



**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS**

For the three and twelve months ended December 31, 2024

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the three and twelve months ended December 31, 2024

The following management’s discussion and analysis of financial condition and results of operations (“MD&A”) of Jamieson Wellness Inc. (together with its subsidiaries), referred to herein as “Jamieson”, the “Company”, “we”, “us” or “our”, is dated as of February 26, 2025. It should be read in conjunction with our audited consolidated annual financial statements and accompanying notes for the year ended December 31, 2024.

Our audited consolidated annual financial statements and accompanying notes for the year ended December 31, 2024 have been prepared in accordance with International Financial Reporting Standards (“IFRS”). These audited consolidated annual financial statements include the accounts of our Company and other entities that we control and are reported in Canadian dollars. All references in this MD&A to “Q4 2024” are to our fiscal quarter ended December 31, 2024 and all references to “Q4 2023” are to our fiscal quarter ended December 31, 2023. All references in this MD&A to “YTD 2024” are to our year ended December 31, 2024 and to “YTD 2023” are to our year ended December 31, 2023.

See “*Forward-Looking Information*” and “*Risk Factors*” for a discussion of the uncertainties, risks and assumptions associated with these statements. Actual results may differ materially from those indicated or underlying forward-looking information as a result of various factors, including those referred to under the heading “*Risk Factors*” and elsewhere in this MD&A.

Non-IFRS and Other Financial Measures

This MD&A makes reference to certain financial measures, including non-IFRS financial measures that are historical, non-IFRS measures that are forward-looking, non-GAAP ratios and supplementary financial measures. Management uses these financial measures for purposes of comparison to prior periods and development of future projections and earnings growth prospects. This information is also used by management to measure the profitability of ongoing operations and in analyzing our business performance and trends. These measures are not recognized measures under IFRS, 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, they should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. We use the following non-IFRS financial measures: “EBITDA”, “Adjusted EBITDA”, “Adjusted net earnings”, “normalized gross profit”, “normalized SG&A”, “normalized earnings from operations”, “cash from operating activities before working capital considerations” and “net debt”, the following non-IFRS ratios: “Adjusted EBITDA margin”, “Adjusted diluted earnings per share”, “normalized gross profit margin”, “normalized operating margin”, and the following supplementary financial measures: “gross profit margin” and “operating margin”, to provide 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 financial measures. Management also uses non-IFRS and supplementary financial measures in order to prepare annual operating budgets and to determine components of management compensation. See “*How we Assess the Performance of our Business*” for an explanation of the composition of each such measure, as applicable, and see “*Selected Consolidated Financial Information*” for a quantitative reconciliation of each non-IFRS financial measure to its most directly comparable financial measure disclosed in our financial statements to which the measure relates.

Forward-Looking Information

Certain statements contained in this MD&A including, in particular, in the sections below entitled “*Summary of Factors Affecting our Performance*”, “*Liquidity and Capital Resources*”, “*Outlook*” and “*Risk Factors*”, contain forward-looking information within the meaning of applicable securities laws. Forward-looking information may relate to our future outlook and anticipated events or results and may include information regarding our financial position, business strategy, growth strategy, budgets, operations, financial results, taxes, dividend policy, plans, intentions, beliefs, and objectives of our Company. Particularly, information regarding our expectations of future results, performance, achievements, prospects or opportunities is forward-looking information. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “targets”,

“expects”, “does not expect”, “is expected”, “an opportunity exists”, “budget”, “scheduled”, “estimates”, “outlook”, “forecasts”, “projection”, “prospects”, “strategy”, “intends”, “anticipates”, “does not anticipate”, “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might”, “will”, “will be taken”, “occur” or “be achieved”. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management’s expectations, estimates and projections regarding future events or circumstances.

In addition, our assessments of, and targets for, annual revenue, Adjusted EBITDA, Adjusted diluted earnings per share and certain other measures are considered forward-looking information. See “*Outlook*” for additional information concerning our strategies, assumptions and market outlook in relation to these assessments.

The forward-looking information contained in this MD&A is based on management’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 we believe to be 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. Certain assumptions in respect of the ability to pursue further strategic acquisitions; our ability to source raw materials and other inputs from our suppliers; our ability to continue to innovate product offerings that resonate with our target customer base; our ability to retain key management and personnel; our ability to continue to expand our international presence and grow our brand internationally; our ability to obtain and maintain existing financing on acceptable terms; currency exchange and interest rates; the impact of competition; changes to trends in our industry or global economic factors; and changes to laws, rules, regulations and global standards are material factors made in preparing the forward-looking information and management’s expectations contained in this MD&A.

The forward-looking information contained in this MD&A represents management’s expectations as of the date of this MD&A and is subject to change after such date. However, we disclaim 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. The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

Forward-looking information is necessarily based on a number of opinions, estimates and assumptions that management considered appropriate and reasonable as of the date such statements are made, and is 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 those described below and referred to under the heading “*Risk Factors*” and those discussed under the “*Risk Factors*” section of our most recent annual information form.

We caution that the list of risk factors and uncertainties is not exhaustive and other factors could also adversely affect our results. Readers are urged to consider the risks, uncertainties and assumptions carefully in evaluating the forward-looking information and are cautioned not to place undue reliance on such information.

Company Overview

Jamieson Wellness is a growing global manufacturer, distributor, and marketer of high-quality natural health products, with a leadership position in Canada. From our offices in Canada, the U.S. and China, and our production facilities in Ontario and California, we combine deep consumer insights with extensive research, development and manufacturing capabilities to deliver category-leading innovation and growth.

We are dedicated to Inspiring Better Lives Every Day with our portfolio of innovative natural health brands. Established in 1922, our Jamieson brand is Canada’s #1 consumer health brand. Our youthery brand, acquired in 2022, is an established and growing lifestyle brand in the U.S. Combined, these global brands are available in approximately 50 countries worldwide. We also offer a variety of innovative vitamins, minerals and supplements (“VMS”) as well as sports nutrition products to consumers in Canada with our Progressive, Smart Solutions, Iron Vegan and Precision brands. All of our brands are collectively referred to as our “Jamieson Brands” segment.

In addition to our Jamieson Brands segment, our trusted reputation and strong industry relationships, together with our high-quality production capabilities and certifications attract opportunities for us to manufacture products for select blue-chip consumer health companies and retailers worldwide. More than “white label” manufacturing, this segment of the business is designed to support Jamieson Brands by allowing us to broaden customer relationships and improve asset utilization while providing direct benefit to strategic branded initiatives. We refer to this part of the business as our “Strategic Partners” segment.

VMS and sports nutrition are two large and growing segments of the global consumer health industry. Our reputation for product quality and trust, leading market position and brands, focus on innovation and extensive selection of products, make us the preferred partner for retailers.

Summary of Factors Affecting Our Performance

We believe our performance and future success depend on a number of factors that present significant opportunities for us. These factors are also subject to a number of inherent risks and challenges, some of which are discussed below and referred to under “*Risk Factors*”.

Impact of Geopolitical Tensions

The continued risk surrounding the Eastern Europe and Middle East conflicts may have an adverse impact on our business, financial condition, and results of operations. We do not conduct direct business operations in regions affected by these conflicts, however, we have a sales presence within the broader Eastern Europe and Middle East regions. We currently do not have any measurable disruption to our supply of raw materials and ability to service our customers in these regions.

Over the past year, international markets have experienced heightened inflation and fluctuations in consumer sentiments. These challenges have notably affected our Jamieson International business operations (“Jamieson International”), particularly in neighbouring Eastern European and Middle Eastern regions where we conduct business. We continue to monitor the environment to respond rapidly to the evolving economic landscape and to ensure the continued stability of our business.

Additionally, the most recent actions between the U.S. and Canada with respect to potential import tariffs and the possibility of a prolonged trade war may affect consumer behaviour and require price adjustments to respond to increasing input costs, all of which may adversely affect our business.

Our Brands

Our iconic brands have been built around consumer trust through focus on product quality, purity and potency. Our well-established brands include Jamieson, youtheory, Progressive, Iron Vegan, Smart Solutions, and Precision. Maintaining, enhancing and growing the reputation of our brands globally is critical to our continued success. Failure to do so may materially and adversely affect the business, results of operations or financial condition.

Product Innovation and Planning

We believe that product innovation is integral to our success and we continue to focus on innovation as a key pillar of our growth. Our business is subject to changing consumer trends and preferences which is dependent, in part, on continued consumer interest in our new products, line extensions and reformulations. The success of new product offerings, enhancements, or reformulations depends upon a number of factors, including our ability to: (i) accurately anticipate customer needs; (ii) develop new products, line extensions or reformulations that meet these needs; (iii) successfully commercialize new products, line extensions and reformulations in a timely manner; (iv) price products competitively; (v) manufacture and deliver products in sufficient volumes and in a timely manner; (vi) differentiate product offerings from those of competitors; and (vii) maintain relationships with scientist employees and consultants and members of our panel of consumer health industry experts, which we call the Jamieson Scientific Advisory Board, in order to benefit from their expertise and innovations. We believe our pace of innovation and speed to market with the introduction of new products provide us with a competitive advantage within the space we compete.

Customer Relationships

In our primary markets, we have longstanding and deeply entrenched customer relationships with top retailers across the food, drug, mass (“FDM”), club, health food store, specialty and online retail channels. We sell products through our knowledgeable retail partners and we are dependent on retail partners across all channels to display and present our products to customers, in their brick-and-mortar stores and on their online e-commerce sites. Our partners service customers by stocking and displaying our products, and, in certain health food and other specialty stores, explaining product attributes and health benefits. Our relationships with these retail customers are important for consumer trust in the brand and the advertising and educational programs we continue to deploy. Failure to maintain these relationships with retail partners or financial difficulties experienced by these retail partners could adversely affect our business.

Sourcing and Production

We have developed a strong, global supply chain based on long-standing relationships and have had relationships with the majority of our suppliers for over ten years. We purchase our ingredients from approximately 300 high quality raw material ingredient and packaging suppliers worldwide and potential suppliers are subject to a rigorous evaluation process by our quality assurance department. We are dependent on a stable and consistent supply of materials and inputs, including ingredients and packaging products. Although materials and inputs are generally available from multiple sources, certain materials and inputs are sourced from a restricted number of suppliers. In 2024, our top ten suppliers accounted for approximately 50% of our purchases. As is customary in the consumer health industry, we do not have long-term written contracts with most suppliers and often enter into short to medium-term contracts for raw materials at fixed prices to provide time to address price increases and mitigate margin erosion.

Distribution

Our warehousing and distribution functions are mainly operated under a third-party logistics model through various facilities globally. We enter into agreements with a third-party logistics partner to provide warehousing and distribution services for Jamieson Brands and Strategic Partners finished goods inventories. Our ability to satisfy our customers’ demands and achieve our cost objectives depends on our ability to maintain key logistic and transport arrangements. Our distribution and supply chain could be negatively affected by unforeseen disruptions due to fire, severe weather conditions, natural disasters, or other catastrophic events, public health events, labour disagreements, or other shipping problems. The loss of or disruption to these types of arrangements could interrupt product supply, which in turn could adversely affect the assortment and product availability at the store level of our customers. If not effectively managed or remedied, these events could negatively impact customer experience and adversely affect our operations or financial performance. By leveraging the expertise of the third-party logistics provider, we are able to operate more efficiently and diversify risk from our manufacturing facilities.

Consumer Trends

The consumer health industry is subject to shifts in consumer trends, preferences and spending. Our revenue and operating results depend, in part, on our ability to respond to such changes in a timely manner. As a result of our broad product scope and our strong innovation capabilities, we believe that we are well-positioned to respond to these shifts in consumer trends, preferences and spending.

Our revenue is also impacted by consumer spending habits, including spending on our products, which are affected by many factors that are beyond our control, including, but not limited to, prevailing economic conditions, levels of employment, fuel prices, inflation, salaries and wages, the availability of consumer credit, and consumer perception of economic conditions.

Competition

The market for VMS and sports nutrition products is highly competitive. Our direct competition consists of publicly and privately-owned companies, which tend to be highly fragmented in terms of both geographic market coverage and product categories. In many of our product categories, we compete not only with widely advertised

branded products, but also with private label products. Given our significant scale and broad product scope relative to our competition, iconic brand status, strong innovation capabilities and high-quality manufacturing, we believe that we are well-positioned to capitalize on favorable long-term trends in the VMS and sports nutrition segments. The specialized knowledge, expertise, and certifications required for production of VMS and sports nutrition products, is generally a significant barrier to entry for new competitors. Internationally, our competition varies by market and we have a strategic approach to entering international markets, which includes evaluating certain factors in each market, such as competitiveness, pricing dynamics, growth potential, regulatory environment and the propensity to be attracted to foreign brands.

Foreign Exchange

We may benefit from a natural currency hedge by purchasing certain materials and inputs in U.S. dollars and selling our products internationally in U.S. dollars. With respect to sales in Canada, we are exposed to fluctuating U.S.-Canadian currency exchange rates where the products sold contain materials and inputs purchased with U.S. dollars. We manage our net exposure to fluctuating U.S.-Canadian currency exchange rates with foreign exchange hedging contracts. We may, from time to time, enter into additional foreign exchange hedging contracts in respect of other foreign currencies. With respect to our Chinese operations, we are exposed to the Chinese Renminbi (“RMB”) to Canadian currency exchange rates as certain sales in China are denominated in RMB.

Currency hedging entails a risk of illiquidity and, to the extent the applicable foreign currency depreciates or appreciates against the Canadian dollar, the use of hedges could result in losses greater than if the hedging had not been used. There can be no assurance that our hedging strategies, if any, will be effective in the future or that we will be able to enter into foreign exchange hedging contracts on satisfactory terms.

Business Acquisitions

We leverage our relationships and network of industry participants and advisors to actively source and identify acquisition opportunities. We continue to pursue strategic acquisitions that enable us to further broaden and diversify product offerings and leverage current manufacturing and distribution facilities for new products. Any acquisitions may involve large transactions or realignment of existing investments, integration within our existing structure, and realization of synergies, all of which present financial, managerial, and operational challenges. Failure to successfully overcome these challenges may reduce our profitability.

On April 28, 2023, we completed the acquisition of the operating assets of our former distribution partner in China for a total cash consideration of \$25.8 million, before post-closing cash adjustments. The following table provides a reconciliation of the net assets acquired at their fair value amounts:

	Final fair value as at April 28, 2023
	\$
Inventories	13,697
Customer relationships	8,900
Goodwill	4,867
Deferred tax liability	<u>(1,641)</u>
Total net assets acquired	<u>25,823</u>

The intangible assets acquired include customer relationships, which are amortized over approximately 15 years and expensed through the consolidated statements of operations and comprehensive income on a straight-line basis over the estimated useful life.

