

Jack Nathan Health Announces Its Q3 Fiscal 2025 Financial Results

December 30, 2024

TORONTO--(BUSINESS WIRE)- Jack Nathan Medical Corp. (TSXV: JNH; OTCQB: JNHMF) (“Jack Nathan Health” or the “Company”) announced today its unaudited interim consolidated financial results for the third quarter of fiscal 2025, three and nine months ended October 31, 2024. Jack Nathan Health’s financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”).

Management Commentary

Mike Marchelletta, Chief Executive Officer, commented:

“The third quarter marks a transformative period for Jack Nathan Health. While our Canadian clinic and license operations contributed to our overall revenue growth of 16% year-to-date, the completion of the sale of our Canadian operations post-quarter-end allows us to streamline our focus on our Mexican business. We are committed to driving growth through operational excellence, including the addition of 7 new clinics in Mexico this quarter, and exploring opportunities in the MedSpa sector, which provides an exciting avenue for strategic expansion and diversification.”

Financial Highlights for the three and nine months ended October 31, 2024:

Operating Results

	Three months ended October 31		Nine months ended October 31	
	2024	2023	2024	2023
	\$	\$	\$	\$
Revenues	5,249,102	4,939,617	15,919,650	13,735,215
Operating expenses	(6,536,100)	(6,517,703)	(20,382,209)	(17,573,786)
Loss from operations	(1,286,998)	(1,578,086)	(4,462,559)	(3,838,571)

Revenues for the nine months ended October 31, 2024, were \$15,919,650 (2023 - \$13,735,215), representing an increase of \$2,184,435 or 16%. The growth was driven by the Company’s Mexican clinic operations, which added 7 new clinics during the quarter, bringing the total in Mexico to 168 corporate-owned and operated clinics.

Clinic operations revenues of \$4,690,698 accounted for 89% of total revenues for the three months ended October 31, 2024, compared to \$4,246,386 or 86% of revenues for the same period in 2023. Year-to-date clinic operations revenues totaled \$14,276,338, representing 90% of total revenues, compared to \$11,653,262 or 85% for the same period in 2023.

Loss from operations for the nine months ended October 31, 2024, was \$4,462,559 (2023 - \$3,838,571), reflecting an increase in operating loss of \$623,988, driven primarily by higher operating expenses related to associate fees, clinic operations, and professional services.

Strategic Milestone: Sale of Canadian Business

Subsequent to the quarter-end, effective December 1, 2024, the Company completed the sale (the “**Asset Sale**”) of its Canadian clinic operations and license business to WELL Health Technologies Corp. (“**WELL**”) for \$5,000,000 (the “**Purchase Price**”). Approximately 57% of the proceeds from the Purchase Price for the Asset Sale were utilized to (i) settle Purchase Price advances made by WELL prior to closing the Asset Sale (the “**Closing**”) to support the Company’s cash flow requirements and business continuity needs pursuant to the previously reported interim financing agreement entered into between WELL and the Company, (ii) pay transaction costs (mainly legal costs) incurred in connection with the Asset Sale and certain accounts payable, and (iii) pay severance costs for staff and senior management who are not transferring to WELL and not remaining with the Company post-Closing. In connection with the Asset Sale, over \$15,000,000 in debt owed by the Company to Wal-Mart Canada Corp. has been extinguished. These transactions significantly improved the Company’s balance sheet and liquidity position. The proceeds will support the Company’s retained operations in Mexico and the MedSpa sector.

Shares Outstanding

As of the date of this press release, the Company has outstanding 87,099,159 common shares, 1,650,000 stock options and 335,004 DSUs. The secured convertible debenture of the Company which had been held by Wal-Mart Canada Corp. was cancelled and terminated in connection with the sale of the Company’s Canadian business referred to above, resulting in the elimination of 152,380,952 potentially issuable shares that had been so issuable pursuant to a conversion of the debenture and exercise of the underlying warrants. As well, as part of the severance arrangements referred to above, 8,500,000 restricted share units previously outstanding under the Company’s Omnibus Equity Incentive Plan have been cancelled, further enhancing the Company’s capital structure.

For further information regarding the Company’s financial results for Q3 fiscal 2025, please refer to the unaudited interim consolidated financial statements of the Company for the three and nine months ended October 31, 2024 together with the corresponding MD&A, available at www.sedarplus.ca.

About Jack Nathan Medical Corp.

Jack Nathan Medical Corp., operating as Jack Nathan Health®, is an innovative healthcare company co-locating physician and ancillary medical services conveniently inside Walmart® stores. Jack Nathan Health® provides an exceptional level of patient care, made possible through patient-centric physicians, a variety of medical services, technology, and programs, designed to put patients first. Our mission is to provide everyone access to the finest quality retail medical centers, with both in-clinic physicians and digital telemedicine, so you and your loved ones can “Live Your Best Life”.

Jack Nathan Health® was established in 2006, delivering exceptional, state-of-the-art, turn-key medical centers. In Mexico, the Company has 168 corporate owned or operated clinics, including 162 retail clinics in Walmart locations, 5 clinics inside Walmart Distribution Centers servicing Walmart Associates, and 1 large format Multi-disciplinary clinic in Mexico City. In Canada, there are currently 4 Rehab clinics and 3 MedSpa clinics, all of which are corporate owned and operated.

For more information, see the Company's filings on SEDAR+ at www.sedarplus.ca.

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Cautionary Note Concerning Forward-Looking Information

Certain statements contained in this press release constitute "forward-looking information" as such term is defined in applicable Canadian securities legislation. The words "may", "would", "could", "should", "potential", "will", "seek", "intend", "plan", "anticipate", "believe", "estimate", "expect" and similar expressions as they relate to Jack Nathan are intended to identify forward-looking information. All statements other than statements of historical fact may be forward-looking information. Such statements reflect the Company's current views and intentions with respect to future events, and current information available to them, and are subject to certain risks, uncertainties, and assumptions. Many factors could cause the actual results, performance or achievements that may be expressed or implied by such forward-looking information to vary from those described herein should one or more of these risks or uncertainties materialize. Such factors include but are not limited to: changes in economic conditions or financial markets; increases in costs; litigation; legislative and other judicial, regulatory, political, and competitive developments; and operational difficulties. This list is not exhaustive of the factors that may affect forward-looking information. These and other factors should be considered carefully, and readers should not place undue reliance on such forward-looking information. Should any factor affect the Company in an unexpected manner, or should assumptions underlying the forward-looking information prove incorrect, the actual results or events may differ materially from the results or events predicted. Any such forward-looking information is expressly qualified in its entirety by this cautionary statement. Moreover, the Company does not assume responsibility for the accuracy or completeness of such forward-looking information. The forward-looking information included in this press release is made as of the date of this press release and the Company undertakes no obligation to publicly update or revise any forward-looking information, other than as required by applicable law.

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