



SUPPLEMENTAL INFORMATION



Twelve Months Ended December 31, 2018

Dated: February 28, 2019



Extendicare Inc.

Non-GAAP Measures

Extendicare assesses and measures operating results and financial position based on performance measures referred to as "net operating income", "net operating income margin", "EBITDA", "Adjusted EBITDA", "Adjusted EBITDA margin", "earnings before depreciation, amortization, and other expense", "earnings (loss) from continuing operations before separately reported items, net of taxes", "Funds from Operations", and "Adjusted Funds from Operations". These measures are commonly used by Extendicare and its investors as a means of assessing the performance of the core operations in comparison to prior periods. They are presented by Extendicare on a consistent basis from period to period, thereby allowing for consistent comparability of its operating performance. These are not measures recognized under GAAP and do not have standardized meanings prescribed by GAAP. These non-GAAP measures are presented in this document because either: (i) management believes that they are a relevant measure for users of the Company's financial statements to assess the Company's operating performance and ability to pay cash dividends; or (ii) certain ongoing rights and obligations of Extendicare may be calculated using these measures. Such non-GAAP 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. They 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.

References to "net operating income", or "NOI", in this document are to revenue less operating expenses, and this value represents the underlying performance of our operating business segments. References to "net operating income margin" are to net operating income as a percentage of revenue.

References to "EBITDA" in this document are to earnings (loss) from continuing operations before net finance costs, income taxes, depreciation and amortization. References to "Adjusted EBITDA" in this document are to EBITDA adjusted to exclude the line item "other expense", and as a result, is equivalent to the line item "earnings before depreciation, amortization, and other expense" reported on the consolidated statements of earnings. Management believes that certain lenders, investors and analysts use EBITDA and Adjusted EBITDA to measure a company's ability to service debt and meet other payment obligations, and as a common valuation measurement in the long-term care industry. For example, certain of our debt covenants use Adjusted EBITDA in their calculations.

References to "earnings (loss) from continuing operations before separately reported items" in this document are to earnings (loss) from continuing operations, excluding the following separately reported line items: "fair value adjustments", "loss (gain) on foreign exchange and investments" and "other expense". These line items are reported separately and excluded from certain performance measures, because they are transitional in nature and would otherwise distort historical trends. They relate to the change in the fair value of, or gains and losses on termination of, convertible debentures, interest rate agreements, as well as gains or losses on the disposal or impairment of assets, and foreign exchange gains or losses on capital items. In addition, these line items may include acquisition related costs, restructuring charges, proxy contest costs and the write-off of unamortized financing costs on early retirement of debt. The above separately reported line items are reported on a pre-tax and on an after-tax basis as a means of deriving earnings from operations and related earnings per share excluding such items.

"Funds from Operations", or "FFO", is defined as Adjusted EBITDA less depreciation for furniture, fixtures, equipment and computers, or "depreciation for FFEC", accretion costs, net interest expense and current income taxes. Management believes that certain investors and analysts use FFO, and as such has included FFO to assist with their understanding of the Company's operating results.

"Adjusted Funds from Operations", or "AFFO", is defined as FFO plus: i) the reversal of non-cash financing and accretion costs; ii) the reversal of non-cash share-based compensation; iii) the principal portion of government capital funding; iv) amounts received from income support arrangements; and v) the reversal of income or loss of the captive insurance company that was included in the determination of FFO, as those operations are funded through investments held for U.S. self-insured liabilities, which are not included in the Company's reported cash and short term investments. In addition, AFFO is further adjusted to account for the difference in total maintenance capex incurred from the amount deducted in the determination of FFO. Since our actual maintenance capex spending fluctuates on a quarterly basis with the timing of projects and seasonality, the adjustment to AFFO for these expenditures from the amount of depreciation for FFEC already deducted in determining FFO, may result in an increase to AFFO in the interim periods reported. Management believes that AFFO is a relevant measure of the ability of the Company to earn cash and pay cash dividends to shareholders.

Both FFO and AFFO are subject to other adjustments, as determined by management in its discretion, that are not representative of Extendicare's operating performance.

EXTENDICARE
Quarterly Earnings (Loss)
(unaudited)

(thousands of Canadian dollars, unless otherwise noted)

