THS Maple Holdings Ltd. (TSX-V: YAY) Reports Financial Results for Q2 Fiscal Year 2025

February 27, 2025 – Toronto, Ontario – *THS Maple Holdings Ltd.* (the "Company" or "THS") *(TSX-V: YAY)*, a leading producer and global distributor of maple syrup and maple-flavoured products, today announced its financial and operational results for the three-month period ended December 31, 2024. The Company continues to focus on executing strategic initiatives, improving operational efficiencies, and expanding its market presence.

Financial Performance Highlights	**3 Months Ended**		**6 Months Ended**	
	December 31, 2024	**November 30, 2023**[1]	**December 31, 2024**	**November 30, 2023**[1]
Sales	$2,846,748	$2,798,030	$7,513,308	$5,990,569
Cost of Sales	$2,253,269	$2,147,739	$5,765,579	$4,768,972
Gross Profit	$593,479	$650,291	$1,747,729	$1,221,597
Selling Expenses	$281,805	$255,409	$701,275	$559,697
Administrative Expenses	$613,254	$611,904	$1,166,601	$1,092,225
Operating Income (Loss)	$(301,580)	$(217,022)	$(120,147)	$(430,325)
Loss on settlement of debt	-	$911,314	-	$911,314
Finance costs and Other Income	$159,988	$368,689	$297,863	$608,834
Income Tax Expense	-	$177,702	$136	$138,910
Pre-tax Income (Loss)	$(461,567)	$(1,674,727)	$(418,146)	$(2,089,383)
Net Income (Loss) per share	$(0.008)	$(0.065)	$(0.007)	$(0.085)

1. Comparative Period for 2023 reflects the recent change in fiscal year end

Key Financial Highlights

- **Revenue Growth Over Six Months, Stability in Q2**: Sales for the six-month period ended December 31, 2024, grew 25% year-over-year to $7.51 million, up from $5.99 million in the prior year. For the three-month period ended December 31, 2024, sales remained stable at $2.85 million, compared to $2.80 million in the same period last year.
- **Gross Profit Improvement Over Six Months, Q2 Margins Impacted by Higher Costs:** The six-month gross profit margin improved to 23.3%, up from 20.4% in the prior year, reflecting increased sales volume and operational efficiencies. In Q2, gross margin declined to 20.8% from 23.2%, due to the shift in the comparable three-month period (December includes seasonal shutdowns over the Holiday period) and higher input costs, including the increased use of premium organic syrup to offset supply constraints.
- **Lower Finance Costs and Debt Optimization:** Finance costs for Q2 were $159,988, down from $368,689 in the prior-year quarter, and for the six-month period totaled $297,863, a 51%

reduction from $608,834. The decrease is primarily due to a more efficient capital structure and the impact of reduced short-term debt following the Business Combination transaction completed in April 2024.
- **Financial Stability Measures:** The Company received a tolerance letter from its bank on February 20, 2025, addressing certain covenant breaches related to its credit facility.

Operational Highlights

- **U.S. Expansion Progress:** The Company's warehouse and distribution centre in Vermont is now fully operational, supporting growth in the U.S. market by enhancing inventory management, reducing logistics costs and addressing potential politically-driven trade constraints.
- **Production Efficiency Improvements:** The Granby facility expansion has allowed for increased packaging capacity, enabling the Company to better meet demand fluctuations.
- **Cost Reduction Initiatives:** Effective February 1, 2025, two directors agreed to reduce the interest rate on outstanding loans from 10% to 8%, reflecting confidence in the Company's long-term financial stability.

CEO Commentary

"Our second-quarter results reflect a steady performance in sales despite some margin pressure due to higher input costs," said Tom Zaffis, CEO of THS Maple Holdings Ltd. *"We are encouraged by our operational improvements and the steps we've taken to enhance production efficiency and financial stability. The launch of our Vermont distribution centre and the expansion of our Granby facility are significant milestones that position us for long-term growth."*

Strategic Outlook

THS continues to focus on enhancing supply chain efficiencies, improving margins, and expanding market share in key regions. With increasing global demand for natural sweeteners and maple products, the Company remains confident in its ability to deliver long-term value for shareholders.

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Non-IFRS Financial Measures

Management uses net loss and comprehensive loss as presented in the unaudited interim condensed consolidated statements of net loss and comprehensive loss as well as "Adjusted EBITDA" as a measure to assess performance of the Company (see full note in MD&A).

- **Adjusted EBITDA** for the six-month period improved by $0.4 million, turning positive at $124,193, compared to negative $280,299 in the prior year. This improvement was driven by higher gross profit and disciplined cost management. In Q2, Adjusted EBITDA remained relatively stable at negative $169,345, compared to negative $144,137 in the prior-year quarter, as higher input costs offset the benefits of improved operational efficiencies.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION: This press release contains “forward-looking information” and “forward-looking statements” (collectively, “forward-looking statements”) within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this press release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as “expects”, or “does not expect”, “is expected” “anticipates” or “does not anticipate”, “plans”, “budget”, “scheduled”, “forecasts”. “estimates”, “believes” or intends” or variations of such words and phrases or stating that certain actions, events or results “may” or “could, “would”, “might” or “will” be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this press release, forward-looking statements relate, among other things, to: the expectation that the Company’s margins will improve; the benefits associated with becoming a publicly traded company and having access to broader capital markets; the benefits of acquiring a retail kiosk in the Old Port of Montreal; the viability of the Company opening its first US warehouse; and the Company’s ability to optimize production and expand distribution. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic, competitive, political and social uncertainties. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this press release. Except as required by law, THS assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.