



Q2 2022 Earnings Call

August 15, 2022



Cautionary Statements

Forward Looking Statements

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Non-IFRS Financial Measures and Non-IFRS Ratios

"EBITDA", "Adjusted EBITDA", "Adjusted EBITDA Margin" and "Adjusted EBITDA per share" are non-IFRS measures and "Net Debt to Adjusted EBITDA" is a non-IFRS ratio all of which do not have standardized meanings prescribed by IFRS. See "Non-IFRS Financial Measures" , "Non-IFRS Ratios" and "Reconciliation of Non-IFRS Financial Measures" in CareRx's most recently filed Management's Discussion and Analysis available on SEDAR at www.sedar.com.

All dollar figures are in Canadian dollars unless otherwise stated.



David Murphy

President & Chief Executive Officer

Q2 2022

Continued strong growth in revenue and Adjusted EBITDA

Contribution from organic growth

Acquisition of Hogan LTC Pharmacy business (May 30)

Commenced operations at new high-volume fulfillment centre in Oakville, ON



Q2 2022 Financial Highlights

From Continuing Operations

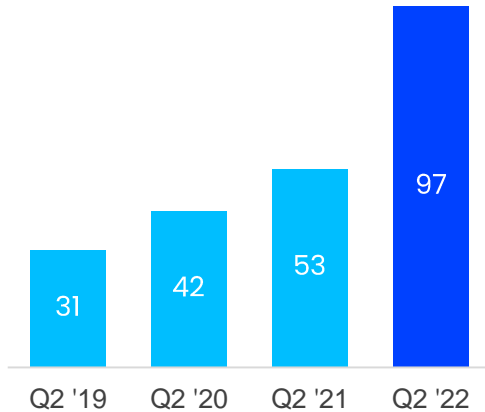
(+/- compared to Q2 2021)

(millions)	Q2 2022	
Revenue	\$96.9	+95%
Adjusted EBITDA	\$8.8	+103%
Adjusted EBITDA Margin	9.1%	+40bps

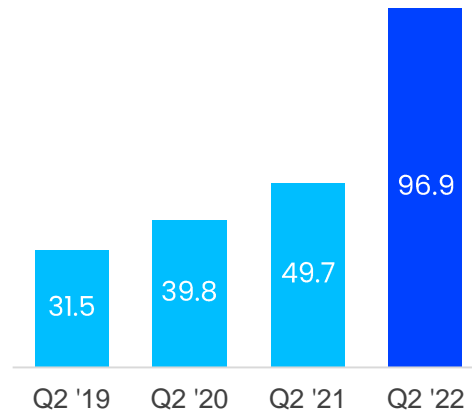
- Average beds serviced of 96,746: **+82%** vs Q2/21
- Growth driven by:
 - Acquisitions completed in 2021
 - ~1 month of contribution from Hogan LTC Pharmacy business
 - Contribution from organic growth from new contracts onboarded over the last 12 months

Successful Execution of Our Growth Strategy

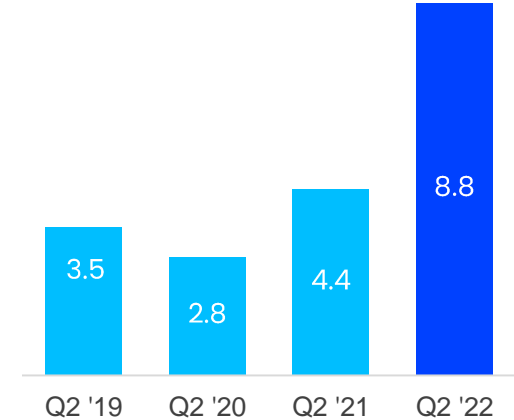
Average Beds Serviced
(000s)



Revenue
(from continuing ops)
(\$ millions)



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



Serving >1,600 seniors and other communities

Continued Integration of Medical Pharmacies

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

- All planned site consolidations but one completed as of end of Q2/22
- Final site consolidation expected to be completed in H1/23
 - Represents \$0.2 M of expected cost savings synergies in 2022 (\$0.5 M annualized)
- Q2/22 annualized run-rate costs savings of ~\$2.8 M

Annualized cost savings synergies of \$5 M expected to be achieved upon completion of the integration

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

Customer Contract Update

Renewals with three of four largest customers, including two largest customers

- Represents ~18,000 beds
- Beds will be under contract for an average of 5.5 years from end of 2021

