Extendicare

News Release

Extendicare Announces 2026 Second Quarter Results

MARKHAM, ONTARIO, August 6, 2026 – Extendicare Inc. ("Extendicare" or the "Company") (TSX: EXE) today reported results for the three and six months ended June 30, 2026.

Second Quarter 2026 Highlights

- Adjusted EBITDA[(1)] increased by $28.5 million or 71.7% from Q2 2025 to $68.3 million, driven primarily by contributions from the acquisitions of CBI Home Health and Closing the Gap, as well as continued organic growth in home health care service volumes and SGP clients served.
- Home health care average daily volume ("ADV") increased by 44,168 or 132.6% from Q2 2025 to 77,478, driven by 33,609 in ADV contributed by CBI Home Health, organic growth and the integration of Closing the Gap volumes.
- Third-party and joint venture beds serviced by SGP reached approximately 161,700 beds, reflecting organic growth of 8.3% from Q2 2025.
- Completed the acquisition of CBI Home Health on April 1, 2026 for $570.0 million, plus customary adjustments and the assumption of certain lease liabilities.
- On April 14, 2026, completed an inaugural offering of $450.0 million 4.345% senior unsecured notes due April 2031 (rated BBB stable by Morningstar DBRS), and used the proceeds to fully repay the Company's delayed draw term loan and retire certain secured mortgages, transitioning our credit facilities to an investment-grade unsecured structure.
- Completed the sale of an LTC project under construction in Sudbury to Axium JV, for net cash proceeds of $18.1 million, net of costs and our 15% retained managed interest, resulting in a pre-tax gain after closing costs of $8.9 million ($7.7 million after tax).
- Opened Extendicare Beauclaire, a new 320-bed long-term care ("LTC") home in Ottawa, owned by Axium JV II.

"Our second quarter results reflect the successful execution of our acquisition strategy over the past 18 months. With CBI Home Health, Closing the Gap, and LTC acquisitions now fully reflected in our results, it is clear that all three transactions are exceeding our expectations," said Dr. Michael Guerriere, President and Chief Executive Officer. "We strengthened our balance sheet by achieving an investment-grade capital structure through our inaugural unsecured notes offering, and our inclusion in the S&P/TSX Composite Index reflects the market's growing recognition of our track record and growth trajectory. In the coming quarters, we will focus our attention on the integration of CBI, as we continue to support the growing care needs of Canada's aging population."

Completed the Acquisition of CBI Home Health for $570 Million

On April 1, 2026, the Company, through its wholly owned home health care subsidiary ParaMed Inc., completed its previously announced acquisition of CBI Home Health LP and CBI (GP) 3 Inc. and their respective subsidiaries (collectively, "CBI Home Health") from CBI Health LP and CBI GP Holdco Inc. (the "CBI Acquisition") for a cash purchase price of $570.0 million, subject to customary adjustments, plus approximately $17.3 million in estimated lease liabilities. The CBI Acquisition was funded using a combination of the net proceeds of approximately $191.5 million from the Company's private placement of common shares that was completed on December 3, 2025, aggregate draws of approximately $308.2 million under the Company's then existing senior secured credit facility ($154.5 million delayed draw term facility and $153.7 million revolving credit facility), and cash on hand.

Completed $450 million Inaugural Offering of Investment Grade Senior Unsecured Notes

On April 14, 2026, the Company completed its offering of $450.0 million aggregate principal amount of 4.345% senior unsecured notes due April 14, 2031 (the "2031 Notes"). The 2031 Notes have been assigned a rating of BBB, with a stable trend, by Morningstar DBRS. The Company used approximately

$427.7 million of the net proceeds of the offering to repay in full the indebtedness owing under its term credit facility, a portion of the indebtedness owing under its revolving credit facility, and other existing indebtedness, with the balance to be used for working capital and other general corporate purposes.

In conjunction with the debt repayments, the existing senior secured credit facilities were amended and restated to reflect an investment grade credit rating structure, including the release of all security previously granted to the lenders, such that the Company's remaining $250 million revolving credit facility (the "Unsecured Revolving Facility") is senior unsecured debt that ranks *pari passu* with the 2031 Notes.

LTC Redevelopment

In May 2026, the Company opened Extendicare Beauclaire, a new 320-bed Axium JV II home in Ottawa, Ontario, that replaces nearby Carlingview Manor, a 303-bed home acquired from Revera in 2025. The Company has initiated the sale process for the vacated Class C LTC home.

