



[carerx.ca](http://carerx.ca)

**INVESTOR PRESENTATION**  
**December 2024**

**TSX: CRRX**

Two overlapping blue shapes, a semi-circle and a circle, are positioned to the left of the main headline.

**SHAPING THE FUTURE OF SENIOR CARE**



# 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 EBITDA 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.sedarplus.ca](http://www.sedarplus.ca), 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 leading provider of specialty pharmacy services to seniors housing communities

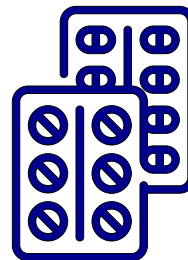
Enhancing the health of seniors with complex medication needs with high-touch, same-day delivery of specially packaged medications



**1 in 5**  
Canadians  
are aged  
**65 or older**



Typical Seniors in  
long-term care take  
**4 to 12**  
medications daily



Adults 65+ consume  
**~40%**  
of prescription drugs &  
**~25%**  
of OTC drugs

# Operational and Financial Highlights



**~89,000**  
Beds serviced

**~1,450**  
Seniors housing  
communities served



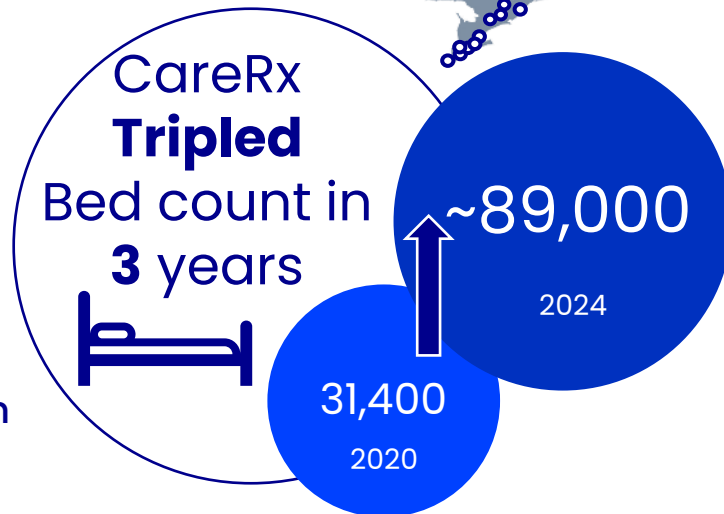
**26**  
Fulfillment  
centres

**5+**  
Year average contract  
term with our largest  
customers

**\$92.8M**  
Q3 2024  
Revenue

**\$7.8M**  
Q3 2024  
Adj. EBITDA

**8.4%**  
Q3 2024  
Adj. EBITDA margin



# Comprehensive Services Offering



Onsite **geriatric-certified** clinical pharmacists + pharmacist-led medication reconciliation (BOOMR™)

**Safety & management** audits, and medication management policy manuals and training

Flu and Covid vaccine **clinics** and care **conferences and committees**

A **leading distributor** of medical supplies and continence care management products

**Robotic** packaging, optical verification, and **automated** prescription transmission

**24/7 service, same day delivery, and secure drug destruction**

**Automated** dispensing cabinets and **medication incident** management system

Digital prescribing technology and **electronic medication** administration (eMAR) software

Medication and treatment **carts** with tablets, and medication **fridges**

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



# Investment Highlights



1

## Differentiated Strategy

Largest pure-play pharmacy focused on long-term care and assisted living in Canada

