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

2019 Fourth Quarter and Year End Results Conference Call
February 28, 2020

EXTENDICARE®
... helping people live better

NON-GAAP MEASURES

"EBITDA", "Adjusted EBITDA", "net operating income" (NOI), "funds from operations" (FFO), and "adjusted funds from operations" (AFFO) are non-GAAP measures and do not have standardized meanings prescribed by GAAP. See "Non-GAAP Measures" in Extendicare's most recent MD&A

FORWARD-LOOKING STATEMENTS

This presentation contains certain forward-looking statements within the meaning of applicable Canadian securities laws ("forward-looking statements" or "forward-looking information"). Statements other than statements of historical fact contained in this presentation may be forward-looking statements, including, without limitation, management's expectations, intentions and beliefs concerning anticipated future events, results, circumstances, economic performance or expectations with respect to the Company, including, without limitation, statements regarding its business operations, business strategy, growth strategy, results of operations and financial condition. 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. Actual results and developments may differ materially from results and developments discussed in the forward-looking statements, as they are subject to a number of risks and uncertainties.

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FOURTH QUARTER HIGHLIGHTS

- Revenue up due to LTC funding enhancements and growth in retirement living
- Opened The Barrieview retirement community and advanced expansion plans at Empire Crossing retirement community
- Expanded SGP market share
- ParaMed transformation project almost complete and expected to drive improved performance in 2020
- Well positioned with stable revenue, conservative dividend payout ratio and strong balance sheet

Building a strong foundation for future growth and improved profitability

PARAMED – DRIVING IMPROVEMENTS

- Completed the exit from the negative margin B.C. market in January 2020
- Technology driven transformation designed to drive improved performance and profitability
  - Cloud-based system will improve scheduling efficiency, improve staff retention and drive higher care hours
  - $12M investment on budget, $1.2M to be spent in 2020
  - 95% currently converted
- Continued focus on optimizing standard operating procedures to leverage new platform
- Expect volume increases in 2020 with margin improvements coming later in the year

Driving increased client volumes and care hours through investments in people, process, and technology

LONG-TERM CARE – STABLE FOUNDATION

- Government funded revenue provides stability
  - Average occupancy >97% and NOI margin of 12%
  - Enhanced funding drove increased revenue
- Government aware of pressing need to lower the backlog for LTC beds to address “hallway medicine” in Ontario
- Extendicare has approvals on several redevelopment projects; working to improve project economics before proceeding
- High demand for long-term care will maintain high occupancy and future growth for Extendicare

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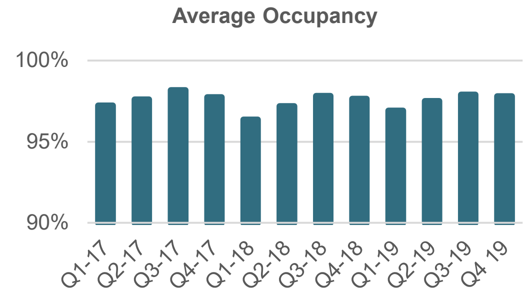
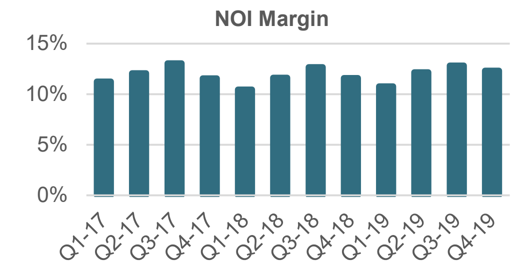


