



A Community
Pharmacy
That Cares.

Financial Results for the Second Quarter 2022

October 26, 2021

Disclaimer

This presentation is dated October 26, 2021, and has been prepared in connection with the earnings reporting for the period ending September 11, 2021 of Neighbourly Pharmacy Inc. ("the "Company", "Neighbourly", "us" or "we").

Forward Looking Statements

This presentation contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking information") within the meaning of applicable securities laws. Forward-looking information may relate to our future financial results and may include information regarding our financial position, business strategy, growth strategies, financial results, taxes, dividend policy, plans, and objectives. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as "expects", "estimates", "outlook", "forecasts", "projection", "prospects", "intends", "anticipates", "believes", or variations of such words and phrases or statements that certain actions, events, or results "may", "could", "would", "might", "will", "will be taken", "occur", or "be achieved".

Forward-looking information in this presentation includes, among other things, statements relating to the acceleration of our growth, the pursuit of additional acquisition opportunities, the payment of dividends, same-store sales improvements and the expected impacts of the ongoing COVID-19 pandemic on our results of operation.

This forward-looking information and other forward-looking information are based on the Company's opinions, estimates, and assumptions in light of its experience and perception of historical trends, current conditions, and expected future developments, as well as other factors that the Company currently believes are appropriate and reasonable in the circumstances. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates, and assumptions will prove to be correct.

Forward-looking information is necessarily based on a number of opinions, estimates, and assumptions that the Company considered appropriate and reasonable as of the date such statements are made in light of its experience and perception of historical trends, current conditions and expected future developments, are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to the risk factors set forth in the Company's Management's Discussion and Analysis for the twelve-weeks ended June 19, 2021 and under the heading "Risk Factors" in the final long form prospectus dated May 17, 2021 filed in connection with the IPO. If any of these risks or uncertainties materialize, or if the opinions, estimates, or assumptions underlying the forward-looking information prove incorrect, actual results or future events might vary materially from those anticipated in the forward-looking information. The forward-looking information contained in this presentation represents the Company's expectations as of the date of this presentation (or as the date they are otherwise stated to be made), and are subject to change after such date. However, the Company disclaims any intention or obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events, or otherwise, except as required under applicable securities laws in Canada.

Non-IFRS Measures

This presentation makes reference to certain non-IFRS measures, such as Adjusted EBITDA, Pro-Forma Adjusted EBITDA, and Pro-Forma Revenue. These measures are not recognized under International Financial Reporting Standards ("IFRS") and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. These non-IFRS measures are used to provide readers with supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS measures. We also believe that market participants frequently use non-IFRS measures in the evaluation of issuers. Our management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts and to determine components of management compensation. See the "Appendix" of this presentation for reconciliations of Adjusted EBITDA, Pro-Forma Adjusted EBITDA, and Pro-Forma Revenue to the most directly comparable IFRS measures.

Key Performance Indicators

This presentation makes reference to certain key performance indicators, such as Same-store sales and corporate, general & administrative costs. We monitor key performance indicators to help us evaluate our business, measure our performance, identify trends affecting our business, formulate business plans and make strategic decisions. These key performance indicators are also used to provide investors with supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS measures. We also believe that securities analysts, investors and other interested parties frequently use industry metrics in the evaluation of issuers. Our key performance indicators may be calculated in a manner different than similar key performance indicators used by other companies.

| Presenters



Chris Gardner

Chief Executive Officer



Terri Smyth

Chief Financial Officer

| Expanding our Footprint

40

Pharmacies
added in Fiscal 2022 YTD

26

Pharmacies
Added Post Q2.22

Pro-Forma Financials

\$484.2M

Revenue¹

\$60.3M

Adj. EBITDA¹

Acquisitions Continue to Drive Revenue and EBITDA

\$90.7M

Q2.22 Revenue
+54.0%

\$10.0M

Q2.22 Adj. EBITDA¹
+51.5%

11.0%

Q2.22 Adj. EBITDA Margin¹
11.2% in Q2.21

- Strong results driven by the 51 locations added to Neighbourly's network over the course of the last four quarters
- Revenue from these locations accounted for \$30.2 million (94.9%) of Neighbourly's Q2 2022 increase
- Adjusted EBITDA impacted by increased costs associated with becoming a public company

