBI Home Health's Adjusted EBITDA. The Company expects to realize annualized run-rate synergies of approximately \$7.4 million related to the integration of IT platforms and other cost synergies over the two-year period following closing of the CBI Acquisition. Including the effect of these synergies, the implied purchase price multiple would be approximately 8.4x of CBI Home Health's Adjusted EBITDA.

Given the complementary nature of ParaMed's and CBI Home Health's operations, the Company expects to realize further annualized run-rate synergies of approximately \$5.0 to \$7.0 million over a longer period of time as the Company deploys enhanced technology solutions to drive productivity gains in areas such as automated scheduling and front-line employee experience once CBI Home Health's business has been fully integrated.

Assuming the CBI Acquisition was funded with \$359.0 million of incremental revolver and delayed draw term loan debt bearing interest at an estimated rate of 4.8%, together with the net proceeds from the Private Placement and cash on hand, and after giving effect to the estimated run-rate synergies of \$7.4 million, the CBI Acquisition would have resulted in estimated accretion to fully diluted AFFO per share of 20%⁽²⁾.

Dividend Increase

The Company is increasing its monthly dividend by 5% to 4.41 cents per share, effective with the dividend to be declared in March 2026. Building on the 5% increase last year, the increase reflects the sustained operating performance throughout 2025 and our sound capital structure. Continued strong performance would give the Company the opportunity to consider further dividend increases.

Q4 2025 Financial Highlights (all comparisons with Q4 2024)

- Revenue increased \$70.5 million to \$462.0 million; excluding out-of-period funding recognized in Q4 2024, revenue increased by \$76.8 million or 19.9%, driven primarily by the acquisition of nine Class C LTC homes (the "LTC Acquisition"), the acquisition of Closing the Gap (the "CTG Transaction"), LTC funding increases, and home health care ADV growth and rate increases, partially offset by the closure of two Class C LTC homes that were vacated following the opening of newly developed LTC homes in Axium JV.

- NOI⁽¹⁾ increased \$11.9 million to \$65.7 million; excluding the impact of out-of-period items in both periods, NOI improved by \$14.3 million or 30.2% to \$61.8 million, reflecting revenue growth, partially offset by higher operating costs.
- Adjusted EBITDA⁽¹⁾ increased \$9.8 million to \$49.5 million; excluding the impact of out-of-period items, Adjusted EBITDA increased by \$12.2 million or 36.4% to \$45.6 million (9.9% of revenue) from \$33.4 million (8.7% of revenue), reflecting the increase in NOI, partially offset by higher administrative costs of \$2.2 million, largely due to higher wages, benefits and technology costs.
- Other expense increased to \$2.7 million from \$0.3 million, reflecting transaction-related professional fees and integration costs incurred in Q4 2025 compared to \$1.2 million in strategic transformation costs and an impairment charge of \$2.7 million, partially offset by a gain on sale of assets of \$3.6 million, in Q4 2024.
- Share of profit from joint ventures increased \$0.8 million to \$1.9 million, reflecting LTC funding enhancements, the opening of three new homes in Axiom JV and the impact of a \$0.3 million fair value adjustment on interest rate swaps.
- Net earnings increased \$5.7 million or 28.4% to \$25.6 million, largely driven by the increase in Adjusted EBITDA, partially offset by higher depreciation and amortization costs.
- AFFO⁽¹⁾ increased to \$29.6 million (\$0.337 per basic share) from \$29.0 million (\$0.344 per basic share); excluding the impact of out-of-period items, AFFO improved by \$2.5 million or 10.1% to \$26.5 million (\$0.301 per basic share) from \$24.0 million (\$0.284 per basic share), largely reflecting the improvement in Adjusted EBITDA, partially offset by increased current income taxes and higher maintenance capex, in part due to the LTC Acquisition.

Year Ended 2025 Financial Highlights (all comparisons with Year Ended 2024)

