NEWS RELEASE

Jamieson Wellness Inc. Reports Second Quarter 2025 Results

2025-08-07

Jamieson Brands revenue up 13.8%

Highly successful 6/18 program in China grows 73% over prior year

TORONTO--(BUSINESS WIRE)-- Jamieson Wellness Inc. (“Jamieson Wellness” or the “Company”) (TSX: JWEL) today reported its second quarter results for the period ended June 30, 2025. All amounts are expressed in Canadian dollars. Certain metrics, including those expressed on an adjusted basis, are non-IFRS and other financial measures. See “Non-IFRS and Other Financial Measures” below.

Management Commentary

“Q2 marked another solid quarter, reinforcing the continued strength of the health and wellness category and Jamieson’s leadership within it," said Mike Pilato, President and CEO of Jamieson Wellness. "Branded revenue growth of nearly 14 percent reflects both sustained global demand for our trusted brands and our team's precise execution of our strategic plan across all key markets.

“In Canada, our 'Proudly Canadian' platform continues to resonate with consumers driving strong consumption growth while our innovation pipeline drives category-leading performance. In the U.S., youtheory is gaining traction through our traditional retail presence and our new ecommerce partnership, with strong consumption growth validating our strategy. In China, our successful 6/18 campaign delivered exceptional growth as our investment in brand awareness continues to resonate with consumers. And internationally, we're seeing continued momentum driven by innovation, particularly across the Middle East and Southeast Asia.

“In the first half of 2025, our branded business expanded by nearly 14%, with growth across all our branded business units. As we head into the second half of the year we’re pleased to increase our quarterly dividend, as we have done every year as a public company. We remain focused on executing our innovation roadmap, expanding our global reach, and driving operational excellence. Built on our 103-year foundation of quality and trust, we're executing from an even stronger position as we continue to Inspire Better Lives Every Day."

Second Quarter Highlights

- New Jamieson innovation, notably behind the trending magnesium category and “Proudly Canadian” marketing programs drove strong consumer consumption in Canada
- Highly successful 6/18 promotion in China achieved 73% growth over prior year
- Trending ingredients drove increased youtheory consumption including accelerated growth in stress support and a market-leading product in the energy category
- New product launches and successful heart and women’s health campaigns drove sell through in many International markets

Summary of Consolidated Results

All comparisons are with the second quarter of 2024

- Consolidated revenue increased 7.7% to $199.1 million, driven by 13.8% growth in Jamieson Brands partially offset by an expected decline in Strategic Partners
- Gross profit increased by $15.8 million to $80.8 million; normalized gross profit increased by $14.2 million largely driven by higher branded revenue and margins
- Gross profit margin 3 increased by 540 basis points; normalized gross profit margin increased 460 basis points due to favourable channel mix and prior year inefficiencies
- EBITDA 1 increased by $5.8 million to $30.1 million, mainly driven by higher revenues and gross profit; Adjusted EBITDA 1 increased by $3.5 million or 11.2% to $35.1 million, reflecting the impact of higher sales volumes, partially offset by timing of investments in SG&A
- Net earnings was $13.8 million; Adjusted net earnings 1 was $17.3 million, or $2.6 million higher, reflecting higher normalized earnings from operations
- Diluted earnings per share was $0.30; Adjusted diluted earnings per share 2 was $0.40

Summary of Segment Results

All comparisons are with the second quarter of 2024

Jamieson Brands

- Revenue increased 13.8% or $21.5 million
  - Canada revenue increased by 2.0%, driven by strong consumer consumption, partially offset by the impact of order fulfillment in Q2 prior year after the labour disruption in the first quarter
  - China revenue increased 70.8% driven by a successful 6/18 promotional campaign, continued brand loyalty growth behind our brand building investment, and a heavier weighting of influencer programs scheduled in the quarter
  - youtheory revenue increased by 9.7% mainly driven by strong consumption in e-commerce driven by our new strategic partnership, growth in our traditional channels, and timing of shipments of our Q3 promotional programs
  - International revenue increased by 9.6% driven by growth in core markets in the Middle East and Asia
- Gross profit increased by $17.0 million to $78.3 million; normalized gross profit increased by $15.4 million mainly driven by revenue growth and higher margins
- Gross profit margin 3 increased by 480 basis points; normalized gross profit margin increased by 370 basis points mainly driven by volume efficiencies compared to inefficiencies due to the labour disruption in the prior year and favourable channel mix
- Adjusted EBITDA 1 increased by $4.8 million to $33.5 million, driven by higher gross profit partially offset by timing of SG&A to support growth and brand awareness in China; Adjusted EBITDA margin 2 was 18.9%, an increase of 50 basis points mainly due to improved gross profit margins