	2018					2017				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Revenue										
Long-term care	152,805	155,833	159,239	164,656	632,533	150,610	152,976	154,607	158,694	616,887
Retirement living	6,971	8,242	9,160	9,039	33,412	4,630	4,802	5,143	6,098	20,673
Home health care	106,464	109,852	106,015	109,012	431,343	107,794	110,133	108,650	109,141	435,718
Management, consulting and other	5,184	5,561	5,888	6,086	22,719	5,824	5,934	4,830	7,465	24,053
	271,424	279,488	280,302	288,793	1,120,007	268,858	273,845	273,230	281,398	1,097,331
Operating expenses	242,102	243,181	244,810	255,930	986,023	237,254	239,978	238,501	245,776	961,509
Net operating income	29,322	36,307	35,492	32,863	133,984	31,604	33,867	34,729	35,622	135,822
Administrative costs	7,718	7,309	9,376	8,601	33,004	8,513	7,524	9,058	6,372	31,467
Lease costs	1,627	1,668	1,723	1,724	6,742	1,662	1,755	1,646	1,695	6,758
Adjusted EBITDA	19,977	27,330	24,393	22,538	94,238	21,429	24,588	24,025	27,555	97,597
Depreciation and amortization	7,837	8,235	9,014	10,184	35,270	7,532	7,911	7,766	8,170	31,379
Accretion costs	664	840	739	635	2,878	653	709	834	616	2,812
Interest expense	7,081	7,089	6,729	6,685	27,584	6,920	6,832	6,988	7,342	28,082
Interest revenue	(1,035)	(898)	(902)	(926)	(3,761)	(829)	(1,077)	(905)	(1,091)	(3,902)
Earnings (loss) before undernoted	5,430	12,064	8,813	5,960	32,267	7,153	10,213	9,342	12,518	39,226
Fair value adjustments	325	35	476	(1,792)	(956)	(52)	1,053	1,202	271	2,474
Gain (loss) on foreign exchange and investments	(195)	405	846	147	1,203	(386)	1,497	(670)	423	864
Other expense	(180)	(3,373)	-	(16,642)	(20,195)	-	-	-	-	-
Earnings (loss) before income taxes	5,380	9,131	10,135	(12,327)	12,319	6,715	12,763	9,874	13,212	42,564
Income tax expense (recovery)										
Current	583	2,886	2,659	2,001	8,129	2,977	3,531	1,962	1,679	10,149
Deferred	1,231	270	(122)	(5,273)	(3,894)	(1,209)	(687)	1,367	1,232	703
	1,814	3,156	2,537	(3,272)	4,235	1,768	2,844	3,329	2,911	10,852
Earnings (loss) from continuing operations	3,566	5,975	7,598	(9,055)	8,084	4,947	9,919	6,545	10,301	31,712
Discontinued operations, net of tax	1,265	5,852	975	15,562	23,654	-	(32,913)	-	3,333	(29,580)
Net earnings (loss)	4,831	11,827	8,573	6,507	31,738	4,947	(22,994)	6,545	13,634	2,132
Add (deduct):										
Fair value adjustments, net of tax	(238)	(26)	(349)	1,315	702	38	(772)	(880)	(199)	(1,813)
Loss (gain) on foreign exchange and investments, net of tax	170	(433)	(816)	(244)	(1,323)	312	(1,346)	777	(450)	(707)
Other expense, net of tax	132	2,880	-	12,153	15,165	-	-	-	-	-
Discontinued operations, net of tax	(1,265)	(5,852)	(975)	(15,562)	(23,654)	-	32,913	-	(3,333)	29,580
Earnings (loss) from continuing operations before separately reported gains/losses	3,630	8,396	6,433	4,169	22,628	5,297	7,801	6,442	9,652	29,192
Net operating income as a % of revenue	10.8%	13.0%	12.7%	11.4%	12.0%	11.8%	12.4%	12.7%	12.7%	12.4%
Adjusted EBITDA as a % of revenue	7.4%	9.8%	8.7%	7.8%	8.4%	8.0%	9.0%	8.8%	9.8%	8.9%

EXTENDICARE INC.
Quarterly Segmented Information
(unaudited)
(thousands of dollars)

	2018					2017				
	1	2	4	6	7	8	9	11	13	14
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
9 Revenue										
10 Canadian operations										
11 Long-term care	152,805	155,833	159,239	164,656	632,533	150,610	152,976	154,607	158,694	616,887
12 Retirement living	6,971	8,242	9,160	9,039	33,412	4,630	4,802	5,143	6,098	20,673
13 Home health care	106,464	109,852	106,015	109,012	431,343	107,794	110,133	108,650	109,141	435,718
14 Other Cdn operations	5,142	5,510	5,831	5,808	22,291	4,325	4,624	4,691	5,149	18,789
15 Corporate Cda	3	-	19	1	23	4	5	3	3	15
16 Cdn Operations	271,385	279,437	280,264	288,516	1,119,602	267,363	272,540	273,094	279,085	1,092,082
17 U.S. operations in (US\$)	30	40	29	214	313	1,129	969	148	1,797	4,043
18 Translation to Cdn dollars	9	11	9	63	92	366	336	(12)	516	1,206
19 U.S. operations (CS)	39	51	38	277	405	1,495	1,305	136	2,313	5,249
20 Total Revenue	271,424	279,488	280,302	288,793	1,120,007	268,858	273,845	273,230	281,398	1,097,331
21 Net Operating Income (revenue less operating expenses)										
22 Canadian operations										
23 Long-term care	15,961	18,117	20,159	18,807	73,044	16,932	18,475	20,170	18,345	73,922
24 Retirement living	1,632	2,346	2,726	2,278	8,982	269	417	691	1,006	2,383
25 Home health care	8,629	12,565	8,880	7,915	37,989	10,658	11,136	11,076	10,981	43,851
26 Other Cdn operations	3,058	3,228	3,670	3,585	13,541	2,246	2,529	2,653	2,974	10,402
27 Corporate Cda	3	-	19	1	23	4	5	3	3	15
28 Cdn Operations	29,283	36,256	35,454	32,586	133,579	30,109	32,562	34,593	33,309	130,573
29 U.S. operations in (US\$)	30	40	29	214	313	1,129	969	148	1,797	4,043
30 Translation to Cdn dollars	9	11	9	63	92	366	336	(12)	516	1,206
31 U.S. operations (CS)	39	51	38	277	405	1,495	1,305	136	2,313	5,249
32 Total NOI	29,322	36,307	35,492	32,863	133,984	31,604	33,867	34,729	35,622	135,822
33 Adjusted EBITDA										
34 Canadian operations	20,221	27,552	24,636	22,600	95,009	20,457	23,557	24,316	25,152	93,482
35 U.S. operations in (US\$)	(194)	(170)	(187)	(44)	(595)	734	767	(191)	1,859	3,169
36 Translation to Cdn dollars	(50)	(52)	(56)	(18)	(176)	238	264	(100)	544	946
37 U.S. operations (CS)	(244)	(222)	(243)	(62)	(771)	972	1,031	(291)	2,403	4,115
38 Total Adj. EBITDA	19,977	27,330	24,393	22,538	94,238	21,429	24,588	24,025	27,555	97,597
39										
40 Earnings (loss) from continuing operations before separately reported items (note 1)										
41 Canadian operations	4,209	9,091	7,160	4,567	25,027	4,668	6,997	7,056	7,514	26,235
42 U.S. operations (CS)	(579)	(695)	(727)	(398)	(2,399)	629	804	(614)	2,138	2,957
43	3,630	8,396	6,433	4,169	22,628	5,297	7,801	6,442	9,652	29,192
44 Earnings (loss) from continuing operations										
45 Cdn operations before FV adj.	4,656	6,269	7,148	(6,986)	11,087	4,589	6,698	6,423	7,720	25,430
46 FV adjustments	238	26	349	(1,315)	(702)	(38)	772	880	199	1,813
47 Cdn. Ops	4,894	6,295	7,497	(8,301)	10,385	4,551	7,470	7,303	7,919	27,243
48 U.S. operations (CS)	(1,328)	(320)	101	(754)	(2,301)	396	2,449	(758)	2,382	4,469
49	3,566	5,975	7,598	(9,055)	8,084	4,947	9,919	6,545	10,301	31,712
50 Net earnings (loss)										
51 Cdn operations before FV adj.	4,656	6,269	7,148	(6,986)	11,087	4,589	6,698	6,423	7,720	25,430
52 FV adjustments	238	26	349	(1,315)	(702)	(38)	772	880	199	1,813
53 Cdn. Ops	4,894	6,295	7,497	(8,301)	10,385	4,551	7,470	7,303	7,919	27,243
54 U.S. operations (CS)	(63)	5,532	1,076	14,808	21,353	396	(30,464)	(758)	5,715	(25,111)
55	4,831	11,827	8,573	6,507	31,738	4,947	(22,994)	6,545	13,634	2,132
56										
57 Average US/Cdn dollar f/x rate (note 2)	1.2647	1.2914	1.3063	1.3197	1.2957	1.3238	1.3449	1.2546	1.2722	1.2986

