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

For the three and nine months ended September 30, 2022

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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 November 2, 2022. It should be read in conjunction with our unaudited condensed consolidated interim financial statements and our accompanying notes as at and for the three and nine months ended September 30, 2022 our audited consolidated annual financial statements and accompanying notes for the year ended December 31, 2021 and the related annual MD&A.

Our unaudited condensed consolidated interim financial statements and accompanying notes for the three and nine months ended September 30, 2022 have been prepared in accordance with IAS 34, "Interim Financial Reporting" under International Financial Reporting Standards ("IFRS") as disclosed in the audited consolidated annual financial statements for the year ended December 31, 2021. These unaudited condensed consolidated interim 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 "Q3 2022" are to our fiscal quarter ended September 30, 2022 and all references to "Q3 2021" are to our fiscal quarter ended September 30, 2021. All references in this MD&A to "YTD 2022" are to our nine-month period ended September 30, 2022 and to "YTD 2021" are to our nine-month period ended September 30, 2021.

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

Founded in 1922, Jamieson is Canada's leading branded manufacturer, distributor and marketer of high-quality natural health products. We offer consumers a comprehensive and innovative line of branded vitamins, minerals and supplements ("VMS") as well as sports nutrition products through our Jamieson, youtheory, 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, we offer comprehensive manufacturing and product development services on a contract manufacturing basis to select blue chip consumer health companies and retailers worldwide, which we refer to as our "Strategic Partners" segment.

VMS and sports nutrition are two large and growing segments of the consumer health industry. Jamieson is Canada's #1 overall consumer health brand by sales and Canada's #1 brand in VMS by sales. Our trusted reputation and success in Canada have allowed us to significantly grow the business internationally, with products being sold in greater than 45 countries and regions worldwide.

Our trusted reputation, strong industry relationships and certifications and commitment to meeting the highest standards of manufacturing, together with high quality production capabilities, attract opportunities for us to manufacture products for select blue-chip consumer health companies and retailers worldwide. Combining deep consumer insights with extensive research and development capabilities, we deliver category-leading innovation and growth.

Our leading market position and brands, focus on quality and innovation and extensive selection of products, make us the preferred partner for retailers in Canada.

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 COVID-19

There is a continuing risk that COVID-19 may impact the results of operations or financial conditions. A new variant or strain may cause an outbreak within our operating facilities, resulting in absenteeism or a plant closure for an extended duration. Suppliers may experience business disruptions that could impact the supply of raw materials or components required for production. Limitations on transportation or border closures may result in shipment delays from our suppliers or to our customers.

The situation is dynamic and the duration and impact on our business remains uncertain. We continue to review our safety protocols to reflect new government or public health recommendations. We have not benefited from nor applied for any government financial aid or relief relating to the COVID-19 pandemic.

Impact of Ukraine Conflict

We do not conduct any business operations in Russia or Ukraine and to date have not had any measurable disruption to our supply of raw materials and our ability to service customers. We did note that heightened inflation and consumer sentiment have caused uncertainty in international markets, especially in neighbouring Eastern European countries where we conduct business.

In particular, we continue to actively monitor for potential or accelerating impacts from the conflict including whether consumer purchasing patterns continue to soften affecting international business performance. The continued risk surrounding the Ukraine conflict and any escalations may have an adverse impact on our business, financial condition, and results of operations.

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, Smart Solutions, Progressive, Precision, Iron Vegan, and youtheory. Maintaining, enhancing and growing our brand appeal in Canada and internationally is critical to our continued success. Failure to maintain and enhance our brands in any of the targeted markets 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

We have longstanding and deeply entrenched customer relationships with Canada's top retailers across the food, drug, mass ("FDM"), club, health food store, specialty and online retail channels including certain customers with an international footprint. 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 with the majority of our suppliers, and multiple sources of ingredients to ensure supply continuity. We purchase our ingredients from approximately 250 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 2021, 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 facilities in Calgary, Alberta and Toronto, Ontario. We have entered into an agreement with the third-party logistics partner to provide warehousing and distribution services for Jamieson Branded and Strategic Partners finished goods inventory until 2025 with a renewal option. 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 currently 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 exposure to fluctuating U.S.-Canadian currency exchange rates with foreign exchange hedging contracts. We do not have foreign exchange hedging contracts in place with respect to all currencies in which we currently do business but may, from time to time, enter into additional foreign exchange hedging contracts in respect of other foreign currencies.

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, and present financial, managerial and operational challenges, which, if not successfully overcome, may reduce our profitability.

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) product innovations within existing categories and growth into adjacent categories and continued growth of existing products in existing categories; (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

In Canada and in the other jurisdictions in which we operate, we are subject to the laws and regulations applicable to any business engaged in formulation, production and distribution of consumer health products. 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 Health Canada site licenses, Canadian Food Inspection Agency certifications and import licenses for all of our manufacturing and distribution centres. Our products sold outside of Canada 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 interim consolidated financial statements, we have disaggregated revenue recognized from contracts with customers. Please refer to Note 12 in our unaudited condensed consolidated interim 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 Canadian 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 expenses 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, 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 expenses 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 expenses 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) depreciation of property, plant, and equipment; and (iv) 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 related cost (iv) IT system implementation (v) COVID-19 related costs; (vi) business integration; 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 related cost (iv) IT system implementation (v) COVID-19 related costs; (vi) business integration; and (vii) other non-operating costs net of related tax effects. 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. "Acquisition related cost" has been added this quarter to reflect the youtheory acquisition this quarter that is 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 unaudited condensed consolidated interim financial statements and related notes. A quantitative reconciliation of net earnings to EBITDA, Adjusted EBITDA, and Adjusted net earnings can be found below for the respective fiscal periods.

	Three months ended September 30		Nine months ended September 30	
($ in 000's, except as otherwise noted)	2022	2021	2022	2021
Revenue	**138,929**	**112,368**	**354,594**	**321,194**
Cost of sales	90,440	71,555	227,445	208,169
Gross profit	**48,489**	**40,813**	**127,149**	**113,025**
Gross profit margin (1)	**34.9%**	**36.3%**	**35.9%**	**35.2%**
Selling, general and administrative expenses	30,855	19,228	77,471	61,218
Share-based compensation	1,315	992	3,593	4,651
Earnings from operations	**16,319**	**20,593**	**46,085**	**47,156**
Operating margin (1)	**11.7%**	**18.3%**	**13.0%**	**14.7%**
Foreign exchange gain	(759)	(577)	(709)	(444)
Other expenses	-		-	
Interest expense and other financing costs	4,144	1,505	6,660	4,291
Earnings before income taxes	12,934	19,665	40,134	43,309
Provision for income taxes	2,052	5,381	9,417	11,417
Net earnings	**10,882**	**14,284**	**30,717**	**31,892**
Adjusted net earnings (2)	**14,221**	**14,051**	**38,381**	**34,728**
EBITDA (2)	**21,744**	**24,794**	**58,967**	**58,171**
Adjusted EBITDA (2)	**29,505**	**25,456**	**74,890**	**66,325**
Adjusted EBITDA margin (3)	**21.2%**	**22.7%**	**21.1%**	**20.6%**
Weighted average number of shares				
Basic	41,386,719	40,256,983	40,766,991	40,076,485
Diluted	42,449,242	41,698,267	41,813,337	41,500,445
Earnings per share attributable to common shareholders:				
Basic, earnings per share	0.26	0.35	0.75	0.80
Diluted, earnings per share	0.26	0.34	0.73	0.77
Adjusted diluted, earnings per share (3)	0.34	0.34	0.92	0.84

(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 September 30, 2022	As at December 31, 2021
Selected Consolidated Financial Position Data:		
Total assets	1,096,063	652,475
Total non-current liabilities	534,006	226,832

Results of Operations — three months ended September 30, 2022 and 2021

The following table provides a summary of our results for the three months ended September 30, 2022 and September 30, 2021.