Strategic Partners

- Revenue decreased an expected 24.9% or $7.2 million, impacted by the timing of customer ordering patterns under new programs and shipments shifting to the second half of the year
- Gross profit decreased by $1.2 million; gross profit margin 3 decreased by 110 basis points driven mainly by production mix
- Adjusted EBITDA 1 was $1.6 million, a decrease of $1.2 million; Adjusted EBITDA margin 2 was 7.5%, a decrease of 240 basis points

Balance Sheet and Cash Flow from Operations

All comparisons are with the second quarter of 2024

- As at June 30, 2025, the Company had approximately $132.9 million in cash and available revolving and swingline facilities and net debt 1 of $367.1 million
- The Company generated $11.4 million in cash from operations compared to $6.9 million generated in Q2

2024

- Cash from operating activities before working capital considerations of $18.8 million was $1.7 million higher than Q2 2024
- Cash invested in working capital decreased by $2.9 million mainly due to timing of vendor payments, partially offset by the timing of customer collections and increased inventories to support the growth of the business
- During the six-month period ended June 30, 2025, the Company purchased for cancellation 444,580 Common Shares under its normal course issuer bid ("NCIB") program for an aggregate consideration of $13.1 million

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1 This is a non-IFRS financial measure. See the "Non-IFRS and Other Financial Measures" section of this press release for more information on each non-IFRS financial measure.
2 This is a non-IFRS ratio. See the "Non-IFRS and Other Financial Measures" section of this press release for more information on each non-IFRS ratio.
3 This is a supplementary financial measure. See the "Non-IFRS and Other Financial Measures" section of this press release for more information on each supplementary financial measure.

Adjusting Fiscal 2025 Outlook

The Company is maintaining its consolidated revenue and Adjusted EBITDA outlook for the 2025 fiscal year and continues to anticipate the following:

- Revenue to range between $800.0 to $840.0 million (9.0% to 14.5% growth)
- Adjusted EBITDA to range from $157.0 to $163.0 million (11.0% to 15.5% growth)

The Company is adjusting its outlook for the 2025 fiscal year to reflect higher Jamieson Brands revenue in China due to strong demand, and lower Strategic Partners revenue to account for the timing of onboarding new partners. As such, the Company now expects the following:

- Revenue in the Jamieson Brands segment to range between $695.0 to $725.0 (10.5% to 15.3% growth), updated from the Company's previous expectation of $685.0 to $720.0 million (9.0% to 14.5% growth)
    - Jamieson China revenue to grow 30.0% to 40.0%, updated from the previous range of 25.0% to 35.0%. Growth will be driven by market growth, innovation, and by further extending effectiveness and efficiency within digital programs driving trial and awareness.
- Revenue in the Strategic Partners segment to range between $105.0 to $116.0 (up to 10.0% growth), updated from the Company's previous expectation of $116.0 to $121.0 million (10.0% to 15.0% growth)
    - Growth is expected to be driven by new programs and industry growth propelling higher volumes within the Company's existing program portfolio. Uncertainties surrounding U.S. tariffs have delayed launches of new programs and the timing of onboarding new customers have shifted revenues to the following year.

In addition, Adjusted diluted earnings per share is expected to range from $1.79 to $1.90 (11.0% to 18.0% growth), reflecting higher interest expense on the repurchase of shares under the NCIB program and timing of seasonal working capital investments.

The Company's 2025 guidance reflects the current prevailing trade environment between the United States, Canada and other countries. To date, tariffs have not had a material impact on the Company's overall financial performance, as these costs have been mitigated through the Company's flexible supply chain and operating efficiencies. The Company recognizes that the trade environment is constantly changing and actual results may be impacted by future changes in global trade policies. For additional details on the Company's fiscal 2025 outlook, including guidance for the third quarter of 2025, refer to the "Outlook" section in the management's discussion and analysis of financial condition and results of operations ("MD&A") for the three and six months ended June 30, 2025.