The estimated goodwill represents the future economic benefit arising from other assets acquired in the acquisition that are not individually identifiable and separately recognized. The estimated goodwill arising from the acquisition of \$4.9 million is attributable to expected future income and cash-flow projections and synergies we expect to achieve in leveraging our platform. Certain intangible assets and goodwill are not expected to be deductible for tax

purposes.

Chinese Operations Strategic Partnership

On May 16, 2023, we completed our transaction with DCP Capital (“DCP”) with respect to our operations in China. The transaction involved DCP’s contribution of \$47.1 million (USD \$35.0 million) in capital in exchange for a 33% minority interest in Jamieson Health Products (Cayman Islands) Limited (“Jamieson-DCP Partnership”), which in turn holds Jamieson Health Products (Shanghai) Co., Ltd. (“Jamieson Shanghai”), Jamieson Health Products (Hong Kong) Trading Limited, and Jamieson Health Products (Hong Kong) Limited (together with Jamieson-DCP Partnership, “China Operations”), less transaction costs of \$2.7 million.

The strategic partnership with DCP is another significant step forward as we accelerate our growth plans in the Chinese market. In conjunction with DCP’s \$47.1 million investment in our China Operations on May 16, 2023, DCP also completed its subscription for 2,527,121 Series A Preference Shares of the Company (“Preferred Shares”) and 2,527,121 warrants (“Warrants”) to purchase common shares of the Company for proceeds of \$101.6 million (USD \$75 million). The Preferred Shares carry a nominal annual dividend of \$0.01 per share and are redeemable at \$101.6 million by DCP between May 15, 2025 and May 15, 2028, representing the second and fifth anniversary from the completion of the transaction, respectively. The Warrants are exercisable by DCP beginning May 15, 2025 and expire on May 15, 2028. The exercise price of the Warrants is \$40.19 per share representing a 10% premium to the 20-day volume weighted average common share price as of the signing of the subscription agreement on February 23, 2023.

Refer to Note 5, Note 17, and Note 19 of our audited consolidated annual financial statements for additional information on the China Operations Strategic Partnership.

Guidance from Canadian securities regulators provides that issuers operating in markets deemed “emerging markets” (including China) must include additional disclosure with respect to operations in such markets. Although China is considered to be a relatively stable jurisdiction for business, it is possible that operating in China may expose the us to a certain degree of political, economic and other risks and uncertainties. For these reasons, the following disclosure is included in contemplation of the guidance in *Staff Notice 51-720 – Issuer Guide for Companies Operating in Emerging Markets* of the Ontario Securities Commission.

Our business, financial condition and financial performance may be influenced by the political, economic and legal environments in China, and by the general state of the Chinese economy on an increasing basis over the next several years. While the board and our management team in Shanghai is comprised of a majority of experienced senior management employees and local residents whose jobs is to maintain appropriate oversight over our operations in China and who are supported by our experienced service providers, consultants, partners and legal advisors who ensure compliance with China’s regulatory requirements, our business may be influenced by, among other things, changes in laws, governmental policies and regulations, changing political conditions, anti-inflationary measures, tariffs and retaliatory trade measures, restrictions on foreign exchange and currency controls, and changes in taxation policies.

Changes in investment policies or shifts in political attitude in China may adversely affect our business, results of operations and financial condition. Operations may be affected in varying degrees by government regulations with respect to, but not limited to price controls, income taxes, restrictions on production, foreign investment, bank lending, intellectual property, export controls, and nationalization or expropriation of property or business. Any events resulting in an adverse impact on the Chinese economy may have an adverse effect on our profitability in the region (for more information, see “*Risk Factors*” below).

Implementation of Growth Strategies

We have a successful track record of growing revenues faster than the broader VMS segment and we believe we have a strong domestic and international growth strategy in place aimed at continuing to exceed broader industry growth rates. Our future success depends, in part, on management’s ability to implement our growth strategy, including (i) continued growth within our three key markets of Canada, the U.S., and China led by product innovations within existing and into adjacent categories, continued growth of existing products in existing categories, and new

distribution opportunities; (ii) further penetration into international markets and new geographies; and (iii) in support of our profitability targets, improvements in gross profit, earnings from operations and operating margins. The ability to implement this growth strategy depends, among other things, on our ability to develop new products and product line extensions that appeal to consumers, maintain and expand brand loyalty and brand recognition, maintain and improve competitive position in the channels in which we compete and identify and successfully enter and market products in new geographic markets, market segments and categories.

Regulation

We are subject to the laws and regulations applicable to any business engaged in formulation, production and distribution of consumer health products in the jurisdictions in which we operate. This includes natural health product regulations, laws governing advertising, consumer protection regulations, environmental laws, laws governing the operation of warehouse facilities and labour and employment laws. We hold all required and applicable site licenses, certifications and import licenses for all of our manufacturing and distribution centres. Our products sold internationally are subject to tariffs, treaties and various trade agreements as well as laws affecting the importation of consumer goods and we continuously monitor changes in these laws, regulations, treaties and agreements.

There is currently no uniform regulation applicable to natural health products worldwide and there has been an increasing movement in certain foreign markets to increase the regulation of natural health products. The adoption of new laws, regulations or other constraints or changes in the interpretations of such requirements may result in compliance costs or lead us to discontinue product sales and may have an adverse effect on the marketing of our products, resulting in loss of sales. We believe that Canadian regulations are amongst the most stringent worldwide and, as we currently operate in compliance with these high standards, increased regulation in foreign jurisdictions makes us uniquely positioned to grow sales in such jurisdictions.

How We Assess the Performance of our Business

The key performance indicators below are used by management in evaluating the performance of our Company and assessing our business. We refer to certain key performance indicators used by management and typically used by our competitors in the Canadian consumer health industry, some of which are not recognized under IFRS as identified below. See “*Non-IFRS and Other Financial Measures*” for more information on each non-IFRS financial measure, non-IFRS ratio and supplementary measure. See “*Selected Consolidated Financial Information*” for a quantitative reconciliation of each non-IFRS financial measure to its most directly comparable financial measure disclosed in our financial statements to which the measure relates.

Revenue

The majority of our revenue is derived from the sale of Jamieson branded products to distributors, retail and wholesale customers, as well as providing contract manufacturing services and the sale of product through our Strategic Partners segment.

Revenue is recognized for the sale of Jamieson branded products and the manufacturing of products to our strategic partners at the point in time when control of the asset is transferred to the customer, based on applicable shipping terms. We generally have a right to payment at the time of delivery (which is the same time that we have satisfied our performance obligations under the arrangement), as such, a receivable is recognized as the consideration is unconditional and only the passage of time is required before payment is due.

A portion of our revenue is derived from contract manufacturing services provided to customers in our Strategic Partners segment under a tolling arrangement where the customer supplies us with a raw material or ingredient. Revenue is recognized net of the cost of the raw material or ingredient supplied by the customer.

Rights of return give rise to variable consideration. The variable consideration is estimated at contract inception using the expected value method as this best predicts the amount of variable consideration to which we are entitled. The variable consideration is constrained to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when any uncertainty is subsequently resolved. For

products that are expected to be returned, a refund liability is recognized as a reduction of revenue at the time the control of the products purchased is transferred to the customers.

We may provide discounts and sales promotional incentives to our customers, which give rise to variable consideration. The variable consideration is constrained to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when any uncertainty is subsequently resolved. The application of the constraint on variable consideration increases the amount of revenue that will be deferred. We apply the most likely amount method estimating discounts provided to customers using contracted rates and estimating sales promotional incentives provided to customers based on historical spending patterns. We may also provide other consideration to customers for customer-specific programs to promote our products. Consequently, revenues are recognized net of these estimated program costs. All other estimated non-customer-specific promotional costs and consideration are expensed as selling, general and administrative (“SG&A”) expenses.

In subsequent periods, we monitor the performance of customers against agreed-upon obligations related to sales incentive programs and make any adjustments to both revenue and sales incentive accruals as required.

As required for the audited consolidated annual financial statements, we have disaggregated revenue recognized from contracts with customers. Please refer to Note 26 in our audited consolidated annual financial statements for the disclosure on disaggregated revenue.

Gross Profit

“Gross profit” is defined as revenue less cost of sales. Cost of sales includes product-related costs, labour, other operating costs such as rent, repair and maintenance, and amortization. Our cost of sales may include different costs compared to other manufacturers and distributors in the consumer health industry. Management believes that gross profit is a useful measure in assessing our underlying operating performance before SG&A expenses and share-based compensation.

Gross Profit Margin

“Gross profit margin” is defined as gross profit divided by revenue. Gross profit margin is a supplementary financial measure.

Normalized Gross Profit and Normalized Gross Profit Margin

“Normalized gross profit” is defined as gross profit adjusted for non-operating expenses. Normalized gross profit is a non-IFRS financial measure and its most directly comparable financial measure that is disclosed in our financial statements is gross profit. We believe normalized gross profit is a useful measure in assessing our operating results by excluding the effects of the amortization of fair value adjustments on acquired inventories and labour relations costs that are not reflective of our operating performance. “Normalized gross profit margin” is defined as normalized gross profit divided by revenue. Normalized gross profit margin is a non-IFRS ratio.

SG&A

Our SG&A expenses are predominantly comprised of wages, benefits, travel, marketing, consulting fees, accounting fees, legal fees, non-customer-specific promotional costs and other expenses related to the corporate infrastructure required to support our business. Our SG&A expenses also include regulatory, legal, accounting, insurance, termination benefits and other expenses associated with being a public company.

Normalized SG&A

“Normalized SG&A” is defined as SG&A adjusted for non-operating expenses. Normalized SG&A is a non-IFRS financial measure and its most directly comparable financial measure that is disclosed in our financial statements is SG&A. We believe normalized SG&A is a useful measure as it excludes the effects of (i) acquisition and divestiture

related costs; (ii) IT system implementation costs; (iii) labour relations costs; and (iv) legal and other non-operating costs that are not reflective of our operating performance.

Earnings from Operations

“Earnings from operations” is defined as gross profit less SG&A expenses and share-based compensation.

Operating Margin

“Operating margin” is defined as earnings from operations divided by revenue. Operating margin is a supplementary financial measure.

Normalized Earnings from Operations and Normalized Operating Margin

“Normalized earnings from operations” is defined as earnings from operations adjusted for non-operating expenses. Normalized earnings from operations is a non-IFRS financial measure and its most directly comparable financial measure that is disclosed in our financial statements is earnings from operations. We believe normalized earnings from operations is a useful measure in assessing our operating results by excluding the effects of (i) acquisition and divestiture related costs; (ii) IT system implementation costs; (iii) labour relations costs; (iv) amortization of fair value adjustments; (v) acquisition related purchase consideration and post-closing adjustments and (vi) legal and other non-operating costs that are not reflective of our operating performance. “Normalized operating margin” is defined as normalized earnings from operations divided by revenue. Normalized operating margin is a non-IFRS ratio.

EBITDA

“EBITDA” is defined as net earnings before: (i) provision for (recovery of) income taxes; (ii) interest expense (iii) accretion on preferred shares; (iv) depreciation of property, plant, and equipment; and (v) amortization of intangible assets. EBITDA is a non-IFRS financial measure and its most directly comparable financial measure that is disclosed in our financial statements is net earnings. We believe that EBITDA is a useful measure to assess the performance and cash flow of our Company.

Adjusted EBITDA

“Adjusted EBITDA” is defined as EBITDA before: (i) share-based compensation; (ii) foreign exchange loss; (iii) acquisition and divestiture related costs; (iv) labour relations costs; (v) IT system implementation costs; (vi) amortization of fair value adjustments; (vii) acquisition related purchase consideration and post-closing adjustments; and (viii) legal and other non-operating costs. Adjusted EBITDA is a non-IFRS financial measure and its most directly comparable financial measure that is disclosed in our financial statements is net earnings. We believe Adjusted EBITDA is a useful measure to assess the performance and cash flow of our Company as it provides more meaningful operating results by excluding the effects of interest, taxes, depreciation and amortization costs, expenses we believe are not reflective of our underlying business performance.

Adjusted EBITDA Margin

“Adjusted EBITDA margin” is defined as Adjusted EBITDA divided by revenue. Adjusted EBITDA Margin is a non-IFRS ratio. We believe Adjusted EBITDA margin is a useful measure to assess the performance and cash flow of our Company.

Adjusted Net Earnings

“Adjusted net earnings” is defined as consolidated net earnings adjusted for the impact of: (i) share-based compensation; (ii) foreign exchange loss; (iii) acquisition and divestiture related costs; (iv) IT system implementation costs; (v) labour relations costs; (vi) accretion on preferred shares; (vii) amortization of fair value adjustments; (viii) acquisition related purchase consideration and post-closing adjustments and (ix) legal and other non-operating costs.

Adjusted net earnings is a non-IFRS financial measure and its most directly comparable financial measure that is disclosed in our financial statements is net earnings. We believe Adjusted net earnings is a useful measure to assess the performance of our Company as it provides more meaningful operating results by excluding the effects of expenses that are not reflective of our underlying business performance.

Adjusted Diluted Earnings per Share

“Adjusted diluted earnings per share” is defined as Adjusted net earnings divided by the total weighted average number of outstanding diluted shares at the end of the most recently completed quarter for the relevant period. Adjusted diluted earnings per share is a non-IFRS ratio. We believe Adjusted diluted earnings per share is a useful measure to assess the performance of our Company.

Net Debt

“Net debt” is defined as long-term debt less cash. Net debt is a non-IFRS financial measure and its most directly comparable financial measure that is disclosed in our financial statements is long-term debt. We believe net debt is a useful measure in managing our capital structure and financing requirements.

Investments in Working Capital

“Investments in working capital” is defined as net change in non-cash working capital less receivables on gain from acquisition related working capital. Investments in working capital is a non-IFRS financial measure and its most directly comparable financial measure that is disclosed in our financial statements is net change in non-cash working capital. We believe investments in working capital is a useful measure in assessing cash flow from operations.

Cash from Operating Activities Before Working Capital Considerations

“Cash from operating activities before working capital considerations” is defined as cash from operating activities plus net change in non-cash working capital. Cash from operating activities before working capital considerations is a non-IFRS financial measure and its most directly comparable financial measure that is disclosed in our financial statements is cash flows from operating activities. We believe cash from operating activities before working capital considerations is a useful measure in assessing cash flow from operations and liquidity.

