

Extendicare Provides Business Update Related to COVID-19

MARKHAM, ONTARIO, April 27, 2020 – Extendicare Inc. (“Extendicare” or the “Company”) (TSX: EXE) provided the following statement related to the ongoing COVID-19 pandemic.

As one of Canada’s largest providers of health services to seniors through our long-term care homes, residential communities and home health care services, Extendicare has a critical part to play in protecting our most vulnerable citizens during this exceptionally challenging time. More than ever, our focus has been on the protection and care of our residents, clients and staff. All of our efforts remain focused on doing all we can to minimize the profound impact of COVID-19 on them and their families. Our infection control protocols and procedures remain strong and vigilant and, despite ongoing global shortages, we have been successful in leveraging our SGP Purchasing Partner Network to secure and provide our staff with the personal protection equipment (“PPE”) necessary to help protect them and those in our care. As well, we are working very closely with all levels of government, health authorities, our industry partners and advocacy groups on various initiatives to help ensure our collective response to the crisis best meets the needs of our residents, clients and staff.

As of today, of our 69 long-term care homes and retirement communities, 10 long-term care homes and one retirement community have had one or more positive cases of COVID-19, with a majority of these outbreaks limited to less than 10 residents and/or staff. In addition, two long term care homes previously in outbreak have been declared clear of the virus by public health. We are also working with our Extendicare Assist clients to help them manage any outbreaks in their homes.

Business Update

The various actions required to combat COVID-19 have led to increased costs, primarily in respect of PPE and labour, as self-isolation and single-site employer directives and the availability of the Federal government Canada Emergency Relief Benefit (“CERB”) have impacted our staffing capacity. The provinces in which we operate have all announced various programs and financial assistance to address these increased costs and other challenges, and we continue to assess the extent to which they will offset all costs and ultimately their financial impact on Extendicare.

Long-Term Care

Long-term care occupancy in virtually all our homes remains above 97%, thereby retaining funding at 100%. In the event of closure to admissions related to outbreak, full funding is preserved in Ontario and similar protocols are being followed in other provinces.

Retirement Living

In retirement, restrictions on move-ins and tours by prospective residents have impacted occupancy, with stabilized occupancy as at March 31, 2020 at 92.8% down by 230 bps from December 31, 2019 and stabilized average occupancy for the three months ended March 31, 2020 at 93.5% down 140 bps from the three months ended December 31, 2019. We believe occupancy levels will continue to be impacted temporarily by COVID-19. Our resident credit quality remains strong and April rent and service charges were collected in line with normal collection experience. In addition, we have deferred the start of our Empire Crossing expansion project until conditions are appropriate for construction to commence.

Home Health Care

ParaMed volumes and back-office costs have been negatively impacted by COVID-19. Cancellation of all elective procedures in acute care hospitals, the impact of social distancing and self-isolation, restrictions on non-urgent care services and reductions in our workforce capacity, have resulted in a significant drop in our average daily volume (“ADV”) and increased the workload of the back-office staff in revising schedules. These factors started having a measurable impact on volumes on March 15, 2020, and since then our ADV has declined by approximately 23.4%. While we are unable to predict with any certainty the extent and duration of these COVID-19 related factors on our volume and workforce, we believe that the impacts we are experiencing will reverse as we emerge from the pandemic, particularly as elective health care services suspended during this time resume. We will continue to monitor the situation closely to mitigate the impact of reduced home health care volumes on Extencicare’s financial results, including assessing eligibility for various federal or provincial programs designed to mitigate the financial impacts of COVID-19.

Other Canadian Operations

Financial performance in respect of our contract services, consulting and group purchasing divisions remain strong.

Financial Position

As at April 24, 2020, we have \$129.8 million of cash and cash equivalents on hand with access to a further \$70.2 million in undrawn demand credit facilities. The cash and cash equivalents reflect financing activity completed since December 31, 2019, including certain early mortgage renewals, securing permanent CMHC mortgage financing on the Douglas Crossing Retirement Community to replace construction loans and repatriation of the previously announced US\$7.0 million from the captive. For the balance of 2020, the only remaining debt maturities are \$23.5 million of CMHC mortgages in the fourth quarter. We will continue to evaluate further opportunities to manage liquidity as events unfold, including securing additional mortgage financings and deferring non-essential capital expenditures.

First Quarter 2020 Results and Virtual 2020 Annual Meeting of Shareholders

As previously announced, we plan to release our financial results for the first quarter of 2020 after the market close on Thursday, May 14, 2020, followed by an investor conference call on Friday, May 15, 2020.

In addition, Extencicare’s 2020 annual meeting of shareholders will be held on Thursday, May 28, 2020 at 10:30 a.m. (Toronto time). The meeting will be conducted as a “virtual-only” meeting, via live audio webcast. The virtual meeting will utilize online tools to ensure shareholders have the same rights to participate as they would at an in-person meeting. Further information about the virtual meeting will be provided in the management information and proxy circular for the meeting. All shareholders are invited and encouraged to attend.

“I want to pay tribute to our 22,000 team members across the country who are going above and beyond during this difficult time to care for those who depend on us. Their dedication and commitment to the Extencicare mission sets an example for all of us,” stated Dr. Michael Guerriere, President and Chief Executive Officer. “While we are focused on addressing the COVID-19 challenge in the near term, we remain confident in our future. Once we emerge from this crisis, the strong fundamentals of our business along with the investments we have made will again offer a variety of opportunities to build our business.”

About Extencicare

Extencicare is a leading provider of care and services for seniors across Canada, operating under the Extencicare, Esprit Lifestyle, ParaMed, Extencicare Assist, and SGP Purchasing Partner Network brands. We are committed to delivering quality care throughout the health continuum to meet the needs of a growing seniors population. We operate or provide contract services to a network of 122 long-term care homes and retirement communities (69 owned/53 contract services), provide approximately 9.3 million hours of home health care services annually, and provide group purchasing services to third parties representing approximately 71,600 senior residents across Canada. Our qualified and highly trained workforce of approximately 22,000 individuals is passionate about providing high quality services to help people live better.

Forward-looking Statements

This press release contains 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 and in particular in respect of the impact of measures taken to mitigate the impact of COVID-19, the availability of various government programs and financial assistance announced in respect of COVID-19, occupancy levels in its retirement communities and volumes in its home health care business. 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. Risks and uncertainties related to the effects of COVID-19 on Extendicare include the length, spread and severity of the pandemic, the nature and extent of the measures taken by all levels of governments and public health officials to mitigate against the severity and spread of the virus, domestic and global credit and capital markets, our ability to access capital on favourable terms or at all; the health and safety of our employees and our residents and clients; and domestic and global supply chains, particularly in respect of PPE. Given the evolving circumstances surrounding COVID-19, it is difficult to predict how significant the adverse impact will be on the global and domestic economy and the business operations and financial position of the Extendicare. For information on other risks and uncertainties and assumptions that could cause Extendicare’s actual results to differ from current expectations, refer to those risks discussed in Extendicare’s Annual Information Form filed by Extendicare with the securities regulatory authorities, available at www.sedar.com and on Extendicare’s website at www.extendicare.com. Given these risks and uncertainties, readers are cautioned not to place undue reliance on Extendicare’s forward-looking statements.

Extendicare contact:

David Bacon

Senior Vice President and Chief Financial Officer

Phone: (905) 470-4000

Email: david.bacon@extendicare.com

www.extendicare.com