2

## Contracted Recurring Revenue

5+ year contract length with largest customers funded by government payors

3

## Increasing Demand

Increasing seniors population and commitments to build more seniors housing

4

## Infrastructure & Technology

National platform with best-in-class technology offering optimized for scale

5

## Growth Strategy

Consistent track record of organic growth and accretive M&A transactions

6

## Financial Performance

Strong track record of improving financial performance and deleveraging

7

## Experienced Leadership Team

Trusted long-term care pharmacy management team

# Differentiated Strategy

Facility move-in consultation and specialized geriatric visits



Deprescribing and routine medication reviews for safety & health



24/7 emergency medications and availability



Free caregiver education and daily delivery



Reduced errors with specialized packaging



Incontinence products and pharmacist-monitored adjustments



Safe disposal of medications and sharps



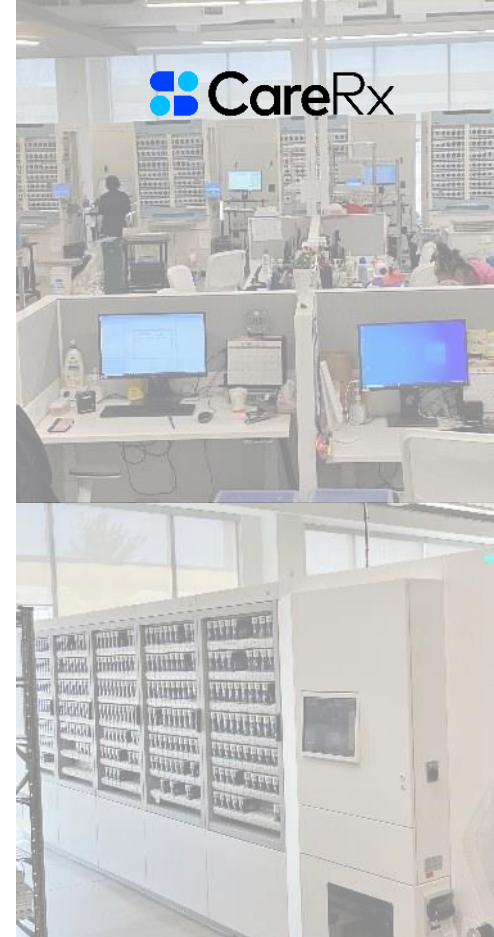
Support with equipment/technology



No public access or storefronts

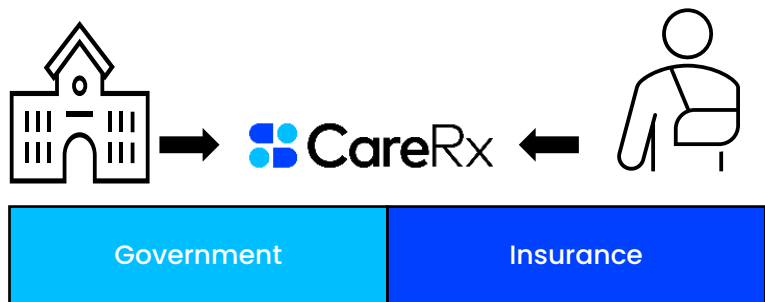


## CareRx Retail





# Contracted Recurring Revenue



*Inelastic demand with payments guaranteed by governments and insurance*

- 5+ year contract length with largest customers funded by government payors
- Capitated fee (fee/bed/month or fee-for-service) model for medications dispensed and clinical services
- Payments billed directly to government and insurance
- Non-covered medications paid for by insurance, directly by resident or via co-payment
- Care homes generally do not pay CareRx directly for the services provided

**CareRx generates ~\$4,000 in recurring revenue per bed every year**

# Increasing Demand



Currently  
**>500,000**  
congregate care beds  
in Canada<sup>1</sup>

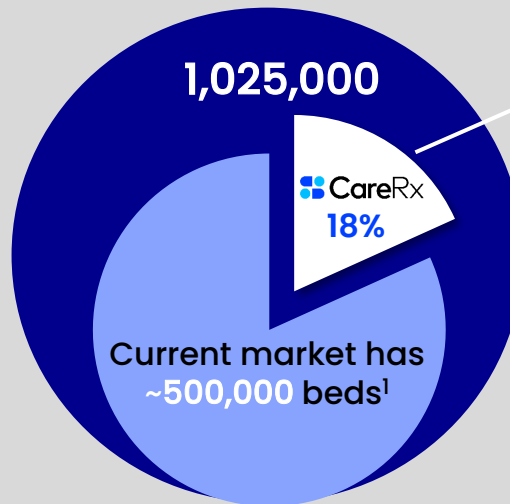


Canada's over 65 population is  
projected to grow by  
**2.7 million**  
over the next 5 years

Spending on senior care expected to grow from



**\$29.9 billion** in 2021  
to **\$58.5 billion** by 2031



CareRx  
89,000 beds



The Ontario  
government has  
pledged to build  
**58,000**  
new or upgraded  
LTC beds by 2028

Number of beds in  
Canada forecasted to  
**double** in next ~15 years

Sources: Statistics Canada, Government of Ontario, Canadian Medical Association  
(1) Includes seniors homes, group homes, corrections facilities and other congregate living settings.

