



# M A V

BEAUTY BRANDS

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INVESTOR PRESENTATION  
February 2019

# Forward-looking statements

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Certain information in this presentation, including statements relating to winning shelf space, cross-selling our brands through our global distribution platform, extending our international reach, delivering on our growth plan, increasing sales and profitability in the future, and our financial guidance for Fiscal 2018 and Fiscal 2020, constitutes forward-looking information. In some cases, but not necessarily in all cases, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "targets", "expects" or "does not expect", "is expected", "an opportunity exists", "is positioned", "estimates", "intends", "assumes", "anticipates" or "does not anticipate" or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "will" or "will be taken", "occur" or "be achieved". In addition, any statements that refer to expectations, 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.

Forward-looking information is necessarily based on a number of opinions, assumptions and estimates that, while considered reasonable by MAV Beauty Brands as of the date of this presentation, are 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 the factors described in greater detail in the "Risk Factors" section of the final prospectus dated June 28, 2018, which is available at [www.sedar.com](http://www.sedar.com). These factors are not intended to represent a complete list of the factors that could affect MAV Beauty Brands; however, these factors should be considered carefully. There can be no assurance that such estimates and assumptions will prove to be correct. The forward-looking statements contained in this presentation are made as of the date of this presentation, and MAV Beauty Brands expressly disclaims any obligation to update or alter statements containing any forward-looking information, or the factors or assumptions underlying them, whether as a result of new information, future events or otherwise, except as required by law.

If any such risks or uncertainties materialize, or if the opinions, estimates or assumptions underlying the forward-looking information prove incorrect, actual results or future events might vary materially from those anticipated in those forward-looking information.

Although we have attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other risk factors not presently known to us or that we presently believe are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information, which speaks only as of the date made. The forward-looking information contained in this presentation represents our expectations as of the date of this presentation (or as the date they are otherwise stated to be made), and are 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.

## Non-IFRS Measures

This presentation makes reference to certain non-IFRS measures. 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, these measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. We use non-IFRS measures including "Adjusted EBITDA", "Adjusted Net Income" and "Adjusted Gross Profit". These non-IFRS measures are used to provide investors with 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. We also believe that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers. Our management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and to determine components of management compensation. Definitions and reconciliations of non-IFRS measures to the relevant reported measures can be found in the Company's MD&A dated November 9, 2018 and in Appendix "A" to this presentation.

To assist readers in assessing year-over-year performance, we have included selected pro forma financial information in this presentation. Pro forma financial information gives effect (as if they occurred on January 1, 2017) to: (i) the acquisition of Renpure, LLC; (ii) the entry into the Company's new credit facility and the re-payment of the Company's prior indebtedness; and (iii) the completion of the Company's initial public offering and concurrent changes to the share capital.

## Certain Other Matters

Unless otherwise stated herein, financial information in this presentation is presented in United States dollars.

