Inspiring Better Lives Every Day

2023 Annual Report

JAMIESON wellness inc.™

Land Acknowledgement

Jamieson Wellness gratefully acknowledges that our workplace lies on the unceded territories of the First Nation, Inuit and Métis Nations. Our facilities and head office reside in Toronto and Windsor, Canada, which are traditionally the home of the Anishinabewaki, Wendake-Nionwentsïo, Ho-de-no-sau-nee-ga (Haudenosaunee), Mississauga and the Mississaugas of the Credit First Nation.

Through our dispersed team, Jamieson Wellness conducts its work on the traditional territories of several Indigenous peoples across the world. We respectfully honour all people, cultures and traditions.

As part of our acknowledgement, we are committed to amplifying Indigenous voices and working in partnership with Indigenous organizations, community members and ambassadors on our purpose of Inspiring Better Lives Every Day.

Forward-looking Information/ Non-IFRS and Other Financial Measures

This annual report contains "forward-looking information" within the meaning of applicable securities laws, which forward-looking information represents management's expectations as at the date hereof and is subject to change after such date. For a detailed discussion of forward-looking information, which applies in all respects to the forward-looking information contained herein, please refer to the section entitled "Forward-Looking Information" in Jamieson Wellness' annual information form dated March 28, 2024. This annual report makes reference to certain financial measures, including non-IFRS/financial measures that are historical. 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. See "How we Assess the Performance of our Business" of the Company's management's discussion and analysis of the results of operations and financial condition of the Company for the year ended December 31, 2023 (the "MD&A") for an explanation of the composition of each such measure and see "Selected Consolidated Financial Information" of the MD&A 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, which disclosures are incorporated by reference herein.

Letter from the CEO

Dear Shareholders,

As we close the chapter on 2023, I am thrilled to share the remarkable journey we've undertaken together at Jamieson Wellness, a year that exemplified agility, innovation, and an unwavering commitment to excellence. Our desire to improve the world's health and wellness has been our guiding star, and I am excited to present our achievements and aspirations.

Navigating Uncharted Waters

The past year was a testament to the strength of our global growth strategy. Amidst global shifts and uncertainties, Jamieson Wellness stood tall. Let me highlight some key milestones:

- **Record-Breaking Revenue:** Our consolidated revenue surged by an impressive 23.5 percent, reaching over $676 million. This remarkable growth is a testament to the agility of our team, and its ability to meet the needs of our global consumer base with innovative, high-quality products.
- **Brand Power:** Jamieson Brands led the charge, growing by 25.5 percent in 2023. Our commitment to excellence resonated with consumers globally, reinforcing our position as a trusted name in health and wellness.
- **Financial Strength:** Our Adjusted EBITDA[1] soared to over $138 million, a remarkable increase of $14 million, or nearly 12 percent. Even as we invested heavily in our growth, most notably in China and the U.S., our adjusted diluted earnings per share[2] remained flat to the prior year at $1.55 per diluted share.
- **Championing a Sustainable Future:** In 2023 we finalized our annual ESG reporting strategy and released a new environmental policy. As a leader in the health and wellness space, we are proud of these achievements, holding ourselves accountable for sustainable growth, respecting our planet, and leading by example.

Globally Consistent, Locally Relevant

While our roots are deep in Canada, our global footprint continues to expand. In fact, in 2023, nearly 40 percent of our revenue was derived from outside of Canada, more than double the percentage it was just three years ago. In 2023, we harnessed the power of our global brands to drive growth around the world, from here at home.

In Canada, our century-long commitment to excellence has positioned us as the clear category leader. We owe this success to our industry-leading team, and its ability to deliver consistent product innovation and strategic marketing and grow widespread distribution. Jamieson is a household name, available coast-to-coast, meeting the evolving needs of Canadian consumers every day.

In the U.S., with the youtheory integration successfully behind us, we executed on multiple fronts throughout 2023 both digitally, through e-commerce, and physically, on store shelves. Our innovation synergies continued to play out in the year, as evidenced by the successful launches of several new innovations helping propel the growth of this global brand.

With the completion of our acquisition of our Chinese distributor's assets, we established Jamieson's Chinese headquarters in Shanghai, China in 2023, with more than 45 team members. Through the implementation of our strategic partnership with DCP Capital, and the firm's local roots, knowledge, and network, we fueled the growth of our brand in the world's largest VMS market.

From an International perspective, in 2023 we continued to grow share in the key markets where the Jamieson brand is available. Despite macro uncertainties, our brand continues to connect with the global consumer, due largely to our reputation of quality and trust.

Looking Ahead

As we step into 2024, our vision for the future of Jamieson Wellness remains unwavering.

We will invest aggressively in the success of our brands, particularly in the U.S. and China. These investments will optimize our strategy and maximize Jamieson's long-term growth potential as a global brand – pushing us closer to reaching our goal of 1 billion dollars in revenue.

With the recent introduction of our new company Purpose: Inspiring Better Lives Every Day, and our organizational values of Agility, Accountability, Respect and Excellence, we will scale new heights in this new year. Guided by our values and the trust you, our shareholders, place in us, our future is healthier than ever.

Thank you for being part of our journey.

With gratitude,

Mike Pilato

Letter from the Chair of the Board

Dear Shareholders,

On behalf of the Board of Directors, thank you for your confidence in Jamieson Wellness. As stewards of your investment, we take our responsibilities seriously. As we celebrate another year of growth, we remain committed to delivering value to you, our shareholders.

Over the last 2 years, we have made two major strategic moves in pursuit of long-term shareholder value. Our investments in the U.S. and China opened massive growth potential for Jamieson in the two largest VMS markets in the world. It is early days, but so far we are exceeding our growth targets in these markets, while concurrently growing share in our domestic Canadian business.

Our commitment to all our stakeholders extends beyond financial performance. While revenue and profit growth remain crucial, we recognize that sustainable growth encompasses a broader spectrum. As shareholders, you seek a deeper understanding of our organization—a holistic view that transcends balance sheets. With this in mind, we conscientiously assess and mitigate our environmental impact. Sustainability is not just a buzzword; it's a core belief that shapes our decisions. We also recognize that our influence extends beyond boardrooms, so we actively participate in our communities, fostering positive change and contributing to societal wellbeing. And most importantly, we know that our team members are our greatest asset, and we attract and retain top talent by providing a workplace grounded in our values of Agility, Accountability, Respect and Excellence.

Thank you for being an integral part of our success, and thank you for your continued trust in the Jamieson team.

Sincerely,

Tim Penner

MIKE PILATO
Director, President & CEO

TIM PENNER
Chair of the Board

1. "Adjusted EBITDA" is a non-IFRS financial measure that does not have a standardized meaning prescribed by IFRS and is therefore unlikely to be comparable to similar measures presented by other companies. Its most directly comparable financial measure that is disclosed in the Financials is net earnings. For more information, see the non-IFRS and other financial measures disclaimer included on page 4 of this annual report.
2. "Adjusted diluted earnings per share" is a non-IFRS ratio that does not have a standardized meaning prescribed by IFRS and is therefore unlikely to be comparable to similar measures presented by other companies. A component of Adjusted diluted earnings per share is Adjusted net earnings. For more information, see the non-IFRS and other financial measures disclaimer included on page 4 of this annual report.

Heading towards a new purpose.

At Jamieson Wellness, we're focused on what brings people together, and what unites us is our desire to live a healthy life. Our physical, mental and social wellbeing is an essential element of being human, and the pursuit of it is something we all have in common, no matter where we live.

As our world evolves, how we see and think about the role of our organization and the role of our brands has evolved, too. We're a purpose-driven company whose high-quality products are here not only to fill immediate needs, but also to make a meaningful, long-lasting impact on the lives of people around the globe.

As we enter 2024, we are proud to introduce our new organizational purpose of

Inspiring Better Lives Every Day.

Inspiring Better Lives Every Day represents our hope for a healthier, brighter future. Where anyone can be their best self. At every stage of life.

We strive toward this purpose through:

Our belief in continuous progress and betterment through small, consistent choices.

Our commitment to providing high-quality, natural health products that consumers can rely on for positive transformation.

Our promise to stakeholders that Jamieson Wellness will remain true to its roots while evolving to meet changing needs and attitudes.

Our pledge to keep innovating across our suite of brands, as we strive to improve the world's health and wellness. Every single day.

Our purpose is driven by four values:

AGILITY

ACCOUNTABILITY

RESPECT

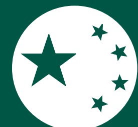
EXCELLENCE

We upheld our values in significant ways throughout 2023, which we outline in the following pages. Our efforts have helped us deepen our presence in two of the world's leading vitamin, mineral and supplement markets, the U.S. and China. We drove growth across all our business units, and reached record levels of consumer consumption in the fourth quarter. Simultaneously, we made progress in our ESG initiatives, demonstrating our commitment to fostering a healthy, sustainable future for people and our planet.

Agility means welcoming new ideas and responding swiftly.

We view all business opportunities as a means to enhance our performance and strive to address them with speed. We are always proactively aligning ourselves with the evolving needs of our consumers and partners in our continuous search for optimal solutions.

In 2023, we showed agility in the way we maintained consumer engagement and growth momentum, despite the challenging market and macro environmental impacts.



AGILITY

Growth in China

China is a key part of our growth strategy as the second-largest and fastest-growing VMS market globally. In 2023, we took major strides in this market by announcing a strategic partnership with DCP Capital, purchasing our distributor's assets, and investing in growing out our local team.

2023 Highlights

Completed the purchase of assets from our distribution partner in China, gaining full control of the value chain and the ability to directly connect with Chinese consumers

Formed a strategic partnership with DCP Capital, a leading international private equity firm with a long-term track record of success in Greater China and broader Asian markets

This partnership allows for a deeper understanding of the consumer landscape – and the ability to build on consumers' affinity for Jamieson products and scale the business effectively. DCP Capital made a significant capital investment in exchange for a share in our Chinese operations.

Opened an office in Shanghai and continued to build our local team, with over 45 cross-functional team members

The local team in China, supported by DCP Capital's expertise, is focused on category and distribution expansion, e-commerce growth, and innovation.

Mike Pilato, President & CEO visits the Shanghai office in October, 2023

AGILITY

Leading in Canada

We continued to widen our lead in the Canadian market, gaining market share in units and dollars. As national retailers more tightly managed their inventory levels over the year, our consumer purchase power outpaced our shipments, reflecting their continued prioritization of their health and wellness, even in a challenging economic environment. Our Jamieson Vitamins brand remains the mass leader in the Canadian marketplace, and our specialty channel brands continue to support the evolving needs of their target consumer.

In 2023, we also took a big step forward in the development journey of the youtheory brand in Canada, with innovative product launches and **expanded distribution into new retailers.**

All Channels Grew

Increase in dollars

Increase in units

AGILITY

International Expansion

In 2023, we further solidified our presence in existing markets and entered new ones. We expanded shelf space and listings in partnerships with our in-market distributors, driving growth in consumer awareness and trial.

We expanded distribution into the pharmacy channel in Italy, and into new geographies in Central Europe and South America.

We continued to grow in the club channel with new Jamieson and youtheory product launches, most notably in the U.K., Japan, Australia and Europe.

50+ Markets

#1 Food Supplement brand in Slovenia

- First TV campaign in Italy
- Successful Middle East and European Summits throughout 2023 to engage partners

AGILITY

U.S. Integration and Expansion

2023 was a year of integration and expansion through building out our presence in the U.S. with consumer-focused products, elevating fun formats and reaching consumers in new distribution channels, such as expanded food drug mass, club and e-commerce platforms.

We leveraged best-in-class capabilities and found synergies from our Canadian operations to further elevate the youtheory brand.

E-commerce expansion

Increased distribution

Accountability means doing what we say.

We take personal ownership for our work, its impact on others, and its impact on the business, consistently empowering others to do the same.

In 2023, we held ourselves accountable for making strong progress across our ESG commitments and goals to improve our impact.

ACCOUNTABILITY

Sustainability Efforts

Over the year, we implemented a new environmental management system to track Scope 1 and 2 greenhouse gas emissions for our 2024 reporting. In the first quarter, we launched a sustainable partner program to help identify, measure and monitor sustainability progress and risk within our supply chain.

We recognize that our entire value chain is embedded in nature, not external to it. We understand that the wellness of society and the planet depends on the resilience and health of the ecosystem.

Through various initiatives and partnerships, we actively promote biodiversity, including our partnership with veritree. Along with other veritree partners, in 2023 we planted 60,000 kelp off the Pacific coast of British Columbia. These towering underwater forests provide a habitat for thousands of marine species and are excellent carbon sinks. As of 2023, we have helped restore 6,480 square feet of ocean through this project.

Our accountability commitments continued into 2024 with the publishing of our first sustainability report and the continuation of delivering this report on an annual basis. Read the full 2023 Sustainability Impact Report here:

Download report here

Respect means doing things together, authentically and inclusively.

We actively seek to include and understand diverse perspectives and experiences.

In 2023, we demonstrated a new level of respect and tracked further progress against our targets to expand diversity across our teams and in leadership.

RESPECT

Embracing Diversity in Our Workplace:

We achieved a **98% participation rate** for our annual Inclusion and Equitable Workplace Training for all Jamieson Wellness team members in Canada.

100% achievement in the Inclusive Leadership training for all people leaders at Jamieson Wellness.

We ensured diverse candidate and interview slates for all external job postings for manager and above roles. **58% women** and **50% racialized people**.

We **launched our Sustainable Partner Program**, implementing a system to monitor and track sustainability, including human rights throughout our value chain.

RESPECT

Governance Initiatives

In July of 2023, we appointed François Vimard to our Board of Directors and named him a member of our Audit Committee. His deep retail background and experience shaping the Canadian grocery landscape will help us reach new heights as the leading vitamin, mineral and supplement brand. He also brings important financial and technological experience, which we believe will benefit our strategic plans as we look to expedite our growth on the global stage.

"From my years of working closely with CPG partners in the grocery channel, I am confident that I can bring valuable insights to help Jamieson Wellness continue to build its global growth story."

– François Vimard

Excellence means pursuing the highest standards.

We focus on delivering the very best in terms of our products, people and planet because we take pride in our work, understanding its profound significance on every level.

Our unfaltering track record of profitable growth is a reflection of the enduring strength of our business, as consumers remain loyal to our brands around the world and we continue to strive towards excellence.

+23.5%
revenue
$676.2M

+25.5%
revenue in Jamieson Brands
$112.0M

+11.6%
adjusted EBITDA
$138.1M

$1.55
adjusted diluted earnings per share

EXCELLENCE

Re-investing: Our Vote of Confidence

In November of 2023, we announced a Normal Course Issuer Bid (NCIB), approved by the Toronto Stock Exchange, to buy back up to approximately 10% of our public float of shares as of October 30, 2023. Our buyback of 970,200 shares in the year not only demonstrates our belief in our long-term success, but it serves as an attractive investment opportunity to return value to shareholders.

As we look to the future of Jamieson Wellness, our focus will always be on improving the world's health and wellness by providing the highest quality natural health products, led by our new company purpose:

Inspiring Better Lives Every Day.

This is our commitment to who we are, what we do, and how we'll do it better together.

Our future looks brighter and healthier than ever.

AGILITY • ACCOUNTABILITY • RESPECT • EXCELLENCE

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

For the three and twelve months ended December 31, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
For the three and twelve months ended December 31, 2023

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 March 12, 2024. It should be read in conjunction with our audited consolidated annual financial statements and accompanying notes for the year ended December 31, 2023.

Our audited consolidated annual financial statements and accompanying notes for the year ended December 31, 2023 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 2023" are to our fiscal quarter ended December 31, 2023 and all references to "Q4 2022" are to our fiscal quarter ended December 31, 2022. All references in this MD&A to "YTD 2023" are to our year ended December 31, 2023 and to "YTD 2022" are to our year ended December 31, 2022.

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", "operating margin" and "USD denominated revenue", 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.

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.

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 United States 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.

Established in 1922, our Jamieson brand is Canada’s #1 consumer health brand. Our youtheory brand, acquired in 2022, is an established and growing lifestyle brand in the United States. 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 Global Conflicts

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.

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 2023, 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 operated under a third-party logistics model through various facilities globally. We enter into agreements with the third-party logistics partner to provide warehousing and distribution services for Jamieson Branded 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:

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

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 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 the Company's 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 of the Company's audited consolidated annual financial statements for additional information on the China Operations Strategic Partnership.

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 United States, 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. Jamieson may also provide other consideration to customers for customer-specific programs to promote the Company's 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.

USD Denominated Revenue

"USD denominated revenue" is defined as revenue in U.S. dollars, which excludes the impact of exchange rate fluctuations. USD denominated revenue is a supplementary financial measure.

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 the Company's 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 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; and (iii) 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) amortization of fair value adjustments; (iv) acquisition related purchase consideration and post-closing adjustments; and (v) 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 (income); (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 gain/loss; (iii) acquisition and divestiture related costs; (iv) amortization of fair value adjustments; (v) IT system implementation costs; (vi) acquisition related purchase consideration and post-closing adjustments; and (vii) 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 gain/loss; (iii) acquisition and divestiture related costs; (iv) IT system implementation costs; (v) acquisition related purchase consideration and post-closing adjustments; (vi) amortization of fair value adjustments; (vii) accretion on preferred shares; and (viii) 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.

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 the Company 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	
($ in 000's, except as otherwise noted)	**2023**	**2022**	**2023**	**2022**
Revenue	**220,365**	**192,775**	**676,172**	**547,369**
Cost of sales	141,338	121,586	442,613	349,031
Gross profit	**79,027**	**71,189**	**233,559**	**198,338**
Gross profit margin [(1)]	**35.9%**	**36.9%**	**34.5%**	**36.2%**
Selling, general and administrative expenses	42,300	32,768	140,304	110,239
Acquisition related adjustments	(7,863)	-	(7,863)	-
Share-based compensation	1,534	1,317	5,868	4,910
Earnings from operations	**43,056**	**37,104**	**95,250**	**83,189**
Operating margin [(1)]	**19.5%**	**19.2%**	**14.1%**	**15.2%**
Foreign exchange loss	1,676	978	1,962	269
Interest expense and other financing costs	4,885	5,757	22,784	12,417
Accretion on preferred shares	1,965	-	4,833	-
Earnings before income taxes	34,530	30,369	65,671	70,503
Provision for income taxes	10,530	8,278	19,631	17,695
Net earnings	**24,000**	**22,091**	**46,040**	**52,808**
Net earnings attributable to:				
Shareholders	24,407	22,091	47,882	52,808
Non-controlling interests	(407)	-	(1,842)	-
	24,000	**22,091**	**46,040**	**52,808**
Adjusted net earnings [(2)]	**28,615**	**26,759**	**66,084**	**65,149**
EBITDA [(2)]	**46,516**	**41,201**	**113,611**	**100,168**
Adjusted EBITDA [(2)]	**50,628**	**48,871**	**138,063**	**123,761**
Adjusted EBITDA margin [(3)]	**23.0%**	**25.4%**	**20.4%**	**22.6%**
Weighted average number of shares				
Basic	42,062,117	41,683,753	41,960,516	40,998,065
Diluted	42,766,299	42,817,044	42,650,501	42,116,350
Earnings per share attributable to common shareholders:				
Basic, earnings per share	0.57	0.53	1.10	1.29
Diluted, earnings per share	0.56	0.52	1.08	1.25
Adjusted diluted, earnings per share [(3)]	0.67	0.62	1.55	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.

