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## **SRx Health Solutions Announces First Quarter 2025 Financial Results**

*EPS Improved 90% Year-Over-Year to \$(0.37)*

*Adjusted EBITDA<sup>1</sup> Loss Improved 54% Year-Over-Year to \$(0.6) Million*

*Adjusted EBITDA Margin<sup>1</sup> Improved (9)%, a 865 Basis Point Expansion Year-Over-Year*

TAMPA, Fla., May 15, 2025 (GLOBE NEWSWIRE) -- SRx Health Solutions Inc. (NYSE American: SRXH) (the "Company" or "SRx", previously known as "Better Choice"), a leading global health and wellness company, today announced its results for the first quarter ended March 31, 2025.

"We have executed a digital first strategy in our domestic business and have implemented marketing investment shifts to grow brand awareness and discoverability," says Kent Cunningham, CEO of SRx. "We are focused on optimizing our portfolio and addressing consumer barriers to purchase. We have improved our inventory levels by approximately 50% in the last 15 months and have sustained improvement in fill rates to an average of 98% for the quarter. The positive trend realized in adjusted EBITDA<sup>1</sup> and EPS are a result of the continued organizational change management as we continue to move the business towards profitable growth. Our future filings and financial results to report will include the consolidated results for SRx Health and for our legacy Halo brand, now that the merger has closed. We are optimistic about the future of the Company, and we look forward to updating the market in the coming months."

On April 24, 2025, the Company completed its merger with SRx Health Solutions, Inc., a corporation organized under the laws of the Province of Ontario ("SRx Health"), and as a result, changed its corporate name from the former Better Choice Company Inc. to SRx Health Solutions, Inc. The financials reported as of March 31, 2025, include only US operations of Better Choice Company and Halo pre-merger, and as such are not reflective of Canadian operations. Refer to the company's website for an investor presentation on the combined company:

<https://p2o.592.myftpupload.com/wp-content/uploads/2025/05/SRx-Investor-Presentation-2025.pdf>

### **FIRST QUARTER 2025 FINANCIAL HIGHLIGHTS**

- Net revenue of \$7.2 million
- Gross margin remained consistent at 33%
- Net loss improved 66% year over year to \$(1.0) million
- Earnings (loss) per share ("EPS") improved 90% year over year to \$(0.37) per share
- Adjusted EBITDA<sup>1</sup> improved 54% year over year to \$(0.6) million
- Adjusted EBITDA margin<sup>1</sup> improved 865 basis points year over year to (9)%

During the first quarter of 2025, the Company generated \$7.2 million in net sales, down 9% year-over-year primarily due to the closing of Halo's direct to consumer channel in the second quarter of 2024. Despite sales down, profitability improved as a result of the strategic shifts made over the last twelve months, with adjusted EBITDA loss improving 54% to \$(0.6) million.

### **LIQUIDITY AND CAPITAL RESOURCES**

As of March 31, 2025, cash and cash equivalents totaled \$1.1 million.

## CONFERENCE CALL AND WEBCAST INFORMATION

SRx Health will host a conference call and webcast to discuss its first quarter 2025 results today at 4:30 PM ET. The dial-in number for the conference call is 1-844-825-9789 or 1-412-317-5180. A live webcast of the conference call will be available by visiting [https://viaid.webcasts.com/starthere.jsp?ei=1718409&tp\\_key=9b71569455](https://viaid.webcasts.com/starthere.jsp?ei=1718409&tp_key=9b71569455), also available on the Company's investor relations website at <https://srxhealth.com/>.

For interested individuals unable to join the conference call, the webcast replay of the call will be available for 90 days under the 'Events' section of the Company website by visiting <https://srxhealth.com/events-and-presentations/>.

### About SRx Health Solutions Inc.

SRx Health Solutions Inc. is an integrated Canadian healthcare services provider that operates within the specialty healthcare industry. The SRx network extends across all ten Canadian provinces, making it one of the most accessible providers of comprehensive, integrated, and customized specialty healthcare services in the country. SRx combines years of industry knowledge, technology, and patient-centric focus to create strategies and solutions that consistently exceed client expectations and drive critical patient care initiatives aimed to improve the wellness of Canadians. For more information on SRx Health Solutions Inc., please visit [www.srxhealth.com](http://www.srxhealth.com).

### Forward Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The words "believe," "may," "estimate," "continue," "anticipate," "intend," "should," "plan," "could," "target," "potential," "is likely," "will," "expect" and similar expressions, as they relate to us, are intended to identify forward-looking statements. The Company has based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. Some or all of the results anticipated by these forward-looking statements may not be achieved. Further information on the Company's risk factors is contained in our filings with the SEC. Any forward-looking statement made by us herein speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. The Company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

### Company Contact:

SRx Health Solutions Inc.  
Adesh A. Vora, Chairman

### Investor Contact:

KCSA Strategic Communications  
Valter Pinto, Managing Director  
T: 212-896-1254  
[Valter@KCSA.com](mailto:Valter@KCSA.com)

<sup>1</sup> *Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP measures. Reconciliation of Adjusted EBITDA to net loss, the most directly comparable GAAP financial measure, is set forth in the reconciliation table accompanying this release.*

SRx Health Solutions Inc.