Expected offboarding of approximately 5,800 beds throughout the second half of 2022 as a result of previously announced loss of large customer RFP:

- Expected Adjusted EBITDA impact of up to \$6.0 to \$6.5 million on an annualized basis

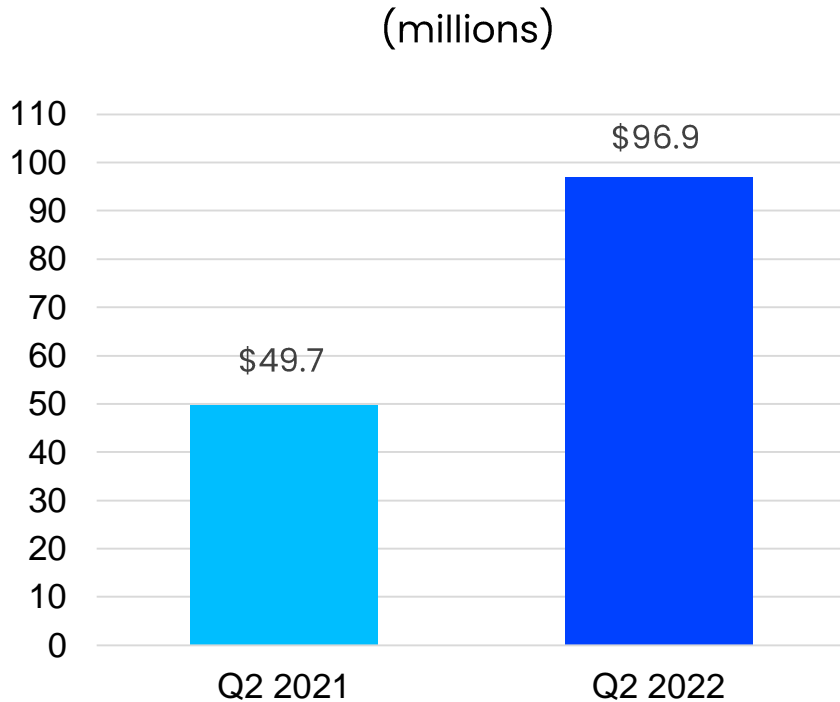




Andrew Mok

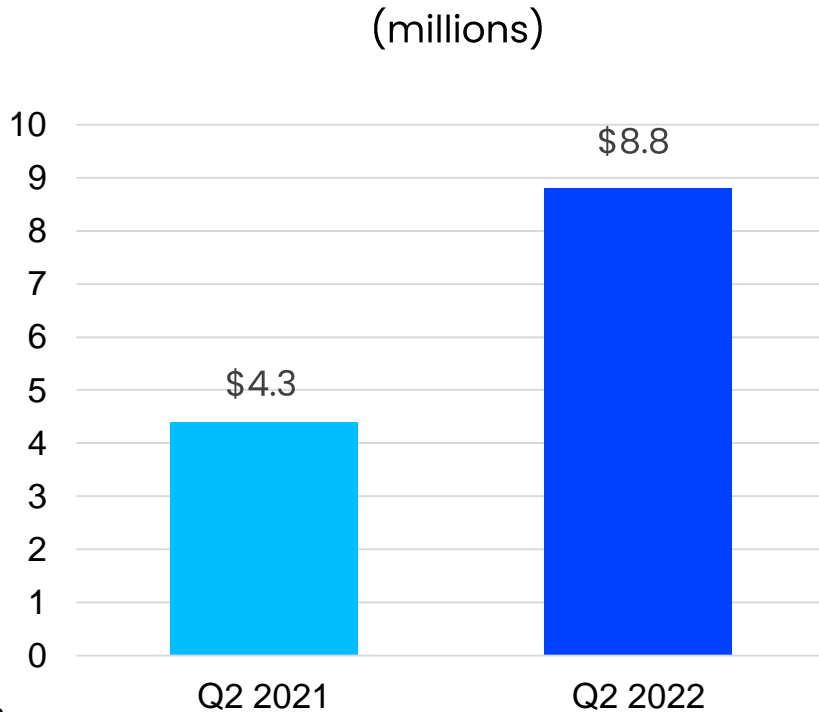
Chief Financial Officer

Q2 2022 Financial Results | Revenue



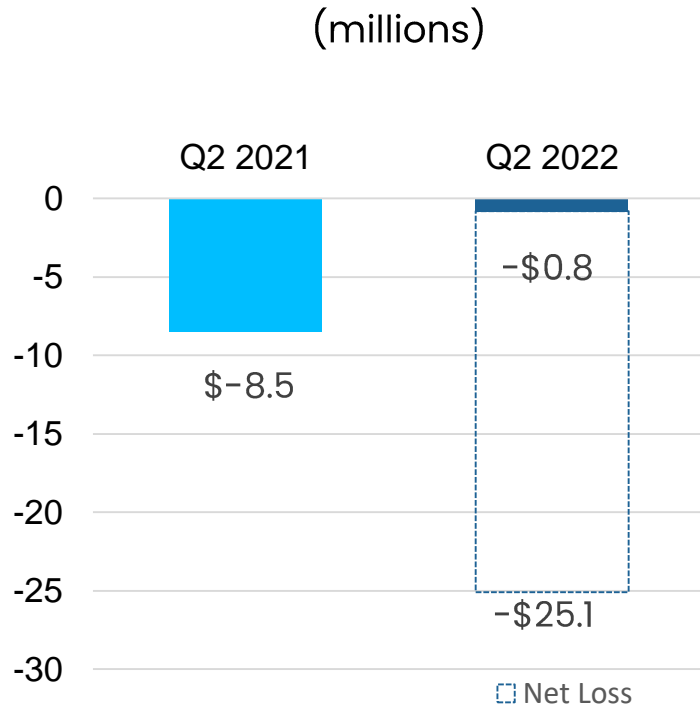
- 95% year-over-year growth
- Growth driven by SmartMeds, Rexall and Medical Pharmacies LTC Business acquisitions, as well as 1 month of contribution from Hogan LTC Pharmacy acquisition
- All acquisitions continued to contribute in line with expectations
- Contribution from organic growth from new contracts onboarded over the last 12 months

Q2 2022 Financial Results | Adjusted EBITDA



- 103% year-over-year growth
- Growth driven by
 - Acquisitions completed in 2021
 - Organic growth from new contracts onboarded over the last 12 months
- Adjusted EBITDA partially impacted by incremental costs, including overtime, contract labour and recruitment costs related to the current labour market and above average vacancies in pharmacy positions