Additionally, in May 2026, the Company completed the sale of its 320-bed LTC home currently under construction in Sudbury, Ontario to Axium JV for cash proceeds of $18.1 million, net of Extendicare's 15% retained managed interest, holdbacks and closing costs. The net book value of the projects was $12.6 million, resulting in an estimated pre-tax gain of $8.9 million ($7.7 million after tax).

Q2 2026 Financial Highlights (all comparisons with Q2 2025)

- Revenue increased $227.6 million to $611.0 million, driven primarily by a 132.6% increase in home health care ADV resulting from the acquisitions of CBI Home Health and Closing the Gap and organic growth, as well as contributions from the acquisition of nine Class C LTC homes (the "LTC Acquisition") and LTC funding increases, partially offset by the closure of a Class C LTC home that was vacated following the opening of a newly redeveloped LTC home in Axium JV II.
- NOI[(1)] increased $31.2 million or 56.8% to $86.2 million, reflecting revenue growth, partially offset by higher operating costs.
- Adjusted EBITDA[(1)] increased $28.5 million to $68.3 million (11.2% of revenue), reflecting the increase in NOI, partially offset by higher administrative costs of $2.7 million, largely due to higher wages, benefits, technology costs, lease costs and professional fees, in part due to the home health care acquisitions.
- Other income declined $10.7 million to $1.2 million from $11.9 million in Q2 2025, reflecting higher transaction-related professional fees and integration costs ($7.7 million in Q2 2026 and $0.6 million in Q2 2025), and a lower gain on sale of assets ($8.9 million Q2 2026 and $12.5 million in Q2 2025).
- Share of profit from joint ventures was $0.4 million compared to $0.2 million in Q2 2025, reflecting the opening of a new home in Axium JV II, partially offset by a $0.2 million unfavourable change in the fair value of interest rate swaps in the joint ventures.
- Net earnings was $30.9 million compared to $31.9 million in Q2 2025; excluding the impact of separately reported items "other income", "fair value adjustments" and "interest and costs on early repayment of long-term debt", net earnings increased $15.6 million to $36.4 million ($0.381 per basic share) from $20.7 million ($0.245 per basic share), largely driven by the increase in Adjusted EBITDA, partially offset by higher depreciation and amortization costs and interest expense related to the acquisitions.
- AFFO[(1)] increased to $36.5 million ($0.382 per basic share) from $24.8 million ($0.293 per basic share); excluding the impact of payroll withholding taxes of $8.7 million ($6.4 million net of tax) on the settlement of deferred share units in Q2 2026, AFFO improved by $18.1 million or 73.1% to $42.9 million ($0.448 per basic share) from $24.8 million ($0.293 per basic share), largely reflecting the improvement in Adjusted EBITDA, partially offset by higher net interest costs, increased current income taxes and higher maintenance capex, in part due to the LTC Acquisition.

Six Months Financial Highlights (all comparisons with Six Months 2025)

- Revenue increased $318.2 million to $1,076.3 million; excluding a reduction in out-of-period funding in both periods, revenue increased by $319.6 million or 42.8% to $1,066.7 million from $747.1 million, driven primarily by an 84.2% increase in home health care ADV from acquisitions and organic growth, as well as contributions from the LTC Acquisition and LTC funding increases, partially offset by the closure of a Class C LTC home that was vacated following the opening of a newly redeveloped LTC home in Axium JV II.
- NOI(1) increased $50.0 million to $155.2 million; excluding the impact of out-of-period items in both periods, NOI improved by $47.9 million or 48.6% to $146.5 million, reflecting revenue growth, partially offset by higher operating costs.
- Adjusted EBITDA(1) increased $45.8 million to $121.2 million; excluding the impact of out-of-period items, Adjusted EBITDA increased by $43.7 million or 63.5% to $112.5 million (10.5% of revenue) from $68.8 million (9.2% of revenue), reflecting the increase in NOI, partially offset by higher administrative costs of $4.2 million, largely due to higher wages, benefits, technology costs, lease costs and professional fees, in part due to the home health care acquisitions.
- Other income was unchanged at $8.7 million, reflecting an increase in gain on sale of assets of $6.4 million, offset by higher transaction-related professional fees and integration costs.
- Share of profit from joint ventures increased $0.7 million to $0.8 million, reflecting the opening of two new homes in the joint ventures since the beginning of 2025 and LTC funding increases.
- Net earnings was $71.6 million compared to $47.0 million; excluding the impact of separately reported items "other income", "fair value adjustments" and "interest and costs on early repayment of long-term debt", net earnings increased $29.4 million to $68.7 million ($0.720 per basic share) from $39.3 million ($0.466 per basic share), largely driven by the increase in Adjusted EBITDA, partially offset by higher depreciation and amortization costs and interest expense related to the acquisitions.
- AFFO(1) increased to $69.2 million ($0.725 per basic share) from $44.6 million ($0.528 per basic share); excluding the impact of out-of-period items ($6.4 million after tax in Q1 2026 and $4.9 million after tax in Q1 2025) and the unfavourable impact of the deferred share unit settlement in Q2 2026, AFFO improved by $29.5 million or 74.3% to $69.2 million ($0.725 per basic share) from $39.7 million ($0.470 per basic share), largely reflecting the improvement in Adjusted EBITDA, partially offset by increased current income taxes, higher maintenance capex, and an increase in the adjustment for non-cash share-based compensation related to the annual settlement of performance share units.