Declaration of Second Quarter Dividend

The board of directors of the Company authorized a 2.0 cent or a 9.5% increase in the quarterly dividend and declared a cash dividend for the second quarter of 2025 of $0.23 per common share, or approximately $9.5 million in total.

- Payable: September 12, 2025
- Record date: August 29, 2025
- Designated an "eligible dividend" under the Income Tax Act (Canada)

Consolidated Financial Statements and Management's Discussion and Analysis

The Company's unaudited condensed consolidated interim financial statements and accompanying notes as at and for the three and six months ended June 30, 2025 and related MD&A are available under the Company's profile on SEDAR+ at **www.sedarplus.ca** and on the Investor Relations section of the Company's website at **https://investors.jamiesonwellness.com**.

Conference Call

Management will host a conference call to discuss the Company's second quarter 2025 results at 5:00 p.m. ET today, August 7, 2025. To access:

- By phone: 1-800-717-1738 from Canada and the U.S. or 1-646-307-1865 from international locations
- Online: **https://investors.jamiesonwellness.com** or **https://viavid.webcasts.com/starthere.jsp?ei=1726891&tp_key=eee3aa172e**

About Jamieson Wellness

Jamieson Wellness is dedicated to Inspiring Better Lives Every Day with its portfolio of innovative natural health brands. Established in 1922, the Jamieson brand is Canada's #1 vitamins, minerals and supplements (“VMS”) brand. The Company’s youtheory brand, acquired in 2022, is an established and growing lifestyle brand in the U.S. Combined, these global brands are available in more than 50 countries worldwide. The Company also offers a variety of innovative VMS products as well as sports nutrition products to consumers in Canada with its Progressive, Smart Solutions, Iron Vegan and Precision brands. The Company is a participant of the United Nations Global Compact and adheres to its principles-based approach to responsible business. For more information please visit **jamiesonwellness.com**.

Jamieson Wellness’ head office is located at 1 Adelaide Street East Suite 2200, Toronto, Ontario, Canada.

Forward-Looking Information

This press release may contain forward-looking information within the meaning of applicable securities legislation. Such information includes, but is not limited to, statements related to the Company’s anticipated results and its outlook for its 2024 revenue, Adjusted EBITDA and Adjusted diluted earnings per share. Words such as “expect”, “anticipate”, “intend”, “may”, “will”, “estimate” and variations of such words and similar expressions are intended to identify such forward-looking information. This information reflects the Company’s current expectations regarding future events. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond the Company’s control that could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking information. Such risks and uncertainties include, but are not limited to, the factors discussed under “Risk Factors” in the Company’s Annual Information Form dated March 31, 2025 and under the “Risk Factors” section in the MD&A filed today, August 7, 2025. This information is based on the Company’s reasonable assumptions and beliefs in light of the information currently available to it and the statements are made as of the date of this press release. The Company does not undertake any obligation to update such forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable law or regulatory authority.

The Company cautions that the list of risk factors and uncertainties is not exhaustive and other factors could also adversely affect the Company’s results. Readers are urged to consider the risks, uncertainties and assumptions associated with these statements carefully in evaluating the forward-looking information and are cautioned not to place undue reliance on such information. See “Forward-looking Information” and “Risk Factors” within the MD&A for a discussion of the uncertainties, risks and assumptions associated with these statements.

Jamieson Wellness Inc.
Selected Consolidated Financial Information
In thousands of Canadian dollars, except share and per share amounts

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Revenue	199,109	184,806	345,072	312,844
Cost of sales	118,295	119,778	209,038	205,031
Gross profit	80,814	65,028	136,034	107,813
Gross profit margin	40.6%	35.2%	39.4%	34.5%
Selling, general and administrative expenses	55,346	43,867	104,933	83,425
Share-based compensation	2,078	1,744	4,165	3,493
Earnings from operations	23,390	19,417	26,936	20,895
Operating margin	11.7%	10.5%	7.8%	6.7%
Foreign exchange gain	(1,749)	(180)	(1,245)	(951)
Interest expense and other financing costs	4,771	4,647	9,679	9,520
Accretion on preferred shares	1,155	2,121	3,427	4,340
Earnings before income taxes	19,213	12,829	15,075	7,986
Provision for income taxes	5,385	4,516	3,761	3,392
Net earnings	13,828	8,313	11,314	4,594
Net earnings attributable to:				
Shareholders	13,071	8,653	10,625	4,540
Non-controlling interests	757	(340)	689	54
	13,828	8,313	11,314	4,594
Adjusted net earnings	17,267	14,654	23,215	18,569
EBITDA	30,118	24,358	37,915	31,507
Adjusted EBITDA	35,100	31,555	54,166	47,652
Adjusted EBITDA margin	17.6%	17.1%	15.7%	15.2%
Weighted average number of shares				
Basic	41,712,207	41,456,594	41,845,278	41,468,227
Diluted	43,065,916	42,472,623	43,104,101	42,304,411
Earnings per share attributable to common shareholders:				
Basic, earnings per share	0.31	0.20	0.25	0.11
Diluted, earnings per share	0.30	0.20	0.25	0.11
Adjusted diluted, earnings per share	0.40	0.35	0.54	0.44