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About MAV  
Beauty Brands

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Growth  
Strategies

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Financial  
Overview

01

02

03

# 01 About MAV Beauty Brands



# Senior leadership



**Marc Anthony Venere**  
Founder, President & CEO  
25+ years experience



WORLD CHAMPION  
& CELEBRITY HAIRSTYLIST



**Tim Bunch**  
Chief Revenue Officer  
15+ years experience



**C O T Y**

**tria**  
BEAUTY

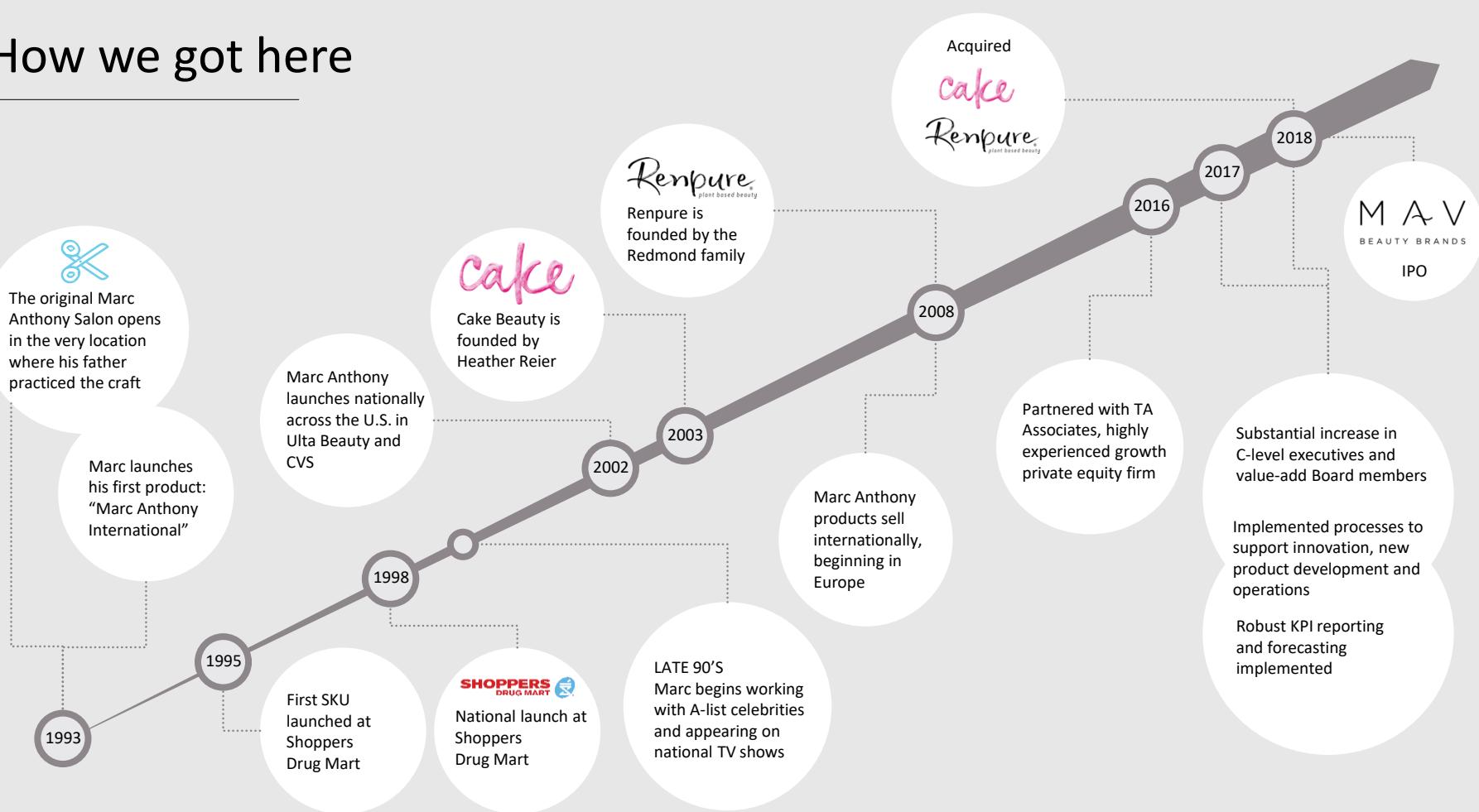
**P&G**



**Chris Doyle**  
Chief Financial Officer  
25+ years experience



# How we got here



3

100+

fast-growing hair and  
body care brands

retail partners

Building an iconic, multi-brand, fast-growing  
global personal care company

\$94mm

TTM pro forma  
revenue<sup>(1)</sup>

42%

Q3 2018 pro forma  
revenue growth



# Pioneering the Masstige category



*“Since our beginning in 1995, our mission has been to deliver premium quality products that are accessible to and convenient for consumers.”*

Masstige products provide a strong value proposition for consumers

SALON &  
SALON-DIVERTED  
PRODUCTS

**MASSTIGE  
PRODUCTS**

\$4.00 - \$12.00

TRADITIONAL  
MASS MARKET  
PRODUCTS

Retailers allocate more shelf space to products that generate better economics

# Complementary high-growth portfolio of Masstige brands

**MARC ANTHONY®**  
TRUE PROFESSIONAL



Modern, salon-inspired brand that consumers trust to solve their unique hair concerns

**176 SKUs across 20 collections**

**Renpure**  
plant based beauty



Plant-based, naturally-inspired products that don't sacrifice performance or affordability

**124 SKUs across 8 collections**

**cake**



Lifestyle brand that provides a fun, vibrant and rich sensorial experience

**54 SKUs across 3 collections**

*Positioned to address a variety of consumers, industry trends and retailer needs with limited competitive overlap*



# How we are winning shelf space

# We have strong and collaborative retail and distribution partners

## North American Retail Partners<sup>(1)</sup>

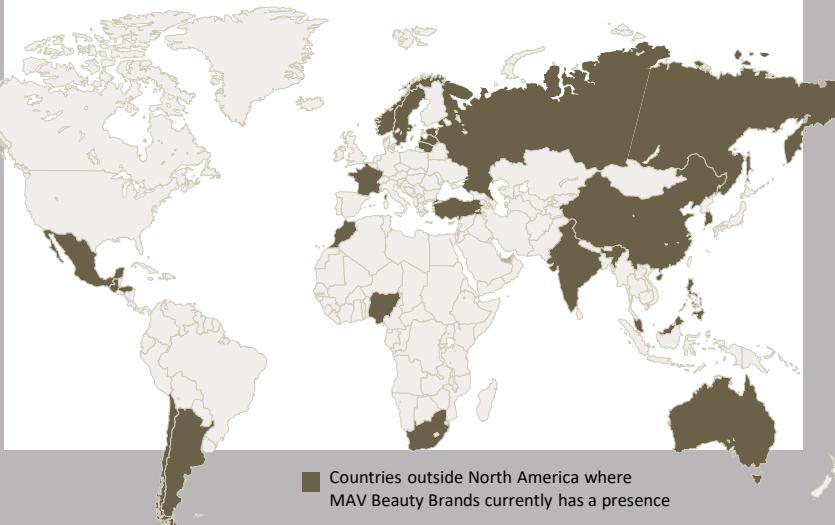
Direct, longstanding and collaborative relationships with major North American retailers

CHANNEL	SELECT RETAIL PARTNERS
DRUG	CVS, Rite-Aid, Shoppers Drug Mart, Walgreens
MASS	Target, Walmart
FOOD	HEB, Kroger, Loblaws
CLUB	Costco
SPECIALTY	Ulta Beauty
DOLLAR	Dollar General, Family Dollar
OFF PRICE	Burlington, Ross, TJX

## Leading International Distributors

Distributors have strong relationships with major retailers in attractive international markets

Add significant value by acting as local salesforce



25+  
countries

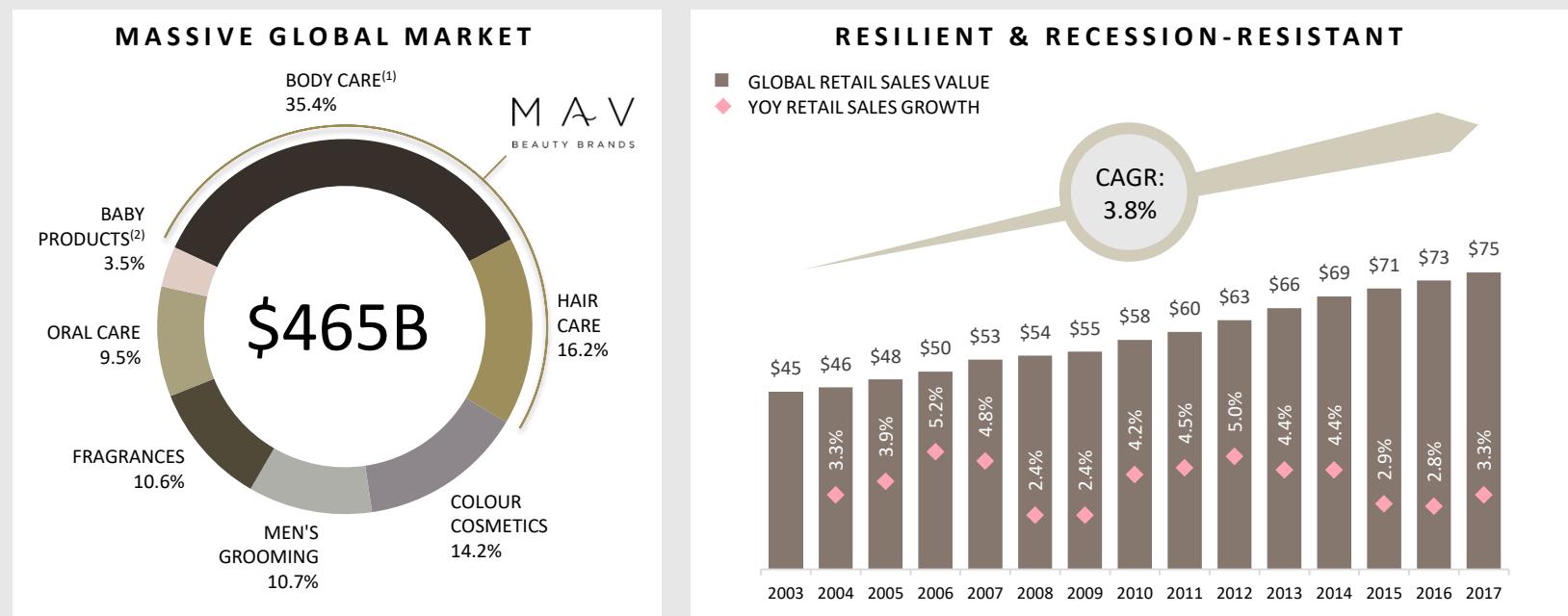
100+  
retailers

60k+  
doors

*Highly diversified across retailers, brands and geographies*

# We are in large and growing categories of a global market

(US\$ Billions)



*Strategically positioned in highly attractive end markets*

Source: Euromonitor International, Beauty and Personal Care 2018 Edition.

