

KAI HEALTH ACQUIRES ESTABLISHED PHARMACY

KAI Health Services Inc. was formed to provide exposure to private healthcare businesses such as pharmacies and medical clinics for client portfolios at KAI Asset Management Inc. Healthcare was chosen as a target sector due to a rising target customer market, the demand for services being non-cyclical in nature, and the businesses typically require minimal capital expenditures to maintain.

KAI Health Services Inc. is pleased to announce the acquisition of Safety Drugs, a successful pharmacy located in the Seven Oaks region of Winnipeg. Safety Drugs is co-located within a busy medical clinic host to 12 physicians, primarily female family physicians, who participate as the owner-operators of the clinic.

Safety Drugs is a well-established pharmacy that receives prescription referrals from a broad-range of physicians across the province. KAI Health has secured a commitment from the previous owner, pharmacist Wade Shing, a highly respected pharmacist in Manitoba, to continue as head pharmacist in the foreseeable future as he prepares for retirement. The pharmacy benefits greatly from access to a consistent client base onsite at the medical clinic and from its location near Seven Oaks General Hospital and a busy shopping area. With free parking and prescription delivery, the pharmacy is convenient and highly accessible to its clientele. Additionally, management sees exciting opportunities to boost current profitability of the location by implementing certain KAI Health community pharmacy programs.

The co-location of pharmacy and medical clinic provides enhanced patient care by supplying a convenient and integrated healthcare experience within the same facility and by increased collaboration between doctors and pharmacists.

Safety Drugs is located in an area of strategic importance for KAI Health, a region whose population growth has outpaced that of greater Winnipeg, providing an opportunity for continued market growth. Our expectations are that the need for pharmacy products and services will also expand due to an increase in the prevalence of hypertension, ischemic heart disease (IHD), congestive heart failure, diabetes, and respiratory morbidity in the region.¹

Visit medigroup.ca for a complete list of healthcare facilities in the KAI Health network.



“ Safety Drugs is well-positioned to service clientele in the community and contribute to an improvement in medication adherence and enhanced patient outcomes. ”

Alaa Belrhazi, Director of Operations, KAI Health Services

¹Winnipeg Regional Health Authority, *The Seven Oaks Community Area Profile 2020* (2020) | © KAI Asset Management Inc. (KAM) 2024 | KAI Health Services Inc. (KHS) was formed to provide exposure to private healthcare businesses for client portfolios at KAI Asset Management Inc. KHS is a private corporation that owns and operates private healthcare businesses such as pharmacies and medical clinics. Healthcare was chosen as a target sector due to a rising target customer market, the demand for services being non-cyclical in nature, and the businesses typically require minimal capital expenditures to maintain. Direct ownership of KHS shares is available only to KAI Asset Management Inc. clients who are “Qualified Clients” in accordance with KAI Asset Management policy and for whom KHS shares are a suitable investment. KAM is a Portfolio Manager and Exempt Market Dealer registered in the provinces of Manitoba, Saskatchewan, British Columbia, Alberta, and Ontario. The firm is also registered as an Investment Fund Manager (IFM) in the provinces of Manitoba and Ontario. This communication is directed only to persons resident in those jurisdictions. The information contained herein is for general information purposes only and does not constitute an offer or solicitation of securities, managed account services, or advice on any specific security. The opinions set out herein are effective as at the date of publication and the authors do not undertake to notify the reader of subsequent changes. Certain general or market information contained herein has been obtained from sources believed to be reliable however KAM cannot guarantee their accuracy. Any opinions expressed in this newsletter are just that, and are not guarantees of any future performance or returns. 240113