

**Extendicare**

# Growing Together

Q1 2025

Conference Call

May 7, 2025



**Extendicare**

# Forward-looking statements and non-GAAP measures

## Forward-looking Statements

This presentation 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 presentation 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 Extendicare Inc. (the "Company" or "Extendicare"), 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 agreements entered into with Closing the Gap Healthcare Group Inc. and certain affiliates (collectively, "Closing the Gap"), including synergies and earnout amounts, and the agreements entered into with Revera Inc. and its affiliates ("Revera"), Axium LTC Limited Partnership and its affiliates ("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 and involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of Extendicare 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 Q1 2025 Management's Discussion and Analysis and latest Annual Information Form filed by Extendicare with the securities regulatory authorities, available at [www.sedarplus.ca](http://www.sedarplus.ca) and on Extendicare's website at [www.extendicare.com](http://www.extendicare.com).

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 presentation. 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.

## Non-GAAP Measures

"EBITDA", "Adjusted EBITDA", "Adjusted EBITDA margin", "net operating income" ("NOI"), "NOI margin", "funds from operations" ("FFO"), "adjusted funds from operations" ("AFFO"), and "payout ratio", are non-GAAP measures and do not have standardized meanings prescribed by GAAP. See "Non-GAAP Measures" in Extendicare's Q1 2025 MD&A.

# Q1 growth highlights

Adjusted EBITDA excluding out-of-period items increased by 42.7% to \$29 million

## Financial highlights

Adjusted EBITDA <sup>(1)</sup>	Q1 2025	
Reported	\$35.6	<b>+18.2%</b>
Excluding out-of-period items	\$29.0	<b>+42.7%</b>

Adjusted NOI Margin <sup>(1)</sup>	Q1 2025	Q1 2024	
Long-term care	9.4%	7.9%	<b>+150 bps</b>
Home health care	10.3%	8.3%	<b>+200 bps</b>
Managed services	53.4%	50.7%	<b>+270 bps</b>

## Operational highlights

8.9% YoY increase in home health care ADV

7.2% YoY increase in SGP customer base

Opened 256-bed home in Stittsville

## Subsequent to Q1

Entered into agreement to acquire Closing the Gap Healthcare

Completed the sale of 3 LTC projects to the Axium JV for cash net proceeds of \$56.3M

(1) Excluding the impact of out-of-period items, refer to slides 15 and 16 for details

# Acquisition of Closing the Gap

\$75.5M acquisition expected to close in Q3 2025 subject to regulatory approvals

- Based on 2024 performance, Closing the Gap's ~1,200 caregivers delivered approximately **1.1 million service hours** in Ontario and Nova Scotia, with **ADV of 3,109<sup>(1)</sup>** which would have added **\$84.2M in revenue** with similar NOI margins to ParaMed and an estimated **\$0.06<sup>(2)</sup> in AFFO per basic share**
- **Earnout tied to new business revenue** in year one expected to range from \$3.5 to \$5.5M and could contribute an estimated **\$7.0 to \$11.0M in incremental revenue**
- **\$1.1M in annualized cost synergies** estimated within the first year following closing
- Adds new hospital clients and greater presence in allied health professions



(1) Based on 12 months ended December 31, 2024

(2) Based on estimated impact for 12 months ended December 31, 2024 assuming purchase price paid in cash, excluding any impact of the earn-out and estimated synergies

# Building for the future

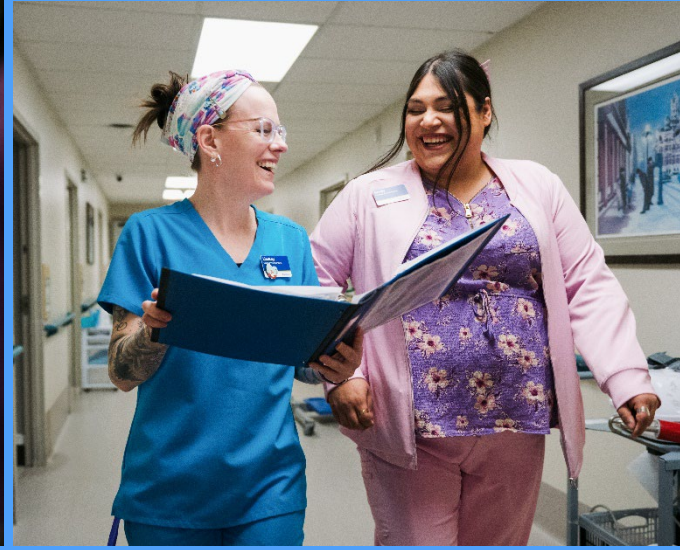
Opened 256-bed home in Stittsville and completed the sale of three homes to Axium JV

