Grey Wolf Animal Health Corp.

Interim Condensed Consolidated Financial Statements
March 31, 2026

Grey Wolf Animal Health Corp.

Interim Condensed Consolidated Statements of Financial Position

	March 31, 2026 $	December 31, 2025 $
Assets		
Current assets		
Cash	8,773,490	7,665,214
Trade and other receivables	1,979,594	2,246,985
Inventories (note 6)	5,299,499	5,559,314
Prepaid expenses	550,709	597,570
Total current assets	16,603,292	16,069,083
Non-current assets		
Property and equipment (note 7)	6,126,693	6,245,096
Right-of-use assets (note 8)	573,066	673,361
Goodwill and intangible assets (note 9)	40,485,115	40,864,032
Deferred tax assets	575,501	676,894
Total non-current assets	47,760,375	48,459,383
Total assets	64,363,667	64,528,466
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	3,621,195	3,683,645
Income taxes payable	326,147	187,575
Borrowings (note 10)	2,199,804	2,172,445
Lease liabilities (note 8)	157,494	165,424
Total current liabilities	6,304,640	6,209,089
Non-current liabilities		
Borrowings (note 10)	22,379,813	22,880,596
Lease liabilities (note 8)	222,453	254,761
Deferred tax liabilities	4,485,308	4,619,459
Total non-current liabilities	27,087,574	27,754,816
Total liabilities	33,392,214	33,963,905
Equity		
Share capital (note 11)	32,073,189	31,528,598
Warrants (note 12)	3,502,371	3,502,371
Contributed surplus	1,574,528	1,857,492
Deficit	(6,178,635)	(6,323,900)
Total equity	30,971,453	30,564,561
Total equity and liabilities	64,363,667	64,528,466

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Grey Wolf Animal Health Corp.

Interim Condensed Consolidated Statements of Income and Comprehensive Income

	Three months ended March 31,	
	2026 $	2025 $
Revenue (note 5)	8,753,736	7,921,835
Cost of sales	4,019,832	3,752,123
Gross profit	4,733,904	4,169,712
Expenses		
Sales and marketing (note 14)	1,262,285	1,010,090
General and administrative (note 14)	1,732,819	1,532,579
Distribution (note 14)	556,422	518,880
Regulatory (note 14)	34,592	46,826
Depreciation and amortization (notes 7, 8 and 9)	451,949	523,029
Share-based compensation (note 13)	12,627	17,109
	4,050,694	3,648,513
	683,210	521,199
Other (income) expense		
Interest income	(28,947)	(30,398)
Interest expense	437,932	463,667
Foreign exchange loss	5,267	7,527
	414,252	440,796
Income before income taxes	268,958	80,403
Current income tax expense	156,451	128,462
Deferred income tax recovery	(32,758)	(75,307)
	123,693	53,155
Net income and comprehensive income for the period	145,265	27,248
Basic and diluted earnings per share for the period (note 16)	0.004	0.001

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

	Three months ended March 31, 2026					
	Number of shares	**Share capital $**	**Warrants $**	**Contributed surplus $**	**Deficit $**	**Total $**
Balance – Beginning of period	34,192,334	31,528,598	3,502,371	1,857,492	(6,323,900)	30,564,561
Exercise of stock options	300,000	544,591	-	(295,591)	-	249,000
Net income for the period	-	-	-	-	145,265	145,265
Share-based compensation expense	-	-	-	12,627	-	12,627
Balance – End of period	34,492,334	32,073,189	3,502,371	1,574,528	(6,178,635)	30,971,453

	Three months ended March 31, 2025					
	Number of shares	**Share capital $**	**Warrants $**	**Contributed surplus $**	**Deficit $**	**Total $**
Balance – Beginning of period	34,192,334	31,528,598	3,502,371	1,780,832	(7,980,640)	28,831,161
Net income for the period	-	-	-	-	27,248	27,248
Share-based compensation expense	-	-	-	17,109	-	17,109
Balance – End of period	34,192,334	31,528,598	3,502,371	1,797,941	(7,953,392)	28,875,518

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Grey Wolf Animal Health Corp.

