

Grey Wolf Animal Health Corp.

Interim Condensed Consolidated Financial Statements
September 30, 2023

Grey Wolf Animal Health Corp.
Interim Condensed Consolidated Statements of Financial Position

	September 30, 2023 \$	December 31, 2022 \$
Assets		
Current assets		
Cash and cash equivalents	7,969,294	6,859,297
Trade and other receivables	2,060,944	1,953,676
Inventories (note 6)	4,347,764	3,764,852
Prepaid expenses	284,435	309,472
Total current assets	<u>14,662,437</u>	<u>12,887,297</u>
Non-current assets		
Property and equipment (note 7)	996,539	1,120,560
Right-of-use assets (note 8)	765,284	911,995
Goodwill and intangible assets (note 9)	23,658,003	24,389,253
Total non-current assets	<u>25,419,826</u>	<u>26,421,808</u>
Total assets	<u>40,082,263</u>	<u>39,309,105</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	4,070,232	3,690,528
Income taxes payable	257,866	63,526
Borrowings (note 10)	1,089,499	1,056,856
Lease liabilities (note 8)	101,900	181,106
Total current liabilities	<u>5,519,497</u>	<u>4,992,016</u>
Non-current liabilities		
Borrowings (note 10)	8,360,119	9,053,081
Lease liabilities (note 8)	681,975	737,763
Deferred tax liabilities	205,382	278,857
Total non-current liabilities	<u>9,247,476</u>	<u>10,069,701</u>
Total liabilities	<u>14,766,973</u>	<u>15,061,717</u>
Equity		
Share capital (note 11)	28,577,293	28,577,293
Warrants (note 12)	3,502,371	3,502,371
Contributed surplus	1,637,052	1,462,614
Deficit	(8,401,426)	(9,294,890)
Total equity	<u>25,315,290</u>	<u>24,247,388</u>
Total equity and liabilities	<u>40,082,263</u>	<u>39,309,105</u>

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

Grey Wolf Animal Health Corp.

Interim Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)

	Three months ended September 30,		Nine months ended September 30,	
	2023 \$	2022 \$	2023 \$	2022 \$
Revenue (note 5)	6,527,122	5,809,083	19,252,899	17,107,136
Cost of sales	3,315,746	2,843,586	9,494,508	8,341,475
Gross profit	3,211,376	2,965,497	9,758,391	8,765,661
Expenses				
Sales and marketing (note 14)	1,006,661	930,573	3,101,873	2,776,610
General and administrative (note 14)	902,671	1,373,238	2,727,950	4,060,139
Distribution (note 14)	380,236	324,477	1,115,173	1,006,118
Regulatory (note 14)	30,967	14,782	67,114	32,612
Depreciation and amortization (notes 7, 8 and 9)	285,997	286,384	856,258	956,411
Share-based compensation (note 13)	58,146	47,711	174,438	143,133
	2,664,678	2,977,165	8,042,806	8,975,023
Income (loss) from operations	546,698	(11,668)	1,715,585	(209,362)
Other (income) expense				
Interest income	(35,382)	-	(95,855)	-
Interest expense	147,939	852,968	454,997	2,465,490
Change in fair value of embedded derivatives	-	324,327	-	797,027
Foreign exchange loss	14,903	29,255	27,413	33,532
Other income (note 15)	-	-	-	(10,000)
	127,460	1,206,550	386,555	3,286,049
Income (loss) before income taxes	419,238	(1,218,218)	1,329,030	(3,495,411)
Current income tax expense	146,800	102,970	509,041	286,375
Deferred income tax recovery	(10,071)	(177,380)	(73,475)	(528,404)
	136,729	(74,410)	435,566	(242,029)
Net income (loss) and comprehensive income (loss) for the period	282,509	(1,143,808)	893,464	(3,253,382)
Basic earnings (loss) per share for the period (note 17)	0.01	(0.08)	0.03	(0.22)
Diluted earnings (loss) per share for the period (note 17)	0.01	(0.08)	0.03	(0.22)

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

Grey Wolf Animal Health Corp.