	Three months ended September 30			
($ in 000's, except as otherwise noted)	2022	2021	$ Change	% Change
Revenue	**138,929**	**112,368**	**26,561**	**23.6%**
Cost of sales	90,440	71,555	18,885	26.4%
Gross profit	**48,489**	**40,813**	**7,676**	**18.8%**
Gross profit margin	**34.9%**	**36.3%**	**-**	**(1.4%)**
Selling, general and administrative expenses	30,855	19,228	11,627	60.5%
Share-based compensation	1,315	992	323	32.6%
Earnings from operations	**16,319**	**20,593**	**(4,274)**	**(20.8%)**
Operating margin	**11.7%**	**18.3%**	-	**(6.6%)**
Foreign exchange gain	(759)	(577)	(182)	(31.5%)
Interest expense and other financing costs	4,144	1,505	2,639	175.3%
Earnings before income taxes	12,934	19,665	(6,731)	(34.2%)
Provision for income taxes	2,052	5,381	(3,329)	(61.9%)
Net earnings	**10,882**	**14,284**	**(3,402)**	**(23.8%)**
Adjusted net earnings	**14,221**	**14,051**	**170**	**1.2%**
EBITDA	**21,744**	**24,794**	**(3,050)**	**(12.3%)**
Adjusted EBITDA	**29,505**	**25,456**	**4,049**	**15.9%**
Adjusted EBITDA margin	**21.2%**	**22.7%**	-	**(1.5%)**

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 September 30, 2022 and September 30, 2021.

($ in 000's, except as otherwise noted)	Three months ended September 30 2022	2021	$ Change	% Change
Net earnings	**10,882**	**14,284**	**(3,402)**	**(23.8%)**
Add:				
Provision for income taxes	2,052	5,381	(3,329)	(61.9%)
Interest expense and other financing costs	4,144	1,505	2,639	175.3%
Depreciation of property, plant, and equipment	3,194	2,543	651	25.6%
Amortization of intangible assets	1,472	1,081	391	36.2%
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	**21,744**	**24,794**	**(3,050)**	**(12.3%)**
Share-based compensation (1)	1,315	992	323	32.6%
Foreign exchange gain	(759)	(577)	(182)	(31.5%)
Acquisition related cost(2)	6,270	-	6,270	100.0%
IT system implementation (3)	934	-	934	100.0%
COVID-19 related costs (4)	1	159	(158)	(99.4%)
Other(5)	-	88	(88)	(100.0%)
Adjusted EBITDA	**29,505**	**25,456**	**4,049**	**15.9%**
Provision for income taxes	(2,052)	(5,381)	3,329	61.9%
Interest expense and other financing costs	(4,144)	(1,505)	(2,639)	(175.3%)
Depreciation of property, plant, and equipment	(3,194)	(2,543)	(651)	(25.6%)
Amortization of intangible assets	(1,472)	(1,081)	(391)	(36.2%)
Share-based compensation (6)	(2,714)	(982)	(1,732)	(176.4%)
Tax effect of normalization adjustments	(1,708)	87	(1,795)	(2063.2%)
Adjusted net earnings	**14,221**	**14,051**	**170**	**1.2%**

($ in 000's, except as otherwise noted)	Three months ended September 30 2022	2021	$ Change	% Change
Gross profit	**48,489**	**40,813**	**7,676**	**18.8%**
Other(5)	-	27	(27)	(100.0%)
Normalized gross profit (7)	**48,489**	**40,840**	**7,649**	**18.7%**
Normalized gross profit margin (8)	**34.9%**	**36.3%**	**-**	**(1.4%)**
Selling, general and administrative expenses	**30,855**	**19,228**	**11,627**	**60.5%**
Acquisition related cost(2)	(6,270)	-	(6,270)	(100.0%)
IT system implementation(3)	(934)	-	(934)	(100.0%)
COVID-19 related costs (4)	(1)	(159)	158	99.4%
Other(5)	-	(62)	62	100.0%
Normalized selling, general and administrative expenses (7)	**23,650**	**19,007**	**4,643**	**24.4%**
Earnings from operations	**16,319**	**20,593**	**(4,274)**	**(20.8%)**
Acquisition related cost(2)	6,270	-	6,270	100.0%
IT system implementation(3)	934	-	934	100.0%
COVID-19 related costs (4)	1	159	(158)	(99.4%)
Other(5)	-	89	(89)	(100.0%)
Normalized earnings from operations (7)	**23,524**	**20,841**	**2,683**	**12.9%**
Normalized operating margin (8)	**16.9%**	**18.5%**	**-**	**(1.6%)**

(1) The Company's share-based compensation expense pertains to our long-term incentive plan (the "LTIP") (refer to "*Share-based compensation*"), with performance-based share units ("PSUs"), time-based restricted share units ("RSUs"), and deferred share units ("DSUs") expenses, along with associated payroll taxes. Please refer to Note 8 in our unaudited condensed consolidated interim financial statements.

(2) Current quarter expense mainly pertains to costs for legal, investment banking, financing, due diligence, regulatory, tax, and fairness opinions relating to our acquisition of youtheory which closed on July 19, 2022.

(3) Current quarter expenses relate to system development and implementation costs as we build out our advanced supply chain planning infrastructure and ERP system. Unlike other system improvement projects with costs capitalized, due to its cloud-based nature, these system implementation costs are expensed accordingly.

(4) In prior year, we incurred costs related to COVID-19 which do not reflect the ongoing costs of operation. These costs were primarily associated with the implementation of additional safety measures at our facilities, including the use of rapid testing to detect and prevent spread in our manufacturing facilities.

(5) Prior year expenses mainly pertained to supply chain optimization costs.

(6) Costs pertaining to our LTIP, excluding PSUs and RSUs granted to certain employees. (refer to "*Share-based compensation"*).

(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 September 30, 2022 and September 30, 2021.

Jamieson Brands

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

For the three months ended September 30,	2022	2021	$ Change	% Change
Revenue	**112,248**	**85,175**	**27,073**	**31.8%**
Gross profit	**45,202**	**37,690**	**7,512**	**19.9%**
Gross profit margin	**40.3%**	**44.3%**	**-**	**(4.0%)**
Normalized gross profit	45,202	37,717	7,485	19.8%
Normalized gross profit margin	40.3%	44.3%	-	(4.0%)
Selling, general and administrative expenses	29,332	17,645	11,687	66.2%
Normalized selling, general and administrative expenses	22,127	17,437	4,690	26.9%
Share-based compensation	1,315	992	323	32.6%
Earnings from operations	14,555	19,053	(4,498)	(23.6%)
Operating margin	13.0%	22.4%	-	(9.4%)
Normalized earnings from operations	21,760	19,288	2,472	12.8%
Normalized operating margin	19.4%	22.6%	-	(3.2%)
Adjusted EBITDA	**27,158**	**23,363**	**3,795**	**16.2%**
Adjusted EBITDA margin	**24.2%**	**27.4%**	**-**	**(3.2%)**

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 September 30, 2022 and September 30, 2021.