- **Opened Crossing Bridge in Q1;** 256 new beds replaced 240 C beds; initiated sale of West End Villa in Ottawa to recycle capital from vacated C home properties into new projects
- **Completed sale of 3 LTC projects to the Axium JV post Q1** (London, Port Stanley and St. Catharines; 576 beds); generating \$56.3M in net proceeds and estimated \$11.1M after tax gain
- **6 LTC homes under construction** in the Axium JVs
  - 1,408 new beds will replace 1,097 Class C beds
- Advancing **12 other redevelopment projects** to replace remaining C homes in future years, if conditions are favourable
- Purchase of 9 LTC homes from Revera<sup>(3)</sup> targeted to close in Q2, **adding 6 additional redevelopment projects**



Redevelopment projects <sup>(1)</sup>	# of Class C beds replaced	# of new beds	Expected opening	Estimated development costs (\$ millions)
<b>Extendicare ownership interest – 15%<sup>(2)</sup></b>				
Peterborough	172	256	Q1-26	100.6
Orleans (Ottawa)	240	256	Q1-27	107.3
Carlingview Manor (Ottawa)	303	320	Q2-26	121.4
St. Catharines	152	256	Q1-27	106.4
Port Stanley	60	128	Q1-27	52.7
London	170	192	Q2-27	77.7
	<b>1,097</b>	<b>1,408</b>		<b>566.1</b>

(1) All projects are replacing Extendicare homes/licensed beds, except for Carlingview Manor, which is replacing a Revera home currently managed by Extendicare  
 (2) Projects held in the Axium JVs in which Extendicare holds a 15% managed interest including 3 LTC projects sold to the JV post Q1-25  
 (3) See slide 14 for details on pending 9 LTC home acquisition from Revera



# Financial Review

Q1 2025

# Consolidated results

Q1 2025

(\$ millions, except per share amounts)

- **Q1 impact of out-of-period items<sup>(1)</sup>**
  - lower revenue \$12.4M (\$11.0M in 2025 vs \$23.4M in 2024)
  - lower NOI \$3.2M (\$6.6M in 2025 vs \$9.8M in 2024)
- **Q1 revenue up \$7.6M; up \$20.0M excluding out-of-period items**, driven primarily by LTC funding increase, home health care volume and rate increases and growth in managed services
- **Q1 NOI up \$5.5M; up \$8.7M excluding out-of-period items**, reflecting improved performance across all segments
- **Q1 AFFO/basic share up \$0.025**, reflecting increased after-tax earnings and timing of maintenance capex, partially offset by adjustments for non-cash share-based compensation
- **Excluding out-of-period items, AFFO<sup>(1)</sup> improved by \$0.061 to \$0.177 per share**

Q1 2025 vs Q1 2024			
Revenue		NOI	
\$374.7	<b>+\$7.6</b>	\$50.2	<b>+\$5.5</b>
	<b>+2.1%</b>		<b>+12.3%</b>
Adjusted EBITDA		Net earnings	
\$35.6	<b>+\$5.5</b>	\$15.0	<b>+\$1.9</b>
	<b>+18.2%</b>		<b>+14.8%</b>
AFFO/basic share		Payout ratio	
\$0.235	<b>+\$0.025</b>	51%	
	<b>+11.9%</b>		

