



Canada's Largest Seniors  
Care Pharmacy Provider

TSX: CRRX

## Investor Presentation

August 2022

# Forward Looking Statements

Certain of the statements contained in this presentation are "forward looking information within the meaning of applicable Canadian securities legislation. Forward looking information includes, but is not limited to, business strategy, plans and other expectations, beliefs, goals, objectives, information and statements about possible future events, including CareRx's 2024 revenue, bed, and adjusted EBIDTA margin targets. Forward looking information generally can be identified by the use of forward looking terminology such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "targets", "anticipate", "believe", "should", "plans" or "continue", or similar expressions suggesting future outcomes or events. You are cautioned not to place undue reliance on such forward-looking information. Forward looking information is based on current expectations, estimates and assumptions that involve a number of risks that are set out under the heading "Risks and Uncertainties" in CareRx's most recently filed Management's Discussion and Analysis available on SEDAR at [www.sedar.com](http://www.sedar.com), which could cause actual results to vary and in some instances to differ materially from those anticipated by CareRx and described in the forward looking information contained in this presentation. No assurance can be given that any of the events anticipated by the forward looking information will transpire or occur or, if any of them do so, what benefits CareRx will derive therefrom and neither CareRx nor any other person assumes responsibility for the accuracy and completeness of any forward looking information. Other than as specifically required by applicable laws, CareRx assumes no obligation and expressly disclaims any obligation to update or alter the forward-looking information whether as a result of new information, future events or otherwise.

*All dollar figures are in Canadian dollars unless otherwise stated.*



Canada's largest and  
fastest growing  
provider of pharmacy  
services to seniors  
housing communities  
and other congregate  
care settings



The typical senior  
in a long-term  
care or retirement  
home takes

**4 to 12**  
medications  
daily

Medication supply and  
management is a critical  
component of seniors home care

- Optimize medication regimen for optimal resident outcomes
- Ensure highest levels of safety
- Minimize hospital visits

Never has the level of care for these residents  
been so important

# Comprehensive Institutional Pharmacy Services Offering

## Dispensing Services

- High-volume solutions for cost-effective supply of all medications
- Multi-dose compliance packaging
- Automated prescription transmission via digital pens
- Compounding and infusion capability
- Same day delivery
- 24/7 service
- Secure onsite drug destruction

## Clinical and Support Services

- Pharmacist led medication reconciliation for new admissions (BOOMR™)
- On-site geriatric-certified clinical consultant pharmacists
- Safety audits and comprehensive medication reviews
- Medication management policy manuals and training
- Medication use and prescribing analytics
- Flu and Covid vaccine clinics
- Medical cannabis program
- Fall prevention program

## Equipment and Technology

- Medication and treatment carts with tablet computers
- Digital prescribing technology
- Electronic medication administration software
- Automated dispensing cabinets
- Medication incident management system
- Medication and vaccine storage fridges and thermometers
- Other infrastructure to support pharmacy services



# Growing National Scale

**>97,000** beds serviced

**>1,600** seniors housing  
communities

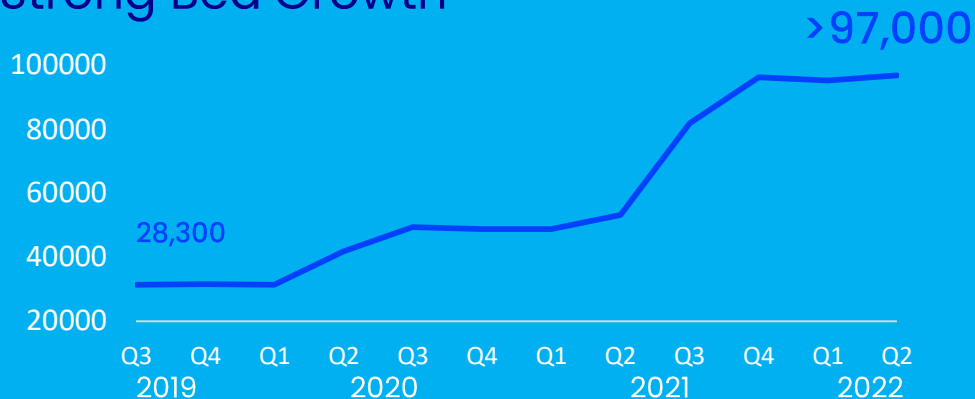
**28<sup>1</sup>** fulfillment  
centres