Pharmacy is Our Foundation

1.6M

Q2.22 Total Prescription Count¹

- +48.4% from Q2 2021
- +2.9% same-store prescription growth from Q2 2021

78.2%

Q2.22 Pharmacy Revenue Percentage

- 78.7% in Q2 2021
- Consistency reflects strategy of patient-focused locations

Scalable Platform Provides Operating Leverage

4.0%

Second Quarter 2022
CG&A¹ as a Percentage of Revenue

6.3%

FY2018

4.2%

FY2019

4.3%

FY2020

3.8%

FY2021

Historical

- Increase from 3.7% in Q2 2021 reflects inclusion of approximately \$2 million annualized costs related to becoming a public company
- This metric is expected to improve over time as Neighbourly's scalable platform gains increased operating leverage

Pro-Forma Capitalization

(In \$ Millions)

	Second Quarter 2022	Acquisitions	Treasury Issuance	Pro-Forma
Debt	\$101.3	\$-		\$101.3
Lease Liabilities	\$44.0	\$10.4		\$54.4
Total Debt	\$145.3			\$155.7
Cash	\$71.6	(\$65.9)	\$27.0	\$32.7
Net Debt	\$73.7			\$123.0
Pro-Forma Adjusted EBITDA¹				\$60.3
Net Debt / Pro-Forma Adjusted EBITDA				2.0x

COVID-19 Related Same Store Variability

1.2%

Q2.22 Same Store Sales¹ Growth

6.0%	5.5%	0.4%	8.2%
Q2.21	Q3.21	Q4.21	Q1.22

Historical

- Driven by normalization of consumer buying patterns and average prescription value
- Trailing eight-quarter average of 4.1%

2.9%

Q2.22 Same Store RX Count² Growth

5.6%	3.1%	-0.8%	-2.1%
Q2.21	Q3.21	Q4.21	Q1.22

Historical

- 30-day fill policy implemented in Q1 2021, persisted through Q2
- Trailing eight-quarter average of 3.1%