($ in 000's, except as otherwise noted)				
For the three months ended September 30,	2022	2021	$ Change	% Change
Earnings from operations	14,555	19,053	(4,498)	(23.6%)
Depreciation of property, plant, and equipment	2,611	2,003	608	30.4%
Amortization of intangible assets	1,472	1,081	391	36.2%
Share-based compensation	1,315	992	323	32.6%
Acquisition related cost	6,270	-	6,270	100.0%
IT system implementation	934	-	934	100.0%
COVID-19 related costs	1	146	(145)	(99.3%)
Other	-	88	(88)	(100.0%)
Adjusted EBITDA	**27,158**	**23,363**	**3,795**	**16.2%**

The following table provides selected financial information for the Strategic Partners operating segment for the three months ended September 30, 2022 and September 30, 2021.

Strategic Partners

($ in 000's, except as otherwise noted)				
For the three months ended September 30,	2022	2021	$ Change	% Change
Revenue	**26,681**	**27,193**	**(512)**	**(1.9%)**
Gross profit	**3,287**	**3,123**	**164**	**5.3%**
Gross profit margin	**12.3%**	**11.5%**	**-**	**0.8%**
Selling, general and administrative expenses	1,523	1,583	(60)	(3.8%)
Normalized selling, general and administrative expenses	1,523	1,570	(47)	(3.0%)
Earnings from operations	1,764	1,540	224	14.5%
Operating margin	6.6%	5.7%	-	0.9%
Normalized earnings from operations	1,764	1,553	211	13.6%
Normalized operating margin	6.6%	5.7%	-	0.9%
Adjusted EBITDA	**2,347**	**2,093**	**254**	**12.1%**
Adjusted EBITDA margin	**8.8%**	**7.7%**	**-**	**1.1%**

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 September 30, 2022 and September 30, 2021.

($ in 000's, except as otherwise noted)				
For the three months ended September 30,	2022	2021	$ Change	% Change
Earnings from operations	1,764	1,540	224	14.5%
Depreciation of property, plant, and equipment	583	540	43	8.0%
COVID-19 related costs	-	13	(13)	(100.0%)
Adjusted EBITDA	**2,347**	**2,093**	**254**	**12.1%**

Revenue

Revenue increased by 23.6%, or $26.6 million, to $138.9 million in Q3 2022, including $17.5 million or 15.6% from the inclusion of the operating results for youtheory following the acquisition on July 19, 2022. Jamieson Brands revenue increased 31.8%, partially offset by a 1.9% decline in Strategic Partners revenue compared with Q3 2021. Youtheory operating results are included in Jamieson Brands.

Revenue in the Jamieson Brands segment increased by $27.1 million, or 31.8%, to $112.2 million in Q3 2022. The acquisition of youtheory this quarter added the United States, the largest VMS market in the world, as a key strategic growth pillar in our plan. This transaction contributed $17.5 million or 20.6% while domestic and international Jamieson Brands sales increased $8.4 million and $1.2 million respectively. Domestic Jamieson Brands sales increased by 11.7% in Q3 2022, reflecting continued consumer demand supporting our elevated base, pricing, and timing of Q4 promotional activities. International revenue grew by 8.5% on a reported basis driven by growth in China of 29.2% reflecting recovery after COVID-19 related lockdowns last quarter, along with the strengthening of the U.S. dollar, offset by a 7.8% decline in rest of the world as a result of geopolitical pressures in eastern Europe impacting the macro-economic environment.

Revenue in the Strategic Partners segment decreased by $0.5 million, or 1.9%, to $26.7 million in Q3 2022 reflecting order timing and strategic exit of certain programs.

Gross profit

Gross profit increased by $7.7 million to $48.5 million in Q3 2022 mainly driven by higher revenue, including the acquisition impact of youtheory. Gross profit margin decreased by 140 basis points to 34.9% in Q3 2022, reflecting the impact of the acquired business in Jamieson Brands gross profit margins.

Gross profit in the Jamieson Brands segment increased by $7.5 million to $45.2 million in Q3 2022 mainly driven by higher revenue, including the acquisition impact of youtheory. Gross profit margin decreased by 400 basis points to 40.3% mainly due to the addition of youtheory with a relatively lower gross profit margin profile, higher depreciation expense and product mix. While gross profit margins are lower on the acquired youtheory business, Adjusted EBITDA margin of Jamieson Brands remains strong at 24.2% in the quarter.

Gross profit in the Strategic Partners segment increased by $0.2 million to $3.3 million and gross profit margin increased by 80 basis points to 12.3% in Q3 2022 mainly due to favourable customer mix while pricing has offset higher global supply chain and input costs.

Selling, general and administrative expenses

SG&A expenses increased by $11.6 million to $30.9 million in Q3 2022. Excluding the impact of specified costs of $7.2 million and the acquisition impact of youtheory of $4.2 million, SG&A expenses increased by $0.5 million or 2.8% to $17.9 million in Q3 2022. Jamieson Brands incurred higher costs to support its strategic initiatives, which were partially offset by the timing of marketing investments that were weighted heavier in the first half of the year to support the launch of our 100-year anniversary campaign. SG&A in the Strategic Partners segment was relatively flat compared to Q3 2021.

Specified costs of $7.2 million in Q3 2022 are mainly comprised of acquisition related costs and IT system development and implementation costs. Specified costs of $0.2 million in Q3 2021 were mainly related to additional safety measures implemented at our facilities, including the establishment of rapid testing programs at each of our manufacturing facilities.

Share-based compensation

Share-based compensation increased by $0.3 million to $1.3 million in Q3 2022.

Earnings from operations and operating margin

Earnings from operations decreased by $4.3 million as a result of higher SG&A which were largely acquisition driven offsetting higher revenue and gross profit. Operating margin decreased by 660 basis points to 11.7% in Q3 2022 due to factors affecting gross profit margin discussed above and higher SG&A expenses as a percentage of revenue. Normalized earnings from operations increased by $2.7 million, or 12.9% in Q3 2022 and normalized operating margin was 16.9% compared with 18.5% in Q3 2021.

Earnings from operations in the Jamieson Brands segment decreased by $4.5 million and operating margin decreased by 940 basis point to 13.0% in Q3 2022 due to higher SG&A expenses as a percentage of revenues offsetting higher revenue on decreased margins.

Earnings from operations in the Strategic Partners segment increased by $0.2 million due to higher gross profit. Operating margin increased by 90 basis points to 6.6% in Q3 2022 due to factors impacting gross profit margin discussed above.

Foreign exchange gain

Foreign exchange gain of $0.8 million in Q3 2022 was a result of changes in the USD/CAD exchange rate on our USD denominated accounts receivable and accounts payable at the end of the quarter. We experience fluctuations in the USD/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 $2.6 million to $4.1 million in Q3 2022 resulting from higher average borrowings to support the youtheory transaction during the quarter.

Provision for income taxes

Provision for income taxes was $2.1 million in Q3 2022 compared with $5.4 million in Q3 2021. Our Q3 2022 normalized effective tax rate of 28.8% and Q3 2021 effective tax rate of 27.4% includes the impact of non-deductible share-based compensation expenses. Normalized effective tax rate is defined as calculated tax rate excluding the tax deduction from the vesting of certain share-based awards, the current period's provision include $1.7 million of such deduction.

