



Q3 2021 Earnings Call

November 10, 2021



Forward Looking Statements

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All dollar figures are in Canadian dollars unless otherwise stated.



David Murphy

President & Chief Executive Officer



Q3 2021

Continued strong growth in revenue
and Adjusted EBITDA

+

Initial contribution from Medical
Pharmacies LTC Pharmacy Business

+

Accelerated organic growth

+

Acquisitions contributing in line
with expectations



Q3 2021 Financial Highlights

From Continuing Operations

(+/- compared to Q3 2020)

(millions)	Q3 2021	
Revenue	\$71.3	+56%
Adjusted EBITDA	\$6.9	+79%
Adjusted EBITDA Margin	9.6%	+120bps

- Average beds serviced of 81,816: **+66%** vs Q3/20
- Growth driven by SmartMeds and Rexall acquisitions (completed Q2/21)
- Partial quarter contribution from Medical Pharmacies LTC business
- Adjusted EBITDA includes quarterly contribution of >\$3.0 M in annualized cost savings synergies from Remedy's acquisition
- Contribution from Medical Pharmacies LTC Business higher than expected annualized run-rate due to short-term and non-recurring cost savings

All acquisitions performing in line with expectations

Medical Pharmacies: Our Largest & Most Significant Acquisition to Date

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

- Added ~36,000 beds, serviced through 17 centres in Ontario & Western Canada
- Further expanded Canada's largest national platform
- Expected to contribute run-rate annualized revenue of ~\$150 M & Adjusted EBITDA of \$10-12 M
- Further strengthened best-in-class offering, while enhancing growth opportunities

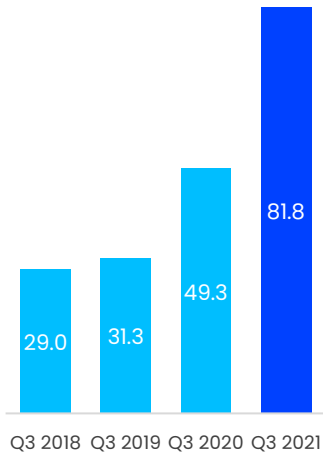
- Purchase Price:
 - \$70 M cash
 - 550,359 CareRx common shares
- Financing:
 - \$63.3 M private placement
 - \$39 M incremental debt (and concurrent refinancing of existing senior and subordinated credit facilities)
- Immediately accretive to earnings

Expected to generate minimum cost savings synergies of \$5 M

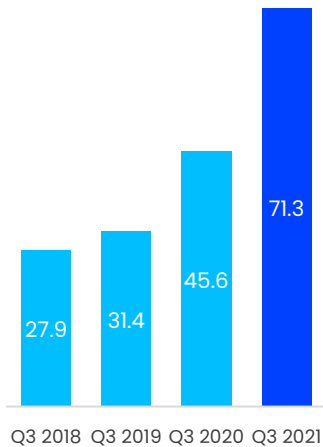
One location consolidated in Q3 with four additional locations expected to be consolidated by end of the year

Successful Execution of Our Growth Strategy

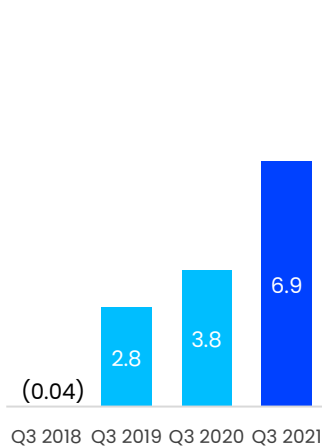
Ave. Beds Served
(000s)



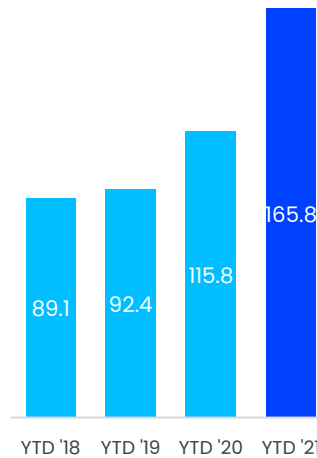
Revenue
(from continuing ops)
(\$ millions)