Notes:

1 Represents net earnings (loss) prior to the gain (loss) on financial instruments and foreign exchange, net of tax, and other expense, net of tax.

2 These are the actual Bank of Canada average rates of exchange for the period. The year-to-date revenue and expenses of self-sustaining foreign operations are translated at the average year-to-date rates of exchange, and the results of the quarters are calculated deducting the previously reported year-to-date results. In addition, specific transactions such as gains or losses related to restructuring charges, asset disposals, impairment and other items, are translated at rates of exchange in effect at the time of the transactions. Therefore, the effective exchange rates calculated from the translated amounts reported above, may differ from the actual average rates of exchange indicated for the period.

EXTENDICARE INC.
Quarterly Segmented Information
(unaudited)
(thousands of dollars)

	8	9	11		13		14			
	2016									
	Q1	Q2	Q3	Q4	Total					
9 Revenue										
10 Canadian operations										
11 Long-term care	148,760	149,960	152,473	157,425	608,618					
12 Retirement living	3,351	3,687	3,996	4,440	15,474					
13 Home health care	97,616	101,951	106,167	108,672	414,406					
14 Other Cdn operations	4,402	4,853	4,498	4,765	18,518					
15 Corporate Cda	4	4	36	3	47					
16 Cdn Operations	254,133	260,455	267,170	275,305	99.9%	99.6%	99.7%	99.4%	1,057,063	99.7%
17 U.S. operations in (US\$)	182	735	706	1,166	2,789					
18 Translation to Cdn dollars	68	235	220	383	906					
19 U.S. operations (C\$)	250	970	926	1,549	0.1%	0.4%	0.3%	0.6%	3,695	0.3%
20 Total Revenue	254,383	261,425	268,096	276,854	1,060,758					
21 Net Operating Income (revenue less operating expenses)										
22 Canadian operations										
23 Long-term care	15,964	19,938	20,101	19,616	10.7%	13.3%	13.2%	12.5%	75,619	12.4%
24 Retirement living	389	19	109	130	11.6%	0.5%	2.7%	2.9%	647	4.2%
25 Home health care	7,752	11,140	11,339	9,984	7.9%	10.9%	10.7%	9.2%	40,215	9.7%
26 Other Cdn operations	2,236	2,676	2,529	2,472	50.8%	55.1%	56.2%	51.9%	9,913	53.5%
27 Corporate Cda	4	4	36	3	47					
28 Cdn Operations	26,345	33,777	34,114	32,205	10.4%	13.0%	12.8%	11.7%	126,441	12.0%
29 U.S. operations in (US\$)	182	735	706	1,166	2,789					
30 Translation to Cdn dollars	68	235	220	383	906					
31 U.S. operations (C\$)	250	970	926	1,549	100.0%	100.0%	100.0%	100.0%	3,695	100.0%
32 Total NOI	26,595	34,747	35,040	33,754	10.5%	13.3%	13.1%	12.2%	130,136	12.3%
33 Adjusted EBITDA										
34 Canadian operations	17,143	26,166	25,115	22,705	6.7%	10.0%	9.4%	8.2%	91,129	8.6%
35 U.S. operations in (US\$)	(456)	347	309	1,163	1,363					
36 Translation to Cdn dollars	(170)	134	101	378	443					
37 U.S. operations (C\$)	(626)	481	410	1,541	1,806					
38 Total Adj. EBITDA	16,517	26,647	25,525	24,246	6.5%	10.2%	9.5%	8.8%	92,935	8.8%
39										
40 Earnings (loss) from continuing operations before separately reported items (note 1)										
41 Canadian operations	2,621	9,433	7,938	5,863	25,855					
42 U.S. operations (C\$)	225	1,084	1,570	2,173	5,052					
43	2,846	10,517	9,508	8,036	30,907					
44 Earnings (loss) from continuing operations										
45 Cdn operations before FV adj.	152	8,769	8,557	8,306	25,784					
46 FV adjustments	-	-	(622)	1,344	722					
47 Cdn. Ops	152	8,769	7,935	9,650	26,506					
48 U.S. operations (C\$)	(1,635)	926	2,020	3,600	4,911					
49	(1,483)	9,695	9,955	13,250	31,417					
50 Net earnings (loss)										
51 Cdn operations before FV adj.	152	8,769	8,557	8,306	25,784					
52 FV adjustments	-	-	(622)	1,344	722					
53 Cdn. Ops	152	8,769	7,935	9,650	26,506					
54 U.S. operations (C\$)	(3,400)	(4,021)	1,377	14,990	8,946					
55	(3,248)	4,748	9,312	24,640	35,452					
56										
57 Average US/Cdn dollar f/x rate (note 2)	1.3731	1.2873	1.3052	1.3337	1.3248					

Notes:

- 1 Represents net earnings (loss) prior to the gain (loss) on financial instruments and foreign exchange, net of tax, and other expense, net of tax.
- 2 These are the actual Bank of Canada average rates of exchange for the period. The year-to-date revenue and expenses of self-sustaining foreign operations are translated at the average year-to-date rates of exchange, and the results of the quarters are calculated deducting the previously reported year-to-date results. In addition, specific transactions such as gains or losses related to restructuring charges, asset disposals, impairment and other items, are translated at rates of exchange in effect at the time of the transactions. Therefore, the effective exchange rates calculated from the translated amounts reported above, may differ from the actual average rates of exchange indicated for the period.

