



Delivra Health and its Brands LivRelief™ and Dream Water™ Report Results for Second Quarter of Fiscal 2024

February 27, 2024 – Vancouver, British Columbia – Delivra Health Brands Inc. ("**Delivra Health**" or the "**Company**") (TSX-V: DHB; OTCQB: DHBUF), a consumer packaged goods company uniquely positioned in the health and wellness sector, is pleased to announce its financial and operating results for the three and six months ended December 31, 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

“The results of the second quarter of fiscal 2024 (“**Q2 2024**”) demonstrates that the Company’s business model is a resilient model, that works well with changes in sales volume when it comes to producing sustainable margins. The Company is on track, producing an over 39% increase in year-over-year net revenue and positive year to date EBITDA,” said Gord Davey, President and Chief Executive Officer of Delivra Health. During Q2 2024, the Company focused on increasing its marketing activity and investing in consumer promotional programs in the U.S., in addition to new product listings, new customer listings and other new initiatives that will deliver an impact in future quarters. The Company will continue to expand its product portfolio in North America and abroad in multiple markets and channels.”

Financial Highlights for the Three Months Ended December 31, 2023

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

Net revenue: In the three months ended December 31, 2023, the Company reported total net revenue from continued operations of \$2,050 as compared to \$2,392 in same period last year, representing an approximate 14% reduction. This net reduction was primarily due to lower sales of Dream Water® in the U.S. as a result of timing of customer ordering patterns and higher sales of the Company’s licensed LivRelief™ cannabis-infused topical creams in Canada.

Gross profit and gross profit margin: In the three months ended December 31, 2023, the Company reported gross profit of \$1,104 and a gross profit margin of 54% as compared to \$987 and 41% in the same period last year. The increase in gross profit and gross profit margin was the result of a greater proportion of high-profit customers as compared to the customer mix in the prior year.

Expenses including selling, general and administrative (“SG&A”) expenses and excluding non-cash items: In the three months ended December 31, 2023, the Company



reported expenses of \$1,263 as compared to \$968 in the same period last year, representing a \$295 or 30% increase. The increase was mainly driven by the implementation of new marketing campaigns and digital marketing programs.

Adjusted EBITDA⁽¹⁾: In the three months ended December 31, 2023, the Company reported Adjusted EBITDA of \$(84) as compared to \$140 in the same period last year, representing a \$224 year-over-year reduction. This reduction in Adjusted EBITDA is the result of lower net revenue compared to the prior year and higher SG&A expenses as explained above.

Financial Highlights for the Six Months Ended December 31, 2023

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

Net revenue: In the six months ended December 31, 2023, the Company reported total net revenue from continued operations of \$5,722 compared to \$4,121 in same period last year which is approximately a 39% increase. This increase was due to higher sales of Dream Water® in U.S.

Gross profit and gross profit margin: In the six months ended December 31, 2023, the Company reported year-to-date gross profit of \$3,027 and a gross profit margin of 53% as compared to \$1,865 and 45% in same period last year. The increase in gross profit and gross profit margin was the result of increased sales volume and improved customer mix, which was supported by disciplined operational costs.

Expenses including SG&A expenses and excluding non-cash items: In the six months ended December 31, 2023, the Company reported expenses of \$2,579 compared to \$2,012 in the same period last year, representing a 28% increase. As noted previously, the increase was mainly driven by the implementation of new marketing campaigns and digital marketing programs.

Adjusted EBITDA⁽¹⁾: In the six months ended December 31, 2023, the Company reported Adjusted EBITDA of \$601 compared to \$(15) in the same period last year, representing a \$616 year-over-year improvement. This increase in Adjusted EBITDA was driven by management's focus on the right customer mix and margin improvement, which was supported by effective administrative and selling support functions.

Summary of Key Financial Results

	For the three months ended December 31		For the six months ended December 31	
	2023	2022	2023	2022
(\$000's, except share and per share amounts)				
Continued operations:	\$	\$	\$	\$
Net revenue	2,050	2,392	5,722	4,121
Cost of sales	871	1,284	2,542	2,124
Inventory write-down	75	121	153	132
Gross profit	1,104	987	3,027	1,865
Expenses excluding non-cash expenses	1,263	968	2,579	2,012
Depreciation and amortization and share based compensation	327	410	662	781
Total expenses	1,590	1,378	3,241	2,793
Loss from operations	(486)	(391)	(214)	(928)
Other (expense) income	(163)	1,281	(207)	1,434
Net gain (loss) from continued operations	(649)	890	(421)	506
Net gain (loss) per share – basic	(0.002)	0.004	(0.002)	0.002
Net gain (loss) per share –diluted	(0.002)	0.003	(0.001)	0.002

Adjusted EBITDA⁽¹⁾ (non-IFRS measure)

	For the three months ended December 31		For the six months ended December 31	
	2023	2022	2023	2022
(\$000's, except share and per share amounts)				
Loss from operations	(486)	(391)	(214)	(928)
Inventory write-down	75	121	153	132
Depreciation and amortization	326	332	659	664
Share-based compensation	1	78	3	117
Adjusted EBITDA(1)	(84)	140	601	(15)



Expenses excluding non-cash items

	For the three months ended December 31		For the six months ended December 31	
	2023	2022	2023	2022
(\$000's, except share and per share amounts)				
General and administration	933	888	1,846	1,853
Sales and marketing	330	80	733	159
Total	1,263	968	2,579	2,012

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 and six months ended December 31, 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 and six months ended December 31, 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 and six months ended December 31, 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; statements about the Company's business model and the ability to produce sustainable margins; statements regarding the impact of new marketing activity, promotional programs, new product listings, new customer listings, and other new initiatives; statements relating to the expansion of the Company's product portfolio; expectations regarding increase of the Company's revenues and profitability; and statements regarding the Company's growth objectives.

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 February 27, 2024 for the three and six months ended December 31, 2023 filed under the Company's profile on SEDAR+ at www.sedarplus.ca.

Neither the 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