

Extendicare Acquires Closing the Gap Healthcare Group

Extendicare increases Senior Secured Credit Facility to \$375 million

MARKHAM, ON, July 2, 2025 – Extendicare Inc. ("Extendicare" or the "Company") (TSX: EXE) announced today that its wholly owned home healthcare subsidiary, ParaMed Inc. ("ParaMed" or the "Purchaser"), completed the previously announced acquisition of all of the issued and outstanding shares of Closing the Gap Healthcare Group Inc. and certain affiliates (collectively, "Closing the Gap") from the ultimate shareholders of Closing the Gap effective July 1, 2025 (the "Transaction").

ParaMed acquired Closing the Gap on a debt-free, cash-free basis. The aggregate cash consideration for the Transaction was \$75.5 million, subject to customary working capital and other adjustments. The Transaction also 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 will be in the range of \$3.5 to \$5.5 million, payable on the first anniversary of closing. The purchase price was funded from cash on hand and existing senior secured credit facilities.

"We are pleased to welcome the Closing the Gap team to the Extendicare family," said Dr. Michael Guerriere, President and CEO of Extendicare. "Closing the Gap's capabilities in rehabilitation services and proven track record delivering integrated care models will complement our existing home health care platform as we grow to meet increasing care needs."

In addition, the Company announced a \$100.0 million increase to its existing Senior Secured Credit Facility, bringing the total facility to \$375.0 million. The incremental \$100.0 million is comprised of an additional \$55.0 million in the delayed draw term loan facility (the "Delayed Draw Facility") and \$45.0 million in the revolving credit facility (the "Revolving Facility"). The Company intends to draw the additional \$55.0 million Delayed Draw Facility in the third quarter, and the \$190.0M Revolving Facility is available for working capital and general corporate purposes, including capital expenditures and acquisitions.

"With the support of our lending group to increase our senior secured credit facility, we are well positioned to execute further strategic acquisitions to augment our organic growth", added Dr. Guerriere.

Transaction Advisors

Torys LLP acted as legal advisor to Extendicare in connection with the Transaction. Origin Merchant Partners acted as financial advisor to Closing the Gap and Aird & Berlis LLP acted as legal advisor to Closing the Gap on the Transaction.

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 a 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 11.2 million hours of home health care services annually, and provide group purchasing services to third parties representing approximately 148,200 beds across Canada. Extendicare proudly employs approximately 27,500 qualified, highly trained and dedicated team members who are passionate about providing high-quality care and services to help people live better.

Forward-looking Statements

Information provided by Extendicare from time to time, including this release, contains or may contain 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. 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. Given these risks and uncertainties, readers are cautioned not to place undue reliance on Extendicare's forward-looking statements. Further information can be found in the disclosure documents filed by Extendicare with the securities regulatory authorities, available at www.sedarplus.ca and on Extendicare's website at www.extendicare.com. 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

For further information, please contact:

David Bacon
Executive Vice President and Chief Financial Officer
Phone: (905) 470-4000
Email: david.bacon@extendicare.com