Depreciation

Depreciation expense increased by $0.7 million to $3.2 million in Q3 2022 resulting from capital investments to increase capacity and higher depreciation from the acquisition impact of youtheory.

Amortization

Amortization expense increased by $0.4 million to $1.5 million in Q3 2022 due to the amortization of acquired intangibles for youtheory.

EBITDA and Adjusted EBITDA

EBITDA decreased by $3.1 million to $21.7 million in Q3 2022 primarily due to the factors discussed above.

Adjusted EBITDA increased by $4.0 million to $29.5 million driven by higher volumes offsetting lower operating margin. Adjusted EBITDA margin decreased by 150 basis points to 21.2% for the quarter reflecting lower margins in Jamieson Brands partially offset by favourable margin in Strategic Partners.

Adjusted EBITDA in the Jamieson Brands segment increased by $3.8 million to $27.2 million and Adjusted EBITDA margin decreased by 320 basis points to 24.2% driven by lower gross profit margins, offset by lower SG&A costs as a percentage of revenues.

Adjusted EBITDA in the Strategic Partners segment increased by $0.3 million, to $2.3 million and Adjusted EBITDA margin increased by 110 basis points to 8.8% impacted by mix and lower SG&A costs as a percentage of revenues.

Results of Operations — nine months ended September 30, 2022 and 2021

The following table provides a summary of our results for the nine months ended September 30, 2022 and September 30, 2021.

($ in 000's, except as otherwise noted)	**Nine months ended September 30 2022**	**2021**	**$ Change**	**% Change**
Revenue	**354,594**	**321,194**	**33,400**	**10.4%**
Cost of sales	227,445	208,169	19,276	9.3%
Gross profit	**127,149**	**113,025**	**14,124**	**12.5%**
Gross profit margin	**35.9%**	**35.2%**	**-**	**0.7%**
Selling, general and administrative expenses	77,471	61,218	16,253	26.5%
Share-based compensation	3,593	4,651	(1,058)	(22.7%)
Earnings from operations	**46,085**	**47,156**	**(1,071)**	**(2.3%)**
Operating margin	**13.0%**	**14.7%**	**-**	**(1.7%)**
Foreign exchange gain	(709)	(444)	(265)	(59.7%)
Interest expense and other financing costs	6,660	4,291	2,369	55.2%
Earnings before income taxes	40,134	43,309	(3,175)	(7.3%)
Provision for income taxes	9,417	11,417	(2,000)	(17.5%)
Net earnings	**30,717**	**31,892**	**(1,175)**	**(3.7%)**
Adjusted net earnings	**38,381**	**34,728**	**3,653**	**10.5%**
EBITDA	**58,967**	**58,171**	**796**	**1.4%**
Adjusted EBITDA	**74,890**	**66,325**	**8,565**	**12.9%**
Adjusted EBITDA margin	**21.1%**	**20.6%**	-	**0.5%**

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 nine months ended September 30, 2022 and September 30, 2021.

($ in 000's, except as otherwise noted)	Nine months ended September 30 2022	2021	$ Change	% Change
Net earnings	**30,717**	**31,892**	**(1,175)**	**(3.7%)**
Add:				
Provision for income taxes	9,417	11,417	(2,000)	(17.5%)
Interest expense and other financing costs	6,660	4,291	2,369	55.2%
Depreciation of property, plant, and equipment	8,574	7,377	1,197	16.2%
Amortization of intangible assets	3,599	3,194	405	12.7%
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	**58,967**	**58,171**	**796**	**1.4%**
Share-based compensation (1)	3,593	4,651	(1,058)	(22.7%)
Foreign exchange gain	(709)	(444)	(265)	(59.7%)
Acquisition related cost(2)	9,754	-	9,754	100.0%
IT system implementation (3)	3,110	-	3,110	100.0%
COVID-19 related costs (4)	175	2,337	(2,162)	(92.5%)
Business integration (5)	-	1,789	(1,789)	(100.0%)
Other(6)	-	(179)	179	100.0%
Adjusted EBITDA	**74,890**	**66,325**	**8,565**	**12.9%**
Provision for income taxes	(9,417)	(11,417)	2,000	17.5%
Interest expense and other financing costs	(6,660)	(4,291)	(2,369)	(55.2%)
Depreciation of property, plant, and equipment	(8,574)	(7,377)	(1,197)	(16.2%)
Amortization of intangible assets	(3,599)	(3,194)	(405)	(12.7%)
Share-based compensation (7)	(4,992)	(4,389)	(603)	(13.7%)
Tax effect of normalization adjustments	(3,267)	(929)	(2,338)	(251.7%)
Adjusted net earnings	**38,381**	**34,728**	**3,653**	**10.5%**

($ in 000's, except as otherwise noted)	Nine months ended September 30 2022	2021	$ Change	% Change
Gross profit	**127,149**	**113,025**	**14,124**	**12.5%**
Business integration (5)	-	653	(653)	(100.0%)
Normalized gross profit	**127,149**	**113,678**	**13,471**	**11.9%**
Normalized gross profit margin	**35.9%**	**35.4%**	**-**	**0.5%**
Selling, general and administrative expenses	**77,471**	**61,218**	**16,253**	**26.5%**
Acquisition related cost(2)	(9,754)	-	(9,754)	(100.0%)
IT system implementation(3)	(3,110)	-	(3,110)	(100.0%)
COVID-19 related costs (4)	(175)	(2,337)	2,162	92.5%
Business integration(5)	-	(1,136)	1,136	100.0%
Other (6)	-	179	(179)	(100.0%)
Normalized selling, general and administrative expenses	**64,432**	**57,924**	**6,508**	**11.2%**
Earnings from operations	**46,085**	**47,156**	**(1,071)**	**(2.3%)**
Acquisition related cost(2)	9,754	-	9,754	100.0%
IT system implementation(3)	3,110	-	3,110	100.0%
COVID-19 related costs (4)	175	2,337	(2,162)	(92.5%)
Business integration(5)	-	1,789	(1,789)	(100.0%)
Other (6)	-	(179)	179	100.0%
Normalized earnings from operations	**59,124**	**51,103**	**8,021**	**15.7%**
Normalized operating margin	**16.7%**	**15.9%**	**-**	**0.8%**

(1) The Company's share-based compensation expense pertains to our LTIP (refer to "*Share-based compensation"*), with PSUs, RSUs, and DSUs expenses, along with associated payroll taxes. Prior year includes the acceleration of share-based compensation expense on our CEO transition in Q1 2021. Please refer to Note 8 in our unaudited condensed consolidated interim financial statements.

(2) Current year expense mainly pertains to costs for legal, investment banking, financing, due diligence, regulatory, tax, and fairness opinions relating to the youtheory acquisition.

(3) Current year expenses relate to system development and implementation costs as we build out our advanced supply chain planning infrastructure and ERP system. Unlike other system improvement projects with costs capitalized, due to its cloud-based nature, these system implementation costs are expensed accordingly.

(4) We incurred costs related to COVID-19 which do not reflect the ongoing costs of operation. Similar to prior year, these costs are primarily associated with the implementation of additional safety measures at our facilities, including the use of rapid testing to detect and prevent spread in our manufacturing facilities. In prior year, costs included a voluntary two-week closure of our Scarborough facility to minimize the risk of COVID-19 spread, shift premiums to essential Jamieson hourly staff who maintained production during government lockdowns, and donation of vitamins and supplements to charitable organizations.