Extendicare
(unaudited)

Reconciliation of Adjusted EBITDA to AFFO ⁽¹⁾

<i>(thousands of Canadian dollars, unless otherwise noted)</i>	2018					2017				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Adjusted EBITDA	19,977	27,330	24,393	22,538	94,238	21,429	24,588	24,025	27,555	97,597
Depreciation for FFEC (maintenance capex) ⁽²⁾	(1,910)	(1,807)	(1,823)	(1,882)	(7,422)	(1,855)	(1,854)	(1,872)	(1,914)	(7,495)
Accretion costs	(664)	(840)	(739)	(635)	(2,878)	(653)	(709)	(834)	(616)	(2,812)
Interest expense	(7,081)	(7,089)	(6,729)	(6,685)	(27,584)	(6,920)	(6,832)	(6,988)	(7,342)	(28,082)
Interest income	1,035	898	902	926	3,761	829	1,077	905	1,091	3,902
Pre-tax adjusted earnings from operations	11,357	18,492	16,004	14,262	60,115	12,830	16,270	15,236	18,774	63,110
Current income tax expense (recovery) ⁽³⁾	583	2,886	2,661	2,075	8,205	2,743	3,598	1,968	1,840	10,149
Current income taxes as a % of pre-tax adj. earnings	5.1%	15.6%	16.6%	14.5%	13.6%	21.4%	22.1%	12.9%	9.8%	16.1%
FFO	10,774	15,606	13,343	12,187	51,910	10,087	12,672	13,268	16,934	52,961
Amortization of deferred financing costs	397	553	395	391	1,736	443	454	414	417	1,728
Accretion costs	664	840	739	635	2,878	653	709	834	616	2,812
Principal portion of government capital funding payments	1,300	1,300	1,300	1,300	5,200	1,230	1,234	1,232	1,232	4,928
Amounts offset through investments held for self-insured liabilities ⁽⁴⁾	241	211	235	163	850	(1,003)	(1,038)	281	(2,418)	(4,178)
Income support for retirement communities acquired	-	-	-	-	-	66	-	-	-	66
Non-cash share-based compensation (DSUs & PSUs)	434	599	(817)	214	430	264	421	522	289	1,496
Additional maintenance capex ⁽²⁾	859	(1,976)	(1,816)	(2,320)	(5,253)	948	(4)	(905)	(1,357)	(1,318)
AFFO (continuing operations)	14,669	17,133	13,379	12,570	57,751	12,688	14,448	15,646	15,713	58,495
AFFO (discontinued operations)	-	-	-	-	-	-	-	-	-	-
AFFO	14,669	17,133	13,379	12,570	57,751	12,688	14,448	15,646	15,713	58,495
Per Basic Share (\$)										
FFO (continuing operations)	0.122	0.177	0.151	0.137	0.587	0.114	0.142	0.149	0.191	0.596
FFO (total operations)	0.122	0.177	0.151	0.137	0.587	0.114	0.142	0.149	0.191	0.596
AFFO (continuing operations)	0.166	0.194	0.151	0.142	0.653	0.143	0.162	0.176	0.178	0.659
AFFO (total operations)	0.166	0.194	0.151	0.142	0.653	0.143	0.162	0.176	0.178	0.659
Per Diluted Share (\$)										
FFO (continuing operations)	0.122	0.177	0.151	0.137	0.587	0.114	0.142	0.149	0.191	0.596
FFO (total operations)	0.122	0.177	0.151	0.137	0.587	0.114	0.142	0.149	0.191	0.596
AFFO (continuing operations)	0.161	0.188	0.147	0.138	0.634	0.141	0.158	0.170	0.171	0.640
AFFO (total operations)	0.161	0.188	0.147	0.138	0.634	0.141	0.158	0.170	0.171	0.640
Dividends declared	10,578	10,570	10,591	10,612	42,351	10,652	10,666	10,642	10,623	42,583
Dividends declared per share	0.120	0.120	0.120	0.1200	0.480	0.120	0.120	0.120	0.120	0.480
Basic weighted average number of shares (000's)	88,379	88,208	88,412	88,612	88,403	88,807	88,938	88,844	88,633	88,805
Diluted weighted average number of shares (000's)	99,688	98,595	98,788	98,962	98,753	100,086	100,244	100,123	99,916	100,088
Segmented AFFO from continuing operations										
<i>(thousands of Canadian dollars, unless otherwise noted)</i>										
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
U.S. operations (C\$)	(3)	(11)	(8)	101	79	(31)	200	(10)	(15)	144
Canadian operations (C\$)	14,672	17,144	13,387	12,469	57,672	12,719	14,248	15,656	15,728	58,351
AFFO from continuing operations	14,669	17,133	13,379	12,570	57,751	12,688	14,448	15,646	15,713	58,495

1. "Adjusted EBITDA", "funds from operations" and "adjusted funds from operations" are not recognized measures under GAAP and do not have a standardized meaning prescribed by GAAP. Refer to discussion of non-GAAP measures.
2. These two line items combined represent the total of our maintenance capex incurred in the period for continuing operations. An amount equivalent to our depreciation for FFEC, or furniture, fixtures, equipment and computers, is deducted in determining FFO, and the difference in total maintenance capex incurred is adjusted for in determining AFFO.
3. Excludes current income tax with respect to items that are excluded from the computation of AFFO from continuing operations, such as fair value adjustments, gains or losses on foreign exchange, asset impairment and disposals, other expense, and provisions for prior period tax reassessments.
4. Represents AFFO of the captive insurance company that decreases/(increases) its investments held for self-insured liabilities not impacting the Company's reported cash and short-term investments.