($ in 000's)	**As at December 31, 2023**	**As at December 31, 2022**
Selected Consolidated Financial Position Data:		
Total assets	1,143,574	1,107,263
Total non-current liabilities	517,050	520,867

Results of Operations – three months ended December 31, 2023 and 2022

The following table provides a summary of our results for the three months ended December 31, 2023 and December 31, 2022.

	Three months ended December 31			
($ in 000's, except as otherwise noted)	**2023**	**2022**	**$ Change**	**% Change**
Revenue	**220,365**	**192,775**	**27,590**	**14.3%**
Cost of sales	141,338	121,586	19,752	16.2%
Gross profit	**79,027**	**71,189**	**7,838**	**11.0%**
Gross profit margin	**35.9%**	**36.9%**	**-**	**(1.0%)**
Selling, general and administrative expenses	42,300	32,768	9,532	29.1%
Acquisition related adjustments	(7,863)	-	(7,863)	(100.0%)
Share-based compensation	1,534	1,317	217	16.5%
Earnings from operations	**43,056**	**37,104**	**5,952**	**16.0%**
Operating margin	**19.5%**	**19.2%**	**-**	**0.3%**
Foreign exchange loss	1,676	978	698	71.4%
Interest expense and other financing costs	4,885	5,757	(872)	(15.1%)
Accretion on preferred shares	1,965	-	1,965	100.0%
Earnings before income taxes	34,530	30,369	4,161	13.7%
Provision for income taxes	10,530	8,278	2,252	27.2%
Net earnings	**24,000**	**22,091**	**1,909**	**8.6%**
Net earnings attributable to:				
Shareholders	24,407	22,091	2,316	10.5%
Non-controlling interests	(407)	-	(407)	(100.0%)
	24,000	**22,091**	**1,909**	**8.6%**
Adjusted net earnings	**28,615**	**26,759**	**1,856**	**6.9%**
EBITDA	**46,516**	**41,201**	**5,315**	**12.9%**
Adjusted EBITDA	**50,628**	**48,871**	**1,757**	**3.6%**
Adjusted EBITDA margin	**23.0%**	**25.4%**	**-**	**(2.4%)**

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, 2023 and December 31, 2022.

($ in 000's, except as otherwise noted)	**Three months ended December 31** **2023**	**2022**	**$ Change**	**% Change**
Net earnings:	**24,000**	**22,091**	**1,909**	**8.6%**
Add:				
Provision for income taxes	10,530	8,278	2,252	27.2%
Interest expense and other financing costs	4,885	5,757	(872)	(15.1%)
Accretion on preferred shares	1,965	-	1,965	100.0%
Depreciation of property, plant, and equipment	3,589	3,579	10	0.3%
Amortization of intangible assets	1,547	1,496	51	3.4%
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	**46,516**	**41,201**	**5,315**	**12.9%**
Share-based compensation (1)	1,534	1,317	217	16.5%
Foreign exchange loss	1,676	978	698	71.4%
Acquisition and divestiture related costs (2)	2,846	3,165	(319)	(10.1%)
Amortization of fair value adjustments (3)	2,621	793	1,828	230.5%
IT system implementation (4)	3,274	1,417	1,857	131.1%
Acquisition related purchase consideration and post-closing adjustments (5)	(7,863)	-	(7,863)	(100.0%)
Other	24	-	24	100.0%
Adjusted EBITDA	**50,628**	**48,871**	**1,757**	**3.6%**
Provision for income taxes	(10,530)	(8,278)	(2,252)	(27.2%)
Interest expense and other financing costs	(4,885)	(5,757)	872	15.1%
Depreciation of property, plant, and equipment	(3,589)	(3,579)	(10)	(0.3%)
Amortization of intangible assets	(1,547)	(1,496)	(51)	(3.4%)
Share-based compensation (6)	(1,411)	(1,317)	(94)	(7.1%)
Tax effect of normalization adjustments	(51)	(1,685)	1,634	97.0%
Adjusted net earnings	**28,615**	**26,759**	**1,856**	**6.9%**

($ in 000's, except as otherwise noted)	**Three months ended December 31** **2023**	**2022**	**$ Change**	**% Change**
Gross profit	**79,027**	**71,189**	**7,838**	**11.0%**
Amortization of fair value adjustments (3)	2,621	793	1,828	230.5%
Normalized gross profit (7)	**81,648**	**71,982**	**9,666**	**13.4%**
Normalized gross profit margin (8)	**37.1%**	**37.3%**	**-**	**(0.2%)**
Selling, general and administrative expenses	**42,300**	**32,768**	**9,532**	**29.1%**
Acquisition and divestiture related costs (2)	(2,846)	(3,165)	319	10.1%
IT system implementation (4)	(3,274)	(1,417)	(1,857)	(131.1%)
Other	(24)	-	(24)	(100.0%)
Normalized selling, general and administrative expenses (7)	**36,156**	**28,186**	**7,970**	**28.3%**
Earnings from operations	**43,056**	**37,104**	**5,952**	**16.0%**
Acquisition and divestiture related costs (2)	2,846	3,165	(319)	(10.1%)
IT system implementation (4)	3,274	1,417	1,857	131.1%
Amortization of fair value adjustments (3)	2,621	793	1,828	230.5%
Acquisition related purchase consideration and post-closing adjustments (5)	(7,863)	-	(7,863)	(100.0%)
Other	24	-	24	100.0%
Normalized earnings from operations (7)	**43,958**	**42,479**	**1,479**	**3.5%**
Normalized operating margin (8)	**19.9%**	**22.0%**	**-**	**(2.1%)**

(1) 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.

(2) Current quarter expense mainly pertains to legal, consulting and integration costs associated with the acquisition and integration of our former distributor partner in China on April 28, 2023, and the acquisition of youtheory in the U.S. on July 19, 2022.

(3) This cost represents the 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.

(4) Current quarter expense 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) To adjust for the fair value of purchase consideration accounted for as compensation on the 2022 youtheory acquisition, net of post-acquisition working capital adjustments to reflect acquired liabilities.

(6) Costs pertaining to our LTIP, excluding PSUs granted to certain employees relating to business combinations.

(7) 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.

(8) 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 financial information for the Jamieson Brands operating segment for the three months ended December 31, 2023 and December 31, 2022.

Jamieson Brands

($ in 000's, except as otherwise noted) For the three months ended December 31,	**2023**	**2022**	**$ Change**	**% Change**
Revenue	**181,007**	**155,996**	**25,011**	**16.0%**
Gross profit	**73,082**	**65,345**	**7,737**	**11.8%**
Gross profit margin	**40.4%**	**41.9%**	**-**	**(1.5%)**
Normalized gross profit	75,703	66,138	9,565	14.5%
Normalized gross profit margin	41.8%	42.4%	-	(0.6%)
Selling, general and administrative expenses	40,751	31,165	9,586	30.8%
Normalized selling, general and administrative expenses	34,631	26,583	8,048	30.3%
Acquisition related adjustments	(7,863)	-	(7,863)	(100.0%)
Share-based compensation	1,534	1,317	217	16.5%
Earnings from operations	38,660	32,863	5,797	17.6%
Operating margin	21.4%	21.1%	-	0.3%
Normalized earnings from operations	39,538	38,238	1,300	3.4%
Normalized operating margin	21.8%	24.5%	-	(2.7%)
Adjusted EBITDA	**45,404**	**43,832**	**1,572**	**3.6%**
Adjusted EBITDA margin	**25.1%**	**28.1%**	**-**	**(3.0%)**

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

For the three months ended December 31,	2023	2022	$ Change	% Change
Gross profit	**73,082**	**65,345**	**7,737**	**11.8%**
Amortization of fair value adjustments	2,621	793	1,828	230.5%
Normalized gross profit	**75,703**	**66,138**	**9,565**	**14.5%**
Normalized gross profit margin	**41.8%**	**42.4%**	**-**	**(0.6%)**
Selling, general and administrative expenses	**40,751**	**31,165**	**9,586**	**30.8%**
Acquisition and divestiture related costs	(2,846)	(3,165)	319	10.1%
IT system implementation	(3,274)	(1,417)	(1,857)	(131.1%)
Normalized selling, general and administrative expenses	**34,631**	**26,583**	**8,048**	**30.3%**
Earnings from operations	**38,660**	**32,863**	**5,797**	**17.6%**
Acquisition and divestiture related cost	2,846	3,165	(319)	(10.1%)
IT system implementation	3,274	1,417	1,857	131.1%
Amortization of fair value adjustments	2,621	793	1,828	230.5%
Acquisition related purchase consideration and post-closing adjustments	(7,863)	-	(7,863)	(100.0%)
Normalized earnings from operations	**39,538**	**38,238**	**1,300**	**3.4%**
Normalized operating margin	**21.8%**	**24.5%**	**-**	**(2.7%)**

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, 2023 and December 31, 2022.

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

For the three months ended December 31,	2023	2022	$ Change	% Change
Earnings from operations	38,660	32,863	5,797	17.6%
Depreciation of property, plant, and equipment	2,785	2,781	4	0.1%
Amortization of intangible assets	1,547	1,496	51	3.4%
Share-based compensation	1,534	1,317	217	16.5%
Acquisition and divestiture related cost	2,846	3,165	(319)	(10.1%)
Amortization of fair value adjustments	2,621	793	1,828	230.5%
IT system implementation	3,274	1,417	1,857	131.1%
Acquisition related purchase consideration and post-closing adjustments	(7,863)	-	(7,863)	(100.0%)
Adjusted EBITDA	**45,404**	**43,832**	**1,572**	**3.6%**

The following table provides selected financial information for the Strategic Partners operating segment for the three months ended December 31, 2023 and December 31, 2022.

Strategic Partners

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

For the three months ended December 31,	2023	2022	$ Change	% Change
Revenue	**39,358**	**36,779**	**2,579**	**7.0%**
Gross profit	**5,945**	**5,844**	**101**	**1.7%**
Gross profit margin	**15.1%**	**15.9%**	**-**	**(0.8%)**
Selling, general and administrative expenses	1,549	1,603	(54)	(3.4%)
Normalized selling, general and administrative expenses	1,525	1,603	(78)	(4.9%)
Earnings from operations	4,396	4,241	155	3.7%
Operating margin	11.2%	11.5%	-	(0.3%)
Normalized earnings from operations	4,420	4,241	179	4.2%
Normalized operating margin	11.2%	11.5%	-	(0.3%)
Adjusted EBITDA	**5,224**	**5,039**	**185**	**3.7%**
Adjusted EBITDA margin	**13.3%**	**13.7%**	**-**	**(0.4%)**

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

For the three months ended December 31,	2023	2022	$ Change	% Change
Selling, general and administrative expenses	**1,549**	**1,603**	**(54)**	**(3.4%)**
Other	(24)	-	(24)	(100.0%)
Normalized selling, general and administrative expenses	**1,525**	**1,603**	**(78)**	**(4.9%)**
Earnings from operations	**4,396**	**4,241**	**155**	**3.7%**
Other	24	-	24	100.0%
Normalized earnings from operations	**4,420**	**4,241**	**179**	**4.2%**
Normalized operating margin	**11.2%**	**11.5%**	**-**	**(0.3%)**

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, 2023 and December 31, 2022.

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

For the three months ended December 31,	2023	2022	$ Change	% Change
Earnings from operations	4,396	4,241	155	3.7%
Depreciation of property, plant, and equipment	804	798	6	0.8%
Other	24	-	24	100.0%
Adjusted EBITDA	**5,224**	**5,039**	**185**	**3.7%**

Revenue

Revenue increased by 14.3%, or $27.6 million, to $220.4 million in Q4 2023. This was driven by 16.0% growth in Jamieson Brands revenue and 7.0% growth in Strategic Partners revenue compared with Q4 2022.

Revenue in the Jamieson Brands segment increased by $25.0 million, or 16.0%, to $181.0 million in Q4 2023. Canada revenue grew by 5.8% in Q4 2023, reflecting record consumption levels which outpaced record shipments as retailers reduced inventory below typical levels previously observed. Youtheory revenue increased 8.7% in Q4 2023 with growth across all channels driven by continued demand on existing products, successful innovations launched throughout the year and distribution gains. Youtheory shipments were impacted by timing of orders which were weighted in the third quarter of 2023. China shipments grew 151.1% in Q4 2023 on a reported basis, which reflects the seasonal impact of direct sales to consumers under the owned-distribution model beginning in the second quarter of 2023. On a pro forma and local currency basis, revenue grew 91.6% compared with Q4 2022, driven by strong fourth quarter promotional plans and cross border e-commerce growth through successful investments in social media platforms. Jamieson International grew 37.0% on a constant U.S. dollar basis, driven by growth in Europe compared to the prior year, while the volatility in the Middle East impacted sales in the region.

Revenue in the Strategic Partners segment increased by $2.6 million, or 7.0%, to $39.4 million in Q4 2023, reflecting timing of shipments and remaining orders on the close-out of a customer contract.

Gross profit

Gross profit increased by $7.8 million to $79.0 million in Q4 2023, while normalized gross profit increased by $9.7 million mainly driven by higher revenues noted above. Gross profit margin decreased by 100 basis points to 35.9% in Q4 2023, due to the fair value amortization impact of acquisition-related inventories, while normalized gross profit margin was fairly consistent with the prior year.

Gross profit in the Jamieson Brands segment increased by $7.7 million to $73.1 million in Q4 2023, while normalized gross profit increased $9.6 million mainly driven by revenue growth. Gross profit margin decreased by 150 basis points to 40.4%, while normalized gross profit margin decreased by 60 basis points to 41.8% impacted by category mix.

Gross profit in the Strategic Partners segment increased by $0.1 million to $5.9 million and gross profit margin decreased by 80 basis points to 15.1% in Q4 2023, with production efficiencies and pricing being offset by unfavourable customer mix.

Selling, general and administrative expenses

SG&A expenses of $42.3 million in Q4 2023 increased by $9.5 million, or 29.1%, compared to Q4 2022. Excluding the impact of specified costs, SG&A expenses increased by $8.0 million or 28.3% in Q4 2023 reflecting the impact of our transition to an owned-distribution model in China, which includes direct investments to grow our brand. We continue to prioritize our global expansion initiatives with resources, marketing and infrastructure to support our growth in the U.S. and China.

Specified costs of $6.1 million in Q4 2023 are mainly comprised of IT system implementation costs of $3.3 million and costs associated with our China expansion and youtheory acquisition of $2.8 million.

Acquisition related adjustments

In conjunction with the acquisition of youtheory on July 19, 2022, deferred consideration payable has been accounted for as compensation expense under the provisions of IFRS 3, Business Combinations. A revaluation of the deferred consideration resulted in a gain of $13.8 million, partially offset by $5.9 million in other post-acquisition working capital adjustments reflected in accrued liabilities.

Share-based compensation

Share-based compensation increased by $0.2 million to $1.5 million in Q4 2023 reflecting wage inflation and additional grants in the current year.

Earnings from operations and operating margin

Earnings from operations increased by $6.0 million driven by higher gross profit and acquisition related adjustments, partially offset by investments in SG&A. Operating margin increased by 30 basis points to 19.5% in Q4 2023. Normalized earnings from operations increased by $1.5 million, or 3.5% in Q4 2023, and normalized operating margin was 19.9% compared with 22.0% in Q4 2022.

Earnings from operations in the Jamieson Brands segment increased by $5.8 million and operating margin is 21.4%. Normalized earnings from operations increased by $1.3 million driven by higher revenue and gross profit. Normalized operating margin decreased by 270 basis points to 21.8% in Q4 2023 due to lower gross profit margins and higher SG&A as a percentage of revenue.

Earnings from operations in the Strategic Partners segment increased by $0.2 million due to higher gross profit, and operating margin decreased 30 basis points compared with the prior year. Normalized operating margin decreased by 30 basis points to 11.2% in Q4 2023 due to lower gross profit margin.

Foreign exchange loss

Foreign exchange loss of $1.7 million in Q4 2023 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 decreased by $0.9 million to $4.9 million in Q4 2023 resulting from lower average borrowings in the current period partially offset by higher interest rates.

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 $2.0 million was realized during Q4 2023.

Provision for income taxes

Provision for income taxes was $10.5 million in Q4 2023 compared with $8.3 million in Q4 2022. Our Q4 2023 effective tax rate of 30.5% reflects the earnings mix in higher rate jurisdictions and non-deductible preferred share accretion compared with a Q4 2022 effective tax rate of 27.3%.

Net earnings and adjusted net earnings

Net earnings was $24.0 million, while adjusted net earnings was $28.6 million or $1.9 million higher than Q4 2022, with higher normalized earnings from operations and lower interest expense in the current year.

Net loss attributable to non-controlling interests

Net loss attributable to non-controlling interests of $0.4 million represents DCP's minority interest on our net loss related to our China operations largely driven by the amortization of fair value adjustments of acquired inventories offsetting higher revenue.

Depreciation

Depreciation expense of $3.6 million was relatively consistent with Q4 2022.

Amortization

Amortization expense of $1.5 million was relatively consistent with Q4 2022.

EBITDA and Adjusted EBITDA

EBITDA increased by $5.3 million to $46.5 million in Q4 2023, mainly driven by higher revenue, higher gross profit and a gain on revaluation of the deferred consideration in conjunction with the youtheory acquisition.

Adjusted EBITDA increased by $1.8 million to $50.6 million, reflecting higher sales volumes and gross profit. Adjusted EBITDA margin decreased by 240 basis points to 23.0% for the quarter as we prioritized certain SG&A and marketing investment in the U.S. and China.

Adjusted EBITDA in the Jamieson Brands segment increased by $1.6 million to $45.4 million driven by higher revenue and gross profit. Adjusted EBITDA margin decreased by 300 basis points to 25.1% due to lower gross profit margin noted above and higher SG&A as a percentage of revenue.

Adjusted EBITDA in the Strategic Partners segment increased by $0.2 million, to $5.2 million while Adjusted EBITDA margin decrease by 40 basis points to 13.3% due to lower gross profit margin noted above.

Results of Operations – twelve months ended December 31, 2023 and 2022

The following table provides a summary of our results for the twelve months ended December 31, 2023 and December 31, 2022.