(5) Prior year expenses mainly pertained to start-up costs to complete our transition to a third-party logistics provider to make room for capacity expansion at our Twin Oaks and Scarborough distribution facilities.

(6) Prior year expense primarily consisted of a litigation settlement we received.

(7) Costs pertaining to our LTIP, excluding PSUs and RSUs granted to certain employees. Prior year expenses included the acceleration of share-based compensation expense in relation to our CEO transition, net of $0.9 million in tax benefits realized on the vesting of certain share-based awards (refer to "*Share-based compensation"*).

The following table provides selected financial information for the Jamieson Brands operating segment for the nine months ended September 30, 2022 and September 30, 2021.

Jamieson Brands

($ in 000's, except as otherwise noted) For the nine months ended September 30,	2022	2021	$ Change	% Change
Revenue	**283,151**	**243,461**	**39,690**	**16.3%**
Gross profit	**118,694**	**103,214**	**15,480**	**15.0%**
Gross profit margin	**41.9%**	**42.4%**	**-**	**(0.5%)**
Normalized gross profit	118,694	103,867	14,827	14.3%
Normalized gross profit margin	41.9%	42.7%	-	(0.8%)
Selling, general and administrative expenses	72,831	56,151	16,680	29.7%
Normalized selling, general and administrative expenses	59,840	53,074	6,766	12.7%
Share-based compensation	3,593	4,651	(1,058)	(22.7%)
Earnings from operations	42,270	42,412	(142)	(0.3%)
Operating margin	14.9%	17.4%	-	(2.5%)
Normalized earnings from operations	55,261	46,142	9,119	19.8%
Normalized operating margin	19.5%	19.0%	-	0.5%
Adjusted EBITDA	**69,256**	**59,833**	**9,423**	**15.7%**
Adjusted EBITDA margin	**24.5%**	**24.6%**	**-**	**(0.1%)**

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 nine months ended September 30, 2022 and September 30, 2021.

($ in 000's, except as otherwise noted) For the nine months ended September 30,	2022	2021	$ Change	% Change
Earnings from operations	42,270	42,412	(142)	(0.3%)
Depreciation of property, plant, and equipment	6,802	5,846	956	16.4%
Amortization of intangible assets	3,599	3,194	405	12.7%
Share-based compensation	3,593	4,651	(1,058)	(22.7%)
Acquisition related cost	9,754	-	9,754	100.0%
IT system implementation	3,110	-	3,110	100.0%
COVID-19 related costs	128	1,929	(1,801)	(93.4%)
Business integration	-	1,719	(1,719)	(100.0%)
Other	-	82	(82)	(100.0%)
Adjusted EBITDA	**69,256**	**59,833**	**9,423**	**15.7%**

The following table provides selected financial information for the Strategic Partners operating segment for the nine months ended September 30, 2022 and September 30, 2021.

Strategic Partners

($ in 000's, except as otherwise noted) For the nine months ended September 30,	2022	2021	$ Change	% Change
Revenue	**71,443**	**77,733**	**(6,290)**	**(8.1%)**
Gross profit	**8,455**	**9,811**	**(1,356)**	**(13.8%)**
Gross profit margin	**11.8%**	**12.6%**	**-**	**(0.8%)**
Selling, general and administrative expenses	4,640	5,067	(427)	(8.4%)
Normalized selling, general and administrative expenses	4,592	4,850	(258)	(5.3%)
Earnings from operations	3,815	4,744	(929)	(19.6%)
Operating margin	5.3%	6.1%	-	(0.8%)
Normalized earnings from operations	3,863	4,961	(1,098)	(22.1%)
Normalized operating margin	5.4%	6.4%	-	(1.0%)
Adjusted EBITDA	**5,634**	**6,492**	**(858)**	**(13.2%)**
Adjusted EBITDA margin	**7.9%**	**8.4%**	**-**	**(0.5%)**

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 nine months ended September 30, 2022 and September 30, 2021.

($ in 000's, except as otherwise noted) For the nine months ended September 30,	2022	2021	$ Change	% Change
Earnings from operations	3,815	4,744	(929)	(19.6%)
Depreciation of property, plant, and equipment	1,772	1,531	241	15.7%
COVID-19 related costs	47	408	(361)	(88.5%)
Business integration	-	70	(70)	(100.0%)
Other	-	(261)	261	100.0%
Adjusted EBITDA	**5,634**	**6,492**	**(858)**	**(13.2%)**

Revenue

Revenue increased by 10.4%, or $33.4 million, to $354.6 million in YTD 2022, including $17.5 million or 5.5% from the inclusion of the operating results for youtheory following the acquisition on July 19, 2022. Jamieson Brands revenue increased by 16.3%, partially offset by an 8.1% decline in Strategic Partners revenue year-over-year.

Revenue in the Jamieson Brands segment increased by $39.7 million, or 16.3%, to $283.2 million in YTD 2022. Acquisition of youtheory contributed $17.5 million or 7.2% while domestic and international Jamieson Brands sales increased $19.3 million and $2.8 million respectively. Our domestic Jamieson Brands sales increased by 9.6% over prior year, due to an expanded consumer base and point of purchase growth reflecting the consumers' prioritization of their health and wellness, timing of sales to support seasonal promotional activities, and pricing. Our international business grew 6.7% on a reported basis versus prior year mainly driven by continued growth in China of 34.2%, along with strengthening of the U.S. dollar. This is offsetting the decline of 8.6% in the rest of the world as a result of geopolitical pressures in eastern Europe impacting the macro-economic environment, while lapping strong growth from non-immunity production during the same period in the prior year.

Revenue in the Strategic Partners segment decreased by $6.3 million, or 8.1%, to $71.4 million in YTD 2022 mainly due to order timing and strategic exit of certain programs while lapping prior year's production planning which resulted in significant growth of 37.3%.

Gross profit

Gross profit increased by $14.1 million to $127.1 million in YTD 2022, including $0.7 million in prior year primarily relating to start-up costs to complete our transition to a third-party logistics provider. Normalized gross profit increased by $13.5 million mainly driven by higher revenue including the acquisition impact of youtheory and segment mix. Normalized gross profit margin increased by 50 basis points to 35.9% in YTD 2022, mainly reflecting mix impact of proportionally higher Branded sales including youtheory, offsetting lower margin in our Strategic Partners segment.

Normalized gross profit in the Jamieson Brands segment increased by $14.8 million mainly driven by revenue growth. Normalized gross profit margin decreased by 80 basis points to 41.9% compared with YTD 2021 mainly due to the addition of youtheory with a relatively lower gross profit margin profile, higher depreciation expense and product mix. Other contributing factors are timing of trade investment, pricing offsetting higher global supply chain and input costs, and volume related efficiencies.

Gross profit in the Strategic Partners segment decreased by $1.4 million to $8.5 million and gross profit margin decreased by 80 basis points to 11.8% in YTD 2022 mainly due to production volume timing, partially offset by favourable customer mix and pricing.