- Revenue increased \$194.2 million to \$1,660.4 million; excluding the impact of out-of-period funding in both periods, revenue increased by \$209.8 million or 14.6% to \$1,647.1 million, driven primarily by seven months of the LTC Acquisition, six months of the CTG Transaction, LTC funding increases, home health care ADV growth and rate increases, partially offset by the closure of three Class C LTC homes that were vacated following the opening of new LTC homes in Axiom JV.
- NOI⁽¹⁾ increased \$35.3 million to \$236.8 million; excluding the impact of out-of-period items in both periods, NOI improved by \$35.6 million or 19.1% to \$221.8 million, reflecting revenue growth, partially offset by higher operating costs.
- Adjusted EBITDA⁽¹⁾ increased \$31.1 million to \$175.6 million; excluding the impact of out-of-period items, Adjusted EBITDA increased by \$31.4 million or 24.3% to \$160.6 million (9.8% of revenue) from \$129.2 million (9.0% of revenue), reflecting the increase in NOI, partially offset by higher administrative costs of \$4.3 million, largely due to higher wages, benefits and technology costs.
- Other income increased \$1.6 million to \$4.0 million, reflecting a \$1.4 million increase in gains from asset sales, a \$2.9 million reduction in strategic transformation costs and the impact of a \$2.7 million impairment charge in 2024, partially offset by \$5.4 million in transaction-related professional fees and integration costs incurred in 2025.
- Share of profit from joint ventures was unchanged at \$1.9 million; excluding a reduction in out-of-period items of approximately \$0.3 million, the improvement related to LTC funding enhancements and the opening of three new homes in Axiom JV, partially offset by increased depreciation and amortization costs and higher net finance costs.
- Net earnings increased \$21.4 million or 28.5% to \$96.7 million, largely driven by the increase in Adjusted EBITDA, partially offset by higher depreciation and amortization costs.

- AFFO⁽¹⁾ increased to \$103.7 million (\$1.214 per basic share) from \$92.8 million (\$1.102 per basic share); excluding the impact of out-of-period items, AFFO increased by \$11.7 million or 14.5% to \$92.2 million (\$1.079 per basic share) from \$80.5 million (\$0.956 per basic share), largely reflecting the improvement in Adjusted EBITDA, partially offset by increased current income taxes, higher maintenance capex, in part due to the LTC Acquisition, and an unfavourable change in the adjustment for non-cash share-based compensation.

Business Updates

The following is a summary of Extencicare's revenue, NOI⁽¹⁾ and NOI margins⁽¹⁾ by business segment for the three and twelve months ended December 31, 2025 and 2024.

<i>(unaudited)</i> <i>(millions of dollars unless otherwise noted)</i>	Three months ended December 31						Twelve months ended December 31					
	2025			2024			2025			2024		
	Revenue	NOI	Margin	Revenue	NOI	Margin	Revenue	NOI	Margin	Revenue	NOI	Margin
Long-term care	249.3	25.7	10.3%	224.9	24.2	10.8%	892.1	102.4	11.5%	827.4	99.8	12.1%
Home health care	197.5	31.6	16.0%	147.8	19.3	13.1%	701.1	97.5	13.9%	566.0	62.8	11.1%
Managed services	15.3	8.5	55.5%	18.8	10.3	54.6%	67.2	36.9	55.0%	72.7	38.9	53.5%
	462.0	65.7	14.2%	391.6	53.8	13.7%	1,660.4	236.8	14.3%	1,466.2	201.5	13.7%

Note: Totals may not sum due to rounding.

Long-term Care

LTC average occupancy at 98.0% in Q4 2025 was unchanged from Q4 2024.

Revenue increased by \$24.4 million or 10.8% to \$249.3 million in Q4 2025. Excluding out-of-period funding recognized in Q4 2024 of \$1.9 million, revenue increased by \$26.3 million, largely driven by approximately \$35.2 million from the LTC Acquisition, funding increases, timing of spend and improved preferred occupancy, partially offset by a revenue reduction of approximately \$7.6 million due to the closure of two Class C LTC homes replaced by newly opened LTC homes in Axium JV.

NOI and NOI margin were \$25.7 million and 10.3%, respectively, in Q4 2025, compared to \$24.2 million and 10.8% in Q4 2024. Excluding a \$3.5 million reduction from out-of-period items, NOI improved by \$4.9 million or 22.0% to \$27.3 million (10.9% of revenue) in Q4 2025 from \$22.3 million (10.0% of revenue) in Q4 2024. This increase reflects approximately \$4.8 million from the LTC Acquisition, funding enhancements, timing of spend, and improved preferred occupancy, partially offset by higher operating costs, and an NOI reduction of approximately \$0.5 million due to the closure of two redeveloped Class C LTC homes.

Home Health Care

Home health care ADV of 39,440 in Q4 2025 increased by 27.3% from Q4 2024, consisting of 15.3% organic growth augmented by volume from the CTG Transaction.