**>3.3 M** monthly  
prescriptions

## Strongest Network in the Sector

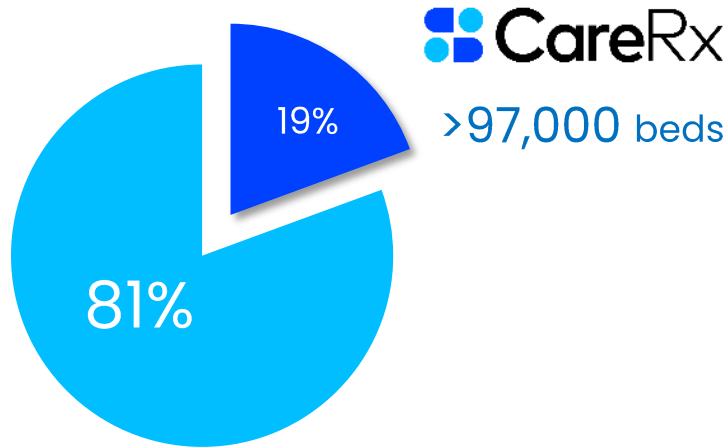


## Strong Bed Growth





Seniors housing beds and  
congregate care settings in  
Canada ~500,000<sup>1</sup> (and growing)

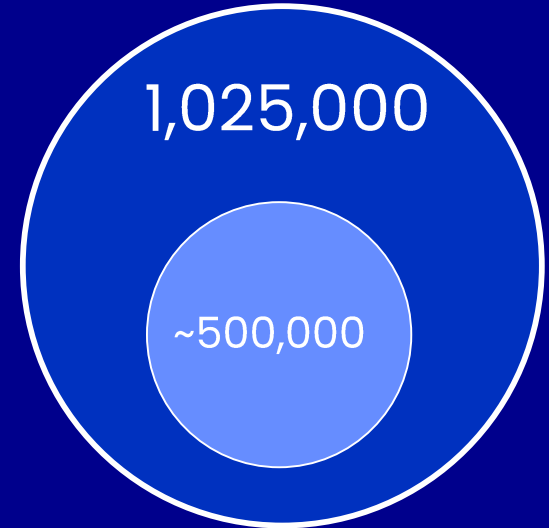


1. Statistics Canada, 2021 Census; Includes long-term care homes, retirement/assisted living facilities, group homes, provincial corrections facilities and other similar congregate living facilities.

Next ~15 years

Number of beds in Canada  
forecast to grow

>2x



A high-growth market with significant  
opportunity to expand market share

# Organic Growth: Well Positioned to Capitalize on a Transforming Market

Canadian LTC industry has commenced a period of **substantial expansion & consolidation**

Recent surge of **new licenses** for long-term care beds + **new construction & redevelopment** projects across the country + **acquisitions** by national home operators

## Multiple Opportunities for Organic Growth

Grow with existing customers as they expand

- Acquisitions
- New home builds
- New bed license allocations
- Expansion/redevelopment of existing homes

Add new home partners

- Well positioned to win new contracts

Increase penetration within existing homes serviced

Geographic expansion



# Successful Execution of Acquisition Strategy

Proven ability to acquire at accretive multiples,  
rapidly integrate and realize synergies

May 2020

**Remedy'sRx**  
Specialty Pharmacy

+18,500 beds

Purchase Price:  
\$39 M + up to  
\$5 M earn out

Multiple<sup>1</sup>:  
Pre-synergies: 8.8x  
Post-synergies: 5.5x

April 2021

**SmartMeds**

+2,400 beds

Purchase Price:  
\$4.5 M + up to  
\$2.9 M earn out

Multiple<sup>1</sup>:  
Pre-synergies: 5.1x  
Post-synergies: 3.3x

June 2021

**Rexall**

+4,000 beds

Purchase Price:  
\$3.5M

August 2021

**Medical  
Pharmacies**

LTC Pharmacy

+36,000 beds

Purchase Price:  
\$75 M

Multiple:  
Pre-synergies: 6.3x  
Post-synergies: 4.4x

1. Price/Annualized run rate Adjusted EBITDA. Assumes full achievement of earnouts.

All acquisitions performing in line or ahead of expectations

Robust and active pipeline of additional opportunities

# Medical Pharmacies: Our Largest & Most Significant Acquisition to Date

August 23, 2021: Completed Acquisition of LTC Pharmacy Division of Medical Pharmacies