Selected Consolidated Financial Information

The following table provides selected historical financial information and other data of ours which should be read in conjunction with our audited consolidated annual financial statements and related notes. A quantitative reconciliation of net earnings to EBITDA, Adjusted EBITDA, and Adjusted net earnings can be found below.

	Three months ended December 31		Twelve months ended December 31	
	2024	2023	2024	2023
<i>(\$ in 000's, except as otherwise noted)</i>				
Revenue	244,781	220,365	733,780	676,172
Cost of sales	144,555	141,338	458,170	442,613
Gross profit	100,226	79,027	275,610	233,559
Gross profit margin ⁽¹⁾	40.9%	35.9%	37.6%	34.5%
Selling, general and administrative expenses	49,082	42,300	174,489	140,304
Acquisition related adjustments	(12,425)	(7,863)	(12,425)	(7,863)
Share-based compensation	1,987	1,534	7,268	5,868
Earnings from operations	61,582	43,056	106,278	95,250
Operating margin ⁽¹⁾	25.2%	19.5%	14.5%	14.1%
Foreign exchange loss	1,852	1,676	1,479	1,962
Interest expense and other financing costs	5,684	4,885	20,272	22,784
Accretion on preferred shares	2,220	1,965	8,729	4,833
Earnings before income taxes	51,826	34,530	75,798	65,671
Provision for income taxes	15,705	10,530	24,665	19,631
Net earnings	36,121	24,000	51,133	46,040
Net earnings attributable to:				
Shareholders	36,810	24,407	51,914	47,882
Non-controlling interests	(689)	(407)	(781)	(1,842)
	36,121	24,000	51,133	46,040
Adjusted net earnings ⁽²⁾	34,641	28,615	69,044	66,084
EBITDA ⁽²⁾	63,890	46,516	123,331	113,611
Adjusted EBITDA ⁽²⁾	59,437	50,628	141,003	138,063
Adjusted EBITDA margin ⁽³⁾	24.3%	23.0%	19.2%	20.4%
Weighted average number of shares				
Basic	41,818,220	42,062,117	41,580,983	41,960,516
Diluted	43,179,260	42,766,299	42,843,210	42,650,501
Earnings per share attributable to common shareholders:				
Basic, earnings per share	0.86	0.57	1.23	1.10
Diluted, earnings per share	0.84	0.56	1.19	1.08
Adjusted diluted, earnings per share ⁽³⁾	0.80	0.67	1.61	1.55

(1) This is a supplementary financial measure and is used throughout this MD&A. See “*Non-IFRS and Other Financial Measures*” for more information on each supplementary financial measure. See “*How we Assess the Performance of our Business*” for an explanation of the composition of such measure.

(2) This is a non-IFRS financial measure and is used throughout this MD&A. See “*Non-IFRS and Other Financial Measures*” for more information on each non-IFRS financial measure. See “*How we Assess the Performance of our Business*” for an explanation of the composition of such measure.

- (3) This is a non-IFRS ratio and is used throughout this MD&A. See “*Non-IFRS and Other Financial Measures*” for more information on each non-IFRS ratio. See “*How we Assess the Performance of our Business*” for an explanation of the composition of such ratio.

The following table provides selected consolidated financial position data for the periods indicated.

<i>(\$ in 000's)</i>	As at December 31, 2024	As at December 31, 2023
Selected Consolidated Financial Position Data:		
Total assets	1,208,793	1,143,574
Total non-current liabilities	487,732	517,050

Results of Operations – three months ended December 31, 2024 and 2023

The following table provides a summary of our results for the three months ended December 31, 2024 and December 31, 2023.

<i>(\$ in 000's, except as otherwise noted)</i>	Three months ended December 31		\$ Change	% Change
	2024	2023		
Revenue	244,781	220,365	24,416	11.1%
Cost of sales	144,555	141,338	3,217	2.3%
Gross profit	100,226	79,027	21,199	26.8%
Gross profit margin ⁽¹⁾	40.9%	35.9%	-	5.0%
Selling, general and administrative expenses	49,082	42,300	6,782	16.0%
Acquisition related adjustments	(12,425)	(7,863)	(4,562)	(58.0%)
Share-based compensation	1,987	1,534	453	29.5%
Earnings from operations	61,582	43,056	18,526	43.0%
Operating margin ⁽¹⁾	25.2%	19.5%	-	5.7%
Foreign exchange loss	1,852	1,676	176	10.5%
Interest expense and other financing costs	5,684	4,885	799	16.4%
Accretion on preferred shares	2,220	1,965	255	13.0%
Earnings before income taxes	51,826	34,530	17,296	50.1%
Provision for income taxes	15,705	10,530	5,175	49.1%
Net earnings	36,121	24,000	12,121	50.5%
Net earnings attributable to:				
Shareholders	36,810	24,407	12,403	50.8%
Non-controlling interests	(689)	(407)	(282)	(69.3%)
	36,121	24,000	12,121	50.5%
Adjusted net earnings ⁽²⁾	34,641	28,615	6,026	21.1%
EBITDA ⁽²⁾	63,890	46,516	17,374	37.4%
Adjusted EBITDA ⁽²⁾	59,437	50,628	8,809	17.4%
Adjusted EBITDA margin ⁽³⁾	24.3%	23.0%	-	1.3%

The following tables provide a quantitative reconciliation of net earnings to EBITDA, Adjusted EBITDA, and Adjusted net earnings, as well as gross profit to normalized gross profit, SG&A to normalized SG&A, earnings from operations to normalized earnings from operations, each of which are non-IFRS financial measures (see “*Non-IFRS and Other Financial Measures*” and “*How we Assess the Performance of our Business*” for further information on each non-IFRS financial measure), for the three months ended December 31, 2024 and December 31, 2023.

	Three months ended		\$ Change	% Change
	December 31			
	2024	2023		
<i>(\$ in 000's, except as otherwise noted)</i>				
Net earnings:	36,121	24,000	12,121	50.5%
<i>Add:</i>				
Provision for income taxes	15,705	10,530	5,175	49.1%
Interest expense and other financing costs	5,684	4,885	799	16.4%
Accretion on preferred shares	2,220	1,965	255	13.0%
Depreciation of property, plant, and equipment	2,635	3,589	(954)	(26.6%)
Amortization of intangible assets	1,525	1,547	(22)	(1.4%)
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	63,890	46,516	17,374	37.4%
Share-based compensation ⁽¹⁾	1,987	1,534	453	29.5%
Foreign exchange loss	1,852	1,676	176	10.5%
Acquisition and divestiture related costs ⁽²⁾	168	2,846	(2,678)	(94.1%)
Labour relations costs ⁽³⁾	777	-	777	100.0%
IT system implementation ⁽⁴⁾	2,141	3,274	(1,133)	(34.6%)
Amortization of fair value adjustments ⁽⁵⁾	-	2,621	(2,621)	(100.0%)
Acquisition related purchase consideration and post-closing adjustments ⁽⁶⁾	(12,425)	(7,863)	(4,562)	(58.0%)
Legal and other ⁽⁷⁾	1,047	24	1,023	4262.5%
Adjusted EBITDA	59,437	50,628	8,809	17.4%
Provision for income taxes	(15,705)	(10,530)	(5,175)	(49.1%)
Interest expense and other financing costs	(5,684)	(4,885)	(799)	(16.4%)
Depreciation of property, plant, and equipment	(2,635)	(3,589)	954	26.6%
Amortization of intangible assets	(1,525)	(1,547)	22	1.4%
Share-based compensation ⁽¹⁾	(1,865)	(1,411)	(454)	(32.2%)
Tax effect of normalization adjustments	2,618	(51)	2,669	5233.3%
Adjusted net earnings	34,641	28,615	6,026	21.1%

	Three months ended		\$ Change	% Change
	December 31			
	2024	2023		
<i>(\$ in 000's, except as otherwise noted)</i>				
Gross profit	100,226	79,027	21,199	26.8%
Labour relations costs ⁽³⁾	315	-	315	100.0%
Amortization of fair value adjustments ⁽⁵⁾	-	2,621	(2,621)	(100.0%)
Normalized gross profit ⁽⁸⁾	100,541	81,648	18,893	23.1%
Normalized gross profit margin ⁽⁹⁾	41.1%	37.1%	-	4.0%
Selling, general and administrative expenses	49,082	42,300	6,782	16.0%
Acquisition and divestiture related costs ⁽²⁾	(168)	(2,846)	2,678	94.1%
IT system implementation ⁽⁴⁾	(2,141)	(3,274)	1,133	34.6%
Labour relations costs ⁽³⁾	(462)	-	(462)	(100.0%)
Legal and other ⁽⁷⁾	(1,047)	(24)	(1,023)	(4262.5%)
Normalized selling, general and administrative expenses ⁽⁸⁾	45,264	36,156	9,108	25.2%
Earnings from operations	61,582	43,056	18,526	43.0%
Acquisition and divestiture related costs ⁽²⁾	168	2,846	(2,678)	(94.1%)
IT system implementation ⁽⁴⁾	2,141	3,274	(1,133)	(34.6%)
Labour relations costs ⁽³⁾	777	-	777	100.0%
Amortization of fair value adjustments ⁽⁵⁾	-	2,621	(2,621)	(100.0%)
Acquisition related purchase consideration and post-closing adjustments ⁽⁶⁾	(12,425)	(7,863)	(4,562)	(58.0%)
Legal and other ⁽⁷⁾	1,047	24	1,023	4262.5%
Normalized earnings from operations ⁽⁸⁾	53,290	43,958	9,332	21.2%
Normalized operating margin ⁽⁹⁾	21.8%	19.9%	-	1.9%

- (1) Our share-based compensation expense pertains to our long-term incentive plan (the “LTIP”) (refer to “*Share-based compensation*”), with stock options, performance-based share units (“PSUs”), time-based restricted share units (“RSUs”), and deferred share units (“DSUs”) expenses, along with associated payroll taxes.
- (2) Current period mainly pertains to integration costs relating to the acquisition of our former distributor partner in China which closed on April 28, 2023, while prior year was mainly comprised of integration costs associated with the acquisition of our former distributor partner in China and the acquisition of youtheory in the U.S.
- (3) These expenses are comprised of expenditures related to the labour disruption and service recovery experienced as a result of the labour disruption in Q1 2024, including fines and penalties incurred related to customer shipments, and freight costs to expedite shipments to customers.
- (4) Mainly pertains to development costs associated with our IT system implementation to augment our system infrastructure. Unlike other system improvement projects with costs capitalized, due to its cloud-based nature, these system implementation costs are expensed accordingly.
- (5) Post-closing amortization of the fair value increase of acquired inventories related to the April 28, 2023 transaction with our former distribution partner in China.
- (6) To adjust for the fair value of purchase consideration accounted for as compensation in the 2022 youtheory acquisition, net of post-acquisition working capital adjustments to reflect acquired liabilities.
- (7) Other costs comprise primarily of a reserve for an indirect tax credit relating to historical years.
- (8) Non-IFRS financial measure used throughout this MD&A. See “*Non-IFRS and Other Financial Measures*” for more information on each non-IFRS financial measure. See “*How we Assess the Performance of our Business*” for an explanation of the composition of such measure.

- (9) A non-IFRS ratio and is used throughout this MD&A. See “*Non-IFRS and Other Financial Measures*” for more information on each non-IFRS ratio. See “*How we Assess the Performance of our Business*” for an explanation of the composition of such ratio.

The following table provides selected financial information for the Jamieson Brands operating segment for the three months ended December 31, 2024 and December 31, 2023.

Jamieson Brands

(\$ in 000's, except as otherwise noted)

For the three months ended December 31,

	2024	2023	\$ Change	% Change
Revenue	202,621	181,007	21,614	11.9%
Gross profit	94,395	73,082	21,313	29.2%
Gross profit margin	46.6%	40.4%	-	6.2%
Normalized gross profit	94,710	75,703	19,007	25.1%
Normalized gross profit margin	46.7%	41.8%	-	4.9%
Selling, general and administrative expenses	47,621	40,751	6,870	16.9%
Normalized selling, general and administrative expenses	43,803	34,631	9,172	26.5%
Acquisition related adjustments	(12,425)	(7,863)	(4,562)	(58.0%)
Share-based compensation	1,987	1,534	453	29.5%
Earnings from operations	57,212	38,660	18,552	48.0%
Operating margin	28.2%	21.4%	-	6.8%
Normalized earnings from operations	48,920	39,538	9,382	23.7%
Normalized operating margin	24.1%	21.8%	-	2.3%
Adjusted EBITDA	54,341	45,404	8,937	19.7%
Adjusted EBITDA margin	26.8%	25.1%	-	1.7%

(\$ in 000's, except as otherwise noted)

For the three months ended December 31,

	2024	2023	\$ Change	% Change
Gross profit	94,395	73,082	21,313	29.2%
Labour relations costs	315	-	315	100.0%
Amortization of fair value adjustments	-	2,621	(2,621)	(100.0%)
Normalized gross profit	94,710	75,703	19,007	25.1%
Normalized gross profit margin	46.7%	41.8%	-	4.9%
Selling, general and administrative expenses	47,621	40,751	6,870	16.9%
Acquisition and divestiture related costs	(168)	(2,846)	2,678	94.1%
IT system implementation	(2,141)	(3,274)	1,133	34.6%
Legal and other	(1,047)	-	(1,047)	(100.0%)
Labour relations costs	(462)	-	(462)	(100.0%)
Normalized selling, general and administrative expenses	43,803	34,631	9,172	26.5%
Earnings from operations	57,212	38,660	18,552	48.0%
Acquisition and divestiture related cost	168	2,846	(2,678)	(94.1%)
IT system implementation	2,141	3,274	(1,133)	(34.6%)
Labour relations costs	777	-	777	100.0%
Amortization of fair value adjustments	-	2,621	(2,621)	(100.0%)
Acquisition related purchase consideration adjustments	(12,425)	(7,863)	(4,562)	(58.0%)
Legal and other	1,047	-	1,047	100.0%
Normalized earnings from operations	48,920	39,538	9,382	23.7%
Normalized operating margin	24.1%	21.8%	-	2.3%

The following table provides a quantitative reconciliation for the Jamieson Brands operating segment from earnings from operations to Adjusted EBITDA, which is a non-IFRS financial measure (see “*Non-IFRS and Other*”

Financial Measures” and *“How we Assess the Performance of our Business”* for further information on each non-IFRS financial measure), for the three months ended December 31, 2024 and December 31, 2023.