Revenue increased to \$197.5 million in Q4 2025, an increase of 33.6% from Q4 2024. Excluding retroactive funding of \$4.4 million recognized in Q4 2024, revenue increased by \$54.1 million, driven by the \$26.6 million contribution from the CTG Transaction, 15.3% organic growth in ADV and rate increases.

NOI and NOI margin were \$31.6 million and 16.0%, respectively, in Q4 2025, an increase from \$19.3 million and 13.1% in Q4 2024. Excluding a year-over-year increase of \$1.1 million related to out-of-period items, NOI increased by \$11.2 million to \$26.1 million (13.2% of revenue) in Q4 2025 from \$14.9 million (10.4% of revenue) in the prior year period. The increase in NOI of \$11.2 million includes \$3.8 million from the CTG Transaction, organic growth and rate increases, partially offset by increased wages and benefits.

Managed Services

At the end of Q4 2025, the number of third-party and joint venture beds served by SGP increased to approximately 153,600, an increase of 5.0% from the prior year period. Extencicare Assist held

management contracts for 40 homes comprising 6,237 beds and provided a further 25 homes with consulting and other services.

Revenue decreased by \$3.6 million or 18.9% to \$15.3 million in Q4 2025 due primarily to the sale by Revera of 30 Class C LTC homes that had been operated by Extencicare Assist under management contracts, nine of which were acquired by the Company, partially offset by changes in the mix of Extencicare Assist services, management fees from newly opened homes in Axiom JV and growth in SGP clients. NOI decreased by \$1.8 million or 17.6% to \$8.5 million (55.5% of revenue).

Financial Position

Extencicare had strong liquidity at December 31, 2025, with cash and cash equivalents on hand, excluding restricted cash, of \$347.9 million, which includes the \$191.5 million net proceeds from the Private Placement, and access to a further \$153.5 million under its revolving credit facility.

Funding for the CBI Acquisition, with a cash purchase price of \$570.0 million subject to customary adjustments, will be provided through draws on the upsized senior secured credit facility and cash on hand.

Select Financial Information

The following is a summary of the Company's consolidated financial information for the three and twelve months ended December 31, 2025 and 2024.

<i>(unaudited)</i> <i>(thousands of dollars unless otherwise noted)</i>	Three months ended		Twelve months ended	
	December 31		December 31	
	2025	2024	2025	2024
Revenue	462,034	391,564	1,660,408	1,466,202
Operating expenses	396,298	337,742	1,423,570	1,264,713
NOI⁽¹⁾	65,736	53,822	236,838	201,489
NOI margin ⁽¹⁾	14.2%	13.7%	14.3%	13.7%
Administrative costs	16,284	14,123	61,224	56,940
Adjusted EBITDA⁽¹⁾	49,452	39,699	175,614	144,549
Adjusted EBITDA margin ⁽¹⁾	10.7%	10.1%	10.6%	9.9%
Other (expense) income	(2,720)	(254)	4,000	2,450
Share of profit from investment in joint ventures	924	107	1,854	1,933
Loss on early redemption of convertible debentures	–	(820)	–	(820)
Net earnings	25,579	19,928	96,656	75,209
per basic share (\$)	0.291	0.236	1.132	0.893
per diluted share (\$)	0.286	0.232	1.113	0.859
AFFO⁽¹⁾	29,551	28,977	103,669	92,805
per basic share (\$)	0.337	0.344	1.214	1.102
per diluted share (\$)	0.331	0.318	1.194	1.017
Maintenance capex	10,274	5,270	23,745	17,603
Cash dividends declared per share	0.126	0.120	0.500	0.480
Payout ratio⁽¹⁾	37%	35%	41%	43%
Weighted average number of shares (000's)				
Basic	88,005	84,269	85,401	84,218
Diluted	89,396	94,079	86,843	95,362

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

Conference Call and Webcast

Extencicare will hold a conference call to discuss its 2025 fourth quarter results on February 27, 2026, at 11:30 a.m. (EDT). The call will be webcast live and archived online at www.extencicare.com under the "Investors/Events & Presentations" section. Alternatively, the call-in number is 1-833-752-3395. A

replay of the call will be available approximately two hours after completion of the live call until midnight on March 13, 2026, by dialing 1-855-669-9658 followed by the passcode 7329373#.

About Extencicare

Extencicare is a leading provider of care and services for seniors across Canada, operating under the Extencicare, ParaMed, Extencicare Assist, and SGP Purchasing Network brands. We are committed to delivering quality care to meet the needs of the growing seniors' population, inspired by our mission to provide people with the care they need, wherever they call home. We operate a network of 99 long-term care homes (59 owned, 40 under management contracts), deliver approximately 14.0 million hours of home health care services annually, and provide group purchasing services to third parties representing approximately 153,600 beds across Canada. Extencicare proudly employs approximately 28,000 qualified, highly trained and dedicated team members who are passionate about providing high-quality care and services to help people live better.

