

Extendicare Announces Agreement to Sell Esprit Retirement Communities

*Extendicare to focus on growth in its
market leading long-term care and home health care segments*

MARKHAM, ON (February 3, 2022) – Extendicare Inc. (“Extendicare” or the “Company”) (TSX: EXE.TO) announced today that it has entered into an agreement to sell its retirement living operations comprised of 1,048 retirement living suites across 11 retirement communities (the “Portfolio”), located in Ontario and Saskatchewan, to Sienna-Sabra LP, a partnership formed between Sienna Senior Living Inc. (TSX: SIA.TO) and SABRA Healthcare REIT (NASDAQ: SBRA), for an aggregate purchase price of \$307.5 million, subject to customary closing adjustments (the “Transaction”).

Closing of the Transaction is subject to customary closing conditions, including receipt of regulatory approvals from the Ontario Retirement Homes Regulatory Authority and Saskatchewan Health Authority and pursuant to the Competition Act (Canada), and is not conditional on financing or due diligence. The Transaction is expected to close in the second quarter of 2022.

“With today’s announcement, we are repositioning Extendicare to focus on growth in our long-term care and home health care segments where we can leverage our deep expertise and scale to drive improved performance and high-quality care for seniors across Canada. Proceeds from the sale will provide the flexibility to allocate capital strategically, including priority investments in our people, technology and our long-term care redevelopment program,” said President and CEO, Dr. Michael Guerriere. “We are pleased with the value we will realize on our retirement living investment.”

The Transaction is structured on a debt-free basis, with existing debt associated with the Portfolio of approximately \$172.4 million, as well as estimated debt prepayment costs of approximately \$6.3 million, being repaid at closing from Transaction proceeds. The implied realized capitalization rate on stabilized net operating income for the transaction is approximately 6.0%. The estimated net proceeds to be realized on the sale, net of debt repayments, taxes, certain closing adjustments and transactions costs, is estimated to be approximately \$115.0 million.

“We are confident that the Sienna-Sabra joint venture will provide our residents with quality services and ensure continuity of day-to-day operations throughout the transition. We extend our appreciation to the staff of our Esprit communities who demonstrated a steadfast commitment to providing outstanding care throughout the pandemic,” added Guerriere.

Advisors

CBRE Capital Markets is acting as financial advisor to Extendicare and Bennett Jones LLP is acting as legal advisor to Extendicare in connection with the Transaction.

About Extendicare

Extendicare is a leading provider of care and services for seniors across Canada, operating under the Extendicare, Esprit Lifestyle, ParaMed, Extendicare Assist, and SGP Purchasing Partner Network brands. We are committed to delivering quality care throughout the health continuum to meet the needs of the growing seniors population. We operate or provide contract services to a network of 120 long-term care homes and retirement communities (69 owned/51 contract services), provide approximately 9.0 million hours of home health care services annually, and

provide group purchasing services to third parties representing approximately 88,400 senior residents across Canada.

Extendicare proudly employs more than 23,500 qualified, highly trained and dedicated individuals who are passionate about providing high quality care and services to help people live better.

Forward-looking Statements

This press release contains forward-looking statements concerning anticipated future events, results, circumstances, economic performance or expectations with respect to Extendicare and its subsidiaries, including, without limitation, statements regarding its business operations, business strategy, growth strategy, results of operations and financial condition, including anticipated timelines, costs and financial returns in respect of development projects. Forward-looking statements can often be identified by the expressions “anticipate”, “believe”, “estimate”, “expect”, “intend”, “objective”, “plan”, “project”, “will” or other similar expressions or the negative thereof. These forward-looking statements reflect the Company’s current expectations regarding future results, performance or achievements and are based upon information currently available to the Company and on assumptions that the Company believes are reasonable. The Company 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 the Company to differ materially from those expressed or implied in the statements. For further information on the risks, uncertainties and assumptions that could cause Extendicare’s actual results to differ from current expectations, refer to “Risk Factors” in Extendicare’s Annual Information Form and “Forward Looking-Statements” in Extendicare’s Q3 2021 Management’s Discussion and Analysis 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.

Non-GAAP Measures

Certain items used in this news release, such as “net operating income”, or “NOI”, are not measures recognized under GAAP and do not have standardized meanings prescribed by GAAP. NOI 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. NOI is 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. Such items are presented because management believes that they are a relevant measure of Extendicare’s operating performance and ability to pay cash dividends. A detailed description of this term and an example of the reconciliation of NOI to the most directly comparable non-GAAP measure can be found in Extendicare’s most recent Management’s Discussion and Analysis, filed with the securities regulatory authorities, and is available at www.sedar.com and on Extendicare’s website at www.extendicare.com.

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