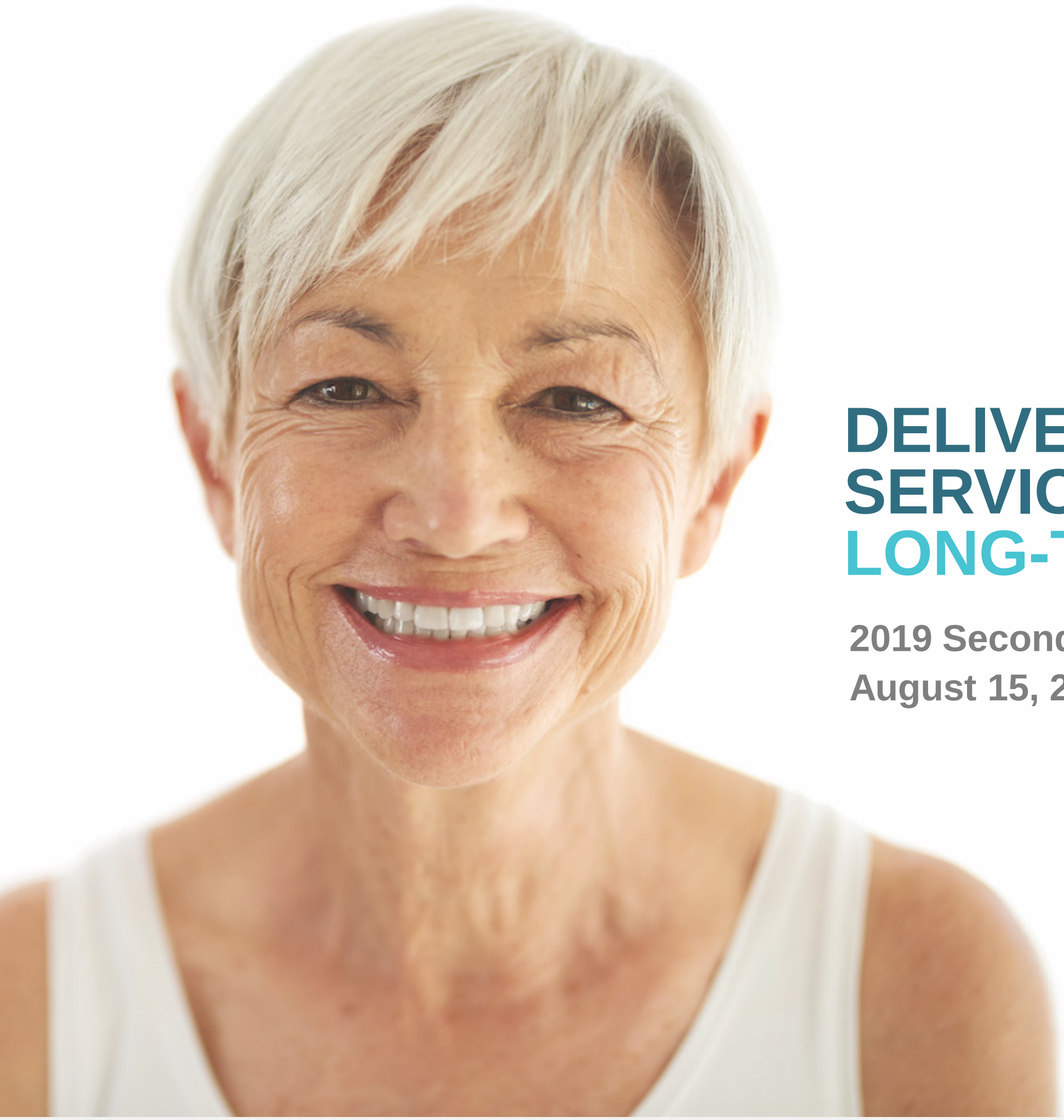

DELIVERING BEST-IN-CLASS SERVICES & GROWING LONG-TERM VALUE

2019 Second Quarter Results Conference Call

August 15, 2019

EXTENDICARE®

... helping people live better

SECOND QUARTER HIGHLIGHTS

- Increased revenue and profitability in long-term care and retirement living
- Positive occupancy trends in stabilized and lease-up retirement communities
- Revenue up due to funding enhancements, growth in retirement living and incremental home health care funding.
- Earnings down due to higher costs, including additional statutory holiday and ParaMed transformation costs

Executing our plan to drive profitable growth

PARAMED TRANSFORMATION

- ParaMed accounted for 39% of total revenue YTD 2019
- Progress continues with $12M ParaMed transformation that will drive long-term growth and value creation
- $7M in FY 2019; $3.3M YTD 2019
- New cloud-based system to improve staff retention and increase hours of care provided
- Implementation process 71% complete and on track for substantial completion by year end
- Progress continues with ParaMed's exit from the B.C. home health care market

Investments in people, process, and technology to drive increases in client volumes and care hours