(\$ in 000's, except as otherwise noted)

For the three months ended December 31,	2024	2023	\$ Change	% Change
Earnings from operations	57,212	38,660	18,552	48.0%
Depreciation of property, plant, and equipment	1,909	2,785	(876)	(31.5%)
Amortization of intangible assets	1,525	1,547	(22)	(1.4%)
Share-based compensation	1,987	1,534	453	29.5%
Acquisition and divestiture related cost	168	2,846	(2,678)	(94.1%)
Labour relations costs	777	-	777	100.0%
IT system implementation	2,141	3,274	(1,133)	(34.6%)
Amortization of fair value adjustments	-	2,621	(2,621)	(100.0%)
Acquisition related purchase consideration adjustments	(12,425)	(7,863)	(4,562)	(58.0%)
Legal and other	1,047	-	1,047	100.0%
Adjusted EBITDA	54,341	45,404	8,937	19.7%

The following table provides selected financial information for the Strategic Partners operating segment for the three months ended December 31, 2024 and December 31, 2023.

Strategic Partners

(\$ in 000's, except as otherwise noted)

For the three months ended December 31,	2024	2023	\$ Change	% Change
Revenue	42,160	39,358	2,802	7.1%
Gross profit	5,831	5,945	(114)	(1.9%)
Gross profit margin	13.8%	15.1%	-	(1.3%)
Selling, general and administrative expenses	1,461	1,549	(88)	(5.7%)
Normalized selling, general and administrative expenses	1,461	1,525	(64)	(4.2%)
Earnings from operations	4,370	4,396	(26)	(0.6%)
Operating margin	10.4%	11.2%	-	(0.8%)
Normalized earnings from operations	4,370	4,420	(50)	(1.1%)
Normalized operating margin	10.4%	11.2%	-	(0.8%)
Adjusted EBITDA	5,096	5,224	(128)	(2.5%)
Adjusted EBITDA margin	12.1%	13.3%	-	(1.2%)

(\$ in 000's, except as otherwise noted)

For the three months ended December 31,	2024	2023	\$ Change	% Change
Selling, general and administrative expenses	1,461	1,549	(88)	(5.7%)
Legal and other	-	(24)	24	(100.0%)
Normalized selling, general and administrative expenses	1,461	1,525	(64)	(4.2%)
Earnings from operations	4,370	4,396	(26)	(0.6%)
Legal and other	-	24	(24)	(100.0%)
Normalized earnings from operations	4,370	4,420	(50)	(1.1%)
Normalized operating margin	10.4%	11.2%	-	(0.8%)

The following table provides a quantitative reconciliation for the Strategic Partners operating segment from earnings from operations to Adjusted EBITDA, which is a non-IFRS financial measure (see *“Non-IFRS and Other Financial Measures”* and *“How we Assess the Performance of our Business”* for further information on each non-IFRS financial measure), for the three months ended December 31, 2024 and December 31, 2023.

(\$ in 000's, except as otherwise noted)

For the three months ended December 31,	2024	2023	\$ Change	% Change
Earnings from operations	4,370	4,396	(26)	(0.6%)
Depreciation of property, plant, and equipment	726	804	(78)	(9.7%)
Legal and other	-	24	(24)	(100.0%)
Adjusted EBITDA	5,096	5,224	(128)	(2.5%)

Revenue

Revenue increased by 11.1%, or \$24.4 million, to \$244.8 million in Q4 2024. This was driven by 11.9% growth in Jamieson Brands revenue and 7.1% growth in Strategic Partners revenue compared with Q4 2023.

Revenue in the Jamieson Brands segment increased by \$21.6 million, or 11.9%, to \$202.6 million in Q4 2024. Canada revenue increased by 11.4% in Q4 2024, driven by continued strong consumer consumption and in market pricing while revenue in the prior year's fourth quarter was negatively impacted by distributor inventory reduction. Youtheory international, new distribution and e-commerce revenue increased by over 25% in the quarter through innovation and expanded offerings as we integrated sales efforts with our existing Jamieson sales force and our new e-commerce business partnership. Total youtheory shipment growth of 2.3% (9% YTD) was impacted by the timing of promotional purchases within our traditional distribution base, partially offsetting double digit consumption growth. China shipments grew 38.9% compared with Q4 2023 on a constant currency basis reflecting investment to drive brand awareness, market penetration, new e-commerce programs, and another strong 11/11 promotional period. Jamieson International revenue increased by 14.2% on a constant currency basis, driven by innovation and market expansion in the Middle East and continued consumption growth in multiple regions.

Revenue in the Strategic Partners segment increased by \$2.8 million, or 7.1%, to \$42.2 million in Q4 2024, driven by customer ordering patterns and initial shipment of new business.

Gross profit

Gross profit increased by \$21.2 million to \$100.2 million in Q4 2024, while normalized gross profit increased by \$18.9 million mainly driven by higher revenues and increased margins. Gross profit margin increased by 500 basis points to 40.9% in Q4 2024 due to a higher proportion of growth in Jamieson Brands sales, while normalized gross profit margin increased 400 basis points after normalizing for the amortization of fair value adjustment in the prior year.

Gross profit in the Jamieson Brands segment increased by \$21.3 million to \$94.4 million in Q4 2024, while normalized gross profit increased by \$19.0 million mainly driven by revenue growth and higher margins. Gross profit margin increased by 620 basis points to 46.6%, while normalized gross profit margin increased by 490 basis points to 46.7% mainly driven by volume growth and favourable channel mix in China.

Gross profit in the Strategic Partners segment decreased by \$0.1 million to \$5.8 million and gross profit margin decreased by 130 basis points to 13.8% in Q4 2024, impacted by reduced manufacturing efficiencies, partially offset by customer mix.

Selling, general and administrative expenses

SG&A expenses of \$49.1 million in Q4 2024 increased by \$6.8 million, or 16.0%, compared to Q4 2023. Excluding the impact of specified costs, SG&A expenses increased by \$9.1 million or 25.2% in Q4 2024, mainly driven by timing of variable compensation and investments to grow our brand as we continue to prioritize our global expansion initiatives with resources, marketing and infrastructure to support our growth in China, where we increased spending on digital and traditional brand awareness as well as equity building programs.

Specified costs of \$3.8 million in Q4 2024 are mainly comprised of \$2.1 million in development costs associated with our IT system implementation to augment our system infrastructure.

Share-based compensation

Share-based compensation increased by \$0.5 million to \$2.0 million in Q4 2024 reflecting wage inflation and additional grants in the current year.

Earnings from operations and operating margin

Earnings from operations increased by \$18.5 million driven by higher gross profit and acquisition related

adjustments, partially offset by investments in SG&A. Operating margin increased by 570 basis points to 25.2% in Q4 2024 due to higher gross profit margin. Normalized earnings from operations increased by \$9.3 million, or 21.2% in Q4 2024, and normalized operating margin was 21.8% compared with 19.9% in Q4 2023 due to higher gross profit.

Earnings from operations in the Jamieson Brands segment increased by \$18.6 million and operating margin is 28.2%. Normalized earnings from operations increased by \$9.4 million driven by higher gross profit, partially offset by timing of variable compensation in SG&A. Normalized operating margin increased by 230 basis points to 24.1% in Q4 2024 due to higher gross profit.

Earnings from operations in the Strategic Partners segment was consistent with Q4 2023, while operating margin decreased 80 basis points to 10.4% due to reduced manufacturing efficiencies, partially offset by customer mix.

Foreign exchange loss

Foreign exchange loss of \$1.9 million in Q4 2024 resulted from changes in currency exchange rates on our foreign denominated accounts receivable and accounts payable at the end of the quarter. We experience fluctuations from USD/CAD and RMB/CAD exchange rates between the date of transaction and when cash is realized.

Interest expense and other financing costs

Interest expense and other financing costs increased by \$0.8 million to \$5.7 million in Q4 2024 primarily resulting from higher average borrowings in the current period.

Accretion on preferred shares

Preferred shares issued on May 16, 2023 as part of the Jamieson-DCP Partnership accrete at approximately 9.6% to its redeemable value of \$101.6 million at May 15, 2025. Accretion expense of \$2.2 million was realized during Q4 2024.

Income taxes

Provision for income taxes was \$15.7 million in Q4 2024 compared with a provision of \$10.5 million in Q4 2023. Our Q4 2024 effective tax rate of 30.3% is consistent with our Q4 2023 effective tax rate of 30.5%.

Net Earnings and adjusted net earnings

Net earnings for the quarter was \$36.1 million, while adjusted net earnings was \$34.6 million or \$6.0 million higher than Q4 2023, with higher normalized earnings from operations.

Net loss attributable to non-controlling interests

Net loss attributable to non-controlling interests was \$0.7 million. This represents DCP's minority interest on our China operations, with higher revenue offset by investments in on-the-ground capabilities, brand awareness and social marketing in the region.

Depreciation

Depreciation expense of \$2.6 million was \$1.0 million lower than Q4 2023 reflecting timing of depreciation of assets.

Amortization

Amortization expense of \$1.5 million was relatively consistent with Q4 2023.

EBITDA and Adjusted EBITDA

EBITDA increased by \$17.4 million to \$63.9 million in Q4 2024, mainly driven by higher revenue and gross profit.

Adjusted EBITDA increased by \$8.8 million to \$59.4 million, reflecting the impact of higher sales volumes and pricing, partially offset by higher investments in SG&A. Adjusted EBITDA margin increased by 130 basis points to 24.3% for the quarter, driven by higher gross profits.

Adjusted EBITDA in the Jamieson Brands segment increased by \$8.9 million to \$54.3 million driven by higher gross profit, partially offset by higher SG&A to drive brand awareness and growth in China and timing of variable compensation. Adjusted EBITDA margin increased by 170 basis points to 26.8%, driven by higher gross profits.

Adjusted EBITDA in the Strategic Partners segment decreased by \$0.1 million, to \$5.1 million while Adjusted EBITDA margin decreased by 120 basis points to 12.1% largely due to lower gross profit margin noted above.

Results of Operations – twelve months ended December 31, 2024 and 2023

The following table provides a summary of our results for the twelve months ended December 31, 2024 and December 31, 2023.

	Twelve months ended		\$ Change	% Change
	December 31			
	2024	2023		
<i>(\$ in 000's, except as otherwise noted)</i>				
Revenue	733,780	676,172	57,608	8.5%
Cost of sales	458,170	442,613	15,557	3.5%
Gross profit	275,610	233,559	42,051	18.0%
Gross profit margin	37.6%	34.5%	-	3.1%
Selling, general and administrative expenses	174,489	140,304	34,185	24.4%
Acquisition related adjustments	(12,425)	(7,863)	(4,562)	(58.0%)
Share-based compensation	7,268	5,868	1,400	23.9%
Earnings from operations	106,278	95,250	11,028	11.6%
Operating margin	14.5%	14.1%	-	0.4%
Foreign exchange loss	1,479	1,962	(483)	(24.6%)
Interest expense and other financing costs	20,272	22,784	(2,512)	(11.0%)
Accretion on preferred shares	8,729	4,833	3,896	80.6%
Earnings before income taxes	75,798	65,671	10,127	15.4%
Provision for income taxes	24,665	19,631	5,034	25.6%
Net earnings	51,133	46,040	5,093	11.1%
Net earnings attributable to:				
Shareholders	51,914	47,882	4,032	8.4%
Non-controlling interests	(781)	(1,842)	1,061	57.6%
	51,133	46,040	5,093	11.1%
Adjusted net earnings	69,044	66,084	2,960	4.5%
EBITDA	123,331	113,611	9,720	8.6%
Adjusted EBITDA	141,003	138,063	2,940	2.1%
Adjusted EBITDA margin	19.2%	20.4%	-	(1.2%)

The following tables provide a quantitative reconciliation of net earnings to EBITDA, Adjusted EBITDA, and Adjusted net earnings, as well as gross profit to normalized gross profit, SG&A to normalized SG&A, earnings from operations to normalized earnings from operations, each of which are non-IFRS financial measures (see “*Non-IFRS and Other Financial Measures*” and “*How we Assess the Performance of our Business*” for further information on each non-IFRS financial measure), for the twelve months ended December 31, 2024 and December 31, 2023.

	Twelve months ended			
	December 31		\$ Change	% Change
	2024	2023		
<i>(\$ in 000's, except as otherwise noted)</i>				
Net earnings	51,133	46,040	5,093	11.1%
<i>Add:</i>				
Provision for income taxes	24,665	19,631	5,034	25.6%
Interest expense and other financing costs	20,272	22,784	(2,512)	(11.0%)
Accretion on preferred shares	8,729	4,833	3,896	80.6%
Depreciation of property, plant, and equipment	12,588	14,410	(1,822)	(12.6%)
Amortization of intangible assets	5,944	5,913	31	0.5%
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	123,331	113,611	9,720	8.6%
Share-based compensation ⁽¹⁾	7,268	5,868	1,400	23.9%
Foreign exchange loss	1,479	1,962	(483)	(24.6%)
Acquisition and divestiture related costs ⁽²⁾	1,198	8,385	(7,187)	(85.7%)
Labour relations costs ⁽³⁾	7,165	-	7,165	100.0%
IT system implementation ⁽⁴⁾	11,562	7,743	3,819	49.3%
Amortization of fair value adjustments ⁽⁵⁾	-	8,440	(8,440)	(100.0%)
Acquisition related purchase consideration and post-closing adjustments ⁽⁶⁾	(12,425)	(7,863)	(4,562)	(58.0%)
Legal and other ⁽⁷⁾	1,425	(83)	1,508	1816.9%
Adjusted EBITDA	141,003	138,063	2,940	2.1%
Provision for income taxes	(24,665)	(19,631)	(5,034)	(25.6%)
Interest expense and other financing costs	(20,272)	(22,784)	2,512	11.0%
Depreciation of property, plant, and equipment	(12,588)	(14,410)	1,822	12.6%
Amortization of intangible assets	(5,944)	(5,913)	(31)	(0.5%)
Share-based compensation ⁽¹⁾	(6,780)	(5,458)	(1,322)	(24.2%)
Tax deduction from vesting of certain share-based awards ⁽⁸⁾	-	(1,022)	1,022	100.0%
Tax effect of normalization adjustments	(1,710)	(2,761)	1,051	38.1%
Adjusted net earnings	69,044	66,084	2,960	4.5%