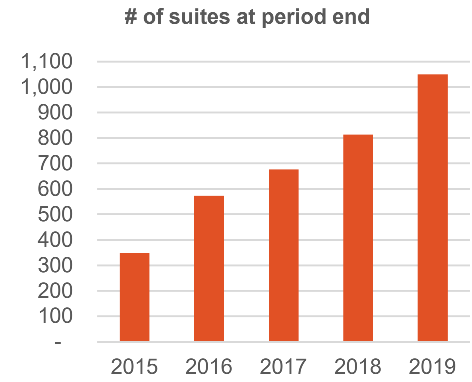


Stable revenue base with future growth potential

RETIREMENT LIVING – DRIVING GROWTH

- Strong revenue and NOI growth with average stabilized occupancy at 94.9% in Q4 2019
- The Barrieview opened in Q4 2019 (124 suites), projecting stabilized occupancy of 95% by end of 2020, ahead of expectations
- Advanced expansion plans for Empire Crossing in Port Hope to double in size, expect to break ground in Q2 2020

Esprit Lifestyle Communities

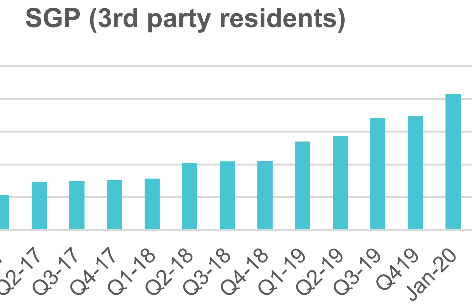


Expanding capacity and rising occupancy trends

CONTRACT SERVICES AND GROUP PURCHASING – GROWING NETWORK

- 7% revenue growth in 2019
- SGP continues to expand its market presence
  - In 2019, welcomed Schlegel Villages and West Coast Seniors Housing Management, serving over 8,400 residents
  - In January 2020, added a number of new clients, including Amica Senior Lifestyles, to bring total senior resident network to approximately 71,600
- Continue to pursue additional market and service offering expansion opportunities

SGP | PURCHASING PARTNER NETWORK



EXTENDICARE assist

53 homes/6,601 beds under contract

Expanding its network while exploring new growth opportunities

FINANCIAL REVIEW

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CONSOLIDATED RESULTS

December 2019
($ millions)

Revenue					
Q4 2019	Q4 2018	Change	2019	2018	Change
$290.9	$288.8	0.7%	$1,132.0	$1,120.0	1.1%

Adjusted EBITDA and Margin					
Q4 2019	Q4 2018	Change	2019	2018	Change
$23.0	$22.5	0.2%	$91.1	$94.2	-3.3%
7.9%	7.8%	10 bps	8.0%	8.4%	-40 bps

NOI and Margin					
Q4 2019	Q4 2018	Change	2019	2018	Change
$32.9	$32.9	0.0%	$133.5	$134.0	-0.4%
11.3%	11.4%	-10 bps	11.8%	12.0%	-20 bps

AFFO and Payout Ratio					
Q4 2019	Q4 2018	Change	2019	2018	Change
$11.4	$12.6	-9.6%	$52.6	$57.8	-8.9%
94%	84%		81%	73%	

FACTORS IMPACTING COMPARABILITY

December 2019

- **ParaMed retro funding in 2019 related to Bill 148** ($2.2M in Q2 2019)
- **ParaMed transformation costs**
  - Operating and administrative costs totalling $5.9M FYZ2019 and $3.3M in FY2018
- **Severance costs** (administrative costs of $1.1M in Q3 2019 and $1.7M in Q3 2018)
- **Adoption of IFRS 16 in 2019** (neutral to net earnings and AFFO)
  - Lower administrative costs of $2.9M FY2019, offset by higher depreciation and interest costs
- **Favourable year-end adjustments in 2019** ($0.9M in Q4 2019 and $0.6M in FY2019)

NET IMPACT *(millions)*	Q4 2019	Q4 2018	Change		2019	2018	Change
Revenue	-	-	-		$2.2	-	$2.2
NOI	$0.4	$(0.5)	$0.9		$0.5	$(2.3)	$2.8
Adjusted EBITDA	$0.3	$(0.9)	$1.2		$(1.3)	$(5.0)	$3.7
AFFO	-	$(0.6)	$0.6		$(2.7)	$(4.5)	$1.8

CONSOLIDATED RESULTS:
ADJUSTED FOR FACTORS IMPACTING COMPARABILITY

December 2019
($ millions)