Business Updates

The following is a summary of Extendicare's revenue, NOI(1) and NOI margins(1) by business segment for the three and six months ended June 30, 2026 and 2025.

(unaudited)	Three months ended June 30						Six months ended June 30					
(millions of dollars	2026			2025			2026			2025		
unless otherwise noted)	**Revenue**	**NOI**	**Margin**	**Revenue**	**NOI**	**Margin**	**Revenue**	**NOI**	**Margin**	**Revenue**	**NOI**	**Margin**
Home health care	**360.3**	**46.7**	***12.9%***	158.6	21.4	*13.5%*	**565.8**	**74.6**	***13.2%***	316.9	40.5	*12.8%*
Long-term care	**233.6**	**29.7**	***12.7%***	207.1	23.9	*11.6%*	**477.2**	**61.9**	***13.0%***	404.9	45.1	*11.1%*
Managed services	**17.1**	**9.9**	***57.6%***	17.7	9.6	*54.3%*	**33.3**	**18.7**	***56.2%***	36.3	19.6	*53.9%*
	611.0	**86.2**	***14.1%***	383.4	55.0	*14.3%*	**1,076.3**	**155.2**	***14.4%***	758.1	105.2	*13.9%*

Note: Totals may not sum due to rounding.

Home Health Care

Home health care ADV of 77,478 in Q2 2026 increased by 132.6% from Q2 2025, driven by the acquisitions of Closing the Gap in July 2025 and CBI Home Health in April 2026, as well as organic growth. CBI Home Health contributed ADV of 33,609 in Q2 2026.

Revenue increased to $360.3 million in Q2 2026, an increase of 127.2% from Q2 2025, primarily due to the 132.6% increase in ADV. During Q2 2026, CBI Home Health contributed revenue of approximately $145.7 million.

NOI and NOI margin were $46.7 million and 12.9%, respectively in Q2 2026, as compared to $21.4 million and 13.5% in Q2 2025, reflecting revenue growth, partially offset by increased wages and benefits. During Q2, CBI Home Health contributed NOI of approximately $19.5 million. The significant organic growth experienced in the Company's home health care operations has necessitated additional investments in technology and back-office teams to support front-line operations and future growth. These investments, together with the lack of a 2026 bill rate increase in Ontario, contributed to the 60 basis point decline in NOI margin from the prior year period.

Long-term Care

LTC average occupancy remained strong at 98.0% in Q2 2026, compared to 98.3% in Q2 2025.

Revenue increased by $26.5 million or 12.8% to $233.6 million in Q2 2026. The increase was largely driven by approximately $18.8 million from the LTC Acquisition, net of the closure in 2026 of a Class C LTC home replaced by a newly opened LTC home in Axium JV II, in addition to funding increases and improved preferred occupancy.

NOI and NOI margin were $29.7 million and 12.7%, respectively in Q2 2026, compared to $23.9 million and 11.6% in Q2 2025, reflecting approximately $2.5 million from the LTC Acquisition, net of the closure of a redeveloped Class C LTC home, funding enhancements, and improved preferred occupancy.