(1) Refer to slides 15 and 16 for details and the impact of out-of-period items

# Strong financial position

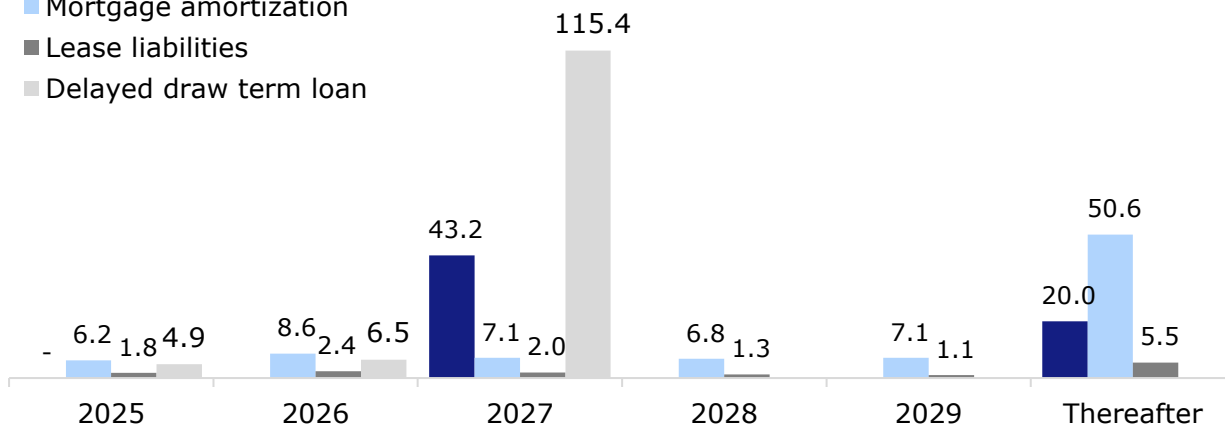
Robust liquidity, including sale proceeds post Q1, supports pending acquisitions

## As at March 31, 2025

Cash	Available Credit Facilities	Long-term debt <sup>(1)</sup>	Long-term debt <sup>(1)</sup> (including 15% JV share <sup>(2)</sup> )
\$110M	\$108M	\$291M	\$371M

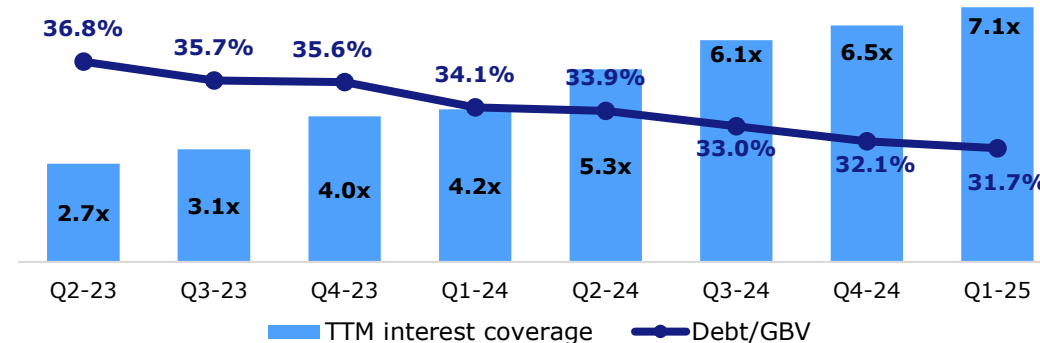
## Debt maturities<sup>(3)(4)</sup> (\$ millions)

- Mortgage/loan principal at maturity
- Mortgage amortization
- Lease liabilities
- Delayed draw term loan



- (1) Includes current portion; excludes deferred financing costs  
 (2) Includes the impact of 15% share of Axium JV and Axium JV II long-term debt outstanding as at March 31, 2025 and TTM EBITDA and net interest expense of the joint ventures, as applicable  
 (3) Debt maturities exclude 15% share of Axium JV and Axium JV II long-term debt  
 (4) The delayed draw term loan can be extended with one-year extensions, subject to certain conditions; amortization of delayed draw term loan is 5% per annum