Q2 2022 Financial Results | Net Loss



- Net loss of \$25.1 million driven primarily by non-cash adjustments including impairment losses related to goodwill and intangible assets totaling \$24.3 million
- Net loss of \$0.8 million adjusted for non-cash impairment

Balance Sheet

(millions except ratio)

At June 30/22

Cash	\$15.2 M
Net Debt ¹	\$79.4 M
Net Debt to Adjusted EBITDA ²	2.3x

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

14 1. Debt = borrowings (principal) not including November 2019 Convertible Debentures.
2. Annual run-rate based on Q2/22 Adjusted EBITDA.

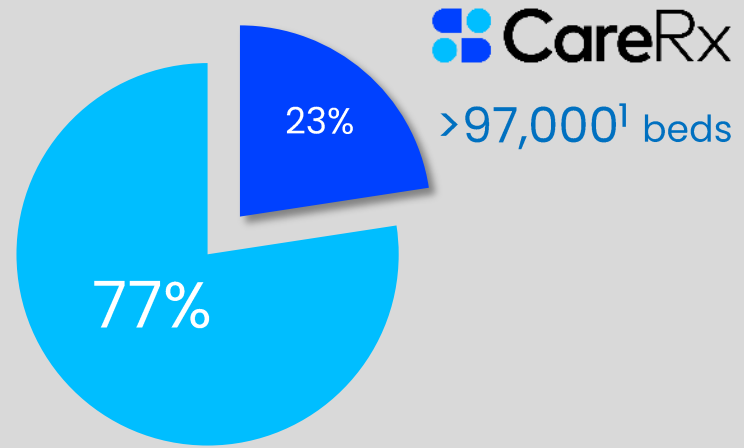


David Murphy

President & Chief Executive Officer

Continued Long-Term Growth Trajectory

- 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
- Short-term profitability expected to be dampened by loss of significant customer and challenging labour market



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.

Well-positioned to continue to execute on acquisitions and organic growth in what remains a highly fragmented market

Questions



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