Interim Condensed Consolidated Statements of Changes in Shareholders' Equity

	Nine months ended September 30, 2023					
	Number of shares	Share capital \$	Warrants \$	Contributed surplus \$	Deficit \$	Total \$
Balance – Beginning of period	31,032,222	28,577,293	3,502,371	1,462,614	(9,294,890)	24,247,388
Net income for the period	-	-	-	-	893,464	893,464
Share-based compensation expense	-	-	-	174,438	-	174,438
Balance – End of period	31,032,222	28,577,293	3,502,371	1,637,052	(8,401,426)	25,315,290

	Nine months ended September 30, 2022						
	Number of shares	Share capital \$	Equity component of convertible debentures \$	Warrants \$	Contributed surplus \$	Deficit \$	Total \$
Balance – Beginning of period	14,662,989	9,689,144	2,005,112	3,320,931	899,145	(11,838,086)	4,076,246
Net loss for the period	-	-	-	-	-	(3,253,382)	(3,253,382)
Share-based compensation expense	-	-	-	-	143,133	-	143,133
Balance – End of period	14,662,989	9,689,144	2,005,112	3,320,931	1,042,278	(15,091,468)	965,997

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

	Nine months ended September 30,	
	2023	2022
	\$	\$
Cash provided by (used in)		
Operating activities		
Net income (loss) for the period	893,464	(3,253,382)
Adjustments to reconcile loss for the period to net cash flows		
Depreciation of property and equipment (note 7)	209,159	210,349
Depreciation of right-of-use assets (note 8)	146,711	139,405
Amortization of intangible assets (note 9)	731,250	839,583
Amortization of financing fees	92,267	30,756
Forgiveness on repayment of borrowings (note 15)	-	(10,000)
Interest expense (notes 8 and 10)	3,407	1,971,376
Change in fair value of embedded derivatives	-	797,027
Share-based compensation expense (note 13)	174,438	143,133
Income tax expense (recovery)	435,566	(242,029)
Income tax paid	(314,701)	(294,133)
Working capital changes		
Trade and other receivables	(107,268)	(965,245)
Inventories	(582,912)	(525,074)
Prepaid expenses	25,037	(131,542)
Accounts payable and accrued liabilities	368,252	739,373
	<u>2,074,670</u>	<u>(550,403)</u>
Investing activities		
Purchase of property and equipment (note 7)	<u>(73,686)</u>	<u>(38,636)</u>
Financing activities		
Repayment of borrowings (note 10)	(727,359)	(693,475)
Payment of principal portion of lease liabilities (note 8)	<u>(163,628)</u>	<u>(153,357)</u>
	<u>(890,987)</u>	<u>(846,832)</u>
Increase (decrease) in cash and cash equivalents during the period	1,109,997	(1,435,871)
Cash and cash equivalents – Beginning of period	<u>6,859,297</u>	<u>4,351,857</u>
Cash and cash equivalents – End of period	<u>7,969,294</u>	<u>2,915,986</u>
Supplementary information		
Interest paid	359,324	463,368
Purchase of property and equipment in accounts payable	11,452	-

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

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Notes to Interim Condensed Consolidated Financial Statements

September 30, 2023

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, as Magen Ventures I Inc. (Magen) and was classified as a capital pool company as defined, pursuant to Policy 2.4 of the TSX Venture Exchange (the Exchange).

On November 15, 2022, the Company closed its qualifying transaction (the Magen Transaction) with Grey Wolf Animal Health Inc. (GWAH), a diversified animal health company. The Company's mission is to empower veterinary professionals and pet owners with innovative products to improve the health and wellness of animals in need of care. The primary focus of the Company's corporate strategy is to source, in-license, acquire or compound branded and generic products for sale in Canada.

In connection with the Magen Transaction, Magen changed its name to Grey Wolf Animal Health Corp. and consolidated its common shares prior to the completion of the Magen Transaction on the basis of one post-consolidation common share for every 16.6667 pre-consolidation common shares. Following these changes, GWAH amalgamated with 1000348459 Ontario Inc., a wholly owned subsidiary of Magen formed solely for the purposes of facilitating the Magen Transaction. Pursuant to the amalgamation, the shareholders of GWAH received one common share of the Company for each common share of GWAH. As a result of the Magen Transaction, GWAH is now legally a wholly owned subsidiary of the Company.

The comparative figures that are presented in the interim condensed consolidated financial statements for the three and nine-month periods ended September 30, 2022 are those of GWAH.

On November 23, 2022, the shares of the Company commenced trading on the Exchange under the ticker symbol WOLF.

The Company's head office is located at 100 King St. W., Suite 6000, 1 First Canadian Place, Toronto, ON, M5X 1E2.

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) 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, 2022, which were prepared in accordance with IFRS.

The interim condensed consolidated financial statements have been prepared using the accrual basis of accounting at historical cost except for embedded derivatives, which are measured at fair value.