	Twelve months ended		\$ Change	% Change
	December 31			
	2024	2023		
Gross profit	275,610	233,559	42,051	18.0%
Labour relations costs ⁽³⁾	5,028	-	5,028	100.0%
Amortization of fair value adjustments ⁽⁵⁾	-	8,440	(8,440)	(100.0%)
Acquisition and divestiture related cost ⁽²⁾	165	-	165	100.0%
Normalized gross profit	280,803	241,999	38,804	16.0%
Normalized gross profit margin	38.3%	35.8%	-	2.5%
Selling, general and administrative expenses	174,489	140,304	34,185	24.4%
Acquisition and divestiture related cost ⁽²⁾	(1,033)	(8,385)	7,352	87.7%
IT system implementation ⁽⁴⁾	(11,562)	(7,743)	(3,819)	(49.3%)
Labour relations costs ⁽³⁾	(2,137)	-	(2,137)	(100.0%)
Legal and other ⁽⁷⁾	(1,425)	83	(1,508)	(1816.9%)
Normalized selling, general and administrative expenses	158,332	124,259	34,073	27.4%
Earnings from operations	106,278	95,250	11,028	11.6%
Acquisition and divestiture related costs ⁽²⁾	1,198	8,385	(7,187)	(85.7%)
IT system implementation ⁽⁴⁾	11,562	7,743	3,819	49.3%
Labour relations costs ⁽³⁾	7,165	-	7,165	100.0%
Amortization of fair value adjustments ⁽⁵⁾	-	8,440	(8,440)	(100.0%)
Acquisition related purchase consideration and post-closing adjustments ⁽⁶⁾	(12,425)	(7,863)	(4,562)	(58.0%)
Legal and other ⁽⁷⁾	1,425	(83)	1,508	1816.9%
Normalized earnings from operations ⁽⁹⁾	115,203	111,872	3,331	3.0%
Normalized operating margin ⁽¹⁰⁾	15.7%	16.5%	-	(0.8%)

- (1) Our share-based compensation expense pertains to our LTIP, with stock options, PSUs, RSUs, and DSUs expenses, along with associated payroll taxes.
- (2) Current year mainly pertains to legal, tax, consulting and, LTIP set-up costs associated with the integration of our former distributor partner in China, while prior year was mainly comprised of acquisition costs relating to the acquisition of our former distributor partner in China which closed on April 28, 2023 and integration costs relating to our acquisition of youtheory in the U.S. which closed on July 19, 2022.
- (3) These expenses are mainly comprised of third-party legal, security fees, unavoidable facility expenditures, customer fines and penalties, salary of fulltime staff spent on CBA negotiations, along with freight charges to expedite shipments to customers as it relates to a labour disruption in Q1 2024.
- (4) Mainly pertains to development costs associated with our IT system implementation to augment our system infrastructure. Unlike other system improvement projects with costs capitalized, due to its cloud-based nature, these system implementation costs are expensed accordingly.
- (5) Post-closing amortization of the fair value increase of acquired inventories related to the April 28, 2023 transaction with our former distribution partner in China.
- (6) To adjust for the fair value of purchase consideration accounted for as compensation in the 2022 youtheory acquisition, net of post-acquisition working capital adjustments to reflect acquired liabilities.
- (7) Other costs comprise primarily of a reserve for an indirect tax credit relating to historical years.
- (8) The vesting of share-based compensation provides a tax benefit during the period in which the awards are settled.

- (9) Non-IFRS financial measure used throughout this MD&A. See “Non-IFRS and Other Financial Measures” for more information on each non-IFRS financial measure. See “How we Assess the Performance of our Business” for an explanation of the composition of such measure.
- (10) A non-IFRS ratio and is used throughout this MD&A. See “Non-IFRS and Other Financial Measures” for more information on each non-IFRS ratio. See “How we Assess the Performance of our Business” for an explanation of the composition of such ratio.

The following table provides selected financial information for the Jamieson Brands operating segment for the twelve months ended December 31, 2024 and December 31, 2023.

Jamieson Brands

(\$ in 000's, except as otherwise noted)

For the twelve months ended December 31,	2024	2023	\$ Change	% Change
Revenue	628,744	551,171	77,573	14.1%
Gross profit	262,066	214,293	47,773	22.3%
Gross profit margin	41.7%	38.9%	-	2.8%
Normalized gross profit	267,259	222,733	44,526	20.0%
Normalized gross profit margin	42.5%	40.4%	-	2.1%
Selling, general and administrative expenses	168,460	133,951	34,509	25.8%
Normalized selling, general and administrative expenses	152,303	118,002	34,301	29.1%
Acquisition related adjustments	(12,425)	(7,863)	(4,562)	(58.0%)
Share-based compensation	7,268	5,868	1,400	23.9%
Earnings from operations	98,763	82,337	16,426	19.9%
Operating margin	15.7%	14.9%	-	0.8%
Normalized earnings from operations	107,688	98,863	8,825	8.9%
Normalized operating margin	17.1%	17.9%	-	(0.8%)
Adjusted EBITDA	130,496	121,836	8,660	7.1%
Adjusted EBITDA margin	20.8%	22.1%	-	(1.3%)

(\$ in 000's, except as otherwise noted)

For the twelve months ended December 31,	2024	2023	\$ Change	% Change
Gross profit	262,066	214,293	47,773	22.3%
Labour relations costs	5,028	-	5,028	100.0%
Amortization of fair value adjustments	-	8,440	(8,440)	(100.0%)
Acquisition and divestiture related costs	165	-	165	100.0%
Normalized gross profit	267,259	222,733	44,526	20.0%
Normalized gross profit margin	42.5%	40.4%	-	2.1%
Selling, general and administrative expenses	168,460	133,951	34,509	25.8%
Acquisition and divestiture related costs	(1,033)	(8,385)	7,352	87.7%
IT system implementation	(11,562)	(7,743)	(3,819)	(49.3%)
Labour relations costs	(2,137)	-	(2,137)	(100.0%)
Legal and other	(1,425)	179	(1,604)	(896.1%)
Normalized selling, general and administrative expenses	152,303	118,002	34,301	29.1%
Earnings from operations	98,763	82,337	16,426	19.9%
Acquisition and divestiture related costs	1,198	8,385	(7,187)	(85.7%)
IT system implementation	11,562	7,743	3,819	49.3%
Labour relations costs	7,165	-	7,165	100.0%
Amortization of fair value adjustments	-	8,440	(8,440)	(100.0%)
Acquisition related purchase consideration and post-closing adjustments	(12,425)	(7,863)	(4,562)	(58.0%)
Legal and other	1,425	(179)	1,604	896.1%
Normalized earnings from operations	107,688	98,863	8,825	8.9%
Normalized operating margin	17.1%	17.9%	-	(0.8%)

The following table provides a quantitative reconciliation for the Jamieson Brands operating segment from earnings from operations to Adjusted EBITDA, which is a non-IFRS financial measure (see “*Non-IFRS and Other Financial Measures*” and “*How we Assess the Performance of our Business*” for further information on each non-IFRS financial measure), for the twelve months ended December 31, 2024 and December 31, 2023.

(\$ in 000's, except as otherwise noted)

For the twelve months ended December 31,	<u>2024</u>	<u>2023</u>	<u>\$ Change</u>	<u>% Change</u>
Earnings from operations	98,763	82,337	16,426	19.9%
Depreciation of property, plant, and equipment	9,596	11,192	(1,596)	(14.3%)
Amortization of intangible assets	5,944	5,913	31	0.5%
Share-based compensation	7,268	5,868	1,400	23.9%
Acquisition and divestiture related costs	1,198	8,385	(7,187)	(85.7%)
Labour relations costs	7,165	-	7,165	100.0%
IT system implementation	11,562	7,743	3,819	49.3%
Amortization of fair value adjustments	-	8,440	(8,440)	(100.0%)
Acquisition related purchase consideration and post-closing adjustments	(12,425)	(7,863)	(4,562)	(58.0%)
Legal and other	1,425	(179)	1,604	896.1%
Adjusted EBITDA	<u>130,496</u>	<u>121,836</u>	<u>8,660</u>	<u>7.1%</u>

The following table provides selected financial information for the Strategic Partners operating segment for the twelve months ended December 31, 2024 and December 31, 2023.

Strategic Partners

(\$ in 000's, except as otherwise noted)

For the twelve months ended December 31,	<u>2024</u>	<u>2023</u>	<u>\$ Change</u>	<u>% Change</u>
Revenue	105,036	125,001	(19,965)	(16.0%)
Gross profit	13,544	19,266	(5,722)	(29.7%)
Gross profit margin	12.9%	15.4%	-	(2.5%)
Selling, general and administrative expenses	6,029	6,353	(324)	(5.1%)
Normalized selling, general and administrative expenses	6,029	6,257	(228)	(3.6%)
Earnings from operations	7,515	12,913	(5,398)	(41.8%)
Operating margin	7.2%	10.3%	-	(3.1%)
Normalized earnings from operations	7,515	13,009	(5,494)	(42.2%)
Normalized operating margin	7.2%	10.4%	-	(3.2%)
Adjusted EBITDA	10,507	16,227	(5,720)	(35.2%)
Adjusted EBITDA margin	10.0%	13.0%	-	(3.0%)

(\$ in 000's, except as otherwise noted)

For the twelve months ended December 31,	<u>2024</u>	<u>2023</u>	<u>\$ Change</u>	<u>% Change</u>
Selling, general and administrative expenses	6,029	6,353	(324)	(5.1%)
Legal and other	-	(96)	96	100.0%
Normalized selling, general and administrative expenses	<u>6,029</u>	<u>6,257</u>	<u>(228)</u>	<u>(3.6%)</u>
Earnings from operations	7,515	12,913	(5,398)	(41.8%)
Legal and other	-	96	(96)	(100.0%)
Normalized earnings from operations	<u>7,515</u>	<u>13,009</u>	<u>(5,494)</u>	<u>(42.2%)</u>
Normalized operating margin	7.2%	10.4%	-	(3.2%)

The following table provides a quantitative reconciliation for the Strategic Partners operating segment from earnings from operations to Adjusted EBITDA, which is a non-IFRS financial measure (see “*Non-IFRS and Other Financial Measures*” and “*How we Assess the Performance of our Business*” for further information on each non-IFRS financial measure), for the twelve months ended December 31, 2024 and December 31, 2023.

(\$ in 000's, except as otherwise noted)

For the twelve months ended December 31,

	<u>2024</u>	<u>2023</u>	<u>\$ Change</u>	<u>% Change</u>
Earnings from operations	7,515	12,913	(5,398)	(41.8%)
Depreciation of property, plant, and equipment	2,992	3,218	(226)	(7.0%)
Legal and other	-	96	(96)	(100.0%)
Adjusted EBITDA	<u>10,507</u>	<u>16,227</u>	<u>(5,720)</u>	<u>(35.2%)</u>

Revenue

Revenue increased by 8.5%, or \$57.6 million, to \$733.8 million in YTD 2024. This was driven by 14.1% growth in Jamieson Brands revenue and 16.0% decrease in Strategic Partners revenue compared with YTD 2024.

Revenue in the Jamieson Brands segment increased by \$77.6 million, or 14.1%, to \$628.7 million in YTD 2024. Canada revenue increased by 6.1% in YTD 2024, driven by strong consumer consumption and in market pricing. Youtheory international, new distribution and e-commerce revenue increased by 17.4% in YTD 2024 through innovation and expanded offerings as we integrated sales efforts with our existing Jamieson sales force and formed our new e-commerce business partnership. Total youtheory shipment growth of 9.0% resulted from strong double digit consumption growth driven through our primary SKUs, innovation and distribution, partially offset by the timing of promotional shipments within certain traditional accounts. China shipments grew 77.9% in YTD 2024 on a reported basis, reflecting the impact of our transition to an owned-distribution model. On a proforma and constant currency basis, revenue grew 69.8% on the success of our demand driving marketing initiatives in cross-border e-commerce and continued increases in traditional retail channels. Jamieson International increased by 16.0% on a constant currency basis driven by innovation, consumption growth, and market expansion in the Middle East and Europe.

Revenue in the Strategic Partners segment decreased by \$20.0 million, or 16.0%, to \$105.0 million in YTD 2024, as we completed the close-out of a previously noted customer contract, partially offset by initial shipment of new business awarded in the fourth quarter of 2024.

Gross profit

Gross profit increased by \$42.1 million to \$275.6 million in YTD 2024, while normalized gross profit increased by \$38.8 million mainly driven by higher revenues noted above. Gross profit margin increased by 310 basis points to 37.6% in YTD 2024 largely due to a higher proportion of growth in Jamieson Brands, while normalized gross profit margin increased 250 basis points normalizing for the amortization of fair value adjustment in the prior year and for the labour relations costs in the current year.

Gross profit in the Jamieson Brands segment increased by \$47.8 million to \$262.1 million in YTD 2024, while normalized gross profit increased by \$44.5 million mainly driven by revenue growth. Gross profit margin increased by 280 basis points to 41.7% and normalized gross profit margin increased by 210 basis points to 42.5% due to favourable geographic mix and pricing.

Gross profit in the Strategic Partners segment decreased by \$5.7 million to \$13.5 million and gross profit margin decreased by 250 basis points to 12.9% in YTD 2024, impacted by customer mix and lower plant utilization.

Selling, general and administrative expenses

SG&A expenses of \$174.5 million in YTD 2024 increased by \$34.2 million, or 24.4%, compared to YTD 2023. Excluding the impact of specified costs, SG&A expenses increased by \$34.1 million or 27.4% in YTD 2024 reflecting the impact of our transition to an owned distribution model in China as well as accelerated investments to grow our brand awareness and equity in China and the U.S. We continue to prioritize our global expansion initiatives with resources, marketing and infrastructure to support our growth in key markets abroad.

Specified costs of \$16.2 million in YTD 2024 are mainly comprised of \$11.6 million of IT system implementation costs and \$2.1 million of labour relations costs.

Share-based compensation

Share-based compensation increased by \$1.4 million to \$7.3 million in YTD 2024 reflecting wage inflation and additional grants in the current year.

Earnings from operations and operating margin

Earnings from operations increased by \$11.0 million due to higher gross profits and acquisition related adjustments, partially offset by investments in SG&A. Operating margin increased by 40 basis points to 14.5% in YTD 2024. Normalized earnings from operations increased by \$3.3 million, or 3.0% in YTD 2024, and normalized operating margin was 15.7% compared with 16.5% in YTD 2023.