Interim Condensed Consolidated Statements of Cash Flows

	Three months ended March 31,	
	2026 **$**	**2025** **$**
Cash provided by (used in)		
Operating activities		
Net income for the period	145,265	27,248
Adjustments to reconcile net income for the period to net cash flows		
Depreciation of property and equipment (note 7)	194,992	193,805
Depreciation of right-of-use assets (note 8)	100,295	29,180
Amortization of intangible assets (note 9)	378,917	434,250
Interest and accretion expense (notes 8 and 10)	31,498	24,118
Share-based compensation expense (note 13)	12,627	17,109
Income tax expense	123,693	53,155
Income tax paid	(17,879)	(18,385)
Working capital changes		
Trade and other receivables	267,391	300,222
Inventories	259,815	(85,880)
Prepaid expenses	46,861	38,106
Accounts payable and accrued liabilities	(11,166)	45,129
	1,532,309	1,058,057
Investing activities		
Purchase of property and equipment (note 7)	(127,873)	(199,695)
Financing activities		
Exercise of stock options	249,000	-
Repayment of borrowings (note 10)	(498,500)	(459,583)
Payment of principal portion of lease liabilities (note 8)	(46,660)	(34,325)
	(296,160)	(493,908)
Increase in cash during the period	1,108,276	364,454
Cash – Beginning of period	7,665,214	6,410,747
Cash – End of period	8,773,490	6,775,201
Supplementary information		
Interest paid	400,633	439,549
Purchases of property and equipment included in accounts payable and accrued liabilities	26,756	2,664

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

1 Nature of operations

Grey Wolf Animal Health Corp. and its subsidiaries (the Company) was incorporated under the Business Corporations Act (Ontario) on February 9, 2021. The Company's head office is located at 333 Bay St., Suite 5100, Adelaide – West Tower, Toronto, Ontario, M5H 2R2 and the Company's common shares are listed on the Toronto Stock Exchange Venture Exchange.

The primary focus of the Company's corporate strategy is to source, in-licence, acquire or compound branded and generic products for sale in both animal and human health markets in Canada.

2 Basis of presentation

The Company prepares its interim condensed consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) applicable to the preparation of interim condensed consolidated financial statements, including International Accounting Standard 34, Interim Financial Reporting. These interim condensed consolidated financial statements are presented in Canadian dollars and should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2025, which were prepared in accordance with IFRS Accounting Standards.

The interim condensed consolidated financial statements have been prepared using the accrual basis of accounting.

The fair values of cash and cash equivalents, trade and other receivables, accounts payable and accrued liabilities and lease liabilities approximate their carrying values due to their relatively short periods to maturity. The fair value of the borrowings as at March 31, 2026 was $21,918,373 (December 31, 2025 – $23,893,693) and was determined using inputs from quoted market prices.

These interim condensed consolidated financial statements were approved by the Board of Directors on May 20, 2026.

3 Summary of significant accounting policies

The accounting policies adopted in the preparation of these interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's consolidated financial statements for the year ended December 31, 2025.

Accounting pronouncements adopted during the period

Effective January 1, 2026, the Company adopted the classification, measurement and disclosure amendments to IFRS 9, Financial Instruments and IFRS 7, Financial Instruments Disclosures. The amendments clarify the date of recognition and derecognition of some financial assets and liabilities and introduce a new exception for some financial liabilities settled through an electronic payment system. Other changes include a clarification of the requirements when assessing whether a financial asset meets the solely payments of principal and interest criteria and new disclosures for certain instruments with contractual terms that can change cash flows (including instruments where cash flows changes are linked to environment, social or governance targets).

The Company elected to apply this option to all financial liabilities settled in cash through electronic payment systems that meet the required criteria. Such liabilities are derecognized before the settlement date when the related payment instruction cannot be withdrawn, stopped or cancelled, the Company no longer has access to the cash designated for settlement, and the related settlement risk is insignificant.

The adoption of these amendments did not have a significant impact on the measurement or the disclosure of financial assets and liabilities of the Company.

Accounting pronouncements issued but not yet effective

IFRS 18, Presentation and Disclosure in Financial Statements (IFRS 18) is a new standard that will provide new presentation and disclosure requirements and that will replace IAS 1. IFRS 18 introduces changes to the structure of the statements of income and comprehensive income, provides required disclosures in financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements and provides enhanced principles on aggregation and disaggregation in financial statements. Many other existing principles in IAS 1 have been maintained. IFRS 18 is effective for years beginning on or after January 1, 2027.

The impact of the adoption of this pronouncement is currently being assessed.

4 Significant accounting judgments, estimates and assumptions

Application of accounting policies requires management to use estimates and judgments that can have significant effects on the revenue, expenses, comprehensive income, assets and liabilities recognized and disclosures made in the interim condensed consolidated financial statements.

Management's best estimates concerning the future are based on the facts and circumstances available at the time estimates are made. Management uses historical experience, general economic conditions and assumptions regarding probable future outcomes as the basis for determining estimates. Estimates and their underlying assumptions are reviewed periodically, and the effects of any changes are recognized immediately. Actual results could differ from the estimates used.

