

Extendicare Announces 2026 First Quarter Results

MARKHAM, ONTARIO, May 8, 2026 – Extendicare Inc. (“Extendicare” or the “Company”) (TSX: EXE) today reported results for the three months ended March 31, 2026.

First Quarter 2026 Highlights

- Adjusted EBITDA⁽¹⁾, excluding out-of-period items, increased by \$15.2 million or 52.2% from Q1 2025 to \$44.2 million, driven primarily by continued organic growth in the home health care segment and contributions from the acquisitions of Closing the Gap and nine Class C LTC homes.
- Home health care average daily volume (“ADV”) increased by 10,333 or 32.7% from Q1 2025 to 41,936, driven by organic growth and the acquisition of Closing the Gap.
- Third-party and joint venture beds serviced by SGP reached 157,100 beds, reflecting organic growth of 6.0% from Q1 2025.
- 5.0% increase in the monthly dividend to \$0.0441 per common share.
- Completed the sale of the vacated West End Villa Class C property for proceeds of \$12.1 million resulting in a pre-tax gain after closing costs of \$10.0 million (\$9.8 million after tax).

Subsequent to Q1

- On April 1, 2026, completed the acquisition of CBI Home Health for \$570.0 million, plus customary adjustments and the assumption of certain lease liabilities.
- On April 14, 2026, completed the Company’s inaugural offering of \$450.0 million 4.345% senior unsecured notes due April 2031 (rated BBB stable by Morningstar DBRS), and amended and restated the existing senior secured credit facilities to a \$250.0 million senior unsecured revolving credit facility ranking pari passu with the senior unsecured notes.

“Our first quarter results demonstrate the synergistic potential of the various components of our strategy in action: strong organic growth in home health care augmented by acquisitions, LTC redevelopment and organic growth in SGP and the operating leverage that comes with a technology enabled back office,” said Dr. Michael Guerriere, President and Chief Executive Officer. “Subsequent to the quarter, we closed the CBI acquisition and restructured our debt, setting the stage for further growth and value creation as we continue our mission to meet the growing care needs of the aging demographic.”

Completed the Acquisition of CBI Home Health for \$570 Million

On April 1, 2026, the Company, through its wholly owned home health care subsidiary ParaMed Inc., completed its previously announced acquisition of 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”) for a cash purchase price of \$570.0 million, subject to customary adjustments, plus approximately \$17.3 million in estimated lease liabilities. The CBI Acquisition was funded using a combination of the net proceeds of approximately \$191.5 million from the Company’s private placement of common shares that was completed on December 3, 2025, aggregate draws of approximately \$308.2 million under the Company’s existing senior secured credit facility (\$154.5 million delayed draw term facility and \$153.7 million revolving credit facility), and cash on hand.

Completed \$450 million Inaugural Offering of Investment Grade Senior Unsecured Notes

On April 14, 2026, the Company completed its offering of \$450.0 million aggregate principal amount of 4.345% senior unsecured notes due April 14, 2031 (the “2031 Notes”). The 2031 Notes have been assigned a final rating of BBB, with a stable trend, by Morningstar DBRS. The Company used approximately \$427.7 million of the net proceeds of the offering to repay in full the indebtedness owing under its term credit facility, and a portion of the indebtedness owing under its revolving credit facility,

with the balance to be used for working capital and other general corporate purposes, including the repayment of other existing indebtedness.

In conjunction with the debt repayments, the existing senior secured credit facilities were amended and restated to reflect an investment grade credit rating structure, including the release of all security previously granted to the lenders, such that the Company's remaining \$250 million revolving credit facility (the "Unsecured Revolving Facility") is senior unsecured debt that ranks *pari passu* with the 2031 Notes.

