



Q1 2021 Earnings Call

May 13, 2021



Forward Looking Statements

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All dollar figures are in Canadian dollars unless otherwise stated.



David Murphy

President & Chief Executive Officer

A Very Strong Start to 2021

3 acquisitions including our most significant to date: Will further expand bed count by ~85%

Strong year-over-year growth in revenue and Adjusted EBITDA



Q1 2021 Financial Highlights

From Continuing Operations

(+/- compared to Q1 2020)

(millions)	Q1 2021	
Revenue	\$44.9	+47%
Adjusted EBITDA	\$4.1	+100%
Adjusted EBITDA Margin	9.1%	+240 bps

- Average beds serviced of 48,703
+55% vs Q1/20
- Growth driven primarily by
Remedy's acquisition Q2/20
- Adjusted EBITDA includes full
realization of annualized cost
saving synergies of \$3.0 M

Q1/21 results dampened by temporary COVID-19-related
reduction in average bed count: COVID-19 impact on beds
peaked in January

Medical Pharmacies Acquisition

April 19, 2021: Definitive Agreement to Acquire LTC Division of Medical Pharmacies

- Will add ~36,000 beds, serviced through 18 centres in Ontario & Western Canada
- Further expands Canada's largest national platform
- Expected to contribute run-rate annualized revenue of ~\$150 M & Adjusted EBITDA of \$10-12 M
- Further strengthens best-in-class offering, while enhancing growth opportunities

- **Consideration:**
 - \$70 M cash
 - 1 M CareRx common shares
- **Financing:**
 - \$55 M bought deal private placement
 - \$39 M incremental debt (and concurrent refinancing of existing senior and subordinated credit facilities)
- **Expected to be immediately accretive to earnings upon closing**
- **Closing targeted for late June/early July**

Expected to generate minimum cost savings synergies of \$5.0 M

Rexall Acquisition

- April 23, 2021: Signed definitive agreement to acquire a portion of Rexall LTC Pharmacy Business
 - Rexall has made the strategic decision to exit the business of providing pharmacy services to seniors homes and other congregate care settings
 - Will add ~4,200 beds in Ontario & Northern Alberta
 - Includes fulfilment centre in Sudbury

- Consideration:
 - \$3.5 M cash (on hand)
- Closing targeted for June
- Further opportunity for CareRx to work with Rexall to transition additional beds that are outside the scope of the LTC Pharmacy Business being acquired as Rexall winds down the remainder of its business

Expected to contribute annualized run-rate revenue of ~\$14 M
& nominal Adjusted EBITDA prior to integration synergies

Other Highlights

Q1/21

- Announced & completed (April 1) acquisition of SmartMeds
 - Added ~2,400 residents serviced in Ontario
 - Expected to contribute run-rate annualized revenue of ~\$13.0 M & Adj. EBITDA of ~\$1.5 M, prior to integration synergies
- Substantially completed onboarding of 1,100 beds from multi-year contract awarded in Q4 (most occurring late in the quarter & completed in mid-April)

Subsequent to Quarter End

- Completed acquisition of fulfillment centre in Thunder Bay from Medical Pharmacies to service a portion of onboarded beds from 1,100-bed contract
- Increasing normalization of bed count as COVID impact lessens
- Expanded Pharmacy At Your Door to greater Vancouver area