Managed Services

At the end of Q2 2026, the number of third-party and joint venture beds served by SGP increased to approximately 161,700, an increase of 8.3% from the prior year period. Extendicare Assist held management contracts for 39 homes, comprising 5,998 beds, and provided a further 28 homes with consulting and other services. During Q2 2026, the number of homes operated by Extendicare Assist declined from 40 to 39, reflecting the opening by the Company of a new LTC home within the joint ventures, offset by two third-party LTC home Assist contracts (one of which was for back-office services only) that were not renewed during Q2 2026.

Revenue decreased by $0.6 million or 3.4% to $17.1 million in Q2 2026 due primarily to Revera's sale of 30 Class C LTC homes in the prior year period that had been operated by Extendicare Assist under management contracts, nine of which homes were acquired by the Company. Despite the decrease in revenue, NOI increased by $0.2 million or 2.5% to $9.9 million (57.6% of revenue) in Q2 2026, driven by growth in SGP clients and management fees from a newly opened home in the joint ventures.

Financial Position

Extendicare had strong liquidity at June 30, 2026, with cash and cash equivalents on hand, excluding restricted cash, of $93.5 million, and access to a further $114.7 million under its revolving credit facility.

Select Financial Information

The following is a summary of the Company's consolidated financial information for the three and six months ended June 30, 2026 and 2025.

(unaudited) *(thousands of dollars unless otherwise noted)*	**Three months ended June 30**		**Six months ended June 30**	
	2026	**2025**	**2026**	**2025**
Revenue	**611,040**	383,445	**1,076,264**	758,099
Operating expenses	**524,857**	328,473	**921,057**	652,899
NOI(1)	**86,183**	54,972	**155,207**	105,200
NOI margin(1)	***14.1%***	*14.3%*	***14.4%***	*13.9%*
Administrative costs	**17,855**	15,187	**34,021**	29,809
Adjusted EBITDA(1)	**68,328**	39,785	**121,186**	75,391
Adjusted EBITDA margin(1)	***11.2%***	*10.4%*	***11.3%***	*9.9%*
Other income	**1,210**	11,910	**8,682**	8,740
Share of profit from investment in joint ventures	**410**	210	**754**	84
Interest and costs on early repayment of long-term debt	**8,113**		**8,113**	
Net earnings	**30,850**	31,927	**71,582**	46,958
per basic share *($)*	**0.323**	0.378	**0.750**	0.556
per diluted share *($)*	**0.319**	0.373	**0.741**	0.548
AFFO(1)	**36,457**	24,776	**69,203**	44,583
per basic share *($)*	**0.382**	0.293	**0.725**	0.528
per diluted share *($)*	**0.377**	0.290	**0.716**	0.521
Maintenance capex	**6,480**	5,158	**9,251**	7,867
Cash dividends declared per share	**0.1323**	0.1260	**0.2604**	0.2480
Payout ratio(1)	**34%**	43%	**36%**	47%
Weighted average number of shares *(000's)*				
Basic	**95,638**	84,599	**95,505**	84,472
Diluted	**96,625**	85,555	**96,665**	85,614

Extendicare's disclosure documents, including its Management's Discussion and Analysis ("MD&A"), may be found on SEDAR+ at www.sedarplus.ca under the Company's issuer profile and on the Company's website at www.extendicare.com under the "Investors/Financial Reports" section.

August Dividend Declared

The Board of Directors of Extendicare today declared a cash dividend of $0.0441 per share for the month of August 2026, which is payable on September 15, 2026, to shareholders of record at the close of business on August 31, 2026. This dividend is designated as an "eligible dividend" within the meaning of the Income Tax Act (Canada).

Conference Call and Webcast

Extendicare will hold a conference call to discuss its 2026 second quarter results on August 7, 2026, at 11:30 a.m. (EDT). The call will be webcast live and archived online at www.extendicare.com under the "Investors/Events & Presentations" section. Alternatively, the call-in number is 1-833-752-3395. A replay of the call will be available approximately two hours after completion of the live call until midnight on August 21, 2026, by dialing 1-855-669-9658 followed by the passcode 3754235#.