LONG-TERM CARE – CONTINUED PROGRESS

- ♦ LTC operations have benefitted from funding enhancements this year over 2018
- ♦ Ontario government LTC funding for fiscal 2019/2020, net impact to Extendicare flat beginning October 2019
- ♦ Alberta government LTC funding for 2019/2020 delayed until the fall
- ♦ Ontario LTC redevelopment construction funding subsidy increased to $18.03
- ♦ Working closely with government to advance LTC redevelopment projects

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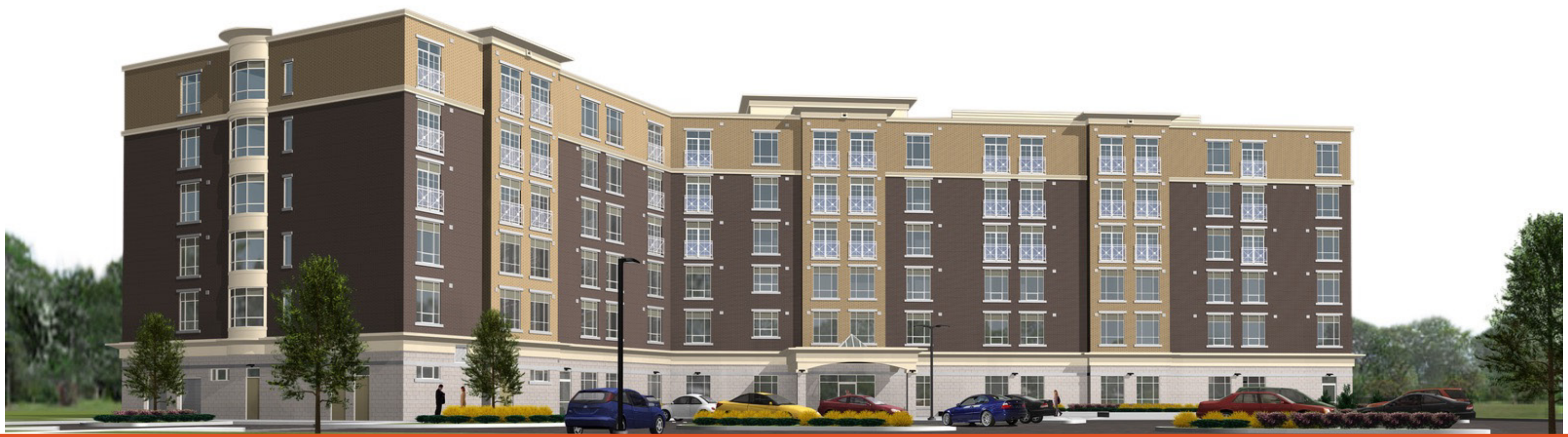
Focused growth driven by promising policy environment and adherence to economic fundamentals

RETIREMENT LIVING – IMPROVING OCCUPANCY

- Continued growth from retirement living operations
- Average occupancy of stabilized grew to 94.7% year to date in 2019 from 89.5% for the same 2018 period
- Occupancy of lease-up communities grew from 64% on March 31 to 72% on June 30, 2019, including Bolton Mills (opened in Q1-19)
- The Barrieview (124 suites) is on schedule to open in Q4-19, targeting stabilized occupancy of 92% within 24 months

Esprit Lifestyle Communities



Rising Occupancy Across Both Stabilized and Lease-Up Communities

CONTRACT SERVICES AND GROUP PURCHASING – IMPORTANT GROWTH DRIVERS

- Services have grown by 10.5% YTD 2019, representing 2% of total revenue and 10% of total NOI
- Currently 6,601 Extendicare Assist beds under contract services
- SGP now buys for 58,700 residents across Canada

Adding significant resources to drive continuing double-digit growth

FINANCIAL REVIEW

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SECOND QUARTER PROGRESS

Q2 2019 Consolidated Financial Highlights

(all comparisons are with Q2 2018 unless otherwise indicated)

REVENUE ▲

$284.0M **1.6%**

ADJUSTED EBITDA ▼

$25.0M **8.6%**

EBITDA Margin 8.8%

NET OPERATING INCOME ▼

$35.3M **2.7%**

NOI margin 12.4%

ADJUSTED FUNDS FROM OPERATIONS ▼

$14.9M **12.9%**

Payout ratio 77% for six months 2019

FACTORS IMPACTING COMPARABILITY

- **Revenue** – higher by $2.2M due to incremental home health care funding related to Bill 148 for 2018.
- **Operating expenses** – higher by $1.7M ($1.3M ParaMed and $0.4M LTC) due to additional statutory holiday in Q2, and by $0.1M (Q2) and $0.4M (YTD) due to incremental ParaMed transformation costs.
- **Administrative costs** – higher by $0.8M (Q2) and $1.6M (YTD) due to incremental ParaMed transformation costs
- **Adoption of IFRS 16 in 2019 (neutral to net earnings and AFFO)**
  - Administrative costs – reduced by $0.7M (Q2) and $1.4M (YTD)
  - Depreciation costs – increased by $0.6M (Q2) and $1.3M (YTD)
  - Interest costs – increased by $0.1M (YTD)

NET IMPACT ON 2019 OVER 2018:

- **NOI increase of $0.4M (Q2) and $1.8M (YTD)**
- **Adjusted EBITDA increase of $0.3M (Q2) and $1.6M (YTD)**
- **AFFO decrease of $0.3M (Q2) and increase of $0.1M (YTD)**

SECOND QUARTER PROGRESS

Q2 2019 Consolidated Financial Highlights (1)

(all comparisons are with Q2 2018 unless otherwise indicated)

REVENUE

$281.8M ▲ **0.9%**

ADJUSTED EBITDA

$25.4M ▼ **9.5%**

EBITDA Margin 9.0%

NET OPERATING INCOME

$35.4M ▼ **3.7%**

NOI margin 12.6%

ADJUSTED FUNDS FROM OPERATIONS

$15.7M ▼ **10.8%**

Payout ratio 77% for six months 2019

(1) Adjusted for the factors affecting comparability as outlined on slide 9 and in the MD&A.