Extendicare

(unaudited)

Reconciliation of Earnings (Loss) from Continuing Operations to Funds from Operations and Adjusted Funds from Operations ⁽¹⁾

<i>(thousands of Canadian dollars unless otherwise noted)</i>	2018					2017				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Earnings (loss) from continuing operations	3,566	5,975	7,598	(9,055)	8,084	4,947	9,919	6,545	10,301	31,712
Adjustments:										
Depreciation and amortization expense	7,837	8,235	9,014	10,184	35,270	7,532	7,911	7,766	8,170	31,379
Deduct depreciation/amortization for FFEC ⁽²⁾	(1,910)	(1,807)	(1,823)	(1,882)	(7,422)	(1,855)	(1,854)	(1,872)	(1,914)	(7,495)
Loss (gain) on fair value adjustments, foreign exchange and investments, and other expense (income)	50	2,933	(1,322)	18,287	19,948	438	(2,550)	(532)	(694)	(3,338)
Current tax on fair value adjustments, gain/loss on foreign exchange and investments, and other expense (income)	-	-	(2)	(74)	(76)	234	(67)	(6)	(161)	-
Deferred income taxes	1,231	270	(122)	(5,273)	(3,894)	(1,209)	(687)	1,367	1,232	703
Funds from operations (continuing)	10,774	15,606	13,343	12,187	51,910	10,087	12,672	13,268	16,934	52,961
Amortization of deferred financing costs	397	553	395	391	1,736	443	454	414	417	1,728
Accretion costs	664	840	739	635	2,878	653	709	834	616	2,812
Principal portion of government capital funding payments	1,300	1,300	1,300	1,300	5,200	1,230	1,234	1,232	1,232	4,928
Amounts offset through investments held for self-insured liabilities ⁽³⁾	241	211	235	163	850	(1,003)	(1,038)	281	(2,418)	(4,178)
Income support for retirement communities acquired	-	-	-	-	-	66	-	-	-	66
Non-cash share-based compensation (DSUs & PSUs)	434	599	(817)	214	430	264	421	522	289	1,496
Additional maintenance capex ⁽²⁾	859	(1,976)	(1,816)	(2,320)	(5,253)	948	(4)	(905)	(1,357)	(1,318)
Adjusted funds from operations (continuing)	14,669	17,133	13,379	12,570	57,751	12,688	14,448	15,646	15,713	58,495
Per Share (\$)										
FFO (continuing operations) - basic	0.122	0.177	0.151	0.137	0.587	0.114	0.142	0.149	0.191	0.596
FFO (continuing operations) - diluted	0.122	0.177	0.151	0.137	0.587	0.114	0.142	0.149	0.191	0.596
AFFO (continuing operations) - basic	0.166	0.194	0.151	0.142	0.653	0.143	0.162	0.176	0.178	0.659
AFFO (continuing operations) - diluted	0.161	0.188	0.147	0.138	0.634	0.141	0.158	0.170	0.171	0.640
Basic weighted average number of shares (thousands)	88,379	88,208	88,412	88,612	88,403	88,807	88,938	88,844	88,633	88,805
Diluted weighted average number of shares (thousands)	99,688	98,595	98,788	98,962	98,753	100,086	100,244	100,123	99,916	100,088
Capital Additions from continuing operations										
<i>(thousands of Canadian dollars)</i>										
Total Capital Additions from continuing operations	7,011	16,372	12,878	15,705	51,966	4,860	6,843	11,887	18,744	42,334

1. “Adjusted EBITDA”, “funds from operations” and “adjusted funds from operations” are not recognized measures under GAAP and do not have a standardized meaning prescribed by GAAP. Refer to discussion of non-GAAP measures.
2. These two line items combined represent the total of our maintenance capex incurred in the period for continuing operations. An amount equivalent to our depreciation for FFEC, or furniture, fixtures, equipment and computers, is deducted in determining FFO, and the difference in total maintenance capex incurred is adjusted for in determining AFFO.
3. Represents AFFO of the captive insurance company that decreases/(increases) its investments held for self-insured liabilities not impacting the Company's reported cash and short-term investments.

Extencicare
(unaudited)

U.S. Operations - Reconciliation of Adjusted EBITDA from continuing operations to AFFO ⁽¹⁾

<i>(C\$ 000's, unless otherwise noted)</i>	2018												
	Q1			Q2			Q3			Q4			YTD Dec.
	Captive	Other	Total U.S.	Captive	Other	Total U.S.	Captive	Other	Total U.S.	Captive	Other	Total U.S.	Total U.S.
Revenue													
Other	38	1	39	52	(1)	51	38	-	38	277	-	277	405
	38	1	39	52	(1)	51	38	-	38	277	-	277	405
Operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Net operating income	38	1	39	52	(1)	51	38	-	38	277	-	277	405
Administrative costs	(279)	(4)	(283)	(263)	(10)	(273)	(273)	(8)	(281)	(440)	101	(339)	(1,176)
Lease costs	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted EBITDA	(241)	(3)	(244)	(211)	(11)	(222)	(235)	(8)	(243)	(163)	101	(62)	(771)
Accretion costs	(335)	-	(335)	(473)	-	(473)	(484)	-	(484)	(336)	-	(336)	(1,628)
Interest expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-	-	-	-	-	-
FFO	(576)	(3)	(579)	(684)	(11)	(695)	(719)	(8)	(727)	(499)	101	(398)	(2,399)
Amortization of deferred financing costs	-	-	-	-	-	-	-	-	-	-	-	-	-
Accretion costs	335	-	335	473	-	473	484	-	484	336	-	336	1,628
Amounts offset through investments held for self-insured liabilities ⁽²⁾	241	-	241	211	-	211	235	-	235	163	-	163	850
AFFO (continuing operations)	-	(3)	(3)	-	(11)	(11)	-	(8)	(8)	-	101	101	79
AFFO (discontinued operations)	-	-	-	-	-	-	-	-	-	-	-	-	-
AFFO	-	(3)	(3)	-	(11)	(11)	-	(8)	(8)	-	101	101	79
Per Basic Share (\$)													
AFFO (continuing operations)	-	-	-	-	-	-	-	(0.001)	(0.001)	-	0.002	0.002	0.001
AFFO (discontinued operations)	-	-	-	-	-	-	-	-	-	-	-	-	-
AFFO (total operations)	-	-	-	-	-	-	-	(0.001)	(0.001)	-	0.002	0.002	0.001
Basic weighted avg # of shares (000's)			88,379			88,208			88,412			88,612	88,403
Maintenance CAPEX (discontinued operations)	-	-	-	-	-	-	-	-	-	-	-	-	-

1. "Adjusted EBITDA", "funds from operations" and "adjusted funds from operations" are not recognized measures under GAAP and do not have a standardized meaning prescribed by GAAP. Refer to discussion of non-GAAP measures.