1) As per Euromonitor International's Skin Care and Bath & Shower definitions.

2) As per Euromonitor International's Baby and Child Specific definitions.

# We are aligned with key growth trends

Strong consumer demand for higher quality products that are convenient

SHIFTING AWAY FROM SALON PROFESSIONAL

MASSTIGE  
★★★★★

TRADING UP FROM TRADITIONAL MASS

01

Increasing popularity of authentic, independently-founded brands

+22%

3-year CAGR of independently-founded brands (excluding brands that were acquired >3 years ago)<sup>(1)</sup>

02

Growing demand for natural personal care products

+10%

4-year CAGR of the global natural and organic personal care products market<sup>(2)</sup>

03

Millennials spend disproportionately high amounts on beauty & personal care

+30%

Anticipated increase in millennials' share of the total U.S. retail expenditure by 2020<sup>(3)</sup>

04

1)

Includes Hask, Marc Anthony, Maui Moisture, Not Your Mother's, OGX, Renpure and Shea Moisture; U.S. retail sales data per Nielsen downloaded May 2018 (3-year CAGR from Q1 2015 - Q1 2018).

2)

Source: Persistence Market Research – Global natural & organic personal care market, 2018 report purchased in April 2018.

3)

Source: U.S. Census Bureau and Fung Global Retail & Technology.

# We innovate better than our competitors

## Product Ideas

- Salon stylists and beauty experts
- Founder-led innovation
- Collaboration with retail partners
- Bi-annual innovation summit

## Flexible Supply Chain

- Collaborative and longstanding relationships with diverse group of suppliers
- Asset-light business model allows us to be more nimble, driving industry-leading speed-to-market
- Efficient operations



## Integrated Product Development

- Management's extensive industry experience
- R&D team including in-house chemist
- Internal creative resources

## Consumer & Retailer Feedback & Validation

- Collaborative and active dialogue with retail partners provides opportunity to react to feedback in midst of buying cycle
- Products often launched at strategic retail partners before mainstream launch

*Ability to consistently deliver fast and highly successful new product launches*

# Innovation in action

## New product ideas: Continued product innovation

### STRICTLY CURLS COLLECTION



- Recognized significant unmet demand for products to style curly hair in the early 2000s
- Launched nationally in Canada and the U.S. primarily as a styling product in 2001
- Strictly Curls has been on the shelf since 2001 and continues to grow significantly in excess of the broader market
- Continued product innovation, through new products and packaging, has resulted in a loyal consumer following

## Retailer feedback: Speed to market

### RENPURE BODY WASH



- We were asked by a U.S. retailer in July 2017 to provide a body wash
- Using our in-house chemist, we developed and presented body wash options to the buyer one month later, from which two formulas were chosen to launch in January 2018
- Ultimately shipped four body wash SKUs in January 2018, less than six months after meeting the body wash buyer
- Our body wash SKUs have been extremely successful and buyer has expanded the line in 2018

# We invest and activate in-store

Most purchase decisions are made at shelf

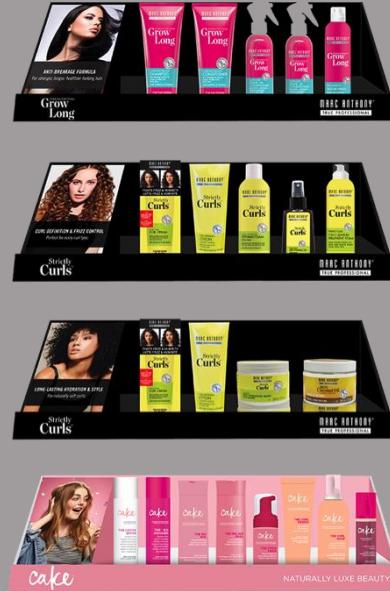
Collaborative, partnership approach with retailers

Enables real-time performance and ROI measurement

## In-Store Promotions



## Endcaps



## Holiday Bonus Pack



# We use efficient channels that build community

## Marc Anthony Stylist Squad

Elevate the connection between products, salon quality and the consumer experience



## Industry Events

Create branded experiences that capture attention and spikes up conversation



## Public Relations

Established relationships with key digital, print and televised media



## Consumer Engagement

Foster a dialogue with our consumers in order to keep them excited about our brands



