

**Extendicare Announces Public Offering of \$110 million of Convertible Debentures
and
Redemption of its Series 2012 6.00% Convertible Debentures**

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MARKHAM, ONTARIO, March 26, 2018 – Extendicare Inc. (“Extendicare” or the “Company”) (TSX: EXE) announced today that it has reached an agreement with a syndicate of underwriters led by RBC Capital Markets (the “Underwriters”) to issue to the public, subject to regulatory approval, on a bought deal basis, \$110 million aggregate principal amount of 5.00% convertible unsecured subordinated debentures of the Company due April 30, 2025 (the “Debentures”) with a conversion price of \$12.25 (the “Offering”). Extendicare has also granted the Underwriters an over-allotment option exercisable at any time up to 30 days after the closing date, to acquire additional Debentures equal to the lesser of \$16.5 million aggregate principal amount of Debentures and the Underwriters’ “Over-Allocation Position” as at the closing date. The syndicate of underwriters led by RBC Capital Markets, includes BMO Capital Markets, CIBC World Markets Inc., TD Securities, National Bank Financial Inc., Scotiabank, and Echelon Wealth Partners Inc.

The net proceeds from the Offering (after deducting the Underwriters’ fee and expenses of the Offering) will be used to partially fund the redemption of the Company’s outstanding 6.00% convertible unsecured subordinated debentures due on September 30, 2019 (the “2019 Debentures”), with an aggregate principal amount outstanding of \$126,500,000, trading on the TSX under the trading symbol “EXE.DB.B”.

Extendicare will, by April 2, 2018, file with the securities commissions and other similar regulatory authorities in each of the provinces of Canada a preliminary short form prospectus relating to the issuance of the Debentures. Closing of the Offering is expected to take place on or about April 17, 2018.

Early Redemption of the 2019 Debentures

Extendicare will today send a notice of redemption, effective April 30, 2018 (the “Redemption Date”), in respect of all of its outstanding 2019 Debentures, for an aggregate redemption price equal to the sum of the outstanding aggregate principal amount of the 2019 Debentures (\$126,500,000) and all accrued and unpaid interest thereon up to but excluding the Redemption Date, for a total of \$1,004.93 per \$1,000 principal amount of 2019 Debentures. The 2019 Debentures will cease to bear interest from and after the Redemption Date. The redemption of the 2019 Debentures will be effected in accordance with the terms of the trust indenture dated June 21, 2007, as supplemented, between the Company and Computershare Trust Company of Canada.

This press release shall not constitute an offer to sell, or the solicitation of an offer to buy, any securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities being offered have not been and will not be registered under the U.S. Securities Act of 1933 as amended and may not be offered or sold in the United States absent registration or pursuant to applicable exemption from registration.

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 and on Extendicare’s website at www.extendicare.com.

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