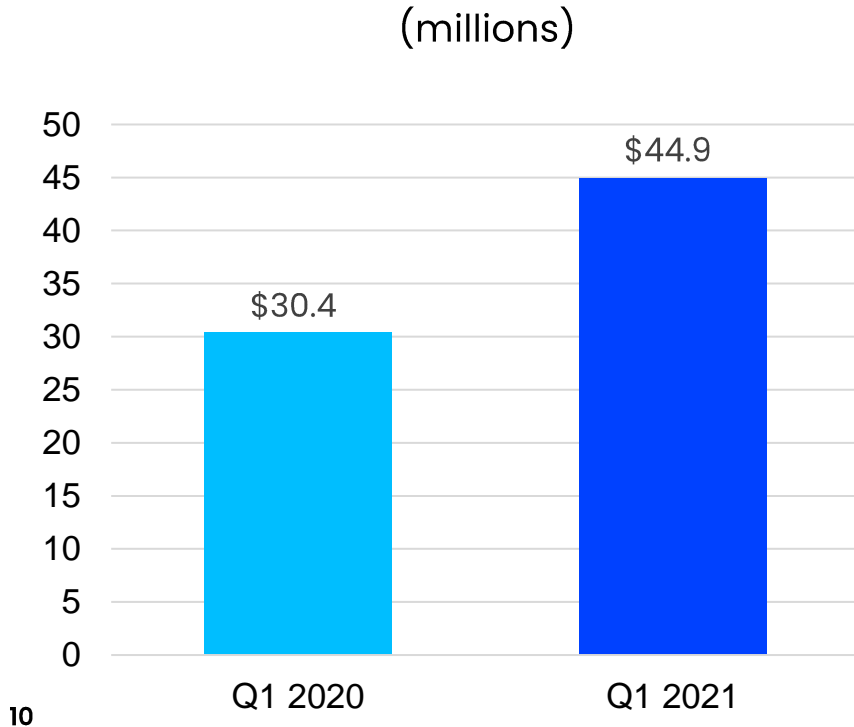




Andrew Mok

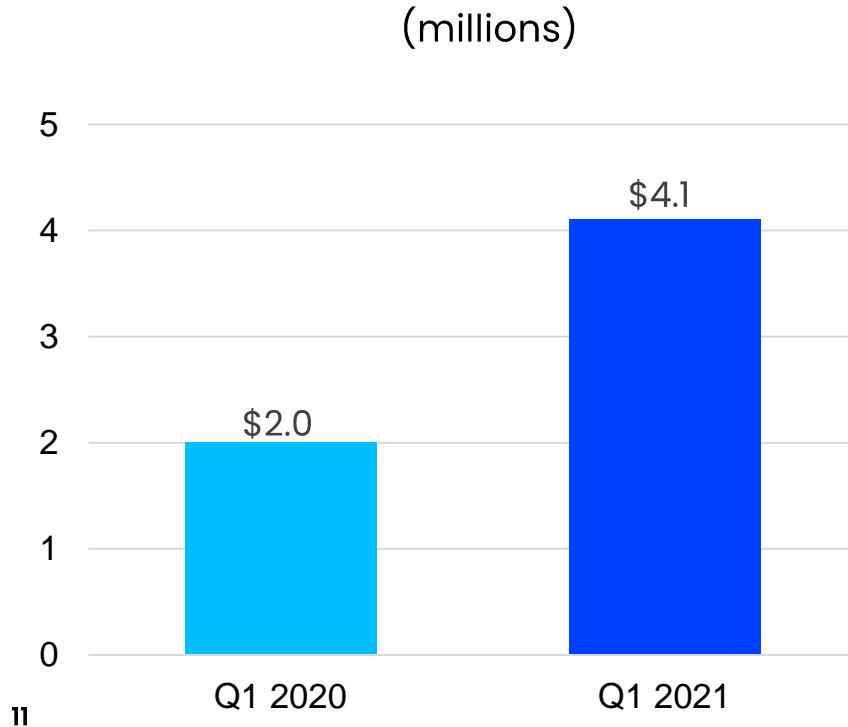
Chief Financial Officer

Q1 2021 Financial Results | Revenue



- 47% year-over-year growth
- Growth driven primarily by Remedy's acquisition Q2/20
- Revenue dampened by temporary COVID-19-related reduction in average bed count
 - COVID-19 outbreaks that occurred in the first half of the quarter at homes being serviced
 - Delay in onboarding 1,100 bed contract awarded in Q4/20 at request of the home operator due to COVID-19, resulting in minimal contribution in Q1

Q1 2021 Financial Results | Adjusted EBITDA



- 100% year-over-year growth
- Includes >\$3.0 M in annualized cost saving synergies achieved from the consolidation of certain fulfillment centres and other operating cost savings that were fully realized
- Q1/21 Adjusted EBITDA dampened by temporary COVID-19-related reduction in average bed count

Balance Sheet

ALL DATA BELOW IS PRIOR TO PENDING EQUITY FINANCING
& DEBT REFINANCING ANNOUNCED APRIL 19, 2021

(millions except ratio)

At Mar. 31/21

Cash	\$28.7
Net Debt ¹	\$29.5
Net Debt to Adjusted EBITDA ²	1.8x

- Completed a \$21.2 M combined public offering & private placement (\$4.25/share)
- Post Q1: Entered into bought deal private placement & concurrent private placement (sub receipts) for ~\$55 M
- Post Q1: Entered into binding commitment letters with lenders to refinance existing credit facilities: \$60 M in new facilities concurrent with closing of MPGL transaction
 - Net \$39 M incremental debt
 - Will be used to repay existing senior credit facility and a portion of cash consideration for MPGL acquisition/transaction costs

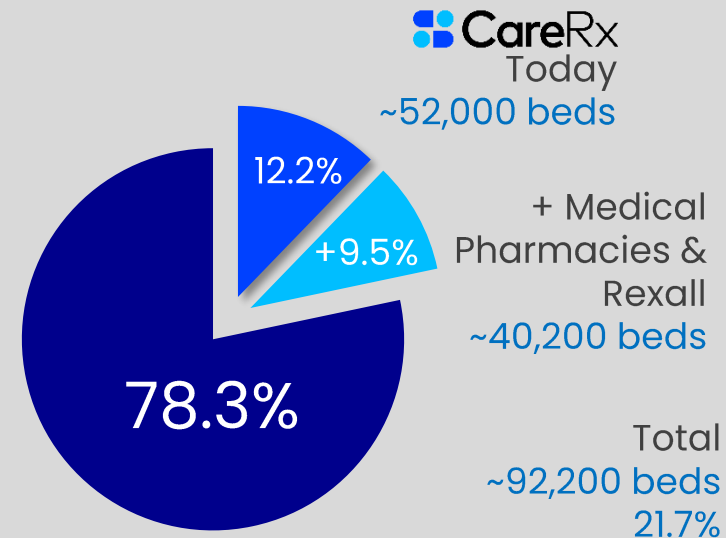


David Murphy

President & Chief Executive Officer

Remain well positioned to continue to execute on growth strategy

- Strengthened leadership position, expanded national & enhanced capabilities
- Continuing to aggressively pursue organic growth
- Canadian seniors home pharmacy sector remains very fragmented & we have further strengthened our position as an acquirer



Market Opportunity via
Organic Growth & Acquisitions
~332,800 seniors housing beds¹

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

Additional scale generated by recently announced acquisitions will enable us to realize cost advantages not previously available to us

Questions



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