## Social Media

Create content that generates education and entertainment



## Micro-influencers

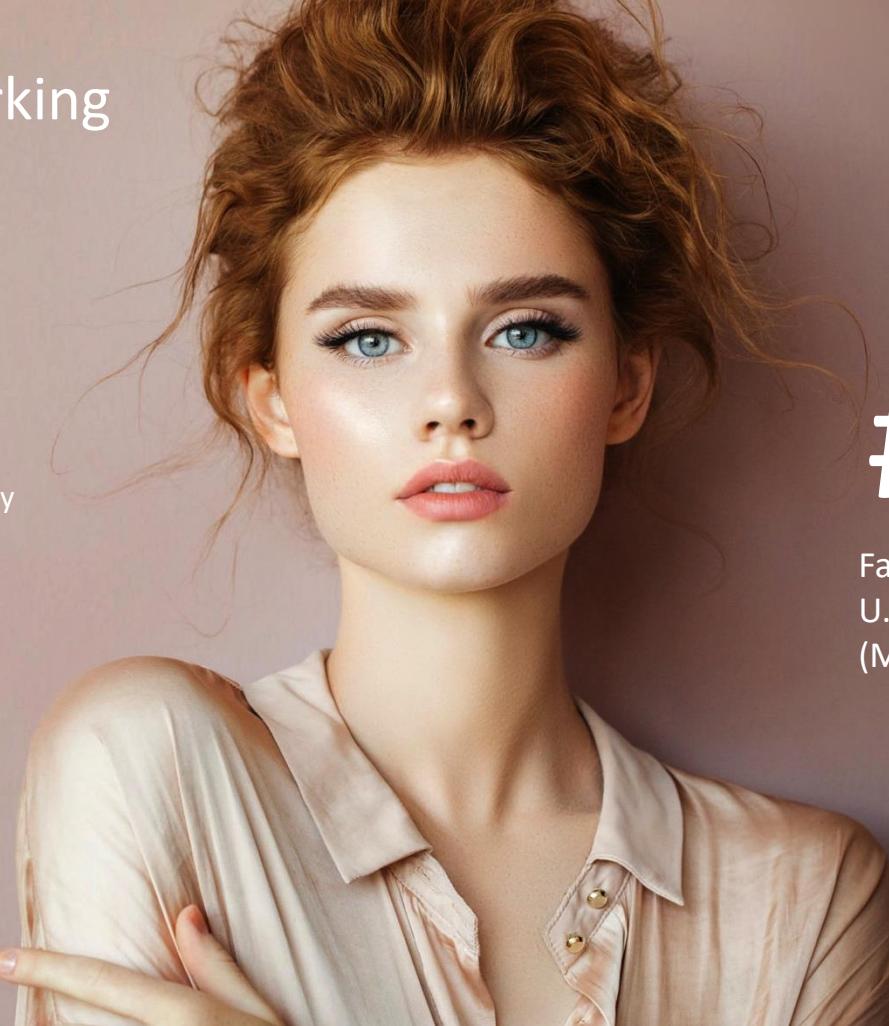
We work with hundreds of high performing micro-influencers who endorse our products to targeted consumer groups



<sup>1)</sup> For the year to date ending Sept 30, 2018.

**\$4.2mm**  
earned media value<sup>(1)</sup>

# Our model is working



**+47%**

POS growth for Marc Anthony  
True Professional

**+20%**

POS growth for Renpure

**#1**

Fastest-growing brand in  
U.S. drug channel  
(Marc Anthony True Professional)

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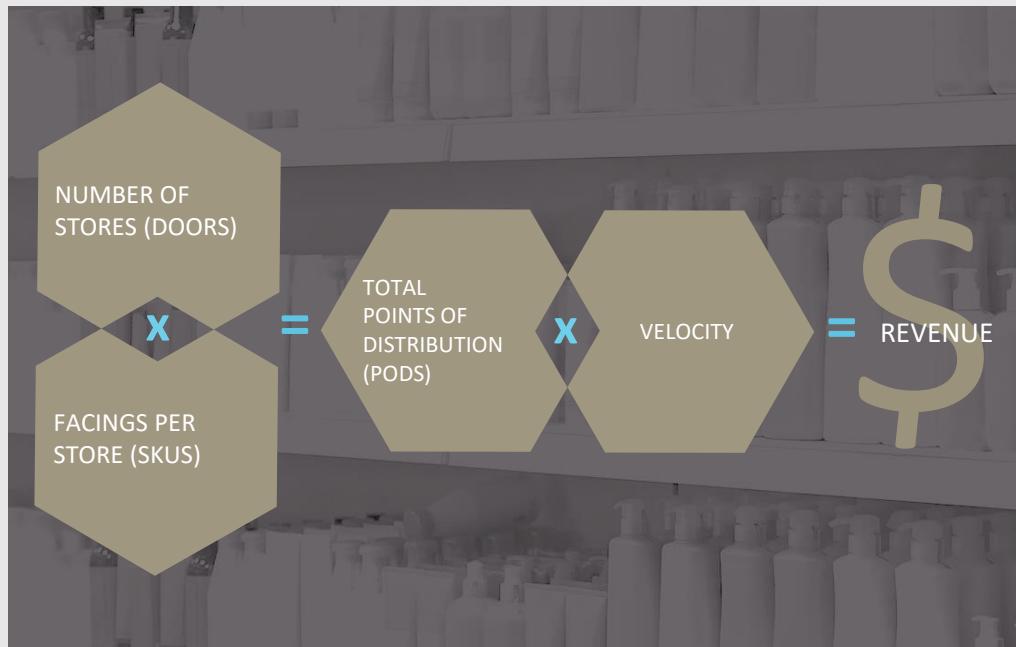
03