Selling, general and administrative expenses

SG&A expenses increased by $16.3 million to $77.5 million in YTD 2022. Excluding the impact of specified costs of $13.0 million and the acquisition impact of youtheory of $4.2 million, SG&A expenses increased by $2.3 million or 4.0% to $60.2 million in YTD 2022. Jamieson Brands incurred higher costs to support our strategic initiatives, along with timing of our marketing investments to promote domestic and international brand presence. Normalized SG&A in the Strategic Partners segment was relatively consistent at a decrease of $0.3 million compared with prior year.

Specified costs of $13.0 million in YTD 2022 are mainly comprised of acquisition related costs relating to the youtheory acquisition, IT system implementation costs, and COVID-19 related safety measures implemented at our manufacturing facilities. Specified costs of $3.2 million in YTD 2021 were mainly comprised of start-up costs to complete our transition to a third-party logistics provider, additional safety measures implemented at our facilities, including the voluntary two-week closure of our Scarborough facility and the establishment of rapid antigen testing program at each of our manufacturing facilities, COVID-19 wage premiums, and donations.

Share-based compensation

Share-based compensation reduced by $1.1 million in YTD 2022 mainly due to accelerated share-based compensation expense in relation to our CEO transition in the prior year.

Earnings from operations and operating margin

Earnings from operations decreased by $1.1 million in YTD 2022 as a result of higher fixed costs which were largely acquisition driven offsetting higher revenue and gross profit. Operating margin decreased by 170 basis points to 13.0% in YTD 2022 mainly due to factors impacting gross profit margin discussed above and higher SG&A expenses as a percentage of revenue. Normalized earnings from operations increased by $8.0 million, or 15.7% in YTD 2022 and normalized operating margin was 16.7% compared with 15.9% in YTD 2021.

Earnings from operations in the Jamieson Brands segment decreased by $0.1 million to $42.3 million and operating margin decreased by 250 basis points to 14.9% in YTD 2022 due to factors impacting gross profit margin and higher SG&A expenses.

Earnings from operations in the Strategic Partners segment decreased by $0.9 million to $3.8 million and operating margin decreased by 80 basis points to 5.3% in YTD 2022 primarily due to factors impacting gross profit margin discussed above.

Foreign exchange gain

Foreign exchange gain of $0.7 million in YTD 2022 was due to fluctuations in the USD/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 $2.4 million to $6.7 million in YTD 2022 resulting from higher average borrowings to support the youtheory transaction.

Provision for income taxes

Provision for income taxes was $9.4 million in YTD 2022 compared with $11.4 million in YTD 2021. Our YTD 2022 normalized effective tax rate of 27.6% is lower than YTD 2021 of 28.4%. Current year tax provision includes tax deduction of $1.7 million from the vesting of certain share-based awards compared to $0.9 million in the prior year.

Depreciation

Depreciation expense increased by $1.2 million to $8.6 million in YTD 2022 resulting from capital investments to increase capacity and higher depreciation from the acquisition impact of youtheory.

Amortization

Amortization expense increased by $0.4 million to $3.6 million in YTD 2022 due to the amortization of acquired intangibles for youtheory.

EBITDA and Adjusted EBITDA

EBITDA increased by $0.8 million to $59.0 million in YTD 2022 primarily due to the factors discussed above.

Adjusted EBITDA increased by $8.6 million to $74.9 million driven by higher volumes and higher operating margin. Adjusted EBITDA margin increased by 50 basis points to 21.1% mainly due to the mix impact of proportionally higher Jamieson Brands sales.

Adjusted EBITDA in the Jamieson Brands segment increased by $9.4 million to $69.3 million and Adjusted EBITDA margin decreased by 10 basis points to 24.5% in YTD 2022 due to factors impacting gross profit margin discussed above and lower SG&A expenses as a percentage of revenues.

Adjusted EBITDA in the Strategic Partners segment decreased by $0.9 million, to $5.6 million and Adjusted EBITDA margin decreased by 50 basis point to 7.9% primarily driven by anticipated lower volumes.

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.

	2022			2021				2020
($ in 000's, except per share amounts)	**Q3**	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenue by segment								
Jamieson Brands	**112,248**	87,715	83,188	99,784	85,175	82,391	75,895	89,733
Strategic Partners	**26,681**	24,275	20,487	30,054	27,193	28,165	22,375	30,636
Total revenue	**138,929**	111,990	103,675	129,838	112,368	110,556	98,270	120,369
Earnings from operations	**16,319**	14,581	15,185	28,874	20,593	16,043	10,520	22,734
Net earnings	**10,882**	10,094	9,741	20,190	14,284	11,472	6,136	15,405
Adjusted net earnings	**14,221**	13,415	10,745	20,489	14,051	12,041	8,636(1)	17,614
EBITDA	**21,744**	18,785	18,438	32,225	24,794	19,424	13,953	25,417
Adjusted EBITDA	**29,505**	24,439	20,946	33,771	25,456	22,327	18,542	29,383
Basic, earnings per share	**0.26**	0.25	0.24	0.50	0.35	0.29	0.15	0.39
Diluted, earnings per share	**0.26**	0.24	0.23	0.48	0.34	0.28	0.15	0.37
Adjusted diluted, earnings per share	**0.34**	0.32	0.26	0.49	0.34	0.29	0.21	0.42

(1) Q1 2021 Adjusted net earnings and Adjusted diluted earnings per share has been adjusted for $0.6 million of share-based compensation expense in relation to our CEO transition.

Revenue

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

- accelerated demand for immunity and general health products as a result of the COVID-19 pandemic;
- 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 of cold and flu season;
- business combinations; and
- foreign currency fluctuations.

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;
- 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;

- temporary increases to production costs driven by physical distancing initiatives, rapid antigen testing and other safety measures established within our facilities to protect our employees as a result of the COVID-19 pandemic;
- supply continuity costs including air freight and third-party manufacturing and packaging costs to meet higher demand during the COVID-19 pandemic;
- additional costs incurred in our transition to a third-party logistics model to make room for capacity expansion at our Twin Oaks and Scarborough distribution facilities;
- 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 spends and variable compensation;
- accelerated recognition of share-based compensation expense in relation to our previous CEO's retirement; and
- foreign currency fluctuations.
- additional costs incurred in our business acquisition

Liquidity and Capital Resources

Overview

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

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

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

Credit Facilities

As at September 30, 2022, we had $95.9 million in cash and available revolving and swingline facilities and net debt of $404.1 million.

($ in 000's)	**As at September 30, 2022**	**As at December 31, 2021**
Long-term debt	**411,385**	**149,125**
Cash	(7,316)	(6,775)
Net debt (1)	**404,069**	**142,350**

(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 September 27, 2019, Jamieson Laboratories Ltd. ("JLL"), a wholly owned subsidiary of Jamieson, amended and restated its credit agreement to add Jamieson Health Products USA Ltd. (collectively with JLL the

"Borrowers") as a co-borrower and to provide a secured revolving facility of $275.0 million (including a $10.0 million swingline facility) with the option to increase the revolving facility by $200.0 million (collectively, the "Credit Facilities"). As of July 19, 2022, our newly acquired subsidiary, Nutrawise Health & Beauty LLC, was added as a Borrower under the Credit facilities which increased from $275.0 million to $500.0 million under revolving credit facilities, plus an expanded accordion feature of up to $250.0 million with an extended maturity to July 19, 2027.

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

We are in compliance with all covenants as at the date of this MD&A.