There have been no material changes to the nature of estimates and judgments reported in the Company's consolidated financial statements for the year ended December 31, 2025.

5 Revenue

The Company recognizes revenue on sale of products, commissions and other revenue in the interim condensed consolidated financial statements. All revenue is generated in Canada. The total revenue recognized in these categories is as follows:

	Three months ended March 31,	
	2026 **$**	**2025** **$**
Types of revenue		
Pharmaceutical, nutraceutical and consumable products	2,708,843	2,412,276
Compounded pharmaceutical products	5,606,286	5,132,410
Commissions and other revenue	438,607	377,149
Total revenue	8,753,736	7,921,835

6 Inventories

	March 31, 2026 **$**	**December 31, 2025** **$**
Raw materials	1,688,189	1,865,079
Finished goods	3,633,310	3,709,235
Inventory reserve	(22,000)	(15,000)
	5,299,499	5,559,314

The cost of inventory recognized as an expense and included in the interim condensed consolidated statements of income and comprehensive income as part of cost of sales was $2,782,234 for the three months ended March 31, 2026 (2025 – $2,855,318).

7 Property and equipment

	Land $	Buildings $	Office furniture and equipment $	Computer equipment and software $	Lab equipment $	Leasehold improvements $	Total $
Cost							
As at December 31, 2025	490,000	4,390,000	280,868	369,775	947,349	1,643,895	8,121,887
Additions	-	-	-	6,348	23,613	46,628	76,589
As at March 31, 2026	490,000	4,390,000	280,868	376,123	970,962	1,690,523	8,198,476
Depreciation and impairment							
As at December 31, 2025	-	268,708	93,620	158,595	373,664	982,204	1,876,791
Depreciation	-	61,820	9,380	17,005	44,576	62,211	194,992
As at March 31, 2026	-	330,528	103,000	175,600	418,240	1,044,415	2,071,783
Net book value							
December 31, 2025	490,000	4,121,292	187,248	211,180	573,685	661,691	6,245,096
March 31, 2026	490,000	4,059,472	177,868	200,523	552,722	646,108	6,126,693

Depreciation included in cost of sales for the three months ended March 31, 2026 was $143,215 (2025 – $107,766).

8 Leases

The Company has lease contracts for property. One property lease has an initial term of three years with an extension option. The second property lease has an initial term of two years with an extension option. Management exercises judgment in determining whether these extension options are reasonably certain to be exercised and has not included these extension options in the calculation of the lease liabilities and right-of-use assets. The rental payments for the property lease extensions will be adjusted at the time of extension based on the market rate as at that date.

On July 30, 2025, the Company signed a new office lease in Oakville, Ontario. The lease term commences November 1, 2025. Over the initial term of the lease of three years, the total minimum lease payments are $155,000. The Company also has a renewal option for an additional period of three years.

On August 22, 2025, the Company signed a new facility lease in Ancaster, Ontario. The lease term commences January 1, 2027. Over the initial term of the lease of 15 years, the total minimum lease payments are $7,884,000. The Company also has a renewal option for an additional period of ten years, based on two options of five years each. Following the signing of this lease, it was no longer reasonably certain that extension options in existing leases would be exercised.

Set out below are the carrying amounts of right-of-use assets recognized and the movements during the period:

	$
As at December 31, 2025	673,361
Depreciation expense	(100,295)
As at March 31, 2026	573,066

Depreciation included in cost of sales for the three months ended March 31, 2026 was $79,040 (2025 – $26,440).

The decommissioning liability for certain leases is included within provisions on the interim condensed consolidated statements of financial position.

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	$
As at December 31, 2025	420,185
Payments	(46,660)
Accretion of interest	6,422
As at March 31, 2026	379,947

A breakdown of the current and non-current portion of lease liabilities is as follows:

	March 31, 2026 $	December 31, 2025 $
Current lease liabilities	157,494	165,424
Non-current lease liabilities	222,453	254,761
	379,947	420,185

9 Goodwill and intangible assets

Goodwill and intangible assets of the Company consisted of the following:

	Goodwill $	Customer relationships $	Non-compete agreement	Brand $	Pre-1954 Charter $	Total $
Cost						
As at December 31, 2025	24,202,255	15,660,000	1,000,000	2,700,000	2,300,000	45,862,255
As at March 31, 2026	24,202,255	15,660,000	1,000,000	2,700,000	2,300,000	45,862,255
Amortization and impairment						
As at December 31, 2025	-	4,781,556	216,667	-	-	4,998,223
Amortization	-	328,917	50,000	-	-	378,917
As at March 31, 2026	-	5,110,473	266,667	-	-	5,377,140
Net book value						
As at December 31, 2025	24,202,255	10,878,444	783,333	2,700,000	2,300,000	40,864,032
As at March 31, 2026	24,202,255	10,549,527	733,333	2,700,000	2,300,000	40,485,115