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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 September 30, 2023 was \$8,568,672 (December 31, 2022 – \$9,474,468) and was determined using inputs from quoted market prices.

These interim condensed consolidated financial statements were approved by the Board of Directors on November 22, 2023.

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, 2022.

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 (loss), 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, 2022.

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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 September 30,		Nine months ended September 30,	
	2023 \$	2022 \$	2023 \$	2022 \$
Types of revenue				
Pharmaceutical, nutraceutical and consumable products	2,600,357	2,360,423	7,714,574	7,054,312
Compounded pharmaceutical products	3,532,695	3,105,371	10,328,972	8,984,748
Commissions and other revenue	394,070	343,289	1,209,353	1,068,076
Total revenue	<u>6,527,122</u>	<u>5,809,083</u>	<u>19,252,899</u>	<u>17,107,136</u>

6 Inventories

	September 30, 2023 \$	December 31, 2022 \$
Raw materials	1,255,507	1,225,190
Finished goods	3,117,257	2,599,662
Inventory reserve	(25,000)	(60,000)
	<u>4,347,764</u>	<u>3,764,852</u>

The cost of inventory recognized as an expense and included in the interim condensed consolidated statements of operations and comprehensive income (loss) as part of cost of sales was \$2,630,852 and \$7,712,164 for the three and nine months ended September 30, 2023 (2022 – \$2,398,236 and \$7,010,697).

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7 Property and equipment

	Office furniture and equipment \$	Computer equipment and software \$	Lab equipment \$	Leasehold improvements \$	Total \$
Cost					
Balance as at December 31, 2022	70,143	75,327	131,965	1,234,911	1,512,346
Additions	13,681	50,004	21,453	-	85,138
Balance as at September 30, 2023	83,824	125,331	153,418	1,234,911	1,597,484
Depreciation and impairment					
Balance as at December 31, 2022	20,973	31,685	45,384	293,744	391,786
Depreciation	8,476	17,798	19,946	162,939	209,159
Balance as at September 30, 2023	29,449	49,483	65,330	456,683	600,945
Net book value					
December 31, 2022	49,170	43,642	86,581	941,167	1,120,560
September 30, 2023	54,375	75,848	88,088	778,228	996,539

Depreciation included in cost of sales for the three and nine months ended September 30, 2023 was \$59,221 and \$173,294 (2022 – \$58,576 and \$175,360).

8 Leases

The Company has lease contracts for property and office equipment. Leases of office equipment are generally between three and five years, while the property leases have an initial term of 18 months to five years, with one property lease having an extension option. Management exercises judgment in determining whether this extension option is reasonably certain to be exercised and has included this extension option in the calculation of the lease liabilities and right-of-use assets. The rental payments for the property lease extension will be adjusted at the time of extension based on the market rate at that date. No other lease contracts include extension options.

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

	\$
As at December 31, 2022	911,995
Depreciation expense	146,711
As at September 30, 2023	765,284

Depreciation included in cost of sales for the three and nine months ended September 30, 2023 was \$19,189 and \$57,567 (2022 – \$19,189 and \$76,755).

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

	\$
As at December 31, 2022	918,869
Payments	(163,628)
Accretion of interest	28,634
	<u>783,875</u>
As at September 30, 2023	<u>783,875</u>

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

	September 30, 2023 \$	December 31, 2022 \$
Current lease liabilities	101,900	181,106
Non-current lease liabilities	681,975	737,763
	<u>783,875</u>	<u>918,869</u>

9 Goodwill and intangible assets

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

	Goodwill \$	Customer relationships \$	Brand \$	Pre-1954 Charter \$	Total \$
Cost					
As at December 31, 2022	13,889,254	6,800,000	2,700,000	2,300,000	25,689,254
As at September 30, 2023	13,889,254	6,800,000	2,700,000	2,300,000	25,689,254
Amortization and impairment					
As at December 31, 2022	-	1,300,001	-	-	1,300,001
Amortization	-	731,250	-	-	731,250
As at September 30, 2023	-	2,031,251	-	-	2,031,251
Net book value					
As at December 31, 2022	13,889,254	5,499,999	2,700,000	2,300,000	24,389,253
As at September 30, 2023	13,889,254	4,768,749	2,700,000	2,300,000	23,658,003

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10 Borrowings

A summary of the movements in borrowings is as follows:

	CEBA loan \$	CWB credit loan \$	Total borrowings \$
Balance as at December 31, 2022	40,000	10,069,937	10,109,937
Repayment of borrowings	-	(727,359)	(727,359)
Interest and accretion expense	-	426,364	426,364
Interest paid	-	(359,324)	(359,324)
Balance as at September 30, 2023	40,000	9,409,618	9,449,618
Current borrowings	40,000	1,049,499	1,089,499
Non-current borrowings	-	8,360,119	8,360,119
	40,000	9,409,618	9,449,618

11 Share capital

Authorized

Unlimited number of common shares without par value

Issued and outstanding

	Number of shares	
	September 30, 2023	December 31, 2022
Common shares	31,032,222	31,032,222

12 Warrants

Warrants were issued concurrently with the previous convertible debentures and convertible preferred shares. The Company also issued warrants to compensate third party brokers for transaction costs incurred directly in relation to the issuances of certain convertible debentures, convertible preferred shares and borrowings.

As a result of the Magen Transaction (note 1), effective November 15, 2022, each former Magen broker warrant holder received one broker warrant to purchase common shares of the Company for every 16.6667 broker warrants they exchanged in the Magen Transaction.

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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 convertible debentures	1,393,750	2.10	August 31, 2024	231,875
2021 convertible preferred shares	301,250	2.10	August 31, 2024	50,118
2021 broker warrants	682,000	2.10	August 31, 2024	122,759
2021 broker warrants	192,000	1.67	June 17, 2026	181,440
		Investor warrants	Broker warrants	Total warrants
Balance at December 31, 2022 and September 30, 2023		1,695,000	874,000	2,569,000

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 and nine months ended September 30, 2023 was \$58,146 and \$174,438 (2022 – \$47,711 and \$143,133).

A summary of the stock option changes during the nine months ended September 30, 2023 and the total number of stock options outstanding as at that date are set forth below:

	Number of stock options	Weighted average exercise price \$
Balance at December 31, 2022 and September 30, 2023	2,193,500	1.37

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The following table summarizes information about the stock options outstanding as at September 30, 2023.

Exercise price \$	Number of stock options	Weighted average remaining contractual life in years	Number of outstanding exercisable
0.83	300,000	2.40	300,000
0.88	345,000	3.63	345,000
1.30	570,000	5.27	570,000
1.50	468,500	7.43	241,834
1.67	60,000	2.72	60,000
2.00	450,000	9.13	-
	2,193,500	5.10	1,516,834

14 Nature of expenses

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Sales and marketing				
Salary, bonus, benefits	663,833	588,644	2,091,139	1,793,230
Travel, meals, business expenses	89,375	70,952	255,505	185,328
Professional and outside services	122,379	79,649	301,202	221,510
Advertising and promotion	114,950	141,732	354,663	451,076
Other expenses	16,124	49,596	99,364	125,466
Total sales and marketing	1,006,661	930,573	3,101,873	2,776,610
	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
	\$	\$	\$	\$
General and administrative				
Salary, bonus, benefits	434,026	512,646	1,426,648	1,407,548
Travel, meals, business expenses	19,890	3,666	47,326	15,673
Professional and outside services	273,794	613,222	786,773	2,147,995
Other expenses	174,961	243,704	467,203	488,923
Total general and administrative	902,671	1,373,238	2,727,950	4,060,139

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	Three months ended September 30,		Nine months ended September 30,	
	2023 \$	2022 \$	2023 \$	2022 \$
Distribution				
Salary, bonus, benefits	83,817	50,490	224,867	139,841
Travel, meals, business expenses	1,884	1,560	5,004	4,873
Professional and outside services	125	175	375	525
Other expenses	19,837	18,725	78,978	65,919
Freight expense	274,573	253,527	805,949	794,960
Total distribution	380,236	324,477	1,115,173	1,006,118
	Three months ended September 30,		Nine months ended September 30,	
	2023 \$	2022 \$	2023 \$	2022 \$
Regulatory				
Professional and outside services	30,967	14,782	67,114	32,612
Total regulatory	30,967	14,782	67,114	32,612

15 Government loans

On April 24, 2020, the Company received an \$80,000 Canadian Emergency Business Account (CEBA) loan. On February 24, 2022, \$10,000 was forgiven based on a January 19, 2021 repayment of \$30,000 against \$40,000 of the original CEBA loan.

The CEBA loan bears no interest until December 31, 2023. If the balance is not paid by December 31, 2023, the remaining balance will be converted into a three-year term loan at 5% annual interest, paid monthly, effective January 1, 2024. The full balance must be repaid by no later than December 31, 2025. If the Company fully repays the loan by December 31, 2023, then \$10,000 in loan forgiveness is available.