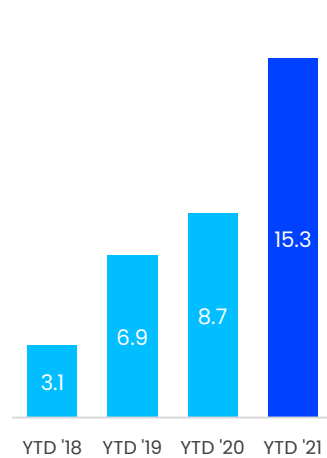
Adj. EBITDA
(from continuing ops)
(\$ millions)



Revenue
(from continuing ops)
(\$ millions)



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



Currently servicing >96,000 beds
in >1,600 seniors and other communities

Other Highlights

Expanded existing contract with Ontario-based seniors home operator

- Expected to add approximately 1,500 new retirement and long-term care residents in 19 seniors housing communities
- Onboarding has been completed during Q4 2021
- All beds to be serviced through existing infrastructure

Expanded partnership with Think Research to deliver virtual healthcare to Chartwell retirement residents

- Follows successful pilot project
- Think's telemedicine software will provide efficient, secure access to network of leading physicians/specialists from comfort of senior's own residences
- Required prescriptions can be filled by CareRx, delivered to the resident same day
- To be offered in ON, BC & AB with rollout through early 2022

Announced results of Karie pilot study with Seasons Retirement Communities demonstrating 97% medication compliance

- Plans to offer Karie in all of Seasons' retirement communities across Ontario and Alberta