10 Borrowings

A summary of the movements in borrowings is as follows:

	CWB credit loan $	CWB CPM credit loan $	CWB mortgage $	Total borrowings $
Balance – December 31, 2025	7,245,331	13,485,276	4,322,434	25,053,041
Repayment of borrowings	(276,428)	(204,751)	(17,321)	(498,500)
Interest and accretion expense	103,667	243,524	78,518	425,709
Interest paid	(85,800)	(238,217)	(76,616)	(400,633)
Balance – March 31, 2026	6,986,770	13,285,832	4,307,015	24,579,617
Current borrowings	1,167,139	934,764	97,901	2,199,804
Non-current borrowings	5,819,631	12,351,068	4,209,114	22,379,813
	6,986,770	13,285,832	4,307,015	24,579,617

11 Share capital

Authorized
Unlimited number of common shares without par value

Issued and outstanding

	Number of shares	
	March 31, 2026	**December 31, 2025**
Common shares	34,492,334	34,192,334

12 Warrants

The Company issued warrants to compensate third party brokers for transaction costs incurred directly in relation to the issuance of common shares prior to completion of its go public transaction.

A summary of outstanding warrants is as follows:

Issuance/related issuance	**Number of common share entitlements**	**Exercise price $**	**Expiry date**	**Fair value at initial recognition $**
2021 broker warrants	192,000	1.67	June 17, 2026	181,440

	Broker warrants	**Total warrants**
Balance as at December 31, 2025	192,000	192,000
Balance as at March 31, 2026	192,000	192,000

13 Share-based compensation

The Company has established a stock option plan for its directors, officers, employees and consultants under which the Company may grant options from time to time to acquire a maximum of 10% of the issued and outstanding common shares. The exercise price of each option granted under the plan shall be determined by the Board of Directors.

Options may be granted for a maximum term of ten years from the date of the grant. They are non-transferable and are exercisable as determined by the Board of Directors when the option is granted.

Share-based compensation expense for the three months ended March 31, 2026 was $12,627 (2025 – $17,109).

A summary of the stock option changes during the three months ended March 31, 2026 and the total number of stock options outstanding as at that date is set forth below:

	Number of stock options	Weighted average exercise price $
Balance as at January 1, 2026	2,268,500	1.26
Exercised	(300,000)	0.83
Balance as at March 31, 2026	1,968,500	1.33

The following table summarizes information about the stock options outstanding as at March 31, 2026.

Exercise price $	Number of stock options	Weighted average remaining contractual life in years	Number of outstanding options exercisable
0.73	240,000	8.05	80,001
0.88	345,000	1.05	345,000
1.30	520,000	2.71	520,000
1.32	50,000	9.67	-
1.50	418,500	5.00	418,500
1.67	60,000	0.22	60,000
2.00	335,000	6.63	335,000
	1,968,500	4.76	1,758,501

14 Nature of expenses

	Three months ended March 31,	
	2026 $	2025 $
Sales and marketing		
Salary, bonus, benefits	934,444	729,367
Travel, meals, business expenses	82,568	59,151
Professional and outside services	120,922	88,431
Advertising and promotion	75,436	79,573
Other expenses	48,915	53,568
Total sales and marketing	1,262,285	1,010,090

	Three months ended March 31,	
	2026 **$**	**2025** **$**
General and administrative		
Salary, bonus, benefits	860,310	826,514
Travel, meals, business expenses	16,960	36,049
Professional and outside services	495,821	367,639
Other expenses	359,728	302,377
Total general and administrative	1,732,819	1,532,579

	Three months ended March 31,	
	2026 **$**	**2025** **$**
Distribution		
Salary, bonus, benefits	130,756	110,585
Travel, meals, business expenses	2,863	2,447
Professional and outside services	394	394
Other expenses	53,404	57,939
Freight expense	369,005	347,515
Total distribution	556,422	518,880

	Three months ended March 31,	
	2026 **$**	**2025** **$**
Regulatory		
Professional and outside services	34,592	46,826

15 Contingencies

Claims and legal actions

In the normal course of operations, the Company may be subject to litigation. When appropriate, management will record a provision while it actively pursues its position. When it is the opinion of management that the likelihood and measurability of the potential liability is not determinable, no provision will be recorded. As at March 31, 2026, $nil was recorded in relation to legal claims (December 31, 2025 – $nil).