($ in 000's, except as otherwise noted)	Twelve months ended December 31 2023	2022	$ Change	% Change
Revenue	**676,172**	**547,369**	**128,803**	**23.5%**
Cost of sales	442,613	349,031	93,582	26.8%
Gross profit	**233,559**	**198,338**	**35,221**	**17.8%**
Gross profit margin	**34.5%**	**36.2%**	**-**	**(1.7%)**
Selling, general and administrative expenses	140,304	110,239	30,065	27.3%
Acquisition related adjustments	(7,863)	-	(7,863)	(100.0%)
Share-based compensation	5,868	4,910	958	19.5%
Earnings from operations	**95,250**	**83,189**	**12,061**	**14.5%**
Operating margin	**14.1%**	**15.2%**	**-**	**(1.1%)**
Foreign exchange loss	1,962	269	1,693	629.4%
Interest expense and other financing costs	22,784	12,417	10,367	83.5%
Accretion on preferred shares	4,833	-	4,833	100.0%
Earnings before income taxes	65,671	70,503	(4,832)	(6.9%)
Provision for income taxes	19,631	17,695	1,936	10.9%
Net earnings	**46,040**	**52,808**	**(6,768)**	**(12.8%)**
Net earnings attributable to:				
Shareholders	47,882	52,808	(4,926)	(9.3%)
Non-controlling interests	(1,842)	-	(1,842)	(100.0%)
	46,040	**52,808**	**(6,768)**	**(12.8%)**
Adjusted net earnings	**66,084**	**65,149**	**935**	**1.4%**
EBITDA	**113,611**	**100,168**	**13,443**	**13.4%**
Adjusted EBITDA	**138,063**	**123,761**	**14,302**	**11.6%**
Adjusted EBITDA margin	**20.4%**	**22.6%**	**-**	**(2.2%)**

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, 2023 and December 31, 2022.

($ in 000's, except as otherwise noted)	Twelve months ended December 31 2023	2022	$ Change	% Change
Net earnings	**46,040**	**52,808**	**(6,768)**	**(12.8%)**
Add:				
Provision for income taxes	19,631	17,695	1,936	10.9%
Interest expense and other financing costs	22,784	12,417	10,367	83.5%
Accretion on preferred shares	4,833	-	4,833	100.0%
Depreciation of property, plant, and equipment	14,410	12,153	2,257	18.6%
Amortization of intangible assets	5,913	5,095	818	16.1%
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	**113,611**	**100,168**	**13,443**	**13.4%**
Share-based compensation (1)	5,868	4,910	958	19.5%
Foreign exchange loss	1,962	269	1,693	629.4%
Acquisition and divestiture related costs (2)	8,385	12,919	(4,534)	(35.1%)
Amortization of fair value adjustments (3)	8,440	793	7,647	964.3%
IT system implementation (4)	7,743	4,527	3,216	71.0%
Acquisition related purchase consideration and post-closing adjustments (5)	(7,863)	-	(7,863)	(100.0%)
Other	(83)	175	(258)	(147.4%)
Adjusted EBITDA	**138,063**	**123,761**	**14,302**	**11.6%**
Provision for income taxes	(19,631)	(17,695)	(1,936)	(10.9%)
Interest expense and other financing costs	(22,784)	(12,417)	(10,367)	(83.5%)
Depreciation of property, plant, and equipment	(14,410)	(12,153)	(2,257)	(18.6%)
Amortization of intangible assets	(5,913)	(5,095)	(818)	(16.1%)
Share-based compensation (6)	(5,458)	(4,910)	(548)	(11.2%)
Tax deduction from vesting of certain share-based awards (7)	(1,022)	(1,399)	377	26.9%
Tax effect of normalization adjustments	(2,761)	(4,943)	2,182	44.1%
Adjusted net earnings	**66,084**	**65,149**	**935**	**1.4%**

	Twelve months ended December 31 2023	2022	$ Change	% Change
Gross profit	**233,559**	**198,338**	**35,221**	**17.8%**
Amortization of fair value adjustments (3)	8,440	793	7,647	964.3%
Normalized gross profit	**241,999**	**199,131**	**42,868**	**21.5%**
Normalized gross profit margin	**35.8%**	**36.4%**	**-**	**(0.6%)**
Selling, general and administrative expenses	**140,304**	**110,239**	**30,065**	**27.3%**
Acquisition and divestiture related cost (2)	(8,385)	(12,919)	4,534	35.1%
IT system implementation (4)	(7,743)	(4,527)	(3,216)	(71.0%)
Other	83	(175)	258	147.4%
Normalized selling, general and administrative expenses	**124,259**	**92,618**	**31,641**	**34.2%**
Earnings from operations	**95,250**	**83,189**	**12,061**	**14.5%**
Acquisition and divestiture related costs (2)	8,385	12,919	(4,534)	(35.1%)
Amortization of fair value adjustments (3)	8,440	793	7,647	964.3%
IT system implementation (4)	7,743	4,527	3,216	71.0%
Acquisition related purchase consideration and post-closing adjustments (5)	(7,863)	-	(7,863)	(100.0%)
Other	(83)	175	(258)	(147.4%)
Normalized earnings from operations	**111,872**	**101,603**	**10,269**	**10.1%**
Normalized operating margin	**16.5%**	**18.6%**	**-**	**(2.1%)**

(1) The Company's share-based compensation expense pertains to our LTIP (refer to "*Share-based compensation"*), with stock options, PSUs, RSUs, and DSUs expenses, along with associated payroll taxes.

(2) Current period expense mainly pertains to legal, consulting and integration costs associated with the acquisition and integration of our former distributor partner in China on April 28, 2023, and acquisition of youtheory in the U.S. on July 19, 2022.

(3) This cost represents the 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.

(4) Current period expense 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) To adjust for the fair value of purchase consideration accounted for as compensation on the 2022 youtheory acquisition, net of post-acquisition working capital adjustments to reflect acquired liabilities.

(6) Costs pertaining to our LTIP, excluding PSUs granted to certain employees relating to business combinations.

(7) The vesting of share-based compensation provides a tax benefit during the period in which the awards are settled.

The following table provides selected financial information for the Jamieson Brands operating segment for the twelve months ended December 31, 2023 and December 31, 2022.

Jamieson Brands

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

For the twelve months ended December 31,	2023	2022	$ Change	% Change
Revenue	**551,171**	**439,147**	**112,024**	**25.5%**
Gross profit	**214,293**	**184,039**	**30,254**	**16.4%**
Gross profit margin	**38.9%**	**41.9%**	**-**	**(3.0%)**
Normalized gross profit	222,733	184,832	37,901	20.5%
Normalized gross profit margin	40.4%	42.1%	-	(1.7%)
Selling, general and administrative expenses	133,951	103,996	29,955	28.8%
Normalized selling, general and administrative expenses	118,002	86,423	31,579	36.5%
Acquisition related adjustments	(7,863)	-	(7,863)	(100.0%)
Share-based compensation	5,868	4,910	958	19.5%
Earnings from operations	82,337	75,133	7,204	9.6%
Operating margin	14.9%	17.1%	-	(2.2%)
Normalized earnings from operations	98,863	93,499	5,364	5.7%
Normalized operating margin	17.9%	21.3%	-	(3.4%)
Adjusted EBITDA	**121,836**	**113,088**	**8,748**	**7.7%**
Adjusted EBITDA margin	**22.1%**	**25.8%**	**-**	**(3.7%)**

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

For the twelve months ended December 31,	2023	2022	$ Change	% Change
Gross profit	**214,293**	**184,039**	**30,254**	**16.4%**
Amortization of fair value adjustments	8,440	793	7,647	964.3%
Normalized gross profit	**222,733**	**184,832**	**37,901**	**20.5%**
Normalized gross profit margin	**40.4%**	**42.1%**	**-**	**(1.7%)**
Selling, general and administrative expenses	**133,951**	**103,996**	**29,955**	**28.8%**
Acquisition and divestiture related costs	(8,385)	(12,919)	4,534	35.1%
IT system implementation	(7,743)	(4,527)	(3,216)	(71.0%)
Other	179	(127)	306	240.9%
Normalized selling, general and administrative expenses	**118,002**	**86,423**	**31,579**	**36.5%**
Earnings from operations	**82,337**	**75,133**	**7,204**	**9.6%**
Acquisition and divestiture related costs	8,385	12,919	(4,534)	(35.1%)
IT system implementation	7,743	4,527	3,216	71.0%
Amortization of fair value adjustments	8,440	793	7,647	964.3%
Acquisition related purchase consideration and post-closing adjustments	(7,863)	-	(7,863)	(100.0%)
Other	(179)	127	(306)	(240.9%)
Normalized earnings from operations	**98,863**	**93,499**	**5,364**	**5.7%**
Normalized operating margin	**17.9%**	**21.3%**	**-**	**(3.4%)**

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, 2023 and December 31, 2022.

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

For the twelve months ended December 31,	2023	2022	$ Change	% Change
Earnings from operations	82,337	75,133	7,204	9.6%
Depreciation of property, plant, and equipment	11,192	9,583	1,609	16.8%
Amortization of intangible assets	5,913	5,095	818	16.1%
Share-based compensation	5,868	4,910	958	19.5%
Acquisition and divestiture related costs	8,385	12,919	(4,534)	(35.1%)
Amortization of fair value adjustments	8,440	793	7,647	964.3%
IT system implementation	7,743	4,527	3,216	71.0%
Acquisition related purchase consideration and post-closing adjustments	(7,863)	-	(7,863)	(100.0%)
Other	(179)	128	(307)	(239.8%)
Adjusted EBITDA	**121,836**	**113,088**	**8,748**	**7.7%**

The following table provides selected financial information for the Strategic Partners operating segment for the twelve months ended December 31, 2023 and December 31, 2022.

Strategic Partners

($ in 000's, except as otherwise noted) For the twelve months ended December 31,	2023	2022	$ Change	% Change
Revenue	**125,001**	**108,222**	**16,779**	**15.5%**
Gross profit	**19,266**	**14,299**	**4,967**	**34.7%**
Gross profit margin	**15.4%**	**13.2%**	**-**	**2.2%**
Selling, general and administrative expenses	6,353	6,243	110	1.8%
Normalized selling, general and administrative expenses	6,257	6,195	62	1.0%
Earnings from operations	12,913	8,056	4,857	60.3%
Operating margin	10.3%	7.4%	-	2.9%
Normalized earnings from operations	13,009	8,104	4,905	60.5%
Normalized operating margin	10.4%	7.5%	-	2.9%
Adjusted EBITDA	**16,227**	**10,673**	**5,554**	**52.0%**
Adjusted EBITDA margin	**13.0%**	**9.9%**	**-**	**3.1%**

($ in 000's, except as otherwise noted) For the twelve months ended December 31,	2023	2022	$ Change	% Change
Selling, general and administrative expenses	**6,353**	**6,243**	**110**	**1.8%**
Other	(96)	(48)	(48)	(100.0%)
Normalized selling, general and administrative expenses	**6,257**	**6,195**	**62**	**1.0%**
Earnings from operations	**12,913**	**8,056**	**4,857**	**60.3%**
Other	96	48	48	100.0%
Normalized earnings from operations	**13,009**	**8,104**	**4,905**	**60.5%**
Normalized operating margin	**10.4%**	**7.5%**	**-**	**2.9%**

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, 2023 and December 31, 2022.

($ in 000's, except as otherwise noted) For the twelve months ended December 31,	2023	2022	$ Change	% Change
Earnings from operations	12,913	8,056	4,857	60.3%
Depreciation of property, plant, and equipment	3,218	2,570	648	25.2%
Other	96	47	49	104.3%
Adjusted EBITDA	**16,227**	**10,673**	**5,554**	**52.0%**

Revenue

Revenue increased by 23.5%, or $128.8 million, to $676.2 million in YTD 2023. This was driven by 25.5% growth in Jamieson Brands revenue and 15.5% growth in Strategic Partners revenue compared with YTD 2022.

Revenue in the Jamieson Brands segment increased by $112.0 million, or 25.5%, to $551.2 million in YTD 2023. Canada revenue increased by 1.5% in YTD 2023 with continued strength in consumer demand, partially offset by a reduction in inventory levels by our customers and distributor partners in response to higher costs of capital. Youtheory contributed $152.3 million, representing 123.4% growth on a reported basis, and 17.4% growth on a pro forma basis driven by successful innovation in club, growth in existing channels, e-commerce, and continued distribution gains. China contributed $51.3 million, representing 80.2% growth on a reported basis, reflecting the transition to an owned-distribution model, continued consumer demand in cross border e-commerce and growth in domestic retail. On a pro forma local currency basis, China grew 45.1%. Jamieson International increased by 1.6% on a reported basis and declined by 2.0% on a constant U.S. dollar basis, impacted by the current conflict in the Middle East and slowdowns in post-COVID regulatory environments impacting planned growth in new and existing markets.

Revenue in the Strategic Partners segment increased by $16.8 million, or 15.5%, to $125.0 million in YTD 2023 driven by customer growth and pricing.

Gross profit

Gross profit increased by $35.2 million to $233.6 million in YTD 2023, while normalized gross profit increased $42.9 million mainly driven by higher revenue noted above. Gross profit margin decreased by 170 basis points to 34.5% in YTD 2023, while normalized gross profit margin decreased by 60 basis points to 35.8% reflecting a lower gross profit margin profile of youtheory revenue. In conjunction with our Chinese distributor acquisition, we realized an accounting adjustment to increase our acquired inventory to its fair value, of which $8.4 million was attributable to inventories sold YTD 2023 and included in gross profit.

Gross profit in the Jamieson Brands segment increased by $30.3 million to $214.3 million in YTD 2023, while normalized gross profit increased by $37.9 million, mainly driven by higher revenue, including organic growth and the acquisition of youtheory. Gross profit margin decreased by 300 basis points to 38.9%, while normalized gross profit margin decreased by 170 basis points to 40.4%, reflecting the lower gross profit margin profile of youtheory, along with category mix.

Gross profit in the Strategic Partners segment increased by $5.0 million to $19.3 million and gross profit margin increased by 220 basis points to 15.4% in YTD 2023 mainly due to volume driven operating efficiencies, with pricing offsetting higher input costs.

Selling, general and administrative expenses

SG&A expenses increased by $30.1 million to $140.3 million in YTD 2023. Excluding the impact of specified costs and the addition of youtheory SG&A of $29.0 million, SG&A expenses increased by $13.8 million or 17.0% in YTD 2023 largely reflecting global expansion initiatives through resources, marketing and infrastructure to support our growth in China.

Specified costs of $16.0 million in YTD 2023 are mainly comprised of acquisition and divestiture related costs of $8.4 million and IT system development and implementation costs of $7.7 million.

Acquisition related adjustments

In conjunction with the acquisition of youtheory on July 19, 2022, deferred consideration payable has been accounted for as compensation expense under the provisions of IFRS 3, Business Combinations. A revaluation of the deferred consideration resulted in a gain of $13.8 million, partially offset by $5.9 million in other post-acquisition working capital adjustments reflecting our acquired liabilities.

Share-based compensation

Share-based compensation increased by $1.0 million to $5.9 million in YTD 2023 reflecting wage inflation and include grants to senior management in the acquired youtheory business compared to the prior year.

Earnings from operations and operating margin

Earnings from operations increased by $12.1 million driven by higher gross profit and acquisition related adjustments, partially offset by investments in SG&A. Operating margin decreased by 110 basis points to 14.1% in YTD 2023, reflecting the margin profile of youtheory and higher investments in SG&A. Normalized earnings from operations increased by $10.3 million, or 10.1% in YTD 2023 and normalized operating margin was 16.5% compared with 18.6% in YTD 2022.

Earnings from operations in the Jamieson Brands segment increased by $7.2 million and operating margin decreased by 220 basis points to 14.9% in YTD 2023. Normalized operating margin decreased by 340 basis points to 17.9% in YTD 2023 due to the lower gross profit margin profile of youtheory and higher investments in SG&A.

Earnings from operations in the Strategic Partners segment increased by $4.9 million due to higher revenue and gross profit. Operating margin increased by 290 basis points to 10.3% in YTD 2023 due to higher gross profit margins and lower SG&A as a percentage of revenue.

Foreign exchange loss

Foreign exchange loss of $2.0 million in YTD 2023 resulted from changes in currency exchange rates on our foreign denominated accounts receivable and accounts payable at the end of the period. 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 $10.4 million to $22.8 million in YTD 2023 resulting from higher average borrowings and higher prevailing interest rates.

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 $4.8 million was realized during YTD 2023.

Provision for income taxes

Provision for income taxes was $19.6 million in YTD 2023 compared with $17.7 million in YTD 2022. Our YTD 2023 effective tax rate of 29.9% is higher than YTD 2022 of 25.1% mainly due to the earnings mix in higher rate jurisdictions and the impact of non-deductible preferred share accretion of $4.8 million.

Net earnings and adjusted net earnings

Net earnings was $46.0 million, while adjusted net earnings was $66.1 million or $0.9 million higher than YTD 2022, with higher normalized earnings from operations partially offset by higher interest expense.

Net loss attributable to non-controlling interests

Net loss attributable to non-controlling interests of $1.8 million represents DCP's minority interest on our net loss related to our China operations largely driven by the amortization of fair value adjustments of acquired inventories offsetting higher revenue.

Depreciation

Depreciation expense increased by $2.3 million to $14.4 million in YTD 2023 resulting from prior period investments to increase capacity and higher depreciation from the acquisition impact of youtheory.

Amortization

Amortization expense increased by $0.8 million to $5.9 million in YTD 2023 due to the amortization of acquired intangibles for youtheory in 2022 and acquired intangibles for China in 2023.

EBITDA and Adjusted EBITDA

EBITDA increased by $13.4 million to $113.6 million in YTD 2023 with higher revenue, gross profit and a gain on revaluation of the deferred consideration in conjunction with the youtheory acquisition being offset by investments in SG&A.

Adjusted EBITDA increased by $14.3 million to $138.1 million reflecting higher volumes, gross profit and investments in SG&A. Adjusted EBITDA margin decreased by 220 basis points to 20.4% for YTD 2023 reflecting lower Adjusted EBITDA margins in Jamieson Brands, partially offset by higher adjusted AEBITDA margins in Strategic Partners.

Adjusted EBITDA in the Jamieson Brands segment increased by $8.7 million to $121.8 million driven by higher revenue and gross profit, partially offset by investments in SG&A. Adjusted EBITDA margin decreased by 370 basis points to 22.1% due to category mix and higher SG&A investments to grow our international operations, specifically in China and the U.S.

Adjusted EBITDA in the Strategic Partners segment increased by $5.6 million, to $16.2 million largely driven by higher revenue and gross profit. Adjusted EBITDA margin increased by 310 basis points to 13.0% due to volume driven operating efficiencies and lower SG&A costs as a percentage of revenue.

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.