2. Represents AFFO of the captive insurance company that decreases/(increases) its investments held for self-insured liabilities not impacting the Company's reported cash and short-term investments.

Extendicare
(unaudited)

U.S. Operations - Reconciliation of Adjusted EBITDA from continuing operations to AFFO ⁽¹⁾

2017

<i>(CS 000's, unless otherwise noted)</i>	Q1			Q2			Q3			Q4			YTD Dec.
	Captive	Other	Total U.S.	Captive	Other	Total U.S.	Captive	Other	Total U.S.	Captive	Other	Total U.S.	Total U.S.
Revenue (other)	1,495	-	1,495	1,305	-	1,305	136	-	136	2,313	-	2,313	5,249
Operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Net operating income	1,495	-	1,495	1,305	-	1,305	136	-	136	2,313	-	2,313	5,249
Administrative costs	(492)	(31)	(523)	(267)	(7)	(274)	(417)	(10)	(427)	105	(15)	90	(1,134)
Lease costs	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted EBITDA	1,003	(31)	972	1,038	(7)	1,031	(281)	(10)	(291)	2,418	(15)	2,403	4,115
Accretion costs	(343)	-	(343)	(349)	-	(349)	(326)	-	(326)	(265)	-	(265)	(1,283)
Interest expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	207	207	-	-	-	-	-	-	207
FFO	660	(31)	629	689	200	889	(607)	(10)	(617)	2,153	(15)	2,138	3,039
Amortization of financing costs	-	-	-	-	-	-	-	-	-	-	-	-	-
Accretion costs	343	-	343	349	-	349	326	-	326	265	-	265	1,283
Amounts offset through investments held for self-insured liabilities ⁽²⁾	(1,003)	-	(1,003)	(1,038)	-	(1,038)	281	-	281	(2,418)	-	(2,418)	(4,178)
AFFO (continuing operations)	-	(31)	(31)	-	200	200	-	(10)	(10)	-	(15)	(15)	144
AFFO (discontinued operations)	-	-	-	-	-	-	-	-	-	-	-	-	-
AFFO	-	(31)	(31)	-	200	200	-	(10)	(10)	-	(15)	(15)	144
Per Basic Share (\$)													
AFFO (continuing operations)	-	-	-	-	0.002	0.002	-	(0.001)	(0.001)	-	0.001	0.001	0.002
AFFO (discontinued operations)	-	-	-	-	-	-	-	-	-	-	-	-	-
AFFO (total operations)	-	-	-	-	0.002	0.002	-	(0.001)	(0.001)	-	0.001	0.001	0.002
Basic weighted avg # of shares (000's)			88,807			88,938			88,844			88,633	88,805
Maintenance CAPEX (discontinued operations)	-	-	-	-	-	-	-	-	-	-	-	-	-

1. "Adjusted EBITDA", "funds from operations" and "adjusted funds from operations" are not recognized measures under GAAP and do not have a standardized meaning prescribed by GAAP. Refer to discussion of non-GAAP measures.
2. Represents AFFO of the captive insurance company that decreases/(increases) its investments held for self-insured liabilities not impacting the Company's reported cash and short-term investments.

Extendicare

(unaudited)

Reconciliation of Net Earnings (Loss) to Funds from Operations and Adjusted Funds from Operations ⁽¹⁾ - Discontinued Operations

<i>(thousands of Canadian dollars unless otherwise noted)</i>	2018					2017				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Earnings (loss) from discontinued operations	1,265	5,852	975	15,562	23,654	-	(32,913)	-	3,333	(29,580)
Adjustments:										
Depreciation and amortization expense	-	-	-	-	-	-	-	-	-	-
Deduct depreciation/amortization for FFEC ⁽²⁾	-	-	-	-	-	-	-	-	-	-
Loss (gain) on fair value adjustments, foreign exchange, and other expense (income)	(1,265)	(5,852)	(975)	(9,663)	(17,755)	-	40,017	-	(3,441)	36,576
Current tax on fair value adjustments, gain/loss on foreign exchange, and other expense (income)	273	-	-	(12,002)	(11,729)	-	-	-	(1,230)	(1,230)
Deferred income taxes	(273)	-	-	6,103	5,830	-	(7,104)	-	1,338	(5,766)
Funds from operations (discontinued)	-	-	-	-	-	-	-	-	-	-
Amortization of deferred financing costs	-	-	-	-	-	-	-	-	-	-
Accretion costs	-	-	-	-	-	-	-	-	-	-
Additional maintenance capex ⁽²⁾	-	-	-	-	-	-	-	-	-	-
Adjusted funds from operations (discontinued)	-	-	-	-	-	-	-	-	-	-
Per Share (\$)										
FFO (discontinued operations) - basic	-	-	-	-	-	-	-	-	-	-
FFO (discontinued operations) - diluted	-	-	-	-	-	-	-	-	-	-
AFFO (discontinued operations) - basic	-	-	-	-	-	-	-	-	-	-
AFFO (discontinued operations) - diluted	-	-	-	-	-	-	-	-	-	-
Basic weighted average number of shares (thousands)	88,379	88,208	88,412	88,612	88,403	88,807	88,938	88,844	88,633	88,805
Diluted weighted average number of shares (thousands)	99,688	98,595	98,788	98,962	98,753	100,086	100,244	100,123	99,916	100,088

1. “Adjusted EBITDA”, “funds from operations” and “adjusted funds from operations” are not recognized measures under GAAP and do not have a standardized meaning prescribed by GAAP. Refer to discussion of non-GAAP measures.
2. These two line items combined represent the total of our maintenance capex incurred in the period for discontinued operations. An amount equivalent to our depreciation for FFEC, or furniture, fixtures, equipment and computers, is deducted in determining FFO, and the difference in total maintenance capex incurred is adjusted for in determining AFFO.