Jamieson Wellness Inc.
Consolidated Statements of Financial Position
In thousands of Canadian dollars

	June 30, 2025	December 31, 2024
Assets		
Current assets		
Cash	50,537	44,787
Accounts receivable	165,085	228,031
Inventories	191,939	154,658
Derivatives	1,238	2,661
Prepaid expenses and other current assets	6,167	6,803
Income taxes recoverable	5,272	-
	420,238	436,940
Non-current assets		
Property, plant and equipment	101,302	103,591
Goodwill	279,433	287,503
Intangible assets	364,747	377,214
Deferred income tax	4,265	3,545
Total assets	1,169,985	1,208,793
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	139,102	137,653
Income taxes payable	1,345	4,373

Derivatives	4,767	2,982
Current portion of other long-term liabilities	17,790	27,673
	163,004	172,681
Long-term liabilities		
Long-term debt	417,652	308,285
Post-retirement benefits	1,268	1,209
Deferred income tax	63,594	64,467
Redeemable preferred shares	-	98,138
Other long-term liabilities	13,409	15,633
Total liabilities	658,927	660,413
Equity		
Share capital	328,879	326,219
Warrants	14,705	14,705
Contributed surplus	25,014	23,835
Retained earnings	82,436	99,109
Accumulated other comprehensive income	17,336	41,313
Total shareholders' equity	468,370	505,181
Non-controlling interests	42,688	43,199
Total equity	511,058	548,380
Total liabilities and equity	1,169,985	1,208,793

Non-IFRS and Other Financial Measures

This press release 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 the Company’s 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 the Company’s results of operations from management’s perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of the Company’s financial information reported under IFRS. The Company uses the following non-IFRS financial measures: “EBITDA”, “Adjusted EBITDA” and “Adjusted net earnings”, the most directly comparable financial measure for each that is disclosed in its financial statements being net earnings, “normalized gross profit”, “normalized SG&A”, “normalized earnings from operations”, “cash from operating activities before working capital considerations” and “net debt”, the most directly comparable financial measures for each that is disclosed in its financial statements being gross profit, SG&A, earnings from operations, cash flows from operating activities, and long-term debt, respectively, 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 the Company’s operating performance and thus highlight trends in the Company’s 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. For an explanation of the composition of each such measure and the usefulness and additional uses of each by management, see the “How we Assess the Performance of our Business" section of the MD&A, which is incorporated by reference. See below for a quantitative reconciliation of each non-IFRS financial measure to its most directly comparable financial measure disclosed in the Company's financial statements to which the measure relates.

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 and net debt, each of which are non-IFRS financial measures (see the "Non-IFRS and Other Financial Measures" of this press release for further information on each non-IFRS financial measure) for the three and six months ended June 30, 2025.

Jamieson Wellness Inc.
Segment Information
In thousands of Canadian dollars, except as otherwise noted

