

**Extendicare Announces Agreements to
Acquire a 15% Managed Interest in 24 Long-Term Care Homes from Revera
& Form a Redevelopment Joint Venture with Axiom**

Extendicare also announces agreement to manage Revera's other 32 long-term care homes in Ontario and Manitoba

MARKHAM, ON (March 1, 2022) – Extendicare Inc. (“Extendicare”) (TSX: EXE.TO) announced today that it has entered into agreements with Revera Inc. and its affiliates (“Revera”) and Axiom Infrastructure Inc. and its affiliates (“Axiom”), a Canadian investment firm with a strong and enduring commitment to long-term care, in respect of the ownership, operation and redevelopment of long-term care homes in Ontario and Manitoba.

Highlights of the Transactions

- Adds 56 long-term care homes to double the Extendicare Assist portfolio of managed homes
- Revera’s long-term care operations team to join Extendicare to advance the delivery of high-quality care and services across all of our homes
- Extendicare to acquire Revera’s 15% interest in a portfolio of 24 long-term care homes owned in partnership with Axiom, and an opportunity to purchase future Revera redevelopment projects
- Extendicare to form a joint venture with Axiom for the redevelopment of “class C” homes owned by Extendicare

These transactions, combined with the recent announcement of the sale of Extendicare’s Esprit retirement communities portfolio, represent a significant transition of Extendicare’s strategy to focus on long-term care and home health care using a less capital-intensive business model. Extendicare will focus its growth on operating and building new long-term care homes, while substantially reducing the amount of its own capital required to redevelop its “class C” portfolio. This will allow Extendicare to deploy capital more efficiently and provide greater flexibility for growth initiatives, including acquisitions.

Transactions Overview

Extendicare has entered into agreements with Revera to acquire a 15% managed interest in 18 “class A” long-term care homes located in Ontario and six homes in Manitoba (the “Acquisition”). The remaining 85% interest will continue to be owned by an affiliate of Axiom. Relatedly, on closing of the Acquisition, Extendicare will enter into management contracts with Revera to manage all of Revera’s other long-term care homes, which comprise 31 “class C” homes located in Ontario and one personal care home located in Manitoba. Extendicare will also enter into development arrangement agreements with Revera in respect of the potential redevelopment of those managed “class C” homes in Ontario into new homes (collectively with the Acquisition, the “Revera Transactions”).

In addition to the Revera Transactions, Extendicare announced today that it has entered into an agreement with Axiom in respect of the formation of a joint venture with Axiom to jointly redevelop certain of Extendicare’s existing Ontario “class C” homes (the “Axiom Transaction” and, with the Revera Transactions, the “Transactions”). Axiom will own an 85% interest in the joint venture with Extendicare

retaining a 15% interest. Extendicare will continue to undertake all development activities in respect of the joint venture homes and will operate the homes upon completion of construction.

The Revera transactions will add 56 long-term care homes to the 108 long-term care homes Extendicare currently operates (58 owned, 50 managed). These homes will also join the SGP Purchasing Partner Network, bringing the total participating beds to over 100,000. Revera's deeply experienced team of long-term care experts will join Extendicare's, in a shared mission to provide best-in-class seniors' care. Extendicare also has a right of first offer on Revera's redevelopment projects in respect of its 31 class C homes in Ontario, either alone or in partnership with Axium.

Closing of the Revera Transactions is subject to customary closing conditions, including receipt of regulatory approvals from the Ontario Ministry of Long-Term Care and Manitoba Health and Winnipeg Regional Health Authority, and is not conditional on financing or due diligence.

The aggregate cash consideration for the Revera Transactions is approximately \$36.0 million plus the assumption of approximately \$34.0 million in debt (at Extendicare's share), subject to customary adjustments. Certain of the associated debt will be refinanced or repaid on or before closing, resulting in changes in the allocation between cash consideration and debt assumption. The purchase price is expected to be funded from cash on hand.

"Today's announcement, together with the recently announced sale of our Esprit retirement business, represents a significant repositioning of Extendicare to focus on growth in our long-term care and home health care segments. The addition of the Revera long-term care team and the 56 homes to our management portfolio meaningfully enhances our expertise and scale to drive improved performance and high-quality care for seniors across Canada," said President and CEO, Dr. Michael Guerriere. "We look forward to the opportunity to work with Revera and Axium to rebuild as many of Revera's 31 class C homes as approvals and favourable market conditions permit."

Closing of the Axium Transaction is subject to customary closing conditions, including receipt of regulatory approvals from the Ontario Ministry of Long-Term Care, and is not conditional on financing or due diligence.

"Our joint venture with Axium will provide us with access to additional capital from a Canadian infrastructure investor with a long track record of supporting the expansion of long-term care across the country," said Dr. Guerriere. "There is a pressing need to replace aging infrastructure and expand long-term care capacity to address the growing demand for seniors' care. This partnership will support the redevelopment of the Extendicare class C portfolio and give us greater financial flexibility as we evaluate new builds and acquisitions."