For the three and nine months ended September 30, 2022, JLL made drawings of $289.1 million and $314.5 million, and debt repayments of $18.1 million and $52.2 million, respectively, applied against the Credit Facilities. For the nine months ended September 30, 2022, the weighted average interest rate on the Credit Facilities was 3.2% (2021 – 2.7%) and is composed of variable rates. A portion of the Credit Facilities outstanding is fixed through the interest rate swap.

Analysis of Cash Flows — three months ended September 30, 2022 and 2021

($ in 000's, except as otherwise noted)	**Three months ended September 30** **2022**	**2021**	**$ Change**	**% Change**
Cash, beginning of period	**8,357**	**4,636**	**3,721**	**80.3%**
Cash flows from (used in):				
Operating activities	(20,613)	10,081	(30,694)	(304.5%)
Investing activities	(245,609)	(6,615)	(238,994)	(3612.9%)
Financing activities	265,181	1,048	264,133	25203.5%
Cash, end of period	**7,316**	**9,150**	**(1,834)**	**(20.0%)**
Cash flows from operating activities	**(20,613)**	**10,081**	**(30,694)**	**(304.5%)**
Net Change in non-cash working capital	37,042	9,078	27,964	308.0%
Cash from operating activities before working capital considerations	**16,429**	**19,159**	**(2,730)**	**(14.2%)**

Cash Flows Used in/Generated from Operating Activities

In Q3 2022, cash flows used in operating activities totalled $20.6 million compared with cash flow generated from operating activities totalling $10.1 million in Q3 2021. Cash from operating activities before working capital considerations of $16.4 million was $2.8 million lower due to decreased earnings in the current quarter as a result of expenses associated with the acquisition of youtheory. Cash invested in working capital increased by $27.9 million mainly driven by the investment in working capital at youtheory and higher inventories to maintain continuity of supply offsetting the timing of collections and payments.

Cash Flows Used in Investing Activities

Cash flows used in investing activities in Q3 2022 totalled $245.6 million compared with $6.6 million for the same period in the prior year. Current year cash flow used was mainly driven by $242.0 million used for the acquisition of youtheory. Purchases of property, plant and equipment of $3.3 million was $3.3 million lower than the prior year period reflecting progress of our investments in additional manufacturing and packaging equipment required to expand production capacity. Acquisition of intangible assets increased by $0.3 million compared to prior year period.

Cash Flows Generated from Financing Activities

Cash flows generated from financing activities in Q3 2022 totalled $265.2 million compared with $1.0 million for the same period in the prior year. In Q3 2022, we made net drawings of $271.1 million on our Credit Facilities, received proceeds of $2.1 million for the exercise of stock options and our employee share purchase plan (“ESPP”), and partially offset by distribution of $7.1 million of dividends to common shareholders, and payments of lease liabilities of $0.9 million. In Q3 2021, we received net proceeds of $4.1 million from our Credit Facilities and $3.8 million for the exercise of stock options and our ESPP, partially offset by payments of lease liabilities of $0.8 million and a distribution of $6.0 million of dividends to common shareholders.

Analysis of Cash Flows — nine months ended September 30, 2022 and 2021

	Nine months ended September 30			
($ in 000's, except as otherwise noted)	**2022**	**2021**	**$ Change**	**% Change**
Cash, beginning of period	**6,775**	**1,166**	**5,609**	**481.0%**
Cash flows from (used in):				
Operating activities	9,790	10,096	(306)	(3.0%)
Investing activities	(253,838)	(16,885)	(236,953)	(1403.3%)
Financing activities	244,589	14,773	229,816	1555.6%
Cash, end of period	**7,316**	**9,150**	**(1,834)**	**(20.0%)**
Cash flows from operating activities	**9,790**	**10,096**	**(306)**	**(3.0%)**
Net Change in non-cash working capital	38,753	37,125	1,628	4.4%
Cash from operating activities before working capital considerations	**48,543**	**47,221**	**1,322**	**2.8%**

Cash Flows Generated from in Operating Activities

In YTD 2022, cash flows generated from operating activities totalled $9.8 million and compared with $10.1 million in YTD 2021. Cash from operating activities before working capital considerations of $48.5 million was $1.3 million higher due to higher earnings offsetting expenses associated with the acquisition of youtheory. Cash invested in working capital increased by $1.6 million mainly driven by investment in youtheory working capital and higher inventories to maintain continuity of supply offsetting the timing of collections and payments.

Cash Flows Used in Investing Activities

Cash flows used in investing activities in YTD 2022 totalled $253.8 million compared with $16.9 million for the same period in the prior year. Current year cash flow used mainly driven by $242.0 million used for acquisition of youtheory. Purchases of property, plant and equipment of $11.4 million was $5.0 million lower than the prior year period reflecting progress of our investments in additional manufacturing and packaging equipment required to expand production capacity.

Cash Flows Generated from Financing Activities

Cash flows generated from financing activities in YTD 2022 totalled $244.6 million compared with cash flows generated of $14.8 million for the same period in the prior year. In YTD 2022, we made net drawings of $262.3 million on our Credit Facilities, received proceeds of $3.8 million for the exercise of stock options and our ESPP, partially offset by distribution of $19.2 million of dividends to common shareholders, and payments of lease liabilities of $2.2 million. In YTD 2021, we received net proceeds of $25.3 million from our Credit Facilities and $7.9 million for the exercise of stock options and our ESPP, partially offset by payments of lease liabilities of $2.4 million and a distribution of $16.0 million of dividends to common shareholders.

Contractual Obligations

In conjunction with the 2018 signing of a sublease for our Toronto head office location at 1 Adelaide East and ending March 31, 2022, we entered into a master lease agreement with the landlord to commence April 1, 2022 for the same location.

In connection with the youtheory acquisition, the transaction includes potential additional consideration contingent on achieving pre-determined growth targets post-closing.

There was no other material change in our remaining contractual obligations and commitments from the annual MD&A as at and for the year ended December 31, 2021.

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.

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 nine months ended September 30, 2022 is $1.3 million and $3.6 million, respectively (2021 - $1.0 million and $4.7 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 September 30, 2022, $19.6 million of anticipated foreign currency denominated purchases and $20.4 million of anticipated foreign currency denominated sales have been hedged with underlying foreign exchange forward contracts settling at various dates in the 6 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 $120.0 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 December 31, 2021	**40,406,940**	**268,214**
Exercise of share-based awards	330,399	5,729
Employee stock purchase plan	12,779	413
Issuance of shares to acquire businesses	926,612	32,348
As at September 30, 2022	**41,676,729**	**306,704**

	Common Shares	
	#	$
As at December 31, 2020	39,872,912	255,795
Exercise of share-based awards	456,828	10,736
Employee stock purchase plan	12,467	412
As at September 30, 2021	40,342,207	266,943

As at September 30, 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.

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, 2021. Items subject to significant estimate uncertainty and critical judgments which have the most impact on the amounts recognized in the unaudited condensed consolidated interim financial statements are included both below and in the annual audited financial statement notes.

Our significant accounting judgments, estimates and assumptions are affected as a result of the various ongoing economic and social impacts of COVID-19 and variants of concern, and the Ukraine conflict. There continues to be significant uncertainty as to the likely effects of these factors which may, among other things, impact our employees, suppliers, and customers. It is not possible to predict the impact they will have on our financial position and our results of operations in the future. We are monitoring the future impact of them on all aspects of our business.

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 7, 12, 15, 16 and 19 in the accompanying notes of our audited consolidated annual financial statements for the year ended December 31, 2021.