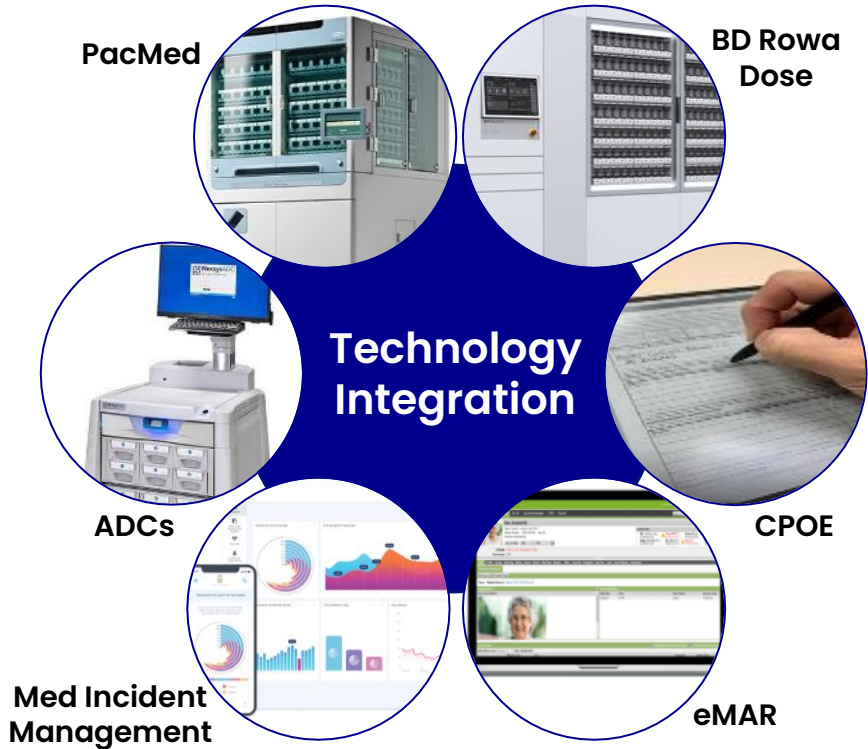
# Infrastructure & Technology

## Key Technologies Supported by LTC Pharmacies

- Unit dose “pouch” packaged medications (PacMed and BD Rowa Dose)
- eMAR software
- Automated dispensing cabinets (ADCs)
- Digital prescribing technologies (CPOE)
- Medication incident management systems
- In-house clinical platform (Consultant Tools)

## AI initiatives to improve efficiency and service levels

- Predictive analysis to track drug utilization
- Voice transcribing and report generation
- Internal and external chatbots



CareRx employs state-of-the-art technologies to make the medication management system safe and efficient

# Growth Strategy



## Organic Bed Wins

- Broadening scope of products and services (e.g. Revicare, BOOMR., etc.)
- Leverage scale & capabilities to provide superior pharmacy services offering
- Increased focus on expansion to other congregate care settings
- LTC occupancy increasing post-Covid

## Existing Partners Growth

- Large national and regional customers continue to acquire smaller competitors

## New Home Construction

- Home operators expanding through increased capacity, new bed licenses and new construction

## M&A Opportunities

- Strong track record of accretive acquisitions since 2020 in a highly fragmented market



