

## **Delivra Health Brands Reports Continued Growth with Positive Adjusted EBITDA<sup>(1)</sup> and Improved Financial Results for FY2024**

*Delivra is a unique consumer packaged goods company strategically positioned in the health and wellness sector that provides high-quality brands to the global marketplace*

*Continued net revenue growth of 26% year over year despite challenging business environments*

*Increased gross profit margin of 52% in fiscal 2024 vs. 49% in fiscal 2023*

*Consistent improvement of adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA")<sup>(1)</sup> to \$871K or 68% increase compared to fiscal 2023*

*Year over year improvement of net cash provided by operating activities*

**October 8, 2024 – Vancouver, British Columbia** – Delivra Health Brands Inc. ("**Delivra Health**" or the "**Company**") (TSX-V: DHB; OTCQB: DHBUF), a consumer packaged goods company uniquely positioned in the health and wellness sector, is pleased to announce its financial and operating results for the three and 12 months ended June 30, 2024 ("**fiscal 2024**"). The Delivra Health portfolio features innovative brands Dream Water® and LivRelief™, which deliver relief from common health issues such as sleeplessness, chronic pain and anxiety.

### **Management Commentary**

"Delivra Health Brands has consistently improved its market and financial position over the past four years. For the second straight year, we achieved positive Adjusted EBITDA and positive cash flow. These results demonstrate the attractiveness and scalability of the Company's brands to consumers, with growing opportunities year over year," said Gord Davey, President and CEO of Delivra Health. "Our fiscal 2025 outlook will focus on increased market position and revenue growth through channel development and ongoing innovation of our brands. Supported by a strong management team and continued investment in marketing and digital initiatives, we anticipate continued revenue and profitability growth in the coming year."

### **Financial Highlights**

- **Net revenue:** The Company reported total net revenue of \$12,378 in fiscal 2024 compared to \$9,791 in the twelve months ended June 30, 2023 ("**fiscal 2023**") from continued operations. This 26% increase in net revenue is mainly driven by higher net sales in the USA of \$2,488 and in Canada of \$99 as a result of increased customer purchase orders and consumer demand.



- Gross profit and gross profit margin:** The Company reported gross profit of \$6,399 and a 52% gross profit margin in fiscal 2024 compared to \$4,823 and a 49% gross profit margin in fiscal 2023. The increase in gross profit and gross profit margin was the result of increased sales volume and improved customer mix such as customers with lower rebates and sales fees and favorable logistical terms, bolstered by disciplined management of operational cost such as effective negotiation of price increases and management of third party warehousing costs.
- Expenses including-sales, marketing, general, and administrative costs and excluding non-cash items:** The Company reported expenses of \$5,774 in fiscal 2024 compared to \$4,704 in fiscal 2023, representing a \$1,070 or 23% increase for the year. The increase was mainly driven by the implementation of new marketing campaigns and digital marketing strategies.
- Adjusted EBITDA<sup>(1)</sup>:** The Company reported Adjusted EBITDA of \$871 in fiscal 2024 compared to \$517 in fiscal 2023, representing a \$354 or 68% year over year improvement. This increase in Adjusted EBITDA resulted from management’s focus on customer mix, gross profit margin improvement and efficient administrative and selling support functions.

### Summary of Key Financial Results

	For the year ended June 30	
(\$000’s, except share and per share amounts)	2024	2023
<b>Continued operations:</b>		
Net revenue	\$12,378	\$9,791
Cost of sales	5,733	4,570
Inventory write-down	246	398
Gross profit	6,399	4,823
Gross profit margin	52%	49%
Expenses excluding non-cash expenses	5,774	4,704
Depreciation and amortization and share-based compensation	(1,335)	(1,482)
Loss from operations before other (expense) income	(710)	(1,363)
Other (expense) income	1,586	1,179
<b>Net profit (loss) from continuing operations</b>	<b>876</b>	<b>(184)</b>
<b>Net cash provided (used) in operating activities</b>	<b>756</b>	<b>(1,088)</b>



### Expenses excluding non-cash items

	For the year ended June 30	
(\$000's, except share and per share amounts)	2024	2023
General and administration	\$4,225	\$3,929
Sales and marketing	1,549	775
<b>Total</b>	<b>5,774</b>	<b>4,704</b>

### Adjusted EBITDA (non-IFRS measure)<sup>(1)</sup>

	For the year ended June 30	
(\$000's, except share and per share amounts)	2024	2023
Loss from operations	\$(710)	\$(1,363)
Inventory write-down	246	398
Depreciation and amortization	1,309	1,330
Share-based compensation	26	152
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>871</b>	<b>517</b>

### About Delivra Health Brands Inc.

Helping people take control of their health with alternative wellness solutions is what energizes the Delivra Health team! The Delivra Health portfolio features innovative brands like Dream Water® and LivRelief™, which deliver relief from common everyday issues like chronic pain, anxiety, and sleeplessness. Delivra Health products have allowed millions of customers to reclaim their mobility, energy, and in turn, quality of life. The websites of the Company's two subsidiaries are Dream Water® and LivRelief™. For more information, please visit [www.delivrahealthbrands.com](http://www.delivrahealthbrands.com).