- Added ~36,000 beds, serviced through 17 centres in Ontario & Western Canada
- Further expanded Canada's largest national platform
- Further strengthened best-in-class offering, while enhancing growth opportunities



- 9 sites consolidated to-date with 1 site consolidation remaining
- Total expected annualized cost savings synergies of \$5 M

Integration projects expected to be substantially completed by end of 2022

# Hogan: Adds Innovative Pharmacy Services Delivery Model

May 30, 2022: Completed Acquisition of Hogan Long-Term Care Pharmacy

- Added ~800 beds
- On closing, signed new 7-year contract with largest customer
- Expected to contribute run-rate annualized revenue of ~\$4.0 M and Adj. EBITDA ~\$0.6 M, prior to any integration benefits
- Hogan's customers expected to increase beds serviced by >1,200 over 4 years
- EBITDA Multiple: 5.7x (before expected bed growth and cost savings synergies)

## Award-Winning Hogan Model:

- Uses biometrically secured "smart" medication dispensing cabinets
- 24/7 pharmacist support
- Fully integrated enterprise resource planning system
- Reduces medication errors and waste, and improves resident care and safety

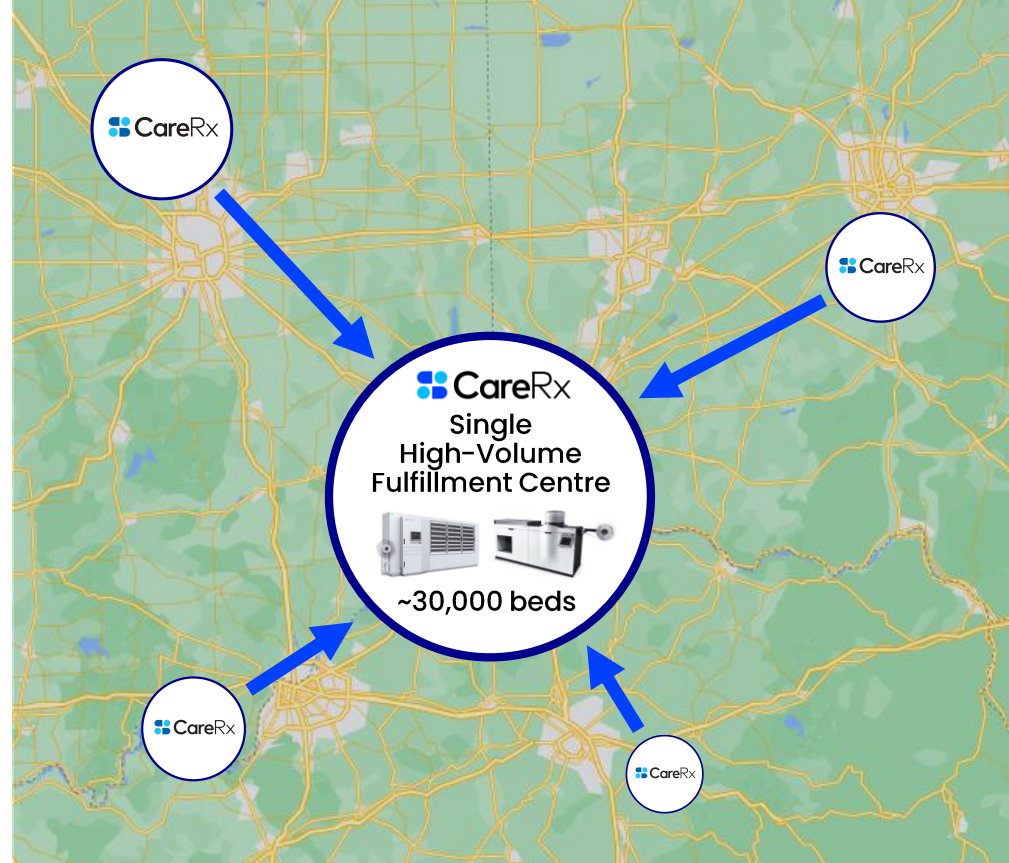


Extends technology leadership position & provides additional service choice for seniors living partners