Revenue (1)

Q4 2019	Q4 2018	Change	2019	2018	Change
$290.9	$288.8	0.7%	$1,129.8	$1,120.0	0.9%

Adjusted EBITDA and Margin (1)

Q4 2019	Q4 2018	Change	2019	2018	Change
$22.7	$23.4	-3.1%	$92.4	$99.2	-6.9%
7.8%	8.1%	-30 bps	8.2%	8.9%	-70 bps

NOI and Margin (1)

Q4 2019	Q4 2018	Change	2019	2018	Change
$32.5	$33.4	-2.7%	$133.0	$136.3	-2.4%
11.2%	11.6%	-40 bps	11.8%	12.2%	-40 bps

AFFO and Payout Ratio (1)

Q4 2019	Q4 2018	Change	2019	2018	Change
$11.4	$13.2	-13.9%	$55.3	$62.3	-11.2%
94%	80%		77%	68%	

HOME HEALTH CARE

December 2019

Revenue (1)		
FY 2019	**$420.8M**	**-2.4%**
Q4 2019	**$106.7M**	**-2.1%**

NOI (1)		
FY 2019	**$32.0M**	**-20.6%**
margin	***7.6%***	**-170 bps**
Q4 2019	**$6.9M**	**-18.1%**
margin	***6.5%***	**-120 bps**

Volume (daily hours) (1)		
FY 2019	**28,958**	**-3.0%**
Q4 2019	**28,926**	**-3.2%**

- Revenue and NOI impacted by a decline in daily volumes largely in the Ontario and higher back office operating costs
- Continue to build capacity to address these challenges and to take advantage of the significant organic growth opportunity
- Successful exit from B.C. operations completed in January 2020
- NOI margin excluding B.C. would be +110 bps (8.7%) and volumes for FY2019 would be ~9.3 million hours

(1) Excluding impact of factors affecting comparability as outlined on slide 10

LONG-TERM CARE

December 2019

Revenue			
FY 2019	**$643.8M**	**1.8%**	⬆
Q4 2019	**$166.6M**	**1.2%**	
NOI (1)			
FY 2019 *Margin*	**$76.3M** ***11.9%***	**4.5%** **40 bps**	⬆
Q4 2019 *Margin*	**$19.1M** ***11.5%***	**1.7%** **10 bps**	⬆
Average Occupancy			
FY 2019	**97.5%**	**20 bps**	⬆
Q4 2019	**97.8%**	**20 bps**	

- Revenue up due to funding enhancements and quarterly fluctuation of Ontario flow through funding
- Excluding the impact of the favourable labour accrual adjustments of $1.4M in Q4 2019 ($1.1M FY2019) NOI margins were up 10 bps in Q4 2019 and 40 bps FY2019 driven by funding enhancements partly offset by higher resident care, labour and other costs
- +20bps improvement in occupancy to 97.5% in FY2019

(1) Excluding impact of factors affecting comparability as outlined on slide 10

RETIREMENT LIVING

December 2019

Revenue		
FY 2019	**$41.3M**	**23.5%**
Q4 2019	**$11.4M**	**25.6%**

NOI		
FY 2019	**$11.4M**	**27.3%**
margin	***27.7%***	**80 bps**
Q4 2019	**$3.0M**	**31.4%**
margin	***26.4%***	**120 bps**

Avg Stabilized Occupancy		
FY 2019	**92.7%**	**510 bps**
Q4 2019	**94.9%**	**510 bps**

- Revenue and NOI growth driven by increase in same-store occupancy, partially offset by lease-up and pre-opening losses from non same-store communities
- Douglas Crossing (Uxbridge,ON) and Yorkton Crossing (Yorkton, SK) moved from lease-up to stabilized in Q4 2019
- As at lease-up occupancy improved sequentially to 63.5% at Q4 2019, from 57.6% at Q3 2019
- Average stabilized occupancy grew to 94.9% in Q4 2019 up 510 bps from Q4 2018
- As at stabilized occupancy improved sequentially to 95.1% at Q4 2019 from 94.1% as at Q3 2019