	2023				2022			
($ in 000's, except per share amounts)	**Q4**	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue by segment								
Jamieson Brands	**181,007**	129,138	132,916	108,110	155,996	112,248	87,715	83,188
Strategic Partners	**39,358**	22,367	34,661	28,615	36,779	26,681	24,275	20,487
Total revenue	**220,365**	151,505	167,577	136,725	192,775	138,929	111,990	103,675
Earnings from operations	**43,056**	18,957	18,609	14,628	37,104	16,319	14,581	15,185
Net earnings	**24,000**	7,771	7,204	7,065	22,091	10,882	10,094	9,741
Adjusted net earnings	**28,615**	14,991	13,670	8,808	26,759	14,221	13,415	10,744
EBITDA	**46,516**	25,512	22,277	19,306	41,201	21,744	18,785	18,438
Adjusted EBITDA	**50,628**	31,871	31,056	24,508	48,871	29,505	24,439	20,945
Basic, earnings per share	**0.57**	0.18	0.17	0.17	0.53	0.26	0.25	0.24
Diluted, earnings per share	**0.56**	0.18	0.17	0.17	0.52	0.26	0.24	0.23
Adjusted diluted, earnings per share	**0.67**	0.35	0.32	0.21	0.62	0.34	0.32	0.26

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;
- severity and timing of shipments of cold and flu season;
- business combinations
- 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;
- 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 the impact of COVID-19 pandemic and other 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;
- 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:

	For the year ended December 31		
($ in 000's, except share and per share amounts)	**2023**	2022	2021
Revenue by segment			
Jamieson Brands	551,171	439,147	343,245
Strategic Partners	125,001	108,222	107,787
Total revenue	**676,172**	**547,369**	**451,032**
Earnings from operations	**95,250**	83,189	76,030
Net earnings	**46,040**	52,808	52,082
Adjusted net earnings	**66,084**	65,149	55,217
EBITDA	**113,611**	100,168	90,396
Adjusted EBITDA	**138,063**	123,761	100,096
Basic, earnings per share	**1.10**	1.29	1.30
Diluted, earnings per share	**1.08**	1.25	1.25
Adjusted diluted, earnings per share	**1.55**	1.55	1.32
Selected consolidated financial position data:			
Total assets	**1,143,574**	1,107,263	652,475
Total non-current liabilities	**517,050**	520,867	226,832
Dividends declared for the year:			
Cash dividends per common share	**0.72**	0.64	0.55

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. In 2021, significant investments were made to expand production capacity in response to growing demands driven by the COVID-19 pandemic, including right-of-use lease assets pertaining to our transition to a third-party logistics model.

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 the Company's 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, 2023, the Company had $211.9 million in cash and available revolving and swingline facilities and net debt of $288.1 million.

($ in 000's)	**As at December 31, 2023**	**As at December 31, 2022**
Long-term debt	**325,000**	**400,000**
Cash	(36,863)	(26,240)
Net debt [(1)]	**288,137**	**373,760**

(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 three and twelve months ended December 31, 2023, JLL made drawings of $57.1 million and $206.0 million, and debt repayments of $33.0 million and $281.0 million, respectively, applied against the Credit Facilities. For the twelve months ended December 31, 2023, the weighted average interest rate on the Credit Facilities was 6.1% (2022 – 3.7%). A portion of the Credit Facilities outstanding is fixed through an interest rate swap.

Analysis of Cash Flows — three months ended December 31, 2023 and 2022

($ in 000's, except as otherwise noted)	**Three months ended December 31 2023**	**2022**	**$ Change**	**% Change**
Cash, beginning of period	**23,260**	**7,316**	**15,944**	**217.9%**
Cash flows from (used in):				
Operating activities	26,081	40,799	(14,718)	(36.1%)
Investing activities	(2,549)	(2,692)	143	5.3%
Financing activities	(9,929)	(19,183)	9,254	48.2%
Cash, end of period	**36,863**	**26,240**	**10,623**	**40.5%**
Cash flows from operating activities	**26,081**	**40,799**	**(14,718)**	**(36.1%)**
Net change in non-cash working capital	(5,713)	(11,741)	6,028	51.3%
Cash from operating activities before working capital considerations	**20,368**	**29,058**	**(8,690)**	**(29.9%)**

Cash Flows Generated from Operating Activities

In Q4 2023, cash flows generated from operating activities totalled $26.1 million compared with $40.8 million in Q4 2022. Cash from operating activities before working capital considerations of $20.4 million was $8.7 million lower mainly due to investments in marketing, IT infrastructure costs and acquisition related costs. Cash generated in working capital decreased by $6.0 million impacted by the timing of vendor and income tax payments made.

Cash Flows Used in Investing Activities

Cash flows used in investing activities in Q4 2023 totalled $2.5 million compared with $2.7 million in Q4 2022. Purchases of property, plant and equipment were relatively consistent compared with Q4 2022.

Cash Flows Used in Financing Activities

Cash flows used in financing activities in Q4 2023 totalled $9.9 million compared with $19.2 million used in Q4 2022. 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 employee share purchase plan ("ESPP"). In Q4 2022, we made net repayments of $11.4 million on our Credit Facilities, distributed $7.1 million of dividends to common shareholders, and made payments of lease liabilities of $1.1 million, partially offset by proceeds of $0.4 million for the exercise of stock options and our ESPP.

Analysis of Cash Flows — twelve months ended December 31, 2023 and 2022

($ in 000's, except as otherwise noted)	**Twelve months ended December 31 2023**	**2022**	**$ Change**	**% Change**
Cash, beginning of period	**26,240**	**6,775**	**19,465**	**287.3%**
Cash flows from (used in):				
Operating activities	31,713	50,589	(18,876)	(37.3%)
Investing activities	(35,131)	(256,530)	221,399	86.3%
Financing activities	14,041	225,406	(211,365)	(93.8%)
Cash, end of period	**36,863**	**26,240**	**10,623**	**40.5%**
Cash flows from operating activities	**31,713**	**50,589**	**(18,876)**	**(37.3%)**
Net change in non-cash working capital	32,126	27,012	5,114	18.9%
Cash from operating activities before working capital considerations	**63,839**	**77,601**	**(13,762)**	**(17.7%)**

Cash Flows Generated from Operating Activities

In YTD 2023, cash flows generated from operating activities totalled $31.7 million compared with $50.6 million in YTD 2022. Cash from operating activities before working capital considerations of $63.8 million was $13.8 million lower due to lower earnings in the period including acquisition and divestiture related costs. Cash invested in working capital increased by $5.1 million mainly due to the timing of vendor and income tax payments made.

Cash Flows Used in Investing Activities

Cash flows used in investing activities in YTD 2023 totalled $35.1 million compared with $256.5 million in YTD 2022, mainly driven by the acquisition of our Chinese distributor in the current year and the acquisition of youtheory in the prior year. Purchases of property, plant and equipment was $5.1 million lower reflecting the significant investments made to capacity expansion and equipment in YTD 2022.

Cash Flows Generated from Financing Activities

Cash flows generated from financing activities in YTD 2023 totalled $14.0 million compared with $225.4 million in YTD 2022. 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. In YTD 2022, we had net proceeds of $250.9 million on our Credit Facilities and proceeds of $4.2 million from the exercise of stock options and our ESPP, partially offset by the distribution of $26.3 million of dividends to common shareholders, and payments of lease liabilities of $3.3 million.

Contractual Obligations

The following table summarizes our significant undiscounted maturities of our contractual obligations and commitments as at December 31, 2023.

($ in 000's)	2024	2025-2028	Thereafter	Total
Operating leases [1]	$ 5,622	$ 18,049	$ 5,260	$ 28,931
Trade and other payable	135,520	-	-	135,520
Contingent consideration	2,778	19,845	-	22,623
Post retirement benefits		1,078	-	1,078
Revolving credit facility [2]	-	325,000	-	325,000
Total contractual obligations	**$ 143,920**	**$ 363,972**	**$ 5,260**	**$ 513,152**

1) We have entered into several operating leases for vehicles, production equipment, computer and communications equipment, office equipment, and office and warehouse space. In 2023, we assumed a new office lease in Shanghai in support of our growing investment in China.

(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, 2023, we have a $3.3 million holdback on the purchase price and contingent consideration fair valued at $22.6 million payable to the former owners of youtheory.

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, the board of directors of the Company, 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 the Company. 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, 2023 is $1.5 million and $5.9 million, respectively (2022 - $1.3 million and $4.9 million).

Financial Instruments

We primarily use foreign currency forward contracts to manage our exposure to fluctuations with respect to transactions in U.S. dollars 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 of December 31, 2023, $9.7 million of anticipated foreign currency denominated sales have been hedged with underlying foreign exchange forward contracts settling at various dates in the three months following the end of the current quarter.

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 CDOR. We have entered into an interest rate swap with an effective date of October 1, 2020 to September 27, 2024 with a notional principal of $140.0 million and an annual amortization of $10.0 million on the first business day of each year. The notional principal of the interest rate swap is $110.0 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.

Outstanding Share Capital

	Common Shares	
	#	$
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**

	Common Shares	
	#	$
As at January 1, 2022	40,406,940	268,214
Exercise of stock options	342,655	6,066
Employee stock purchase plan	17,996	572
Issuance of shares to acquire businesses	926,612	32,348
As at December 31, 2022	41,694,203	307,200

As at December 31, 2023 and 2022, 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 NCIB. The NCIB permits 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 are 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 remains in effect until the earlier of November 6, 2024 and the date on which the Company has either acquired the maximum number of Common Shares permitted under the NCIB or otherwise decided not to make any further repurchases. Purchases under the NCIB are 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 is 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 will be 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, has been approved by the TSX and was implemented effective December 14, 2023.

During the year ended December 31, 2023, we purchased for cancellation 970,200 Common Shares under our NCIB program for an aggregate consideration of $28.8 million at an average price per Common Share of approximately $29.72. At December 31, 2023, we recorded an obligation in liabilities of $0.9 million for the commitment to purchase Common Shares under the ASPP. For the year ended December 31, 2023, we also recorded transaction costs of $0.2 million as a charge to retained earnings in connection with the NCIB. As at March 12, 2024, we had purchased 29,800 Common Shares under the ASPP at an average price per Common Share of $31.85.

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

	Preferred Shares
	$
As at December 31, 2022	-
Issuance of preferred shares	86,603
Transaction costs	(2,027)
Accretion expense	4,833
As at December 31, 2023	**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, the Preferred Shares were valued at $86.6 million, less transaction costs of $2.0 million. 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 $2.0 million and $4.8 million, respectively, for the three and twelve months ended December 31, 2023.

Warrants

	Warrants	
	#	$
As at December 31, 2022	-	-
Issuance of warrants	2,527,121	14,962
Transaction costs	-	(257)
As at December 31, 2023	**2,527,121**	**14,705**

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.

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, volatility and the expected dividend yield.

Critical Accounting Estimates and Judgments

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, 2023. 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 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.

Receivables and allowance for expected credit losses

We are exposed to credit risk with respect to amounts receivable from customers. Our allowance is determined by historical experiences, and considers factors including, the aging of the balances, the customer's credit worthiness, updates based on the current economic conditions, expectation of bankruptcies, and the political and economic volatility in the markets/location of our customers.

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 9, 14, 17, 18, 20 and 23 in the accompanying notes of our audited consolidated annual financial statements for the year ended December 31, 2023.

Taxes

The calculation of current and deferred income taxes requires us to make estimates and assumptions and to exercise judgment regarding the carrying values of assets and liabilities that are subject to accounting estimates inherent in those balances, the interpretation of income tax legislation across various jurisdictions, expectations about future operating results, the timing of reversal of temporary differences and possible audits of income tax filings by the tax authorities.

Changes or differences in underlying estimates or assumptions may result in changes to the current or deferred income tax balances on the consolidated statements of financial position, a charge or credit to income tax expense in the consolidated statements of operations and comprehensive income and may result in cash payments or receipts.

All income, capital and commodity tax filings are subject to audits and reassessments. Changes in interpretations or judgments may result in a change in our income, capital or commodity tax provisions in the future. The amount of such a change cannot be reasonably estimated.

We consider the earnings of certain non-Canadian subsidiaries to be indefinitely invested outside of Canada on the basis of estimates that future domestic cash generation will be sufficient to meet future domestic cash needs and our specific plans for reinvestment of those subsidiary earnings. If we decide to repatriate the foreign earnings, we would need to adjust our income tax provision in the period that we determine that the earnings will no longer be indefinitely invested outside of Canada.

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 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, 2023.

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.

Amendments to IAS 8, Definition of Accounting Estimates

Effective January 1, 2023, we adopted the amendments to IAS 8 which introduce a definition of "Accounting Estimates". The amendments clarify the distinction between changes in accounting estimates and accounting policies as well as the correction of errors. Additionally, the IASB clarifies how entities use measurement techniques and inputs to develop accounting estimates.

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

Amendments to IAS 1 and IFRS Practice Statement 2

Effective January 1, 2023, we adopted the amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their "significant" accounting policies with a requirement to disclose their "material" accounting policies. In addition, the IASB has provided guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

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, 2023 and have concluded that the Company's DC&P was effective as at December 31, 2023.

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 the Company's ICFR. The Certifying Officers have evaluated, or caused to be evaluated under their supervision, the effectiveness of the Company's ICFR as at December 31, 2023 and have concluded that the Company's ICFR was effective as at December 31, 2023.

There have been no changes in the Company's ICFR during the three-month period ended December 31, 2023 which have materially affected, or are reasonably likely to materially affect, the Company's ICFR, subject to the scope limitation described below.

Scope Limitation on Disclosure Controls and Procedures and Internal Control over Financial Reporting

As permitted by securities legislation, for the twelve months ended December 31, 2023, we have limited the scope of our design of DC&P and ICFR to exclude controls, policies and procedures of the business of our former distribution partner in China which we acquired as of April 28, 2023.

Included in our audited consolidated annual financial statements for three and twelve months ended December 31, 2023 are the following amounts pertaining to the acquired business.

($ in 000's)	**As at December 31, 2023**		**Twelve months ended December 31, 2023 (1)**
Selected Financial Position Data:		**Selected Statements of Operations Data:**	
Total assets	38,736		
Total liabilities	15,809	Revenue	39,553

(1) Results reflect the eight month period post acquisition as of April 28, 2023.

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 the 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

In fiscal 2024 we are expecting another strong year of growth in our Jamieson Brands segment, partially offset by a temporary decline in our Strategic Partners segment. We cycled off a Strategic Partners customer contract in late fiscal 2023 and are working to fill this gap, leveraging our pipeline of high potential opportunities.

Jamieson Brands Segment:

Expected revenue range is $615.0 to $650.0 million (+12% to +18%)

- Jamieson Canada revenue of +4.0% and +7.5%, including consumption growth, lower customer inventories and pricing
- U.S. business (youtheory) revenue of +13% and +20%, building innovation and distribution on our strong 2023 double digit growth momentum
- Jamieson China revenue of +60% to +80%, building on our strong double digit 2023 growth and a strategic decision to rapidly accelerate demand generating and brand building investment behind our exceptional recent growth
- Jamieson International revenue of +5% to +15%, including consumption and expansion to new markets
- Gross profit margin growth of 150 to 200 basis points driven by volume and segment mix
- Adjusted EBITDA of +5.5% to 8.5%, and margin range of 20.3% to 20.8%, primarily due to increased investment in China and the U.S. to drive accelerated scale, and the impact of business unit mix

Jamieson Brands Mix Commentary:

Each business unit has its own margin structure with growth rates in each impacting the consolidated profit margin. Our most mature base businesses of Canada and International with single digit revenue growth and a decade under professional management, have the strongest margin structures and are stable/growing. Our U.S. business, acquired in 2022, has strong yet slightly lower margins that are growing as we synergize and scale that business. Our fastest growing China business under its new owned model as of April 2023 has positive, yet inherently lower margins than the remainder of our branded business, as we invest and establish a margin baseline from which to grow as we scale the business at an accelerated rate.

Strategic Partners Segment:

Expected revenue range is $100.0 to $113.0 million (-10% to -20%)

- Reflecting our transition out of a customer contract, partially offset as we onboard new opportunities. Typical time lapse between ending a contract and starting a new one is 9-12 months.
- Gross profit margin decline of 200 and 250 basis points due to lower sales and reduced manufacturing efficiency
- Adjusted EBITDA margins expected to decline -300 basis points

Consolidated:

Guidance reflects temporary factors impacting our earnings, including the decline in Strategic Partners volumes, reduced manufacturing efficiency from planned lower production volumes to right size inventory, and strategic investment choices in our Jamieson Brands growth pillars noted above.

- Revenue to range between $720.0 to $760.0 million (+6.5% to +12.5% growth)
- Gross Profit margins growth of between +200 and +250 basis points
- Normalized SG&A including marketing expenses is expected to increase 20% to 35%
- Share-based compensation costs of approximately $7.0 million
- Adjusted EBITDA to range from $138.0 to $144.0 million (up to +4.5% growth)
- Adjusted EBITDA margin decline of -120 and -170 basis points
- Adjusted diluted earnings per share to range from $1.55 to $1.65 (up to +6.5% growth)
- A fully diluted share count of approximately 42.5 million shares
- We expect to incur approximately $8.0 million in certain non-capital costs related to the enhancement of our IT systems and between $3.0 to $4.0 million in costs associated with the temporary closure of our Windsor manufacturing facility
- We expect to generate between $85.0 and $95.0 million in cash from operations before working capital, IT systems enhancements and other certain non-operating costs

In fiscal 2025, our long-term earnings trajectory is expected to return to low double-digit growth with Adjusted EBITDA of between $155.0 and $165.0 million. We expect profitability in 2025 to be driven by Jamieson Brands revenue growth of 10% to 15%, including resolution of the following items impacting our fiscal 2024 expectations:

- Higher revenue and manufacturing efficiency from balanced consumption, shipments and production levels from stabilizing finished good, customer and distributor inventories
- Realized manufacturing efficiency within our soft gel operations with a return to previous Strategic Partners volumes
- Following the step change investment in brand building activities, in 2025 we expect to limit investment in headcount, infrastructure and marketing to a rate consistent with Jamieson Brands revenue growth.

In the first quarter of 2024, we expect revenue to range between $118.0 to $128.0 million (-14% to -7%):

- Revenue in the Jamieson Brands segment is expected to increase by up to 6% to approximately $106.0 to $114.0 million
- Revenue in the Strategic Partners segment is expected to decline between 50% and 60%
- We anticipate Adjusted EBITDA to range from $13.0 to $16.0 million. Our guidance reflects investments to drive brand awareness and growth in the U.S. and China, the temporary closure of our Windsor tablet manufacturing facility impacting shipment timing in Canada, International and Strategic Partners, and temporary manufacturing inefficiencies based on lower internal and customer inventories.

Current Share and Option Information

As of the date hereof, an aggregate of 41,434,460 Common Shares and 2,527,121 preferred shares are issued and outstanding. As of the date hereof, the Company had 2,527,121 warrants, 2,441,631 options, 198,915 PSUs, 57,964 RSUs, and 42,346 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.sedar.com.

Risk Factors

We are exposed to a variety of financial risks in the normal course of operations including credit risk, market risk and liquidity 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.

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.