## Debt Metrics<sup>(2)</sup>



## Subsequent to Q1 2025

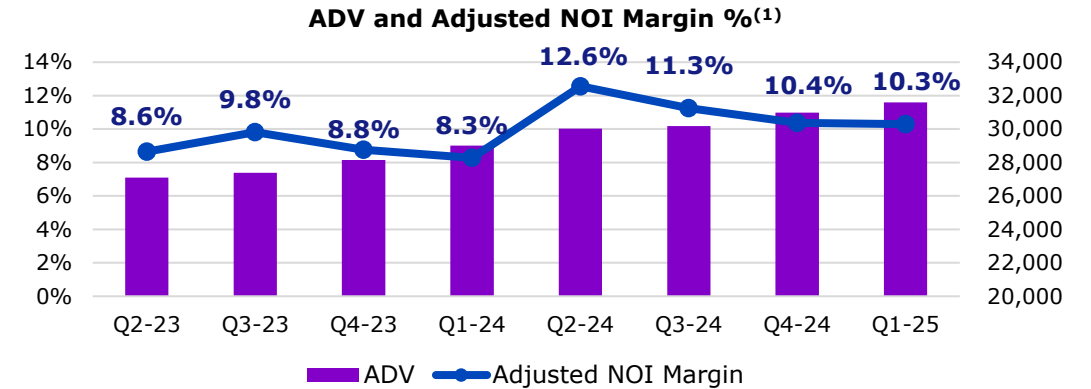
- **Additional \$56.3M in cash** from sale of three LTC redevelopment projects to Axium JV
- Well positioned with cash and undrawn credit facilities to fund pending acquisition of the 9 Revera LTC homes and Closing the Gap, targeted for Q2 and Q3, respectively



# Home health care

Growth in volumes and rate increases driving revenue and boosting margins

- **Q1 impact of out-of-period items<sup>(2)</sup>**
  - lower revenue \$2.6M (\$11.0M in 2025 vs \$13.6M in 2024)
  - higher NOI \$3.9M (\$3.9M in 2025 vs nil in 2024)
- **Q1 revenue up \$14.7M; up \$17.3M excluding out-of-period items**, reflecting 8.9% growth in ADV and rate increases
- **Q1 NOI up \$8.3M; up \$4.4M to \$15.2M<sup>(2)</sup> excluding out-of-period items**, reflecting higher volume and rate increases, partially offset by higher wages and benefits
- **Q1 adjusted NOI margin of 10.3%<sup>(2)</sup>**; up 200 bps from 8.3% in Q1 2024; shift of Easter holiday into Q2-25 (vs. Q1 in prior year) increased NOI by ~\$1.5M and NOI margins by ~100 bps



Revenue		
Q1 2025	<b>\$158.3M</b>	+10.3%
NOI		
Q1 2025	<b>\$19.1M</b>	+77.3%
margin	<b>12.0%</b>	+450 bps
Average daily volume ("ADV")		
Q1 2025	<b>31,603</b>	+8.9%

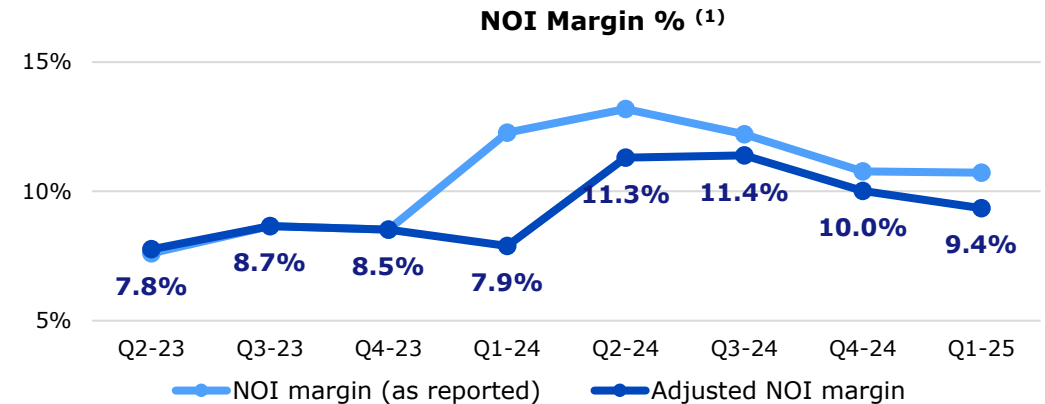
(1) Adjusted NOI margins excluding out-of-period retroactive bill rate increases (\$5.4M in Q4 2023, \$13.6M in Q1 2024, \$4.4M in Q4 2024, \$11.0M in Q1 2025), and one-time retroactive compensation costs (\$13.6M in Q1 2024, \$11.0M in Q1 2025)