The Revera Transactions

Upon closing of the Acquisition, Extendicare will own a 15% interest in the 24 long-term care homes currently jointly owned by Revera and Axium and will operate the homes in consideration for a customary management fee. These homes consist of approximately 3,000 funded long-term care beds.

"We will work closely with Revera to ensure that residents, their families and staff at these homes experience a smooth transition to Extendicare's operations," said Dr. Guerriere. "There will be no job losses as a result of today's announcement. Our collective long-term care teams have deep experience in caring for seniors, and we need everyone as we work to improve care for the residents we serve today and the seniors who will need care tomorrow."

As part of the Acquisition, Extendicare will assume management of Revera's remaining long-term care homes, which comprise 31 "class C" homes located in Ontario and one personal care home located in Manitoba, and will offer employment to Revera's head office long-term care personnel. These homes consist of approximately 3,700 funded long-term care beds and 760 private pay assisted living beds. The management agreements are on customary terms for agreements of this type.

The Revera Transactions are expected to generate approximately \$17.0 million in additional annual revenue in our Other Operations segment related to the services provided to the additional 56 homes.

Consistent with Extencicare's stated commitment to redevelop "class C" homes to further the availability of best in class long-term care homes for Ontario's seniors, as part of the Revera Transactions, Revera and Extencicare will enter into development arrangement agreements pursuant to which Revera will grant Extencicare (either alone or with Axiom) a right to participate in any redevelopment of Revera's Ontario "class C" homes should Revera determine to pursue redevelopment of any of those homes into new long-term care homes. If Extencicare determines, in its discretion, to participate in any such redevelopment project, Revera will act as development and construction manager and will be paid customary development and construction management fees. Upon completion of any approved redevelopment project, the home would be acquired by Extencicare (either alone or with Axiom) and Extencicare would operate the homes on the same terms as it will operate the homes to be acquired in the Acquisition. There are currently four "class C" homes comprising an aggregate of approximately 700 funded long-term care beds that are in advanced stages of redevelopment, one of which is currently under construction, that Extencicare expects it will participate in along with Axiom, subject to customary conditions. However, no assurance can be given as to whether those projects, or any other redevelopment projects, will ultimately proceed or be acquired by Extencicare.

The Axiom Transaction

Upon closing of the Axiom Transaction, Axiom will acquire an 85% interest in the joint venture, with Extencicare retaining a 15% managed interest. Extencicare will continue to undertake all development activities in respect of the joint venture homes and will operate the homes upon completion of construction. As part of the Axiom Transaction, Extencicare and Axiom have entered into a master development agreement pursuant to which Extencicare has granted Axiom a right to participate in the redevelopment of five of Extencicare's Ontario "class C" homes located in Sudbury (two homes), Kingston, Stittsville and Peterborough, Ontario. This development arrangement could also apply to additional redevelopment projects should Extencicare wish to offer them to Axiom. Extencicare will act as development and construction manager and will be paid customary development and construction management fees in respect of any projects in which Axiom participates. Upon receipt of necessary redevelopment approvals, the home would be acquired by the Extencicare/Axiom joint venture and Extencicare would operate the homes on the same terms as it will operate the homes to be acquired in the Acquisition.

There are currently three "class C" homes comprising an aggregate of 704 funded long-term care beds that are currently under construction that Axiom has agreed to participate in, subject to customary conditions.

Advisors

BMO Capital Markets is acting as financial advisor to Extencicare and Torys LLP is acting as legal advisor to Extencicare in connection with the Transactions. Stikeman Elliott LLP is acting as legal advisor to Axiom in connection with the Transactions. Stormont Partners Advisory is acting as financial advisor to Revera and Goodmans LLP is acting as legal advisor to Revera in connection with the Revera Transactions.

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 119 long-term care homes and retirement communities (69 owned/50 contract services), provide approximately 9.2 million

hours of home health care services annually, and provide group purchasing services to third parties representing approximately 93,200 senior residents across Canada.

Extendicare proudly employs more than 20,000 qualified, highly trained and dedicated team members who are passionate about providing high-quality care and services to help people live better.

About Axiom Infrastructure

Axiom Infrastructure (comprised of Axiom Infrastructure Inc. and its affiliated entities) is an independent portfolio management firm dedicated to generating long-term investment returns through investing in core infrastructure assets. Axiom Infrastructure had approximately C\$7.9 billion in assets under management as of September 30, 2021, as well as approximately C\$1.7 billion in co-investments. The firm benefits from the capabilities of a group of specialists with decades of experience acquiring, developing, financing, operating and managing infrastructure assets. Focus is placed on assets that are supported by robust market demand and under long-term contract with creditworthy counterparties. Since 2010, the firm has invested in a diversified portfolio of over 200 North American infrastructure assets.

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 the Transactions and the impact on our business should the Transactions close. 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 Extendicare’s current expectations regarding future results, performance or achievements and are based upon information currently available to us and on assumptions that Extendicare believes are reasonable. 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 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 and Uncertainties” and “Forward Looking-Statements” in Extendicare’s 2021 MD&A 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.

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