Earnings from operations in the Jamieson Brands segment increased by \$16.4 million and operating margin is 15.7%. Normalized earnings from operations increased by \$8.8 million driven by higher gross profits, partially offset by higher investments in SG&A. Normalized operating margin decreased by 80 basis points to 17.1% in YTD 2024 as anticipated, given our investments in marketing to support our global expansion.

Earnings from operations in the Strategic Partners segment decreased by \$5.4 million due to lower gross profit, and operating margin decreased 310 basis points compared with the prior year to 7.2%, due to lower gross profit margins as noted above.

Foreign exchange loss

Foreign exchange loss of \$1.5 million in YTD 2024 resulted from changes in currency exchange rates on our foreign denominated accounts receivable and accounts payable at the end of the year. We experience fluctuations from USD/CAD and RMB/CAD exchange rates between the date of transaction and when cash is realized.

Interest expense and other financing costs

Interest expense and other financing costs decreased by \$2.5 million to \$20.3 million in YTD 2024 resulting from lower prevailing interest rates and the effects of interest rate hedges on a portion of borrowings.

Accretion on preferred shares

Preferred shares issued on May 16, 2023 as part of the Jamieson-DCP Partnership accrete at approximately 9.6% to its redeemable value of \$101.6 million at May 15, 2025. Accretion expense of \$8.7 million was realized during YTD 2024.

Income taxes

Provision for income taxes was \$24.7 million in YTD 2024 compared with a provision of \$19.6 million in YTD 2023. Our YTD 2024 effective tax rate of 32.5% reflects the impact of higher non-deductible preferred share accretion compared with a YTD 2023 effective tax rate of 29.9% which includes the impact of a \$1.0 million tax deduction from the vesting of certain share-based awards.

Net earnings and adjusted net earnings

Net earnings was \$51.1 million in YTD 2024, while adjusted net earnings was \$69.0 million or \$3.0 million higher than YTD 2023, driven by higher normalized earnings from operations.

Net loss attributable to non-controlling interests

Net loss attributable to non-controlling interests of \$0.8 million represents DCP's minority interest on our net earnings related to our China operations, with higher revenue offset by investments in on-the-ground capabilities, brand awareness and social marketing in the region.

Depreciation

Depreciation expense of \$12.6 million was \$1.8 million lower than Q4 2023 reflecting the timing of depreciation and the useful lives of assets.

Amortization

Amortization expense of \$5.9 million was relatively consistent with YTD 2023.

EBITDA and Adjusted EBITDA

EBITDA increased by \$9.7 million to \$123.3 million in YTD 2024, mainly due to higher gross profits, partially offset by higher SG&A costs.

Adjusted EBITDA increased by \$2.9 million to \$141.0 million, driven by higher gross profit, partially offset by higher SG&A costs. Adjusted EBITDA margin decreased by 120 basis points to 19.2% in YTD 2024, an anticipated decline which reflects our investments to drive brand awareness and growth in China and the U.S.

Adjusted EBITDA in the Jamieson Brands segment increased by \$8.7 million to \$130.5 million driven by higher gross profit, partially offset by higher SG&A. Adjusted EBITDA margin decreased by 130 basis points to 20.8% due to higher SG&A as a percentage of revenue as noted above.

Adjusted EBITDA in the Strategic Partners segment decreased by \$5.7 million, to \$10.5 million while Adjusted EBITDA margin decreased by 300 basis points to 10.0% due to lower gross profit margin noted above.

Summary of Consolidated Quarterly Results

The following is a summary of selected consolidated financial information for each of the eight most recently completed quarters prepared in accordance with IFRS.

(\$ in 000's, except per share amounts)	2024				2023			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue by segment								
Jamieson Brands	202,621	154,988	155,787	115,348	181,007	129,138	132,916	108,110
Strategic Partners	42,160	21,167	29,019	12,690	39,358	22,367	34,661	28,615
Total revenue	244,781	176,155	184,806	128,038	220,365	151,505	167,577	136,725
Earnings from operations	61,582	23,801	19,417	1,478	43,056	18,957	18,609	14,628
Net earnings (loss)	36,121	10,418	8,313	(3,719)	24,000	7,771	7,204	7,065
Adjusted net earnings	34,641	15,834	14,654	3,915	28,615	14,991	13,670	8,808
EBITDA	63,890	27,934	24,358	7,149	46,516	25,512	22,277	19,306
Adjusted EBITDA	59,437	33,914	31,555	16,097	50,628	31,871	31,056	24,508
Basic, earnings (loss) per share	0.86	0.25	0.20	(0.09)	0.57	0.18	0.17	0.17
Diluted, earnings (loss) per share	0.84	0.24	0.20	(0.09)	0.56	0.18	0.17	0.17
Adjusted diluted, earnings per share	0.80	0.37	0.35	0.09	0.67	0.35	0.32	0.21

Revenue

Jamieson Brands segment revenue for the last eight quarters were impacted by factors including the following:

- periodic price increases to recapture cost escalation;
- the impact of innovation within our core VMS portfolio;
- shipment fluctuations in our international markets;
- the volume and timing of promotion and media;
- the volume of inventory and timing of shipments to distributors and retailers;
- seasonality;
- the impact of channel mix;

- severity and timing of shipments of cold and flu season;
- business combinations;
- labour disruption impacting sales in the first quarter of 2024;
- foreign currency fluctuations; and
- impact of global conflicts in Eastern Europe and the Middle Eastern regions.

Strategic Partners segment revenue for the last eight quarters were impacted by factors including the following:

- available capacity when considering demand for Jamieson Brands products;
- launch of new programs with existing or new customers, which include initial pipeline shipments;
- the strategic exiting of programs with customers to drive operating efficiencies;
- availability of customer supplied materials;
- innovation and geographic demand for high quality certified manufacturers;
- labour disruption impacting sales;
- periodic price increases to recapture cost escalation; and
- foreign currency fluctuations.

Earnings from operations

Earnings from operations for the last eight quarters were also impacted by factors including the following:

- revenue factors impacting price and volume noted above;
- return on incremental promotion and marketing programs;
- improvements in production efficiencies and higher economies of scale;
- increases to supply chain costs due to global geopolitical factors;
- raw material costs in native currency;
- timing of marketing spend and variable compensation;
- IT systems implementation costs;
- costs incurred in business acquisitions, integration and divestitures;
- labour disruption impacting plant utilization;
- revaluation of contingent consideration from the acquisition of youtheory; and
- foreign currency fluctuations.

Selected Annual Information

The following selected annual information is shown for the three most recently completed financial years:

(\$ in 000's, except share and per share amounts)	For the year ended		
	December 31		
	2024	2023	2022
Revenue by segment			
Jamieson Brands	628,744	551,171	439,147
Strategic Partners	105,036	125,001	108,222
Total revenue	733,780	676,172	547,369
Earnings from operations	106,278	95,250	83,189
Net earnings	51,133	46,040	52,808
Adjusted net earnings	69,044	66,084	65,149
EBITDA	123,331	113,611	100,168
Adjusted EBITDA	141,003	138,063	123,761
Basic, earnings per share	1.23	1.10	1.29
Diluted, earnings per share	1.19	1.08	1.25
Adjusted diluted, earnings per share	1.61	1.55	1.55
Selected consolidated financial position data:			
Total assets	1,208,793	1,143,574	1,107,263
Total non-current liabilities	487,732	517,050	520,867
Dividends declared for the year:			
Cash dividends per common share	0.80	0.72	0.64

Over the three-year period, revenue increased year-over-year driven by strong growth in the Jamieson Brands segment through an expanded consumer base and international expansion in addition to revenues from acquired operations in 2022 and 2023.

Total assets have increased over the three-year period reflecting acquired assets in 2022 and 2023, as well as investments in working capital, property, plant, and equipment designed to improve efficiency and expand capacity.

Liquidity and Capital Resources

Overview

Our principal uses of funds are for operating expenses, capital expenditures, finance costs, and debt service. Management believes that cash generated from operations, together with amounts available under our Credit Facilities (refer to “*Credit Facilities*”), will be sufficient to meet our future operating expenses, capital expenditures, and future debt service costs.

Our primary liquidity and capital requirements are for capital expenditures, working capital and general corporate needs. We have cash and availability under our Credit Facilities that we expect to utilize, along with cash flow from operations, to provide capital to support the growth of our business (primarily through working capital and capital expenditures), repay short-term obligations and for general corporate purposes. We believe that cash from operations, together with our cash balance and our Credit Facilities will be sufficient to meet ongoing capital expenditures, working capital requirements and other cash needs.

Our ability to fund future debt service costs, operating expenses, and capital expenditures will depend on our future operating performance which will be affected by general economic, financial and other factors including factors beyond our control (refer to “*Risk Factors*”). From time to time, management reviews acquisition opportunities and if suitable opportunities arise, may make selected acquisitions to implement our business strategy. Historically, the funding for any such acquisitions has come from cash flow from operating activities and additional debt.

Credit Facilities

As at December 31, 2024, we had \$236.5 million in cash and available revolving and swingline facilities and net debt of \$263.5 million.

<i>(\$ in 000's)</i>	As at December 31, 2024	As at December 31, 2023
Long-term debt	308,285	325,000
Cash	(44,787)	(36,863)
Net debt ⁽¹⁾	263,498	288,137

(1) This is a non-IFRS financial measure. See “*Non-IFRS and Other Financial Measures*” for more information on each non-IFRS financial measure. See “*How we Assess the Performance of our Business*” for an explanation of the composition of such measure.

On July 19, 2022, Jamieson Laboratories Ltd. (“JLL”) amended and restated its credit agreement to add Nutrawise Health & Beauty LLC as a Borrower and to provide a secured revolving facility of \$500.0 million, plus an expanded accordion feature of up to \$250.0 million (collectively, the “Credit Facilities”), with an extended maturity to July 19, 2027.

The Credit Facilities are collateralized by security agreements and first charges over the assets including property, plant and equipment and intellectual property of the Borrowers and certain other subsidiaries of JLL, subject to permitted liens. Under the terms of the Credit Facilities, the Borrowers are subject to restrictive covenants and must maintain an interest coverage ratio of not less than 3.00:1.00 and a leverage ratio not greater than 4.50:1.00. We are in compliance with all covenants as at the date of this MD&A.

For the three and twelve months ended December 31, 2024, JLL made drawings of \$23.7 million and \$102.4 million, and debt repayments of \$50.4 million and \$119.1 million, respectively, applied against the Credit Facilities. For the twelve months ended December 31, 2024, the weighted average interest rate on the Credit Facilities was 5.7% (2023 – 6.1%). A portion of the Credit Facilities outstanding is fixed through an interest rate swap.

Analysis of Cash Flows — three months ended December 31, 2024 and 2023

	Three months ended		\$ Change	% Change
	December 31			
	2024	2023		
<i>(\$ in 000's, except as otherwise noted)</i>				
Cash, beginning of period	42,190	23,260	18,930	81.4%
Cash flows from (used in):				
Operating activities	37,786	26,081	11,705	44.9%
Investing activities	(4,519)	(2,549)	(1,970)	(77.3%)
Financing activities	(32,119)	(9,929)	(22,190)	(223.5%)
Effect of foreign currency translation on cash	1,449	-	1,449	100.0%
Cash, end of period	44,787	36,863	7,924	21.5%
Net change in non-cash working capital	14,695	(5,713)	20,408	357.2%
Less: Receivables on gain from acquisition related working capital adjustment	(11,220)	-	(11,220)	(100.0%)
Investments in working capital ¹	3,475	(5,713)	9,188	160.8%
Cash flows from operating activities	37,786	26,081	11,705	44.9%
Cash from operating activities before working capital ¹	41,261	20,368	20,893	102.6%

- (1) This is a non-IFRS financial measure. See “Non-IFRS and Other Financial Measures” for more information on each non-IFRS financial measure. See “How we Assess the Performance of our Business” for an explanation of the composition of such measure.

Cash Flows Generated from Operating Activities

In Q4 2024, cash flows generated from operating activities totalled \$37.8 million compared with \$26.1 million in Q4 2023. Cash flows generated in operating activities before working capital considerations of \$41.3 million was \$20.9 million higher, mainly driven by higher net earnings. Investments in working capital increased by \$9.2 million due to higher accounts receivable due to the timing of customer collections.

Cash Flows Used in Investing Activities

Cash flows used in investing activities in Q4 2024 totalled \$4.5 million compared with \$2.5 million used in Q4 2023. Purchases of property, plant and equipment were \$1.0 million higher compared with Q4 2023 as we resumed our focus on capital projects following the labour disruption earlier in 2024. Intangible assets were \$1.0 million higher in Q4 2024 compared with Q4 2023 due to timing of acquisitions in the current year.

Cash Flows Used in Financing Activities

Cash flows used in financing activities in Q4 2024 totalled \$32.1 million compared with \$9.9 million used in Q4 2023. In Q4 2024, we distributed \$9.0 million of dividends to common shareholders and paid lease liabilities of \$1.3 million, with net repayments of \$26.7 million on our Credit Facilities, and had proceeds of \$4.9 million from the exercise of stock options and our ESPP. In Q4 2023, we repurchased shares under the normal course issuer bid (“NCIB”) for \$29.0 million, distributed \$8.0 million of dividends to common shareholders, and we made payments of \$1.1 million on our lease liabilities, partially offset by net proceeds of \$24.0 million on our Credit Facilities and proceeds of \$4.7 million from the exercise of stock options and our ESPP.

Analysis of Cash Flows — twelve months ended December 31, 2024 and 2023

	Twelve months ended		\$ Change	% Change
	December 31			
	2024	2023		
<i>(\$ in 000's, except as otherwise noted)</i>				
Cash, beginning of period	36,863	26,240	10,623	40.5%
Cash flows from (used in):				
Operating activities	61,578	31,713	29,865	94.2%
Investing activities	(10,164)	(35,131)	24,967	71.1%
Financing activities	(45,434)	14,041	(59,475)	(423.6%)
Effect of foreign currency translation on cash	1,944	-	1,944	100.0%
Cash, end of period	44,787	36,863	7,924	21.5%
Net change in non-cash working capital	31,169	32,126	(957)	(3.0%)
Less: Receivables on gain from acquisition related working capital adjustment	(11,220)	-	(11,220)	(100.0%)
Investments in working capital ¹	19,949	32,126	(12,177)	(37.9%)
Cash flows from operating activities	61,578	31,713	29,865	94.2%
Cash from operating activities before working capital ¹	81,527	63,839	17,688	27.7%

- (1) This is a non-IFRS financial measure. See “Non-IFRS and Other Financial Measures” for more information on each non-IFRS financial measure. See “How we Assess the Performance of our Business” for an explanation of the composition of such measure.