(2) Refer to slides 15 and 16 for details and the impact of out-of-period items

# Long-term care

Segment growth fueled by funding increases and improved preferred occupancy

- **Q1 impact of out-of-period items<sup>(2)</sup>**
  - lower revenue \$9.8M (nil in 2025 vs \$9.8M in 2024)
  - lower NOI \$7.1M (\$2.7M in 2025 vs \$9.8M in 2024)
- **Q1 revenue down \$8.7M; up \$1.1M excluding out-of-period funding**, reflecting funding increases and improved occupancy, partially offset by \$9.8M reduction from the closure of three Class C LTC homes following the opening of new homes in the Axium JV
- **Q1 NOI down \$4.1M; up \$3.0M to \$18.5M<sup>(2)</sup> excluding out-of-period items**, reflecting funding increases, timing of spend and improved preferred occupancy, partially offset by higher operating costs and \$1.0M impact from closure of Class C LTC homes
- **Q1 adjusted NOI margin<sup>(2)</sup> of 9.4%**; up 150 bps from 7.9% in Q1 2024, reflecting funding increases, timing of spend and the shift of the Easter holiday into Q2-25 (vs. Q1 in prior year)



Revenue		
Q1 2025	<b>\$197.8M</b>	-4.2%
NOI		
Q1 2025	<b>\$21.2M</b>	-16.3%
margin	<b>10.7%</b>	-160 bps
Average occupancy		
Q1 2025	<b>97.5%</b>	-

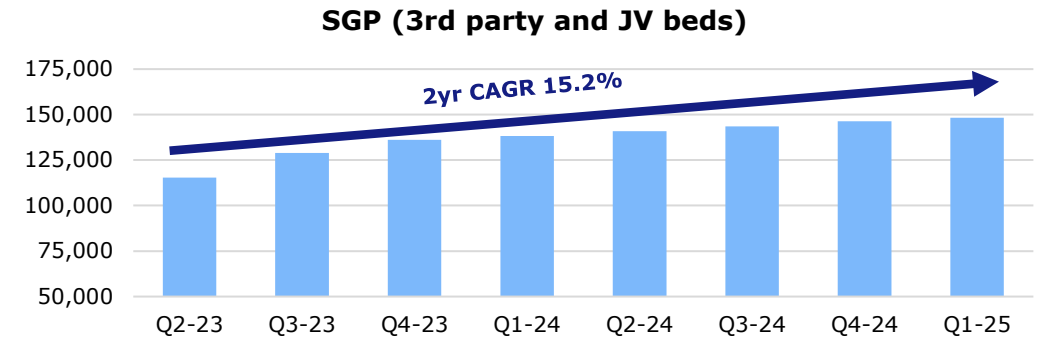
(1) Adjusted NOI margins exclude workers' compensation rebates of \$2.7M in Q1 2025, out-of-period funding (\$9.8M in Q1 2024, \$4.1M in Q2 2024, \$1.8M in Q3 2024 and \$1.9M in Q4 2024), and COVID-19 funding and offsetting costs of \$3.6M in Q2 2023

(2) Refer to slides 15 and 16 for details and the impact of out-of-period items

# Managed services | Extendicare Assist and SGP

Continued momentum driven by organic growth in SGP client base

- **Q1 revenue up \$1.6M** largely driven by organic growth in SGP clients and newly opened homes in the JV
- **Q1 NOI up \$1.3M** on revenue growth, partially offset by higher costs to support business development and change in mix of Assist consulting and other services
- **Q1 SGP beds up 7.2%** from Q1 2024



Revenue		
Q1 2025	<b>\$18.6M</b>	+9.2%
NOI		
Q1 2025	<b>\$10.0M</b>	+15.0%
margin	<b>53.4%</b>	+270 bps
Management contract beds		
Third party	<b>6,279</b>	} +4.0%
Joint venture	<b>3,886</b>	
SGP 3rd party & joint venture beds		
Beds	<b>148,209</b>	+7.2%