Non-GAAP Measures

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

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

Detailed descriptions of these measures can be found in Extencicare's Q4 2025 MD&A (refer to "Non-GAAP Measures"), which is available on SEDAR+ at www.sedarplus.ca and on Extencicare's website at www.extencicare.com.

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

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

<i>(unaudited)</i> <i>(thousands of dollars)</i>	Three months ended		Twelve months ended	
	December 31		December 31	
	2025	2024	2025	2024
Net cash from operating activities	28,357	17,550	163,592	143,639
Add (Deduct):				
Net change in operating assets and liabilities, including interest, and taxes	7,698	14,777	(47,364)	(41,776)
Other expense	2,720	1,232	8,523	6,042
Current income tax on items excluded from AFFO	(324)	(114)	(1,269)	(1,032)
Depreciation for office leases	(722)	(730)	(3,025)	(2,897)
Depreciation for FFEC (maintenance capex)	(2,171)	(1,943)	(8,042)	(7,815)
Additional maintenance capex	(7,453)	(2,930)	(14,430)	(8,527)
Principal portion of government capital funding	414	398	1,632	1,653
AFFO for joint ventures	1,032	737	4,052	3,518
AFFO	29,551	28,977	103,669	92,805

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

<i>(unaudited)</i> <i>(thousands of dollars)</i>	Three months ended		Twelve months ended	
	December 31		December 31	
	2025	2024	2025	2024
Earnings before income taxes	35,393	26,719	130,103	99,861
Add (Deduct):				
Depreciation and amortization	10,272	8,497	36,943	33,336
Net finance costs	1,991	4,336	14,422	15,735
Other expense (income)	2,720	254	(4,000)	(2,450)
Share of profit from investment in joint ventures	(924)	(107)	(1,854)	(1,933)
Adjusted EBITDA	49,452	39,699	175,614	144,549
Administrative costs	16,284	14,123	61,224	56,940
Net operating income	65,736	53,822	236,838	201,489

Forward-looking Statements

This press release contains forward-looking statements concerning anticipated future events, results, circumstances, economic performance or expectations with respect to Extendicare and its subsidiaries, including, without limitation: statements regarding its dividend levels, business operations, business strategy, growth strategy, results of operations and financial condition, including anticipated timelines and costs in respect of development projects; and statements relating to the acquisition of CBI Home Health, including the timing of the completion and anticipated benefits of the acquisition, the integration and anticipated post-acquisition synergies and the timing of those synergies and the intended use of proceeds from Private Placement. Forward-looking statements can often be identified by the expressions “anticipate”, “believe”, “estimate”, “expect”, “intend”, “objective”, “plan”, “project”, “will”, “may”, “should” or other similar expressions or the negative thereof. These forward-looking statements reflect the Company’s current expectations regarding future results, performance or achievements and are based upon information currently available to the Company and on assumptions that the Company believes are reasonable. These statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of the Company to differ materially from those expressed or implied in the statements. For further information on the risks, uncertainties and assumptions that could cause Extendicare’s actual results to differ from current expectations, refer to “Risks and Uncertainties” and “Forward-looking Statements” in Extendicare’s Q4 2025 MD&A and latest Annual Information Form filed by Extendicare with the securities regulatory authorities, available at www.sedarplus.ca and on Extendicare’s website at www.extendicare.com. Given these risks and uncertainties, readers are cautioned not to place undue reliance on Extendicare’s forward-looking statements. Except as required by applicable securities laws, the Company assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Extendicare contact:

David Bacon, Executive Vice President and Chief Financial Officer

T: (905) 470-4000

E: david.bacon@extendicare.com

www.extendicare.com

Endnotes

- (1) See the “Non-GAAP Measures” section of this press release and the Company’s Q4 2025 MD&A, which includes the reconciliation of such non-GAAP measures to the most directly comparable GAAP measures.
- (2) Based on CBI Home Health’s trailing twelve months ended July 31, 2025 Adjusted EBITDA of \$61.9 million, including adjustments for lease accounting policy alignment adjustments to EBITDA (\$5.5 million) and lease liability (\$13.6 million) related to facilities leases, net of Extendicare Quality of Earnings EBITDA adjustments of \$3.3 million.