



## **Delivra Health and its Brands LivRelief™ and Dream Water™ Report Results for Second Quarter of Fiscal 2025**

*Net revenue growth of 34% or \$704 in the second quarter of fiscal 2025 compared to same quarter last year*

*Significantly increased investments in marketing and consumer promotional programs to increase awareness of offered solutions*

*On track to achieving commercial and financial objectives for fiscal year*

**February 27, 2025 – 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 six months ended December 31, 2024 ("**Q2 2025**"). 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**

“The Company’s Q2 2025 results, achieving a 34% increase in revenue compared to the same quarter last year, further demonstrates the Company’s positive growth trajectory. We remain on track to achieve our commercial and financial objectives for the fiscal year,” said Gord Davey, President and Chief Executive Officer of Delivra Health. “During Q2 2025, the Company increased its marketing spend and invested in consumer promotional programs across all channels. This complements our strategy of securing new product listings, expanding Delivra’s customer base, and launching key initiatives to drive long-term growth.”

### **Financial Highlights for the Three Months Ended December 31, 2024**

*(Expressed in thousands of Canadian dollars, except share and per share amounts)*

**Net revenue:** In the three months ended December 31, 2024, the Company reported total net revenue of \$2,754 as compared to \$2,050 in same period last year, representing approximately a \$704 or 34% increase. This net increase was primarily due to higher sales of Dream Water® in the U.S. and Canada as a result of timing of customer ordering patterns offset by lower sales of the Company’s licensed LivRelief™ infused topical creams in Canada.



**Gross profit and gross profit margin:** In the three months ended December 31, 2024, the Company reported gross profit of \$1,294 and a gross profit margin of 47% as compared to \$1,104 and 54% in the same period last year. The increase in gross profit is driven by higher revenue and the reduction in gross profit margin was the result of a greater proportion of lower-profit products as compared to the product mix in the prior year.

**Expenses including selling, general and administrative (“SG&A”) expenses and excluding non-cash items:** In the three months ended December 31, 2024, the Company reported expenses of \$1,544 as compared to \$1,263 in the same period last year, representing a \$281 or 22% increase. The increase was mainly driven by increased investments in marketing campaigns and digital marketing programs.

**Adjusted EBITDA<sup>(1)</sup>:** In the three months ended December 31, 2024, the Company reported Adjusted EBITDA of \$(194) as compared to \$(84) in the same period last year, representing a \$(110) year-over-year reduction. This reduction in Adjusted EBITDA is the result of higher selling and marketing expenses as explained above.

#### **Financial Highlights for the Six Months Ended December 31, 2024**

*(Expressed in thousands of Canadian dollars, except share and per share amounts)*

**Net revenue:** In the six months ended December 31, 2024, the Company reported total net revenue of \$5,917 compared to \$5,722 in same period last year, representing a 3% increase. This increase was due to higher sales of Dream Water® in the U.S and Canada, which was offset by lower sales of licensed LivRelief™ infused products in Canada.

**Gross profit and gross profit margin:** In the six months ended December 31, 2024, the Company reported year-to-date gross profit of \$2,891 and a gross profit margin of 49% as compared to \$3,027 and 53% in same period last year. The reduction in gross profit and gross profit margin was the result of a change in product mix year-over-year.

**Expenses including SG&A expenses and excluding non-cash items:** In the six months ended December 31, 2024, the Company reported expenses of \$3,149 compared to \$2,579 in the same period last year, representing a 22% increase. As noted previously, the increase was mainly driven by increased investments in marketing campaigns and digital marketing programs.

**Adjusted EBITDA<sup>(1)</sup>:** In the six months ended December 31, 2024, the Company reported Adjusted EBITDA of \$(176) compared to \$601 in the same period last year, representing a \$(777) year-over-year reduction. This reduction in Adjusted EBITDA was mainly driven by increased investments in marketing campaigns and digital marketing programs to drive future sales.

## Summary of Key Financial Results

	For the three months ended December 31		For the six months ended December 31	
	2024	2023	2024	2023
(\$000's, except share and per share amounts)				
Continued operations:	\$	\$	\$	\$
Net revenue	2,754	2,050	5,917	5,722
Cost of sales	1,404	871	2,944	2,542
Inventory write-down	56	75	82	153
Gross profit	1,294	1,104	2,891	3,027
Expenses excluding non-cash expenses	1,544	1,263	3,149	2,579
Depreciation and amortization and share based compensation	397	327	794	662
Total expenses	1,941	1,590	3,943	3,241
Loss from operations	(647)	(486)	(1,052)	(214)
Other (expense) income	(165)	(163)	(236)	(207)
Net gain (loss) from continued operations	(812)	(649)	(1,288)	(421)
Net gain (loss) per share – basic	(0.03)	(0.02)	(0.04)	(0.02)

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

	For the three months ended December 31		For the six months ended December 31	
	2024	2023	2024	2023
(\$000's, except share and per share amounts)				
Loss from operations	(647)	(486)	(1,052)	(214)
Inventory write-down	56	75	82	153
Depreciation and amortization	326	326	652	659
Share-based compensation	71	1	142	3
Adjusted EBITDA(1)	(194)	(84)	(176)	601



## Expenses excluding non-cash items

	For the three months ended December 31		For the six months ended December 31	
	2024	2023	2024	2023
(\$000's, except share and per share amounts)				
General and administration	969	933	1,911	1,846
Sales and marketing	575	330	1,238	733
Total	1,544	1,263	3,149	2,579

## 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 the three and six months ended December 31, 2024 (the "**Q2 2025 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 Q2 2025 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 Q2 2025 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, impacts of the Company's latest marketing campaigns, expectations regarding increases in the Company's revenues and profitability, the Company's growth objectives, growth in new markets, and new distribution channels.

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 Q2 2025 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.*

**Investor Relations:**

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