# Meeting the needs of a growing demographic

Compelling growth opportunities in long-term care and home health care

## Building new LTC homes to address the rising demand for long-term care

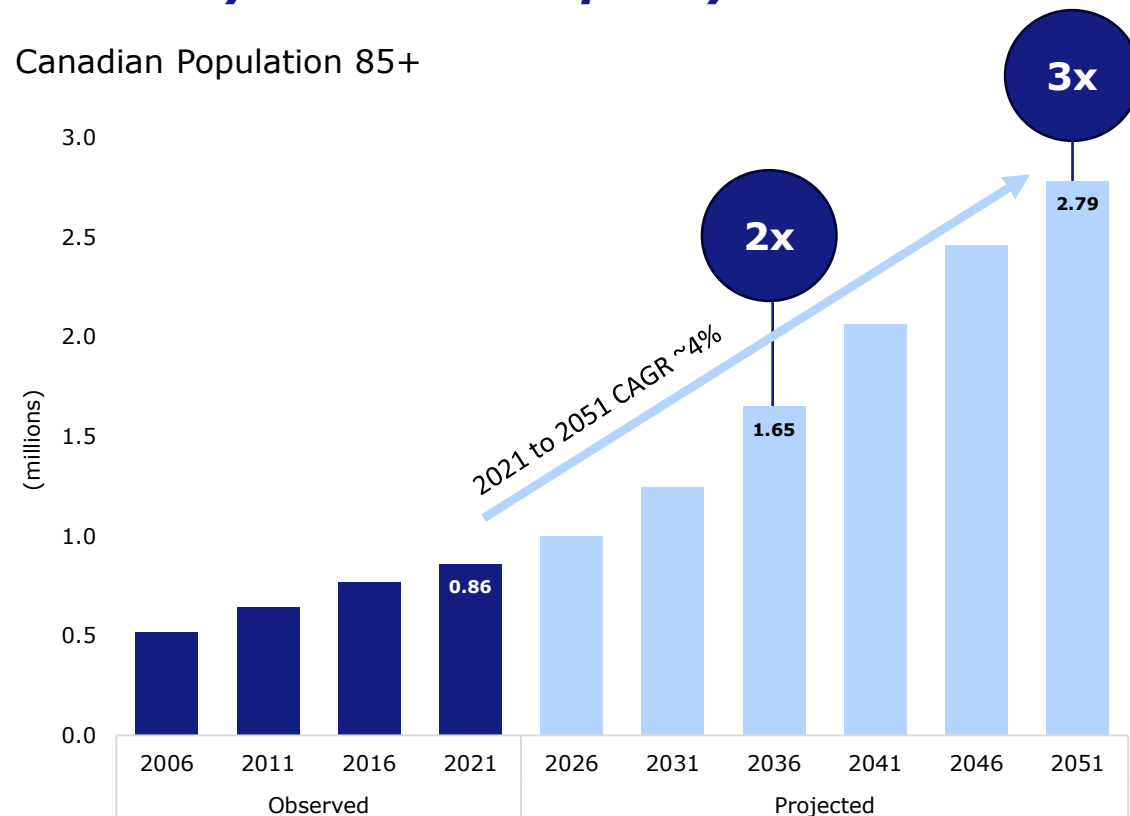
- Seniors aged 85+ increasing at ~4% per year<sup>(1)</sup>
- LTC waitlist of more than 48,000<sup>(2)</sup> in Ontario
- Need for >200,000 new LTC beds in Canada by 2035<sup>(3)</sup>

## Enhancing home health services delivery to ease system strain

- ParaMed's care volumes grew by more than 10% in 2024 vs 2023
- Volumes outpacing population growth to bridge LTC gaps

## The number of Canadians aged 85+ will double by 2036 and triple by 2051

Canadian Population 85+



(1) Source: [A portrait of Canada's growing population aged 85 and older from the 2021 Census](#)

(2) As of September 2024, per Ontario Ministry of Long-Term Care

(3) The Conference Board of Canada; *Sizing Up the Challenge; Meeting the Demand for Long-Term Care*, November 2017