# 02 Growth Strategies

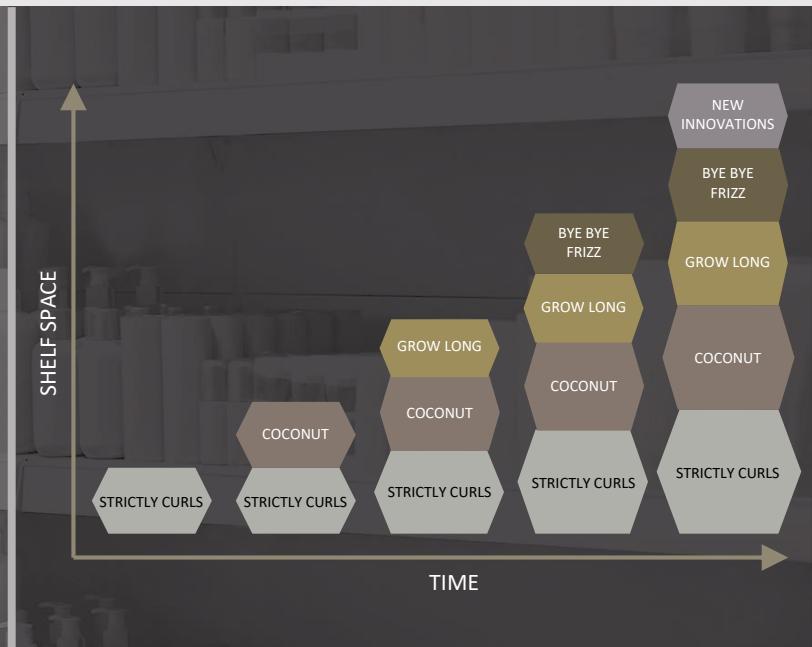


# Business model provides visibility and stability

Retail Distribution



Illustrative Retail Partner Planogram

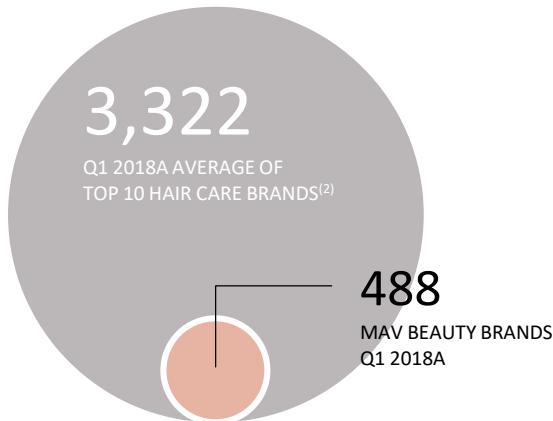


# Multiple levers for continued growth

01

Incremental sales of  
existing brands to  
existing partners

U.S. TOTAL DISTRIBUTION POINTS<sup>(1)</sup>

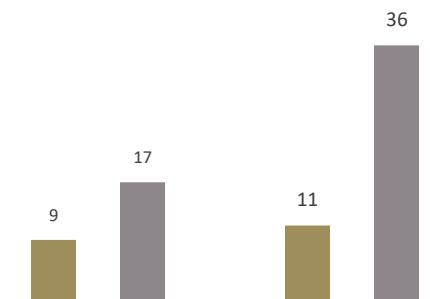


02

Cross-selling our  
complementary  
brand portfolio

CANADIAN  
RETAILERS  
26 total retailers

U.S.  
RETAILERS  
47 total retailers



03

Extending our reach  
into new international  
markets

29

Countries  
today



9  
New markets in  
2018 YTD

39  
Target countries with  
hair care sales of  
≥US\$100+ million<sup>(3)</sup>

1) U.S. Nielsen downloaded May 2018. Based on the Brand High Total Distribution Points ("TDP") of the Marc Anthony and Renpure namesake brands as at March 31, 2018. TDP is an approximate measurement of the distribution of a brand (or "product aggregate") while taking into account the number of retail locations and Universal Product Codes, or UPCs, selling within that brand or aggregate; the calculation is the sum of % ACV across UPCs. The Company believes that this metric provides a relative indication of retail penetration factoring in both distribution breadth and distribution depth.

2) Top 10 hair care brands include L'Oréal, Garnier, TRESemmé, Pantene, Suave, Head & Shoulders, OGX, Dove, Conair and Herbal Essences. Euromonitor International, Beauty and Personal Care 2018 Edition.

# Incremental opportunities beyond current outlook

01

Entering new or adjacent high-growth categories

02

Strategically acquiring complementary businesses

03

Expanding our distribution to new retail partners



Source: Euromonitor International, Beauty and Personal Care 2018 Edition.

1) As per Euromonitor International's Baby and Child Specific definitions.

2) As per Euromonitor International's Skin Care and Bath & Shower definitions.

# Building a portfolio of iconic brands through M&A

Acquire fast-growing independent brands

01

Demonstrated ability to execute and integrate

Entrepreneurial and innovation-driven culture

02

Highly attractive to founders

Unlock sales potential through global operating platform

03

Cross-sell 100+ retailers

Operational efficiencies and best practices

04

Scale and synergies in supply chain

## What we look for

- Entry or expansion into adjacent high growth markets
- Financial attractiveness (high margins, asset light)
- Access to new consumer end-markets
- Demonstrated innovation capabilities
- Revenue and integration synergies

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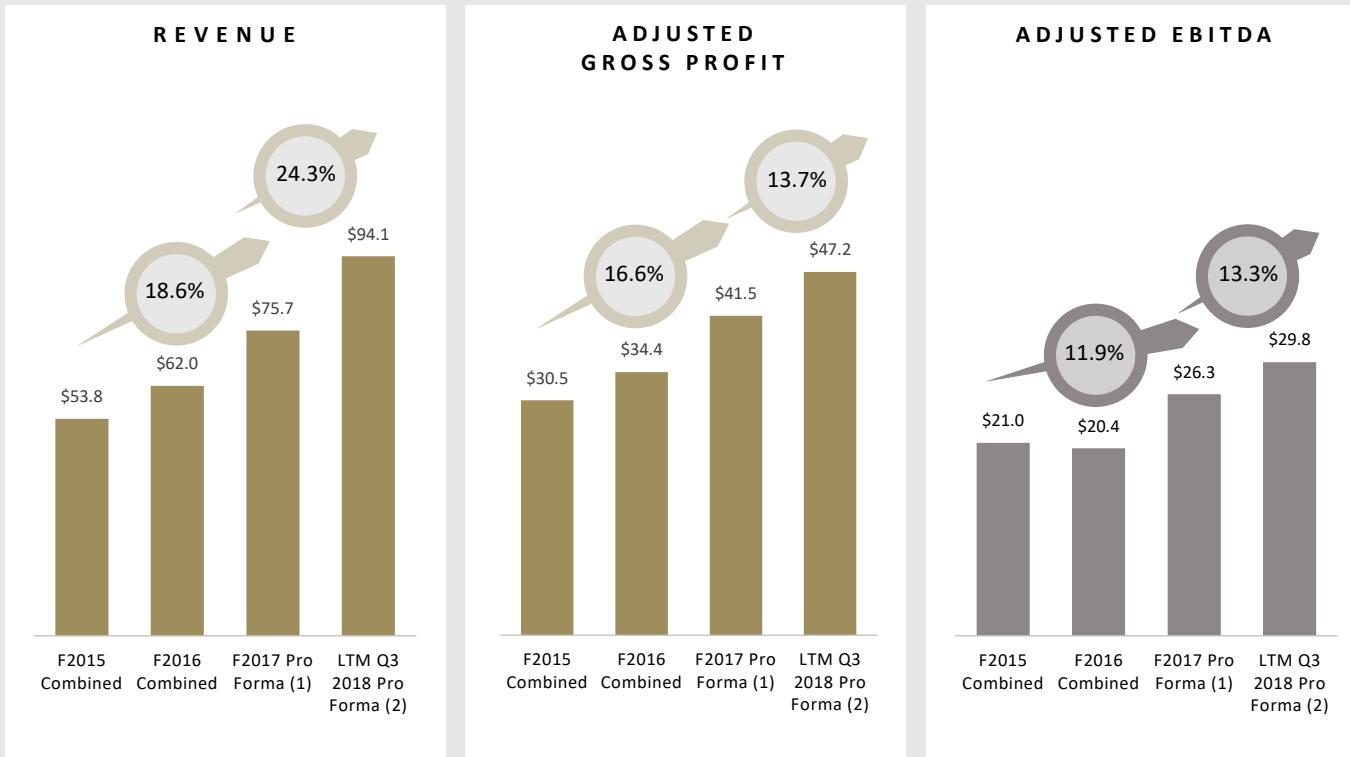
03

# 03 Financial Overview



# Strong historical financial performance

(US\$ Millions)