Retail Pharmacy



Retail Pharmacy



Pharmacy Fulfillment  
Centre & LTC Pharmacy  
Services

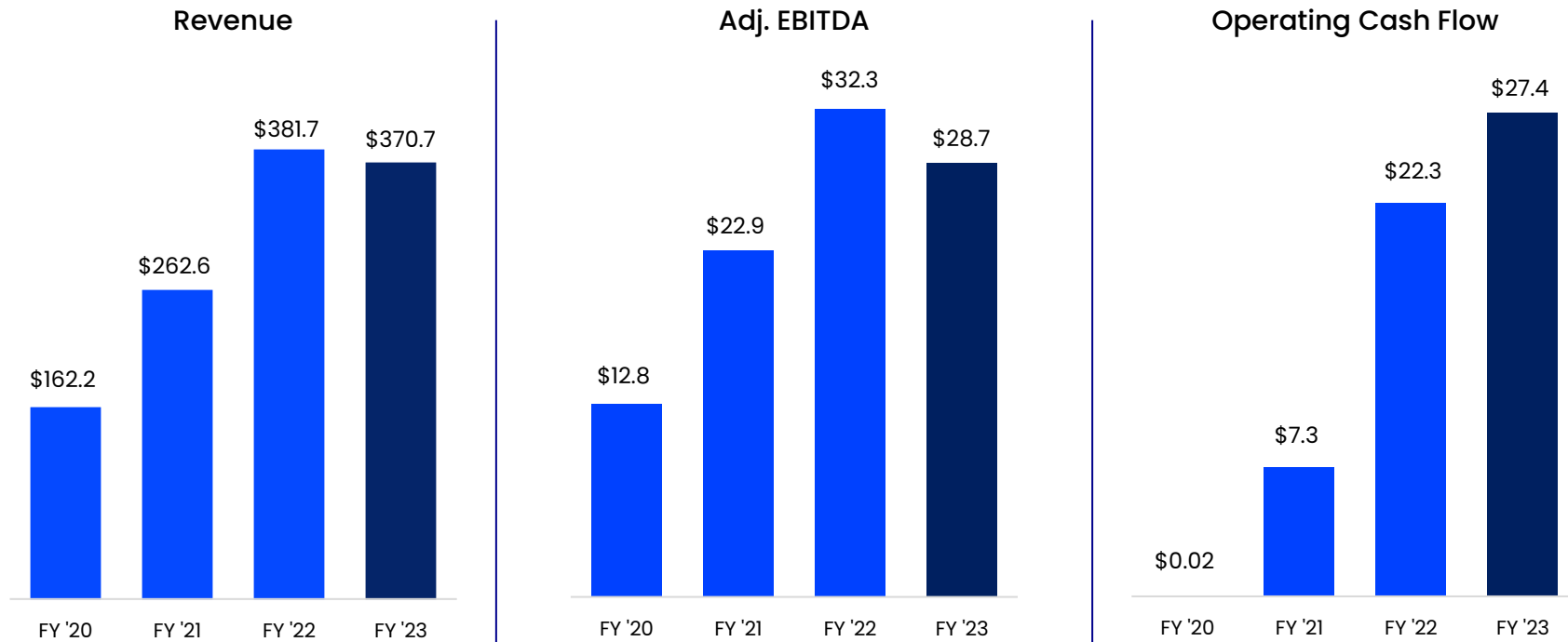


LTC Pharmacy  
Division



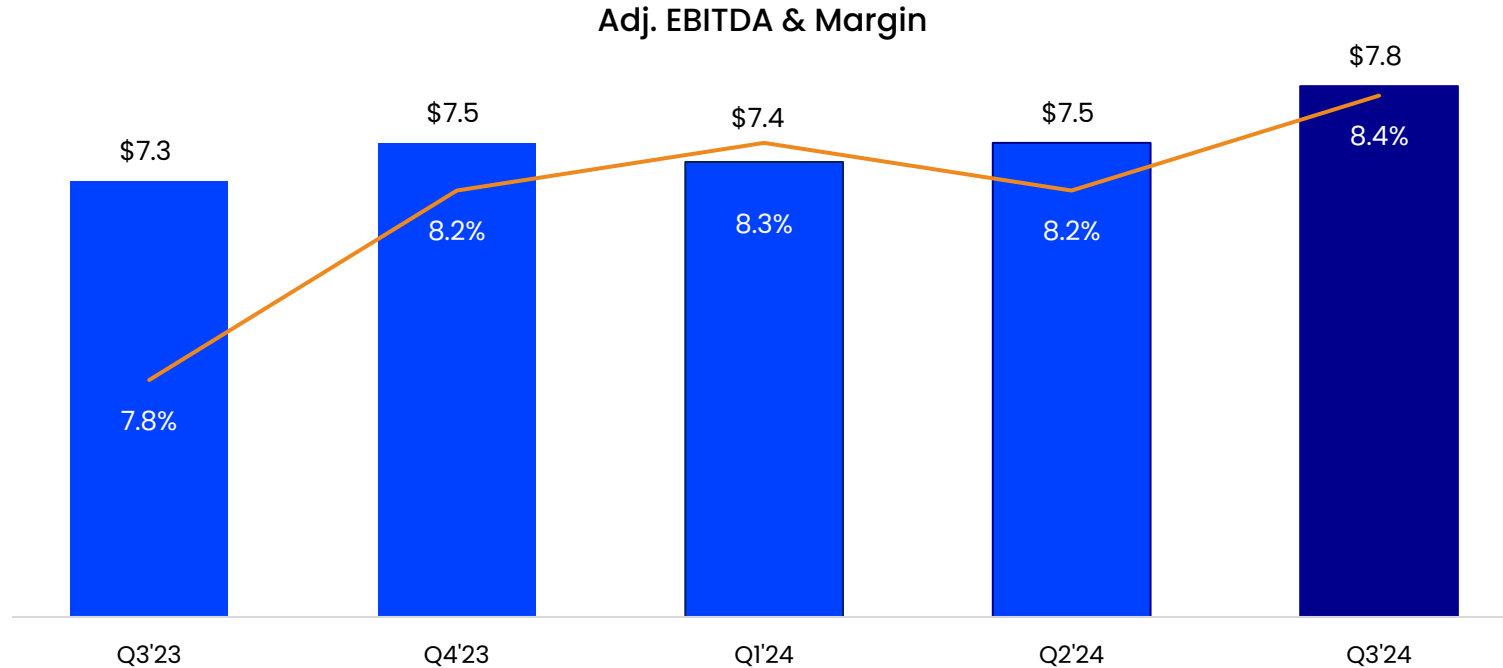
LTC Pharmacy  
Services

# Financial Performance



Note: All figures in millions.