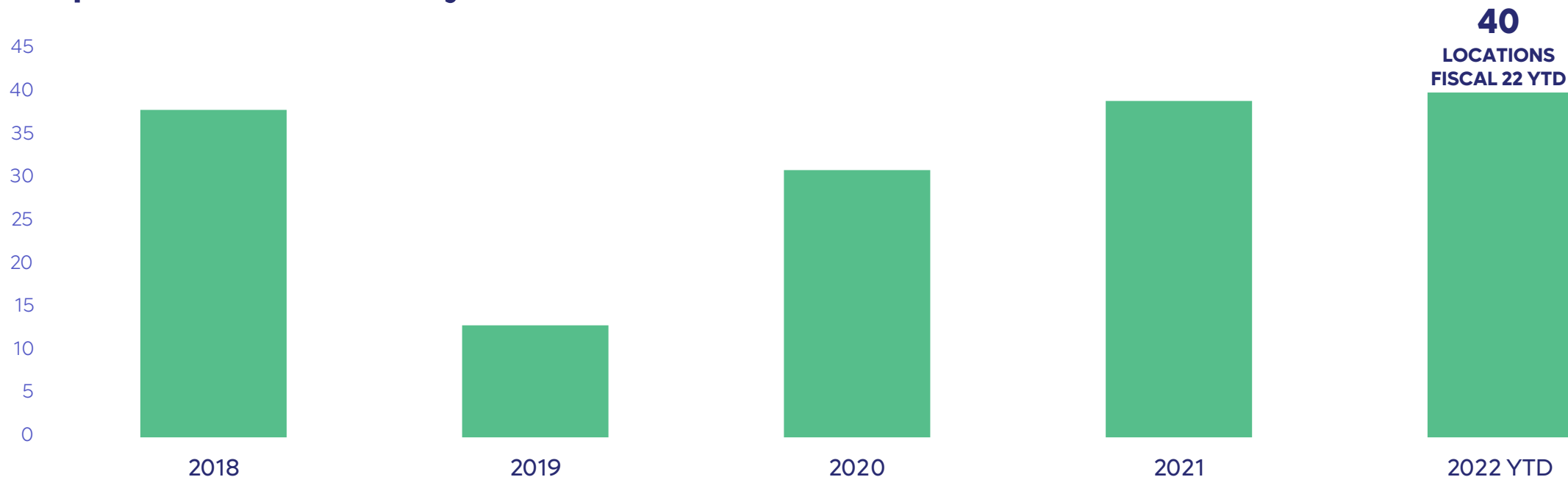
Canadians Protecting Canadians



90,000
Vaccinations

A Consistent Pace of Acquisition

Acquired Pharmacies by Year



- Timing of acquisitions is inherently unpredictable and lumpy, but Neighbourly expects to maintain its recent pace of adding ~35 locations per year
- Attention created by IPO has increased inbound activity

| Maintaining Acquisition Momentum

- **A robust pipeline:** Canada's fragmented market of 6,500 independent pharmacies includes 3,600 potential acquisition targets
- **Financial flexibility:** Further enhanced by recent \$30 million Treasury Offering

Acquisition Criteria

- Share Neighbourly's values
- Operate within smaller markets or established medical clinics
- Act as a significant healthcare provider for their community
- Derive the majority of their revenue from prescriptions
- Possess meaningful scale



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Appendix

Reconciliation of Adjusted EBITDA

The following table provides a reconciliation of loss and comprehensive loss to Adjusted EBITDA for the periods indicated:

in 000's	12 weeks ended		24 weeks ended		28 weeks ended
	2022	2021	2022	2021	2021
Loss and comprehensive loss for the period	-\$3,394	-\$3,872	-\$80,329	-\$8,832	-\$81,685
Income tax expense (recovery)	\$774	\$60	\$4,027	\$60	\$2,531
Finance (income) costs, net	\$2,003	\$1,611	-\$5,104	\$5,153	\$10,851
Fair value changes of financial liabilities	-	\$3,698	\$67,228	\$7,484	\$72,921
Depreciation and amortization	\$5,414	\$3,795	\$10,159	\$7,605	\$11,513
Impairment loss	\$23	-	\$23	-	\$116
Acquisition, transaction and integration costs	\$3,567	\$1,244	\$21,919	\$1,602	\$5,579
Share-based compensation	\$1,585	\$46	\$2,196	\$94	\$92
Adjusted EBITDA	\$9,972	\$6,582	\$20,119	\$13,166	\$21,918
Revenue	\$90,668	\$58,856	\$176,012	\$113,850	\$192,644
Adjusted EBITDA margin	11.0%	11.2%	11.4%	11.6%	11.4%

Reconciliation of Pro-Forma

in 000's

Pro-Forma Adjusted EBITDA

Adjusted EBITDA for the 24 weeks ended September 11, 2021	\$20,119
Adjusted EBITDA for the 28 weeks ended March 27, 2021	\$21,918
Incremental Adjusted EBITDA for new stores acquired after September 12, 2020 as if owned on September 12, 2020	\$6,796
Incremental Adjusted EBITDA for stores acquired, or to be acquired on or after September 11, 2021 to date as if owned on September 12, 2020	\$10,173
Adjustment for professional, other fees and COVID-related for the 28 weeks ended March 27, 2021	\$1,283
Pro-forma Adjusted EBITDA for the 52 weeks ended September 11, 2021	\$60,289

Pro-Forma Revenue

Revenue for the 24 weeks ended September 11, 2021	\$176,012
Revenue for the 28 weeks ended March 27, 2021	\$192,644
Incremental Revenue for new stores acquired after September 12, 2020 as if owned on September 12, 2020	\$51,858
Incremental Revenue for stores acquired, or to be acquired on or after September 11, 2021 to date as if owned on September 12, 2020	\$63,695
Pro-forma Revenue for the 52 weeks ended September 11, 2021	\$484,210