Consolidated Financial Statements
For the years ended December 31, 2023 and 2022

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of **Jamieson Wellness Inc.**

Opinion

We have audited the consolidated financial statements of Jamieson Wellness Inc. and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, the consolidated statements of operations and comprehensive income, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT (continued)

Sales promotional incentives

Key audit matter	*How our audit addressed the key audit matter*
As described in the Summary of Accounting Policies in Note 2 to the consolidated financial statements, the Group provides certain customers with discounts and sales promotional incentives, which results in variable consideration and the Group having to estimate expected levels of promotions that are typically settled in a period after the sale being recorded. The estimated costs of these discounts and customer-specific sales promotional incentives are recorded as a reduction to revenue at the time a product is sold to the customer. The Group's sales promotional incentives are complex, and there are a significant amount of revenues and products affected. The measurement of sales promotional incentives involves the use of judgement related to estimating future promotional spending based on historical performance of promotions and adjustments for current trends, among other inputs. The timing difference between sales of goods by the Group and the settlement of customer-specific sales promotional incentives further increases the risk associated with the measurement of revenues. Changes in these estimates can have a significant impact on the amount of revenue recognized.	• We considered the appropriateness of the Group's revenue recognition accounting policies, specifically the recognition and classification criteria for discounts and sales promotional incentives, by reviewing the Group's contractual and non-contractual arrangements with its customers. • Among other audit procedures, we tested the sales promotional incentives accrued at the end of the year by comparing program details with agreements or other correspondence between the Group and its customers, where applicable, taking customary trade practices into consideration. • We examined correspondence between the Group and its customers, and historical end-consumer spending patterns on similar promotions, to evaluate the reasonableness of the estimated end-consumer purchases forecasted by management during the promotional period. • We also analyzed retrospective reviews prepared by management on its ability to estimate customer-specific sales promotional incentives, which compared actual spending to amounts accrued at period end and analyzed trending of customer-specific sales promotional incentives as a percentage of revenue, to evaluate the accuracy and completeness of amounts accrued by management at year end. • Additionally, we performed inquiry procedures directly with sales representatives to evaluate the completeness of incentive programs.

Other information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis
- The information, other than the consolidated financial statements and our auditor's report thereon, in the Annual Report

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The Annual Report is expected to be made available to us after the date of the auditor's report. If based on the work we will perform on this other information, we conclude there is a material misstatement of other information, we are required to report that fact to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit

matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Paula J. Smith.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
March 12, 2024

Jamieson Wellness Inc.
Consolidated Statements of Financial Position
In thousands of Canadian dollars as at December 31,

	Notes	2023	2022
Assets			
Current assets			
Cash		36,863	26,240
Accounts receivable	6	164,499	160,798
Inventories	7	182,456	154,488
Derivatives	23	3,707	6,580
Prepaid expenses and other current assets		5,335	4,298
		392,860	**352,404**
Non-current assets			
Property, plant and equipment	8, 16	106,903	111,709
Goodwill	9	274,411	272,916
Intangible assets	10	366,521	367,205
Deferred income tax	15	2,879	3,029
Total assets		**1,143,574**	**1,107,263**
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	11	135,520	142,566
Income taxes payable	15	2,263	7,387
Current portion of other long-term liabilities	4, 16	7,546	4,852
		145,329	**154,805**
Long-term liabilities			
Long-term debt	13	325,000	400,000
Post-retirement benefits	14	1,078	929
Deferred income tax	15	60,532	58,007
Redeemable preferred shares	17	89,409	-
Other long-term liabilities	4, 16	41,031	61,931
Total liabilities		**662,379**	**675,672**
Equity			
Share capital	18	312,593	307,200
Warrants	19	14,705	-
Contributed surplus		19,089	17,115
Retained earnings		80,654	85,483
Accumulated other comprehensive income		11,892	21,793
Total shareholders' equity		**438,933**	**431,591**
Non-controlling interests		42,262	-
Total equity		**481,195**	**431,591**
Total liabilities and equity		**1,143,574**	**1,107,263**

(see the accompanying notes to the consolidated financial statements)

Approved on behalf of the Board:

Tania Clarke	*Tim Penner*
Director	***Director***

Jamieson Wellness Inc.
Consolidated Statements of Operations and Comprehensive Income
In thousands of Canadian dollars, except share and per share amounts, for the years ended December 31,

	Notes	2023	2022
Revenue	25, 26	676,172	547,369
Cost of sales	7	442,613	349,031
Gross Profit		233,559	198,338
Selling, general and administrative expenses		140,304	110,239
Acquisition related adjustments	4	(7,863)	-
Share-based compensation	20	5,868	4,910
Earnings from operations		95,250	83,189
Foreign exchange loss		1,962	269
Accretion on preferred shares	17	4,833	-
Interest expense and other financing costs	22	22,784	12,417
Earnings before income taxes		65,671	70,503
Provision for income taxes	15	19,631	17,695
Net earnings		**46,040**	**52,808**
Other comprehensive income			
Actuarial (loss) gain not to be reclassified subsequently to net earnings	14	(38)	2,954
Income tax recovery (expense)	15	8	(753)
Net of tax		(30)	2,201
Unrealized (loss) gain on amounts that may be reclassified to net earnings on cash flow hedges	23	(2,873)	7,748
Income tax recovery (expense)	15	729	(1,967)
Net of tax		(2,144)	5,781
Unrealized (loss) gain on amounts that may be reclassified to net earnings on translation of foreign operations		(8,037)	13,788
Total other comprehensive (loss) income		**(10,211)**	**21,770**
Comprehensive income		**35,829**	**74,578**
Net earnings (loss) attributable to:			
Shareholders		47,882	52,808
Non-controlling interests		(1,842)	-
		46,040	52,808
Comprehensive income (loss) attributable to:			
Shareholders		37,981	74,578
Non-controlling interests		(2,152)	-
		35,829	74,578
Earnings per share attributable to common shareholders:	28		
Basic, earnings per share		**1.10**	1.29
Diluted, earnings per share		**1.08**	1.25
Weighted average number of shares:	28		
Basic		**41,960,516**	40,998,065
Diluted		**42,650,501**	42,116,350

(see the accompanying notes to the consolidated financial statements)

Jamieson Wellness Inc.
Consolidated Statements of Changes in Shareholders' Equity
In thousands of Canadian dollars

	Notes	Share capital	Warrants	Contributed surplus	Retained earnings	Accumulated other comprehensive income (loss)	Total Shareholders' equity	Non-controlling interests	Total equity
As at January 1, 2022		**268,214**	**-**	**14,786**	**58,998**	**23**	**342,021**	**-**	**342,021**
Net earnings for the year		-	-	-	52,808	-	52,808	-	52,808
Issuance of treasury shares	18	6,638	-	(2,445)	-	-	4,193	-	4,193
Issuance of shares to acquire businesses	4	32,348	-	-	-	-	32,348	-	32,348
Common share dividend ($0.64 per share)		-	-	18	(26,323)	-	(26,305)	-	(26,305)
Other comprehensive income		-	-	-	-	7,982	7,982	-	7,982
Unrealized foreign currency gain on translation of foreign operations		-	-	-	-	13,788	13,788	-	13,788
Share-based compensation	20	-	-	4,756	-	-	4,756	-	4,756
As at December 31, 2022		**307,200**	**-**	**17,115**	**85,483**	**21,793**	**431,591**	**-**	**431,591**
Net earnings for the year		-	-	-	47,882	-	47,882	(1,842)	46,040
Issuance of treasury shares	18	12,892	-	(3,749)	-	-	9,143	-	9,143
Issuance of warrants	5, 19	-	14,705	-	-	-	14,705	-	14,705
Minority interest in subsidiary	5	-	-	-	-	-	-	44,414	44,414
Common share dividend ($0.72 per share)		-	-	72	(30,257)	-	(30,185)	-	(30,185)
Repurchase of common shares	18	(7,499)	-	-	(22,454)	-	(29,953)	-	(29,953)
Other comprehensive income		-	-	-	-	(2,174)	(2,174)	-	(2,174)
Unrealized foreign currency gain on translation of foreign operations		-	-	-	-	(7,727)	(7,727)	(310)	(8,037)
Share-based compensation	20	-	-	5,651	-	-	5,651	-	5,651
As at December 31, 2023		**312,593**	**14,705**	**19,089**	**80,654**	**11,892**	**438,933**	**42,262**	**481,195**

(see the accompanying notes to the consolidated financial statements)

Jamieson Wellness Inc.
Consolidated Statements of Cash Flows
In thousands of Canadian dollars, for the years ended December 31,

Cash provided by (used in)	Notes	2023	2022
Operating activities			
Net earnings		46,040	52,808
Items not affecting cash			
Depreciation of property, plant and equipment and right-of-use assets	8	14,410	12,153
Amortization of intangible assets	10	5,913	5,095
Deferred income taxes		1,763	1,669
Accretion on redeemable preferred shares	17	4,833	-
Share-based compensation	20	5,651	4,756
Revaluation of contingent consideration	4	(13,759)	-
Others		(1,012)	1,120
Net change in non-cash working capital	27	(32,126)	(27,012)
		31,713	**50,589**
Investing activities			
Acquisition of business	4	(25,823)	(241,960)
Additions to property, plant and equipment, net	8	(8,835)	(13,933)
Acquisition of intangible assets	10	(473)	(637)
		(35,131)	**(256,530)**
Financing activities			
Proceeds from credit facilities	13	206,019	339,387
Repayment to credit facilities	13	(281,019)	(88,512)
Payment of lease liabilities	16	(4,536)	(3,339)
Issuance of redeemable preferred shares, net	5, 17	84,576	-
Issuance of warrants, net	5, 19	14,705	-
Proceeds from minority interest in subsidiary	5	44,414	-
Exercise of stock options and ESPP	18	9,143	4,193
Dividends to common shareholders		(30,257)	(26,323)
Repurchase of common shares	18	(29,004)	-
		14,041	**225,406**
Increase in cash		**10,623**	**19,465**
Cash - Beginning of the year		**26,240**	**6,775**
Cash - End of the year		**36,863**	**26,240**
Supplemental disclosure			
Amount of income taxes paid		22,910	11,551
Amount of interest paid		23,353	12,378

(see the accompanying notes to the consolidated financial statements)

Jamieson Wellness Inc.
Notes to the Consolidated Financial Statements
December 31, 2023 and 2022

1. Company overview

1.1 Description of the business and consolidated financial statements

Jamieson Wellness Inc. (“Jamieson” or the “Company”) is a Canadian public company with common shares (“Common Shares”) listed on the Toronto Stock Exchange under the stock symbol “JWEL”.

The consolidated financial statements of Jamieson and its subsidiaries for the year ended December 31, 2023 were authorized for issue by the Board of Directors of the Company on March 12, 2024. Jamieson is a company continued under the *Business Corporations Act* (Ontario) and resident in Canada. Jamieson’s registered office is located at 66 Wellington Street West, Suite 5300, TD Bank Tower, Toronto, ON, M5K 1E6.

The Company has manufacturing facilities located in Windsor, Ontario, Toronto, Ontario, and Irvine, California and is principally engaged in the manufacturing, development, distribution, sales and marketing of branded and customer branded health products for humans including vitamins, herbal and mineral nutritional supplements.

1.2 Subsidiaries

The table below provides a summary of the Company's subsidiaries. Unless otherwise stated, the subsidiaries as listed below have share capital consisting solely of common shares, which are held directly or indirectly by the Company.

As at December 31, Entity	2023 %	2022 %	Principal Place of Operations	Functional Currency
Jamieson Laboratories Ltd.	**100.0**	100.0	Canada	Canadian dollar
International Nutrient Technologies Limited	**100.0**	100.0	Canada	Canadian dollar
Body Plus Nutritional Products Inc.	**100.0**	100.0	Canada	Canadian dollar
Jamieson Health Products Australia Pty Ltd.	**100.0**	100.0	Australia	Australian dollar
Nutrawise UK Ltd.	**100.0**	100.0	United Kingdom	British pound sterling
Jamieson Health Products UK Ltd.	**100.0**	100.0	United Kingdom	United States dollar
Jamieson Health Products USA Ltd.	**100.0**	100.0	United States of America	United States dollar
Nutrawise Health & Beauty LLC	**100.0**	100.0	United States of America	United States dollar
Jamieson Health Products Netherlands B.V.	**100.0**	100.0	Netherlands	United States dollar
Nutrawise Japan GK	**100.0**	100.0	Japan	Japanese yen
Jamieson Health Products (Cayman Islands) Limited	**66.7**	100.0	Cayman Islands	United States dollar
Jamieson Health Products (Hong Kong) Limited	**66.7**	100.0	China	United States dollar
Jamieson Health Products (Shanghai) Co., Ltd.	**66.7**	100.0	China	Chinese yuan
Jamieson Health Products (Hong Kong) Trading Limited	**66.7**	100.0	China	United States dollar

2. Summary of accounting policies

2.1 Basis of preparation and statement of compliance

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

The consolidated financial statements have been prepared on a historical cost basis, except for certain derivative financial instruments and liabilities associated with the post-retirement benefit plan that have been measured at fair value. The consolidated financial statements are presented in Canadian dollars and all values are rounded to the nearest thousand ($000), except share and per share amounts and when otherwise indicated. Certain supplementary information in U.S. dollars is rounded to the nearest thousand where applicable.

2.2 Basis of consolidation

Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if, and only if, the Company has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Company's voting rights and potential voting rights.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

Transactions and balances between the Company and its consolidated entities have been eliminated on profit or loss, and each component of OCI are attributed to the equity holders of the Company and to the non-controlling interest, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Company's accounting policies.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Company loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss.

2.3 Summary of accounting policies

The following are the accounting policies applied by the Company in preparing its consolidated financial statements:

2.3.1 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at the acquisition date fair value and the amount of any non-controlling interest in the acquiree. Acquisition-related costs are expensed as incurred and included in the consolidated statements of operations and comprehensive income.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. All contingent consideration (except that which is classified as equity) is subsequently re-measured to fair value at each reporting period end, with the changes in fair value recognized in profit or loss. Contingent consideration that is classified as equity is not re-measured, and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests) and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in net income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units ("CGUs") (or group of CGUs) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU (or group of CGUs) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed in these circumstances is measured based on the relative fair values of the disposed operation and the portion of the CGU retained.

2.3.2 Current versus non-current classification

The Company presents assets and liabilities in the consolidated statements of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred income tax assets and liabilities are classified as non-current assets and liabilities.

2.3.3 Fair value measurement

The Company measures financial instruments, such as derivatives, at fair value at each consolidated statements of financial position date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are summarized in the following notes:

• Accounting policy disclosures (Note 2.3.3)
• Disclosures for valuation methods, significant estimates and assumptions (Notes 3 and 4)
• Quantitative disclosures of fair value measurement hierarchy (Note 23)
• Financial instruments (including those carried at amortized cost) (Notes 13 and 23)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

• In the principal market for the asset or liability; or
• In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of instruments that are quoted in active markets is determined using the quoted prices. The Company uses valuation techniques to establish the fair value of instruments where prices quoted in active markets are not available. Therefore, where possible, parameter inputs to the valuation techniques are based on observable data derived from prices of relevant instruments traded in an active market. These valuation techniques involve some level of management estimation and judgment, the degree of which will depend on the price transparency for the instrument or market and the instrument's complexity.

The Company categorizes its fair value measurements according to a three-level hierarchy. The hierarchy prioritizes the inputs used by the Company's valuation techniques. A level is assigned to each fair value measurement based on the lowest level input significant to the fair value measurement in its entirety.

The three levels of the fair value hierarchy are defined as follows:

Level 1 - Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.
Level 2 - Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
Level 3 - Significant unobservable inputs which are supported by little or no market activity.

The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Jamieson Wellness Inc.
Notes to the Consolidated Financial Statements
December 31, 2023 and 2022

2.3.4 Revenue recognition

The majority of the Company's revenue is derived from the sale of Jamieson branded products to distributors, retail and wholesale customers, referred to as the Company's "Jamieson Brands" segment, as well as providing contract manufacturing services and the sale of products to strategic partners, referred to as the Company's "Strategic Partners" segment.

Revenue is recognized for the sale of Jamieson branded products and the manufacturing of products to its strategic partners at the point in time when control of the asset is transferred to the customer based on shipping terms. The Company generally has a right to payment at the time of delivery (which is the same time that the Company has satisfied its 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 the Company's revenues derived from contract manufacturing services provided to customers in its Strategic Partners segment is under a tolling arrangement where the customer supplies the Company 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 the Company is 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.

Jamieson may provide discounts and sales promotional incentives to its 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. Jamieson applies 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. Jamieson may also provide other consideration to customers for customer-specific programs to promote the Company's 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 expenses.

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

2.3.5 Foreign currencies

The Company's consolidated financial statements are presented in Canadian dollars. For each entity, the Company determines the functional currency, and items included in the financial statements of each entity are measured using that functional currency (refer to Note 1.2).

Transactions and balances

Transactions in foreign currencies are initially recorded by the entities at their respective functional currency spot rate at the date the transaction first qualifies for recognition.

• Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange in effect at the reporting date.
• Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.
• Revenue and expense items are translated using the average exchange rate during the year.

Differences arising on settlement or translation of monetary items are recognized in profit or loss.

On consolidation, the assets and liabilities of foreign operations are translated into the reporting currency at the reporting currency spot rate of exchange in effect at the reporting date and their statement of operations are translated using the average exchange rate during the year. Exchange differences arising on translation for consolidation are recognized in other comprehensive income ("OCI"). On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

2.3.6 Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statements of operations and comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation, and it establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred income taxes are not recognized where:

• The deferred income tax liability arises from the initial recognition of goodwill;
• The deferred income tax asset or liability arises on the initial recognition of an asset or liability in an acquisition that is not a business combination and, at the time of the acquisition, affects neither the accounting profit nor taxable profit or loss; and
• For temporary differences relating to investments in subsidiaries to the extent that the Company can control the timing of the temporary difference and it is probable that they will not reverse in the foreseeable future.

Deferred income tax assets are recognized for unused loss carry forwards and deductible temporary differences to the extent that it is probable that taxable profit will be available against which they can be utilized. At each reporting period, previously unrecognized deferred income tax assets are reassessed to determine whether it has become probable that future taxable profit will allow the deferred income tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred income taxes relating to items recognized directly in OCI or equity are also recognized directly in OCI or equity, respectively.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances arise. The adjustment is either treated as an adjustment to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or recognized in net income.

Sales tax

Revenues, expenses and assets are recognized net of the amount of sales tax, except:

• Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
• Receivables and payables are stated with the amount of sales tax included. The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statements of financial position.

2.3.7 Property, plant and equipment

Property, plant and equipment, with the exception of land, is recorded at cost less accumulated depreciation and any net accumulated impairment losses. Land is carried at cost and not depreciated. Construction-in-process assets are capitalized during construction and depreciation commences when the asset is available for use. Repair and maintenance costs are recognized in profit or loss as incurred unless the recognition criteria are satisfied and it substantially changes the useful life of an asset.

Depreciation is calculated on a straight-line basis, after taking into account residual values, over the following expected useful lives of the assets:

Land	Not depreciated
Buildings	20-30 years
Machinery and equipment	3-20 years
Furniture and fixtures	4-5 years
Computer equipment and software	3-10 years
Tools and dies	1 year

When parts of an item of property and equipment have different useful lives, those components are accounted for as components of property and equipment. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statements of operations and comprehensive income when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed periodically.

2.3.8 Intangible assets

Intangible assets are primarily established as a result of business combinations and measured on initial recognition at fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and any accumulated impairment losses.