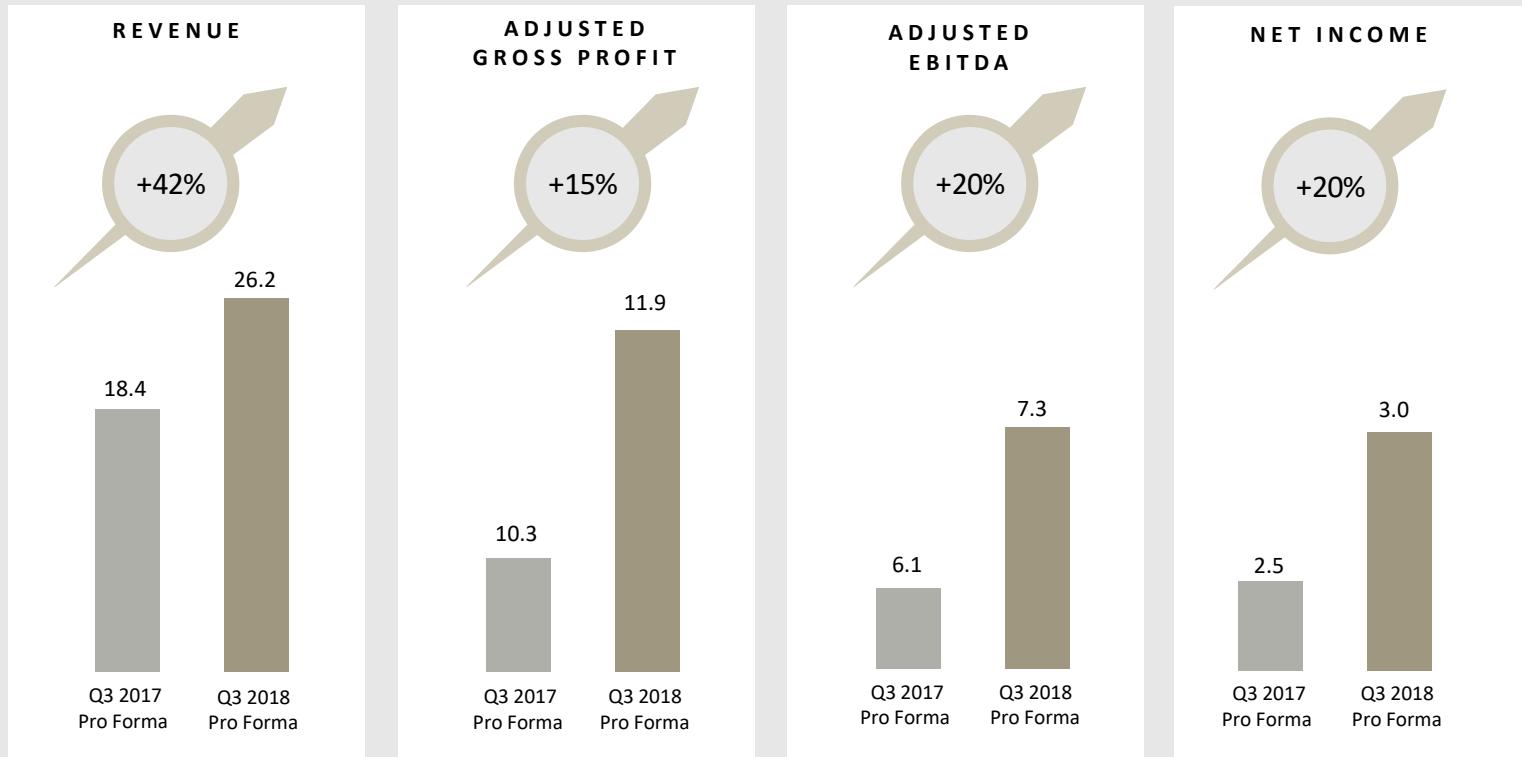


1) Pro forma for ownership of Renpure as of January 1, 2017 and excludes Cake Beauty.

2) Pro forma for ownership of Renpure as of January 1, 2017 and includes Cake Beauty as of January 23, 2018.

# Q3 2018 pro forma financial results

(US\$ Millions)



# Additional financial highlights & market facts

<b>Total Debt</b> (at Sept 30, 2018)	US\$113.0 mm
<b>Cash</b> (at Sept 30, 2018)	US\$5.1 mm
<b>Net Debt</b> (at Sept 30, 2018)	US\$107.9 mm
<b>Net Debt/LTM Q3 2018A PF Adjusted EBITDA<sup>(3)</sup></b>	3.6x
<b>Shares o/s (Basic)<sup>(1)</sup></b>	40.8 mm
<b>Shares o/s (Fully Diluted)<sup>(1)(2)</sup></b>	41.4 mm
<b>Insider Ownership</b>	~58%
<i>TA Associates</i>	31.2%
<i>Marc Anthony Venere Group</i>	18.2%

<b>Ticker Symbol</b>	MAV (TSX)
<b>52-week High/Low</b>	\$14.15 / \$7.87
<b>Market Cap<sup>(1)</sup></b>	~\$370 mm
<b>ANALYST COVERAGE</b>	
BMO Capital Markets	
Canaccord Genuity	
CIBC World Markets	
Jefferies	
National Bank Financial	
Raymond James	
RBC Capital Markets	

1) Assumes conversion of 3,178 proportionate shares to 3,178,000 basic shares.

2) Calculated using treasury method.

3) Based on LTM Q3 2018 pro forma adjusted EBITDA; pro forma for ownership of Renpure as of January 1, 2017 and includes Cake Beauty as of January 23, 2018.

# Investment highlights

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- 01 Leader within large and fast-growing categories of a global market

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- 02 Complementary high-growth portfolio of brands

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- 03 Next generation platform drives growth

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- 04 Innovative products that drive consumer demand and retailer traffic

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- 05 Strong financial performance with diverse revenue streams and attractive cash flow characteristics

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- 06 Entrepreneurial founder-led team comprised of world-class industry executives