Q1 2026 Financial Highlights (all comparisons with Q1 2025)

- Revenue increased \$90.6 million to \$374.7 million; excluding a reduction in out-of-period funding in both periods, revenue increased by \$92.0 million or 25.3%, driven primarily by the acquisition of nine Class C LTC homes (the "LTC Acquisition"), LTC funding increases, and home health care ADV organic growth augmented by the acquisition of Closing the Gap, partially offset by the closure of a Class C LTC home that was vacated following the opening of a newly developed LTC home in Axium JV.
- NOI⁽¹⁾ increased \$18.8 million to \$69.0 million; excluding the impact of out-of-period items in both periods, NOI improved by \$16.7 million or 38.3% to \$60.3 million, reflecting revenue growth, partially offset by higher operating costs.
- Adjusted EBITDA⁽¹⁾ increased \$17.3 million to \$52.9 million; excluding the impact of out-of-period items, Adjusted EBITDA increased by \$15.2 million or 52.2% to \$44.2 million (9.7% of revenue) from \$29.0 million (8.0% of revenue), reflecting the increase in NOI, partially offset by higher administrative costs of \$1.5 million, largely due to higher wages, benefits and technology costs, partially offset by lower professional fees.
- Other income was \$7.5 million compared with an expense of \$3.2 million, reflecting a gain on sale of assets of \$10.0 million in Q1 2026 and lower transaction-related professional fees and integration costs in Q1 2026 compared to strategic transformation costs in Q1 2025.
- Share of profit from joint ventures was \$0.3 million compared to a loss of \$0.1 million in Q1 2025, reflecting the opening of a new home in Axium JV and the favourable impact of a \$0.2 million fair value adjustment on interest rate swaps.
- Net earnings increased \$25.7 million to \$40.7 million, largely driven by the increase in Adjusted EBITDA, an increase in other income and lower net finance costs, partially offset by higher depreciation and amortization costs related to the acquisitions.
- AFFO⁽¹⁾ increased to \$32.7 million (\$0.343 per basic share) from \$19.8 million (\$0.235 per basic share); excluding the impact of out-of-period items, AFFO improved by \$11.4 million or 76.2% to \$26.4 million (\$0.276 per basic share) from \$15.0 million (\$0.177 per basic share), largely reflecting the improvement in Adjusted EBITDA, partially offset by increased current income taxes, and an unfavourable change in the adjustment for non-cash share-based compensation.

Business Updates

The following is a summary of Extencicare's revenue, NOI⁽¹⁾ and NOI margins⁽¹⁾ by business segment for the three months ended March 31, 2026 and 2025.

(unaudited) (millions of dollars unless otherwise noted)	Three months ended March 31					
	2026			2025		
	Revenue	NOI	Margin	Revenue	NOI	Margin
Long-term care	243.5	32.2	13.2%	197.8	21.2	10.7%
Home health care	205.4	27.9	13.6%	158.3	19.1	12.0%
Managed services	16.2	8.9	54.6%	18.6	10.0	53.4%
	465.2	69.0	14.8%	374.7	50.2	13.4%

Note: Totals may not sum due to rounding.

Long-term Care

LTC average occupancy at 97.5% in Q1 2026 was unchanged from Q1 2025.

Revenue increased by \$45.8 million or 23.2% to \$243.5 million in Q1 2026. Excluding out-of-period funding recognized in Q1 2026 of \$7.9 million, revenue increased by \$37.9 million, largely driven by approximately \$32.5 million from the LTC Acquisition, funding increases, timing of spend and improved preferred occupancy, partially offset by the closure of a Class C LTC home replaced by a newly opened LTC home in Axium JV.

NOI and NOI margin were \$32.2 million and 13.2%, respectively, in Q1 2026, compared to \$21.2 million and 10.7% in Q1 2025. Excluding the impact of out-of-period items of \$5.2 million, NOI improved by \$5.8 million or 31.4% to \$24.3 million (10.3% of revenue) in Q1 2026 from \$18.5 million (9.4% of revenue) in Q1 2025. This increase reflects approximately \$3.5 million from the LTC Acquisition, funding enhancements, timing of spend, and improved preferred occupancy, partially offset by higher operating costs, and the closure of a redeveloped Class C LTC home.