# Appendix



# Agreement to acquire nine LTC homes from Revera

Expected to close in Q2 2025 subject to regulatory approval; Revera completed the sale of 21 homes subsequent to Q1

- The nine homes, currently managed by Extendicare, will **add 822 LTC and 574 private pay retirement beds** to the LTC segment
- Extendicare intends to redevelop the LTC beds into **6 new LTC homes, adding approximately 1,100 beds to our pipeline**
- On May 1, 2025, Revera completed the sale of 21 Class C LTC homes currently managed by Extendicare to a third party, resulting in the termination of the Extendicare management agreement
- Net impact of the two transactions would increase revenue and NOI by approximately **\$109.3M and \$6.8M, respectively or \$0.02 AFFO/share<sup>(3)</sup>**
- After these transactions, Extendicare will operate **101<sup>(4)</sup> long-term care homes with over 14,500<sup>(4)</sup> beds**

Home Name	Address	LTC Beds <sup>(1)</sup>	Ret. Beds
Blenheim Community Village	Blenheim, ON	57	30
Brierwood Gardens	Brantford, ON	67	71
Riverbend Place	Cambridge, ON	39	92
Summit Place	Owen Sound, ON	99	77
Telfer Place	Paris, ON	35	180
Village on the Ridge	Ridgetown, ON	30	65
Trillium Court	Kincardine, ON	34	59
Carlingview Manor <sup>(2)</sup>	Ottawa, ON	250	-
Poseidon	Winnipeg, MB	211	-
<b>Total Beds</b>		<b>822</b>	<b>574</b>

(1) LTC Beds excludes 133 3<sup>rd</sup> and 4<sup>th</sup> ward-style beds that have been taken out of service per regulatory requirements that are eligible to be reinstated upon redevelopment

(2) Carlingview Manor is in the process of being redeveloped into a new 320-bed LTC home that is owned by the Axiom JV

(3) Financial impact of the two transactions is based on annualized revenue, NOI and AFFO based on actual results for the nine months ended September 30, 2024

(4) Represents pro forma impact of the completed sale of the 21 LTC homes by Revera to a third party and the pending acquisition by the Company of the 9 LTC homes from Revera

# Adjustments to revenue, EBITDA and AFFO

Three months ended March 31, 2025

(\$ millions, except per share amounts)

- **Q1 2025 results** impacted by out-of-period funding and costs, and workers compensation rebates
  - Home health care recognized \$11.0M of retroactive funding and offsetting one-time costs in connection with the 4% rate increase announced in Q4-24
  - LTC and home health care recognized workers' compensation rebates of \$2.7M and \$3.9M, respectively
- **Q1 2024 results** impacted by out-of-period funding and costs
  - LTC recognized out-of-period funding of \$9.8M
  - Home health care recognized \$13.6M of retroactive funding and offsetting one-time costs in connection with the 6.7% rate increase announced in Q4-23

Impact of out-of-period items on Revenue, Adjusted EBITDA and AFFO/basic share <sup>(1)</sup>			
Impact on:	Q1 2025	Q1 2024	Change
<b>Revenue</b>			
Long-term care	–	\$9.8	\$(9.8)
Home health care	<b>\$11.0</b>	13.6	(2.6)
<b>Adjusted EBITDA</b>			
Long-term care	<b>\$2.7</b>	\$9.8	\$(7.1)
Home health care	<b>3.9</b>	–	\$3.9
<b>AFFO/Basic Share</b>	<b>\$0.058</b>	\$0.094	\$(0.036)

(1) Reflects impact of out-of-period LTC and home health care items

# Adjusted NOI by division<sup>(1)</sup>

Three months ended March 31, 2025

(\$ millions)

Long-term care NOI and margin <sup>(1)</sup>		
Q1 2025	Q1 2024	Change
<b>\$18.5</b>	\$15.5	19.1%
<b>9.4%</b>	7.9%	150 bps
Average occupancy		
<b>97.5%</b>	97.5%	–