About Extendicare

Extendicare is a leading provider of care and services for seniors across Canada, operating under the Extendicare, ParaMed, Extendicare Assist, and SGP Purchasing Network brands. We are committed to delivering quality care to meet the needs of the growing seniors' population, inspired by our mission to provide people with the care they need, wherever they call home. We deliver more than 27 million hours of home health care services annually, operate a network of 97 long-term care homes (58 owned, 39 under management contracts), and provide group purchasing services to third parties representing approximately 161,700 beds across Canada. Extendicare proudly employs approximately 32,500 individuals and manages an additional 6,000 joint venture employees, all of whom are highly qualified, trained and dedicated team members and passionate about providing high-quality care and services to help people live better.

Non-GAAP Measures

Certain measures used in this press release, such as "net operating income", "NOI", "NOI margin", "Adjusted EBITDA", "Adjusted EBITDA margin", "AFFO", and "payout ratio", including any related per share amounts, are not measures recognized under GAAP and do not have standardized meanings prescribed by GAAP. These measures 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. These measures are 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 in this document because management believes that they are relevant measures of Extendicare's operating performance and ability to pay cash dividends.

Management uses these measures to exclude the impact of certain items, because it believes doing so provides investors a more effective analysis of underlying operating and financial performance and improves comparability of underlying financial performance between periods. The exclusion of certain items does not imply that they are non-recurring or not useful to investors.

Detailed descriptions of these measures can be found in Extendicare's Q2 2026 MD&A (refer to "Non-GAAP Measures"), which is available on SEDAR+ at www.sedarplus.ca and on Extendicare's website at www.extendicare.com.

Reconciliations for certain non-GAAP measures included in this press release are outlined below.

The following table provides a reconciliation of AFFO to "net cash from operating activities", which the Company believes is the most comparable GAAP measure to AFFO.

(unaudited)	**Three months ended June 30**		**Six months ended June 30**	
(thousands of dollars)	**2026**	**2025**	**2026**	**2025**
Net cash from operating activities	**59,277**	52,936	**54,533**	71,357
Add (Deduct):				
Net change in operating assets and liabilities, including interest, and taxes	**(22,467)**	(24,149)	**14,901**	(22,923)
Other expense	**7,716**	613	**10,267**	3,783
Current income tax on items excluded from AFFO	**(1,407)**	(102)	**(1,815)**	(945)
Depreciation for office leases	**(2,029)**	(756)	**(2,812)**	(1,488)
Depreciation for FFEC (maintenance capex)	**(2,754)**	(1,939)	**(5,054)**	(3,827)
Additional maintenance capex	**(3,592)**	(3,030)	**(3,825)**	(3,727)
Principal portion of government capital funding	**421**	405	**838**	808
AFFO for joint ventures	**1,292**	798	**2,170**	1,545
AFFO	**36,457**	24,776	**69,203**	44,583

The following table provides a reconciliation of "earnings before income taxes" to Adjusted EBITDA and "net operating income".

(unaudited)	**Three months ended June 30**		**Six months ended June 30**	
(thousands of dollars)	**2026**	**2025**	**2026**	**2025**
Earnings before income taxes	**38,008**	41,412	**87,378**	60,331
Add (Deduct):				
Depreciation and amortization	**16,095**	8,480	**26,195**	16,753
Net finance costs	**15,845**	2,013	**17,049**	7,131
Other income	**(1,210)**	(11,910)	**(8,682)**	(8,740)
Share of profit from investment in joint ventures	**(410)**	(210)	**(754)**	(84)
Adjusted EBITDA	**68,328**	39,785	**121,186**	75,391
Administrative costs	**17,855**	15,187	**34,021**	29,809
Net operating income	**86,183**	54,972	**155,207**	105,200

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 dividend levels, business operations, business strategy, growth strategy, results of operations and financial condition, including anticipated timelines and costs in respect of development projects. Forward-looking statements can often be identified by the expressions “anticipate”, “believe”, “estimate”, “expect”, “intend”, “objective”, “plan”, “project”, “will”, “may”, “should” 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. 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 “Risks and Uncertainties” and “Forward-looking Statements” in Extendicare’s Q2 2026 MD&A and latest Annual Information Form filed by Extendicare with the securities regulatory authorities, available at www.sedarplus.ca 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. Except as required by applicable securities laws, the Company assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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Endnote

(1) See the “Non-GAAP Measures” section of this press release and the Company’s Q2 2026 MD&A, which includes the reconciliation of such non-GAAP measures to the most directly comparable GAAP measures.