

EXTENDICARE INC.
FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of the Company

Extendicare Inc. (the "**Company**" or "**Extendicare**")
3000 Steeles Avenue East, Suite 700
Markham, Ontario L3R 9W2

Item 2 Date of Material Change

July 26, 2018

Item 3 News Release

A news release with respect to the material change referred to in this material change report was issued by the Company on July 26, 2018 through GlobeNewswire and subsequently filed on SEDAR.

Item 4 Summary of Material Change

On July 26, 2018, Extendicare announced that Tim Lukenda will be stepping down from his position as President and Chief Executive Officer, and Director of the Company, by December 31, 2018. The Extendicare Board of Directors has established a Search Committee of the Board and has engaged a leading search firm to conduct a search for Mr. Lukenda's successor.

Item 5 Full Description of Material Change

See the copy of the news release of the Company attached hereto as Schedule A.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

For further information please contact:

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Vice President, Investor Relations
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Item 9 Date of Report

July 31, 2018.

Schedule A



NEWS RELEASE

Extendicare Announces Pending Departure of CEO

MARKHAM, ONTARIO, July 26, 2018 – Extendicare Inc. (“Extendicare” or the “Company”) (TSX: EXE) today announced that Tim Lukenda will be stepping down from his position as President and CEO, and Director of the Company, by December 31, 2018. The Extendicare Board of Directors has established a Search Committee of the Board and has engaged a leading search firm to conduct a search.

Alan Torrie, the Chairman of Extendicare, stated, “Tim has been an invaluable part of Extendicare during his ten-year tenure as President and CEO. Over the last three years, Tim has overseen the transformation of the Company into a Canadian focused seniors care and services provider. The Company today has a leading platform for providing continuum of care solutions, with an outstanding team of hard working and dedicated employees in place. On behalf of the Board, I would like to thank Tim for his leadership, unwavering commitment to the Company and countless contributions.”

Tim Lukenda added, “I am grateful for having had the opportunity to lead a dedicated team committed to our mission of helping people live better. It has been a privilege to serve Extendicare, both as President and CEO and on the Board. I am very proud of the significant progress that the Company has made and confident that the Company is solidly positioned for continued growth and development.”

About Extendicare

Extendicare is a leading provider of care and services for seniors throughout Canada. Through our network of 120 operated senior care and living centres (67 owned/53 managed), as well as our home health care operations, we are committed to delivering care throughout the health care continuum to meet the needs of a growing seniors’ population in Canada. Our qualified and highly trained workforce of 23,700 individuals is dedicated to helping people live better through a commitment to quality service and a passion for what we do.

Forward-looking Statements

Information provided by Extendicare from time to time, including this release, contains or may contain 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. 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. Given these risks and uncertainties, readers are cautioned not to place undue reliance on Extendicare’s forward-looking statements. Further information can be found in the disclosure documents filed by Extendicare with the securities regulatory authorities, available at www.sedar.com and on Extendicare’s website at www.extendicare.com.

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