OTHER CANADIAN OPERATIONS

December 2019

Revenue		
FY 2019	**$23.9M**	**7.2%**
Q4 2019	**$6.2M**	**6.5%**
NOI		
FY 2019 *margin*	**$13.3M** ***55.5%***	**-2.1%** **-520 bps**
Q4 2019 *margin*	**$3.4M** ***55.7%***	**-4.0%** **-600 bps**
Contract Services		
Beds	**6,601**	**1.6%**
SGP		
Residents	**64,800**	**26.8%**

- 7% revenue growth and 26.8% increase in clients served in 2019
- NOI declined in line with expectations as higher revenue was offset by increased administrative and account management resources to support growth
- NOI margins 55.7% in Q4 2019 in line with FY2019

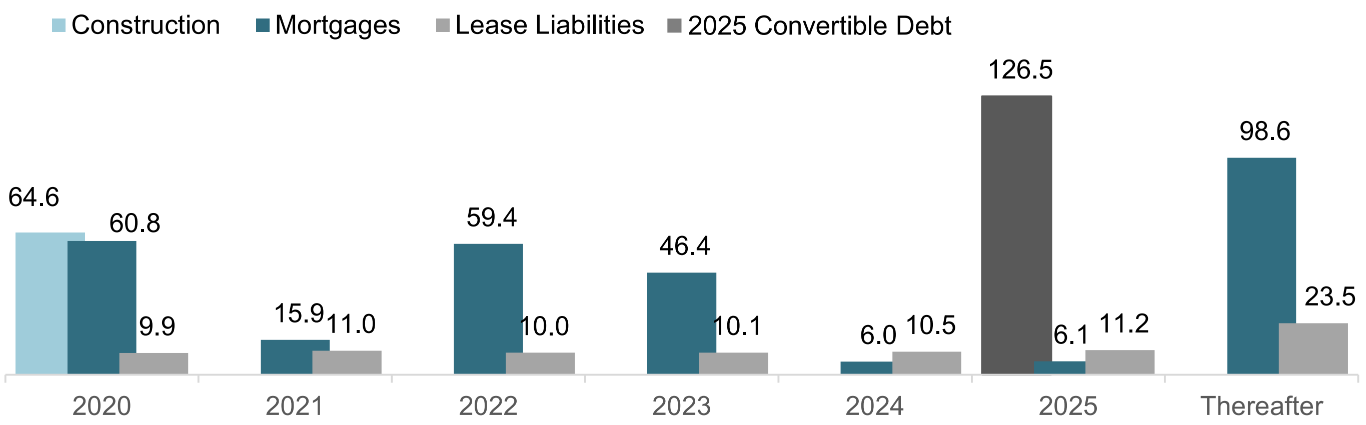
STRONG FINANCIAL POSITION

December 31, 2019

Long-term Debt (1)	Cash
$570.5M	$94.5M

	EBITDA interest coverage	Debt to GBV	Weighted average rate
2019	3.1x	49.0%	4.7%
2018	3.2X	47.7%	4.9%

Debt Maturities (2) ***($ millions)***



Well positioned to fund dividend and future growth opportunities

(1) Includes current portion, reflects 2025 convertible debt at face of $126.5M and excludes deferred financing costs
(2) Demand constructions loans are reflected as current

COMPELLING GROWTH OPPORTUNITIES ACROSS THE CARE CONTINUUM

B2C: direct services to seniors

LONG-TERM CARE

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58

Long-term care homes owned

HOME HEALTH CARE

ParaMed Redefining Care

>9M

Home health care hours delivered (TTM)

RETIREMENT LIVING

Esprit Lifestyle Communities

11

Retirement communities owned

B2B: contract & consulting services

GROUP PURCHASING SERVICES

SGP PURCHASING PARTNER NETWORK

>71K

Third-party residents served

CONTRACT SERVICES AND CONSULTING

EXTENDICARE assist

53

Homes under contract

(1) Stats as at January 31, 2020.

THANK YOU