Cash Flows Generated from Operating Activities

In YTD 2024, cash flows generated by operating activities totalled \$61.6 million compared with \$31.7 million generated in YTD 2023. Cash flows generated from operating activities before working capital considerations of \$81.5 million was \$17.7 million higher, mainly driven by higher earnings. Investments in working capital decreased by \$12.2 million mainly due to the timing of inventory purchases, partially offset by timing of accounts receivable.

Cash Flows Used in Investing Activities

Cash flows used in investing activities in YTD 2024 totalled \$10.2 million compared with \$35.1 million used in YTD 2023, mainly driven by the acquisition of the operating assets from our former distribution partner in China for \$25.8 million in YTD 2023. Purchases of property, plant and equipment were \$0.3 million higher and intangible assets were \$0.5 million higher compared with YTD 2023.

Cash Flows Used in/Generated from Financing Activities

Cash flows used in financing activities in YTD 2024 totalled \$45.4 million compared with \$14.0 million generated in YTD 2023. In YTD 2024, we distributed \$33.5 million of dividends to common shareholders, repurchased \$1.0 million of common shares and made payments of \$5.6 million on our lease liabilities and net repayments of \$16.7 million on our Credit Facilities, partially offset by proceeds of \$11.2 million from the exercise of stock options and our employee share purchase plan. YTD 2023 was impacted by the issuance of redeemable preferred shares and warrants of \$84.6 million and \$14.7 million, respectively, net proceeds from DCP for their minority interest in the Jamieson-DCP Partnership of \$44.4 million and proceeds of \$9.1 million from the exercise of stock options and our ESPP. These were partially offset by net repayments of \$75.0 million on our Credit Facilities, \$30.3 million of dividends to common shareholders, \$29.0 million repurchase of common shares, and payments of lease liabilities of \$4.5 million.

Contractual Obligations

The following table summarizes our significant undiscounted maturities of our contractual obligations and commitments as at December 31, 2024.

<i>(\$ in 000's)</i>	2025	2026-2029	Thereafter	Total
Operating leases ⁽¹⁾	\$ 5,487	\$ 14,814	\$ 1,899	\$ 22,200
Trade and other payable	137,653	-	-	137,653
Contingent consideration	22,831	-	-	22,831
Post retirement benefits	-	1,209	-	1,209
Revolving credit facility ⁽²⁾	-	308,285	-	308,285
Total contractual obligations	\$ 165,971	\$ 324,308	\$ 1,899	\$ 492,178

1) We have entered into several operating leases for vehicles, production equipment, computer and communications equipment, office equipment, and office and warehouse space.

(2) The Credit Facilities provide for a secured revolving facility of \$500.0 million, with the option to increase the revolving facility by \$250.0 million. The Credit Facilities mature on July 19, 2027 with the outstanding principal repayable in full on this date.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources.

Related Party Transactions

Balances and transactions between us and our subsidiaries, have been eliminated on consolidation.

As at December 31, 2024, we have a contingent consideration fair valued at \$22.8 million (2023 - \$22.6 million) payable to the former owners of youtheory.

On November 12, 2024, we entered into a three-year consulting agreement with Dr. Louis Aronne, a member of our board of directors, for the development and formulation of natural health products to support consumers while using GLP-1 drugs. The consulting agreement is not significant to our financial position or financial results and was entered into in the normal course of business. For the year ended December 31, 2024, \$nil was recognized in consulting fees to Dr. Aronne. Refer to Note 12 of our audited consolidated annual financial statements for the year ended December 31, 2024.

Share-based compensation

The LTIP is an equity-based compensation plan providing for the issuance of securities under which grants will be made. Under the LTIP, our board of directors, at its discretion, may grant share options, restricted shares, RSUs, PSUs, DSUs, and stock appreciation rights. The awards are settled in common shares of the Company (“Common Shares”) with a cash settlement alternative available to us. We also maintain the ESPP for all eligible employees for the purchase of Common Shares.

Our share-based compensation expense, for the three and twelve months ended December 31, 2024 is \$2.0 million and \$7.3 million, respectively (2023 - \$1.5 million and \$5.9 million).

Financial Instruments

We primarily use foreign currency forward contracts to manage our exposure to fluctuations with respect to transactions in U.S. dollars and RMB pertaining to inventory purchases and our international sales. These agreements mature at various dates and qualify for hedge accounting as cash flow hedges of future foreign currency transactions. The terms of the foreign currency forward contracts match the terms of the expected highly probable forecast transactions. As a result, there is no hedge ineffectiveness to be recognized in the consolidated statements of operations and comprehensive income. As at December 31, 2024, \$12.1 million (December 31, 2023 - \$nil) of anticipated foreign currency denominated purchases have been hedged and \$42.9 million (December 31, 2023 - \$9.7 million) of anticipated foreign currency denominated sales have been hedged with underlying foreign exchange forward contracts.

We also use interest rate swaps to manage our long-term interest rate exposure with respect to interest on our Credit Facilities which is based on fluctuating Canadian Overnight Repo Rate Average (“CORRA”).

On January 19, 2024, we entered into an interest rate swap with an effective date of February 1, 2024 to December 30, 2025 with a notional principal of \$150.0 million which increased to \$250.0 million on October 1, 2024 and reduced to \$225.0 million on December 31, 2024. The notional principal of the interest rate swap is \$225.0 million as at the end of this reporting period. The interest rate swap is a derivative measured at fair value and meets hedge accounting requirements.

In Q2 2024, we transitioned our credit agreement benchmark from the Canadian Dollar Offered Rate (“CDOR”) to CORRA. This change reflects the market wide cessation of the publication of CDOR. CORRA now serves as the reference rate for our financing arrangements. This adjustment ensures compliance with Canadian regulatory requirements.

Outstanding Share Capital

	<u>Common Shares</u>	
	<u>#</u>	<u>\$</u>
As at January 1, 2024	41,551,485	312,593
Exercise of stock options	530,011	13,091
Employee stock purchase plan	19,541	535
Repurchase of shares	(150,200)	-
As at December 31, 2024	41,950,837	326,219
	<u>Common Shares</u>	
	<u>#</u>	<u>\$</u>
As at January 1, 2023	41,694,203	307,200
Exercise of stock options	684,901	12,301
Employee stock purchase plan	22,181	591
Repurchase of shares	(849,800)	(7,499)
As at December 31, 2023	41,551,485	312,593

As at December 31, 2024 and 2023, the authorized share capital of the Company consisted of:

- a) Unlimited number of Common Shares. The holders of Common Shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company; and
- b) Unlimited number of Preference Shares, issuable in series.

Normal Course Issuer Bid

On November 3, 2023, the Toronto Stock Exchange (“TSX”) accepted our notice of intention to make a

normal course issuer bid (“NCIB”). The NCIB permitted us to repurchase for cancellation, at our discretion, up to 4,165,201 common shares of the Company (“Common Shares”) in accordance with the NCIB procedures of the TSX. Under the NCIB, we were entitled to repurchase up to 25,729 Common Shares through the TSX during each trading day (excluding any purchases made pursuant to the block purchase exception in accordance with TSX rules).

The NCIB commenced on November 7, 2023 and remained in effect until November 6, 2024. Purchases under the NCIB were made by means of open market transactions through the facilities of the TSX and through alternative trading systems in Canada. The price paid by us for any such repurchased Common Shares was the market price at the time of acquisition or such other price as a securities regulatory authority may permit. All Common Shares repurchased under the NCIB were cancelled.

In connection with the NCIB, we also entered into an automatic share purchase plan (“ASPP”) with a designated broker, to allow for purchases of our Common Shares during certain pre-determined black-out periods, subject to certain parameters. The ASPP constitutes an “automatic securities purchase plan” under applicable Canadian securities laws, was approved by the TSX and implemented effective December 14, 2023.

As at December 31, 2023, we accrued for cancellation 150,200 Common Shares under our ASPP program. These Common Shares were settled during the three month ended March 31, 2024.

On January 30, 2025, TSX accepted our notice of intention to renew the NCIB (the “Renewed NCIB”). The Renewed NCIB permits us to repurchase for cancellation, at its discretion, up to 3,502,925 Common Shares in accordance with the NCIB procedures of the TSX. Under the Renewed NCIB, we are entitled to repurchase up to 11,744 Common Shares through the TSX during each trading day (excluding any purchases made pursuant to the block purchase exception in accordance with TSX rules).

The Renewed NCIB commenced on February 3, 2025 and remains in effect until the earlier of February 2, 2026 and the date on which we have either acquired the maximum number of Common Shares permitted under the NCIB or otherwise decided not to make any further repurchases. In connection with the Renewed NCIB, we entered into another ASPP with a designated broker to allow for purchases of our Common Shares during certain pre-determined black-out periods, subject to certain parameters.

We believe that, from time to time, the market price for the Common Shares may not reflect our strong financial performance and growth prospects, and that in such circumstances, using the NCIB to repurchase Common Shares is an attractive investment opportunity and a prudent way to return capital to our shareholders.

Preferred Shares

	2024	2023
	\$	\$
Balance, beginning of the year	89,409	-
Issuance of preferred shares	-	86,603
Transaction costs	-	(2,027)
Accretion expense	8,729	4,833
Balance, end of the year	98,138	89,409

In conjunction with DCP’s \$47.1 million investment in our China Operations on May 16, 2023, DCP also completed its subscription for 2,527,121 Series A Preference Shares and 2,527,121 warrants to purchase common shares for proceeds of \$101.6 million (USD \$75.0 million). The Preferred Shares carry a nominal annual dividend of \$0.01 per share and are redeemable at \$101.6 million by DCP between May 15, 2025 and May 15, 2028, representing the second and fifth anniversary from the completion of the agreement.

At closing, we estimated the fair value of the Preferred Shares by estimating the credit spread of our company at the inception date. The Preferred Shares accrete at approximately 9.6% for two years to its redeemable value of \$101.6 million at May 15, 2025. The preferred shares accretion expense is \$2.2 million and \$8.7 million, respectively, for the three and twelve months ended December 31, 2024 (2023 - \$4,833).

Warrants

The 2,527,121 Warrants are exercisable by DCP beginning May 15, 2025 and expire on May 15, 2028. The exercise price of the Warrants is \$40.19 per share representing a 10% premium to the 20-day volume weighted average common share price as of the signing of the subscription agreement on February 23, 2023.

At closing, the Warrants were fair valued at \$15.0 million, less transaction costs of \$0.3 million. The Warrants are classified as equity in the consolidated statements of financial position.

The fair value of the Warrants was estimated using a Binomial tree model at the inception date. Key assumptions include the risk-free interest rate of 3.5%, volatility of 30.0%, and the expected dividend yield of 2.4%.

Significant Accounting Judgements, Estimates, and Assumptions

The preparation of consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Estimates and assumptions are continuously evaluated and are based on management's best judgments and experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Actual results may differ from these estimates.

Significant judgments made by management in applying our accounting policies and key sources of estimation of uncertainty were the same as those applied and described in Note 3 in the accompanying notes of our Company's audited consolidated annual financial statements for the year ended December 31, 2024. Items subject to significant estimate uncertainty and critical judgments which have the most impact on the amounts recognized in the audited consolidated annual financial statements are included both below and in the annual audited financial statement notes.

Control of China Operations

The Jamieson-DCP Partnership (refer to "Chinese Operations Strategic Partnership") is governed by a board consisting of six members, including four from us and two from DCP, with certain reserved matters requiring a vote of two-thirds of the directors present at the board meeting, including at least one DCP director. Management's judgment is involved when determining whether these reserved matters affect our current ability to direct the relevant activities and whether we have the ability to use our power over this strategic partnership to affect the amount of our returns. We have determined that we control the China Operations based on all facts and circumstances assessed during the period. Therefore, the Jamieson-DCP Partnership is consolidated into our audited consolidated annual financial statements. DCP's 33% minority interest in the Jamieson-DCP Partnership is recorded as a non-controlling interest.

Estimating variable consideration for returns, trade merchandise allowances and sales promotional incentives

We use historical customer return data to determine the expected return percentages. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical return pattern will impact the expected return percentages we estimated.

We provide for estimated payments to customers based on various trade programs and sales promotional incentives. We estimate the most likely amount payable to each customer for each trade and incentive program separately using: (i) the projected level of sales volume for the relevant period; (ii) customer rates for allowances, discounts, and rebates; (iii) historical spending patterns; and (iv) sales lead time. These arrangements are complex and there are a significant number of customers and products affected. Management has systems and processes in place to estimate and value these obligations.

We update our expected return, trade merchandise allowances and sales promotional incentives on a quarterly basis and the refund liability and trade and promotional accruals are adjusted accordingly. To the extent that payments

differ from estimates of the related liability, accounts payable and accrued liabilities, net earnings, and comprehensive income will be affected in future periods.

Valuation of inventory

Management makes estimates of the future customer demand for products when establishing appropriate provisions for inventory. In making these estimates, management considers the product life of inventory and the profitability of recent sales of inventory. In many cases, products sold by us turn quickly and inventory on-hand values are low, thus reducing the risk of inventory obsolescence. However, code or “best before” dates are very important in the determination of realizable value of inventory. Management ensures that systems are in place to highlight and properly value inventory that may be approaching code dates. To the extent that actual losses on inventory differ from those estimated, inventory, net earnings, and comprehensive income will be affected in future periods.

Long-lived assets valuation

We perform impairment testing annually for goodwill and indefinite-life intangible assets and when circumstances indicate long-lived assets may be impaired. Management judgment is involved in determining if there are circumstances indicating that testing for impairment is required, and in identifying cash-generating units (“CGUs”) for the purpose of impairment testing. We assess impairment by comparing the recoverable amount of a long-lived asset, CGU, or CGU group to its carrying value. The recoverable amount is defined as the higher of: (i) value in use; or (ii) fair value less costs of disposal.

The determination of the recoverable amount involves significant estimates and assumptions. Fair value less costs to sell is determined using market multiples. Value in use is determined using future cash inflows and outflows, discount rates, growth rates and asset lives. These estimates and assumptions could affect our future results if the current estimates of future performance and fair values change. These determinations will affect the amount of amortization expense on definite-life intangible assets recognized in future periods.

Measurement of fair values

A number of our accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When the measurement of fair values cannot be determined based on quoted prices in active markets, fair value is measured using valuation techniques and models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Changes in assumptions about the inputs to these models could affect the reported fair value of our financial and non-financial assets and liabilities.