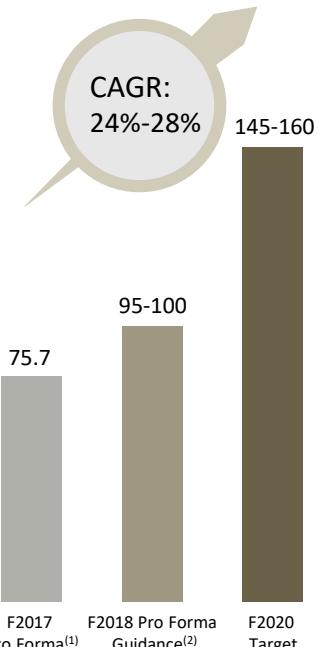
# Appendix



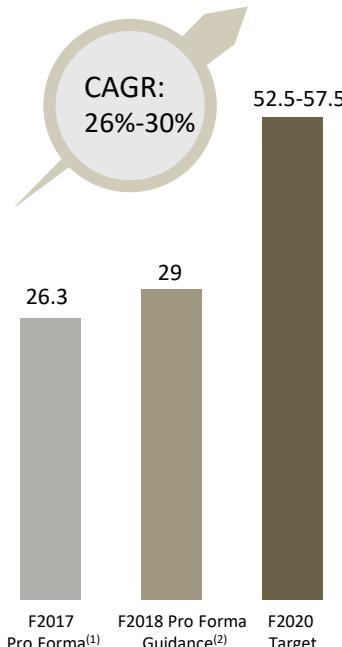
# Financial outlook: strong and accelerating growth

(US\$ Millions)

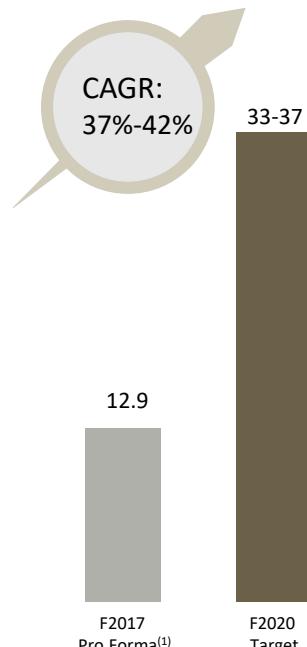
## REVENUE



## ADJUSTED EBITDA



## ADJUSTED NET INCOME



## Key drivers and assumptions

- Strategically positioned in fast growing segments that will continue to outperform the broader market
- Grow market share within existing retail partners and distributors by increasing Points of Distribution (SKUs x Doors)
- Cross-selling: increase number of retail partners and distributors who carry more than one of our brands
- Expand into new international markets
- Benefit from operating leverage due to 2017 and 2018 investments in Selling and Administrative
- Selling and Administrative expenses as a percentage of revenue in the range of 19% and 23% for the period through 2018 to 2020
- Our strong cash flow will lead to quick deleveraging through the outlook period and drive adjusted net income growth

<sup>1)</sup> Pro forma for ownership of Renpure as of January 1, 2017 and excludes Cake Beauty.

<sup>2)</sup> Pro forma for ownership of Renpure as of January 1, 2017 and includes Cake Beauty as of January 23, 2018.

# Pro forma Q3 2018 Compared to Pro forma Q3 2017 and Pro forma YTD 2018 Compared to Pro forma YTD 2017

The unaudited pro forma net income and comprehensive income for Q3 2018, YTD Q3 2018, Q3 2017, YTD Q3 2017, reflect the following transactions:

- The acquisition by the Company of 100% of the outstanding units of Renpure, LLC on March 8, 2018.
- The refinancing of credit facilities and concurrent closing of the IPO.

The pro forma numbers presented by management give effect to the above transactions as if they have been consummated on January 1, 2017.

(in thousands of US dollars) (unaudited)		Pro forma Q3 2018	Pro forma Q3 2017	Pro forma YTD Q3 2018	Pro forma YTD Q3 2017
<b>Consolidated statements of operations and comprehensive (loss) income:</b>					
Revenue		26,175	18,416	73,597	55,220
Cost of sales	(3)	14,279	8,089	37,886	27,918
Gross profit		11,896	10,327	35,711	27,302
<b>Expenses</b>					
Selling and administrative	(1), (4)	5,393	4,439	17,811	13,441
Foreign exchange loss (gain)		4	241	-	131
Amortization and depreciation	(2)	783	732	2,348	2,181
Finance and other charges	(1)	1,744	1,604	5,472	4,853
		7,924	7,016	25,500	20,662
(Loss) income before income taxes		3,972	3,311	10,211	6,640
<b>Income (recovery) tax expense</b>					
Deferred	(5)	1,013	844	2,604	1,693
		1,013	844	2,604	1,693
<b>Net (loss) income and comprehensive (loss) income for the period</b>					
		2,959	2,467	7,607	4,947
EBITDA		6,407	5,565	17,411	13,382
Adjusted EBITDA		7,271	6,081	21,258	17,734
Adjusted Net Income		3,603	2,851	10,473	8,189

# Pro forma Q3 2018 Compared to Pro forma Q3 2017 and Pro forma YTD 2018 Compared to Pro forma YTD 2017

(in thousands of US dollars) (unaudited)	Pro forma Q3 2018	Pro forma Q3 2017	Pro forma YTD Q3 2018	Pro forma YTD Q3 2017
<b>Net (loss) income and comprehensive (loss) income for the period</b>	<b>2,959</b>	<b>2,467</b>	<b>7,607</b>	<b>4,947</b>
Income (recovery) tax expense	1,013	844	2,604	1,693
Interest	1,652	1,522	4,852	4,561
Amortization and depreciation	783	732	2,348	2,181
<b>EBITDA</b>	<b>6,407</b>	<b>5,565</b>	<b>17,411</b>	<b>13,382</b>
Transaction-related costs	(1) 91	88	1,110	316
Non-recurring charges	(2) 392	369	1,929	1,173
Purchase accounting adjustments	(3) -	-	56	2,672
Share-based compensation	(4) 110	88	322	210
Foreign exchange (gain) loss	271	(29)	430	(19)
<b>Adjusted EBITDA</b>	<b>7,271</b>	<b>6,081</b>	<b>21,258</b>	<b>17,734</b>

(in thousands of US dollars) (unaudited)	Q3 2018	Q3 2017	YTD Q3 2018	YTD Q3 2017
<b>Net (loss) income and comprehensive (loss) income for the period</b>	<b>2,959</b>	<b>2,467</b>	<b>7,607</b>	<b>4,947</b>
Transaction-related costs	91	88	1,110	316
Non-recurring charges	392	369	1,929	1,173
Purchase accounting adjustments	-	-	56	2,672
Share-based compensation	110	88	322	210
Foreign exchange (gain) loss	271	(29)	430	(19)
Tax impact of the above adjustments	(220)	(132)	(981)	(1,110)
<b>Adjusted Net Income</b>	<b>3,603</b>	<b>2,851</b>	<b>10,473</b>	<b>8,189</b>