Home Health Care

Home health care ADV of 41,936 in Q1 2026 increased by 32.7% from Q1 2025, driven by organic growth and the acquisition of Closing the Gap in July 2025.

Revenue increased to \$205.4 million in Q1 2026, an increase of 29.8% from Q1 2025. Excluding a reduction in retroactive funding of \$9.3 million, revenue increased by \$56.5 million, primarily due to the 32.7% increase in ADV, driven by organic growth and the acquisition of Closing the Gap. The reduction in retroactive funding of \$9.3 million (\$1.7 million in Q1 2026 compared to \$11.0 million in Q1 2025) largely related to changes in the recovery of increased wages, benefits and technology costs.

NOI and NOI margin were \$27.9 million and 13.6%, respectively, in Q1 2026, an increase from \$19.1 million and 12.0% in Q1 2025. Excluding a year-over-year decrease of \$3.1 million related to out-of-period items, NOI increased by \$12.0 million to \$27.1 million (13.3% of revenue) in Q1 2026 from \$15.2 million (10.3% of revenue) in the prior year period, reflecting revenue growth, partially offset by increased wages and benefits. The out-of-period items of \$3.1 million related to retroactive funding of \$0.8 million recognized in Q1 2026, offset by workers' compensation rebates of \$3.9 million recognized in Q1 2025.

Managed Services

At the end of Q1 2026, the number of third-party and joint venture beds served by SGP increased to approximately 157,100, an increase of 6.0% from the prior year period. Extencicare Assist held management contracts for 40 homes comprising 6,237 beds and provided a further 27 homes with consulting and other services.

Revenue decreased by \$2.4 million or 12.9% to \$16.2 million in Q1 2026 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 a newly opened home in Axium JV and growth in SGP clients. NOI decreased by \$1.1 million or 11.0% to \$8.9 million (54.6% of revenue).

Financial Position

Extencicare had strong liquidity at March 31, 2026, with cash and cash equivalents on hand, excluding restricted cash, of \$320.9 million, and access to a further \$154.4 million under its revolving credit facility.

Following the CBI Acquisition in April 2026 for the cash purchase price of \$570.0 million and the issuance of the 2031 Notes, of which approximately \$427.7 million of the net proceeds were used to repay the delayed draw term loan in full and the revolving credit facility in part, the Company had access to \$160.7 million under its Unsecured Revolving Facility and approximately \$67.0 million in cash and cash equivalents.

Select Financial Information

The following is a summary of the Company's consolidated financial information for the three months ended March 31, 2026 and 2025.

<i>(unaudited)</i> <i>(thousands of dollars unless otherwise noted)</i>	Three months ended	
	March 31	
	2026	2025
Revenue	465,224	374,654
Operating expenses	396,200	324,426
NOI⁽¹⁾	69,024	50,228
<i>NOI margin⁽¹⁾</i>	14.8%	13.4%
Administrative costs	16,166	14,622
Adjusted EBITDA⁽¹⁾	52,858	35,606
<i>Adjusted EBITDA margin⁽¹⁾</i>	11.4%	9.5%
Other income (expense)	7,472	(3,170)
Share of profit (loss) from investment in joint ventures	344	(126)
Net earnings	40,732	15,031
per basic share (\$)	0.427	0.178
per diluted share (\$)	0.422	0.176
AFFO⁽¹⁾	32,746	19,807
per basic share (\$)	0.343	0.235
per diluted share (\$)	0.339	0.232
Maintenance capex	2,771	2,709
Cash dividends declared per share	0.1281	0.1220
Payout ratio⁽¹⁾	37%	51%
Weighted average number of shares (000's)		
Basic	95,371	84,345
Diluted	96,600	85,468

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.

