

## **Extendicare Announces Agreement to Acquire Lynde Creek Retirement Community**

MARKHAM, ONTARIO – February 26, 2018 – Extendicare Inc. (“Extendicare” or the “Company”) (TSX: EXE) today announced that it has entered into a definitive agreement to acquire the Lynde Creek Retirement Community, located in Whitby, Ontario, for a purchase price of \$34.5 million.

The Lynde Creek Retirement Community consists of the Lynde Creek Manor Retirement Residence, offering 93 independent and assisted living suites, (the “Manor”); the Lynde Creek Life Lease Village, with 113 townhomes, (the “Village”); and 3.7 acres of adjacent land for expansion (the “Excess Land”).

**The Manor** is a modern private pay luxury retirement residence with 93 suites offering independent supportive living (ISL) and assisted living (AL) suites. The Manor is currently 100% occupied with a robust waitlist.

**The Village** is a 113-unit townhome development that sits adjacent to the Manor. Included in the purchase agreement is the ownership of the underlying land and the leasehold interest related to the life leases. Upon the resale of a townhome, the Company retains a 10% residual interest in the proceeds.

**The Excess Land** is situated immediately adjacent the Manor, backing onto the Lynde Creek Valley conservation zone. The zoning allows for a strategic expansion to include additional ISL/AL suites or seniors apartments units.

The purchase price, exclusive of the excess land, represents an implied capitalization rate of 6.3%, and the operations are expected to be immediately accretive to the Company’s adjusted funds from operations, or AFFO. The purchase price, subject to normal closing adjustments, will be settled in cash. Closing, which is subject to customary conditions, is expected to occur in the second quarter of 2018.

“We are very pleased to welcome Lynde Creek to the Extendicare and Esprit Lifestyle family. This transaction will enhance our private-pay retirement community platform adding a desirable community in a favourable market and delivers on our strategy to grow across the continuum of care and increase our proportion of private-pay revenue within our overall business mix,” stated Tim Lukenda, President and CEO of Extendicare.”

### **ABOUT EXTENDICARE**

Extendicare is a leading provider of care and services for seniors throughout Canada. Through our network of 116 operated senior care and living centres (66 owned/50 managed), as well as our home health care operations, we are committed to delivering care throughout the health care continuum to meet the needs of a growing seniors’ population in Canada. Our qualified and highly trained workforce of 23,700 individuals is dedicated to helping people live better through a commitment to quality service and a passion for what we do.

**Forward-looking Statements**

*Information provided by Extendicare from time to time, including this release, contains or may contain forward-looking statements concerning anticipated financial events, results, circumstances, economic performance or expectations with respect to Extendicare and its subsidiaries, including, without limitation, statements regarding its business operations, business strategy, and financial condition. Forward-looking statements can be identified because they generally contain the words “anticipate”, “believe”, “estimate”, “expect”, “intend”, “objective”, “plan”, “project”, “will” or other similar expressions or the negative thereof. Forward-looking statements reflect management’s beliefs and assumptions and are based on information currently available, and Extendicare assumes no obligation to update or revise any forward-looking statement, except as required by applicable securities laws. 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 Extendicare 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.sedar.com](http://www.sedar.com) and on Extendicare’s website at [www.extendicare.com](http://www.extendicare.com).*

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