Indemnifications

All directors and officers of the Company are indemnified by the Company for various items including, but not limited to, all costs to settle lawsuits or actions due to their association with the Company, subject to certain restrictions. The Company has purchased directors' and officers' liability insurance to mitigate the cost of any potential future lawsuits or actions. The term of the indemnification is not explicitly defined, but is limited to events for the period during which the indemnified party served as a director or officer of the Company. The maximum amount of any potential future payment cannot be reasonably estimated, but could have a material adverse effect on the Company.

The Company has also indemnified third parties in relation to certain debt and equity offerings and their respective affiliates and directors, officers, employees, shareholders, partners, advisers and agents and each other person, if any, controlling any of the third parties or their affiliates against certain liabilities.

16 Earnings per share

The following table shows the calculation of basic and diluted earnings per share:

	Three months ended March 31,	
	2026 $	2025 $
Net income for the period	145,265	27,248
Weighted average number of common shares	34,392,334	34,192,334
Weighted average number of diluted shares	35,497,334	35,077,034
Basic and diluted earnings per share	0.004	0.001

17 Segment reporting

The Company has two reportable operating segments: the Animal Health business unit and the Pharmacy business unit. The chief operating decision maker for the Company comprises the Chief Executive Officer and the Board of Directors.

Animal Health business unit

The Animal Health business unit, which began activities in 2015 and grew as a result of the acquisition of Veterinary Healthcare Solutions Inc. in 2018, primarily focuses on selling, marketing and distributing pharmaceutical, nutraceutical and consumable products to veterinary clinics across Canada.

Pharmacy business unit

The Pharmacy business unit, which was acquired on completion of the Trutina Pharmacy Inc. and TruBalance Healthcare Inc. acquisition on September 1, 2021 and grew as a result of the 6303021 Manitoba Ltd. (The Compounding Pharmacy of Manitoba) acquisition on December 2, 2024, compounds pharmaceuticals for the human and animal health markets.

Corporate

The corporate cost centre represents certain centralized assets, liabilities and costs, including those associated with being a public reporting entity.

The following tables set forth items by reportable operating segment and corporate as at and for the three months ended March 31, 2026 and 2025 and as at and for the year ended December 31, 2025.

	Three months ended March 31, 2026		
	Animal Health $	Pharmacy $	Total $
Revenue	3,108,666	5,645,070	8,753,736
Cost of sales	1,354,035	2,665,797	4,019,832
Gross profit	1,754,631	2,979,273	4,733,904

	Three months ended March 31, 2025		
	Animal Health $	Pharmacy $	Total $
Revenue	2,732,629	5,189,206	7,921,835
Cost of sales	1,309,445	2,442,678	3,752,123
Gross profit	1,423,184	2,746,528	4,169,712

	As at and for the three-month period ended March 31, 2026			
	Animal Health $	**Pharmacy $**	**Corporate $**	**Total $**
Total assets	13,054,440	49,660,604	1,648,623	64,363,667
Total liabilities	1,387,305	6,621,832	25,383,077	33,392,214
Property and equipment	41,809	6,055,212	29,672	6,126,693
Right-of-use assets	-	327,417	245,649	573,066
Goodwill and intangible assets	1,712,336	38,772,779	-	40,485,115
Additions to property and equipment and intangible assets	3,240	73,349	-	76,589
Depreciation and amortization	2,945	658,121	13,138	674,204

	As at and for the year ended December 31, 2025			
	Animal Health $	**Pharmacy $**	**Corporate $**	**Total $**
Total assets	12,665,858	50,005,975	1,856,633	64,528,466
Total liabilities	1,476,651	6,566,696	25,920,558	33,963,905
Property and equipment	41,514	6,171,772	31,810	6,245,096
Right-of-use assets	-	416,713	256,648	673,361
Goodwill and intangible assets	1,712,336	39,151,696	-	40,864,032
Additions to property and equipment and intangible assets	23,279	404,058	30,613	457,950
Depreciation and amortization	11,375	2,673,887	17,192	2,702,454

18 Related party transactions

A shareholder of the Company holds 80,000 stock options, which were granted in 2018 and are fully vested.

Compensation of key management personnel

Key management includes the Company's directors and executive management team. The remuneration of directors and the senior management team was as follows:

	Three months ended March 31,	
	2026 $	2025 $
Salary, benefits, director fees and bonus	413,155	409,377
Share-based compensation expense	3,718	12,206
	416,873	421,583