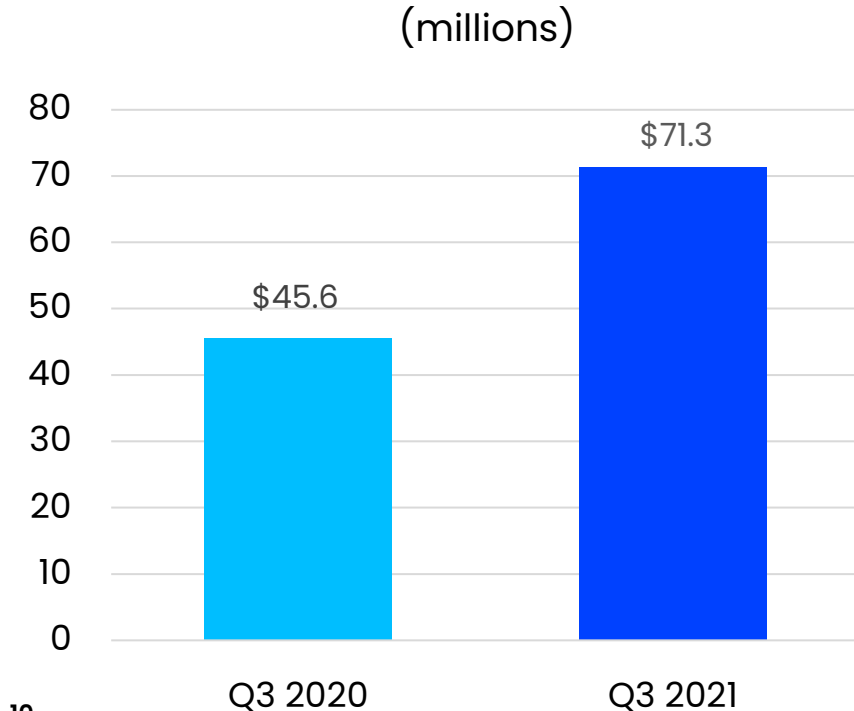




Andrew Mok

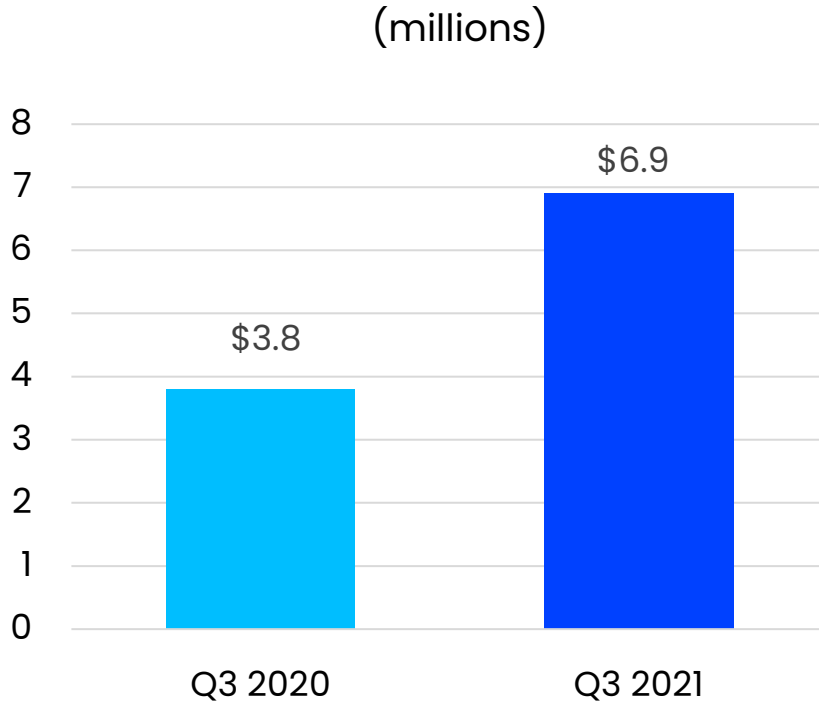
Chief Financial Officer

Q3 2021 Financial Results | Revenue



- 56% year-over-year growth
- Growth driven by SmartMeds and Rexall acquisitions (completed Q2/21)
- SmartMeds and Rexall contributions in line with expectations
- Partial quarter contribution from Medical Pharmacies LTC Business
- Contribution from accelerated organic growth

Q3 2021 Financial Results | Adjusted EBITDA



- 78% year-over-year growth
- Includes quarterly contribution of >\$3.0 M in annualized cost savings synergies from Remedy's acquisition
- Growth driven by SmartMeds and Rexall acquisitions (completed Q2/21)
- SmartMeds and Rexall contributions in line with expectations
- Partial quarter contribution from Medical Pharmacies LTC Business
- Contribution from Medical Pharmacies LTC Business higher than expected annualized run-rate due to:
 - Non-recurring benefit from certain operating costs that were not incurred during the first partial month following acquisition closing
 - Costs not to be incurred until completion of shared services agreement with vendor in Q1 2022

Balance Sheet

(millions except ratio)

At Sept. 30/21

Cash	\$39.9
Net Debt ¹	\$57.3
Net Debt to Adjusted EBITDA ²	2.1x

- Received funds under previously completed private placements of subscription receipts for total gross proceeds of \$63.3 M (issued 12,524,880 common shares)
- Entered into amended and restated credit agreement with senior lender to refinance existing credit facility
 - New senior credit facilities of \$60 M were advanced
 - Approximately \$37 M used to pay a portion of cash consideration for Medical Pharmacies LTC Business acquisition and transaction costs
 - Remainder of proceeds used to repay existing facility and associated financing fees
 - Total debt at Sept. 30/21 of \$84 M
- Q3/21 cash flow benefitted from certain working capital movements

12 1. Debt = borrowings (principal) not including November 2019 Convertible Debentures.
2. Annual run-rate based on Q3/21 Adjusted EBITDA.



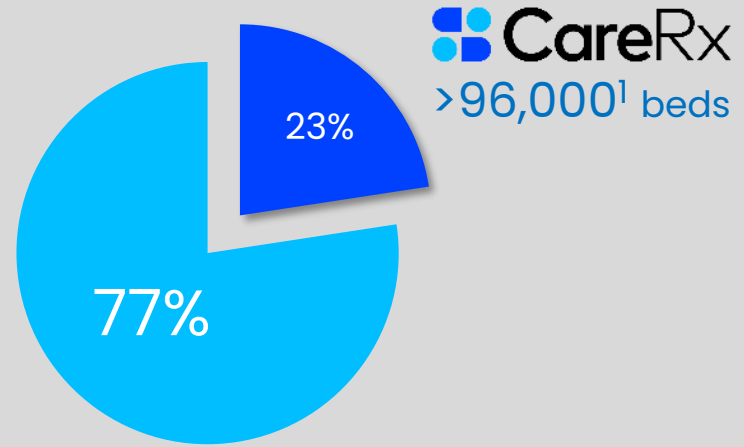
David Murphy

President & Chief Executive Officer



A New Baseline for Continued Growth

- Positioned to benefit from increased scale and enhanced capabilities
- Experiencing accelerated organic growth
- Significantly strengthened position as a natural consolidator in a highly fragmented market:
 - Strong pipeline of opportunities



Market Opportunity via
Organic Growth & Acquisitions
~329,000 seniors housing beds¹

1. Other bed opportunities available, including group homes, corrections facilities and other congregate living settings.

Better positioned than ever to continue to execute on acquisitions and organic growth in what remains a highly fragmented market

Questions



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