Upon recognition of an intangible asset, the Company determines if the asset has a definite or indefinite life. In making this determination, the Company considers the expected use, expiry of agreements, the nature of the asset, and whether the value of the asset decreases over time.

Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets is recognized in the consolidated statements of operations and comprehensive income on a straight-line basis over their estimated useful lives as follows:

Customer relationships	15-30 years
Registrations, licenses, and other	3-10 years

The Company expects its trade names to generate economic benefit in perpetuity, and accordingly, has assigned the trade names as indefinite-life intangible assets.

Indefinite-life intangibles including trade names are tested for impairment annually at December 31 and otherwise as required if events occur that indicate that the net carrying value may not be recoverable.

2.3.9 Financial instruments — initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Classification and measurement

All financial assets and liabilities are recognized initially at fair value plus, in the case of financial instruments not at fair value through profit or loss ("FVTPL"), transaction costs.

Debt financial instruments are subsequently measured at FVTPL, fair value through other comprehensive income ("FVOCI"), or amortized cost using the effective interest rate method. The Company determines the classification of its financial assets based on the Company's business model for managing the financial assets and whether the instruments' contractual cash flows represent solely payments of principal and interest on the principal amount outstanding. The Company's derivatives not designated as a hedging instrument in a qualifying hedge relationship are subsequently measured at FVTPL. Equity instruments within the scope of IFRS 9, "Financial Instruments" ("IFRS 9"), if any, are subsequently measured at FVTPL or elected irrevocably to be classified at FVOCI at initial recognition.

Financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL. Financial liabilities are subsequently measured as FVTPL when the financial liability is: (i) contingent consideration of an acquirer in a business combination; (ii) held for trading; or (iii) it is designated as FVTPL if eligible. Other financial liabilities are subsequently measured at amortized cost using the effective interest method.

For financial liabilities that are designated as FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the Company's own credit risk of that liability is recognized in OCI unless the recognition of the effects of changes in the liability's credit risk in OCI would create or enlarge an accounting mismatch in the consolidated statements of operations and comprehensive income. The remaining amount of change in the fair value of liability is recognized in the consolidated statements of operations and comprehensive income. Changes in fair value of a financial liability attributable to the Company's own credit risk that are recognized in OCI are not subsequently reclassified to the consolidated statements of operations and comprehensive income; instead, they are transferred to retained earnings, upon derecognition of the financial liability.

The Company has made the following financial instrument classifications:

Financial Instrument	IFRS 9 Measurement
Cash	Amortized cost
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Long-term debt	Amortized cost
Derivatives not designated as hedging instruments	FVTPL
Derivatives designated as hedging instruments	Fair value (hedge accounting)
Lease liabilities	Amortized cost
Contingent consideration	FVTPL

Impairment

IFRS 9 requires a forward-looking Expected Credit Loss ("ECL") model. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive.

For accounts receivable, Jamieson applies the simplified approach and has determined the allowance based on lifetime ECLs at each reporting date. The Company has established a provision that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the customers and the economic environment. There was no transitional adjustment as a result of adopting the new impairment requirements.

Derecognition

A financial asset is derecognized when the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statements of operations and comprehensive income.

2.3.10 Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments (primarily forward contracts and swaps) to manage exposure to fluctuations in foreign currency exchange rates and interest rates. Derivative financial instruments are initially recognized at fair value on the date the derivative contract is executed and are subsequently remeasured at fair value each reporting period end.

At the inception of a hedging relationship, the Company designates and formally documents the relationship between the hedging instrument and the hedged item, the risk management objective, and its strategy for undertaking the hedge. The documentation identifies the specific asset, liability, or anticipated cash flows being hedged, the risk that is being hedged, the type of hedging instrument used, and how effectiveness will be assessed.

The Company also formally assesses, both at inception and at each reporting date thereafter, whether or not the derivatives that are used in hedging transactions are highly effective in offsetting the changes attributable to the hedged risks in the fair values or cash flows of the hedged items. If a hedge relationship becomes ineffective, it no

longer qualifies for hedge accounting and any subsequent change in the fair value of the hedging instrument is recognized in net income.

The Company uses hedge accounting for highly probable forecasted transactions (cash flow hedges). When hedge accounting is appropriate, the hedging relationship is designated as a cash flow hedge. In a cash flow hedge, the change in fair value of the hedging instrument is recorded, to the extent it is effective, in other comprehensive income. If a hedged forecast transaction subsequently results in the recognition of a non-financial asset, the Company removes that amount from the cash flow hedge reserve and includes it directly in the initial cost of the inventory.

When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in other comprehensive income is immediately recognized in the consolidated statements of operations and comprehensive income.

2.3.11 Inventories

Inventories are valued at the lower of cost and net realizable value. Raw material costs are accounted for using purchase cost on a first-in, first-out basis. Finished goods and work in progress costs are accounted for using cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs to sell. A provision for obsolescence is calculated based on historical experience and expiration.

2.3.12 Impairment of non-financial assets

Disclosures relating to impairment of non-financial assets are summarized in the following notes:
- Accounting policy disclosures (Note 2.3.12)
- Disclosures for significant assumptions (Note 3)
- Property, plant and equipment (Note 8)
- Goodwill and intangible assets (Notes 9 and 10)

The Company performs impairment testing annually for goodwill and indefinite-life intangible assets and, when circumstances indicate that there may be impairment, for other long-lived assets. Management judgment is involved in determining if there are circumstances indicating that testing for impairment is required, and in identifying CGUs for the purpose of impairment testing.

The Company assesses 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 cost to sell.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, a market multiple approach is used. These calculations are corroborated by other available fair value indicators.

The determination of the recoverable amount involves significant estimates and assumptions, including those with respect to valuation multiples, future cash inflows and outflows, discount rates, and asset lives. These estimates and assumptions could affect the Company's future results if the current estimates of future performance and fair values were to change. These determinations will affect the amount of amortization expense on definite-life intangible assets recognized in future periods.

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Where the carrying amount of an asset or CGU (or group of CGUs) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses, if any, of continuing operations are recognized in the consolidated statements of operations and comprehensive income in those expense categories consistent with the function of the impaired asset.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's or CGU's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset or group of assets does not exceed their recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the assets in prior years. Such reversal is recognized in the consolidated statements of operations and comprehensive income. Impairment losses relating to goodwill cannot be reversed in future periods.

2.3.13 Cash

Cash in the consolidated statements of financial position is comprised of cash balances that are subject to an insignificant risk of changes in value.

2.3.14 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the subsequent increase in the provision due to the passage of time is recognized as a finance cost.

2.3.15 Post-retirement benefits

The Company's post-retirement benefit plan (refer to Note 14) is unfunded and available to all Canadian hourly union personnel. The plan provides prescription and vision benefits to eligible employees upon attainment of age 65 with at least 15 years of service.

Post-retirement benefit costs for the plan are actuarially determined using the projected unit credit method pro-rated on service and management's best estimate of the appropriate discount rate, health care costs, inflation, mortality and other decrements. The accrued benefit obligation is based on the present value of future benefits based on the last actuarial valuation completed as of December 31, 2023.

Current and past years' service costs, interest income or expenses and gains and losses on curtailments are recognized in the consolidated statements of operations and comprehensive income as they occur and at the date of a plan amendment or curtailment.

Re-measurements, comprising actuarial gains and losses, are recognized immediately in the consolidated statements of financial position with a corresponding debit or credit to OCI in the period in which they occur. Re-measurements are not reclassified to net income in subsequent periods.

As of January 30, 2022, the Company transitioned its current employer-sponsored group RRSP plan for certain production hourly employees to participation in The Colleges of Applied Arts and Technology Pension Plan (the "CAAT Plan"). The CAAT Plan is a multi-employer, jointly sponsored defined benefit pension plan which is financed by contributions from participating members and participating employers, and by investment earnings.

The Company's participation in the CAAT Plan is accounted for as a defined contribution pension plan, where the Company's contributions are expensed as incurred. The Company does not bear any performance risk on

plan investments and is not required to fund the plan beyond the required annual contributions. Any pension surplus or deficit is a joint responsibility of the members and employers and may affect future contribution rates; the deficit or surplus is determined by the Plan's actuarial valuation.

2.3.16 Share-based compensation

The Company has an equity-based compensation plan providing for the issuance of securities under which the grants will be made by the Company. Under the long-term incentive plan (the "LTIP"), the Board of Directors of the Company, at its discretion may grant share options, restricted shares, restricted share units in the form of time-based restricted share units ("RSUs") or performance-based share units ("PSUs"), deferred share units ("DSUs"), and stock appreciation rights. The awards are settled in Common Shares with a cash settlement alternative available to the Company.

Share-based compensation costs are accounted for on a fair value basis, as measured at the grant date, which is generally the date at which both the Company and employee have a mutual understanding of the terms of the award.

The compensation expense is based on the estimated number of awards that will eventually vest and adjustments for forfeitures are made as they occur.

Upon exercise of options and settlement of RSUs, PSUs, and DSUs, the amount recognized in contributed surplus for the award plus the cash received upon exercise is recognized as an increase in share capital. Options are granted with an exercise price equal to or greater than their fair value, as determined by the closing price on the TSX immediately preceding the grant date of the shares into which they may be converted. Options granted to directors of the Company fully vest on the one-year anniversary from the grant date. Options granted to persons other than directors of the Company vest at a rate of 25% or 33% per year on each anniversary date from the beginning of the vesting period. Options expire no later than the 10th anniversary of the beginning of the vesting period or upon termination of employment.

The fair value of the share options is estimated using the Black-Scholes option-pricing model. Several assumptions are used in the underlying calculation of fair values of the Company's share options using the Black-Scholes option-pricing model, including the market value at grant date, expected life of the option, stock-price volatility, forfeiture rates, and risk-free interest rates.

PSUs, RSUs, and DSUs granted represent the right to receive one Common Share for each PSU, RSU, or DSU. PSUs vest on the third anniversary of the grant date based on the Company's total shareholder return ("TSR") compared to a principal peer group.

The Company has determined that the above specified performance condition represents a market condition. Accordingly, the Company recognizes the compensation cost over the vesting period, irrespective of whether the market condition is satisfied, provided that service conditions are satisfied.

The fair value of PSUs is estimated at grant date using the Monte Carlo simulation. For PSUs, the model simulates the TSR and compares it against the principal peer group. It takes into account the share price volatility of the Company relative to that of its peer group so as to predict the share performance.

RSUs granted to directors of the Company fully vest on the one-year anniversary from the grant date. The fair value of RSUs is measured at grant date based on the market value of a Common Share at grant date.

DSUs fully vest on the one-year anniversary from the grant date and are exercised upon termination of employment. The fair value of DSUs is measured at grant date based on the market value of a Common Share at grant date.

A maximum of 8.7% of the issued Common Shares outstanding are reserved for issuance under the LTIP and the Company's legacy option plan combined.

<u>Employee share purchase plan</u>

The Company maintains an employee share purchase plan ("ESPP") for all eligible employees. Employees can contribute any amount of their eligible earnings subject to an annual cap of 10% of aggregate base salary and commissions to the ESPP. Share purchases occur 14 days following the end of the Company's fiscal quarter (the "Purchase Date"), or the first business day thereafter if any Purchase Date is not a business day. Eligible employees are able to purchase Common Shares at 90 percent of the volume weighted average closing price on the TSX on the five trading days immediately preceding the Purchase Date.

Employees pay for their share purchases through payroll deductions at a rate equal to any whole percentage from 1 percent to 10 percent.

Contributions to the ESPP are recorded as share capital at each Purchase Date.

2.3.17 Leases

The Company assesses at contract inception whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company has applied judgment to determine the lease term for some lease contracts that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which affects the amount of lease liabilities and right-of-use assets recognized.

The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets during the lease term for all leases.

<u>Right-of-use assets</u>

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

The Company's right-of-use assets are included in property, plant, and equipment.

<u>Lease liabilities</u>

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced

for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Company's lease liabilities are included in other long-term liabilities.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are expensed on a straight-line basis over the lease term.

2.3.18 Adoption of Amended IFRS Pronouncements

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, the Company 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.

Amendments to IAS 8, Definition of Accounting Estimates

Effective January 1, 2023, the Company adopted the amendments to IAS 8 which introduce a definition of "Accounting Estimates". The amendments clarify the distinction between changes in accounting estimates and accounting policies as well as the correction of errors. Additionally, the IASB clarifies how entities use measurement techniques and inputs to develop accounting estimates.

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

Amendments to IAS 1 and IFRS Practice Statement 2

Effective January 1, 2023, the Company adopted the amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their "significant" accounting policies with a requirement to disclose their "material" accounting policies. In addition, the IASB has provided guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

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

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3. Significant accounting judgments, estimates and assumptions

The preparation of the Company's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments

The Company has identified the following judgments, apart from estimates, that management made in the process of applying the Company's accounting policies, and that have the most significant effect on the amounts recognized in the consolidated financial statements.

Control of China Operations
On May 16, 2023, the Company completed its strategic partnership with DCP Capital ("DCP") in respect of the Company's operations in China. The transaction involved DCP's contribution of $47,096 (USD $35,000) 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 Health Products (Hong Kong) Trading Limited, and Jamieson Health Products (Hong Kong) Limited (together with Jamieson-DCP Partnership, "China Operations"), less transaction costs of $2,682.

The Jamieson-DCP Partnership is governed by a board consisting of six members, including four from the Company 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 the Company's current ability to direct the relevant activities and whether the Company has the ability to use its power over this strategic partnership to affect the amount of the Company's returns. The Company has determined that it controls the China Operations based on all facts and circumstances assessed during the period. Therefore, the Jamieson-DCP Partnership is consolidated into the Company's Financial Statements. DCP's 33% minority interest in the Jamieson-DCP Partnership is recorded as non-controlling interest.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Estimating variable consideration for returns, trade merchandise allowances and sales promotional incentives
The Company uses 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 estimated by the Company.

The Company provides for estimated payments to customers based on various trade programs and sales promotional incentives. The Company estimates 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.

The Company updates its 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 income, 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 the Company 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 income, and comprehensive income will be affected in future periods.

Receivables and allowance for expected credit losses
The Company is exposed to credit risk with respect to amounts receivable from customers. The Company's allowance is determined by historical experiences, and considers factors including, the aging of the balances, the customer's credit worthiness, and updates based on the current economic conditions, expectation of bankruptcies, and the political and economic volatility in the markets/location of customers.

Long-lived assets valuation
The Company performs 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 CGUs for the purpose of impairment testing. The Company assesses 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 the Company's 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 the Company's 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 the Company's 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 income, 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 9, 10, 14, 17, 19, 20 and 23.

Taxes
The calculation of current and deferred income taxes requires the Company to make estimates and assumptions and to exercise judgment regarding the carrying values of assets and liabilities that are subject to accounting estimates inherent in those balances, the interpretation of income tax legislation across various jurisdictions, expectations about future operating results, the timing of reversal of temporary differences and possible audits of income tax filings by the tax authorities.

Changes or differences in underlying estimates or assumptions may result in changes to the current or deferred income tax balances on the consolidated statements of financial position, a charge or credit to income tax expense in the consolidated statements of operations and comprehensive income and may result in cash payments or receipts.

All income, capital and commodity tax filings are subject to audits and reassessments. Changes in interpretations or judgments may result in a change in the Company's income, capital or commodity tax provisions in the future. The amount of such a change cannot be reasonably estimated.

The Company considers the earnings of certain non-Canadian subsidiaries to be indefinitely invested outside of Canada on the basis of estimates that future domestic cash generation will be sufficient to meet future domestic cash needs and the Company's specific plans for reinvestment of those subsidiary earnings. If the Company decides to repatriate the foreign earnings, the Company would need to adjust its income tax provision in the period it determined that the earnings will no longer be indefinitely invested outside of Canada.

Useful lives of property, plant and equipment and intangible assets with finite useful lives
The Company employs 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. The Company makes estimates when determining depreciation methods, depreciation rates and asset useful lives, which requires taking into account industry trends and company-specific factors. The Company reviews these decisions at least once each year or when circumstances change. The Company will change depreciation methods, depreciation rates or asset useful lives if they are different from previous estimates.

4. Business Combinations

4.1 Acquisition of former distribution partner in China

On April 28, 2023, the Company completed its acquisition of the operating assets from its former distribution partner in China for a total cash consideration of $25,823, before post-closing cash adjustments. The acquisition allows the Company to directly operate its sales, marketing and distribution activities in China, and marks a step forward in the Company's brand expansion plans in China.

The following table provides a reconciliation of measurement period adjustments to the purchase price allocation of the net assets acquired at their fair value amounts:

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

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 $4,867 is attributable to expected future income and cash-flow projections and synergies the Company expects to achieve in leveraging its platform. Certain intangible assets and goodwill are not expected to be deductible for tax purposes.

4.2 Acquisition of Nutrawise Health & Beauty Corporation

On July 19, 2022, Jamieson Health Products USA Ltd. ("Jamieson USA") acquired Nutrawise Health & Beauty Corporation ("Nutrawise" or "youtheory"), and Nutrawise became a wholly owned subsidiary of Jamieson USA. In connection with the transaction, Nutrawise Health & Beauty Corporation converted from a California corporation to a California limited liability company (LLC). Consideration for the acquisition totalled $309,889 before post-closing cash adjustments, plus acquisition costs of $8,051 which were recognized within selling, general and administrative expenses in the audited consolidated statements of operations and comprehensive income for the year ended December 31, 2022. The purchase price was funded with cash of $241,960 (refer to Note 13), share consideration of $32,348 and acquisition-related contingent consideration of $35,581 for a total of $309,889. Pursuant to the purchase agreement, the former owners are entitled to additional payments up to USD $190,000 subject to meeting specific earnings before interest expense, income taxes, depreciation and amortization (EBITDA) targets up to 2025.

Nutrawise is an innovator, manufacturer and marketer of premium supplements under the youtheory brand in the United States and other international markets. The Company expects that this strategic milestone will create a platform for the Company to expand in the U.S., which hosts the world's largest vitamin, mineral and supplements market, and leverage the broad Jamieson portfolio under the youtheory brand.

The following table represents the purchase price allocation of the net assets acquired at their fair value amounts:

	Final fair value as at July 19, 2022 $
Accounts receivable	5,264
Inventories	20,119
Prepaid expenses and other current assets	1,663
Accounts payable and accrued liabilities	(35,285)
Property, plant and equipment, net	8,143
Goodwill	143,356
Intangible assets	171,054
Other long term liabilities	(4,425)
Total net assets acquired	309,889

The intangible assets acquired include customer relationships and trademarks in the amounts of $31,100 and $139,954, respectively. The customer relationships are amortized over 20-25 years and expensed through the consolidated statements of operations and comprehensive income on a straight-line basis over the estimated useful life. The Company expects its trademarks to generate economic benefit in perpetuity, and accordingly, has assigned the trademarks as an indefinite life intangible asset.

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 $143,356 is attributable to expected future income and cash-flow projections and synergies the Company expects to achieve in combining the acquisition into its operations while leveraging its platform in the United States. Estimated goodwill is expected to be deductible for tax purposes.