Unaudited Condensed Consolidated Statements of Operations

(Dollars in thousands)

	Three Months Ended	
	March 31,	
	2025	2024
Net sales	\$7,159	\$7,903
Cost of goods sold	4,776	5,289
Gross profit	2,383	2,614
<b>Operating expenses:</b>		
Selling, general and administrative	3,471	5,080
Total operating expenses	3,471	5,080
Loss from operations	(1,088 )	(2,466 )
<b>Other income (expense):</b>		
Interest income (expense), net	83	(362 )
Other income	43	-
Total other income (expense), net	126	(362 )
Loss before income taxes	(962 )	(2,828 )
Income tax expense	2	2
Net loss	\$(964 )	\$(2,830 )
Weighted average number of shares outstanding, basic	2,605,843	786,745
Weighted average number of shares outstanding, diluted	2,605,843	786,745
Net loss per share, basic	\$(0.37 )	\$(3.60 )
Net loss per share, diluted	\$(0.37 )	\$(3.60 )

**SRx Health Solutions Inc.****Unaudited Condensed Consolidated Balance Sheets***(Dollars in thousands, except share amounts)*

	<b>March 31, 2025</b>	<b>December 31, 2024</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 1,137	\$3,066
Accounts receivable, net	4,770	5,371
Notes receivable	3,331	2,211
Inventories	4,512	3,869
Prepaid expenses and other current assets	779	484
Total Current Assets	14,529	15,001
Fixed assets, net	118	138
Right-of-use assets, operating leases	50	64
Goodwill	405	405
Other assets	186	193
Total Assets	<u>\$ 15,288</u>	<u>\$15,801</u>
<b>Liabilities &amp; Stockholders' Equity</b>		
<b>Current Liabilities</b>		
Accounts payable	\$4,440	\$3,137
Accrued and other liabilities	1,604	1,535
Credit facility, net	1,228	2,414
Operating lease liability	47	62
Total Current Liabilities	7,319	7,148
<b>Non-current Liabilities</b>		
Operating lease liability	5	5
Total Non-current Liabilities	5	5
Total Liabilities	7,324	7,153
<b>Stockholders' Equity</b>		
Common Stock, \$0.001 par value, 200,000,000 shares authorized, 2,520,882 & 1,830,097 shares issued and outstanding as of March 31, 2025, and December 31, 2024, respectively	3	2
Additional paid-in capital	330,435	330,156
Accumulated deficit	(322,474)	(321,510)
Total Stockholders' Equity	7,964	8,648
Total Liabilities and Stockholders' Equity	<u>\$ 15,288</u>	<u>\$15,801</u>

**SRx Health Solutions Inc.****Non-GAAP Measures****Adjusted EBITDA**

We define Adjusted EBITDA as EBITDA further adjusted to eliminate the impact of certain items that we do not consider indicative of our core operations. Adjusted EBITDA is determined by adding the following items to net (loss) income: interest expense, tax expense, depreciation and amortization, share-based compensation, warrant expense, impairment of goodwill, loss on disposal of assets, change in fair value of warrant liabilities, gain or loss on extinguishment of debt, equity and debt offering expenses and other non-recurring expenses.

We present Adjusted EBITDA as it is a key measure used by our management and board of directors to evaluate our operating performance, generate future operating plans and make strategic decisions regarding the allocation of capital. We believe that the disclosure of Adjusted EBITDA is useful to investors as this non-GAAP measure forms the basis of how our management team reviews and considers our operating results. By disclosing this non-GAAP measure, we believe that we create for investors a greater understanding of and an enhanced level of transparency into the means by which our management team operates our company. We also believe this measure can assist investors in comparing our performance to that of other companies on a consistent basis without regard to certain items that do not directly affect our ongoing operating performance or cash flows.

Adjusted EBITDA does not represent cash flows from operations as defined by GAAP. Adjusted EBITDA has limitations as a financial measure and you should not consider it in isolation, or as a substitute for, or superior to, financial measures calculated in accordance with GAAP. Because of these limitations, you should consider Adjusted EBITDA alongside other financial performance measures, including various cash flow metrics, net (loss) income, gross margin, and our other GAAP results.

The following table presents a reconciliation of net loss, the closest GAAP financial measure, to EBITDA and Adjusted EBITDA for each of the periods indicated (in thousands):

### Reconciliation of Net Loss to EBITDA and Adjusted EBITDA

	Three Months Ended March 31,	
	2025	2024
Net loss available to common stockholders	\$ (964 )	\$ (2,830 )
Interest (income) expense, net	(83 )	362
Income tax expense		2
Depreciation and amortization	26	35
<b>EBITDA</b>	<b>(1,019 )</b>	<b>(2,431 )</b>
Non-cash share-based compensation (a)	280	518
Transaction related (b)	8	323
Non-recurring strategic branding initiatives (c)	39	26
Non-recurring and other expenses (d)	43	164
<b>Adjusted EBITDA</b>	<b>\$ (649 )</b>	<b>\$ (1,400 )</b>

(a) Non-cash expenses related to equity compensation awards. Share-based compensation is an important part of the Company's compensation strategy and without our equity compensation plans, it is probable that salaries and other compensation related costs would be higher.

(b) Transaction-related legal fees and professional fees related to single occurrence business matters.

(c) Single occurrence expenses related to marketing agency and design, strategic re-branding initiatives, Elevate® launch, product innovation and reformulations.

(d) Other single occurrence expenses such as legal settlements, employee severance, executive recruitment, transition of our dry kibble co-manufacturing supplier, and other non-recurring fees.



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