EXTENDICARE INC.
CANADIAN OPERATIONS - OPERATING STATISTICS
(unaudited)

	2018					2017					2016	2015
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Total	Total
8 Number of Centres Operated at Period End												
9 Owned/leased	66	67	67	67	67	65	65	65	66	66	65	62
10 Managed	53	53	53	53	53	46	49	49	50	50	53	54
11	119	120	120	120	120	111	114	114	116	116	118	116
12 Operational Resident Capacity at Period End												
13 Owned/leased	8,813	8,906	8,906	8,950	8,950	8,686	8,686	8,686	8,788	8,788	8,690	8,464
14 Managed	6,632	6,632	6,632	6,497	6,497	5,693	6,036	6,040	6,216	6,216	6,332	6,426
15	15,445	15,538	15,538	15,447	15,447	14,379	14,722	14,726	15,004	15,004	15,022	14,890
16 Average Occupancy (owned/leased centres)												
17 LTC - total operations	96.4%	97.2%	97.8%	97.6%	97.3%	97.2%	97.6%	98.2%	97.7%	97.7%	98.0%	97.9%
18 Ontario LTC total average occupancy	97.1%	97.7%	98.3%	98.2%	97.8%	97.6%	98.2%	98.5%	98.2%	98.1%	98.5%	98.2%
19 Ontario LTC preferred accommodation ⁽¹⁾												
20 "New" centres - private	96.3%	96.7%	97.6%	96.6%	96.8%	97.1%	98.0%	98.3%	98.1%	97.9%	96.8%	93.8%
21 "C" Centres - private	97.4%	97.3%	97.8%	97.6%	97.5%	98.5%	98.3%	97.8%	98.8%	98.4%	98.7%	98.2%
22 "C" Centres - semi-private	65.2%	65.7%	66.5%	66.1%	65.9%	64.5%	65.7%	67.3%	66.5%	66.1%	64.4%	61.8%
23 All retirement communities	80.4%	84.4%	87.9%	88.4%	85.5%	63.4%	66.6%	71.9%	75.9%	69.7%	59.8%	64.1%
24 Stabilized communities	92.6%	92.1%	93.4%	94.8%	93.3%	82.7%	83.1%	86.8%	93.4%	86.5%	75.3%	64.1%
25 Lease-up communities	67.6%	74.5%	80.6%	80.6%	75.9%	34.0%	41.7%	49.4%	55.5%	46.0%	21.7%	0.0%
26												
27 Home Health Care - hours of service												
28 Hours of service (000's)	2,705.0	2,734.8	2,708.6	2,750.0	10,898.4	2,815.7	2,859.1	2,833.6	2,818.4	11,326.8	10,909.2	8,872.6
29 Hours per day	30,055	30,053	29,441	29,891	29,859	31,285	31,418	30,800	30,634	31,032	29,807	29,310

31 Notes:

32 (1) Average occupancy reported for the available private and semi-private rooms reflects the percentage of residents occupying those beds and paying the respective premiums.

Extendicare Inc.
Summary of Centres and Resident Capacity ⁽¹⁾
as at December 31, 2018

By Province	Long-term Care		Retirement		Chronic Care Unit		Total	
	No. of Centres	Resident Capacity	No. of Centres	Resident Capacity	No. of Centres	Resident Capacity	No. of Centres	Resident Capacity
Owned/Leased ⁽²⁾								
Ontario	34	5,207	5	472	-	-	39	5,679
Alberta	14	1,519	-	-	-	-	14	1,519
Saskatchewan	5	649	4	341	-	-	9	990
Manitoba	5	762	-	-	-	-	5	762
	58	8,137	9	813	-	-	67	8,950
Managed								
Ontario	42	5,338	6	660	1	120	49	6,118
Alberta	1	102	1	109	-	-	2	211
Manitoba	2	168	-	-	-	-	2	168
	45	5,608	7	769	1	120	53	6,497
Total	103	13,745	16	1,582	1	120	120	15,447

- (1) A centre is categorized based on the predominant level of care provided, the type of licensing and the type of funding provided. Some of our long-term care centres include wings housing retirement suites. In this case, the centre and its resident capacity is categorized as "long-term care", and its operations are included as part of our long-term care operating segment. In addition, government-funded supportive living suites have been categorized as long-term care due to the nature of the regulatory oversight and fixed-fee structure determined by the government.
- (2) Extendicare operates nine long-term care centres (1,155 LTC beds and 76 retirement suites) in Ontario under 25 year finance lease arrangements maturing beginning in 2026 through to 2028, with full ownership obtained at the end of the respective lease terms.
- (3) In addition to the centres summarized above, the Company owns land adjacent to its retirement residence at Lynde Creek in Whitby, Ontario, on which there is an enclave of 113 townhomes, known as Lynde Creek Village, that are leased by the Company to seniors under life leases. Upon the resale of a townhome, the Company earns a fee equal to 10% of the proceeds.

Extendicare Inc.
Owned/Leased Centre Location and Resident Capacity - Ontario
as at December 31, 2018