2025 Environmental, Social and Governance ("ESG") Report Published

In May 2026, Extencicare published its 2025 Environmental, Social and Governance (ESG) report, which outlines how the Company's mission — providing people with the care they need, wherever they call home — informs its approach to sustainability as it strives to increase access to care for Canadians. The report highlights priorities, including quality of care, a strong and supported workforce, the responsible stewardship of resources, effective governance and long-term operational resilience. It also describes Extencicare's ongoing efforts to enhance the identification, management and reporting of sustainability-related risks and opportunities. The report is available at www.extencicare.com under the "ESG" section.

May Dividend Declared

The Board of Directors of Extencicare today declared a cash dividend of \$0.0441 per share for the month of May 2026, which is payable on June 15, 2026, to shareholders of record at the close of business on May 29, 2026. This dividend is designated as an "eligible dividend" within the meaning of the Income Tax Act (Canada).

Conference Call and Webcast

Extencicare will hold a conference call to discuss its 2026 first quarter results on May 8, 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 May 22, 2026, by dialing 1-855-669-9658 followed by the passcode 1923796#.

About Extendicare

Extendicare is a leading provider of care and services for seniors across Canada, operating under the Extendicare, ParaMed, Extendicare Assist, and SGP Purchasing Network brands. We are committed to delivering quality care to meet the needs of the growing seniors' population, inspired by our mission to provide people with the care they need, wherever they call home. We operate a network of 99 long-term care homes (59 owned, 40 under management contracts), deliver approximately 24.5 million hours of home health care services annually, and provide group purchasing services to third parties representing approximately 157,100 beds across Canada. Extendicare proudly employs approximately 31,500 individuals and manages an additional 5,000 joint venture employees, all of whom are highly qualified, trained and dedicated team members and passionate about providing high-quality care and services to help people live better.

Non-GAAP Measures

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

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

Detailed descriptions of these measures can be found in Extendicare's Q1 2026 MD&A (refer to "Non-GAAP Measures"), which is available on SEDAR+ at www.sedarplus.ca and on Extendicare's website at www.extendicare.com.

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

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

<i>(unaudited)</i> <i>(thousands of dollars)</i>	Three months ended	
	March 31	
	2026	2025
Net cash from operating activities	(4,744)	18,421
Add (Deduct):		
Net change in operating assets and liabilities, including interest, and taxes	37,368	1,226
Other expense	2,551	3,170
Current income tax on items excluded from AFFO	(408)	(843)
Depreciation for office leases	(783)	(732)
Depreciation for FFEC (maintenance capex)	(2,300)	(1,888)
Additional maintenance capex	(233)	(697)
Principal portion of government capital funding	417	403
AFFO for joint ventures	878	747
AFFO	32,746	19,807

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	
	March 31	
	2026	2025
Earnings before income taxes	49,370	18,919
Add (Deduct):		
Depreciation and amortization	10,100	8,273
Net finance costs	1,204	5,118
Other (income) expense	(7,472)	3,170
Share of (profit) loss from investment in joint ventures	(344)	126
Adjusted EBITDA	52,858	35,606
Administrative costs	16,166	14,622
Net operating income	69,024	50,228

Forward-looking Statements

This press release contains forward-looking statements concerning anticipated future events, results, circumstances, economic performance or expectations with respect to Extencicare 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. 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 Extencicare’s actual results to differ from current expectations, refer to “Risks and Uncertainties” and “Forward-looking Statements” in Extencicare’s Q1 2026 MD&A and latest Annual Information Form filed by Extencicare with the securities regulatory authorities, available at www.sedarplus.ca and on Extencicare’s website at www.extencicare.com. Given these risks and uncertainties, readers are cautioned not to place undue reliance on Extencicare’s forward-looking statements. Except as required by applicable securities laws, the Company assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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Endnote

(1) See the “Non-GAAP Measures” section of this press release and the Company’s Q1 2026 MD&A, which includes the reconciliation of such non-GAAP measures to the most directly comparable GAAP measures.