Jamieson Brands

	Three months ended June 30			
	2025	2024	$ Change	% Change
Revenue	177,317	155,787	21,530	13.8%
Gross profit	78,251	61,284	16,967	27.7%
Labour relations costs(1)	-	1,414	(1,414)	(100.0%)
Acquisition and divestiture related costs (2)	-	165	(165)	(100.0%)
Normalized gross profit	78,251	62,863	15,388	24.5%
Gross profit margin	44.1%	39.3%	-	4.8%
Normalized gross profit margin	44.1%	40.4%	-	3.7%
Share-based compensation (3)	2,078	1,744	334	19.2%
Selling, general and administrative expenses	53,767	42,262	11,505	27.2%
Acquisition and divestiture related costs (2)	-	(324)	324	100.0%
IT system implementation (4)	(3,796)	(3,449)	(347)	(10.1%)
Legal and other(6)	(857)	-	(857)	(100.0%)
Labour relations costs(1)	-	(281)	281	100.0%
Normalized selling, general and administrative expenses	49,114	38,208	10,906	28.5%
Earnings from operations	22,406	17,278	5,128	29.7%
Acquisition and divestiture related costs (2)	-	489	(489)	(100.0%)
IT system implementation (4)	3,796	3,449	347	10.1%
Labour relations costs(1)	-	1,695	(1,695)	(100.0%)
Legal and other (6)	857	-	857	100.0%
Normalized earnings from operations	27,059	22,911	4,148	18.1%
Operating margin	12.6%	11.1%	-	1.5%
Normalized operating margin	15.3%	14.7%	-	0.6%
Adjusted EBITDA	33,455	28,691	4,764	16.6%
Adjusted EBITDA margin	18.9%	18.4%	-	0.5%

Strategic Partners

	Three months ended June 30			
	2025	2024	$ Change	% Change
Revenue	21,792	29,019	(7,227)	(24.9%)
Gross profit	2,563	3,744	(1,181)	(31.5%)
Gross profit margin	11.8%	12.9%	-	(1.1%)
Selling, general and administrative expenses	1,579	1,605	(26)	(1.6%)
Earnings from operations	984	2,139	(1,155)	(54.0%)
Operating margin	4.5%	7.4%	-	(2.9%)
Adjusted EBITDA	1,645	2,864	(1,219)	(42.6%)
Adjusted EBITDA margin	7.5%	9.9%	-	(2.4%)

Jamieson Brands

	Six months ended June 30			
	2025	2024	$ Change	% Change

Revenue	308,698	271,135	37,563	13.9%
Gross profit	132,041	102,414	29,627	28.9%
Labour relations costs(1)	-	4,667	(4,667)	(100.0%)
IT system implementation (4)	1,023	-	1,023	100.0%
Acquisition and divestiture related costs (2)	-	165	(165)	(100.0%)
Normalized gross profit	133,064	107,246	25,818	24.1%
Gross profit margin	42.8%	37.8%	-	5.0%
Normalized gross profit margin	43.1%	39.6%	-	3.5%
Share-based compensation(3)	4,165	3,493	672	19.2%
Selling, general and administrative expenses	101,807	80,323	21,484	26.7%
Acquisition and divestiture related costs (2)	-	(324)	324	100.0%
IT system implementation (4)	(8,082)	(6,429)	(1,653)	(25.7%)
Labour relations costs(1)	-	(1,721)	1,721	100.0%
Donations(5)	(3,118)	-	(3,118)	(100.0%)
Legal and other (6)	(882)	(297)	(585)	(197.0%)
Normalized selling, general and administrative expenses	89,725	71,552	18,173	25.4%
Earnings from operations	26,069	18,598	7,471	40.2%
Acquisition and divestiture related costs (2)	-	489	(489)	(100.0%)
IT system implementation (4)	9,105	6,429	2,676	41.6%
Labour relations costs(1)	-	6,388	(6,388)	(100.0%)
Donations(5)	3,118	-	3,118	100.0%
Legal and other (6)	882	297	585	197.0%
Normalized earnings from operations	39,174	32,201	6,973	21.7%
Operating margin	8.4%	6.9%	-	1.5%
Normalized operating margin	12.7%	11.9%	-	0.8%
Adjusted EBITDA	51,728	43,815	7,913	18.1%
Adjusted EBITDA margin	16.8%	16.2%	-	0.6%

Strategic Partners

	Six months ended June 30			
	2025	2024	$ Change	% Change
Revenue	36,374	41,709	(5,335)	(12.8%)
Gross profit	3,993	5,399	(1,406)	(26.0%)
IT system implementation (4)	226	-	226	100.0%
Normalized gross profit	4,219	5,399	(1,180)	(21.9%)
Gross profit margin	11.0%	12.9%	-	(1.9%)
Normalized gross profit margin	11.6%	12.9%	-	(1.3%)
Selling, general and administrative expenses	3,126	3,102	24	0.8%
Earnings from operations	867	2,297	(1,430)	(62.3%)
IT system implementation (4)	226	-	226	100.0%
Normalized earnings from operations	1,093	2,297	(1,204)	(52.4%)
Operating margin	2.4%	5.5%	-	(3.1%)
Normalized operating margin	3.0%	5.5%	-	(2.5%)
Adjusted EBITDA	2,438	3,837	(1,399)	(36.5%)
Adjusted EBITDA margin	6.7%	9.2%	-	(2.5%)