Home health care NOI and margin <sup>(1)</sup>		
Q1 2025	Q1 2024	Change
<b>\$15.2</b>	\$10.8	41.0%
<b>10.3%</b>	8.3%	200 bps
Average daily volume		
<b>31,603</b>	29,007	8.9%

Managed services NOI and margin		
Q1 2025	Q1 2024	Change
<b>\$10.0</b>	\$8.7	15.0%
<b>53.4%</b>	50.7%	270 bps
SGP 3 <sup>rd</sup> party & joint venture beds at period end		
<b>148,209</b>	138,250	7.2%

(1) Excludes the impact of the following adjustments: for the LTC segment, the impact of workers' compensation rebates of \$2.7M in Q1 2025 and out-of-period funding of \$9.8M in Q1 2024; for the home health care segment, the impact of retroactive funding and offsetting one-time costs of \$11.0M in Q1 2025 and \$13.6M in Q1 2024; and workers' compensation rebates of \$3.9M in Q1 2025




# Services-focused growth

Services represented ~55% of TTM Q1 2025 adjusted NOI

## Direct care for seniors


**Long-term care**

**50** Long-term care homes owned



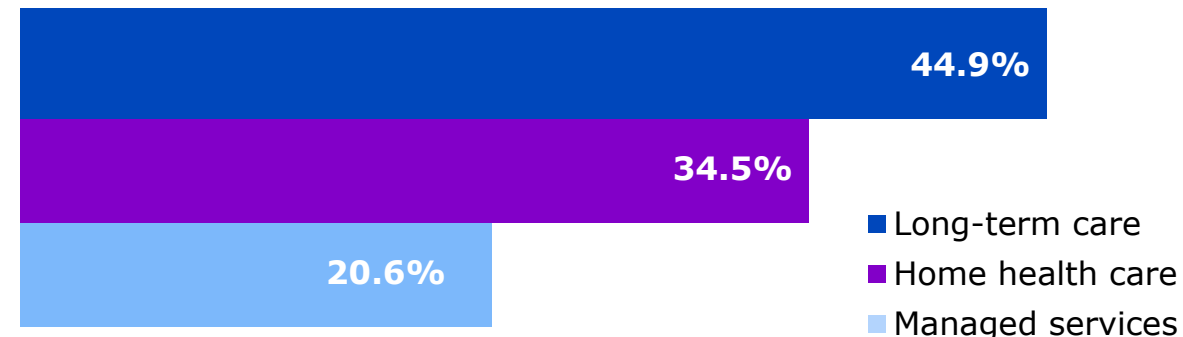
**Home health care**

**11.2M** Home health care hours delivered (TTM)



## NOI contribution by segment<sup>(1)</sup>

TTM Q1 2025 Adjusted NOI<sup>(1)</sup> \$194.8M



## Managed services


**Management & consulting**

**72** Homes under contract



**Group purchasing**

**148K** Third-party & JV beds served



## Geographically diversified operations<sup>(2)</sup>

Province	ON	AB	MB	BC	QC	Other	Total
<b>LTC homes owned – beds</b>	31 4,475	14 1,514	5 762	-	-	-	<b>50</b> <b>6,751</b>
<b>Home health care hours delivered (TTM 000's)</b>	10,535	405	-	-	-	265	<b>11,205</b>
<b>Assist and JV beds under management contract<sup>(3)</sup></b>	8,976	-	1,189	-	-	-	<b>10,165</b>
<b>SGP 3<sup>rd</sup> party &amp; JV beds served</b>	57,129	19,391	2,351	29,953	33,805	5,580	<b>148,209</b>

Positioned for **GROWTH**



Less capital-intensive, higher margin business model to expand managed services, build new LTC homes through JV partnerships with Axium and drive growth in home health care

(1) TTM Q1 2025 adjusted NOI excludes out-of-period items of \$12.1M (LTC of \$8.2M and home health care of \$3.9M)

(2) Figures as at March 31, 2025

(3) Represents 72 homes, including 28 operational LTC homes owned in the joint ventures with Axium in which the Company has a 15% managed interest

**Helping  
people  
live  
better**

**Extendicare**

**ParaMed**

**Extendicare**  
ASSIST

**SGP** PURCHASING  
NETWORK