HOME HEALTH CARE

Q2 2019 (1)	as compared to Q2 2018 (1)	as compared to Q1 2019 (1)
REVENUE	▼	▲
$106.0M	3.5%	3.3%
NET OPERATING INCOME	▼	▲
$9.5M *NOI margin 8.9%*	27.3%	15.3%
VOLUME (DAILY HOURS)	▼	▲
29,236	2.7%	1.4%

- Incremental funding offset by a decline in home health care volumes compared to Q2 2018
- Costs related to ParaMed Transformation anticipated to total $7.0M in 2019
- ParaMed to exit B.C. by March 2020
- In Q2 2019, B.C. operations contributed revenue of $12.6M and a net operating loss of $0.3M
- Excluding B.C, Q2 2019 NOI margin 10.4% compared to 9.3% in Q1 2019 (1)

(1) Adjusted for the factors affecting comparability as outlined on slide 9 and in the MD&A.

LONG-TERM CARE

Q2 2019

REVENUE

$159.9M ▲ **2.6%**

NET OPERATING INCOME

$19.4M ▲ **7.2%**

NOI margin 12.1%

AVERAGE OCCUPANCY

97.5% ▲ **30bps**

- Revenue up $4.1M; $2.2M related to Ontario flow-through funding envelopes, directly offset by increased costs of resident care
- NOI up $1.3M; benefitted from funding enhancements and timing of spending, partially offset by additional statutory holiday

RETIREMENT LIVING

Q2 2019

REVENUE

$10.0M ▲ **21.4%**

NET OPERATING INCOME

$2.9M ▲ **24.3%**

NOI margin 29.2%

AVERAGE SAME-STORE OCCUPANCY

91.7% ▲ **850 bps**

AVERAGE STABILIZED OCCUPANCY

94.0% ▲ **400 bps**

- Revenue and NOI growth driven by increase in same-store occupancy of 850 bps to 91.7%
- Average occupancy of lease-up communities grew from 73.7% in Q2 2018 to 85.3% in Q2 2019, excluding the impact of Bolton Mills, which opened in Q1 2019
- Average occupancy of stabilized communities grew 400 bps to 94%
- Occupancy of lease-up communities grew from 64.1% at March 31, 2019 to 72.2% at June 30, 2019.

OTHER CANADIAN OPERATIONS

EXTENDICARE assist

SGP PURCHASING PARTNER NETWORK

Better all together

Q2 2019

REVENUE	$5.9M	▲ 7.0%
NET OPERATING INCOME	$3.2M *NOI margin 54.3%*	▼ 0.9%
CONTRACT SERVICES (BEDS)	6,601	▼ 0.5%
SGP 3RD PARTY RESIDENTS	58,700	▲ 16.7%

- Revenue growth due to increase in clients served
- NOI unchanged as increased revenue offset by increased costs to support operations.

STRONG FINANCIAL POSITION

Q2 2019

TOTAL LONG TERM DEBT (1)

$573.2M

Up $29.1M over YE2018

CASH

$84.4M

Up $18.5M over YE2018

WEIGHTED AVERAGE MATURITY

7.1 Years

WEIGHTED AVERAGE RATE

4.8%

EBITDA INTEREST COVERAGE

3.2x

DEBT TO GBV

49.6%

(1) Includes current portion, reflects convertible debt at face and excludes deferred financing costs

COMPELLING GROWTH OPPORTUNITIES ACROSS CONTINUUM OF CARE SERVICES

LONG-TERM CARE	RETIREMENT LIVING	HOME HEALTH CARE	CONTRACT SERVICES AND CONSULTING	GROUP PURCHASING SERVICES
EXTENDICARE ... helping people live better	Esprit Lifestyle Communities	ParaMed Redefining Care	EXTENDICARE assist	SGP PURCHASING PARTNER NETWORK Better all together
58	**10**	**11M**	**53**	**59K**
Long-term care centres owned	Retirement living communities owned	Home health care hours delivered (TTM)	Centres under Contract Services	Third-party residents served

Data as at June 30, 2019

25% Canadian population aged **65 and older** will rise 25% by 2036

2x Seniors **80 and over** will double between 2011 and 2036

Ontario to **build 15,000 new beds and** redevelop another 15,000 beds over 5 years

- Business foundation is strong
- Clear strategy to drive profitable growth
- Making investments to meet growing market needs for seniors care

THANK YOU