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.

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.

Significant Accounting Policies

Our unaudited condensed consolidated interim 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, 2021.

Internal Control over Financial Reporting

The Chief Executive Officer and the Chief Financial Officer of the Company (collectively, 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, 2021 and have concluded that the Company's ICFR was effective as at December 31, 2021.

There have been no changes in the Company's ICFR during the three-month period ended September 30, 2022 which have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

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 2022, we expect our revenue to range between $550.0 to $560.0 million, narrowing from our previous range of $550.0 to $565.0 million, reflecting the acquisition of youtheory and continued strength in Canada branded volumes offset by slightly lower international growth. Our revised guidance reflects annual revenue growth of 6.0% to 8.0% in our base business plus revenue growth of approximately 16.0% from the acquisition. We expect Adjusted EBITDA to range between $122.0 to $124.0 million narrowing from our previous range of $120.0 to $125.0 million to reflect our expected revenue and operating synergies. We expect Adjusted diluted earnings per share of $1.52 to $1.56, compared with our previous range of $1.52 to $1.60 reflecting our updated Adjusted EBITDA range and higher prevailing interest rates.

Revenue growth in the Jamieson Brands segment is expected to increase between 29.0% to 31.0% narrowed from our previous range of 28.0% to 32.0% reflecting our updated revenue range while growth in our base business is increased to 8.0% to 10.0% from 6.0% to 10.0%.

- We expect Canadian branded revenues to grow between 8.0% to 9.0% increasing from our previous range of 6.0% and 9.0%, reflecting strong consumer demand on a higher post-pandemic baseline, the impact of retail replenishment throughout 2021 and our in market pricing. We expect improved customer fill rates and strong on-shelf availability at retailers will enable us to effectively drive volumes with a focus on innovation and promotional activities, leveraging our 100th year anniversary marketing campaigns. We expect revenue in the fourth quarter of 2022 to increase by 4.0% to 7.5% compared with the fourth quarter of 2021.
- We expect international revenue growth of between 10.0% to 15.0% including the impact of foreign exchange, updated from our previous growth of approximately 10.0% to 20.0% reflecting the transition of our United States test launch to focus on the acquired youtheory brand, the geopolitical and macro economic situation primarily impacting eastern Europe. International growth is led by strong consumption and market expansion in China which we expect to grow between 25% to 30%. We anticipate the rest of our international business (excluding China) to be consistent with prior year impacted by order timing and declines in eastern Europe offset by growth in the Middle East. We expect revenues in the fourth quarter of 2022 to grow by approximately 15.0% to 35.0% compared with the fourth quarter of 2021 reflecting approximately 20.0% growth in China and 10.0% to 20.0% in the rest of our international business as retailers return to regular order patterns.
- We expect youtheory to contribute revenue of between $68.0 and $72.0 million impacted by foreign exchange and the timing of promotions, compared to our previous guidance of $66.0 million to $74.0 million (USD $52.0 to $58.0 million). We expect attributable fourth quarter revenues to be $50.5 to $54.5 million.

Revenue in the Strategic Partners segment is expected to increase by up to 5.0% compared with fiscal 2021, reflecting pricing and volume changes in our customers' products. Fourth quarter 2022 revenues are expected to increase by approximately 30.0% compared with the fourth quarter of 2021, reflecting order timing, pricing, and production capacity availability for our customers in the prior year.

In the base business excluding the acquisition of youtheory, we expect to grow Adjusted EBITDA margins through operating efficiencies while recuperating the impact of anticipated raw material increases and supply chain costs. With the acquisition of youtheory, our Adjusted EBITDA margins will be impacted by inherently lower Adjusted EBITDA margins, resulting in up to a 150 basis points decline in the second half of the year, this represents a 100 basis point improvement from our previous guidance as we drive operating efficiencies and synergies at youtheory.

Excluding the acquisition of youtheory, we anticipate a Jamieson Brands gross profit margin improvement of approximately 50 basis points in fiscal 2022 due to facility utilization and operating efficiencies. With the acquisition of youtheory, our Jamieson Brands gross profit margins will be impacted by inherently lower gross profit margins from the acquired business resulting in an approximately 350 basis points decline in the second half of the year, and approximately 150 basis points decline for the full year reduced from our previous guidance of 500 basis point decline in the second half of the year and approximately 250 basis point decline for the full year as a result of earlier execution of synergies. We expect Strategic Partners realized gross profit margins decline of approximately 50 basis points impacted by customer and program mix, and the timing of facility utilization.

We expect to incur acquisition related expenses including legal, professional services, integration and costs associated with the refinancing of our credit facility of approximately $12.5 million fiscal 2022. We expect to complete our supply chain software implementation and begin IT system infrastructure improvements in fiscal 2022 with an estimated start-up cost of up to $7.0 million. These costs will impact net earnings while our expected Adjusted net earnings and Adjusted diluted earnings per share for fiscal 2022 will reflect an adjustment for these expenses on a tax-effected basis.

The foregoing financial outlook is based on the following assumptions for fiscal 2022, amongst others:

- Normalized SG&A expenses will increase by approximately 19.0% to 21.0%, an increase from our previously guided range of 18.0% to 20.0% (approximately 50.0% in the fourth quarter of 2022 compared to the fourth quarter of 2021) from the youtheory acquisition and increased investments in international markets and our long-term growth opportunities in China;
- Depreciation expense will be approximately $12.3 million reflecting the acceleration of our capacity expansion investments (assuming approximately $15.0 of capital additions as we continue to build capacity at our facilities, while our IT system implementations will largely be expensed based on the cloud-based nature of these services);
- Amortization expenses will increase to approximately $5.0 million reflecting an approximately $0.8 million increase from the youtheory acquired intangibles;
- Share-based compensation costs of approximately $5.0 million;
- Interest expense of approximately $12.0 million, increased from $10.5 million based on the expectation for higher prevailing benchmark interest rates;
- Income tax rates of approximately 27.0% based on non-deductible stock-based compensation and rates associated with the acquired business located in Irvine, California;
- A fully diluted share count of approximately 42.5 million shares, increasing approximately 0.5 million shares to reflect the shares issues as part of the youtheory acquisition; and
- Average annual exchange rate between the U.S. and Canadian dollar of U.S. $1.00 to 1.30.

The description of our financial outlook in this MD&A is based on management's current views and strategies, our assumptions and expectations concerning our growth opportunities and our assessment of the opportunities for our business and the consumer health industry as a whole and the VMS and sports nutrition segments of the consumer health industry. Our financial outlook has been calculated in accordance with our current accounting policies and non-IFRS and other financial measures as defined in this MD&A. The description of our outlook is forward-looking information for purposes of applicable securities laws in Canada and readers are therefore cautioned that actual results may vary from those described above. Refer to "*Summary of Factors Affecting Our Performance*", *"Forward-Looking Information"* and "*Risk Factors*" for a reference to the risks and uncertainties that impact our business and that could cause actual results to vary.

Current Share and Option Information

As of the date hereof, an aggregate of 41,681,9461 Common Shares are issued and outstanding. As of the date hereof, the Company had 2,841,472 options, 159,509 PSUs, 830 RSUs, and 23,640 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. Please see also the discussion of risks associated with COVID-19 and Ukraine conflict discussed above under the heading "Summary of Factors Affecting Our Performance" and "Outlook".

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. 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.