Hogan LTC Pharmacy Business contributing in line with expectations

# New High-Volume Facility

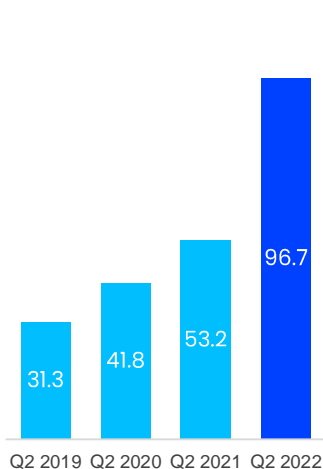
- Commenced operations in April 2022
- Enables higher volumes without additional labour costs
- Capable of serving ~30,000 beds – 3x that of previously largest facility
- First pharmacy in Canada to use BD Rowa™ Dose technology



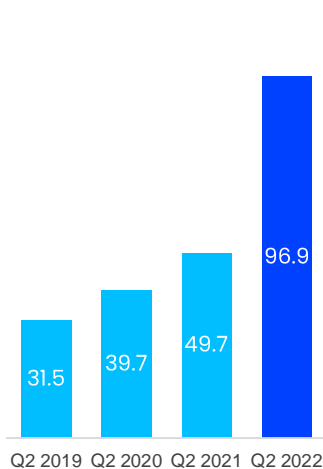
Optimized, higher volume and speed of dispensing  
with greater safety, fewer errors and less waste

# Successful Execution of Our Growth Strategy

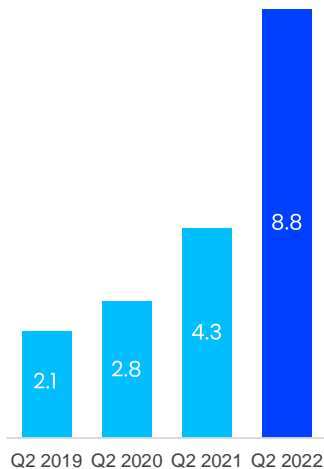
Ave. Beds Served  
(000s)



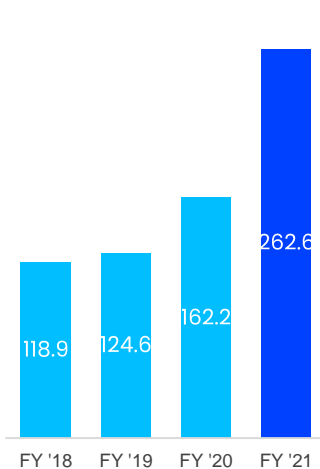
Revenue  
(from continuing ops)  
(\$ millions)



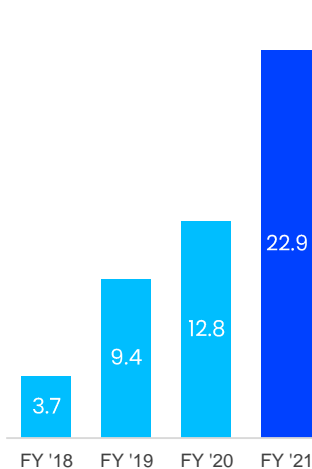
Adj. EBITDA  
(from continuing ops)  
(\$ millions)



Revenue  
(from continuing ops)  
(\$ millions)



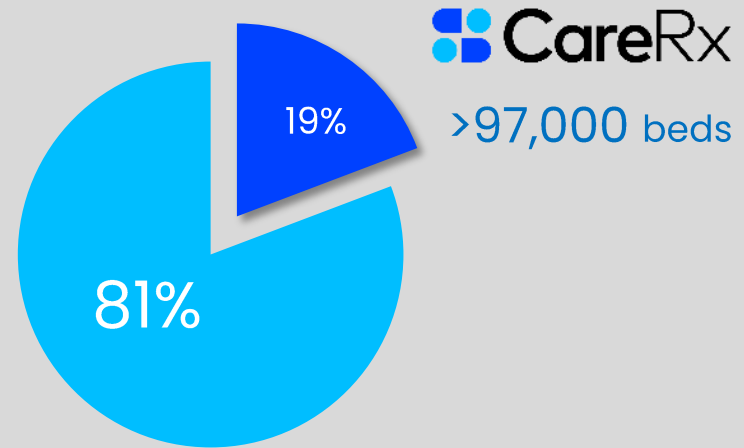
Adj. EBITDA  
(from continuing ops)  
(\$ millions)