16 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 September 30, 2023, \$nil was recorded in relation to legal claims (December 31, 2022 – \$nil).

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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.

17 Earnings (loss) per share

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

	Three months ended September 30,		Nine months ended September 30,	
	2023 \$	2022 \$	2023 \$	2022 \$
Net earnings (loss) for the period	282,509	(1,143,808)	893,464	(3,253,382)
Weighted average number of common shares	31,032,222	14,662,989	31,032,222	14,662,989
Basic and diluted earnings (loss) per share	0.01	(0.08)	0.03	(0.22)

No stock options were dilutive as at September 30, 2023 and therefore were excluded from the calculation of diluted earnings per share.

18 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.

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Pharmacy business unit

The Pharmacy business unit, which was acquired on completion of the Trutina Pharmacy Inc. acquisition on September 1, 2021, compounds pharmaceuticals, primarily for equine use but also for the bioidentical hormone replacement therapy market, all based on prescriptions received from veterinarians, physicians and patients.

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 gross profit, property and equipment, goodwill and intangible assets, right-of-use assets, total assets and total liabilities by reportable operating segment and corporate as at and for the three and nine months ended September 30, 2023 and 2022 and as at and for the year ended December 31, 2022.

	Three months ended September 30, 2023		
	Animal Health \$	Pharmacy \$	Total \$
Revenue	2,948,266	3,578,856	6,527,122
Cost of sales	1,316,769	1,998,977	3,315,746
Gross profit	1,631,497	1,579,879	3,211,376

	Nine months ended September 30, 2023		
	Animal Health \$	Pharmacy \$	Total \$
Revenue	8,834,623	10,418,276	19,252,899
Cost of sales	4,023,945	5,470,563	9,494,508
Gross profit	4,810,678	4,947,713	9,758,391

	Three months ended September 30, 2022		
	Animal Health \$	Pharmacy \$	Total \$
Revenue	2,696,679	3,112,404	5,809,083
Cost of sales	1,184,033	1,659,553	2,843,586
Gross profit	1,512,646	1,452,851	2,965,497

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	Nine months ended September 30, 2022		
	Animal Health \$	Pharmacy \$	Total \$
Revenue	8,067,070	9,040,066	17,107,136
Cost of sales	3,646,184	4,695,291	8,341,475
Gross profit	4,420,886	4,344,775	8,765,661

**As at and for the nine-month period ended September 30,
2023**

	Animal Health \$	Pharmacy \$	Corporate \$	Total \$
Total assets	10,056,775	26,979,381	3,046,107	40,082,263
Total liabilities	10,376,478	4,489,691	(99,196)	14,766,973
Property and equipment	23,295	971,033	2,211	996,539
Right-of-use assets	26,973	738,311	-	765,284
Goodwill and intangible assets	1,712,336	21,945,667	-	23,658,003
Additions to property and equipment and intangible assets	6,109	76,572	2,457	85,138
Depreciation and amortization	91,949	994,925	246	1,087,120

**As at and for the year ended December 31,
2022**

	Animal Health \$	Pharmacy \$	Corporate \$	Total \$
Total assets	7,963,130	27,133,863	4,212,112	39,309,105
Total liabilities	10,887,407	4,167,756	6,554	15,061,717
Property and equipment	28,214	1,092,346	-	1,120,560
Right-of-use assets	107,894	804,101	-	911,995
Goodwill and intangible assets	1,712,336	22,676,917	-	24,389,253
Additions to property and equipment and intangible assets	33,396	20,360	-	53,756
Depreciation and amortization	113,766	1,442,749	-	1,556,515

Grey Wolf Animal Health Corp.

Notes to Interim Condensed Consolidated Financial Statements

September 30, 2023

19 Related party transactions

During the three and nine months ended September 30, 2023, the Company paid a total of \$1,920 and \$5,760 (2022 – \$4,910 and \$14,706) to a related security holder for advisory services and office rent. As at September 30, 2023, \$nil (December 31, 2022 – \$1,358) was payable to this related security holder and included in accounts payable and accrued liabilities.

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 September 30,		Nine months ended September 30,	
	2023 \$	2022 \$	2023 \$	2022 \$
Salary, benefits, director fees and bonus	391,822	333,908	1,147,610	1,003,654
Share-based compensation expense	34,147	47,711	136,890	143,133
	<u>425,969</u>	<u>381,619</u>	<u>1,284,500</u>	<u>1,146,787</u>

Subsequent to the period end, the Company incurred settlement costs of \$408,795.