Reconciliation of Non-IFRS Financial Measures

In thousands of Canadian dollars

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Net earnings:	13,828	8,313	11,314	4,594
Add:				
Recovery of income taxes	5,385	4,516	3,761	3,392
Interest expense and other financing costs	4,771	4,647	9,679	9,520
Accretion on preferred shares	1,155	2,121	3,427	4,340
Depreciation of property, plant, and equipment	3,474	3,236	6,729	6,752
Amortization of intangible assets	1,505	1,525	3,005	2,909
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	30,118	24,358	37,915	31,507
Share-based compensation (3)	2,078	1,744	4,165	3,493
Foreign exchange gain	(1,749)	(180)	(1,245)	(951)
Labour relations costs(1)	-	1,695	-	6,388
IT system implementation (4)	3,796	3,449	9,331	6,429
Acquisition and divestiture related costs (2)	-	489	-	-
Donations(5)	-	-	3,118	-
Legal and other(6)	857	-	882	297

Adjusted EBITDA	35,100	31,555	54,166	47,652
Recovery of income taxes	(5,385)	(4,516)	(3,761)	(3,392)
Interest expense and other financing costs	(4,771)	(4,647)	(9,679)	(9,520)
Depreciation of property, plant, and equipment	(3,474)	(3,236)	(6,729)	(6,752)
Amortization of intangible assets	(1,505)	(1,525)	(3,005)	(2,909)
Share-based compensation (3)	(1,956)	(1,622)	(3,921)	(3,249)
Tax deduction from vesting of certain share-based awards	(19)	-	(708)	-
Tax effect of normalization adjustments	(723)	(1,355)	(3,148)	(3,261)
Adjusted net earnings	17,267	14,654	23,215	18,569

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Gross profit	80,814	65,028	136,034	107,813
Labour relations costs(1)	-	1,414	-	4,667
Acquisition and divestiture related costs (2)	-	165	-	165
IT system implementation (4)	-	-	1,249	165
Normalized gross profit	80,814	66,607	137,283	112,645
Normalized gross profit margin	40.6%	36.0%	39.8%	36.0%
Selling, general and administrative expenses	55,346	43,867	104,933	83,425
Acquisition and divestiture related costs (2)	-	(324)	-	(324)
IT system implementation (4)	(3,796)	(3,449)	(8,082)	(6,429)
Labour relations costs(1)	-	(281)	-	(1,721)
Donations(5)	-	-	(3,118)	-
Legal and other (6)	(857)	-	(882)	(297)
Normalized selling, general and administrative expenses	50,693	39,813	92,851	74,654
Earnings from operations	23,390	19,417	26,936	20,895
Acquisition and divestiture related costs (2)	-	489	-	489
IT system implementation (4)	3,796	3,449	9,331	6,429
Donations(5)	-	-	3,118	-
Labour relations costs(1)	-	1,695	-	6,388
Legal and other(6)	857	-	882	297
Normalized earnings from operations	28,043	25,050	40,267	34,498
Normalized operating margin	14.1%	13.6%	11.7%	11.0%

(1)These expenses are mainly comprised of third-party legal, security fees, unavoidable facility expenditures, customer fines and penalties, along with freight charges to expedite shipments to customers as it relates to a labour disruption in Q1 2024.
(2)Prior year expenses mainly pertain to legal, consulting and integration costs associated with the acquisition and integration of our former distributor partner in China on April 28, 2023.
(3)The Company's 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.
(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)Include cash and in-kind donations to support communities adjacent to our Irvine, California facility impacted by the wildfires.
(6)Includes other non-recurring expenses primarily related to non-operational legal costs.

Reconciliation of Net Debt
In thousands of Canadian dollars

($ in 000's)	As at June 30, 2025	As at December 31, 2024
Long-term debt	417,652	308,285
Cash	(50,537)	(44,787)
Net debt	367,115	263,498

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Source: Jamieson Wellness Inc.