Name of Owned/Leased Centre	Location	Year Built	Composition of Beds/Suites					Total
			Preferred		Basic	Short Stay or Convalescent		
			Private	Semi-Private				
Ontario LTC "New" Centres								
1	Extendicare Brampton	Brampton	2001	90	-	48	12	150
2	Extendicare Cobourg	Cobourg	2002	41	-	28	-	69
3	Extendicare Halton Hills	Georgetown	2003	78	-	52	-	130
4	Extendicare Hamilton	Hamilton	2002	96	-	64	-	160
5	Extendicare Kawartha Lakes	Lindsay	2001	38	-	26	-	64
6	Extendicare Lakefield	Lakefield	2001	60	-	38	2	100
7	Extendicare Maple View	Sault Ste. Marie	2013	154	-	102	-	256
8	Extendicare Mississauga	Mississauga	2002	84	-	56	-	140
9	Extendicare Port Hope	Port Hope	2003	76	-	52	-	128
10	Extendicare Rouge Valley	Toronto	2003	114	-	77	1	192
11	Extendicare Southwood Lakes	Windsor	2001	90	-	60	-	150
12	Extendicare Tecumseh	Tecumseh	2003	77	-	51	-	128
13	Extendicare Timmins	Timmins	2013	108	-	72	-	180
13 Ontario LTC "New" Centres				1,106	-	726	15	1,847
				59.9%	-	39.3%	0.8%	100.0%
Ontario LTC "C" Centres								
1	Extendicare Bayview	North York	1970	46	74	82	1	203
2	Extendicare Falconbridge	Sudbury	1973	20	118	94	2	234
3	Extendicare Guildwood	Westhill	1967	15	86	66	2	169
4	Extendicare Haliburton	Haliburton	1976	10	18	32	-	60
5	Extendicare Kapuskasing	Kapuskasing	1974	4	30	25	2	61
6	Extendicare Kingston	Kingston	1974	13	70	67	-	150
7	Extendicare Kirkland Lake	Kirkland Lake	1977	16	40	38	3	97
8	Extendicare Laurier Manor	Gloucester	1970	50	94	96	2	242
9	Extendicare London	London	1970	36	66	67	1	170
10	Extendicare Medex	Ottawa	1973	5	111	77	-	193
11	Extendicare New Orchard Lodge	Ottawa	1965	15	52	44	-	111
12	Extendicare Oshawa	Oshawa	1973	7	87	63	18	175
13	Extendicare Peterborough	Peterborough	1972	34	60	65	15	174
14	Extendicare Port Stanley	Port Stanley	1977	8	20	31	1	60
15	Extendicare Scarborough	Scarborough	1970	3	64	60	23	150
16	Extendicare St. Catharines	St. Catharines	1971	12	78	62	1	153
17	Extendicare Starwood	Nepean	1971	20	96	76	-	192
18	Extendicare Tri-Town	Haileybury	1974	6	30	23	1	60
19	Extendicare Van Daele	Sault Ste. Marie	1979	20	32	34	14	100
20	Extendicare West End Villa	Ottawa	1982	86	48	104	4	242
21	Extendicare York	Sudbury	1973	50	122	86	30	288
21 Ontario LTC "C" Centres				476	1,396	1,292	120	3,284
				14.5%	42.5%	39.3%	3.7%	100.0%
34 Ontario LTC Centres				1,582	1,396	2,018	135	5,131
				30.8%	27.2%	39.3%	2.6%	100.0%
- Ontario Assisted Living (wings at Cobourg & Lindsay)				76	-	-	-	76
Ontario Retirement Communities								
1	Empire Crossing	Port Hope	2015	63				63
2	Harvest	Tillsonburg	2011	100				100
3	Cedar Crossing	Simcoe	2016	68				68
4	Douglas Crossing	Uxbridge	2017	148				148
5	Lynde Creek Manor	Whitby	2004/2014	93				93
5 Ontario Retirement Communities				472	-	-	-	472
39 Total Ontario Centres				2,130	1,396	2,018	135	5,679

Extendicare Inc.
Owned Centre Location and Resident Capacity - Western Operations and Total
as at December 31, 2018

Name of Owned Centre	Location	Year Built	Composition of Beds/Suites				
			Private	Semi-Private	Basic	Total	
Alberta Long-term Care Centres							
1	Extendicare Athabasca	Athabasca	1967	22	28	-	50
2	Extendicare Bonnyville	Bonnyville	1966	28	22	-	50
3	Extendicare Cedars Villa	Calgary	1964	41	207	-	248
4	Extendicare Eaux Claires	Edmonton	2011	204	-	-	204
5	Extendicare Fort MacLeod	Fort MacLeod	1966	20	30	-	50
6	Extendicare Hillcrest	Calgary	1965	20	92	-	112
7	Extendicare Holyrood	Edmonton	1965	20	54	-	74
8	Extendicare Leduc	Leduc	1965	21	58	-	79
9	Extendicare Michener Hills	Red Deer	2010	208	12	-	220
10	Extendicare Mayerthorpe	Mayerthorpe	1966	22	28	-	50
11	Extendicare St. Paul	St. Paul	1966	30	46	-	76
12	Extendicare Viking	Viking	1965	36	24	-	60
13	Extendicare Vulcan	Vulcan	1965	28	18	-	46
13	Alberta LTC Centres			700	619	-	1,319
Alberta Designated Supportive Living							
-	Extendicare Michener Hills (wing)	Red Deer	2010	60	-	-	60
1	Extendicare Fairmont Park	Lethbridge	2010	140	-	-	140
1	Alberta DSL Centres			200	-	-	200
14	Alberta Centres			900	619	-	1,519
Manitoba Long-term Care Centres							
1	Hillcrest Place	Brandon	1972	20	80	-	100
2	Oakview Place	Winnipeg	1970	37	208	-	245
3	Red River Place	Selkirk	1982	94	10	-	104
4	Tuxedo Villa	Winnipeg	1971	41	172	-	213
5	Vista Park Lodge	Winnipeg	1982	90	10	-	100
5	Manitoba LTC Centres			282	480	-	762
Saskatchewan Long-term Care Centres							
1	Extendicare Elmview	Regina	1963	18	28	16	62
2	Extendicare Moose Jaw	Moose Jaw	1963	21	100	4	125
3	Extendicare Parkside	Regina	1965	12	80	136	228
4	Extendicare Preston	Saskatoon	1964	20	46	16	82
5	Extendicare Sunset	Regina	1971	10	120	22	152
5	Saskatchewan LTC Centres			81	374	194	649
Saskatchewan Retirement Communities							
1	Stonebridge Crossing	Saskatoon	2012	116	-	-	116
2	Riverbend Crossing Memory Care	Regina	2013	67	-	-	67
3	West Park Crossing	Moose Jaw	2016	79	-	-	79
4	Yorkton Crossing	Yorkton	2016	79	-	-	79
4	Saskatchewan Retirement Communities			341	-	-	341
9	Saskatchewan Centres			422	374	194	990
Total Extendicare Owned/Leased Centres							
57	Long-term care						7,861
-	Private-pay assisted living wings						76
1	Government-funded supportive living						200
58	Total of long-term care operating segment						8,137
9	Total of private-pay retirement communities						813
67	Total Extendicare Owned/Leased Centres						8,950