Currently servicing >97,000 beds in >1,600  
seniors and additional communities

# Continued Long-Term Growth Trajectory

- Well-positioned to continue to execute on acquisitions and organic growth in what remains a highly fragmented market
- Continued confidence in organic growth prospects
  - Robust business development pipeline
  - New bed license allocations to existing customers
  - Beds in Canada expected to double in 15 years
- Geographic expansion



Market Opportunity via  
Organic Growth & Acquisitions  
**~403,000 seniors housing and  
congregate living beds<sup>1</sup>**

1. Statistics Canada, 2021 Census; Includes long-term care homes, retirement/assisted living facilities, group homes, provincial corrections facilities and other similar congregate living facilities.

Recently secured long-term contract extensions with 3 of 4 largest customers: ~18,000 beds – average contract term of 5.5 years from end of 2021



1

Large, high-growth  
seniors living market

2

Canada's largest  
seniors care  
pharmacy provider

3

Leading customer  
value proposition and  
national network

4

Compelling organic  
and acquisition  
growth opportunities

5

Significant operating  
leverage





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## Appendix

# Balance Sheet

(millions except ratio)

At June 30/22

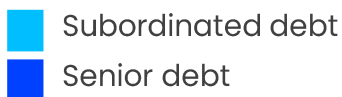
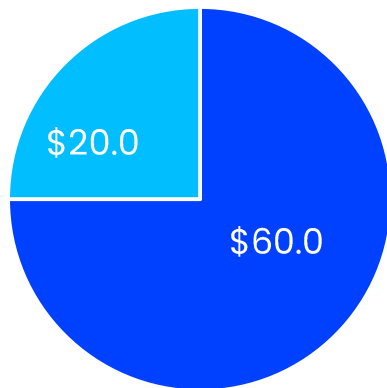
Cash	\$15.2
Net Debt <sup>1</sup>	\$79.4
Net Debt to Adjusted EBITDA <sup>2</sup>	2.3x

- Ending cash balance and cash used in operations were impacted by the timing of working capital movements during Q2 2022

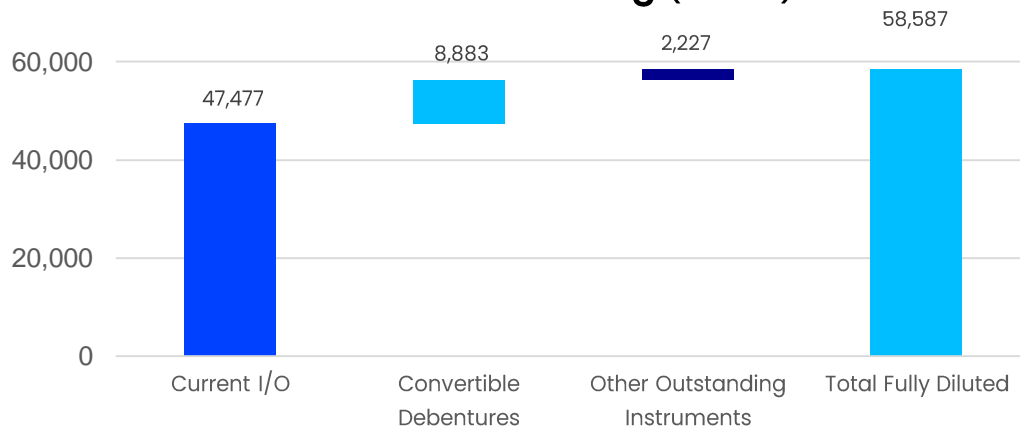
# Capital Structure

## Total Debt

(at June 30/22) (millions)



## Shares Outstanding (000's)



	Fully Diluted	Ownership
Yorkville Asset Management	13,558,307	23.1%
Management & Insiders	12,410,843	21.2%
Other	32,617,890	55.7%
Total	58,587,040	100%



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