### Non-IFRS Measures, Reconciliation and Discussion

This press release contains references to "Adjusted EBITDA" which is a non-International Financial Reporting Standards ("IFRS") financial measure. Adjusted EBITDA is a measure of the Company's loss from operations before interest, taxes, depreciation, and amortization and adjusted for share-based compensation, common shares issued for services, fair value effects of accounting for biological assets and inventories, asset impairment and write-downs, and other non-cash items, and is a non-IFRS measure.

This measure can be used to analyze and compare profitability among companies and industries, as it eliminates the effects of financing and capital expenditures. It is often used in valuation ratios and can be compared to enterprise value and revenue. This measure does not have any standardized meaning according to IFRS and, therefore, may not be comparable to similar measures presented by other companies.

There are no comparable IFRS financial measures presented in Delivra Health's financial statements. Reconciliations of the supplemental non-IFRS measure are presented in the Company's management discussion and analysis for fiscal 2024 dated October 7, 2024 (the "**Fiscal 2024 MD&A**"). This non-IFRS financial measure is presented because management has evaluated the financial results both including and excluding the adjusted items and believes that the non-IFRS financial measure presented provides additional perspective and insights when analyzing the core operating performance of the business. The Company believes that the supplemental measure provides information which is useful to shareholders and investors in understanding the Company's performance and may assist in the evaluation of the Company's business relative to that of its peers.

The non-IFRS financial measure should not be considered superior to, as a substitute for, or as an alternative to, and should be considered in conjunction with the IFRS financial measures presented in the Company's financial statements. For more information, please see "Adjusted EBITDA (non-IFRS measure)" and "Non-IFRS Measures" in the Fiscal 2024 MD&A, which is available under the Company's SEDAR+ profile on [www.sedarplus.ca](http://www.sedarplus.ca).

#### **Notes:**

1. This is a non-IFRS reporting measure. For a reconciliation of this measure to the nearest IFRS measure, see "Adjusted EBITDA (non-IFRS measure)" and "Non-IFRS Measures" in the Fiscal 2024 MD&A.

#### **Cautionary Note Regarding Forward-Looking Statements**

This news release contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates, and projections as at the date of this news release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this news release, forward-looking statements include, among other things, statements with respect to the Company's products offering relief from chronic pain, anxiety, and sleeplessness, expectations regarding increase of



the Company's revenues and profitability, the Company's growth objectives, increasing revenues and profitability, growth in new markets, and growth through channel development and ongoing innovation.

These forward-looking statements are based on reasonable assumptions and estimates of management of the Company at the time such statements were made. Actual future results may differ materially as forward-looking statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance, or achievements of the Company to materially differ from any future results, performance, or achievements expressed or implied by such forward-looking statements. Such factors, among other things, include: fluctuations in general macroeconomic conditions; fluctuations in securities markets; expectations regarding the size of the cannabis markets where the Company operates; changing consumer habits; the ability of the Company to successfully achieve its business objectives; plans for expansion; political and social uncertainties; inability to obtain adequate insurance to cover risks and hazards; employee relations and the presence of laws and regulations that may impose restrictions on cultivation, production, distribution, and sale of cannabis and cannabis-related products in the markets where the Company operates. Although the forward-looking statements contained in this news release are based upon what management of the Company believes, or believed at the time, to be reasonable assumptions, the Company cannot assure shareholders that actual results will be consistent with such forward-looking statements, as there may be other factors that cause results not to be as anticipated, estimated or intended. Readers should not place undue reliance on the forward-looking statements and information contained in this news release. The Company assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.

Additional information regarding this and other risks and uncertainties relating to the Company's business are contained under the heading "Risk Factors" in the Company's annual information form dated March 2, 2021, and under the heading "Risks and Uncertainties" in the Company's Fiscal 2024 MD&A filed under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

*Neither TSX-V nor its Regulation Services Provider (as that term is defined in the policies of the TSX-V) accept responsibility for the adequacy or accuracy of this release.*

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