



Delivra Health Brands and its Leading Brands Dream Water® and LivRelief™ Report Positive Adjusted EBITDA⁽¹⁾ for First Quarter of Fiscal 2024

November 28, 2023 – Vancouver, British Columbia – Delivra Health Brands Inc. ("**Delivra Health**" or the "**Company**") (TSX-V: DHB; OTCQB: DHBUF), a consumer packaged goods company uniquely positioned in the health and wellness sector, is pleased to announce its financial and operating results for the three months ended September 30, 2023. The Delivra Health portfolio features innovative brands Dream Water® and LivRelief™, which deliver relief from common health issues such as sleeplessness, chronic pain and anxiety.

Management Commentary

In the first quarter of fiscal 2024, Delivra Health extended the positive adjusted earnings before interest, taxes, depreciation and amortization ("**Adjusted EBITDA**") results it reported for fiscal 2023. The Company reported \$683 in its first quarter of fiscal 2024. "Our commitment to Delivra Health shareholders to increase revenue has been achieved with a substantial increase in net revenue of 112% year over year and a strong margin of 52%", said Gord Davey, President and Chief Executive Officer of Delivra Health. "These first quarter results are testament to the execution of our commercial plan in all verticals of our Company. Delivra will continue to invest in customer-specific programs and its e-commerce strategy, as well launch innovation products and improving distribution across several channels."

Financial Highlights

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

- **Net revenue:** For the three months ended September 30, 2023, net revenue was \$3,671 compared to \$1,729 in the same period in the prior year. The \$1,942 or 112% increase in net revenue was mainly due to an increase in sales of Dream Water™ in the US, which was driven by the favorable timing of increased purchase orders activity in the US market.
- **Gross profit and gross profit margin:** For the three months ended September 30, 2023, the Company reported gross profit of \$1,922 and a 52% gross profit margin compared to \$879 and a 51% gross profit margin in same period last year. This increase is attributed to lower sales fees and lower indirect cost of sales incurred relative to the increase.
- **Expenses including selling, general and administrative expenses and excluding non-cash items:** For the three months ended September 30, 2023, the Company reported expenses of \$1,317 compared to \$1,048 in the same period last year, representing a 26% increase for the quarter. The increase is mainly driven by higher sales and marketing expenses to support branding and distribution initiatives.



- Adjusted EBITDA⁽¹⁾:** For the three months ended September 30, 2023, the Company reported positive Adjusted EBITDA of \$683 compared to \$(154) in the same period last year, representing a \$837 year over year improvement. The improvement in positive Adjusted EBITDA is driven by an increase in sales volume as described above and thus an increase in gross profit.

Summary of Key Financial Results

	For the quarter ended September 30	
(\$000's, except share and per share amounts)	2023	2022
Continued operations:		
Net revenue	\$3,671	\$1,729
Cost of sales	1,671	840
Inventory write-down	78	10
Gross profit	1,922	879
Gross profit margin	52%	51%
Expenses excluding non-cash expenses	1,317	1,043
Depreciation and amortization and share-based compensation	335	370
Profit (loss) from operations before other (expense) income	270	(534)
Other (expense) income	(44)	153
Net profit (loss)	226	(381)
Net profit (loss) per share – basic	0.001	(0.002)
Net cash provided from operating activities	187	156

Expenses excluding non-cash items

	For the quarter ended September 30	
(\$000's, except share and per share amounts)	2023	2022
General and administration	\$914	\$964
Sales and marketing	403	79
Total	1,317	1,043



Adjusted EBITDA (non-IFRS measure)⁽¹⁾

	For the quarter ended September 30	
	2023	2022
(\$000's, except share and per share amounts)		
Profit (loss) from operations	\$270	\$(534)
Inventory write-down	78	10
Depreciation and amortization	334	332
Share-based compensation	1	38
Adjusted EBITDA⁽¹⁾	683	(154)

About Delivra Health Brands Inc.

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

Non-IFRS Measures, Reconciliation and Discussion

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

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

There are no comparable IFRS financial measures presented in Delivra Health's financial statements. Reconciliations of the supplemental non-IFRS measure are presented in the Company's management discussion and analysis for the three months ended September 30, 2023. This non-IFRS financial measure is presented because management has evaluated the financial results both including and excluding the adjusted items and believes that the non-IFRS financial measure presented provides additional perspective and insights when analyzing the core operating performance of the business. The Company believes that the supplemental measure provides information which is useful to shareholders and investors in understanding the Company's performance and may assist in the evaluation of the Company's business relative to that of its peers.

The non-IFRS financial measure should not be considered superior to, as a substitute for, or as an alternative to, and should be considered in conjunction with the IFRS financial measures presented in the Company's financial statements. For more information, please see "Adjusted EBITDA (non-IFRS measure)" and "Non-IFRS Measures" in the Company's management discussion and analysis for the three months ended September 30, 2023, which is available under the Company's SEDAR+ profile on www.sedarplus.ca.

Notes:

1. This is a non-IFRS reporting measure. For a reconciliation of this measure to the nearest IFRS measure, see "Adjusted EBITDA (non-IFRS measure)" and "Non-IFRS Measures" in the Company's management discussion and analysis for the three months ended September 30, 2023.

Cautionary Note Regarding Forward-Looking Statements

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



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

Additional information regarding this and other risks and uncertainties relating to the Company's business are contained under the heading "Risk Factors" in the Company's annual information form dated March 2, 2021, and under the heading "Risks and Uncertainties" in the Company's management's discussion and analysis dated November 28, 2023 for the three months ended September 30, 2023 filed under the Company's profile on SEDAR+ at www.sedarplus.ca.

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

Investor Relations:

Jack Tasse

Chief Financial Officer

IR@delivrahealth.com

1-877-915-7934