Indefinite life intangibles including goodwill and trademarks are tested for impairment annually as at December 31 and otherwise as required if events occur that indicate that the net carrying value may not be recoverable.

4.2.1 Acquisition related adjustments

As at December 31, 2023, the contingent consideration with respect to the Nutrawise acquisition was revalued to $22,623. Accordingly, $13,759 was recorded in acquisition related adjustments in the consolidated statements of operations and comprehensive income, net of post-acquisition working capital adjustments of $5,896 to reflect acquired liabilities. The contingent consideration was classified as $2,778 in the current portion of other long-term liabilities and $19,845 in other long-term liabilities in the Company's consolidated statements of financial position. As at December 31, 2022, the contingent consideration was classified as $542 in the current portion of other long-term liabilities and $36,693 in other long-term liabilities in the Annual Financial Statements.

The fair value of contingent consideration is estimated using a Monte-Carlo simulation model. The simulation is revaluated at the end of each reporting period and any changes in fair value are recognized in the consolidated statements of operations and comprehensive income. The fair value for the contingent consideration is an estimate requiring judgment and subject to fluctuations in key assumptions, including EBITDA forecasts until 2025, weighted average cost of capital of 12.5%, risk-free-rate of 4.1%, volatility of 40.0%, and earn-out payment discount rate of 7.2%.

5. **China Operations Strategic Partnership**

On May 16, 2023, the Company completed its strategic partnership with DCP in respect of the Company's operations in China. The transaction involved DCP's contribution of $47,096 (USD $35,000) in capital in exchange for a 33% minority interest in Jamieson Health Products (Cayman Islands) Limited, which in turn holds Jamieson Health Products (Shanghai) Co., Ltd., Jamieson Health Products (Hong Kong) Trading Limited, and Jamieson Health Products (Hong Kong) Limited, less transaction costs of $2,682.

The Jamieson-DCP Partnership is subject to an exit mechanism for DCP and various termination clauses. Exit mechanisms may include a sale to Jamieson or third party, a public offering or a mutually agreed upon termination of the agreement. Between the fourth and fifth anniversary of the Jamieson-DCP Partnership agreement (which period is subject to delay in specified circumstances), the Company has the right, but not the obligation, to repurchase DCP's 33% minority interest at a pre-determined multiple of net revenues of the China Operations (less net debt). If the Company does not execute its right to repurchase the 33% minority interest by the fifth anniversary of the Jamieson-DCP Partnership agreement, a USD $10,000 charge is due to DCP. DCP also has the right to negotiate and execute an exit event including the potential sale of the entire Jamieson-DCP Partnership to a third party. The Company has a right of first refusal should DCP propose a sale of its shares in the Jamieson-DCP Partnership.

The Company's right to purchase DCP's 33% minority interest in the Jamieson-DCP Partnership at a pre-determined multiple of net revenues represents a call option whose value will be driven by the difference, if any, between the fair value of DCP's interest in the China Operations compared to the pre-determined net revenue multiple calculation. The Company will assess the fair value of the call option at each reporting period and has determined the fair values to be $nil at inception and as at December 31, 2023.

The Company has determined that the USD $10,000 potential charge for not executing its right to repurchase the 33% minority interest is not a present obligation for the Company, therefore not recognized in the Financial Statements.

In conjunction with DCP's $47,096 investment in the Company's China Operations on May 16, 2023, DCP also completed its subscription for certain preferred shares and warrants of the Company. Please refer to Note 17 for details of the preferred shares and Note 19 for details of the warrants.

6. **Accounts receivable**

As at December 31,	**2023**	2022
	$	$
Trade	**163,917**	156,591
Other miscellaneous receivables	**701**	4,326
Allowance for expected credit losses	**(119)**	(119)
	164,499	160,798

The Company maintains an allowance for expected credit losses that represents its estimate of uncollectible amounts based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the customers and the economic environment.

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The aging of receivables is as follows:

As at December 31,	**2023**	2022
	$	$
Current	**135,607**	138,137
Aged 1-30 days past due	**20,969**	18,257
Aged 31-60 days past due	**3,075**	3,372
Aged > 60 days past due	**4,967**	1,151
Allowance for expected credit losses	**(119)**	(119)
	164,499	160,798

7. **Inventories**

As at December 31,	**2023**	2022
	$	$
Raw material and packaging	**92,026**	65,953
Bulk product and work in process	**21,384**	23,979
Packaged finished goods	**73,781**	68,114
Inventory provision	**(4,735)**	(3,558)
	182,456	154,488
Inventories expensed during the year	**398,204**	319,529

An inventory provision is estimated by management based on historical sales, inventory aging and expiry, and expected future sales and is included in cost of sales. Subsequent changes to the provision are recorded in cost of sales in the consolidated statements of operations and comprehensive income.

For the year ended December 31, 2023, inventory write-downs of $5,243 were expensed through cost of sales (2022 - $5,529).

8. Property, plant and equipment

	Land	Buildings	Machinery and equipment	Right-of-use assets (Note 16)	Other	Total
	$	$	$	$	$	$
Cost						
At January 1, 2022	2,497	28,273	71,747	30,445	11,184	144,146
Assets acquired through business combinations	-	-	1,401	4,425	2,317	8,143
Additions	-	949	12,162	4,504	822	18,437
Disposals	-	-	(353)	-	-	(353)
Foreign currency translation	-	-	462	205	226	893
At December 31, 2022	2,497	29,222	85,419	39,579	14,549	171,266
Additions	-	827	6,937	1,016	1,071	9,851
Disposals	-	-	(58)	(40)	-	(98)
Foreign currency translation	-	-	(281)	(124)	(135)	(540)
At December 31, 2023	**2,497**	**30,049**	**92,017**	**40,431**	**15,485**	**180,479**
Accumulated Depreciation						
At January 1, 2022	-	8,218	25,544	7,802	5,605	47,169
Depreciation for the year	-	1,008	6,090	3,954	1,101	12,153
Disposals	-	-	(269)	-	-	(269)
Foreign currency translation	-	-	370	8	126	504
At December 31, 2022	-	9,226	31,735	11,764	6,832	59,557
Depreciation for the year	-	1,054	7,236	4,875	1,245	14,410
Disposals	-	-	(52)	(40)	-	(92)
Foreign currency translation	-	-	(223)	(23)	(53)	(299)
At December 31, 2023	**-**	**10,280**	**38,696**	**16,576**	**8,024**	**73,576**
Net book value						
At December 31, 2023	**2,497**	**19,769**	**53,321**	**23,855**	**7,461**	**106,903**
At December 31, 2022	2,497	19,996	53,684	27,815	7,717	111,709

Other is comprised of furniture and fixtures, computer equipment, and leasehold improvements.

9. Goodwill

	2023	2022
	$	$
Balance, beginning of the year	**272,916**	122,975
Assets acquired through business combinations (Note 4)	**4,867**	143,356
Foreign currency translation	**(3,372)**	6,585
Balance, end of year	**274,411**	272,916

Goodwill acquired through business combinations is allocated to the Jamieson Brands operating segment for the purpose of impairment testing, which is expected to benefit from the synergies of the business combination in which the goodwill arose.

The estimated recoverable amount was determined by the Company as the fair value less costs of disposal of the Jamieson Brands operating segment by using the capitalized adjusted EBITDA approach, based on a multiple range of 13x - 15x (2022 - 13x - 15x) whereby the Company referenced comparable companies in determining adjusted EBITDA multiples. Comparable companies were determined by reference to size and operation in similar industries.

The impairment analysis is not sensitive to reasonable possible changes to the multiple.

There have been no impairment losses recognized against goodwill for the years ended December 31, 2023 and 2022.

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10. Intangible assets

	Customer relationships	Trademarks	Registrations, licenses, and other	Total
	$	$	$	$
Cost				
At January 1, 2022	101,585	115,157	4,016	220,758
Assets acquired through business combinations	31,100	139,954	-	171,054
Additions	-	-	637	637
Foreign currency translation	1,445	6,501	-	7,946
At December 31, 2022	134,130	261,612	4,653	400,395
Assets acquired through business combinations (Note 4)	8,900	-	-	8,900
Additions	-	-	473	473
Foreign currency translation	(877)	(3,307)	-	(4,184)
At December 31, 2023	**142,153**	**258,305**	**5,126**	**405,584**
Accumulated amortization				
At January 1, 2022	26,370	-	1,712	28,082
Amortization charge for the year	4,218	-	877	5,095
Foreign currency translation	13	-	-	13
At December 31, 2022	30,601	-	2,589	33,190
Amortization charge for the year	4,912	-	1,001	5,913
Foreign currency translation	(40)	-	-	(40)
At December 31, 2023	**35,473**	**-**	**3,590**	**39,063**
Net book value				
At December 31, 2023	**106,680**	**258,305**	**1,536**	**366,521**
At December 31, 2022	103,529	261,612	2,064	367,205

The carrying amount of indefinite-life intangible assets is comprised of trademarks, of which $68,000 is allocated to the domestic and international sales CGU, $47,157 is allocated to the specialty brands sales CGU (comprised of previous acquisitions of Body Plus Nutritional Products Inc., Sonoma Nutraceuticals Inc., and Lorna Vanderhaeghe Health Solutions Inc.) and $143,148 is allocated to the youtheory sales CGU.

The estimated recoverable amount for the domestic and international sales, specialty brands, youtheory sales, and China CGUs were determined by the Company as the fair value less costs of disposal of the CGU by using the capitalized adjusted EBITDA approach, based on a multiple range of 13x - 15x (2022 - 13x - 15x), whereby the Company referenced comparable companies in determining adjusted EBITDA multiples. Comparable companies were determined by reference to size and operation in similar industries.

The impairment analyses are not sensitive to reasonable possible changes to the multiple.

Other intangible assets are comprised of patents, registrations, definite-life trademarks, system implementation, and website development costs. No impairment losses were recognized against intangible assets during the years ended December 31, 2023 and 2022.

11. Accounts payable and accrued liabilities

As at December 31,	**2023**	2022
	$	$
Trade payables and accrued liabilities	**76,460**	74,584
Trade and promotional accruals	**46,758**	54,183
Refund liabilities	**5,178**	3,106
Salaries, commissions and bonuses	**6,775**	10,394
Termination benefits	**-**	18
Accrued interest - current	**349**	281
	135,520	142,566

12. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Transactions with former owners of acquired businesses

As at December 31, 2023, the Company has a $3.3 million (2022 - $3.4 million) holdback on the purchase price and contingent consideration fair valued at $22.6 million (2022 - $37.2 million) payable to the former owners of youtheory.

Share-based compensation

The Company offers its employees a share-based compensation plan. Please refer to Note 20 for details of the share-based compensation awards.

Compensation of key management personnel of the Company

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company and/or its subsidiaries, directly or indirectly, including any non-executive director of the Company.

Remuneration of key management personnel including C-suite executives of the Company is comprised of the following expenses:

For the years ended December 31,	2023 $	2022 $
Short-term employee benefits	**3,986**	4,793
Share-based compensation	**3,460**	2,868
Total remuneration	**7,446**	7,661

The amounts disclosed in the table are the amounts recognized as an expense during the reporting period related to key management personnel.

13. Long-term debt

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 $500,000, plus an expanded accordion feature of up to $250,000 (collectively, the “Credit Facilities”), with an extended maturity to July 19, 2027.

The table below illustrates the drawings and repayments applied against the Credit Facilities.

For the years ended December 31,	2023 $	2022 $
Credit Facilities		
Drawings	**206,019**	339,387
Repayments	**(281,019)**	(88,512)
	(75,000)	250,875

For the year ended December 31, 2023, the weighted average interest rate on the Credit Facilities was 6.1% (2022 – 3.7%). A portion of the Credit Facilities outstanding is fixed through the interest rate swap (Refer to Note 23). As at December 31, 2023, the interest rate on the Credit Facilities was 6.7% (2022 – 5.9%).

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.

The Borrowers are in compliance with all covenants as of December 31, 2023 and 2022.

14. Post-retirement benefits

The Company maintains an unfunded post-retirement benefit plan that provides health and vision care coverage to retirees at age 65 with 15 or more years of service. The Company uses actuarial reports prepared by independent actuaries to measure its accrued obligation for funding and accounting purposes.

Changes in the present value of the post-retirement benefit plan are as follows:

As at December 31,	2023 $	2022 $
Balance, beginning of the year	**929**	3,544
Benefits paid	**(23)**	(25)
Actuarial gain	**38**	(2,954)
Interest costs	**46**	106
Current service costs	**88**	258
Balance, end of the year	**1,078**	929

The following significant economic assumptions were employed to determine the accrued benefit obligation:

As at December 31,	2023 %	2022 %
Benefit obligations		
Discount rate - expense for the year	**5.00**	3.00
Discount rate - year-end obligation	**4.75**	5.00
Drug trend rate	**4.50**	4.50

Impact of an increase/decrease in the health care trend of 1%:

	Accrued benefit obligation		Service cost		Interest cost	
As at December 31,	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease
2023	**181**	**(148)**	**22**	**(17)**	**10**	**(8)**
2022	145	(119)	20	(16)	7	(6)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the post-retirement benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the post-retirement benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one

another. The same method has been applied for the sensitivity analysis as used to calculate the recognized post-retirement liability.

The following payments are expected contributions to the post-retirement benefit plan over the next ten years:

As at December 31,	**2023** $	2022 $
Within one year	**29**	23
Between 2 and 5 years	**177**	153
Between 5 and 10 years	**342**	317
Total	**548**	493

As of January 30, 2022, the Company transitioned its current employer-sponsored group RRSP plan for certain production hourly employees to participation in The CAAT Plan.

The Company's contributions to the CAAT Plan during the year amounted to $1,358, in accordance with the agreed upon contribution schedule:

Contribution Schedule	**Participating Member Contributions based on "Annual Earnings"**	**Employer Contributions based on "Annual Earnings"**	**Additional Employer Contributions based on "Annual Earnings"**
January 29, 2023 to February 3, 2024	2.0%	6.0%	0.0%
February 4, 2024 to February 1, 2025	2.5%	6.0%	0.5%
February 2, 2025 to January 31, 2026	3.0%	6.0%	1.0%
February 1, 2026 to January 30, 2027	3.5%	6.0%	1.5%
On and after January 31, 2027	5.0%	6.0%	0.0%

The Company does not bear any performance risk on plan investments and is not required to fund the plan beyond the required annual contributions. Any pension surplus or deficit is a joint responsibility of the members and employers and may affect future contribution rates; the deficit or surplus is determined by the Plan's actuarial valuation. Based on the most recent actuarial valuation as at January 1, 2023, the CAAT Plan has a surplus of $4,713.

15. Income taxes

The major components of income tax expense for the years ended December 31 are as follows:

Years ended December 31,	**2023** $	2022 $
Current income tax expense	**17,755**	16,048
Deferred income tax expense	1,876	1,669
Foreign currency translation	-	(22)
Provision for income taxes	**19,631**	17,695

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Reconciliation of effective tax rate

Income tax expense varies from the amount that would be computed by applying the combined federal and provincial statutory income tax rates as a result of the following:

As at December 31,	**2023** $	2022 $
Income tax expense at combined statutory rate of 26.5% (2022 - 25.4%)	**17,431**	17,944
Non-deductible expenses	**85**	61
Preferred share accretion	**1,281**	-
Share-based compensation	**376**	(470)
Other and deductible temporary differences not benefited	**458**	182
Foreign currency translation	-	(22)
	19,631	17,695

Income tax recognized in other comprehensive income

As at December 31,	**2023** $	2022 $
Derivative instruments	**729**	(1,967)
Post-retirement benefit plan	**8**	(753)
	737	(2,720)

Deferred income tax assets and liabilities

Deferred income tax assets and liabilities arise on the timing differences between accounting and tax treatment of goodwill and intangible assets, property plant and equipment, post-retirement employee benefit obligations, deferred financing fees, and non-capital losses carried forward.

Deferred income tax assets and liabilities are comprised of the following:

As at December 31,	**2023** $	2022 $
Non-capital losses carried forward	**7,934**	5,806
Deferred financing fees	**265**	465
Post retirement	**275**	236
Property, plant and equipment	**(15,364)**	(15,646)
Goodwill and intangible assets	**(55,261)**	(46,362)
Reserves	**1,420**	539
Interest Limitation	**2,692**	863
Other	**386**	(879)
Total deferred income tax liabilities	**(57,653)**	(54,978)
Classified in the consolidated financial statements as:		
Deferred income tax assets	**2,879**	3,029
Deferred income tax liabilities	**(60,532)**	(58,007)
Net deferred income tax liabilities	**(57,653)**	(54,978)

The Company has Canadian and foreign based non-capital loss carry forwards as at December 31, 2023 of $30,016 (2022 - $24,207) on a pre-tax basis. The Canadian non-capital loss expires in 2038-2043. The foreign

non-capital loss expires from 2024 to indefinitely.

16. Leases

The Company has lease contracts for various items of property, plant, vehicles and other equipment used in its operations. Leases of property and plant generally have lease terms between 3 and 10 years, while motor vehicles and other equipment generally have lease terms between 2 and 5 years.

Set out below are the carrying amounts of right-of-use assets and lease liabilities recognized and the movements during the period:

	Right-of-use assets				
	Property and Plant	Vehicles	Other Equipment	Total	Lease liabilities
	$	$	$	$	$
As at January 1, 2022	21,662	14	967	22,643	23,748
Additions	4,459	-	45	4,504	4,442
Assets acquired through business combinations	4,425	-	-	4,425	4,425
Depreciation expense	(3,767)	(6)	(181)	(3,954)	-
Interest expense	-	-	-	-	991
Foreign currency and other adjustments	197	-	-	197	272
Payments	-	-	-	-	(4,330)
As at December 31, 2022	**26,976**	**8**	**831**	**27,815**	**29,548**
Additions	768	-	248	1,016	1,032
Depreciation expense	(4,702)	(8)	(165)	(4,875)	-
Interest expense	-	-	-	-	1,010
Foreign currency and other adjustments	(101)	-	-	(101)	(90)
Payments	-	-	-	-	(5,546)
As at December 31, 2023	**22,941**	**-**	**914**	**23,855**	**25,954**

The following table shows the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as at December 31, 2023:

As at December 31,	**2023**	2022
	$	$
Within one year	**5,622**	5,286
After one year but not more than five years	**18,049**	18,965
More than five years	**5,260**	9,047
	28,931	33,298

17. Preferred shares

	Preferred shares
	$
As at December 31, 2022	**-**
Issuance of preferred shares	86,603
Transaction costs	(2,027)
Accretion expense	4,833
As at December 31, 2023	**89,409**

In conjunction with DCP's $47,096 investment in the Company's 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") (refer to Note 19) to purchase common shares of the Company for proceeds of $101,565 (US$75,000). The Preferred Shares carry a nominal annual dividend of $0.01 per share and are redeemable at $101,565 by DCP between May 15, 2025 and May 15, 2028, representing the second and fifth anniversary from the completion of the agreement.