# Pro forma Q3 2018 Compared to Pro forma Q3 2017 and Pro forma YTD 2018 Compared to Pro forma YTD 2017

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1. Concurrent with the closing of the IPO, the Company entered into a new \$107,500 term loan credit facility and a \$20,000 revolving credit facility available. This refinancing will result in the Company's cost of borrowing reducing to an effective interest rate of approximately 5.15%. The refinancing will result in a reduction of interest expense of \$6,083 and \$742 for pro forma Q3 2018 and Q3 2017 respectively, after considering commitment fees on the unused revolving credit facility and the amortization of the financing costs on the refinanced debt. Financing costs of \$1,765 are expected to be incurred as part of the issuance of the New Credit Facility. An additional \$5,165 for proforma Q3 2018 and \$11 for proforma Q3 2017 has been adjusted for related to transaction costs for the IPO and Renpure Acquisition incurred by MAV which are non-recurring in nature and would not reflect the expenses of the combined entity on an ongoing basis.
2. Adjusted for incremental amortization of \$169 for proforma Q3 2017 as a result of the fair value adjustment to customer lists in connection with IFRS 3 accounting.
3. In conjunction with the acquisition of Cake Beauty Inc. January 23, 2018 and Renpure, LLC on March 8, 2018, the fair value adjustment of inventory as part of the initial purchase price allocation was amortized.
4. Adjusted for related party commissions of \$1,092 and related party salaries and benefits of \$29 as a result of these expenses being non-recurring in nature and would not reflect expenses of the combined entity on an ongoing basis.
5. Income tax have been reflected at 25.5% of the net adjustments.

# Q3 2018 Compared to Q3 2017 and YTD 2018 Compared to YTD 2017

(in thousands of US dollars) (unaudited)	Reported Q3 2018	Reported Q3 2017	Reported YTD Q3 2018	Reported YTD Q3 2017
<b>Consolidated statements of operations and comprehensive (loss) income:</b>				
Revenue	26,175	10,471	65,007	30,204
Cost of sales	14,577	4,200	35,641	12,174
Gross profit	11,598	6,271	29,366	18,030
<b>Expenses</b>				
Selling and administrative	6,312	2,710	17,988	8,473
Foreign exchange loss (gain)	4	248	(147)	124
Amortization and depreciation	783	560	2,220	1,665
Finance and other charges	12,073	2,346	23,415	6,999
	19,172	5,864	43,476	17,261
(Loss) income before income taxes	(7,574)	407	(14,110)	769
<b>Income (recovery) tax expense</b>				
Deferred	(1,763)	76	(3,463)	234
	(1,763)	76	(3,463)	234
<b>Net (loss) income and comprehensive (loss) income for the period</b>				
	(5,811)	331	(10,647)	535
EBITDA	945	3,231	3,856	9,141
Adjusted EBITDA	7,271	3,498	18,835	10,274
Adjusted Net Income	(1,098)	516	512	1,321

# Q3 2018 Compared to Q3 2017 and YTD 2018 Compared to YTD 2017

(in thousands of US dollars) (unaudited)	Reported Q3 2018	Reported Q3 2017	Reported YTD Q3 2018	Reported YTD Q3 2017
<b>Net (loss) income and comprehensive (loss) income for the period</b>	(5,811)	331	(10,647)	535
Income (recovery) tax expense	(1,763)	76	(3,463)	234
Interest	7,736	2,264	15,746	6,707
Amortization and depreciation	783	560	2,220	1,665
<b>EBITDA</b>	<b>945</b>	<b>3,231</b>	<b>3,856</b>	<b>9,141</b>
Transaction-related costs	(1)	5,256	88	9,965
Non-recurring charges	(2)	392	113	1,551
Purchase accounting adjustments	(3)	297	-	2,727
Share-based compensation	(4)	110	88	322
Foreign exchange (gain) loss		271	(22)	414
<b>Adjusted EBITDA</b>	<b>7,271</b>	<b>3,498</b>	<b>18,835</b>	<b>10,274</b>

(in thousands of US dollars) (unaudited)	Q3 2018	Q3 2017	YTD Q3 2018	YTD Q3 2017
<b>Net (loss) income and comprehensive (loss) income for the period</b>	(5,811)	331	(10,647)	535
Transaction-related costs	(1)	5,256	88	9,965
Non-recurring charges	(2)	392	113	1,551
Purchase accounting adjustments	(3)	297	-	2,727
Share-based compensation	(4)	110	88	322
Foreign exchange (gain) loss		271	(22)	414
Tax impact of the above adjustments		(1,613)	(82)	(3,820)
<b>Adjusted Net (loss) Income</b>	<b>(1,098)</b>	<b>516</b>	<b>512</b>	<b>1,321</b>

## Q3 2018 Compared to Q3 2017 and YTD 2018 Compared to YTD 2017

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1. On July 10, 2018 we successfully completed the IPO and our Shares are listed on the Toronto Stock Exchange under the stock symbol "MAV". Costs associated with the IPO of \$749, extinguishment of debt associated with the proceeds of the IPO of \$3,418 and costs associated with the 2018 Acquisitions of \$170 have been recorded as Finance and Other Charges in our unaudited condensed consolidated statement of operations and comprehensive (loss) income for the Q3 2018. During Q3 2018, there were \$919 of transaction-related costs of the Company incurred in connection with the offering and the Acquisitions, which have been accounted for in selling and administrative. YTD 2018, \$7,669 of transaction-related costs of the Company have been incurred in connection with the offering and Acquisitions, which have been accounted for as finance and other charges and \$2,296 of transaction-related costs of the Company incurred in connection with the IPO and the 2018 Acquisitions, which have been accounted for as selling and administrative expenses.
2. Comprised of \$356 for Q3 2018 and \$1,237 for YTD 2018 of non-recurring costs representing predominantly expenses incurred in respect of the following matters: (i) recruiting costs incurred as part of the Company's efforts to put in place additional senior management, (ii) consulting fees in respect of finance support and operations relating to transaction-related matters, (iii) severance costs incurred in respect of certain employees and payments related to the termination of certain consulting contracts on acquisition, (iv) salary and wages related to staff integration to operate one salon, and (v) non-recurring private company board expenses, which have been accounted for as Selling and Administrative expenses of the Company. Q3 2018, \$36 of non-recurring costs related to salary and wages related to stylist integration to operate one salon, which were accounted for as cost of sales. YTD 2018, \$314 of non-recurring costs have been incurred by the Company in cost of sales, which includes \$94 related to the stylist integration and \$220 of non-recurring costs related to disposal of raw materials.
3. In conjunction with the acquisition of Cake Beauty Inc. January 23, 2018 and Renpure, LLC on March 8, 2018, the fair value adjustment of inventory as part of the initial purchase price allocation was amortized.
4. Represents recognition of share-based payments in respect of the options granted to management, which have been accounted for as Selling and Administrative expenses of the Company