Tangible and intangible assets acquired through business combinations are initially recorded at their fair values based on assumptions of management. These assumptions include estimating the cost of tangible assets and future expected cash flows arising from intangible assets identified. Financial instruments acquired are determined based on the amortized costs at the acquisition date that approximate their carrying values.

To the extent that these estimates differ from those realized, the measured asset or liability, net earnings, and/or comprehensive income will be affected in future periods. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Notes 4, 5, 9, 10, 17, 19, 20 and 23 in the accompanying notes of our audited consolidated annual financial statements for the year ended December 31, 2024.

Useful lives of property, plant and equipment and intangible assets with finite useful lives

We employ significant estimates to determine the estimated useful lives of property, plant and equipment and intangible assets with finite useful lives, including assets arising from business combinations, considering industry trends such as technological advancements, past experience, expected use and review of asset lives.

Components of an item of property, plant and equipment may have different useful lives. We make estimates when determining depreciation methods, depreciation rates and asset useful lives, which requires taking into account industry trends and company-specific factors. We review these decisions at least once each year or when circumstances change. We will change depreciation methods, depreciation rates or asset useful lives if they are different from previous estimates.

Summary of Material Accounting Policies

Our audited consolidated annual financial statements were prepared using the same accounting policies as described in Note 2 in the accompanying notes of our audited consolidated annual financial statements for the year ended December 31, 2024.

Recently adopted accounting standards

Amendments to IAS 1, Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants

Effective January 1, 2023, we adopted the amendments to IAS 1, issued in January 2020, which clarify the requirements for classifying liabilities as current or non-current. The amendments clarify the classification of liabilities as current or non-current based on rights that are in existence at the end of the reporting period and unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. The amendments also clarify the definition of "settlement" of a liability. On October 31, 2022, the IASB issued Non-Current Liabilities with Covenants (further amendments to IAS 1). These amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current as of the reporting date. These amendments are effective in the same period the entity adopts the January 2020 amendments which for the Company is January 1, 2023.

The amendments had no material impact on the consolidated financial statements.

Disclosure Controls and Procedures

The Chief Executive Officer and the Chief Financial Officer (the "Certifying Officers"), along with other members of management, have designed, or caused to be designed under their supervision, disclosure controls and procedures ("DC&P") to provide reasonable assurance that (i) material information relating to the Company is made known to them by others, particularly during the period in which the annual filings are being prepared; and (ii) information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation. The Certifying Officers have evaluated, or caused to be evaluated under their supervision, the effectiveness of the Company's DC&P as at December 31, 2024 and have concluded that the Company's DC&P was effective as at December 31, 2024.

Internal Control over Financial Reporting

The Certifying Officers, along with other members of management, have designed, or caused to be designed under their supervision, internal control over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes prepared in accordance with IFRS. The Certifying Officers have used the Internal Control – Integrated Framework (2013 COSO Framework) issued by the Committee of Sponsoring Organizations of the Treadway Commission to design our ICFR. The Certifying Officers have evaluated, or caused to be evaluated under their supervision, the effectiveness of our ICFR as at December 31, 2024 and have concluded that our ICFR was effective as at December 31, 2024.

There have been no changes in our ICFR during the three-month period ended December 31, 2024 which have materially affected, or are reasonably likely to materially affect, our ICFR, subject to the scope limitation described below.

Limitations of an Internal Control System

We believe that any DC&P or ICFR, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met and that all control issues, including instances of fraud, if any, within our company have been prevented or detected. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. The design of any system of control is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all future conditions.

Outlook

Following our 2024 investments in digital and traditional marketing, we realized strong growth in China and within our youtheory brand. In both Jamieson and youtheory brands, globally we gained share as consumption growth outpaced record shipment growth. In 2025, we are focused on brand contribution while driving operating efficiency at the gross margin level. We will continue to grow our investments in the Jamieson and youtheory brands across each of our primary geographies driving long-term brand equity, awareness, consumer consumption, and ultimately share growth.

In fiscal 2025, we expect revenue to range between \$800.0 to \$840.0 million (9.0% to 14.5% growth). We anticipate Adjusted EBITDA to range from \$157.0 to \$163.0 million (11.0% to 15.5% growth), while adjusted diluted earnings per share to range from \$1.82 to \$1.93 (13.0% to 20.0% growth).

Jamieson Brands Segment:

Revenue in the Jamieson Brands segment is expected to increase between 9.0% and 14.5% to approximately \$685.0 to \$720.0 million.

- Jamieson Canada revenue growth of between 5.0% and 8.0%, reflecting the impact of our new marketing campaigns driving consumption growth, the full year impact of in-market pricing and strong innovation focussing on stress, sleep, digestive health, essential minerals and Gummies.
- youtheory revenue growth of 5.0% and 15.0%, building on the momentum gained driving innovation and expanded distribution with new FDM and club customers. Growth in 2025 is propelled by our expanded digital marketing activities focusing on further improving conversion rates and innovation including expanded mental wellness offerings and our recently launched GLP1 companion products, while driving consumer brand awareness across all channels. Expected revenue growth will be impacted by our new e-commerce partnership, whereby revenue will be net of certain marketing and distribution costs previously reported on a separate line within the statement. In fiscal 2025, we are focused on expanding youtheory profitability, faster than revenue growth, through more efficient brand spend and improved operating efficiency while our new e-commerce program remains consistent with our traditional program profitability.
- Building on our significant investment in fiscal 2024, where we significantly scaled our Chinese revenue base, we expect Jamieson China revenue to grow an additional 25.0% to 35.0%. Growth will be driven by market growth, innovation and by further extending our effectiveness and efficiency within digital programs driving trial and awareness.
- Jamieson International revenue growth of 20.0% to 30.0%, driven by growth through innovation and distribution gains to strengthening our market position in key markets (Middle East and Eastern Europe etc.). In 2025, we will continue to expand our global footprint through our strategic global partnerships and digital commerce initiatives.
- We expect Gross profit margin growth of between 50 and 150 basis points, driven by branded volume and return focused promotional and operating investments driving margin efficiency. Profit margin growth will be reinvested in our demand spend and infrastructure in order to support our global revenue growth objectives.

Strategic Partners Segment:

In fiscal 2024, we made strong progress developing new Strategic Partner programs resulting in several new customers commissioning programs in the fourth quarter with more coming throughout fiscal 2025. We expected Strategic Partner growth of between 10.0% and 15.0% driven by new programs and industry growth propelling higher volumes within our existing program portfolio.

Strategic Partner Adjusted AEBITDA margins are expected to decline by up to 100 basis points year-over-year based on lower gross profit margins driven by customer mix.

Consolidated:

We expect to incur approximately \$15.0 million in certain non-capital costs related to the enhancement of our IT systems and other non-operating costs. These costs will impact net earnings while our expected Adjusted net earnings and Adjusted diluted earnings per share for fiscal 2025 will reflect the adding back of these expenses on a tax-effected basis.

Guidance reflects factors impacting our earnings and strategic investment choices in our Jamieson Brands growth pillars noted above. The outlook for earnings growth and diluted earnings growth per share include the following assumptions:

- Gross Profit margins growth of between +100 and +200 basis points
- Normalized SG&A including marketing expenses is expected to increase 15.0% to 20.0%
- Share-based compensation costs of approximately \$7.5 million
- Adjusted EBITDA to range from \$157.0 to \$163.0 million
- Adjusted EBITDA margin to range from 19.0% to 19.5%
- Interest expense of approximately \$19.0 million
- Effective income tax rate of 27.5%
- Foreign exchange rates of \$1.44 \$CAD/\$USD and \$5.19 \$CAD/¥RMB
- Adjusted diluted earnings per share to range from \$1.82 to \$1.93 (13% to 20% growth)
- A fully diluted share count of approximately 43.5 million shares
- Preferred shares remain in place or are converted to equity
- \$10.0 to \$15.0 million of capital expenditures to support the maintenance of our operations and drive efficiency, including capital to meet our sustainability goals
- \$25.0 to \$35.0 million of working capital reflecting higher exchange rates, organizational growth, and investment to maintain best-in-class customer fill rates
- We expect to generate between \$100.0 and \$110.0 million (3.0% to 13.0% growth) in cash from operations before working capital, IT systems enhancements and other certain non-operating costs

First Quarter 2025

Our guidance reflects shipment growth in Canada based on strong consumer consumption and in-market pricing and lapping a customer inventory reduction in the fourth quarter of the prior year. Youtheory growth reflects consumer consumption, new distribution, partially offset by new e-commerce business partnership and the timing of initial shipments of innovation in the prior year. China growth continues to reflect investment to drive brand awareness, market penetration and new e-commerce programs in traditional, social and emerging platforms. International growth reflects innovation, market expansion and distribution gains.

- In the first quarter of 2025, we expect revenue to range between \$137.0 to \$146.0 million (+7.0% to +14.0%):
- Revenue in the Jamieson Brands segment is expected to increase by 7.0% to 13.0% to approximately \$123.0 to \$130.0 million.
 - Revenue in the Strategic Partners segment is expected to increase by 10.0% to 25.0% to approximately \$14.0 to \$16.0 million due to customers ordering patterns and initial shipment of new business awarded in the fourth quarter of fiscal 2024.
 - We anticipate Adjusted EBITDA to range from \$17.0 to \$19.0 million.

Our 2025 guidance does not consider any potential impact of tariffs imposed on trade between Canada and the United States. As such, actual results may differ from those expressed or implied in this guidance due to unforeseen changes in trade policies and economic conditions.

Current Share and Option Information

As of the date hereof, an aggregate of 41,954,472 Common Shares and 2,527,121 preferred shares are issued and outstanding. As of the date hereof, the Company had 2,527,121 warrants, 2,173,390 options, 272,589 PSUs, 176,783 RSUs, and 75,170 DSUs outstanding.

Additional Information

Additional information relating to our Company, including our most recent annual report and annual information form are available on SEDAR+ at www.sedarplus.ca and on the Investor Relations section of our website at <https://investors.jamiesonwellness.com>.

Risk Factors

We are exposed to a variety of financial risks in the normal course of operations including credit risk, market risk, liquidity risk, and emerging markets risk, each of which is discussed below. Management oversees the management of these risks. Our financial instruments and policies for managing these risks are detailed below.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to us. We are exposed to credit risk from our customers (primarily related to trade accounts receivable) in the normal course of business. We have adopted a policy of only dealing with creditworthy counterparties. To mitigate this risk, we carry out regular credit evaluations and purchase credit insurance for international customers, where appropriate, as a means of mitigating the risk of financial loss from defaults.

We are also exposed to counterparty credit risk inherent in our financing activities, trade receivable insurance, foreign currency derivatives and interest rate derivatives. We have assessed these risks as minimal.

Market Risk

Market risk is comprised of foreign exchange risk, interest rate risk and commodity price risk.

Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Our exposure to the risk of changes in foreign exchange rates relates primarily from transactions in U.S. dollars such as a portion of trade accounts payable, trade accounts receivable and cash. Our purchases of certain materials and inputs in U.S. dollars are partially offset by international sales in U.S. dollars. We use foreign exchange forward contracts to manage foreign exchange transaction exposure.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our accounts receivable and accounts payable are non-interest bearing. Our exposure to the risk of changes in market interest rates arises from long-term debt obligations issued at fixed rates that create fair value interest rate risk and variable rate borrowings that create cash flow interest rate risk. We manage our interest rate risk by entering into interest rate swaps, in which we agree to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

Commodity Price Risk

We are exposed to price risk related to purchases of certain commodities used as raw materials. We may use fixed price contracts with suppliers to mitigate commodity price risk. Concentration in any one raw material is not significant to us.

The most recent actions between the U.S. and Canada with respect to potential import tariffs, the threat of associated retaliatory measures, and the possibility of a prolonged trade war may affect consumer behaviour and require price adjustments to respond to increasing input costs, all of which may adversely affect our business. A trade war could cause severe disruption to the Canadian and U.S. economies, impacting markets, gross-domestic product growth, foreign exchange rates, inflation and employment rates and could trigger a broader economic slowdown affecting consumer discretionary spending and purchasing behaviour, ultimately affecting demand. In addition, if tariffs or other trade restrictions are imposed, we may face higher input costs which could reduce margins or require product price adjustments that may also affect consumer demand. Management is actively assessing the potential financial and operational implications and is exploring strategies to mitigate risks.

Liquidity Risk

Liquidity risk is the risk we will not be able to meet our financial obligations associated with financial liabilities. We are exposed to this risk mainly in respect of our accounts payable and accrued liabilities, various long-term debt agreements, obligations under our post-retirement benefits plan and lease liabilities.

We manage our liquidity risk through continuous monitoring of our forecast and actual cash flows and through the management of our capital structure. We continually revise our available liquid resources as compared to the timing of the payment of liabilities to manage our liquidity risk.

Emerging Markets Risk

Jamieson Shanghai is an operating subsidiary of ours located in China. Although China is considered to be a relatively stable jurisdiction for business, it is possible that operating in China may expose us to a certain degree of political, economic and other risks and uncertainties.

Our business, financial condition and financial performance may be influenced by the political, economic and legal environments in China, and by the general state of the Chinese economy on an increasing basis over the next several years. Our business operations in China are subject to oversight and regulation by various Chinese government authorities, including the State Administration for Market Regulation, particularly with respect to advertising and promotional activities. The regulatory landscape in China is dynamic, with new laws and regulations being adopted periodically. Substantial uncertainties exist regarding the interpretation and enforcement of current and future Chinese laws and regulations applicable to our operations. Changes in investment policies or shifts in political attitude in China may also adversely affect our business, results of operations and financial condition. Operations may be affected in varying degrees by government regulations with respect to, but not limited to price controls, income taxes, restrictions on production, foreign investment, bank lending, intellectual property, export controls, and usage and costs of state-controlled transportation services and nationalization or expropriation of property or business. Any events resulting in an adverse impact on the Chinese economy may have an adverse effect on our profitability and prospects.

The Chinese legal system is a system based on written statutes and government regulations. They are interpreted by the Supreme Peoples' Court and the state organ which has issued them. Since 1979, the Chinese government has been developing a comprehensive system of laws dealing with economic matters such as foreign investment, corporate organization and governance, commerce, taxation and trade. Because these laws and regulations are relatively new and often lacking the details required to understand their practical impact in particular situations, and because of the limited volume of published cases and their non-binding nature, the interpretation and enforcement of these laws and regulations involve uncertainties. This may result in the outcome of dispute resolutions not being consistent or predictable as compared to more developed jurisdictions.