# Margin Expansion



Note: All figures in millions, unless specified.



# Experienced Leadership Team



## **Puneet Khanna**

### President & Chief Executive Officer

Former Chief Commercial Officer, COO and SVP, Corporate Development of CareRx; former CEO of MED e-care Healthcare Solutions; former VP, Strategy & New Business Development at Medical Pharmacies Group Limited; registered pharmacist, B.Sc., Pharmacy from the University of Toronto

## **Suzanne Brand**

### Chief Financial Officer

Former CFO of Teva Canada; former Controller and Director, Commercial and Corporate Finance at Wyeth Pharmaceuticals; CPA, CA, B.Sc. in Biology and Business from the University of Toronto

## **Adrienne Sullivan-Campeau**

### Chief People and Culture Officer

Former VP, People, Culture and Communications at Allstate Canada; BA from the University of Illinois, MBA in Human Resources from Michigan State University

## **Paul Rakowski**

### SVP, Corporate Development and General Counsel

Former Securities and M&A lawyer at Stikeman Elliott LLP; B.Sc. from Western University, JD from Osgoode Hall Law School, MBA from the Schulich School of Business

## **Travis Featherstone**

### SVP, Western Operations & System Integration

Joined CareRx in 2009 and has held various roles with increasing responsibility in pharmacy operations; registered pharmacist, BSc Pharm, MBA from the University of Alberta

## **Alpinder Grewal**

### SVP, Operations East & Business Transformation

Joined CareRx in 2014 and has held various roles with increasing responsibility in pharmacy operations; registered pharmacist, Doctor of Pharmacy from the University of Michigan

## **Alvin Chau**

### SVP, Information Technology

Former Chief Technology Officer and Chief Information Officer at Canada Computers, Sunwing Travel Group and Quality Online Education Group; Bachelor of Science and Business, MAsc from the University of Waterloo, Executive Certificate Program in Leadership & Management, MIT Sloan School of Management

# Capitalization



At November 29, 2024

Shares Outstanding	62.2M
Share Price <sup>1</sup>	C\$1.89
<b>Market Cap</b>	<b>C\$117.5M</b>

Cash	\$5.8M
Debt	\$47.7M
Term Loan	\$46.5M
Operating Loan	\$0M
Hogan Vendor Take-Back Note	\$1.2M
<b>Enterprise Value</b>	<b>C\$159.4M</b>

**Net Debt / Adj. EBITDA<sup>2</sup>** **1.35x**

	Average Strike Price	
Options	\$3.32	0.5M
Warrants	\$5.00	7.2M

Sources: Company filings, FactSet.

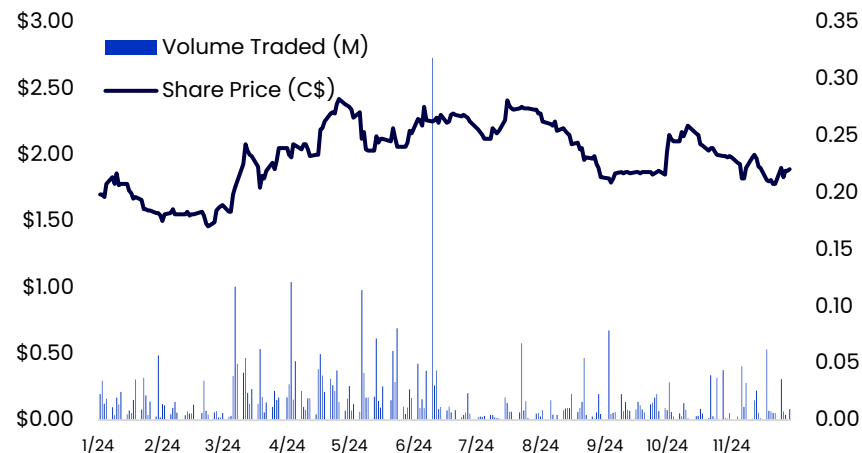
1. November 29, 2024 closing price

2. Adj. EBITDA: Annual run-rate based on Q3/24 Adjusted EBITDA

## Ownership

	Common Stock	Ownership
Yorkville Asset Management	16,301,305	26.2%
Directors & Officers	6,557,056	10.5%
Polar Asset Management	10,095,107	16.2%
Other	29,229,122	47.0%
<b>Total</b>	<b>62,182,590</b>	<b>100%</b>

## Share Price (Jan. 1, 2024 – Nov. 29, 2024)





CareRx

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