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At closing, the Preferred Shares were fair valued at $86,603, less transaction costs of $2,027, and classified as liability in the consolidated statements of financial position. The Company estimated the fair value of the Preferred Shares by fair valuing the warrants first and assigned the residual value to the Preferred Shares. The Preferred Shares accrete at approximately 9.6% for two years to its redeemable value of $101,565 as at May 15, 2025. The Preferred Shares accretion expense is $4,833 for the year ended December 31, 2023.

18. Common shares

	Common Shares	
	#	$
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**

	Common Shares	
	#	$
As at January 1, 2022	40,406,940	268,214
Exercise of stock options	342,655	6,066
Employee stock purchase plan	17,996	572
Issuance of shares to acquire businesses	926,612	32,348
As at December 31, 2022	41,694,203	307,200

As at December 31, 2023 and 2022, the authorized share capital 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.
b) Unlimited number of Preference Shares, issuable in series.

Normal Course Issuer Bid

On November 3, 2023, the Toronto Stock Exchange ("TSX") accepted the Company's notice of intention to make a normal course issuer bid ("NCIB"). The NCIB permits Jamieson to repurchase for cancellation, at its 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, Jamieson is 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 remains in effect until the earlier of November 6, 2024 and the date on which the Company has either acquired the maximum number of Common Shares permitted under the NCIB or otherwise decided not to make any further repurchases. Purchases under the NCIB are made by means of open market transactions through the facilities of the TSX and through alternative trading systems in Canada. The price paid by the Company for any such repurchased Common Shares is 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 will be cancelled.

In connection with the NCIB, the Company also entered into an automatic share purchase plan ("ASPP") with a designated broker, to allow for purchases of its 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, has been approved by the TSX and was implemented effective December 14, 2023.

During the year ended December 31, 2023, Jamieson purchased for cancellation 970,200 Common Shares under its NCIB program for an aggregate consideration of $28,831 at an average price per Common Share of approximately $29.72. At December 31, 2023, Jamieson recorded an obligation in liabilities of $949 for the commitment to purchase Common Shares under the ASPP. For the year ended December 31, 2023, the Company also recorded transaction costs of $173 as a charge to retained earnings in connection with the NCIB.

19. Warrants

	Warrants	
	#	$
As at December 31, 2022	-	-
Issuance of warrants	2,527,121	14,962
Transaction costs	-	(257)
As at December 31, 2023	**2,527,121**	**14,705**

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.

At closing, the Warrants were fair valued at $14,962, less transaction costs of $257, and 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%.

20. Share-based compensation

Outstanding options held to purchase Common Shares have the following expiry dates and exercise prices:

	2023 Outstanding Options			2023 Exercisable Options	
Range of Exercise Prices	Number of Options Outstanding	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price/Share	Number of Exercisable Options	Weighted Average Exercise Price/Share
$0.00-$20.00	494,178	3.26	13.41	494,178	13.41
$20.01-$30.00	911,739	2.72	23.64	903,999	23.61
>$30.01	1,063,956	4.03	33.50	360,113	33.96

The following is a summary of the Company's share option plan activity for the years ended December 31:

	2023		2022	
	Number of Shares	**Weighted Average Exercise Price/Share**	Number of Shares	Weighted Average Exercise Price/Share
Outstanding, beginning of year	**2,821,276**	**23.29**	2,576,838	21.77
Granted	**242,211**	**32.48**	416,679	32.85
Exercised	**(559,523)**	**15.41**	(156,705)	23.13
Forfeited	**(34,091)**	**33.24**	(15,536)	29.78
Outstanding, end of year	**2,469,873**	**25.84**	2,821,276	23.29
Exercisable, end of year	**1,758,290**	**22.86**	1,946,322	19.25

The following is a summary of the Company's PSU, RSU, and DSU activity for the years ended December 31:

	2023		
	PSUs (number of shares)	**RSUs (number of shares)**	**DSUs (number of shares)**
Outstanding awards, beginning of year	**158,857**	**838**	**23,865**
Granted	**109,105**	**59,713**	**23,549**
Exercised	**(67,937)**	**(843)**	**(3,879)**
Forfeited	**(1,110)**	**(1,744)**	**(1,189)**
Outstanding awards, end of year	**198,915**	**57,964**	**42,346**
Awards exercisable, end of year	**-**	**-**	**21,339**

	2022		
	PSUs (number of shares)	RSUs (number of shares)	DSUs (number of shares)
Outstanding awards, beginning of year	198,036	62	15,563
Granted	52,229	776	12,742
Exercised	(91,408)	-	(4,440)
Forfeited	-	-	-
Outstanding awards, end of year	158,857	838	23,865
Awards exercisable, end of year	-	-	-

The inputs used in measuring the fair value of equity-based compensation granted during the years ended December 31 are shown in the tables below.

	2023			
Type of compensation	**Options**	**PSUs**	**DSUs**	**RSUs**
Weighted average share price at the measurement date	**$ 32.48**	**$ 33.75**	**$ 32.48**	**$ 32.60**
Weighted average fair value at the grant date	**$ 7.52**	**$ 39.83**	**$ 32.48**	**$ 32.60**
Expected volatility (i)	**29.0%**	**n/a**	**n/a**	**n/a**
Risk-free interest rate (ii)	**3.5%**	**4.3%**	**n/a**	**n/a**
Expected life (in years) (iii)	**4-5.5**	**3.0**	**n/a**	**n/a**
Expected dividend yield	**2.1%-2.8%**	**n/a**	**n/a**	**n/a**
Pricing Model	**Black-Scholes**	**Monte Carlo**	**Market Value**	**Market Value**

	2022			
Type of compensation	Options	PSUs	DSUS	RSUs
Weighted average share price at the measurement date	$ 32.85	$ 33.06	$ 32.85	$ 32.85
Weighted average fair value at the grant date	$ 7.18	$ 37.05	$ 32.85	$ 32.85
Expected volatility (i)	30.0%	n/a	n/a	n/a
Risk-free interest rate (ii)	1.8%	2.1%	n/a	n/a
Expected life (in years) (iii)	4.0	3.0	n/a	n/a
Expected dividend yield	1.8%	n/a	n/a	n/a
Pricing Model	Black-Scholes	Monte Carlo	Market Value	Market Value

(i) Estimated by considering comparable industry share price volatility. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

(ii) Based on Government of Canada Bonds.

(iii) Based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur.

The Company's share-based compensation expense for the year ended December 31, 2023 is $5,868 (2022 - $4,910), of which $5,651 (2022 - $4,756) is classified as contributed surplus in the Company's consolidated financial statements and $217 (2022 - $154) is related to employment taxes paid on exercise of options.

21. Employee benefits expense

The Company recognized employee benefit expenses included in cost of sales and selling, general and administrative expenses on the consolidated statements of operations and other comprehensive income as follows:

For the year ended December 31,	**2023**	2022
	$	$
Salaries, wages and bonus	**93,065**	84,271
Other employee benefits	**21,224**	18,085
Post-retirement benefits (Note 14)	**134**	364
	114,423	102,720

Additionally, the Company recognized termination benefits for the year ended December 31, 2023 of $741 (2022 - $592) related to reorganization. The costs related to both years are mainly comprised of severance costs and salary continuances.

22. Interest expense and other financing costs

As at December 31,	**2023**	2022
	$	$
Interest on debt and borrowings	**21,774**	11,426
Interest on lease liabilities (Note 16)	**1,010**	991
	22,784	12,417

23. Financial instruments and risk management activities

Financial instruments

The Company's financial assets and liabilities have been classified in Note 2.

Fair value measurement
Foreign exchange forward contracts measured at FVOCI are designated as hedging instruments in cash flow hedges for forecast purchases and sales in U.S. dollars and have been classified as Level 2 in the fair value hierarchy. Interest rate swaps measured at FVOCI are designated as hedging instruments in cash flow hedges and have been classified as Level 2 in the fair value hierarchy. Derivatives not designated in a formal hedging relationship are classified as FVTPL and classified as Level 2 in the fair value hierarchy. Net gains and losses on financial instruments held for trading consist of realized and unrealized gains and losses on derivatives that were de-designated or were otherwise not in a formal hedging relationship.

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The fair values and notional amounts of derivative financial instruments shown below are as at December 31:

As at December 31,	**2023**				2022			
	Notional Amount	**Notional Amount**	**Fair Value**		Notional Amount	Notional Amount	Fair Value	
			Asset	**Liability**			Asset	Liability
	$CAD	**$USD**	**$**	**$**	$CAD	$USD	$	$
Foreign currency forward contract designated as hedging instruments (forecast sales)	**-**	**(7,000)**	**412**	**-**	-	-	-	-
Interest rate swaps designated as hedging instruments	**110,000**	**-**	**3,295**	**-**	120,000	-	6,580	-
	110,000	**(7,000)**	**3,707**	**-**	120,000	-	6,580	-

On June 5, 2020, the Company entered into an interest rate swap with an effective date of October 1, 2020 to September 27, 2024 with a notional principal of $140,000 and an annual amortization of $10,000 on the first business day of each year. The notional principal of the interest rate swap is $110,000 as at the end of this reporting period. The interest rate swap is a derivative measured at fair value and meets hedge accounting requirements.

The terms of the foreign currency forward contracts and interest rate swaps 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.

Potential sources of hedge ineffectiveness are:
• Differences in the timing of the cash flows of the hedged items and the hedging instruments;
• The counterparty's credit risk differently impacting the fair value movements of the hedging instruments and hedged items; and
• Changes to the forecasted amount of cash flows of hedged items and hedging instruments.

The carrying values of financial assets and liabilities measured at amortized cost (excluding long-term debt) approximate their fair values due to their short-term nature.

The carrying value of the Preferred Shares and long-term debt as at December 31, 2023 and December 31, 2022 approximates their fair value. The fair value of the Company's Preferred Shares and long-term debt was estimated based on discounted future cash flows using current rates for similar financial instruments subject to similar risks and maturities. The fair values of the Preferred Shares and long-term debt have been classified as Level 2 in the fair value hierarchy.

The call option entered into as part of the China Operations (refer to Note 5) has been valued using the discounted cash flow approach and a methodology that incorporates similar recent market transactions and market multiples of comparable peer companies. The Company's estimates include projected future sales and earnings, capital investments consistent with strategic plans and discount rates consistent with external industry information reflecting the risk associated with the specific cash flows.

The fair values of the contingent consideration related to the Nutrawise acquisition (refer to Note 4) and the call option entered into as part of the China Operations (refer to Note 5) have been classified as Level 3 in the fair value hierarchy.

There were no transfers between levels during 2023 and 2022.

Financial instrument risk management objectives and policies

The Company is exposed to credit risk, market risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's 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 the Company. The Company is exposed to credit risk from its customers (primarily related to trade accounts receivable) in the normal course of business. The Company has adopted a policy of only dealing with creditworthy counterparties.

To mitigate this risk, the Company carries out regular credit evaluations and purchases credit insurance for international customers, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company is also exposed to counterparty credit risk inherent in its financing activities, trade receivable insurance, foreign currency derivatives and interest rate derivatives. The Company has assessed these risks as minimal.

Market 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. The Company's 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. Revenue from our China operations are primarily in Chinese yuan.

The Company uses foreign exchange forward contracts to manage foreign exchange transaction exposure in U.S. dollars. As of December 31, 2023, $9,655 (December 31, 2022 - $nil) of anticipated U.S. dollar denominated sales have been hedged with underlying foreign exchange forward contracts.

The following table demonstrates the sensitivity to a reasonably possible change in the U.S. dollar exchange rate, with all other variables held constant, of the Company's net income before income taxes (due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives) and the Company's pre-tax OCI (due to changes in the fair value of foreign exchange forward contracts designated as cash flow hedges).

As at December 31,	Change in U.S.$ FX rate %	Effect on earnings (loss) before tax $	Effect on pre-tax OCI $
2023	**5**	**4,439**	**350**
2022	5	4,694	-

The Company's exposure to foreign currency changes for all other currencies is not material.

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. The Company's accounts receivable and accounts payable are non-interest bearing. The Company's 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.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To further reduce the long-term interest rate exposure and gain predictability over future cash flows, the Company uses interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

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With all other variables held constant, the sensitivity to a reasonably possible change in interest rates on floating rate borrowings of the Company would have the following impact to net earnings before taxes:

As at December 31,	Increase/decrease in basis points +/-	Effect on earnings (loss) before tax $
2023	**100**	**2,576**
2022	100	1,559

Changes in market interest rates cause the fair value of long-term debt with fixed interest rates to fluctuate but do not affect net earnings, as the Company's debt is carried at amortized cost and the carrying value does not change as interest rates change.

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

Liquidity risk

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

The Company manages its liquidity risk through continuous monitoring of its forecast and actual cash flows and through the management of its capital structure. The Company continually revises its available liquid resources as compared to the timing of the payment of liabilities to manage its liquidity risk.

As at December 31, 2023, the Company had $211,863 in cash and available revolving and swingline facilities. The contractual undiscounted principal cash flows payable in respect of financial liabilities as at the consolidated statements of financial position date were as follows:

As at December 31,	**2023** $	2022 $
Amounts payable in more than 12 months	**369,232**	465,634
Amounts payable in less than 12 months	**143,920**	148,394
	513,152	614,028

Impact of global conflict

The continued risk surrounding the Eastern Europe and Middle East conflicts may have an adverse impact on the Company's business, financial condition, and results of operations. The Company does not conduct direct business operations in regions affected by these conflicts, however, the Company has a sales presence within the broader Eastern Europe and Middle East regions. At current, the Company has not had any measurable disruption to its supply of raw materials and ability to service its customers.

Over the past year, international markets have experienced heightened inflation and fluctuations in consumer sentiments. These challenges have notably affected the Company's international business operations, particularly in neighbouring Eastern European and Middle Eastern regions where the Company conducts business. The Company continues to monitor the environment to respond rapidly to the evolving economic landscape and to ensure the continued stability of its business.

Capital

The Company's objective is to maintain a cost-effective capital structure that supports its long-term growth strategy, supports the business and maximizes shareholder value. The Company typically uses leverage in its capital structure to reduce the cost of capital. The Company's goal is to maintain its primary credit ratios and leverage at levels that are designed to provide continued access to investment-grade credit pricing and terms.

The Company measures its credit profile using a number of metrics, some of which are non-IFRS measures, primarily cash, less long-term debt and bank indebtedness ("net cash (debt)") to earnings before interest, income taxes, depreciation, amortization, restructuring and other related costs, and interest coverage. Additionally, the Company maintains a cash flow reserve to service obligations as they come due.

In addition to Credit Facilities, Preferred Shares and equity, the Company uses leases as additional sources of financing.

There have been no material changes to the Company's risk management activities since inception of the Company's operations.

The Company is subject to capital requirements under its Credit Facilities, as described in Note 13.

24. Commitments and contingencies

Lease commitments

The Company does not have any lease contracts that have not yet commenced as at December 31, 2023.

General contingencies

Various claims and potential claims arising in the normal course of operation are pending against JLL. It is the opinion of management that these claims or potential claims are without merit and the amount of potential liability, if any, is not determinable. Management believes the final determination of these claims or potential claims will not materially affect the financial position or results of the Company.

25. Segment information

The Company has two reportable operating segments with all material operations carried out in Canada and the United States:

• The Jamieson Brands segment's principal activity is the manufacturing, distribution and marketing of branded natural health products including vitamins, minerals and supplements; and
• The Strategic Partners segment's principal activity is providing contract manufacturing services to consumer health companies and retailers worldwide.

The Company's chief operating decision maker evaluates segment performance on the basis of earnings from operations, as reported to internal management, on a periodic basis.

Inter-segment revenues and expenses are eliminated upon consolidation and relate mainly to sales from the Strategic Partners segment to the Jamieson Brands segment.

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	For the year ended December 31, 2023		
	Jamieson Brands	**Strategic Partners**	**Total**
	$	**$**	**$**
Revenue	**551,171**	**125,001**	**676,172**
Earnings from operations	**82,337**	**12,913**	**95,250**
Foreign exchange loss			**1,962**
Accretion on preferred shares			**4,833**
Interest expense and other financing costs			**22,784**
Provision for income taxes			**19,631**
Net earnings			**46,040**

	For the year ended December 31, 2022		
	Jamieson Brands	Strategic Partners	Total
	$	$	$
Revenue	439,147	108,222	547,369
Earnings from operations	75,133	8,056	83,189
Foreign exchange loss			269
Interest expense and other financing costs			12,417
Provision for income taxes			17,695
Net earnings			52,808

Share-based compensation is allocated to the Jamieson Brands operating segment.

Geographic information

The following table provides the proportion of revenue based on the location of the customer.

For the years ended December 31,	**2023**	2022
Canada	**55.1%**	68.9%
USA	**30.2%**	18.3%
China	**7.8%**	5.2%
Other	**6.9%**	7.6%
	100.0%	100.0%

Information about major customers

The following table provides the proportion of revenue attributed to each significant customer:

For the years ended December 31,	**2023**	2022
Customer 1	**14.6%**	8.9%
Customer 2	**13.1%**	13.2%
Customer 3	**10.7%**	16.0%
Customer 4	**9.1%**	10.8%
	47.5%	48.9%

Revenue from significant customers primarily affect the Jamieson Brands segment. It is management's opinion that the loss of any customer, significant or otherwise, would not impact the Company's viability. No other sales were made to any one customer that represented more than 10% of total sales.

26. Revenue from contracts with customers

The following table sets forth the disaggregation of the Company's revenue from contracts with customers in the Jamieson Brands operating segment:

For the years ended December 31,	2023	2022
	$	$
Domestic operations	314,121	309,554
China operations	51,296	28,465
International operations	33,499	32,971
U.S. operations	152,255	68,157
Total revenue from contracts with customers	551,171	439,147

Revenue from international operations and U.S. operations are primarily denominated in U.S. dollars. Revenue from China operations are primarily denominated in Chinese yuan. Both are subject to fluctuations in foreign exchange (see Note 23 - Financial instruments and risk management activities) on the conversion to Canadian dollars.

27. Net change in non-cash working capital

For the years ended December 31,	2023	2022
	$	$
Accounts receivable	(3,701)	(51,347)
Inventories	(14,271)	(15,363)
Prepaid expenses and other current assets	(1,035)	2,460
Accounts payable and accrued liabilities	(7,995)	32,747
Taxes	(5,124)	4,491
Net change in non-cash working capital	(32,126)	(27,012)

28. Earnings per share

Basic earnings per share amounts are calculated by dividing the net earnings attributable to common shareholders of the Company by the weighted average number of shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net earnings attributable to common shareholders of the Company by the weighted average number of shares outstanding during the year, adjusted for the effects of potentially dilutive share options, PSUs, RSUs, DSUs and warrants.

The following table sets forth the calculation of basic and diluted earnings per share:

	2023			2022		
Year ended December 31,	Net earnings available to common shareholders	Weighted average number of shares	EPS $	Net earnings available to common shareholders	Weighted average number of shares	EPS $
Basic						
Continuing operations	46,040	41,960,516	1.10	52,808	40,998,065	1.29
Diluted						
Continuing operations	46,040	42,650,501	1.08	52,808	42,116,350	1.25

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